

This annual report of the Media Development and Diversity Agency (MDDA) describes and details the activities of the Agency for the period 1 April 2016 to 31 March 2017.

This report has been prepared for submission to the Executive Authority and the Parliament of South Africa in line with the requirements of the Public Finance Management Act (No 1 of 1999) and the MDDA Act (No 14 of 2002).

The Media Development and Diversity Agency (MDDA) is a statutory development agency for promoting and ensuring media development and diversity, set up as a partnership between the South African Government and major print and broadcasting companies to assist in (amongst others) developing community and small commercial media in South Africa. It was established in 2003, in terms of the MDDA Act No. 14 of 2002, and started providing grant funding to projects on 29 January 2004.

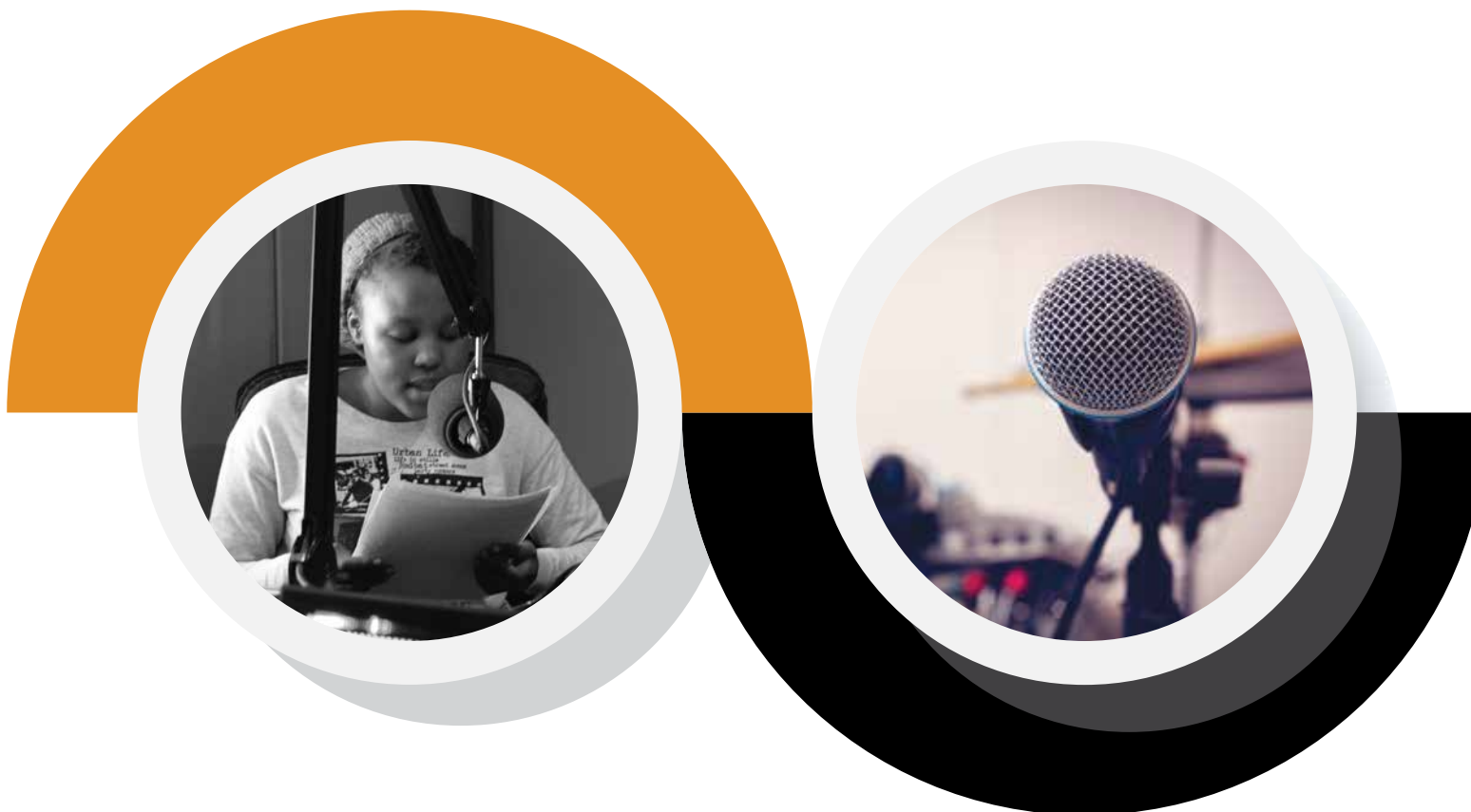


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Vision

An accessible, transformed and diversified media.

Mission

Leading media development, transformation and diversification in South Africa through:

- The creation of a vibrant, innovative and people-centered media.
- A sustained community media through resourcing, skills development and capacity building.
- Working towards a knowledge-based media through proactive research.
- Serving, leading and anticipating the social, economic, technological and environmental needs of communities.

Values

• **Accountability**

We are responsible for our actions, decisions and policies as well as reporting and communicating our outcomes.

• **Inclusivity**

We embrace and celebrate the richness of diversity and recognize the differing skills, experiences and perspectives of each beneficiary/community.

• **Integrity**

We are honest, transparent, reliable, fair, accountable and responsible for our actions.

• **Ubuntu**

We are empathetic, courteous, appreciative and respectful to our staff and clients alike.

• **Professionalism**

We are efficient, effective, service delivery orientated, punctual and performance driven and work collectively.

MDDA Value Proposition

“Integrated development services and resources that enable media development and diversity”.

Overall Objective

“To ensure that all citizens can access information in a language of their choice and to transform media access, ownership and control patterns in South Africa”.

Mandate

The Media Development and Diversity Agency (MDDA) mandate is to:

- Create an enabling environment for media development and diversity which reflects the needs and aspirations of all South Africans.
- Redress exclusion and marginalisation of disadvantaged communities and persons from access to the media and the media industry.
- Promote media development and diversity by providing support primarily to community and small commercial media projects.
- Encourage ownership and control of, and access to, media by historically disadvantaged communities as well as by historically diminished indigenous language and cultural groups.
- Encourage the development of human resources and training, and capacity building, within the media industry, especially amongst historically disadvantaged groups.
- Encourage the channelling of resources to the community media and small commercial media sectors.
- Raise public awareness with regard to media development and diversity issues.



PART ONE: **INTRODUCTION**



1.1 MINISTER OF COMMUNICATIONS

FOREWORD

It gives me great pleasure as the Executive Authority to submit the 2016/2017 Annual Report of the Media Development and Diversity Agency (MDDA). This report describes and details the activities of the Agency for the period 1 April 2016 to 31 March 2017. A free, independent and diverse media remains the lifeblood of our democracy. It ensures the right to expression of different viewpoints and rigorous public debate and, most importantly, plays a pivotal role in the reconstruction and development of our nation.

Media development encapsulates promoting and creating an enabling environment to help redress exclusion and marginalisation of groups and interests from access to media - as audiences, owners, managers and producers of media. As a result, people in more places can create, distribute, access, and apply knowledge in the form of media content - and, so armed, drive development.

Media development and diversity also form part of the priorities Government is pursuing. To this extent, there is recognition that much still needs to be done to deepen media transformation and ensure that disadvantaged communities directly partake in all aspects of media development and management. The success of our democracy, the National Development Plan, the massive infrastructure development drive and the hopes of our people are dependent on access to information in languages of their choice.

Since the establishment of the Agency with the passing of the act in 2002, and with its first funded projects in 2004 through the partnership with government as a major shareholder and private sector, the MDDA has rolled out small commercial, community publications and community radios in areas that have been historically denied access to media and information before. Our historically disadvantaged (HD) communities are now empowered to own their media and to have their own voice through the support of the Agency, which includes capacity building and research in all areas that need to be improved as they learn how to manage these media houses. Young people are able to get training and job opportunities, which makes these entities a breeding ground for future development.

The policy foundations that have guided the MDDA activities are set out clearly in the MDDA Act. The objectives of the MDDA Act are in line with the national policy



Ms Ayanda Dlodlo, MP
Executive Authority
Minister of Communications

priorities and the Constitution Act, 1996 (Act No. 108 of 1996), which are to promote media development and diversity, media freedom, the right to freedom of expression and freedom to receive and impart information or ideas.

I hereby formally table this Annual Report to Parliament.

Ms Ayanda Dlodlo, MP

Executive Authority
Minister of Communications

1.2 CHAIRPERSON'S STATEMENT AND FOREWORD

It is with great pleasure that I present this Annual Report of the Media Development and Diversity Agency (MDDA) on behalf of the Board.

The 2016/2017 financial year started with the community media sector in the midst of exciting changes, together with the concomitant challenges, in South Africa's media landscape. Media, like the rest of society, has had to undergo profound changes whilst striving to be relevant in a fast changing world brought about by globalization and technological developments. Such developments are having a significant impact on community media and have reinforced the important role the MDDA plays in leading discussions and championing necessary changes for the sector.

As a result, the MDDA, in its strategic planning, has committed to strengthening its position as a change and social transformation agent for the sector, providing leadership that will ensure the sustainability of community media in such dynamic times. This has required that the Agency expands its activities to reach a much wider audience through innovative means and public platforms. This includes the promotion of indigenous languages and making a contribution to community development and the alleviation of poverty and inequality. Language development is therefore an increasingly important area of concern, while the MDDA is also directing greater attention to vulnerable groups, such as women, children, with a focus on child rights, and people with disabilities.

An important initiative, which is gaining momentum, is the use of a shared broadcast platform as a means of breaking down barriers between and integrating communities. The initial initiative arose from a commitment made by the President of South Africa to enable the community of Eersterus to have access to their own community radio station. Poort FM, which provides a shared broadcast platform for the communities of Mamelodi and Eersterus, held its first annual general meeting in 2016 and progress is also advanced in developing a similar model for the communities of Khayelitsha and Gugulethu. The MDDA anticipates undertaking further such processes across diverse communities in both the urban and rural areas.



Phelisa Nkomo
Chairperson

Mandate

The MDDA derives its mandate, which is encapsulated in Section 3 of the MDDA Act of 2002, from Section 16 and 32 of the Constitution Act No. 108 of 1996, thereby providing for freedom of expression and access to information. The mandate requires that the MDDA encourages the ownership and control of, and access to media by historically disadvantaged communities as well as by the historically diminished indigenous language and cultural groups.

The MDDA funded its first project in 2004, following its establishment by an Act of Parliament in 2002. In subsequent years, in line with its mandate, the Agency has rapidly increased both the number and reach of the projects it supports, with the cumulative total in 2016/2017 reaching more than 200 media projects across all nine provinces of South Africa. This has been a powerful force in giving a voice to our communities, building skills and creating employment in the local media sector for people from our historically disadvantaged communities.

Despite the significant strides made in media freedom, the media landscape across South Africa does not uniformly exhibit a fully-entrenched diversity and recognition of indigenous languages and culture, while the local media face ongoing sustainability challenges. In this context, the MDDA continues to play a critical role in working towards a flourishing, vibrant and robust local media sector – a sector which supports nation building as well as defends and strengthens our democracy, social cohesion and good governance.

Matters of Governance

The MDDA is a juristic person, is independent and must be impartial, exercising its powers and performing its duties without fear, favour or prejudice and without any political or commercial interference. The Agency is a well-managed organ of state, which has a continuous record of unqualified audit opinions, testimony to the good corporate governance and prudent management of the Agency since its inception.

The MDDA is governed by a unitary Board of Directors, which is independent and impartial, and has a separate role and authority from the Chief Executive Officer (CEO). The Board is primarily responsible for setting the strategic direction of the organization, whilst the CEO is entirely responsible for the implementation of the strategic business and annual performance plans.

Mr Roland Williams' term as a Board member expired at the end of December 2016 and I would like to thank him, together with those Board and Committee members who are still serving their terms, for their contribution and willingness to work as a collective, providing good guidance and leadership to the management team.

During 2016/2017, the Board continued to provide oversight and leadership to the organization through its various committees. The Audit and Risk Committee fulfilled its responsibilities for the year, complying with section 38(1) (a) of the PFMA and Treasury Regulation 3.1. I would like to express my appreciation to Ms Nandipha Madiba who chaired the Audit and Risk Committee for the past year.

Executive Authority

Towards the end of the financial year, the MDDA saw a change in its Executive Authority, with President Jacob Zuma appointing Ms Ayanda Dlodlo as the new Minister of Communications, and Ms Tandi Mahambehlala, as the Deputy Minister of Communications. On behalf of the Board of the MDDA, I would like to thank the outgoing Minister of Communications, Ms Faith Muthambi, and Deputy Minister, Ms Stella Ndabeni-Abrahams, for their invaluable guidance and commitment, both to the Agency and to the community media sector.

We look forward to working with our newly appointed Executive Authority to enhance the impact we are making on media diversity, by further expanding access to the media for the rural and poor, historically diminished language and cultural groups and inadequately served communities.

With the consistent political support, the enabling legislative environment and the positioning of the MDDA in the Department of Communications, the Agency is empowered to drive its proposition.

Funding for the Agency

The Agency receives funding from the South African Government through the Department of Communications, as well as from broadcast service licensees. It has however not received funding from the print sector for the past two years. As print is an important partner towards achieving media development and diversity in South Africa, the MDDA is continuing to engage with this sector as part of a wider initiative to



strengthen relationships with various funders. An increased funding base will enable it to play an even greater role in championing media diversity.

The funding agreements with broadcasting service licensees are aligned to the ICASA regulation and prescribe that each broadcast licensee contributes 0.2% of their annual turnover of licensed activities.

As the Agency, we appreciate the trust bestowed upon us by the mainstream/commercial media industry and the contribution they make to accelerating transformation through supporting the MDDA.

Why Support the MDDA

A strong and vibrant local media speaks directly to the achievement of the transformational agenda outlined in the country's National Development Plan, as well as to the principle of freedom of expression as encapsulated in the Constitution of South Africa. Local media has a vital role to play both in fostering social cohesion and bringing communities together, as well as in vividly portraying the social-cultural realities of society and bringing them to the national stage.

The Way Forward

A wide ranging study on the impact of the MDDA on community media development and diversity is nearing completion and the Agency anticipates that its findings will play a crucial role in sharpening and refining its strategy going forward. The MDDA will interrogate the findings, both to identify gaps in the sector and improve its intervention measures, and to ensure that the MDDA and its partners address the real needs of the sector and further ensure its sustainability.

Our stakeholder management processes will also be strengthened. We will work closely with the Minister of Communications, the Department of Communications and our sister entities and sector bodies to support and engage the community and small commercial media in their initiatives. The MDDA will also be more active in the sector, playing a stronger lobbying and advocacy role on the many issues facing the community sector.

Other initiatives that have been identified as critical to media transformation include the development of the analytic abilities of community media journalists as part of the

MDDA's capacity building efforts. Increasing the MDDA's contribution to supporting content generation by the community media will play a greater role in future budgeting.

As a result, while the core activity of the MDDA remains grant and seed funding for community media projects, the Agency has reviewed and is reinforcing its capacity building, training, advocacy and lobbying roles.

With the MDDA now well into its second decade, the MDDA Act and its associated regulations will be reviewed. I commit the MDDA, on behalf of the Board and Management, to supporting this initiative, and to ensure that the MDDA accelerates its impact on media transformation, social cohesion and nation building.

A special word of thanks to our Executive Authority, the MDDA Board, the MDDA leadership and staff for their commitment to the Agency and its mandate of encouraging and accelerating the growth of local media.



Phelisa Nkomo

Chairperson

1.3 CHIEF EXECUTIVE OFFICER'S EXECUTIVE SUMMARY AND OVERVIEW

The past financial year saw ongoing strides made in Media Development and Diversity, with the MDDA approving more community media projects than it had in any previous year since it awarded its first project in 2004.

In total, the MDDA supported 40 community broadcast projects. In line with the MDDA mandate to support projects in historically disadvantaged communities, the support was weighted heavily towards projects in rural areas, with 28 projects being supported in 15 rural based district municipalities. Encouragingly, 9 of the funded projects are led by the youth.

MDDA support for the print sector saw 10 Small Commercial projects being supported and 8 community print projects. An important component of the support was funds to enable these projects to go digital. Eleven of the projects supported are located across 8 rural based district municipalities, with 7 led by youth.

Operating Environment

As a result of the strategic business planning carried out in September 2015, the organogram of the Agency was reviewed in depth to ensure an organisational structure that is aligned with and is capacitated to deliver on the mandate of the MDDA in a dramatically changing media landscape. As a result, a restructured MDDA entered 2016/2017 with the focus on filling only those vacancies in the new organogram covered by the funding already committed. With two major funders committing support later in the year, intensified focus was then placed on filling all positions in the organogram, resulting in an encouraging decrease in the vacancy rate by end March 2017 (69% as opposed to less than 50% at the same time in the previous year).

A new CEO was appointed as of 1 January 2017, but left the Agency at the end of February 2017. The MDDA, together with the Department of Communications, is prioritising the appointment of a replacement CEO.



Donald Liphoko
Acting Chief Executive Officer

While results indicate that the MDDA has achieved an encouraging outcome in terms of achievement of targets for 2016/2017, the vacancy rate did impact on the achievement of targets in certain areas.

Performance

The MDDA achieved 67% of the annual targets for its 61 key performance indicators. The non-achievement of targets is largely due to the vacancy rate and associated strain on capacity. Encouragingly, in Programme 2, Grant and Seed funding, which is the core activity of the MDDA, the Agency achieved or exceeded the annual targets for 10 of its 13 key performance indicators. This equates to 77%. Job creation is an important spin-off of the funding allocated to projects. In this regard 198 direct jobs were created as a result of community broadcast projects funded in 2016/2017.

Social Integration

The 2016/2017 financial year saw the expansion of a very powerful initiative for building social integration and cohesion between communities. The first such initiative was launched in 2015 for the communities of Mamelodi and Eersterus to share a broadcast platform, now known as Poort FM, using the existing station Mams FM. Poort FM held its AGM in the past year.

Considerable progress was also made in 2016/2017 in developing a second, more encompassing strategy – the Khayelitsha/Gugulethu social integration strategy in the Western Cape, based on the existing Radio Zibonele in Khayelitsha. The African Communities in the Cape Peninsula, together with the Chairperson of the Board of Zibonele FM, expressed their commitment to the Social Integration Project at a public dialogue held in Cape Town. The Gugulethu Development Forum (GDF) and the Khayelitsha Development Forum (KDF), as community development structures, are critical partners to the project. Community leaders from other townships, including Langa, Nyanga and Phillipi, also indicated their wish to be part of the social integration process. With these achievements, an African Communities radio station serving the Cape Peninsula is now becoming a reality, giving prominence to isiXhosa and other indigenous languages. The Social Integration project resonates both with the local Government Municipality Systems Act, 32 of 2000, which encourages a culture of community participation in the programmes of the municipalities, as well as the Constitution, which provides for freedom of expression and access to information.

It is anticipated that the successful implementation of the strategy will yield a model that can be applied in other communities, particularly in rural areas, and thus represent a major step forward in building a cohesive and united South Africa.

Media Transformation

While considerable strides have been made in media transformation in the 13 years since the MDDA supported its first project, the mainstream print media poses a considerable threat to the sustainability of community media in terms of, amongst others, competition for advertising support. The MDDA has begun engaging the four mainstream print media houses in an effort to offer community media print an opportunity to operate with minimal interference and direct competition. A meeting held with the Competition Commission to address unfair competition has yielded positive results, with a judgement having been passed which will result in funds being directed to the MDDA for use in funding small commercial and community print.

A further MDDA initiative to enhance the transformation of the media is concerned with ensuring greater representation of groups largely sidelined by the mainstream media. As a result, the MDDA commenced drawing up a strategy to intensify its support to Disability projects and is also placing greater emphasis on correcting gender imbalances, both in terms of ownership and management of community media, and in the newsroom. In addition, training on content generation is focusing on how women are portrayed in the media and on highlighting issues such as violence against women. This has not in the past received credible and fair coverage. The MDDA partnered with Soul City on training community media in reporting on gender based violence and is initiating a partnership with GenderLinks around Women in Media and Violence against Women. The Agency also supported the AIP Conference on Women in Community Publishing. This first forum of its kind to be held in South Africa created a space for women publishers to discuss issues of mutual concern.

Capacity Building

The ability to attract advertising support is inextricably linked to good quality content, and in this regard an MoU between the MDDA and SAASTA (South African Agency for Science and Technology Advancement) is an important step. Some 25 interns were placed at community projects in seven provinces through the partnership with SAASTA to promote and develop reporting on science related matters.

Other skills such as governance and small business skills are also crucial to sustainability of community media and therefore a focused training initiative on governance is being launched, while a partnership has also been entered into with SEDA on business enterprise development for the community-based media. The partnership with SEDA will capitalise on its countrywide network, enabling “on the ground” mentoring and coaching of community media using the provincial offices of SEDA.

Partnerships

The MDDA placed focus in 2016/2017 on building suitable partnerships, already a well-entrenched strategy of the MDDA to mobilise the resources across the sector to the benefit of community media. Engagement with sister entities and other government organisations was focused on how to partner with them to assist community media both to generate revenue and to reduce operating costs. For example, an engagement with SALGA, the first step in an anticipated long-term partnership between the MDDA and SALGA, highlighted both the need to encourage local government to direct greater advertising support to community media, as well as identifying other means of assisting the sector, such as use of municipal premises by the projects. Partnerships were explored with both Brand South Africa and ICASA, with plans underway to revive a steering committee with ICASA, Sentech and the Department of Communications to tackle issues such as high transmission costs.

Media Awards

The Agency has been hosting media awards, in conjunction with SANLAM, since 2010 and, while these have been a useful means of recognising excellence in the sector, the potential of such awards as a developmental tool has not been fully harnessed. A study into the media awards was therefore commissioned in 2016/2017 to assess the effectiveness of the awards and to inform the further development of these awards to ensure that they are credible, transformative and developmental. The study concluded that there was acknowledgement of the importance and relevance of the awards, but there are a number of issues that need to be addressed before the next awards are hosted. A revamped media awards initiative is being planned for 2017/2018, taking into account these findings.

Stakeholder engagement

For the MDDA to fulfil its mandate effectively, it needs to maintain a high profile amongst its various stakeholder groupings, ranging from its Executive Authority and private sectors funders, through to other relevant government organisations such as SALGA and Sentech, the MDDA sister entities, sector bodies such as the NCRF and AIP, mainstream media, and, importantly, the community media and the communities themselves. In the past financial year, the Agency initiated a plan to pilot an outreach/public campaign to raise awareness of MDDA and the community media sector amongst these stakeholder groupings.

The MDDA has also extensively supported the outreach programmes hosted by the Minister and Deputy Minister of Communications across the country, with Board members presenting on behalf of the MDDA to communities. Board support also resulted in greater funding being directed to the MDDA, with Board members engaging extensively with both broadcast and print funders.

Financial Summary

The spending of the MDDA for the year under review is well within the regulated percentage of allocations. While the rate of disbursements is significantly higher than in previous years, beneficiary projects' non-performance and late reporting is still negatively impacting on the MDDA's ability to adequately disburse funds to them. Although various interventions have been taken to ensure and encourage project compliance, which has seen some improvements in the disbursement rate, there is still room for improvement in this regard. The MDDA has carried out a root cause analysis into the reason why various projects defect and fail to report adequately and on time as required by the Grant agreements. It is anticipated that with the increased training and increased monitoring of the projects, improved compliance will result.

During 2016/17 the MDDA successfully raised R72 million from various sources, which is the highest level of revenue raised in one year in the history of the MDDA. Continued stakeholder engagement and lobbying initiatives will be required to ensure MDDA is financially empowered to achieve and make significant impact in line with its mandate.



The MDDA, through its engagements with the DoC, has entered into an MoU which will facilitate a total of R21 million being earmarked towards supporting community radio stations with broadcast studio equipment. This comes at a crucial time as the MDDA is currently implementing a revised broadcast equipment policy which, it is envisaged, will bring significant contributions to the sector. Some of the positive contributions envisaged include economies of scale enjoyed from the advantage of having a large pool of suppliers to select from, and improved service level agreements.

Way Forward

The year 2016/2017 concluded on a successful note for the MDDA with major initiatives in progress that will positively impact on the future of the Agency and its contribution to a sustainable and vibrant community media sector. In addition, considerable work has been directed towards building the internal capacity of the Agency and realigning it as a knowledge based organization with the skills required to deliver on its mandate in the rapidly changing media landscape.

I would like to thank our dedicated staff, the Executive Authority, both our outgoing Minister of Communications and the Department of Communications, and the MDDA Board for their strategic leadership and guidance and continued support of the Agency. On behalf of the Agency, I would like to express our commitment to working with the new Minister and Deputy Minister of Communications so that, together, we can deliver a diverse and truly representative Communications environment that is accessible to all.



Donald Liphoko

Acting Chief Executive Officer

MDDA MANAGEMENT TEAM



Trevor Kuodza
Acting Chief Financial
Officer



Sibongile Ngwenya
HR and Corporate
Affairs Manager



Khululwa Seyisi
Company Secretary



Motsamai Tsotetsi
IT Manager



Cheryl Langbridge
Communications
Manager



Thembelihle Sibeko
Monitoring and
Evaluation Manager



Lindinkosi Ndibongo
Manager: Print and
Digital Media



Vuyelwa Mdazana
Manager: Broadcast

MDDA TEAM



1.4 MDDA BOARD

MDDA Board of Directors

Phelisa Nkomo (Chairperson)

Palesa Kadi

Zanele Mngadi

Neo Momodu

Musa Sishange

Louise Vale

Roland Williams

MDDA Board of Committees

AUDIT AND RISK COMMITTEE

Nandipha Madiba (Chairperson)

Seipati Boulton (Independent member)

Mvuleni Bukula (Independent member)

Palesa Kadi (Board representative)

Musa Sishange (Alternate Board representative)

Dalson Modiba (Shareholder representative)

FINANCE AND OPERATIONS

Musa Sishange (Chairperson)

Zanele Mngadi

POLICY, LEGISLATIVE AND REGULATORY

Roland Williams (Chairperson) (term expired on 30 December 2016)

Musa Sishange

REMUNERATION AND HUMAN RESOURCES

Louise Vale (Chairperson)

Neo Momodu

Phelisa Nkomo

Roland Williams (term expired on 30 December 2016)

RESEARCH, TRAINING, MONITORING AND EVALUATION

Louise Vale (Chairperson)

Palesa Kadi

Phelisa Nkomo

ICT

Roland Williams (Chairperson) (term expired on 30 December 2016)

Musa Sishange (Chairperson) (from 1 January 2017)

Fezile Soyizwapi (Independent member)

Sandile Ndaba (Independent member)

MDDA Board of Directors



Phelisa Nkomo (Chairperson)

Phelisa Nkomo is a Development Economist and socio-economic justice activist. She is passionate about Africa's development and advocates for inclusive growth, particularly of Africans, women and socially excluded citizens, who are so often invisible and isolated. Her long term interest is to see communities lifted out of poverty and eradication of social inequality in a way that sustains livelihoods without imposing on the external development model. Ms Nkomo brings her vast developmental experience from both the public and non-governmental sectors, with a focus on rural and community development, to her current role as Economic Advisor for the Gauteng Provincial Government. She also serves as Chairperson of the Board of the Media Development and Diversity Agency (MDDA) and on the Board of the Independent Development Trust (IDT) and Sector Education and Training. Previously a Special Advisor of Economics in the Department of Public Enterprises, Ms Nkomo has worked for the Black Sash and other organizations including trade unions, the Parliament of the Republic of South Africa and the Open Society Foundation. Ms Nkomo holds a Postgraduate Diploma in Economics (ADEP) from the University of Western Cape (UWC), having obtained her Honours in Economics at the same university. She is currently studying for a Masters in Development Finance through the University of Stellenbosch.



Louise Vale

Louise Vale is a founding member of and the Executive Director of AIP (Association of Independent Publishers). A committed anti-apartheid activist, Louise was detained by the apartheid government in 1986 and was declared a restricted person in 1987. Ms Vale has extensive experience in both the education and journalism fields. Her 12 year career in education encompassed curriculum and material development, evaluation, facilitation and the inception, development and management of regional and national projects. A further 5 years were spent as a consultant to the National Department of Education, tertiary institutions, unions and non-governmental organizations. Ms Vale moved into the media world as General Manager of the David Rabkin Project for Experiential Journalism, Rhodes University, comprising of the oldest independent newspaper in South Africa, Grocott's Mail, Grocott's Printing and Publishers, an advertising agency and a bookshop. In the years spent here, the project moved from print media only to encompass digital and mobile. Ms Vale holds a B.A (Honours) in Applied Linguistics.



Advocate Musa Sishange

Advocate Musa Sishange is currently an advocate involved in media and employment law. He was formerly the Head of Legal: Regulatory, Risk and Compliance General at StarSat (Former TopTV), where he was also previously Senior Manager: Employee Relations and acting Company Secretary. While in the employ of Standard Bank, he dealt with all Employee Relations matters and disputes across the country and other SADEC countries. An MDDA Board member, he was also formerly an executive member of the National Association of Broadcasters (NAB). Mr Sishange graduated with a Bachelor of Laws degree from Wits University.



Zanele Mngadi

Commencing her career in print media, Ms Mngadi is currently Chief of Staff: Ministry at the Department of Environmental Affairs, having previously been Chief Director: Communications for the Presidency: Office of the President. Her experience in the media includes reporting for daily and community newspapers and working in communications in the private sector. Ms Mngadi holds a National Diploma in Public Relations Management.





Neo Momodu

Prior to being appointed head of corporate affairs for Media24, Ms Momodu spent four years at the GCIS (Government Communications and Information Systems) where she was the Chief Director: Government and Media Liaison. Before she joined GCIS, she was the founding and managing director of Progressive Consulting CC, a communications management consultancy company for private and public sector organisations. She has also held senior positions at the SABC, as senior public affairs manager, and Primedia, where she was group communications, regulatory and strategic HR director. Ms Momodu holds an LLB (Hons) degree.



Palesa Kadi

As Executive: Strategic and Shared Services at the Film and Publication Board, Ms Kadi has extensive expertise in corporate governance, communication, project monitoring, and programme and grant evaluation, amongst others. Her experience and involvement in community based structures ranges from national youth organizations, through to parliamentary commissions and local government to community organizations. With extensive experience in the public sector, previous positions Ms Kadi has held include Director of Rural Tourism Development for the National Department of Tourism and Director - 2010 Projects Management for the Eastern Cape Department of Economic Affairs and Tourism. Ms Kadi has a Bachelor of Arts in Political Studies and History.



Roland Williams

Coming from extremely humble beginnings, Mr Williams joined community organizations from an early age and at 14 became the youngest ever executive member of the South African Council on Sports (SACOS). He was also an active participant and leader in the anti-apartheid movement. Specialising in public relations and communications, Mr Williams has more than 20 years' experience at an executive management level in the private, NGO and public sectors. He was Head of Communications for 14 years at one of South Africa's six metropolitan municipalities and served on the national task team that developed South Africa's Local Government Communication System. Mr Williams has a degree in Social Sciences.



Ms Nandipha Daphne Madiba: Chairperson Audit and Risk Committee

Ms Madiba, a Corporate Governance Activist, has vast experience in heading organizations and/or departments at executive level, with overall accountability, serving on Boards of Directors, as well as Audit and Risk Committees, over and above her 5 years banking experience. She is certified as a Chartered Director by the Institute of Directors Southern Africa (IoDSA). Her experience in corporate governance, dating as far back as 1995/6, covers both the public and private sectors, exercising oversight over a variety of organizations. As a specialist in Finance, Accountancy and Corporate Governance, Ms Madiba has also held positions as CFO (and acted as Accounting Officer from time to time) in the public sector, subsequently followed by consulting in audit turn-around strategies in municipalities as contracted by Treasury. She holds an Hons (B Compt) degree, a BComm (Acc) with Distinction in Auditing (a curriculum where she also passed Law of Companies & Insolvency, Law of Contracts and Special Contracts), Part One of MSc in Financial Management and post-graduate Certificate in Advanced Taxation.

1.5 MANDATE OF THE MDDA

The MDDA's mandate is intended to enable realisation of various provisions in the Constitution of South Africa.

Sections 16 (1) (a) to (c), which focus on freedom of expression, state that “everyone has the right to freedom of expression, which includes freedom of the press and other media; freedom to receive or impart information or idea; and freedom of artistic creativity”. This right is made conditional under section 16 (2) (a) to (c), which require its realisation not to extend to “propaganda for war; incitement of imminent violence; or advocacy of hatred that is based on race, ethnicity, gender or religion, and that constitutes incitement to cause harm.”

Section 32 (1) (a) and (b) give further expression that relates to the MDDA, stating that “Everyone has the right of access to any information held by the state; and any information that is held by another person and that is required for the exercise or protection of any rights.” Section 32 (2) further requires that “national legislation must be enacted to give effect to this right, and may provide for reasonable measures to alleviate the administrative and financial burden on the state.”

Section 15 (1), which focuses on freedom of religion, belief and opinion, determines that “Everyone has the right to freedom of conscience, religion, thought, belief and opinion.”

A further provision which relates to the MDDA's mandate is section 6 (2): “Recognizing the historically diminished use and status of the indigenous languages of our people, the state must take practical and positive measures to elevate the status and advance the use of these languages.” This is amplified by section 31 (1) (a) and (b), which determine that “Persons belonging to a cultural, religious or linguistic community may not be denied the right, with other members of that community to enjoy their culture, practise their religion and use their language; and to form, join and maintain cultural, religious and linguistic associations and other organs of civil society.”

Legislative Mandates

The MDDA's establishment and mandate is primarily set out through the Media Development and Diversity Act no. 14 of 2002. This legislation's purpose is “to

establish the Media Development and Diversity Agency; to provide for its objective and functions; to provide for the constitution of the Board and the management of the Agency by the Board; to provide for the chief executive officer and other staff of the Agency; to provide for the finances of the Agency; and to provide for the support of projects aimed at promoting media development and diversity.”

Secondarily, the MDDA must also ensure adherence to the Electronic Communication Act no. 35 of 2005, the Public Finance Management Act No.1 of 1999 (PFMA) and the Promotion of Administrative Justice Act No.3 of 2000 (PAJA), as these concern promotion of media diversity and development, good and accountable governance and the administration of justice.

The Independent Communications Authority of South Africa Act, Act no. 13 of 2000, as amended, which gives ICASA the power to grant; renew; amend; transfer; and revoke licences, also impacts the MDDA as financial support is only granted to those broadcast projects that have acquired a licence from ICASA.

Policy Mandates

The establishment of the Department of Communications follows the gazette of Proclamation, No. 47 of 15 July 2014 in which the State President approved the transfer of powers and functions to the Minister of Communications. The department's mandate was consequently defined as:

- Develop an overarching communications and broadcasting policy and strategy.
- Provide information dissemination and publicity to promote an informed citizenry.

Informed by these, the Department of Communications set itself the following strategic goals:

- A responsive communications policy and regulatory environment.
- Improved government communications and country branding.
- Improved capacity of the department and its entities to deliver.
- Transformed communications sector.

As an entity under the Department, and therefore in furtherance of its mandate and strategic goals, the MDDA serves as a statutory organ established to foster the promotion of and ensuring media development and diversity in South Africa. The



mandate of the Agency is therefore enshrined in law and aims to:

- Create an enabling environment for media development and diversity which reflects the needs and aspirations of all South Africans.
- Redress exclusion and marginalisation of disadvantaged communities and persons from access to the media and the media industry.
- Promote media development and diversity by providing support, primarily to community and small commercial media projects.

Medium Term Strategic Framework

The National Development Plan - Vision 2030 (NDP) informs the Medium Term Strategic Framework (MTSF) priorities. The latter is government's three-year implementation phase of the National Development Plan and is structured around 14 priority outcomes, which cover focus areas identified in the NDP and election manifesto of the governing party.

The aim of the MTSF is to ensure policy coherence, alignment and coordination across government's plans, including the alignment of budgeting processes. It builds on the work done between 2009 and 2014 and is also inclusive of experiences and learnings gained.

Outcomes six (6), twelve (12) and fourteen (14) of the MTSF are relevant to the MDDA:

- Outcome 6 relates to an efficient, competitive and responsive economic infrastructure network. This highlights the role of the MDDA in assisting community media to harness the power of a rapidly changing telecommunications environment.
- Outcome 12 relates to an efficient, effective and development orientated public service. This speaks to the character and nature of the MDDA as an institution and the values it should champion.
- Outcome 14 relates to nation building and social cohesion as it envisions a society where South Africans will be more conscious of what they have in common than their differences. It directs the MDDA's approach when supporting and enabling content and production elements.



MDDA beneficiary Mafisa FM.



MDDA beneficiary Sajojisi Youth Radio.

PART TWO: PERFORMANCE FOR 2016/2017



2.1 SERVICE DELIVERY ENVIRONMENT

The MDDA began the year in a performance environment informed by:

- The socio-political and economic environment prevailing in South Africa;
- The National Development Plan (NDP) and macro environment; and
- The community media sector and the broader media environment in the print, broadcast and digital platforms.

Media development and diversity form part of the priorities Government is pursuing. To this extent, there is recognition that much still needs to be done to deepen media transformation and ensure that disadvantaged communities directly partake in all aspects of media development and management. The Minister of Communications announcement of her intention to review the MDDA's mandate as outlined by the MDDA Act therefore took place in an environment where there is a growing political need to accelerate media transformation.

At an economic level, the South African economy is performing weaker than expected and the media therefore operates in an economic environment that reflects government's commitment to cost containment and spending wisely. Government's competing priorities must be impact based. The media consumer has changed dramatically, a shift that requires innovative media owners who can respond to the changing media landscape to remain sustainable.

At the social level, South Africa continues to be plagued by issues of unemployment, poverty, and inequality, including lack of social cohesion and increasing service delivery protests. The NDP Vision 2030 targets a drop of unemployment levels from 27% in 2011 to 14% by 2020. Black youth constitute the major proportion of the unemployment rate. Supporting youth owned and managed community media projects is a focus area of the MDDA in the delivery of its mandate, with job creation and upskilling being positive spin-offs of the financial and non-financial support the MDDA provides to its beneficiary projects.

Media literacy and numeracy remain a challenge in South Africa, in spite of major changes and achievements that have been reported in the increase of literacy rates in general. This limitation inhibits media diversification and undermines efforts to promote democratic participation and development of disadvantaged communities.

There is a greater role for the MDDA in sharing information and knowledge with these communities through a wide range of media platforms and in developing these communities to be knowledge centres and instruments of self-empowerment.

Rapid technological advancements have promoted change across the globe and South Africa is not immune. A key challenge for the MDDA's broadcasting stakeholders is digital migration where digital terrestrial television (DTT) requires members to have the equipment and capacity to compete in a digital environment. There are early indications that the migration will not be without cost for the MDDA's stakeholders, with increased costs for transmitters already being identified by community television stations. The costs include ensuring a good balance of local content, as well as available cheaper content that services a public mandate. The MDDA must ensure that the new technology's benefits are not outweighed by its costs.

Breaking news is now digital. The increasing trend is for stories to be first told on social media before migrating to legacy platforms such as print, radio and television. This means that print media needs more support in an ever changing print landscape that competes with online media, including social media.

Community media - like their mainstream colleagues - need business models to sustain these new forms of storytelling. The MDDA's role is vital before, during and after migration to ensure that community media's interests are identified, fought for and maintained. Financial and non-financial support currently provided by the MDDA to its beneficiaries includes support for online streaming and web-based news platforms as an important focus area.

Environmentally, the NDP 2030 commits South Africa to reducing its dependency on carbon, natural resources and energy, while balancing this transition with its objectives of increasing employment and reducing inequality and poverty through adaptation and mitigation. Adaptation includes significant investments in new and adaptive technologies and rehabilitating and restoring natural ecosystems to improve resilience and mitigate climate change. The MDDA has a major role to play in promoting and supporting these global and national initiatives in its messages and technologies and those of its beneficiaries, as well as promoting recyclable technologies and discouraging unfriendly environmental practices.

From a financial perspective, a strategic objective continues to be to strengthen, grow and protect the MDDA funding base. The MDDA currently receives funding from the Department of Communications and from broadcasters via the USAF levy. The revenue of the MDDA has however been affected by the fact that the print sector has withdrawn its funding, indicating the need to determine the impact of its funding before committing to a new funding agreement. This funding gap results in a decrease in the number of print projects able to be funded by the Agency. The MDDA will continue to engage with the print media who have indicated that they will base any further funding decisions on the outcomes of the Impact Study of the MDDA, which is currently in progress.

The MDDA delivers its work through strategic partnerships with other government departments, industry bodies and stakeholders. The partnership principle as articulated in the National Communication Strategy Framework 2014-2019 is to deliver output-based programmes that contribute to innovative products and services that delight stakeholder expectations. In this regard, the Agency aligns its performance programmes to contribute towards the realisation of key priorities of the NDP.

Through the community radio support programme, the Agency continues to provide digital broadcast equipment to ensure access to this valuable communication platform in communities. Partnerships with ICASA and SENTECH, as a signal distributor and State Owned Entity, remain key to enhancing uninterrupted community broadcast services that provide the majority of South Africans with access to information and a platform to express themselves and contribute to participatory democracy.

As part of the media transformation mandate, the Agency has worked in partnership with industry bodies such as NAB, NCRF and AIP to create sustainable models for grassroots and independent media that are owned by small and medium enterprises (SMME) and are produced in indigenous languages.



MDDA Beneficiary Ermelo Community Radio.



Signing of MDDA-SEDA MoU.

2.2 PERFORMANCE AGAINST OBJECTIVES

2.2.1 Programme

Below is the programme structure set for the financial year and guided by the regulations, strategy, business plan and budget.

PROGRAMME	SUB-PROGRAMME	STRATEGIC OBJECTIVE
PROGRAMME 1: ADMINISTRATION		
Programme Purpose: To ensure effective leadership, strategic management and administrative support to the MDDA through continuous refinement of organizational strategy and structure in line with appropriate legislation and best practice.		
Sub-programme 1.1	Human Resources Management	To provide transactional and transformational Human Resource Management to attract and retain suitably qualified staff across the Agency.
Sub-programme 1.2	Monitoring and Evaluation	To ensure that the MDDA delivers on its strategic objectives by monitoring and evaluation of grant agreement compliance and impact of MDDA funded projects.
Sub-programme 1.3	Legal and Regulatory Affairs	To manage the Legal and Regulatory Affairs of the MDDA to enable the Agency to execute its mandate effectively within the rule of law.
Sub-programme 1.4	Financial Administration and Auxiliary Services	To facilitate accountability, governance and oversight through Finance and auxiliary services, which ensure effective, efficient, economic and transparent management of revenue, expenditure, assets and liabilities across the Agency.
Sub-programme 1.5	Risk Management and Internal Audit	To assist the MDDA achieve its strategic objectives by evaluating and improving the effectiveness of governance, enterprise-wide risk management and accountability of the Agency.
Sub-programme 1.6	Information Management and Technology	To provide Information and Communication Technology (ICT) solutions and services that support the Agency's business needs and expectations.
PROGRAMME 2: GRANT AND SEED FUNDING		
Programme Purpose: To promote media development and diversity through support for community and small commercial media projects.		
Sub-programme 2.1	Community Broadcast Media	To promote ownership, control and access to information and content production by historically disadvantaged communities, diminished indigenous language and cultural groups through appropriate grant and seed funding to the Community Broadcast sector.
Sub-programme 2.2	Print and Digital Media	To promote ownership, control and access to information and content production by historically disadvantaged communities, diminished indigenous language and cultural groups through appropriate grant and seed funding for the Community and Small Commercial Print and Digital Media sector.
PROGRAMME 3: ADVOCACY AND LOBBYING		
Programme Purpose: To position the MDDA as a leading influencer in the community and small commercial media, by playing a key role in the national dialogue on the sector.		
Sub-programme 3.1	Strategic Programmes	To provide input into the legislature and policies and publically take the lead in developments and strategic programmes which will impact the sector.
Sub-programme 3.2	Stakeholder Management and MDDA Brand Building	To position the MDDA as an authoritative leader in and voice on community and small commercial media and build public support for this sector by stakeholder management and brand building.
PROGRAMME 4: CAPACITY BUILDING		
Programme Purpose: To encourage the development of human resources, training and capacity building within the media industry, especially amongst historically disadvantaged groups.		
Strategic Objective		To advance the community and small commercial media sector through capacity building, providing media skills and expertise to deliver professional media services to communities served.
PROGRAMME 5: RESEARCH AND DEVELOPMENT		
Programme Purpose: To encourage research regarding media development and diversity.		
Strategic Objective		To create and enhance a body of knowledge regarding the media landscape through Research and Development.

2.2.2 Determined Strategic Objectives in relation to Key Result Areas

Performance Information Reporting - Financial Year 2016/2017

The following pages present the Performance Information Report as is required in terms of Treasury Regulations and Section 55 (2) (a) of the PFMA. The objectives are measurable and aligned to the budget. This assists the Accounting Authority (the Board) in its additional responsibility to ensure that the annual report and audited financial statements fairly present the performance against predetermined objectives of the Agency.

Accordingly, this Performance Information Report is a subject matter/agenda item of every Board and Executive Management meeting in line with the regulatory requirements, good corporate governance and proper oversight. This ensures that the Agency complies with the requirements of the Auditor General's audit findings in terms of Section 20 (2) (c) of the Public Audits Act No 25 of 2004 on the reported information relating to performance against predetermined objectives.

PROGRAMME 1: ADMINISTRATION

Provide efficient, accountable and effective administration.

Sub Programme 1.1: Human Resources Management

STRATEGIC OBJECTIVE	BASELINE	PERFORMANCE INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET		VARIANCE	REASON FOR VARIANCE
			TARGET 2016/17	ACTUAL 2016/17		
To provide transactional and transformational Human Resource Management to attract and retain suitably qualified staff across the Agency.	50%	Percentage funded positions filled	90%	64%	-26%	Target not achieved. A new organogram was approved in Q4 of the previous year but recruitment was initially only focused on positions covered by funding that had been committed. With the commitment by two major funders later in the year, the focus was intensified on recruiting for all positions in the organogram.
	New indicator	Employee Development Programme developed	1	1	0	Achieved
	0	Internship Development Programme developed	1	1	0	Achieved
	New indicator	Review Performance Management System	1	0	-1	Target not achieved due to the position of HR Manager being vacant. A plan has been approved which will cover the review of the performance management system.
	100%	Percentage of signed Performance Contracts	100%	80%	-20%	Target not achieved as 5 staff did not sign performance contracts for Q4 as they reported to the CEO and HR Manager which were both vacant positions.
	1	Number of reviews of MDDA Human Resource Policy & Procedure	1	1	0	Achieved



Sub-programme 1.2: Monitoring and Evaluation

STRATEGIC OBJECTIVE	BASELINE	PERFORMANCE INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET		VARIANCE	REASON FOR VARIANCE
			TARGET 2016/17	ACTUAL 2016/17		
To ensure that the MDDA delivers on its strategic objectives by monitoring and evaluating grant agreement compliance and impact of MDDA funded projects.	75	Number of projects monitored*	75	75	0	Achieved
	30	Number of projects evaluated**	30	31	+1	Target exceeded. An increased number of projects was able to be evaluated due to the above target number of projects awarded in the previous year.
	New indicator	Co-ordinate MDDA implementation of Outcome 14 activities	4	4	0	Achieved

Sub-programme 1.3: Legal and Regulatory Affairs

STRATEGIC OBJECTIVE	BASELINE	PERFORMANCE INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET		VARIANCE	REASON FOR VARIANCE
			TARGET 2016/17	ACTUAL 2016/17		
To manage the Legal and Regulatory Affairs of the MDDA to enable the Agency to execute its mandate effectively within the rule of law.	0	Contracts Management Strategy developed*	1	1	0	Achieved.
	1	Contracts Register with Grantees and Service Providers**	1	1	0	Achieved
	New indicator	Turnaround lead time for contract vetting and approval	2 weeks	8 weeks	-6 weeks	Target not achieved as there were vacancies in key critical positions. Recruitment for a Legal and Contracts officer has been prioritized to be filled by early in 2017/2018.
	50%	Percentage of litigation cases handled***	100%	0%	-100%	Target not achieved. There were two cases during 2016/2017. Efforts are being made to settle out of court.
	100%	Percentage of policy development and legislative review contributions***	100%	0%	-100%	Target not achieved. While there was no call for policy development and legislative review contributions from the shareholder, other legislation was reviewed which may have impacted on the community media. The MDDA lacked capacity to contribute to this legislation as a result of vacancies in the Legal and Contracts business unit. Recruitment for a Legal and Contracts officer has been prioritized to be filled early 2017/2018.

*Monitoring of a project takes place while the funding of the project is in progress.

**Evaluation of a project takes place at the conclusion of the funding of the project.

*A contracts management strategy was in place but, per MDDA procedures, is reviewed on an annual basis.

** A Contracts Register with Grantees and Service Providers was in place but, per MDDA procedures, is reviewed on an annual basis.

*** Achievement of this target is demand driven – ie it is dependent on whether there is any call for contributions.

Sub-programme 1.4: Financial Administration and Auxiliary Services

STRATEGIC OBJECTIVE	BASELINE	PERFORMANCE INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET		VARIANCE	REASON FOR VARIANCE
			TARGET 2016/17	ACTUAL 2016/17		
To facilitate accountability, governance and oversight through Finance and auxiliary services, which ensure effective, efficient, economic and transparent management of revenue, expenditure, assets and liabilities across the Agency.	15%	Percentage of acceptable variance between budget vs expenditure	8%	44%	+36%	Target exceeded. The positive variance is due to increased number of projects supported financially during the year and greater contributions from funders than in previous years.
	27	Number of incidents of Irregular, Unauthorised, Fruitless and Wasteful Expenditure	0	32	+32	Target not achieved, with the main reason being the extension of contracts and vacancies at the Agency. It is anticipated that, with the filling of vacancies in 2017/2018, this number will decrease.
	1	Number of procurement plans submitted to National Treasury	1	1	0	Achieved
	4	Number of asset counts and verification reports	2	2	0	Achieved
	1	Unqualified Audit Opinion on the Annual financial statements	1	1	0	Achieved
	New Indicator	Quarterly financial reports approved by Accounting Authority	4	4	0	Achieved
	0	Finance policy manual approved*	1	1	0	Achieved

Sub-programme 1.5: Risk Management and Internal Audit

STRATEGIC OBJECTIVE	BASELINE	PERFORMANCE INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET		VARIANCE	REASON FOR VARIANCE
			TARGET 2016/17	ACTUAL 2016/17		
To assist the MDDA achieve its strategic objectives by evaluating and improving the effectiveness of governance, enterprise-wide risk management and accountability of the Agency.	1	Reviewed and updated risk management strategy	1	1	0	Achieved
	1	Annual risk assessment	1	1	0	Achieved
	1	Updated and approved combined assurance plan	1	0	-1	Target not achieved as there were vacancies in key critical positions. Recruitment for positions was prioritized with an Internal Audit Officer and Risk Management Specialist joining the MDDA towards the end of Q4.
	0	Divisional fraud prevention education events	2	2	0	Achieved
	1	Approved internal audit 3-year rolling plan	1	1	0	Achieved
	8	Number of risk based internal audit reports	8	8	0	Achieved

*A Finance Manual is in place but, per MDDA procedures, is reviewed on an annual basis.



Sub-programme 1.6: Information Management and Technology

STRATEGIC OBJECTIVE	BASELINE	PERFORMANCE INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET		VARIANCE	REASON FOR VARIANCE
			TARGET 2016/17	ACTUAL 2016/17		
To provide Information and Communication Technology (ICT) solutions and services that support the Agency's business needs and expectations.	1	Approved revised IT Strategy	1	1	0	Achieved
	1	Revised Business Continuity Disaster Recovery Plan	1	1	0	Achieved
	100%	Percentage of new users trained in IT Systems/Applications	100%	100%	0%	Achieved
	1	Upgraded and maintained ICT infrastructure	1	1	0	Achieved
	1	Updated and/or upgraded Firewall and Antivirus	1	1	0	Achieved

PROGRAMME 2: GRANT AND SEED FUNDING

Promote media development and diversity through support for community and small commercial media projects.

Sub-programme 2.1 Community Broadcast Media

STRATEGIC OBJECTIVE	BASELINE	PERFORMANCE INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET		VARIANCE	REASON FOR VARIANCE
			TARGET 2016/17	ACTUAL 2016/17		
To promote ownership, control and access to information and content production by historically disadvantaged communities, diminished indigenous language and cultural groups through appropriate grant and seed funding to the Community Broadcast sector.	11	Number of community radio stations supported for start-up funding	8	20	+12	Target exceeded due to the MDDA entering into an MoU in Q4 with the Department of Communications (DoC) to manage funding of community broadcast stations which had applied directly to the DoC.
	12	Number of community radio stations that are supported for strengthening	18	19	+1	Target exceeded due to the MDDA entering into an MoU in Q4 with the Department of Communications (DoC) to manage funding of community broadcast stations which had applied directly to the DoC.
	1	Number of community television stations supported for strengthening	4	1	-3	Target not achieved due to limited applications from community TV stations. The MDDA is proactively engaging with the sector to identify where support for community TV is required.
	171	Number of direct jobs created in the community broadcast sector	90	198	+108	Target exceeded due to the MDDA entering into an MoU in Q4 with the Department of Communications (DoC) to manage funding of community broadcast stations which had applied directly to the DoC.
	405	Number of indirect jobs created in the community broadcast sector	160	301	+141	Target exceeded due to the MDDA entering into an MoU in Q4 with the Department of Communications (DoC) to manage funding of community broadcast stations which had applied directly to the DoC.
	43%	Percentage of Community Broadcast funds disbursed	80%	18%	-62%	Target not achieved as beneficiary projects' non-performance and late reporting has negatively impacted on the MDDA's ability to adequately disburse funds to them. Although various interventions have been taken to ensure and encourage project compliance, which has seen some improvements in the disbursement rate, there is still room for improvement. The MDDA has carried out a root cause analysis into the reason why various projects defect and fail to report adequately and on time as required by the Grant agreements. It is anticipated that with the increased training and increased monitoring of the projects, improved compliance will result.
	New indicator	Social engagement strategy for communities using broadcast platform	1	1	0	Achieved. Poort FM, a shared broadcast platform between Eersterus and Mamelodi in Gauteng, held its first AGM in 2016/2017. Progress is advanced in developing a second strategy for Khayelitsha and Gugulethu in the Western Cape.



Sub-programme 2.2: Print and Digital Media

STRATEGIC OBJECTIVE	BASELINE	PERFORMANCE INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET		VARIANCE	REASON FOR VARIANCE
			TARGET 2016/17	ACTUAL 2016/17		
To promote ownership, control and access to information and content production by historically disadvantaged communities, diminished indigenous language and cultural groups through appropriate grant and seed funding for the Community and Small Commercial Print and Digital Media sector for printing and distribution cost, on-line platforms, and operational costs.	12	Number of Small Commercial Media projects funded for strengthening	5	5	0	Achieved
	4	Number of new Small Commercial Media projects funded	5	5	0	Achieved
	6	Number of new Community Print projects funded	4	4	0	Achieved
	2	Number of Community Print projects funded for strengthening	4	4	0	Achieved
	79	Number of projects assisted and enabled to go digital	18	18	0	Achieved
	59%	Disbursement of funds to projects approved	70%	56%	-14%	Target not achieved as beneficiary projects' non-performance and late reporting has negatively impacted on the MDDA's ability to adequately disburse funds to them. Although various interventions have been taken to ensure and encourage project compliance, which has seen some improvements in the disbursement rate, there is still room for improvement. The MDDA has carried out a root cause analysis into the reason why various projects defect and fail to report adequately and on time as required by the Grant agreements. It is anticipated that with the increased training and increased monitoring of the projects, improved compliance will result.

PROGRAMME 3: ADVOCACY AND LOBBYING

Position the MDDA as a leading influencer in the community and small commercial media, playing a key role in the national dialogue on the sector.

Sub Programme 3.1: Strategic Programmes

STRATEGIC OBJECTIVE	BASELINE	PERFORMANCE INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET		VARIANCE	REASON FOR VARIANCE
			TARGET 2016/17	ACTUAL 2016/17		
To provide input into the legislature and policies and publically take the lead in developments and strategic programmes which will impact the sector.	New indicator	Concept document on review of MDDA Act submitted	1	0	-1	Target not achieved. A concept document has been developed but awaiting results of the MDDA Impact study and Department of Communications Print Media Transformation study for greater in depth analysis. Both studies are expected to be available in 2017/2018.
	New indicator	MDDA digital migration strategy approved	1	0	-1	Target not achieved. The MDDA is currently supporting projects to go online but the strategy will be further defined based on the experience of the online projects. In addition, the strategy will build on the MDDA Impact study and Department of Communications Print Media Transformation study for greater in depth analysis. Both studies are expected to be available in 2017/2018.
	New indicator	Concept document on review of current funding model submitted	1	1	0	Achieved



Sub Programme 3.2: Stakeholder Management and MDDA Brand Building

STRATEGIC OBJECTIVE	BASELINE	PERFORMANCE INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET		VARIANCE	REASON FOR VARIANCE
			TARGET 2016/17	ACTUAL 2016/17		
To position the MDDA as an authoritative leader in and voice on community and small commercial media and build public support for this sector by stakeholder management and brand building.	1	Communications/ Stakeholder Engagement Plan developed	1	1	0	Achieved
	2	Number of newsletters produced	2	2	0	Achieved
	1	Annual Report	1	1	0	Achieved
	New indicator	Number of outreach programmes supported	15	16	+1	Target exceeded. The additional outreach was supported in line with the Minister of Communications' schedule.
	1	Number of joint interventions	6	6	0	Achieved
	1	Number of media awards held	1	0	-1	Target not achieved. The Media awards were delayed as a result of outcomes of the study on Awards for community-based media which was completed in Q4. A revamped approach to the Media Awards, taking into consideration the study findings, will be launched in 2017/2018.

PROGRAMME 4: CAPACITY BUILDING

STRATEGIC OBJECTIVE	BASELINE	PERFORMANCE INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET		VARIANCE	REASON FOR VARIANCE
			TARGET 2016/17	ACTUAL 2016/17		
To advance the community and small commercial media sector through capacity building, providing media skills and expertise to deliver professional media services to communities served.	New indicator	Number of partnership agreements with accredited learning Institutions and training institutions per province	4	1	-3	Target not achieved as capacity building projects were deferred at the MDDA December 2016 Board meeting until the outcome of the MDDA impact study, which is expected in 2017/2018. Results of the study will be used to establish appropriate training partnerships in 2017/2018.
	New indicator	Number of MOUs signed with Partners that enhance our projects' environment	4	2	-2	Target not achieved as capacity building projects were deferred at the MDDA December 2016 Board meeting until the outcome of the MDDA impact study, which is expected in 2017/2018. Results of the study will be used to establish appropriate MoU's for training in 2017/2018.
	6	Number of training interventions on Finance, Marketing, Reporting, Governance, Learning Forum, Grantee Orientation Workshop, etc.	5	4	-1	Target not achieved as capacity building projects were deferred at the MDDA December 2016 Board meeting until the outcome of the MDDA impact study, which is expected in 2017/2018. Results of the study will be used to establish appropriate training interventions in 2017/2018.
	1	Number of media literacy workshops conducted	1	0	-1	Target not achieved due to lack of capacity in the unit due to vacancies. Filling of the vacant posts has been prioritized.
	1	Number of media exchange programmes conducted	1	0	-1	Target not achieved due to lack of capacity in the unit due to vacancies. Filling of the vacant posts has been prioritized.



PROGRAMME 5: RESEARCH AND DEVELOPMENT

STRATEGIC OBJECTIVE	BASELINE	PERFORMANCE INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET		VARIANCE	REASON FOR VARIANCE
			TARGET 2016/17	ACTUAL 2016/17		
To create and enhance a body of knowledge regarding the media landscape through Research and Development.	1	Number of content hubs developed	1	1	0	Achieved
	2	Number of research projects undertaken	2	2	0	Achieved



The MDDA supported the Minister of Communications DTT roll-out across the country.



Focus group organized for the MDDA commissioned research into the annual Community Media Awards.

2.3 SUMMARY OF PROJECTS SUPPORTED FOR THE FINANCIAL YEAR

PROJECT TYPE	AMOUNT APPROVED CURRENT YEAR	AMOUNT PAID CURRENT YEAR
Community and Small Commercial Print	11,798,876.92	(6,598,331.69)
Community Broadcast	54,599,839.67	(9,826,292.30)
Research, Training and Capacity Building	2,693,117.00	(2,338,072.20)

Detailed Breakdown of Broadcast, Print and Digital Projects

Active Grants (Approved 2016/2017 Financial Year)

Forty Community Broadcast Stations and 18 Print and Digital Small Commercial and Community Publications were funded for the 2016/2017 financial year. An important component of the support was funds to enable the print projects to go digital.

Community Broadcast

- New (First time applicant) projects: 20 (Community Radios)
- Strengthening: 19 (18 Community Radio & 1 Community TV)

Print and Digital Media

New (First time applicant) projects: 9
Strengthening: 9

Classification of beneficiaries (Community Broadcasters)

- 11 of the funded projects in 2016/17 are led by females
- 9 of the funded projects are led by the youth

Classification of beneficiaries (Print and Digital)

- 4 of the funded projects in 2016/17 are led by females
- 7 of the funded projects are led by the youth
- 2 of the funded projects are led by the disabled

A substantial number of people with disabilities play several roles in the boards of various stations and publications.

Geographic/Footprint of the Projects Funded

With the MDDA mandate to support projects in historically disadvantaged communities, the support was weighted heavily towards community broadcast projects in rural areas, with 28 projects being supported in 15 rural based district municipalities.

The following is the geographic footprint of the 39 community radio stations and 1 community television approved for funding during the 2016/17 financial year:

Rural Based Districts

- Vhembe District Municipality
- Greater Sekhukhune District Municipality
- Ilembe District Municipality
- Nkangala District Municipality
- Zululand District Municipality
- Bojanala District Municipality
- Waterberg District Municipality
- King Cetshwayo District Municipality
- Alfred Nzo District Municipality
- West Coast District Municipality
- Amajuba District Municipality

- OR Tambo District Municipality
- John Taolo District Municipality
- Thabo Mofutsanyane District
- Overberg District Municipality

Urban Based Districts

- City of Johannesburg
- City of Cape Town
- City of Tshwane
- Capricorn District Municipality
- Westrand District Municipality
- Ehlanzeni District Municipality

Eleven of the print and digital media projects supported are located across 8 rural based district municipalities. The following is the geographic footprint of the Print and Digital Projects approved for funding during the 2016/17 financial year:

Rural Based Districts

- OR Tambo District Municipality
- Thabo Mofutsanyane District Municipality
- Ngaka Modiri Molema District Municipality
- Waterberg District Municipality
- Ruth Mompoti District Municipality
- Mopani District Municipality
- Cape Winelands District Municipality
- Umgungundlovu District Municipality

Urban Based Districts

- City of Ethekwini
- City of Tshwane
- Capricorn District Municipality
- City of Cape Town
- Buffalo City
- City of Mangaung
- City of Johannesburg

2.3.1 Print and Digital Media

Eastern Cape



Ikhwezi LaseMthatha (Strengthening) - R557,312.00

Ikhwezi LaseMthatha was established in March 2007 and is based in Mthatha, which is the economic hub of the O.R. Tambo district municipality in the Eastern Cape. The main aim of the newspaper is to promote the isiXhosa culture and customs, as well as inform, educate and entertain the public. Ikhwezi LaseMthatha primarily targets the black community in O.R. Tambo municipality. It is a 12-page Small Commercial publication which publishes 100% in isiXhosa and distributes, free of charge, 5,000 copies fortnightly. MDDA funding is for personnel costs, capital expenses, printing and distribution, operational costs, website and audit fees.



Rise 'n Shine Disability Magazine (Strengthening) - R427,700.00

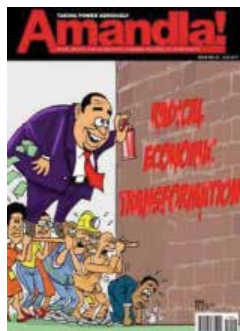
Rise 'n Shine Disability Magazine is a non-profit organisation established in 2008 by disabled activists from Mdantsane in the Eastern Cape. The primary objective of the organisation is to promote awareness about disability issues and a culture of reading, creating an enabling environment for people living with disabilities, especially those based in historically disadvantaged communities and under-resourced areas. The magazine targets the entire community with an emphasis on young people. The bi-monthly 30 page magazine, with a print run of 1,000 copies, is distributed free of charge in areas within the Buffalo City Metropolitan. The language of the publication is 60% English and 40% isiXhosa. MDDA funds are for salaries, printing and distribution, operational costs, website and marketing.



Township Times (Strengthening) - R 614,344.00

Township Times, a 100% black owned publication based in the Buffalo City Metro in the Eastern Cape, is a bilingual small commercial newspaper publishing 40% in isiXhosa and 60% in English. Township Times is distributed on a monthly basis with 10,000 copies distributed monthly in the metropolitan catchment area. Township Times targets mainly the isiXhosa speaking market without eliminating other potential target markets. The project mainly focuses on local developmental, socio-economic issues and entertainment, and also aims to unite different races, cultures, political, economic and social backgrounds. MDDA funding covers personnel costs, capital expenses, printing and distribution costs, operational costs, website and audit fees.

Western Cape



Amandla Magazine (Strengthening) - R547,200.00

Amandla Magazine, based in Cape Town in the Western Cape, was started in 2006 by a number of media and social justice activists to promote critical analysis of the development challenges facing South Africa in the period of globalisation and the global financial crisis. Amandla Magazine is part of a broader multi-media project, which includes a website and other social media platforms, forums, reading group and capacity building programmes. Since it started publishing in 2007, 45 issues of the magazines have been published. The magazine prints 2,000 copies.



Winelands Echo (Strengthening) - R731,696.00

A free Small Commercial Newspaper established in October 2004, Winelands Echo is based in the Cape Winelands region where the majority is Afrikaans and Coloured communities. The project is a 100% black-owned newspaper with the content 70% Afrikaans and 30% English. The aim is to provide a quality newspaper that addresses the communities' challenges and requirements and unlocks the potential of the youth, women and people with disabilities. Challenges facing these communities include alcohol abuse, substance abuse, teenage pregnancies and high school dropout rate. The newspaper is a tabloid size paper, distributing 10,000 copies fortnightly. MDDA funding covers personnel costs, capital expenses, printing and distribution costs, operational costs, website and audit fees.

Gauteng



Ga-rankuwa Voice (First time applicant) - R 700,000.00

Ga-rankuwa Voice was established by the youth of Ga-rankuwa in 2015 through Malatsi Media Institute. The community newspaper was established in response to the need for a local newspaper in the area that will focus primarily on local news, business and entertainment. Ga-rankuwa Voice is published in 50% Setswana and 50% English. The publication potential is to promote historically diminishing languages, thus encouraging young people to read and write in languages that are dominantly spoken. The publication is printed monthly and distributed free of charge to the community of Ga-rankuwa in the City of Tshwane Metropolitan Municipality in Gauteng. MDDA funding covers staff costs, printing and distribution, operational costs, office equipment, website and auditing.



Joburg Post Online (First time applicant) - R825,200.00

Joburg Post Online was conceptualised by a young Black media entrepreneur, when he identified a need for a digital newspaper that could be aligned with the changing media landscape and which spoke to the Pan African narrative – telling the accurate African story. Joburg Post Online went live in September 2016 and in the subsequent three months commanded a sizeable presence on line. This achievement can be viewed against the efforts of many mainstream publications which are struggling to migrate their print content to online platforms. By virtue of being an online publication, the readership is potentially wide, although Joburg Post Online is targeting residents of the wider Johannesburg area over age groups from young adults upwards. MDDA funding covers human capital, equipment, telecommunications, bank charges and audit fees.

KwaZulu-Natal



KZN Community Newspaper (First time applicant) - R 842,000.00

KZN Community Newspaper is published by a female black entrepreneur from eThekweni Municipality, KwaZulu-Natal. A bilingual newspaper (80% isiZulu and 20% English), 5,000 copies of the newspaper are distributed fortnightly. The newspaper is distributed largely in township and rural areas around KwaZulu-Natal where isiZulu is the most spoken language. The project also distributes at taxi/ bus ranks and at police stations, libraries and other public/government buildings where the public can easily access the publication. The project promotes and increases pride in the isiZulu language and culture. MDDA funding covers printing, office rental, distribution, equipment, telecommunication, stipends, layout and design, audit fees and bank charges.



Thisability News (Strengthening) - R574,000.00

Thisability, a Non-Profit and Public Benefit Organisation, registered in 2011 has printed over 350,000 copies of the Thisability Newspaper. The newspaper is based in the eThekweni District Municipality of KwaZulu-Natal with a satellite office in Pretoria. The newspaper is a monthly 16 page tabloid, with the primary objective to improve the nation's perceptions of people with disabilities. The current print run is 10,000 copies distributed throughout South Africa and electronically to 10,000 email addresses. The editorial content is 95% English and 5% isiZulu. For the newspaper to address the language issue there is need to publish targeted individual copies in languages of the targeted regions. MDDA funding covers personnel costs, capital expenses, printing and distribution costs, operational costs, website and audit fees.



Nhlalala News (Strengthening) - R650,192.32

The project was established in June 2013 by the community of Gandlanani as a non profit organisation with an intent to inform and educate. The concept for “Nhlalala” (a bird known as a whistle blower) was borne out of the need for a community newspaper that will service the vast township community, as well as for a publication to serve as a training ground for journalists drawn from disadvantaged learners. The publication is an eight-page monthly tabloid published in 75% Xitsonga and 25% English with a print run of 10,000 copies. The newspaper is distributed free of charge in public places including hospitals, clinics, schools, churches and tribal authority buildings in the Mopani District in Limpopo. MDDA funding covers personnel cost, newspaper development and website, printing and distribution, and operational costs.



Nthavela newspaper (Strengthening) - R765,600.00

Nthavela newspaper is published by Nhluvuko Media Communication CC, a media company founded in 2005 and owned by a young black Xitsonga-speaking entrepreneur from Malamulele in the far northern Vhembe District of Limpopo Province. Nthavela Newspaper is a free fortnightly Small Commercial paper, which publishes in 100% Xitsonga and distributes 10,000 copies in parts of the Vhembe and Mopane District Municipalities. Nthavela is a recognised brand in its key distribution areas, including schools, and has printed 108 editions since inception (fortnightly since 2012). The province's Department of Education has used material from Nthavela in exam papers and the Pan South African Language Board (Pansalb) nominated Nthavela in the Media Category of its 2011 Awards. The newspaper was also voted Winner of the GenderLinks awards for Best Media Center of Excellence in 2015, and was a winner of the MDDA-Sanlam awards 'Best front page' in 2013. It has signed a memorandum of understanding with the South African Agency for Science and Technology Advancement (SAASTA) for collaboration in communicating the critical science and technology topics to the community. Furthermore, in 2014 Mopani Traditional Health Practitioners – in partnership with the Department of Health and the Mopani District Municipality – awarded Nthavela a certificate for being the Best Newspaper covering news in Mopani. MDDA funding covers printing, office rental, distribution, equipment, telecommunication, stipends, stationery, training, insurance, audit fees and bank charges.



Seipone News (Strengthening) - R 663,400.00

Seipone News was launched in 2000 publishing in African languages as part of a bigger project by the Pan South African Language Board (PanSALB) to establish newspapers in all African languages in South Africa as a measure to develop and empower them. Seipone is distributed mainly in the Sekhukhune and Capricorn District Municipalities and in some parts of the Waterberg and Mopani District Municipalities of Limpopo. Thus far, Seipone is the only paper in South Africa that publishes in Sesotho sa Leboa / Sepedi. Seipone is an 8-pager aimed at youth and young adults between the ages of 12 and 30 years of age. Currently, the newspaper reaches about 200,000 people. MDDA funding covers printing, office rental, distribution, telecommunication, stipends, audit fees and bank charges.



Lekunutu News (First time applicant) - R467,561.64

Lekunutu News, a new project of The Media Dynasty Project, was established in response to the absence of newspapers produced in African languages in the Bela Bela area of the Waterberg District Municipality of Limpopo. The project is therefore aimed at promoting increased participation of the community in the democratic process by providing a platform the community can use to communicate in their own language. Lekunutu News is a monthly, tabloid paper distributed free of charge at strategic locations such as taxi ranks, clinics, police stations, schools, local spaza shops and businesses. The language of the publication is 60% Sepedi, 30% Setswana and 10% English. MDDA funds are for newspaper production costs, distribution, stipends, operational costs, and office equipment and furniture.

Free State



Lentswe La Sechaba (First time applicant) - R392,742.99

Lentswe La Sechaba is a project of the Letlama Foundation, a non-profit organisation that was started by the youth of Meqheleng in the Free State in 2012 to address issues of poverty and unemployment in the community. Lentswe La Sechaba is an 8 page community newspaper that will be produced monthly in both Sesotho (60%) and English (40%). The paper will be produced on a monthly basis. The newspaper is targeted at the entire family with a specific emphasis on the youth. MDDA funds cover salaries, equipment, office furniture, running costs, printing and distribution, audit fees and the website.



Seipone News Time (First time applicant) - R659,600.00

Seipone News Time is a free weekly Small Commercial newspaper which was established in 2007 in Bloemfontein in the Free State province. Currently, the project prints 5,000 copies weekly and distributes mainly in the villages and townships of Qwaqwa under Maluti a Phofung Local Municipality. The editorial content of the newspaper is 100% seSotho. The publication aims to address the imbalance in information flow in Qwaqwa in the Thabo Mofutsanyana District Municipality. The project also promotes and increases pride in the seSotho language and culture. The primary target market for the publication is the age group from 16 – 35. MDDA funding covers printing, office rental, distribution, telecommunication, stipends, layout and design, audit fees and bank charges.



The Sports Eye (First time applicant) - R971,332.00

The Sports Eye, published by Izindwe Marketing, a 100% black-owned Close Corporation, is an initiative by youth and focuses mainly on sports development. The newspaper was started in 2009 and is based in the City of Mangaung, targeting mainly the Xhariep District Municipality in the Free State. The 12-page tabloid is published twice a month and is distributed free of charge. The Sports Eye strives to encourage and inspire young people to become interested in participating and supporting sports activities in their areas, as well as nurturing a culture of reading. Currently, the editorial content is in English, but going forward the project has committed to publishing in Afrikaans, isiXhosa and seSotho. MDDA funding covers printing, office rental, distribution, telecommunication, stipends, layout and design, audit fees and bank charges.

North West



Glimpse Magazine (First time applicant) - R414,176.00

Glimpse Magazine was established in 2009 by the youth of the Mafikeng area in the North West in response to the need for a print project that will focus on issues that affect the community, particularly the youth. The project is aimed at creating relevant content that will inform, entertain and educate local communities, assisting in uplifting them and promoting social cohesion and moral regeneration across the Ngaka Modiri Molema District Municipality. The project has been self-sustaining for some seven years but funding from the MDDA will help to strengthen it and enable it to grow. The magazine is a monthly, A4 size, 52 page magazine printed in full colour. The language quotas of the magazine are 50% Setswana and 50% English. MDDA funds are for printing and distribution, stipends, operational costs, office equipment and website.



Kgatele-Pele (Setso Sarona News) (First time applicant) - R 744,400.00

Kgateko-Pele is the brain child of the Segomotsi Sa Rona Media Hub, a non-profit organisation that was founded in 2015 by young people in the community of Huhudi. The target is to print 5,000 copies of the paper, published in Setswana and English, to be distributed monthly in Huhudi Location in Vryburg and other surrounding areas in the Naledi Local Municipality of the Dr Ruth Segomotsi Mompati District Municipality in the North West Province. The project aims to inform people about community news, the relevance of participating in empowering programmes in the community, career choices and other issues that impact on their lives directly such as health and finance. MDDA funding covers personnel costs, capital expenses, printing and distribution, newspaper development and website and operational costs.



Ya Basha Le Bokamoso News (First time applicant) - R620,600.00

Ya Basha Le Bokamoso News was established by two young entrepreneurs from Ganyesa in the Kagisano/Molopo Local Municipality of the Dr Ruth Segomotsi Mompati District in the North West. Filling a void in the community for an independent newspaper, the first issue was printed in 2013. The content focus is a combination of indigenous language and development issues, as well as encouraging community members of all ages to read, write, learn and communicate in their mother tongue. The project also works with local schools and provides a page for students. The editorial content is 95% seTswana, with the English content mostly advertising. The project applied for funding to increase its print run to 10,000 and publish a 12 pager fortnightly. MDDA funding is for printing, office rental, distribution, equipment, telecommunication, stipends, stationery, training, insurance, audit fees and bank charges.

2.3.2 Community Broadcast

Eastern Cape



Nkqubela Community Radio (First time applicant) - R1,794,000.00

Nkqubela Community Radio was established in 2004 by the working class of Nelson Mandela Bay who saw the need to address issues of exploitation, nepotism, Racism, abuse and harassment in the work place environment. Members from different spheres of labour came up with the concept of a communication tool to address the working conditions of people who have no “voice” and give them a platform where they could address their bad experiences in languages understandable to them. Through consultative engagements with communities and stakeholders, it was agreed that other critical issues should be included in the programming, such as health, crime prevention, political tolerance, education and unemployment. The station is licensed to broadcast in the Nelson Mandela Metro Municipality and surrounding areas of the Eastern Cape in 3 languages as follows: 70% isiXhosa, 20% English and 10% Afrikaans. The frequency is 103.7 MHz and the station operates 24/7. MDDA funding covers digital on-air and production studios, signal distribution, operational costs and programme production.



Takalani Community Radio (First time applicant) - R1,771,995.04

Takalani Community Radio was started in 1993 by the Takalani Youth Programme of the Aliwal North Legal & Community Advice Centre as a youth radio station. The nature of the radio was subsequently changed due to community requests to accommodate the broader community. The station has progressed significantly in terms of human resource development and has been engaged in a number of trainings offered by training institutions within the media sector. The station is licensed to cover Aliwal North and surrounding areas in the Joe Gqabi District Municipality in the Eastern Cape, using a broadcast format of 60% talk and 40% music. The broadcast languages are 35% isiXhosa, 35% Sesotho, 20% English, and 10% Afrikaans. The station operates at 98.2 MHz, 24/7. MDDA funding covers broadcast equipment, operational and transmission costs.



The Voice of Matat (First time applicant) - R2,390,296.36

The Voice of Matat Community Radio was established in 2013 by young radio enthusiasts but could not go on air due to financial limitations. The radio station is licensed to operate in the Alfred Nzo District Municipality in the Eastern Cape, using a broadcast format of 60% talk and 40% music. The radio targets the whole family with a language mix as follows: 30% isiXhosa, 28% English, 27% Sesotho and 15% Afrikaans. The station operates at a frequency of 88.9 MHz, 24/7. MDDA funding covers broadcast equipment, transmission, generator, operational costs and personnel costs.






Alfred Nzo Community Radio (Strengthening) - R2,213,383.00

Alfred Nzo Community Radio was established in 2007 by youngsters based in Mount Ayliff under the Alfred Nzo District Municipality in the Eastern Cape. The station has been on air since 2007 and is the pride of the Mount Ayliff community as it is a driver for development and a source of information and entertainment. The project is licensed to broadcast in the Alfred Nzo District Municipality, using a broadcast format of 60% talk and 40% music. The radio broadcasts in 60% isiXhosa, 10 % Sesotho, 5% English, 10% isiZulu and 5% shared by isiBhaca, isiHlubi, isiXesibe and isiPhuthi at a frequency of 98.3/93.8 FM, 24/7. MDDA funding covers broadcast equipment, transmission and personal costs.



Inkonjane FM (Strengthening) - R805,200.00

Inkonjane FM was established in 2006 and has been fully operational since its establishment. The project was formed through a merger by two community radio initiatives – Wild Coast FM and Ngqungqutshe Community Radio - who both applied for the same frequency (91.9 MHz) to ICASA. A merger was recommended as a solution to the competition. The primary aim of the station is to provide means, through which communities can communicate, interact with and provide feedback to government officials on development issues, promote and preserve the culture of communities through music, cultural plays and drama. The listenership was 87,000 as of September 2015. The radio station has been licensed to broadcast in O.R. Tambo District Municipality in the Eastern Cape using a format of 60% talk and 40% music and broadcast languages of 70% isiMpondo, 20% isiXhosa and 10% English. The station operates at a frequency of 100.5 MHz, 24/7. MDDA funding covers the production of developmental programmes on social cohesion and constitutional rights using various formats, operational costs, transmission costs and audio streaming.

	<p>Brandvlei Management Area Correctional Services Offender Radio Station (First time applicant) - R 1,630,000.00</p> <p>Establishing a basic correctional services radio and television station for offenders is seen as a vehicle through which to transform the purpose and functions of a correctional system, with regard to maintaining and protecting a just, peaceful and safe society. Through the medium of radio and television, the community of offenders within correctional facilities are able to share their experiences of crime and its devastating effect on both the victim and the perpetrator. In return, the outside public community is able to view the rehabilitative and developmental programmes that offenders participate in for preparation for reintegration into the community. The station is licensed to broadcast to the Greater Cape Town Metropolitan, the Winelands District and Atlantis in the Western Cape, using a 60% talk and 40% music format. The broadcast languages are 25% isiXhosa, 25% Afrikaans and 50% English, with operation 24/7. MDDA funding is for broadcast equipment and transmission costs.</p>
	<p>Radio Namakwaland (Strengthening) - R2,000,066.48</p> <p>Radio Namakwaland is a community broadcaster based in Vredendal, the main centre of Matzikama Municipality on the West Coast of South Africa. The radio station went on air in August 1996. The station is a faith-based (Christian) radio station, whose vision is to make a difference in the community through the use of media to spread the word of God. The radio station has positioned itself as a moral regeneration catalyst in its local community and beyond. The license conditions are geographic licence area: Cederberg and Matzikama Municipal areas in the Western Cape and southern parts of Hantam Municipality in the Northern Cape, using a format of 40% talk and 60% music. Broadcast languages are 90% Afrikaans and 10% English, with the station operating at a frequency of 93.4 FM MHz, 24/7. MDDA funding is for salaries, digital on-air and production studios, operational costs, signal distribution and programme production.</p>
	<p>Radio Zibonele (Strengthening) – R2,453,034.90</p> <p>Radio Zibonele was established in 1993 in Khayelitsha, Cape Town, as a homemade radio station located in a shipping container truck, which served as a clinic for the Zibonele Community Health Centre. Radio Zibonele 98.2 FM is the only community radio station that broadcasts in isiXhosa 24/7 in the Western Cape Province. Over the past decade, Radio Zibonele has shown huge growth, with its listenership at 222,000 as of March 2016. The radio station is licensed to broadcast to the Greater Cape Town Metropolitan, with a 65% talk and 35% music format. It broadcasts in 80% isiXhosa, 10% Afrikaans and 10% English at a frequency of 98.2 FM, 24/7. MDDA funding is for digital broadcast studios and content development.</p>

Northern Cape



Radio Kaboesna (Strengthening) - R 1,543,888.99

Radio Kaboesna was established in 1992 by young Calvinia locals. The station took to the airwaves in 1999 through an analogue broadcast equipment. Though the station is one of the country's less economically viable areas, it has survived through broadcasting quality and congruent programmes to the community it services. At the heart of the station lies an objective to serve the community by stimulating economic growth and development through the airwaves. The station is licensed to broadcast in Calvinia and surrounding areas in the Namakwa District Municipality in the Northern Cape using 60% talk and 40% music at a frequency of 88.9 MHz, 24/7. Radio Kaboesna is licensed to broadcast in 10% isiXhosa, 10% English, and 10% Setswana and 30% Afrikaans. MDDA funding covers digital broadcast studios, insurance, training, renovations, operational and transmission costs.



Kurara FM (Strengthening) - R 1,861,211.44

Kurara FM is the first Community Radio Station to be established in the John Taolo Gaetsewe District. It positions itself as a family friendly radio station, situated in the historical town of Kuruman with programming that caters for all ethnic groups. It started its first day of broadcasting on 1 January 2012 and the RAMS (Radio Audience Measurement Survey) currently stands at 46,000 listeners per week (SAARF; July 2014). The station broadcasts in three languages, namely: Setswana (50%), English (30%) and Afrikaans (20%). It broadcasts 24/7, within the 250 km radius, covering major towns such as Kathu, Danielskuil, Posmansburg, Olifantshoek, Taung and Kimberley and approximately 200 villages in the John Taolo Gaetsewe District. The broadcast frequency is 98.9 MHz. MDDA funding covers centralised broadcast studio procurement.

Gauteng



Kofifi FM (First time applicant) - R1 992,067.15

The Westbury Community Development Centre Trust has established Kofifi FM as one of the projects to revive the heritage of Sophiatown and its surrounding areas. The station was established in 1998 and was licensed in September 2011 and finally went on air in March 2012. The station operates with a frequency of 97.2 MHz and is self-transmitting. The station covers Sophiatown and surrounding areas and as far as Potchefstroom, Roodepoort, Edenvale and Pretoria. Kofifi FM aims to ensure that the communities of Westbury, Eldorado and Sophiatown will experience a rebirth of cultural heritage and counteract drug abuse and crime. It is licensed to broadcast in the Johannesburg Metropolitan Municipality, with a format of 60% talk and 40% music in 60% English and 40% Afrikaans. It operates at a frequency of 97.2 MHz, 24/7. MDDA funding covers digital broadcast studios, insurance, operational and transmission costs.



Merafong FM (First time applicant) - R 2,338.195.04

Merafong Community Radio was established in 2012 by a graduate of the Wits Radio Academy with co- founder members from the music industry and a businessman in Merafong City. Its founder members are involved in youth and arts development within its community. They initiated this project through consultation with individuals and groups within the community. The station will be a link between the community of Merafong, Government, mines, and businesses and will engage more on community development. It is licensed to broadcast to Merafong Local Municipal Areas in Gauteng, using 60% talk and 40% music. The station will broadcast in 5 languages as follows: 40% English, 20% Setswana, 20% isiXhosa, 10% Sesotho and 10% Afrikaans at a frequency of 103.6 MHz, 18 hours, 7 days a week. MDDA funding covers digital on-air and production studios, signal distribution, salaries, rent, overheads, audio streaming, bank charges and audit fees.



Moretele Community Radio (First time applicant) - R 1,664,602.68

Moretele Community Radio was established in 1994 in order to address issues of under development in Hammanskraal. The project went on air using makeshift analogue equipment and is based in the historically disadvantaged community of Hammanskraal – designated a rural nodal development point. The radio station is licensed to broadcast in the Tshwane Metropolitan Municipality (Temba and surrounding villages) in Gauteng using 60% talk and 40% music at a frequency of 88.9 MHz, 24/7. Moretele Community Radio is licensed to broadcast in 62% Setswana, 32% English, 5% isiNdebele and 1% Xitsonga. MDDA funding covers on air and production studio equipment, insurance and transmission costs.



Pheli FM (First time applicant) - R 1,905,250.78

Pheli FM was established in 2011 by the community of Atridgeville of the Tshwane Metropolitan Municipality in Gauteng. The station went on air in 2016 using makeshift equipment. The project is based in a historically disadvantaged community of the Gauteng Province – designated a rural nodal development point. The radio is licensed to broadcast in the Tshwane Metropolitan Municipality using 40% talk and 60% music, in 50% Sesotho, 30% English, 5% Xitsonga and 10% isiZulu. It operates at a frequency of 95 FM, 24/7. MDDA funding covers digital broadcast studios and transmission costs.



Sloot FM (First time applicant) - R 2,010,288.94

Diepsloot Community Radio trading as Sloot FM was established in 1998. It operates from Diepsloot and is licensed to broadcast in the Johannesburg Metropolitan, Gauteng. The listenership was 17,000 as of March 2016 with Sloot FM targeting audience between the ages of 14-24 and 24-32 years of age, although the station's programming appeals to the entire community. The broadcast format is 70% talk and 30% music, with the language mix as follows: 5.5% SeTswana, 5.33% isiNdebele, 18.75% SePedi, 18.75% isiZulu, 9% English, 5.34% isiXhosa, 5% isiNdebele, 18.75% xiTsonga and 18.75% TshiVenda. The community radio station broadcasts at 88.8 MHz, 24/7. MDDA funding covers broadcast infrastructure, transmission costs, operational costs and production of educational programmes on substance and drug abuse and crime.



Westside FM (First time applicant) - R2,017,871.90

Westside FM was established in 2007 and operates from Kagiso under the Mogale City Local Municipality. The project plays a developmental role in the communities in which it is based through its programme content, which addresses issues such as education, drug and substance abuse, crime, etc. With limited resources, the station has developed on air campaigns and initiatives on the social ills facing the community. It is licensed to broadcast in the West Rand District Municipality in Gauteng, using a 50% talk and 50% music format. Broadcast languages are 40% SeTswana, 10% SeSotho, 10% SePedi, 5% isiZulu, 5% English, 5% isiXhosa, 5% siSwati, 5% isiNdebele, 5% xiTsonga, 5% TshiVenda. MDDA funding covers operational costs and production of educational programmes on substance and drug abuse, and crime.



Poort on Mams (Strengthening) - R1,400,000.00

In 2015 the Honourable President Jacob Zuma made a commitment to the community of Eersterus in Pretoria to assist them to establish their own community radio that will drive the development agenda in the area, inform, educate and entertain the community. However, due to the non-availability of frequency spectrum, the Poort on Mams FM project was launched based in Mamelodi with a satellite studio in Eersterus under the City of Tshwane Metropolitan Municipality in Gauteng. Mams FM is an existing community radio station in Mamelodi. The radio station has been licensed to broadcast in Mamelodi and surrounding areas (including Eersterus and the surrounding areas), using a broadcast format of 60% talk and 40% music. Listenership was 73,000 as of November, 2015. The radio station broadcasts at 92.95 MHz, 24/7. Poort on Mams FM is a unique project that will potentially unify communities that otherwise did not share a common ground due to apartheid and segregation. MDDA funding covers broadcasting studios, transmission costs, programme production and administration.





Sefako Makgatho University FM (Strengthening) - R978,520.43

Sefako Makgatho University FM or SMU FM is based in Ga Rankuwa at the Sefako Makgatho Medical University. The radio station first went on air in 1994, then known as Radio Medunsa. The station caters for the student community, with the primary objective to be a link between the medical institution which works closely with the neighbouring Dr George Mukhari Academic Hospital and the greater community of Ga Rankuwa. The radio station is licensed to broadcast to Ga Rankuwa and surrounding areas in the City of Tshwane Metro in Gauteng, with a 60% talk and 40% music format. It broadcasts in 30% SeTswana and 70% English, at a frequency of 97 MHz, 24/7. MDDA funding is for digital on-air and production studios, signal distribution, salaries, rent, overheads, audio streaming, bank charges and audit fees.

KwaZulu-Natal



Nkandla Community Radio (First time applicant) - R1,869,099.08

Nkandla Community Radio is based in the Nkandla Local Municipality and has been licensed to broadcast in the King Cetshwayo District Municipal area of KwaZulu-Natal, which is partly developed but predominantly rural. It was initiated by the local community members who acquired an old analogue studio which the station has been using. The broadcast languages are 95% isiZulu and 5% English and the radio operates at a frequency of 102.1 MHz, 24/7. MDDA funding covers digital broadcast studios, insurance, and operational and transmission costs.



Pongola FM (First time applicant) - R2,050,252.47

Established by the Phongolo community members in 2008, Pongola Community Radio affords the people of Ndwedwe and surrounding areas a voice through which to address the socio-economic development issues that affect them. The radio station is licensed to broadcast to the Zululand District Municipality in KwaZulu-Natal, with a 75% talk and 25 % music format. It broadcasts in 70% isiZulu, 20% English and 10% Afrikaans at a frequency of 97.6 MHz, 24/7. MDDA funds are used for operational costs, personnel costs, broadcast equipment, transmission and power back-up.



Newcastle Community Radio (Strengthening) - R2,218,263.00.

Newcastle Community Radio was founded in February 1997 in Newcastle in the Amajuba District of KwaZulu-Natal, initiated by the community members and with various stakeholders such as traditional leaders and political leaders consulted in the establishment of the project. This was done to create a cohesive society during the time of political transition. The radio is licensed to provide services in Newcastle, Madadeni, Osizweni, Utrecht, Danhauser, Ncadu, Lennoxton, Mullerspas, Normandien and surrounding areas, using a format of 70% talk and 30% music. The station broadcasts in: 70% isiZulu, 20% English and 10% Afrikaans at a frequency of 103.7 FM, 24/7. MDDA funding covers salaries, digital on-air and production studios, signal distribution, operational costs, and programme production.



NorthCoast FM (Strengthening) - R 1,695,848.04

NorthCoast FM is based in Richards Bay, KwaZulu-Natal. The station has recently changed its name from Shine FM. The station's frequency is 104.0 FM. While the project is currently implementing the 2nd tranche of a renewed MDDA agreement, at the recommendation of members of the Select Committee of Public Enterprise and Communications following an oversight visit to the station, MDDA funding was approved to provide new studio equipment to NorthCoast Community Radio in order for the station to provide quality broadcast to the community of Richards Bay and surroundings. MDDA funding covers broadcasting equipment for the on air broadcast studios.



Siyathuthuka Community Radio (Strengthening) - R 997,000.00; R 1,656, 961.32




Siyathuthuka Community Radio was established in 1998 and it has been fully operational since its establishment. The listenership was 5,000 at September 2015. Siyathuthuka is community driven as their programming is informed by the information they solicit during the general meetings, listeners' forums, social media, etc. It also trains about 40 people a year on various aspects of broadcasting. The training is done in house due to financial constraints. The radio station has been licensed to broadcast in Ilembe District Municipality in KwaZulu-Natal. The primary aim of the station is entertaining, informing and educating the community. The license conditions are 60% talk and 40 % music in 80% isiZulu and 20% English. The radio station broadcasts at a frequency of 97.6 MHz, 24/7. MDDA funding covers operational costs, personnel costs, capital expenditure, local content production and centralised broadcast studio procurement.



1 KZN TV (Strengthening) - R 2,380,000.00

Bay Community Television t/a 1 KZN TV was established in 2009. Based in Richards Bay, Northern KwaZulu-Natal (KZN), the station predominantly caters for Zulu speaking people in the province and those in "diaspora". The station is available free-to-air in parts of KZN and on DStv at the national level. The channel currently attracts an average monthly viewership of 1.3 million, according to the station's website, and its programming appeals to a wide range of age, income and language groups. The station is licensed to broadcast to the King Cetshwayo District Municipality and the rest of KwaZulu-Natal. Its broadcast languages are 60% isiZulu and 40% English and it broadcasts 24/7. MDDA funding covers stipends, studio sets, running costs and transmission.



	<p>Mascom FM (First time applicant) - R 2,478,669.87</p> <p>Masemola Community Radio trading as Mascom FM went on air in 2014 and the current listenership is 10,000. MasCom FM has developed programming committees, listenership clubs, an SMS line, phone in services, suggestion boxes and walk in services to enhance community participation in the content development and overall operations of the project. The station also has an outreach project that addresses the challenges faced by the community. The radio station is licensed to broadcast in Ga Maseloma and surrounding areas in the Greater Sekhukhune District Municipality of the Limpopo Province, with a 70% talk and 30% music format. It broadcasts in 97% Sepedi and 3% English, at a frequency of 107.5 MHz, 24/7. MDDA funding covers on-air studio and production studio equipment, and operational and transmission costs.</p>
	<p>Mphahlele FM (First time applicant) - R2,295,476.36</p> <p>Mphahlele FM was established in 2015, with significant involvement from the community. At the time of applying for MDDA funding, the station had not yet gone on air. The radio station is licensed to broadcast in Ga Maseloma and surrounding areas in the Capricorn District Municipality in the Limpopo Province, using a format of 70% talk and 30% music. The broadcast languages are 90% Sepedi and 10% English and the station operates at a frequency of 90.9 MHz, 24/7. MDDA funding covers on-air studio and production studio equipment, and operational and transmission costs.</p>
	<p>Univen FM (First time applicant) - R 1,866,731.04</p> <p>Univen FM is a community radio station established in 1997 under the University of Venda. It is based in Thohoyandou under the Thulamela Local Municipality under the Vhembe District Municipality in the Limpopo Province. The station is licensed to broadcast to Mutale, MopaThulamela, Makhado, Musina and surrounding areas, using a format of 60% talk and 40% music in 35% TshiVenda, 15% XiTsonga, 10% Sepedi and 40% English. The station operates at 99.8 MHz, 24/7. MDDA funding covers digital broadcast studios and transmission costs.</p>



Vhembe FM (First time applicant) - R 2,179,114.36

Vhembe FM was established in 2014, with the primary objective to provide the people of Vhembe District Municipality and surrounding areas in the Limpopo Province access to a truly independent, community owned and run local radio station. The station was temporarily on air in 2015. The radio station is licensed to broadcast in Mutale, Thulamela, Makhado, Musina and surrounding areas in the Vhembe District Municipality in Limpopo Province, using a format of 70% talk and 30% music. The station broadcasts in 80% TshiVenda, 15% XiTsonga and 5% English at a frequency of 102.4 MHz, 24/7. MDDA funding covers on-air studio and production studio equipment, salaries, operational costs, transmission costs and local content generation.



Waterberg FM (First time applicant) - R2,028,558.76

Waterberg Stereo is based in Thabazimbi in the Waterberg District Municipality in Limpopo. The radio station was established in 2006, and has been on and off air from 2008. The station targets the entire family, and aims to broadcast to groups traditionally marginalised by mainstream media, establishing community radio as an important part of community development and providing a forum for diversity of opinion and information. Listenership as of December 2015 was 13,000. The radio is licensed to operate in Thabazimbi, Lephalale and Bela-Bela, with a 60% talk and 40% music format. It broadcasts in 20% SeTswana, 40% English and 40% Afrikaans on a frequency of 104.9, 91.6 and 90.2 MHz, 18 hours per day, 7 days a week. MDDA funds are for digital on-air and production studios, signal distribution, salaries, rent, overheads, audio streaming, bank charges and audit fees.



Makhado FM (Strengthening) - R975,495.72

Makhado FM is a community radio station based in Makhado, in the Limpopo Province. The station was established in 2009 and has operated as one of Luonde Media Resource Centre projects until it was fully registered as an independent Public Company in 2014. The radio station has been licensed to broadcast in three rural municipalities of Makhado, Thulamela and Mutale, under Vhembe District Municipality. The station boasts a listenership of 62,000 as at November 2015. The broadcast format is 60% talk and 40% music and broadcast languages are 60% TshiVenda, 20% SePedi, 15% XiTsonga and 5% English. The radio broadcasts at a frequency of 107.3 MHz, 24/7. MDDA funding covers local content production, salaries, capital expenditure and operational costs.





Mohodi FM (Strengthening) - R 1,468,183.00

Mohodi FM was initiated in 1995 and operates from Ga-Manthata village in Limpopo. The station is licensed to broadcast in Greater Molemole Local Municipality. Listenership is 46,000 as of September 2015 with approximately 47% of the population listening to the radio station, despite stiff competition. The broadcast format is 65% talk and 35% music with a language mix of 60% Sepedi, 20% Afrikaans and 20% English. The radio station broadcasts at a frequency of 106 MHz, for 17 hours 7 days a week. MDDA funding covers operational costs and the production of educational programmes in two thematic areas of social cohesion and functions of government.



Moletsi (Strengthening) - R 1,786, 230.60

The project was initiated in 1997 and operates from Moletsi village in Limpopo. Some 47% of the population listens to the radio station and the current listenership figure is 390,000. The station is licensed to broadcast in Polokwane Local Municipality in the Limpopo using a format of 65% talk and 35% music. The broadcast languages are 80% Sepedi, 10% English, 5% Tshivenda and 5% Xitsonga at a frequency of 98.6 MHz, 17 hours 7 days a week. MDDA funding covers capital expenditure, operational costs and salaries.



Mosupatsela FM (First time applicant) - R1,878,541.35

Mosupatsela FM was established in 2000, based in Botshabelo, and has been on-air for the past 17 years. It is positioned as a contemporary adult station. The project operates in a multi-cultural society where the main languages spoken are Sesotho, Setswana and some isiXhosa. The radio station has been licensed to broadcast in the Mangaung Metropolitan Municipality of the Free State. The broadcast format is 60% talk and 40% music, in 70% Sesotho, 10% Setswana, 10% isiXhosa and 10% English. The radio operates at a frequency of 104.3 MHz, 24/7. MDDA funding covers on-air and production studio equipment, transmission and insurance.



Qwaqwa Community Radio Station (Strengthening) - R1,653,499.32

Following Qwaqwa Community Radio Station being burned down, MDDA officers visited the station to assess the situation and it was agreed that new studios for the station were required for the community to have access to information. Prior to the studios being torched, the station had been on air since February 2000 broadcasting to the community of the Eastern Free State. MDDA funding is to cover broadcasting equipment.



Setsoto FM (Strengthening) - R1,953,562.76

Setsoto FM Stereo was established in 2009 and has been providing uninterrupted broadcast services for the community of Ficksburg for 17 years. The radio station has been licensed to broadcast in the Setsoto Local Municipality and surrounding areas in the Free State province. The primary aim of the organization is to educate, inform, entertain and advance skills development within the community via the medium of community broadcasting. The broadcast format is 60% talk and 40% music in 60% Sesotho, 30% English and 10% other local dialects. It operates at a frequency of 104.3 MHz, 24/7. MDDA funding covers broadcasting studio equipment, transmission, computers and stipends for staff.



Bojanala FM (First time applicant) - R2,293,851.74

Bojanala FM is based in Rustenburg in the Bojanala Platinum District in the North West. As a faith-based (Christian) radio station established in 2013, its primary objective is to create a platform where issues and challenges can be discussed in the dominant spoken language of Setswana. The radio station targets the entire family and has positioned itself as a moral regeneration catalyst in its local community and beyond. Listenership as of December 2015 was 13,000. Bojanala FM is licensed to operate in the Bojanala Platinum District Municipality, with a 40% talk and 60% music format. It broadcasts in 70% SeTswana, 21% English, 3% isiZulu, 3% isiXhosa and 3% Afrikaans on a frequency of 90.6 MHz, 24 /7. MDDA funds are for digital on-air and production studios, signal distribution, salaries, rent, overheads, audio streaming, bank charges and audit fees.



Vaaltar FM (Strengthening) - R1,843,543.16

Vaaltar FM is based in Taung within Taung Local Municipality in the North West and has been broadcasting for an uninterrupted 17 years to date. It is licensed to broadcast in the Dr Ruth Segomotsi Mompati District Municipality, using a format of 50% talk and 50% music. It broadcasts in 60% SeTswana, 30% English and 10% Afrikaans at a frequency of 90.6 MHz, 24/7. MDDA funding covers studio equipment upgrades, recording booth, transmission costs, salaries, operational costs and programme production.





Ekasi FM (First time applicant) - R 2,290,557.80

Ekasi FM was established in 2012 and operates from Matsulu, with a license to broadcast to the Ehlazeni District Municipality and surrounding areas of Mpumalanga. Ekasi FM has a unique contribution to make in terms of its ability to highlight important social issues, and to promote dialogue and social change. The channel provides a communication platform for important events on the Matsulu calendar and a space to highlight issues affecting the community. Using a format of 60% talk and 40% music, Ekasi FM broadcasts in 90% isiSwati and the remainder in English, Xitsonga, isiNdebele and Sepedi at a frequency of 107.9 FM, 24/7. MDDA funding covers broadcasting equipment, transmission, audio streaming, salaries and operational costs.



Inakekelo FM (First time applicant) - R2,098,598.20

Inakekelo FM was established in 2010 as a “Friday talk session” by the community of the Siyabuswa, Mthambothini area to seek solutions to the poverty and underdevelopment left as a legacy of the Bantustan system. Today, the radio aims to broadcast quality programmes addressing challenges facing the previously disadvantaged and which are aligned with the Ndebele heritage of its target audience. The Siyabuswa community includes the poorest communities in Mpumalanga. The radio station is licensed to broadcast to the Thembisile Hani Local Municipality and surrounding areas, with a 60% talk and 40% music format. It broadcasts in 50% isiNdebele, 40% English and 10% Sepedi, 24/7 on a frequency of 107.9 FM. MDDA funds will be used for broadcasting equipment, transmission, operational costs, salaries and other capital expenditure.

2.3.3 Research, Training and Development

	DATE	PARTNERS	AMOUNT FUNDED
Gender Based Violence	13-25 June 2016	Soul City	R232,936.00
Science Journalism	24-25 August 2016	SAASTA	R217,700.00
AIP National Conference	14-16 October 2016	AIP	R600,000.00
Press Code E-Learning	November 2016 - June 2017	Frayintermedia	R156,530.00
Grantee Orientation Workshop	23-25 November 2016	MDDA	R730,000.00
Women in Community Publishing Forum	15-16 February 2017	AIP	R345,115.00
Research on The Best Practice Model Towards Promoting Social Integration Across Cape Metro Townships	2016	CDRA	R495,000.00
Research on Community Media Awards	2016	Amalang' Amahle	R461,700.00

Gender Based Violence

School-related gender-based violence prevents millions of children from reaching their academic goals. Of the numerous tools to address this challenge, community media is one of the most important social platforms in preventing gender based violence in South Africa. The Soul City programme for community broadcast projects was aimed at collaborating with and training community media to raise awareness of gender based violence in schools and thereby to reduce its prevalence. The programme provided training to 111 representatives from 37 community radio stations to contribute to spreading relevant information to the grassroots communities. The Soul City Institute for Health and Development Communication is the largest social and behaviour change organization in Africa.

Press Code E-Learning

The Press Code e-learning course was developed to create an understanding of the code of ethics and conduct for South African print and online media and is recommended by the Press Council. The course consists of 10 modules, 8 of which are

based on specific sections of the updated code of ethics, followed by an assignment and exam. The content combines multimedia clips, case studies and quiz questions to provide comprehensive knowledge on the practical application of the code. The learning is self-paced but must be completed within 2 months. The MDDA provided funding for 100 community media journalists from independently owned publications to sign up for the Press Code e-learning course offered by Frayintermedia in October 2016.

Grantee Orientation Workshop

The Grantee Orientation Workshop aims to assist projects to understand their funding contract commitments to the Agency and improve on their reporting. The workshop provides newly approved grantees with an understanding of the Grant Funding Circle, the funding agreement / contract, and the reporting templates (narrative and financial). The Grantee Orientation Workshop is an annual activity on the MDDA calendar.

Women in Community Publishing Forum

The Association of Independent Publishers (AIP) is a national organization advancing the interests of the independent grassroots print media sector in South Africa. The AIP held a historic gathering on the 15 and 16 February 2017 in Johannesburg – the first Women in Community Publishing Forum - to create a space for women publishers to discuss issues of mutual concern. The forum brought together 44 women, all from AIP member publications and representing a broad provincial mix, on the first day and 64 women on the second day, including funders and other guests.



Science and Technology Youth Journalism Programme

Following the signing of a Memorandum of Understanding with the South African Agency for Science and Technology Advancement (SAASTA) in 2015/2016 to promote science journalism, the relationship with SAASTA developed further in 2016/2017. This was in order to increase the number of interns placed with the MDDA supported Community and Small Commercial Media and, thereby, to ensure that the programme is sustainable and that the Small Commercial and Community Media continues to report science related stories beyond the internship.

The internship accommodates unemployed graduates in Science, Technology, Communication and Journalism between 18 to 35 years. The role of the Community Media hosts is to ensure that the selection process is fair to every member and staff members are all informed of the opportunity.

The Department of Science and Technology, in support of the Comprehensive Rural Development Programme, tasked SAASTA to implement the Innovation Partnership for Rural Development Programme (IPRDP) Science and Technology Youth Journalist programme. The IPRDP is intended to gather knowledge, evidence, and learning for integrating innovative technologies in improving access and quality of public service delivery.

Beyond demonstration of innovative technologies, the IPRDP intends to promote interest in science and technology amongst the disadvantaged youth through a Science and Technology Youth Journalist Programme.

The Science and Technology Youth Journalist Programme is being implemented within district municipalities where IPRDP technologies are demonstrated. The programme primarily targets young adults residing within these communities who are unemployed with undergraduate qualifications in science and engineering, communications, and journalism studies. The initial group of 17 interns was appointed during the 2015/2016 financial year. A further 8 candidates were contracted into the programme in 2016/2017, bringing the complement to 25 interns of which the initial 17 exited the programme on 31 March 2017.

2016/2017 highlights of the programme

Communication of Science in indigenous languages: A significant amount of media coverage, especially in indigenous languages, has been generated through the programme. This resulted in 761 stories, including 100 stories on the Innovation Partnership for Rural Development Programme (IPRDP), 361 stories on science and technology and 300 stories on other general media topics.

Capacity Building: Various capacity building exercises and opportunities provided to the interns engaged in this project include Science Journalism Training, Capacity Building Workshop for Algae-based Wastewater Treatment, Launch of Low Pour Flush Sanitation Technology, and CARRS, Science Forum South Africa, SKA Media Tour, STEMI Olympiads and Competitions Community of Practice Conference, and the Mentorship programme.



PROJECT FOCUS Social Integration Project

Access to media by all citizens remains a challenge in some parts of the country, including the Gugulethu community in the Western Cape. At a public meeting held in June 2015, a ministerial commitment was made to the community of Gugulethu with respect to the establishment of a radio station serving the local community. Subsequent processes were coordinated by the GCIS, Gugulethu stakeholders and other agencies such as the MDDA, SENTECH and ICASA to explore the possibility of such a radio station, but the application for a community radio broadcast license was turned down due to limitations in spectrum. However, it opened new opportunities for exploring the potential to expand Radio Zibonele based in Khayelitsha to integrate its services to include the Gugulethu community. This social integration programme was therefore launched both to address challenges experienced in the non-availability of spectrum but also to explore the use of a shared broadcast platform to advance the development of social cohesion across the communities in accordance with the aspirations of the National Development Plan.



The MDDA has been instrumental in implementing the social integration proposal and facilitating the programme, with a task team consisting of the GCIS (Cape Town), Radio Zibonele, the Gugulethu Development Forum, and the Khayelitsha Development Forum being formed to provide technical support to the process.

As Community development structures in these communities, the Gugulethu Development Forum (GDF) and Khayelitsha Development Forum (KDF) are critical stakeholders in terms of organisation and mobilisation of communities around the project, as the establishment of a shared platform requires and enables a level of social integration to be achieved in the light of the historical and political dynamics between the two communities. These dynamics pose questions about how to best facilitate 'buy in' and 'ownership' in complex social environments that contain diverse and often competing interests but also brings into focus the potential of an expanded and inclusive programming of Radio Zibonele to greatly increase social capital and the potential to heal historical divides across the two communities. Increased solidarity through the sharing of information and connecting around common struggles will result in greater resilience, and agency and citizen-based mobilisation around issues that affect these communities.

The social integration project not only speaks directly to the National Development Plan in terms of nation building and social cohesion, but also resonates with the local Government Municipality Systems Act, 32 of 2000, which encourages a culture of community participation in the programmes of the municipalities. In addition, it is aligned with Sections 16 and 32 of the Constitution, which provides for freedom of expression and access to information.

The social integration proposal reached an important milestone in 2016/2017 in its implementation where the community development structures of Gugulethu and Khayelitsha, together with the Board of Radio Zibonele, expressed their commitment to the project and a draft transition plan has been drawn up by Radio Zibonele. In addition, other communities in the Cape Peninsula have expressed their interest in joining the project. This means that an African Communities radio station serving the Cape Peninsula is now becoming a reality. Besides its impact on social cohesion and nation building, such a community station will give prominence to isiXhosa and other indigenous languages, which is an important part of the mandate of the MDDA.

2.3.4 Number of projects approved per District Municipality 2016/2017

DISTRICT MUNICIPALITY	COMMUNITY RADIO	COMMUNITY PRINT	COMMUNITY TV	SMALL COMMERCIAL PRINT	DIGITAL PUBLICATION
NORTH WEST					
Bojanala	Bojanala FM				
Dr Segomotsi Ruth Mompoti	Vaaltar FM	Setso Sarona News			
Ngaka Modiri Molema				Ganyesa News	
				Glimpse Magazine	
KWAZULU-NATAL					
City of eThekweni				KZN Community Newspaper	
ILembe	Siyathuthuka FM				
UMgungundlovu		ThisAbility News			
Zululand	Pongolo FM				
King Cetshwayo	Nkandla Community Radio				
	NorthCoast FM		1KZN		
Amajuba	Newcastle FM				
EASTERN CAPE					
Joe Gqabi	Takalani Community Radio				
Alfred Nzo	Voice of Matat				
	Alfred Nzo FM				
OR Tambo	Inkonjane FM			Ikhwezi News	
Nelson Mandela Bay	Nkgubela Community Radio				
Buffalo City		Disability Magazine		Township Times	
LIMPOPO					
Capricorn	Mohodi FM			Nthavela News	
	Mphahlele FM			Seipone News	
	Moletsi FM				
Waterberg	Waterberg FM	Lekunutu News			
Mopani		Nhlalala News			
Sekhukhune	Masemola Community Radio t/a				
	MasCom FM				
Vhembe	Makhado FM				
	Vhembe FM				
	Univen FM				

DISTRICT MUNICIPALITY	COMMUNITY RADIO	COMMUNITY PRINT	COMMUNITY TV	SMALL COMMERCIAL PRINT	DIGITAL PUBLICATION
WESTERN CAPE					
City of Cape Town	Radio Zibonele	Amandla Magazine			
West Coast	Radio Namakwaland				
Cape Winelands				Winelands Echo	
Overberg	Brandvlei Correctional Services Radio				
NORTHERN CAPE					
John Taolo Gaetsewa	Kurara FM				
Namakwa	Radio Kaboesna				
GAUTENG					
City of Johannesburg	Diepsloot Community Radio t/a Sloot FM				Joburg Post Online
	Kofifi FM				
City of Tshwane	Poort on Mams	Garankuwa Voice			
	Sefako Makgatho FM				
	Pheli FM				
	Moretele Community Radio				
West Rand	Merafong FM				
	Westside FM				
MPUMALANGA					
Ehlanzeni	Ekasi FM				
Nkangala	Inakekelo FM				
FREE STATE					
City of Mangaung	Mosupatsela FM			The Sports Eye	
Thabo Mofutsanyane	Qwaqwa FM	Lentswe La Sechaba		Seipone Times	
	Setsoto Community Radio				

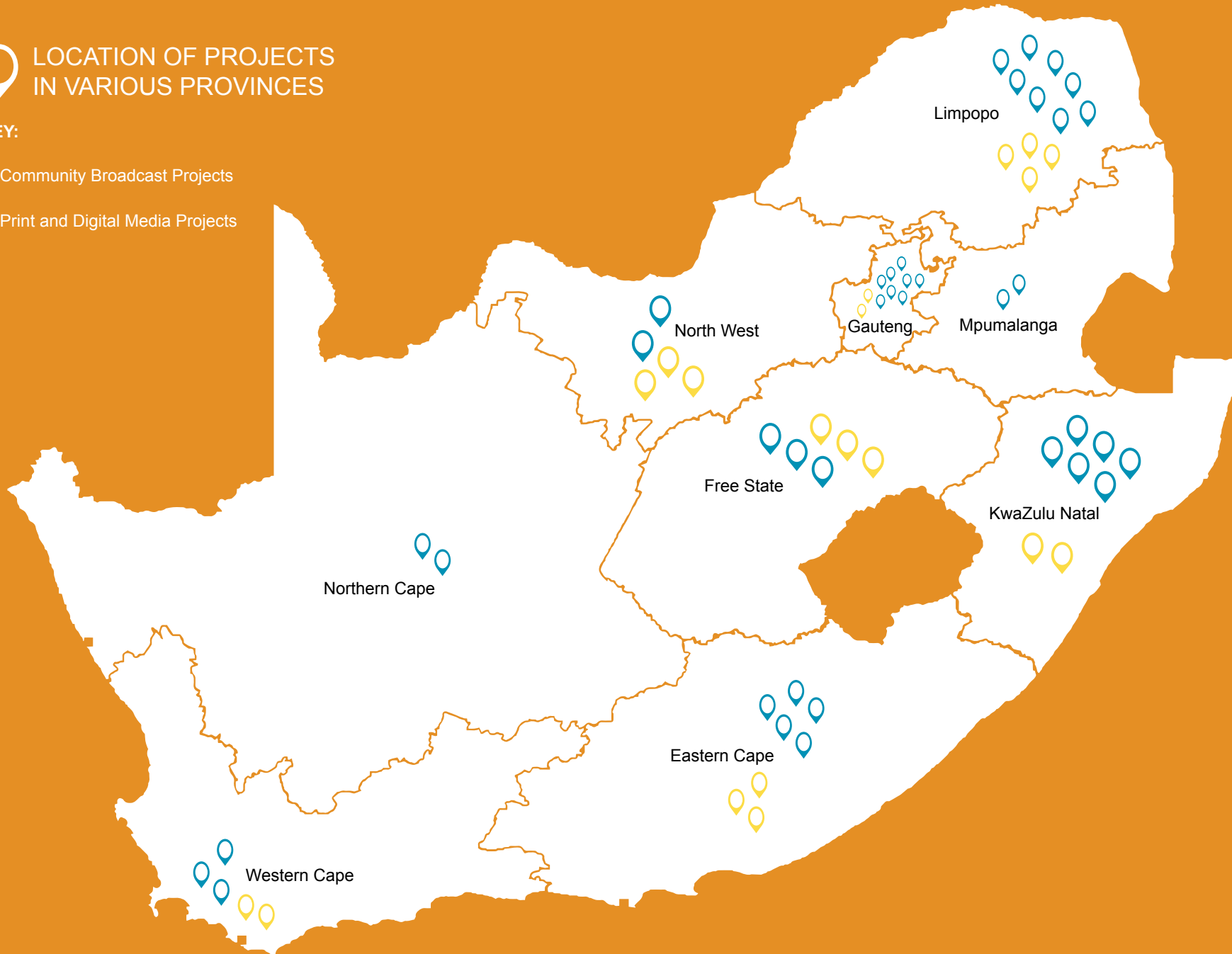


LOCATION OF PROJECTS IN VARIOUS PROVINCES

KEY:

 Community Broadcast Projects

 Print and Digital Media Projects



2.3.5 Projects by Province 2016/2017

NORTH WEST	
Bojanala District Municipality	1
Dr Segomotsi Ruth Mompoti District Municipality	2
Ngaka Modiri Molema District Municipality	2
KWAZULU-NATAL	
Illembe District Municipality	1
UMgungundlovu District Municipality	1
Zululand District Municipality	1
eThekweni Metropolitan Municipality	1
King Cetshwayo District Municipality	3
Amajuba	1
EASTERN CAPE	
Alfred Nzo District Municipality	2
Joe Gqabi District Municipality	1
OR Tambo District Municipality	2
Nelson Mandela Bay Metropolitan Municipality	1
Buffalo City Metropolitan Municipality	2
LIMPOPO	
Capricorn District Municipality	5
Mopani District Municipality	1
Vhembe District Municipality	3
Waterberg District Municipality	2
Sekhukhune District Municipality	1
WESTERN CAPE	
City of Cape Town	2
West Coast District Municipality	1
Cape Winelands District Municipality	1
Overberg District Municipality	1
NORTHERN CAPE	
Namakwa District Municipality	1
John Taolo Gaetsewe District Municipality	1

GAUTENG	
City of Johannesburg	3
City of Tshwane	4
West Rand District Municipality	2
MPUMALANGA	
Ehlanzeni District Municipality	1
Nkangala District Municipality	1
FREE STATE	
City of Mangaung	2
Thabo Mofutsanyane District Municipality	4



MDDA staff with the newly appointed Minister of Communications, Ms Ayanda Dlodlo, at the presentation of the annual performance plan for 2017/2018 in parliament.

PART THREE: ENVIRONMENTAL LANDSCAPE AND FUNDING



3.1 GROWTH AND DEVELOPMENT OF LOCAL MEDIA

The MDDA Act No. 14 of 2002 established the MDDA to help create an enabling environment for media development and diversity that is conducive to public discourse and which reflects the needs and aspirations of all South Africans.

Despite the fact that transformation of the media remains a challenge for South African democracy, the media landscape has changed considerably since 2004, with the MDDA being the largest contributor to enabling access to, control of and management of the sector by historically disadvantaged individuals. Of the approximately 200 community radio stations in existence, 135 were and some 84 still are funded by the MDDA. More than ever before, all the languages of South Africa are being actively used to communicate to and engage with communities. The MDDA has invested significantly in the purchase of world class radio equipment, enabling quality productions. The community TV station has also grown into a resilient industry. The MDDA has supported 5 stations, 2 of which are currently supported. Similarly, the community and small commercial print sector has grown significantly in recent years with South Africa now boasting more than 200 small publishers, a large proportion of which are publishing in an indigenous language. The MDDA has funded in total some 53 community print projects, with 26 of these currently being funded, and 93 small commercial print projects, with 31 still being funded.

3.2 ADVERTISING REVENUE

Attracting advertising revenue both from the public and private sectors is key to the sustainability of local media and the MDDA has focused on assisting community media attract such revenue.

A detailed account of the revenue breakdowns for community media as traded through the GCIS and The Media Connection is shown below. This is largely due to the MDDA intervention in this space.

GCIS Revenue Indicator

	2013-2014	2014-2015	2015-2016	2016-2017
COMMUNITY SPEND				
Community Print	R4,865,651.80	R6,927,315.53	R5,289,034.04	R2,221,207.04
Community Radio	R11,415,688.27	R15,170,546.84	R26,274,787.27	R22,054,282.25
Community TV	R6,650,550.98	R9,553,537.97	R4,630,808.00	R4,395,710.63
TOTAL AD SPEND	R22,931,891.05	R31,651,400.34	R36,194,629.31	R28,671,199.92



MEDIA REQUIREMENTS	SUPPLIER	PUBLICATION	TOTAL ADSPEND
Community Print	Capro	Bulletin	R13,709.99
Community Print	Capro	Die Courant Swartland & Weskus	R18,411.00
Community Print	Capro	Die Plattelander	R11,988.29
Community Print	Capro	Eastern Free State Issue	R24,712.41
Community Print	Capro	Excelsior News	R7,282.04
Community Print	Capro	Free State Sun	R25,362.99
Community Print	Capro	Highlands Panorama	R3,643.44
Community Print	Capro	Highveld Tribune	R2,890.72
Community Print	Capro	Horizon	R9,479.73
Community Print	Capro	ilanga	R13,876.08
Community Print	Capro	Impact 24/7	R3,682.20
Community Print	Capro	Kathu Gazette	R17,635.80
Community Print	Capro	Limpopo Combo	R2,926.38
Community Print	Capro	Limpopo Mirror	R6,584.36
Community Print	Capro	Loxion News	R28,323.68
Community Print	Capro	Maluti Observer	R8,372.16
Community Print	Capro	Mangaung Issue	R27,651.38
Community Print	Capro	Metro News	R19,614.89
Community Print	Capro	Mmegadikgang Newspaper	R15,978.81
Community Print	Capro	Ngoho	R5,099.27
Community Print	Capro	Noordelike Nuus	R6,429.12
Community Print	Capro	Noordwester/Oewernuus	R7,587.66
Community Print	Capro	North West Independent	R7,934.37
Community Print	Capro	Oewernuus	R1,896.91
Community Print	Capro	Orange Farm Poortjie Indaba	R22,312.58
Community Print	Capro	Overvaal	R6,889.59
Community Print	Capro	Rekord	R10,552.41
Community Print	Capro	Seipone	R14,612.52
Community Print	Capro	Soweto Express	R7,969.25

MEDIA REQUIREMENTS	SUPPLIER	PUBLICATION	TOTAL ADSPEND
Community Print	Capro	Soweto Times	R9,100.85
Community Print	Capro	Suidernuus	R5,969.04
Community Print	Capro	Thaba Chweu News	R5,577.56
Community Print	Capro	The Beat	R7,761.69
Community Print	Capro	The Herald Middelburg	R4,224.84
Community Print	Capro	Triangle Courier	R15,242.37
Community Print	Capro	Tshwane Post	R6,224.86
Community Print	Capro	Victoria West Messenger	R3,520.96
Community Print	Capro	Winelands Echo	R15,751.29
Community Print	Capro	Witzenberg Herald	R8,759.76
Community Print	Capro	Zeerust news	R6,279.12
Community Print	Caxton	Bona	R137,826.00
Community Print	Caxton	Country Life	R25,973.75
Community Print	Caxton	Essentials	R30,666.00
Community Print	Caxton	Farmer's weekly	R28,602.61
Community Print	Caxton	Garden & Home	R48,193.50
Community Print	Caxton	Rooi Rose	R41,610.00
Community Print	Caxton	Women & Home	R57,558.60
Community Print	Caxton	YouRFamily	R33,630.00
Community Print	CNI	Alex Pioneer	R23,366.81
Community Print	CNI	Bua Mokgaetsho	R13,893.47
Community Print	CNI	Business Ink	R10,526.76
Community Print	CNI	Cape Flats News	R16,958.23
Community Print	CNI	City Guardian	R6,432.61
Community Print	CNI	Free State News	R34,989.57
Community Print	CNI	Ga-rankuwa Voice	R20,792.96
Community Print	CNI	Impact 24/7	R7,342.06
Community Print	CNI	Inhloso ye sizwe	R15,855.80
Community Print	CNI	Inkazimulo newspaper	R12,281.22
Community Print	CNI	Isigijimi Uthukela	R19,005.62

MEDIA REQUIREMENTS	SUPPLIER	PUBLICATION	TOTAL ADSPEND
Community Print	CNI	KZN Community Newspaper	R19,005.62
Community Print	CNI	Maputalanda Mirror	R12,281.22
Community Print	CNI	mmaiseng News	R17,774.95
Community Print	CNI	North West Journal	R11,053.09
Community Print	CNI	Northern Bulletin	R23,657.74
Community Print	CNI	Pioneer Diepsloot	R7,252.79
Community Print	CNI	Pioneer Express	R23,366.81
Community Print	CNI	Pioneer Mirror	R7,251.77
Community Print	CNI	Pioneer North	R7,251.77
Community Print	CNI	Pioneer Oliven	R7,251.77
Community Print	CNI	Religious News	R7,387.20
Community Print	CNI	Santaco KZN Newspaper	R19,005.62
Community Print	CNI	Soshanguve Sun	R6,432.61
Community Print	CNI	Tame Times Bedfordview	R5,798.13
Community Print	CNI	Tame Times Boksburg	R5,798.13
Community Print	CNI	Tame Times Kathorus	R18,683.10
Community Print	CNI	The South Western Property Gazette	R25,855.20
Community Print	CNI	The Soweto Bulletin	R25,855.20
Community Print	CNI	The Soweto Gazette	R25,855.20
Community Print	CNI	Turfloop Bulletin	R25,855.20
Community Print	Eastern Province Community Print Media	Admin fee	R9,660.00
Community Print	Eastern Province Community Print Media	Dikelethu	R10,500.00
Community Print	Eastern Province Community Print Media	Eastern Free State Issue	R21,000.00
Community Print	Eastern Province Community Print Media	EC Youth on the move	R10,500.00

MEDIA REQUIREMENTS	SUPPLIER	PUBLICATION	TOTAL ADSPEND
Community Print	Eastern Province Community Print Media	Ihlumelo News	R60,000.00
Community Print	Eastern Province Community Print Media	Ikhwezi LaseMthatha	R29,085.00
Community Print	Eastern Province Community Print Media	Imbekwu News	R10,500.00
Community Print	Eastern Province Community Print Media	Informer	R10,500.00
Community Print	Eastern Province Community Print Media	Ingganga	R10,500.00
Community Print	Eastern Province Community Print Media	Izimvo	R31,500.00
Community Print	Eastern Province Community Print Media	Izwile LeAfrika	R10,500.00
Community Print	Eastern Province Community Print Media	Phondo News	R50,085.00
Community Print	Eastern Province Community Print Media	Rainbow News	R10,500.00
Community Print	Eastern Province Community Print Media	Skawara	R31,500.00
Community Print	Eastern Province Community Print Media	St Frances Chronicles	R29,085.00
Community Print	Eastern Province Community Print Media	Taxi Mail	R18,585.00
Community Print	Eastern Province Community Print Media	Taxi Talk	R10,500.00
Community Print	Eastern Province Community Print Media	Xhamala	R10,500.00



MEDIA REQUIREMENTS	SUPPLIER	PUBLICATION	TOTAL ADSPEND
Community Print	Milele Group	Kuruman Chronicle	R8,947.88
Community Print	Milele Group	Masilonyana News	R9,873.20
Community Print	Milele Group	North West on Sunday	R8,946.59
Community Print	Milele Group	Nthavela	R12,369.88
Community Print	Milele Group	Platinum Press	R8,947.88
Community Print	Milele Group	Tlokwe Matlosana	R8,947.88
Community Print	Mpumalanga Community Newspaper Co-op	Bushbuckridge News	R22,671.01
Community Print	Mpumalanga Community Newspaper Co-op	Khanya Community Radio	R12,204.36
Community Print	Mpumalanga Community Newspaper Co-op	Khanyisa News	R15,533.33
Community Print	Mpumalanga Community Newspaper Co-op	Mpumalanga Combo	R12,604.39
Community Print	Mpumalanga Community Newspaper Co-op	Mpumalanga News	R4,333.33
Community Print	Mpumalanga Community Newspaper Co-op	Mpumalanga Press	R11,600.00
Community Print	Mpumalanga Community Newspaper Co-op	Nkomazi Observer	R14,045.69
Community Print	Mpumalanga Community Newspaper Co-op	Thaba Chweu News	R4,333.33
Community Print	Mpumalanga Community Newspaper Co-op	Ziwaphi Newspaper	R14,034.37

MEDIA REQUIREMENTS	SUPPLIER	PUBLICATION	TOTAL ADSPEND
Community Print	Splendid Marketing & Communications	Agency Commission	R13,608.31
Community Print	Splendid Marketing & Communications	Amajuba Eyethu	R24,553.55
Community Print	Splendid Marketing & Communications	Baywatch Eyethu	R14,623.92
Community Print	Splendid Marketing & Communications	Edendale Eyethu	R60,341.17
Community Print	Splendid Marketing & Communications	Ilembe Eyethu	R2,871.89
Community Print	Splendid Marketing & Communications	Intshonalanga Eyethu	R43,359.50
Community Print	Splendid Marketing & Communications	Maritzburg Sun	R45,663.16
Community Print	Splendid Marketing & Communications	Northern eyethu	R5,876.01
Community Print	Splendid Marketing & Communications	Public Eye	R28,267.67
Community Print	Splendid Marketing & Communications	Ugu Yethu	R35,177.44
Community Print	Splendid Marketing & Communications	Umlazi Eyethu	R43,359.50
Community Print	Splendid Marketing & Communications	Umngeni Eyethu	R10,337.93
Community Print	Splendid Marketing & Communications	Uthukela Eyethu	R2,871.89
Community Print	Splendid Marketing & Communications	Zululand Eyethu	R15,900.95

MEDIA REQUIREMENTS	SUPPLIER	PUBLICATION	TOTAL ADSPEND
Community Print Total			R2,221,207.04
Community Radio	90.6 FM stereo		R157,750.00
Community Radio	Aganang Community Radio		R256,000.00
Community Radio	Alex FM		R64,000.00
Community Radio	Alfred Nzo Community Radio		R392,750.00
Community Radio	Barberton community Radio		R390,750.00
Community Radio	Botlokwa Community Radio		R340,000.00
Community Radio	Bush Radio		R216,000.00
Community Radio	City Youth FM		R162,000.00
Community Radio	Cosmo FM		R104,000.00
Community Radio	Eastwave FM		R122,000.00
Community Radio	Eden FM		R368,967.65
Community Radio	EK FM		R51,900.00
Community Radio	Ekasi Community Radio		R6,000.00
Community Radio	Eldo's FM		R347,000.00
Community Radio	Emalahleni FM		R22,000.00
Community Radio	Emfuleni Community Radio		R18,000.00
Community Radio	Energy FM		R66,000.00
Community Radio	Forte Community Radio		R202,000.00
Community Radio	Good News Community Radio		R382,750.00
Community Radio	Greater Tzaneen		R25,000.00
Community Radio	Imbokodo		R113,750.00
Community Radio	Impact Radio		R348,750.00
Community Radio	Inanda FM		R372,750.00
Community Radio	Inkonjane FM		R332,750.00

MEDIA REQUIREMENTS	SUPPLIER	PUBLICATION	TOTAL ADSPEND
Community Radio	Izwi Lomzansi		R40,000.00
Community Radio	Jozi FM		R16,640.00
Community Radio	Kanyamazane Radio		R392,750.00
Community Radio	Kasie FM		R71,300.00
Community Radio	Kathorus Fm		R156,000.00
Community Radio	Khanya Community Radio		R306,750.00
Community Radio	Koepel Stereo		R234,000.00
Community Radio	Kofifi FM		R4,000.00
Community Radio	Kopanong FM		R31,000.00
Community Radio	Kouga FM		R212,000.00
Community Radio	Kurara FM		R393,750.00
Community Radio	Lekoa FM		R74,000.00
Community Radio	Lephalale FM		R168,000.00
Community Radio	Lethabile Community Radio		R284,000.00
Community Radio	Life FM		R228,000.00
Community Radio	Mafikeng FM		R23,000.00
Community Radio	Mahikeng FM		R137,750.00
Community Radio	Makhado FM		R168,750.00
Community Radio	Maputaland Community Radio		R218,000.00
Community Radio	Mash FM		R378,750.00
Community Radio	Mdantsane FM		R298,500.00
Community Radio	Mmabatho FM		R284,750.00
Community Radio	Modiri FM		R192,000.00
Community Radio	Mohodi Community Radio		R286,000.00
Community Radio	Mokopane Community Radio		R192,000.00
Community Radio	Moletsi Community Radio		R345,000.00



MEDIA REQUIREMENTS	SUPPLIER	PUBLICATION	TOTAL ADSPEND
Community Radio	Moretele Community Radio		R389,000.00
Community Radio	Mosupatsela FM		R388,750.00
Community Radio	Motheo Fm		R259,750.00
Community Radio	Moutse Community Radio		R360,750.00
Community Radio	Naledi Community Radio		R234,000.00
Community Radio	Newcastle Community Radio		R356,750.00
Community Radio	Ninafon		R227,000.00
Community Radio	Nkqubela Community Radio		R349,000.00
Community Radio	North-West University		R341,000.00
Community Radio	Nqubeko Community Radio		R54,000.00
Community Radio	Nqubela FM		R174,000.00
Community Radio	Phalaborwa Community Radio		R359,000.00
Community Radio	Radio Alpha		R317,000.00
Community Radio	Radio Atlantis		R198,000.00
Community Radio	Radio Bushbuckridge		R232,000.00
Community Radio	Radio Cape Pulpit		R20,000.00
Community Radio	Radio Gamkaland		R268,000.00
Community Radio	Radio Helderberg		R306,750.00
Community Radio	Radio Kaboesna		R115,000.00
Community Radio	Radio KC		R4,000.00
Community Radio	Radio Khwezi		R339,000.00
Community Radio	Radio Kragbron		R149,000.00
Community Radio	Radio Laeveld		R174,000.00

MEDIA REQUIREMENTS	SUPPLIER	PUBLICATION	TOTAL ADSPEND
Community Radio	Radio Namakwaland		R77,750.00
Community Radio	Radio NFM		R368,750.00
Community Radio	Radio Overberg		R335,000.00
Community Radio	Radio Pulpit		R6,000.00
*Community Radio	Radio Riverside		R264,040.00
Community Radio	Radio Turf		R232,000.00
Community Radio	Radio West Coast		R268,000.00
Community Radio	Radio Zibonele		R440,924.60
Community Radio	Ratlou FM		R81,750.00
Community Radio	Revival FM		R176,750.00
Community Radio	Rise Community Radio		R35,000.00
Community Radio	Rise FM		R6,000.00
Community Radio	RWC Community 92.3 Fm		R6,000.00
Community Radio	Sedibeng FM		R42,000.00
Community Radio	Setsotso FM stereo		R164,750.00
Community Radio	Siyathuthuka FM		R266,000.00
Community Radio	SK FM		R94,750.00
Community Radio	Soshanguve Community Radio		R224,000.00
Community Radio	Sound Fusion		R10,260.00
Community Radio	Soweto Media Resource Centre		R156,000.00
Community Radio	Star FM		R311,000.00
Community Radio	Takalani Community Radio		R225,000.00
Community Radio	The Vaal's Hit Station		R43,000.00
Community Radio	The Voice of the Cape		R73,000.00

MEDIA REQUIREMENTS	SUPPLIER	PUBLICATION	TOTAL ADSPEND
Community Radio	Tshwane University of Technology		R366,750.00
Community Radio	Tubatse Community Radio		R124,750.00
Community Radio	TUKS FM		R16,000.00
Community Radio	Ugu Youth Radio		R214,000.00
Community Radio	Umgungundlovu FM		R80,000.00
Community Radio	Univen Radio		R212,000.00
Community Radio	University of Fort Hare		R152,750.00
Community Radio	Vaal University of Technology		R39,000.00
Community Radio	Vaaltar FM		R29,000.00
Community Radio	Valley FM		R32,000.00
Community Radio	Vibe FM		R36,000.00
Community Radio	Village FM		R114,000.00
Community Radio	Vukani Community Radio		R267,750.00
Community Radio	Westbury Community Radio		R164,750.00
Community Radio	Westside FM		R41,750.00
Community Radio	Whale Coast FM		R212,750.00
Community Radio	Witbank fm		R168,000.00
Community Radio	Zebediela Community Radio		R28,000.00

MEDIA REQUIREMENTS	SUPPLIER	PUBLICATION	TOTAL ADSPEND
Community Radio Total			R22,054,282.25
Community TV	Mediamark	C TV	R541,050.62
Community TV	Mediamark	KZN TV	R710,949.38
Community TV	Times Media	Soweto TV	R845,367.00
Community TV	Zallywood	Tshwane TV	R2,298,343.63
Community TV Total			R4,395,710.63
TOTAL COMMUNITY SPEND			R28,671,199.92



The Media Connection Revenue Indicator

	2013-2014	2014-2015	2015-2016	2016-2017
COMMUNITY SPEND				
Community Radio	R37,094,098.30	R32 179 213.14	R34,475,926.94	R42,881,105.78

The Media Connection Revenue Indicator

786	R240,039.43
Aganang	R102,091.29
Al Ansaar	R187,778.87
Alex	R998,216.76
Alfred Nzo	R486,431.92
Alpha	R28,495.53
Atlantis	R151,265.90
Barberton	R55,045.82
Bay	R484,433.84
Bosveld	R141,858.95
Botlokwa	R66,320.63
Bush	R955,409.58
Bushbuckridge	R293,355.27
Cape Pulpit	R10,878.41
CCFM	R308,678.77
Chai	R52,554.40
Cosmo	R39,524.73
Eastrand	R295,886.97
Eden	R748,869.70
EKFM	R58,636.49
Eldos	R139,277.00
Emalahleni	R298,344.14

Fine	R285,610.54
Forte	R127,959.18
Gamkaland	R158,591.01
Giyani	R246,245.67
Goodnews	R61,827.17
Grahamstown	R16,123.32
Greater Lebowakgomo	R51,289.98
Groot	R921,174.34
Heartbeat	R245,858.14
Helderberg	R339,948.90
Hindvani	R108,695.96
Hope	R17,813.34
Icora	R41,477.99
Imbokodo	R187,341.48
Impact	R46,456.84
Inanda	R507,009.61
Inkonjane	R129,197.56
Isorian	R65,698.13
Islam	R189,366.88
Izwi Lomzansi	R877,301.25
Jozi	R4,833,640.09
Kaapse Punt	R14,497.16

Kangala	R85,138.84
Kanyamazane	R593,125.79
Karabo	R15,195.51
Kasie	R1,337,675.03
KC	R407,262.04
Khanya	R45,562.09
Kingfisher	R330,732.31
Knysna	R17,351.20
Koffi	R172,961.18
Kopanong	R37,712.97
Kovsie (Shimla)	R180,891.36
Kragbron	R289,368.25
Kumkani	R75,906.52
Kurara	R89,136.23
Laevel	R114,060.50
Lekoa	R21,773.92
Lenz	R16,366.27
Lephalale	R114,985.25
Letlhabile	R89,117.22
Lichvaal	R285.84
Link	R114,520.00
Lukhanji	R49,397.89

Mafikeng	R17,619.70
Mafisa	R500,662.56
Makhado	R146,358.48
Maluti	R5,262.21
Mams	R91,181.02
Maputaland	R147,305.26
Mash	R9,912.19
Mdantsane	R25,313.73
Merafong	R3,568.23
MFM	R489,898.68
Mix	R924,635.03
Mkhondo	R17,833.94
Mmabatho	R21,220.59
Modiri	R4,618.74
Mogale	R246,185.12
Mohodi	R25,146.42
Mokopane	R84,012.14
Moletjie	R757,386.51
Moretele	R330,186.84
Mosupatsela	R107,246.18
Motheo	R130,978.21
Moutse	R268,602.65
Mozolo	R31,395.06
Musina	R244,624.36
Naledi	R11,269.72
Namakwaland	R197,474.16
Newcastle	R216,443.23
NFM	R84,987.87
Nguna	R4,726.67

Ninafon - Radio Energy	R315,459.18
Nkomazi	R159,318.03
Nkqubela FM	R261,020.73
Overberg	R56,789.27
Overvaal	R155,286.40
PE FM	R1,081.62
Perron	R19,702.68
Phalaborwa	R219,847.09
Pretoria	R613,373.55
Pulpit	R214,911.52
Qwaqwa	R235,274.23
Puk	R19,113.92
Rhodes	R84,361.75
Riverside	R145,619.60
Rosestad	R203,634.03
Sedibeng	R98,332.96
Sekgosese	R66,523.64
Sekhukhune	R187,830.26
Setsoto	R21,018.84
Siyathuthuka	R67,060.45
Sloot	R63,348.95
SMU	R11,863.20
Soshanguve	R732,245.21
Star	R65,319.75
Sunny South	R62,545.59
Teemaneng	R360,503.69
The Rock	R55,650.38
Thetha	R1,300,792.85
TNG	R54,438.06

Today	R21,894.39
Tshwane	R154,828.39
Tubatse	R224,742.70
Tuks	R983,532.17
Turf	R141,601.59
Tut (TNG)	R34,887.94
Tygerberg	R2,632,509.81
Ugu	R23,046.16
Umgungundlovu	R506,425.09
Unique	R3,559.30
Univen	R176,129.36
Vaaltar	R25,215.23
Valley	R342,657.96
VCR	R228,216.96
Vibe	R201,464.17
VOC	R1,475,828.40
VOW	R243,989.15
Vukani	R33,612.56
VUT FM	R334,965.09
Westcoast	R391,596.07
Westside	R10,000.00
Whale Coast	R119,099.75
Wild Coast	R6,155.89
Witzenberg	R12,485.81
Worcester	R64,819.20
Zibonele	R2,487,107.34
Zululand	R408,814.21
TOTAL REVENUE PAID INCLUSIVE VAT	R42,881,105.78



3.3 SOCIO-ECONOMIC IMPACT AND RETURN ON INVESTMENT

ITEM	NUMBER (CUMULATIVE TO DATE)
Number of jobs created through projects funded	1,994
- Full time employed	674
- Part time interns/freelancers	320
Number of people trained	3,151
Number of bursaries	348
Total Community Radio listenership	8,790,000 (as of March 2016 RAMS)
Total Radio listenership	33,562,000 (as of March 2016 RAMS)

3.4 FUNDING OF THE AGENCY

Section 15 of the MDDA Act provides for funding of the Agency consisting of:

- money appropriated by Parliament;
- money received in terms of agreements contemplated in section 21;
- domestic and foreign grants;
- interest derived from any investments; or
- money lawfully accruing from any other source.

The money referred to above must be utilised to:

- fund projects and activities connected therewith, including project evaluation, feasibility studies, needs analyses, research and training; and
- defray expenses, including expenses regarding remuneration, allowances, pensions and other service benefits referred to in section 12 (6) of the Act, incurred by the Agency in the performance of its functions under the Act as long as such expenses do not exceed the prescribed percentage of the funds referred to above.

DESCRIPTION	2013/2014 R	2014/2015 R	2015/2016 R	2016/17 R
Total budget from DoC	20,790,000	21,815,000	22,615,000	23,814,000
Broadcast Income	31,799,776	32,212,694	34,387,098	44,937,986
Print Funders	4,000,000	4,000,000	0	0
TOTAL	35,799,776	36,212,694	34,397,098	68,751,986

Broadcast Partners

- Multichoice
- South African Broadcasting Corporation Ltd (SABC)
- Electronic Media Network Ltd (M-Net)
- e-TV (Pty) Ltd
- Primedia Broadcasting (Pty) Ltd
- Kagiso Broadcasting (Pty) Ltd (East Coast Radio)
- Kagiso Broadcasting (Pty) Ltd (Jacaranda FM)
- AME (Radio Algoa)
- AME (OFM)
- Kaya FM
- Yfm
- Capricorn FM
- Heart FM
- Radio Pulpit
- Starsat

Foreign Grants

No foreign grants were received in the year under review.

Rollover

For the period under review, the MDDA has requested R99 million rollover of funds in respect to committed funds to be disbursed to project beneficiaries and services providers at a future date.

Funding Cycles

The MDDA is funded by Government through the Department of Communications and by broadcast media companies as per funding agreements signed between the MDDA and these partners. The funding cycle from Government is in line with the Agency's financial year, which is April to March. However, the funding cycles for broadcast funds is November to November. Due to the different cycles of funding, the MDDA will always, at the financial year end, reflect funds from broadcast funders that still need to be approved.

Regulatory and Contractual Requirements

MDDA regulations state that:

- at least 60% of grant funds should go to community media projects;
- at least 25% to small commercial projects;
- 5% to research projects.



PART FOUR: **HUMAN** **RESOURCES**



4.1 STAFF COMPLEMENT

There was a total permanent staff complement of 25 at the end of the period under review, out of 39 approved positions. The staff complement came about as a result of recruitment being put on hold in the prior year due to revision of strategy and a concomitant revision of the organisational structure. With the Board approval of the new organisational structure towards the end of 2015/2016, focus was placed in 2016/2017 on filling the vacancies but initially only those covered by funding that had at that time been committed. With two major funders committing in the third quarter of 2016/2017, recruitment was intensified. There were 2 terminations and 11 appointments. The table below shows the distribution of staff by level, gender and race.

Employment Equity Profile

LEVELS	MALES				FEMALES				TOTAL
	A	C	I	W	A	C	I	W	
Executive/Senior Manager	0	0	0	0	0	0	0	0	0
Manager	3	0	0	0	3	0	0	1	7
Professionals/Specialist	6	0	0	0	8	0	0	0	14
Administrative/Support	0	0	0	0	4	0	0	0	4
TOTAL	9	0	0	0	15	0	0	1	25

A - African C - Coloured I - Indian W - White

The Employment Equity staff profile percentage of black employees was 96% of the overall staff complement. Female employees constitute 60%.

4.2 EMPLOYEE RELATIONS

The MDDA engages with employees through a variety of platforms to identify and attend to their needs and concerns, as well as address any uncertainties arising from the changes in the organization and policy matters.

The Human Resources Policies and Procedures manual is continuously updated and reviewed to increase its relevance and manage the risks associated with its implementation.

4.3 LEARNING AND DEVELOPMENT

All training undertaken during the reporting period was based on the employee and the organisational needs. A total cost of R221,826 was spent on skills development. A skills audit as well as competency assessments were undertaken to ascertain the gap in the skills and competencies required against those that exist within the organisation. This will be used as a feeder into individual development plans.

4.4 REMUNERATION AND BENEFITS

Employees are remunerated on a Total-Cost-To-Company so as to facilitate greater salary package flexibility and competitiveness in the market, as well as paying at an equitable rate for services rendered. The principle applied is equal pay for work of equal value.

MDDA offers benefits such as a provident fund. After investigating viable medical aid scheme facilities, Discovery was identified as the preferred scheme and the scheme was implemented in 2016/2017. MDDA subsidizes a certain portion through a monthly contribution to employees' salaries. In this regard and in order to ensure that employees enjoy the full benefits of the service, it is compulsory for employees at the MDDA to join the medical aid scheme.

4.5 OCCUPATIONAL HEALTH AND SAFETY

During the year under review, there was no health and safety incident reported amongst employees. The Occupational Health and Safety Committee conducted a planned Emergency Evacuation drill in accordance with the Occupational Health and Safety Act. Unannounced Emergency Evacuation drills also occurred during the financial year under review.

4.6 TABULATED STAFF HEAD COUNT

POSITION	AFRICAN (A)		ASIAN (AS)		COLOURED (C)		WHITE (W)		DISABLED		TOTAL
(A)- Acting	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	
Chief Executive Officer	(A)										Vacant
Chief Financial Officer	(A)										Vacant
Project Director											Vacant
Internal Audit Mngr											Vacant
Internal Audit Officer	1										1
Risk Specialist	1										1
HR & Corp Affairs Mngr											Vacant
Project Mngrs	1	1									2
Project Officers	3	1									4
Exec. Secretary to CEO											Vacant
Company Secretary		1									1
Legal and Contracts Adviser											Vacant
Finance Admin Officer		1									1
Disbursement Officer		1									1
Project Administrator		1									1
Receptionist		1									1
Office Attendant & Cleaner		1									1
Finance Mngr	1										1
IT Mngr	1										1
Comms & Branding Mngr							1				1
Supply Chain Mngt Officer	1	1									2
Digital Coordinator											Vacant
HR Officer											Vacant
Research & Capacity Co.		2									2
M&E Coordinator		2									2
Communications Officer		1									1
Travel & Events Coordinator											Vacant
Strategy, Monitoring and Evaluation Director											Vacant
Assistant Company Secretary											Vacant
Knowledge Management Coordinator											Vacant
Monitoring & Evaluation Mngr		1									1
Research & Capacity Building Mngr											Vacant
TOTAL HEAD COUNT	9	15					1				25

4.7 DECLARATION OF DIRECTORS EMOLUMENT (EXCLUDING NON EXECUTIVE DIRECTORS)

Executive Management

EMPLOYEE NAME	POSITION	TIME PERIOD (ACTING)	ANNUAL SALARY	ACTING ALLOWANCE	ANNUAL S&T	BONUS	TOTAL
Themba TC Dlamini	CEO	01/01/2017 - 28/02/2017	184,166.00	0	0	0.00	184,166.00
Thembelihle Sibeko	Acting CEO	01/04/2016 - 31/01/2017	678,973.26	674,770.60	9,750.00	45,432.00	1,408,225.86
Lindinkosi Ndibongo	Acting COO	01/04/2016 - 31/03/2017	682,995.74	581,764.32	10,294.26	44,501.00	1,320,339.32
Trevor Kuodza	Acting CFO	11/08/2016 - 31/03/2017	412,419.83	212,962.71	1,764.00	0	627,146.54
TOTAL			1 958,554.83	421,801.27	21,108.26	93,912.36	3,311,210.72

4.8 ALLOWANCES

There were no overtime or housing allowances. Acting, cell phone and travelling allowances were implemented.

4.9 EXPENDITURE

Departments budget in terms of clearly defined programmes. The following table summarises final audited expenditure by programme. In particular, it provides an indication of the amount spent on the personnel costs in terms of each of the programmes within the Agency.

Personnel Costs by Programme, 2016/2017

PROGRAMME	PERSONNEL EXPENDITURE (R'000)	TRAINING EXPENDITURE (R'000)	PROFESSIONAL AND SPECIAL SERVICES (R'000)
CEO	1,352	0	421
Finance	2,168	111	786
Projects	7,186	111	0
HR and CA	687	0	1,488
TOTAL	11,393	222	2,695

Overtime

There was no overtime paid during the 2016/17 financial year.



4.10 EMPLOYMENT AND VACANCIES

The following tables summarise the number of posts in the Agency, the number of employees, the vacancy rate and whether there are any staff who are additional to the staff establishment of the Agency. This information is presented in terms of three (3) key variables: programme, salary band and critical occupations. The Agency has identified critical positions that need to be monitored. The vacancy rate reflects the percentage of posts that are not filled.

Employment and vacancies by programme, 31 March 2017

PROGRAMME	NUMBER OF POSTS	NUMBER OF POSTS FILLED	NUMBER OF POSTS VACANT	NUMBER OF POSTS FILLED ADDITIONAL TO THE AGENCY
CEO's office	6	1	5	0
Projects	9	7	2	0
Finance	6	5	1	0
HR and CA	5	3	2	0
Internal Audit	2	1	1	0
Risk Mgt	1	1	0	0
Comms	3	2	1	0
SM&E	7	5	2	0
TOTAL	39	25	14	0

Employment and vacancies by salary bands, 31 March 2017

PROGRAMME	NUMBER OF POSTS	NUMBER OF POSTS FILLED	VACANCY RATE	NUMBER OF POSTS FILLED ADDITIONAL TO THE AGENCY
Lower skilled (level 5)	2	2	0	0
Skilled (levels 9 – 13)	-	-	-	-
Highly skilled production (levels 14 – 15)	22	15	68%	0
Highly skilled supervision (levels 16 – 17)	2	2	0	0
Senior management (levels 19 – 21)	13	6	46%	0
TOTAL	39	25		0

Employment and vacancies by critical occupation, 31 March 2017

PROGRAMME	NUMBER OF POSTS	NUMBER OF POSTS FILLED	VACANCY RATE	NUMBER OF POSTS FILLED ADDITIONAL TO THE AGENCY
• CEO & Legal and Contracts Manager Company Secretary	3	1	66%	0
• CFO, Finance Manager, IT	3	2	66%	0
• Comms Manag	1	1	0	0
• Project Director and Project Managers	3	2	66%	0
• HR Manager	1	0	100%	0
• SM&R Director and Managers	3	1	33%	0
• Internal Audit Manager	1	0	100%	0
TOTAL	14	7	54%	0

4.11 JOB EVALUATION

A job evaluation was commissioned in the 2016/2017 financial year for alignment with industry and public sector norms.

4.12 EMPLOYMENT CHANGES

Turnover rates provide an indication of trends in the employment profile of the Agency. The following tables provide a summary of turnover rates by salary band and by critical occupations, as well as reasons why staff are leaving the Agency.

Annual turnover rates by salary band for the period 1 April 2016 – 31 March 2017

SALARY BAND	NUMBER EMPLOYEES PER BAND AS AT 1 APRIL 2016	APPOINTMENTS AND TRANSFERS INTO THE AGENCY	TERMINATIONS AND TRANSFERS OUT OF THE AGENCY	TURNOVER RATE
Lower skilled (level 5)	2	1	0	0%
Skilled (levels 9 – 13)	0	0	0	0%
Highly skilled production (levels 14 – 15)	14	5	0	0%
Highly skilled supervision (levels 16 – 17)	3	1	1	33%
Senior management (levels 19 – 21)	7	3	1	14%



Annual turnover rates by critical occupation for the period 1 April 2016 – 31 March 2017

OCCUPATION	NUMBER OF EMPLOYEES PER OCCUPATION AS AT 1 APRIL 2016	APPOINTMENTS AND TRANSFERS INTO THE AGENCY	TERMINATIONS AND TRANSFERS OUT OF THE AGENCY	TURNOVER RATE
• CEO & Legal and Contracts Manager	2	1	1	50%
• CFO, Finance Manager, IT Manager, Supply Chain Manager	2	0	0	0%
• Project Director and Project Managers	2	1	0	0%
• HR Manager	0	0	0	0%
TOTAL	6	2	1	50%

Reasons why staff are leaving the Agency

TERMINATION TYPE	NUMBER	PERCENTAGE OF TOTAL
Death	0	0
Resignation	1	100%
Expiry of contract	1	100%
Dismissal - operational changes	0	0
Dismissal - misconduct	0	0
Dismissal - inefficiency	0	0
Discharged due to ill health	0	0
Retirement	0	0
Transfers to other Public Service Departments	0	0
Transfers to other Public Service Departments	0	0
Total	2	
TOTAL NUMBER OF EMPLOYEES WHO LEFT AS A % OF THE TOTAL EMPLOYMENT		24%

There were no promotions by critical occupations and no promotions by salary band.

4.13 EMPLOYMENT EQUITY

The tables in this section are based on the formats prescribed by the Employment Equity Act, 55 of 1988.

Employment Equity Profile as at 31 March, 2017

LEVELS	MALES				FEMALES				TOTAL
	A	C	I	W	A	C	I	W	
Executive/Senior Manager	0	0	0	0	0	0	0	0	0
Manager	3	0	0	0	3	0	0	1	7
Professionals/Specialist	6	0	0	0	8	0	0	0	14
Administrative/Support	0	0	0	0	4	0	0	0	4
TOTAL	9	0	0	0	15	0	0	1	25

Recruitment for the period 1 April 2016 to 31 March 2017

OCCUPATIONAL BAND	MALES				FEMALES				TOTAL
	A	C	I	W	A	C	I	W	
• Professionally qualified and experienced specialists and middle management	5	0	0	0	4	0	0	0	0
TOTAL	5	0	0	0	4	0	0	0	9

Terminations for the period 1 April 2016 to 31 March 2017

OCCUPATIONAL BAND	MALES				FEMALES				TOTAL
	A	C	I	W	A	C	I	W	
• Senior Management	1	0	0	0	0	0	0	0	1
• Professionally qualified and experienced specialists and middle management	0	0	0	0	1	0	0	0	1
• Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0	0	0	0	0	0	0	0	0
TOTAL	1	0	0	0	1	0	0	0	0



4.14 PERFORMANCE REWARDS

SALARY BAND	COST – R474,183			
	NUMBER OF BENEFICIARIES	NUMBER OF EMPLOYEES	TOTAL COST (R'000)	AVERAGE COST PER EMPLOYEE
Management	07	07	R254,029	R21,169
Staff	18	18	R220,154	R18,346

4.15 FOREIGN WORKERS

There was one (1) foreign national employed at the Agency during the 2016/2017 financial year. He is employed on a fixed-term contract basis.

4.16 LABOUR RELATIONS

There were no collective agreements entered into with trade unions within the Agency during the 2016/2017 financial year.

There were no misconduct and disciplinary hearings within the Agency during the 2016/2017 financial year.

There were no grievances lodged within the Agency during the 2016/2017 financial year.

There was one dispute during the 2016/2017 financial year. The matter is pending at the Labour Court, however efforts are being made to settle the matter out of Court.

There was no strike action within the Agency during the 2016/2017 financial year.

There were no precautionary suspensions within the Agency during the 2016/2017 financial year.

PART FIVE: GOVERNANCE



5.1 THE BOARD

The Board consists of nine members; six members are appointed on the recommendation of Parliament, after a public nomination process which is open, transparent, and with a publication of a shortlist of candidates for appointment. Three members are appointed by the President, taking into consideration the funding of the Agency, of whom one is from the commercial print media and another one from the commercial broadcast media. The President of the Republic of South Africa appoints one of the members as Chairperson of the Board. Members are appointed on a non-executive basis and are required to commit to fairness, freedom of expression, openness and accountability. Members take an oath or affirmation before performing duties, committing themselves to upholding and protecting the Constitution and the other laws of the Republic.

The Board acts as an Accounting Authority and appoints the Chief Executive Officer in terms of Section 13 of the MDDA Act to act as an Accounting Officer.

The Agency acts only through the Board and is required by law to be:

- independent;
- impartial; and
- exercise its powers and perform its duties without fear, favour or prejudice; and without any political or commercial interference.

Further, the Act provides for the Agency not to interfere in the editorial content of the media.

5.2 CODE OF ETHICS

The Board has adopted a Code of Ethics to ensure each member acts with integrity when performing his or her responsibilities on behalf of the MDDA. The Code outlines the Board's fiduciary duties and defines its responsibilities towards stakeholders, staff members, and government. In terms of the Code, each member of the Board must make an annual declaration of interests, in order to ensure decisions are fair and to protect the Agency against perceptions of bias or conflict of interest.

All members of the Board have also taken an oath or affirmation committing them to the following principles:

- Fairness;
- Freedom of expression;
- Openness;
- Accountability; and
- Upholding and protecting the Constitution and other laws of South Africa.

A minimum of four Board meetings are held annually in accordance with Section 10 of the MDDA Act.

SCHEDULE OF BOARD AND COMMITTEE MEETINGS (2016/2017) MDDA BOARD MEETINGS

29 May 2016	Board Meeting
24 June 2016	Board Stakeholder Engagement
30 June 2016	Special Board Meeting
29 July 2016	Board Teleconference
30 July 2016	Board Meeting
26 & 27 August 2016	Board Strategic Plan
30 September 2016	Board Meeting
22 October 2016	Board Meeting
07 December 2016	Bilateral between Board and Shareholder
09 & 10 December 2016	Induction and Board Meeting
27 January 2017	Board Stakeholder Engagement
01 March 2017	Special Board Meeting
03 March 2017	Bilateral between Board and Shareholder
30 March 2017	Board Meeting

MDDA BOARD SUB-COMMITTEE MEETINGS

04 April 2016	REMCO Meeting
12 May 2016	Policy and Governance Committee Meeting
19 May 2016	REMCO Meeting
26 May 2016	ARC Meeting
13 July 2016	ICT Committee Meeting
14 July 2016	Research, Training, M&E Committee Meeting
26 July 2016	Combined ARC & FINOPS
13 August 2016	Policy and Governance Committee Meeting
17 August 2016	Research, Training, M&E Committee Meeting
23 August 2016	ICT Committee Meeting
5 September 2016	FINOPS Meeting
8 September 2016	ICT Meeting
28 September 2016	Policy and Governance Committee Meeting
17 October 2016	ARC Meeting
18 November 2016	ICT Meeting
19 November 2016	Research, Training, M&E Committee Meeting
19 November 2016	REMCO Meeting
21 November 2016	FINOPS Meeting
22 November 2016	ARC Meeting
27 January 2017	ARC Meeting
20 February 2017	ARC Special Meeting
21 February 2017	Research Committee Meeting
22 February 2017	ICT Committee Meeting
28 March 2017	REMCO Meeting



NAMES	NUMBER OF BOARD MEETINGS ATTENDED	SPECIAL BOARD MEETINGS	NUMBER OF AUDIT & RISK COMMITTEE MEETINGS ATTENDED	NUMBER OF REMUNERATION & HR COMMITTEE MEETINGS ATTENDED	NUMBER OF GOVERNANCE COMMITTEE MEETINGS ATTENDED	NUMBER OF TENDER COMMITTEE MEETINGS ATTENDED	OTHER MEETINGS ATTENDED
Phelisa Nkomo	8	3	4	3	1	0	72
Louise Vale	7	1	1	4	0	1	21
Roland Williams	6	1	3	0	3	0	17
Palesa Kadi	2	3	5	0	1	0	11
Musa Sishange	8	3	6	0	3	1	19
Neo Momodu	3	2	1	2	0	0	5
Zanele Mngadi	4	3	2	0	0	1	3



Women in Media, Port Elizabeth

PART SIX: **ANNUAL FINANCIAL** **STATEMENTS**



6.1 STATEMENT OF RESPONSIBILITY AND APPROVAL

The members are required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the members to ensure that the annual financial statements fairly present the state of affairs of the entity as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and were given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The interim financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The members acknowledge that they are ultimately responsible for the system of internal financial control established by the entity and place considerable importance on maintaining a strong control environment. To enable the members to meet these responsibilities, the accounting authority set standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the entity and all employees are required to maintain the highest ethical standards in ensuring the entity's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the entity is on identifying, assessing, managing and monitoring all known forms of risk across the entity. While operating risk cannot be fully eliminated, the entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The members are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied upon for the preparation of the annual financial statements. However, any system of internal financial control can provide only

reasonable, and not absolute, assurance against material misstatement or deficit.

The MDDA is financially dependent on (amongst others) a transfer payment from the National Treasury and contributions from the Broadcasting Service Licensees and Print Media funders. On the basis that the transfer payment has been listed in the Estimates of National Expenditure and the signed agreements with the Broadcasting Service Licensees and Print Media funders, the Directors believe that the MDDA will continue to be a going concern in the year ahead.

Although the accounting authority is primarily responsible for the financial affairs of the entity, they are supported by the entity's auditors.

The Chairperson of the Board, the Accounting Authority, has delegated to the Chief Executive Officer, in his capacity as Accounting Officer, the responsibility for the preparation and integrity of the interim financial statements and related information included in this interim report.

The internal controls include a risk-based system of internal and administrative controls designed to provide reasonable, but not absolute, assurance that are in line with Section 42 of the Public Finance Management Act (PFMA), assets are safeguarded and that transactions are executed and recorded in accordance with generally accepted business practices and

the Agency's policies and procedures. Trained, skilled personnel with an appropriate segregation of duties implement these controls. These are monitored by the executive management and include a comprehensive budgeting and reporting system operating within strict deadlines and an appropriate control framework. The Board provides oversight in accordance with its fiduciary duties and responsibilities.

The annual financial statements set out on page 94 - 137, which have been prepared on the going concern basis, were approved by the accounting authority on March 31, 2017 and were signed on its behalf by:



Phelisa Nkomo
Chairperson of the Board



Donald Liphoko
Acting Chief Executive Officer

6.2 AUDIT AND RISK COMMITTEE REPORT

We are pleased to present our report for the financial year ended March 31, 2017.

Audit and Risk Committee members and attendance

The audit committee consists of the Directors listed hereunder and should meet four times per annum as per its approved terms of reference. During the current year four meetings were held.

NAME OF MEMBER	NUMBER OF MEETINGS ATTENDED
Nandipha Madiba (Chairperson) appointed 01/05/2016	9 out of 9
Seipati Boulton appointed 20/07/2016	8 out of 8
Mvuleni Bukula appointed 20/07/2016	8 out of 8
Dalson Modiba	7 out of 9
Palesa Kadi (Resigned 05/05/2017)	6 out of 7
Musa Sishange	7 out of 7

Audit and Risk Committee responsibility

The Audit and Risk Committee reports that it has complied with its responsibilities arising from section 51(1)(a) (ii) of the PFMA and Treasury Regulation 3.1.13. The Audit and Risk Committee also reports that it has adopted appropriate formal terms of reference as its Audit and Risk Committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

Risk Management

The Audit and Risk Committee is satisfied that the entity has an on-ongoing risk management process focused on identifying, assessing, managing and monitoring all known forms of significant risk across all operations. This has been in place for the year under review and up to the date of approval of the Annual Financial Statements.

The effectiveness of internal control

The Audit and Risk Committee has evaluated the internal control environment and based on the information provided and assessed, the internal controls are considered inadequate and not always effective to mitigate related risks. The Audit and Risk Committee notes that there is room for improvement to ensure that reasonably

effective monitoring over the system of internal controls is enhanced to mitigate risks as reported by Internal Audit Reports to an acceptable level. In line with the PFMA, the internal audit coverage plan was informed by the risk management process. The quality of in year management and monthly/quarterly reports submitted in terms of the PFMA and the Division of Revenue Act.

The following internal audit work was completed during the year under review:

- Performance Audit (EEE)
- Bi-annually Financial Statements Review (quarterly financial management reports review)
- Financial Management Controls Review
- Compliance audit
- Projects and Programmes
- Audit of Predetermined Objectives
- PASTEL Application Controls Review
- Network Vulnerability Assessment Test
- Human Resources
- Corporate Governance Review
- Supply Chain Management (Fruitless, Wasteful and Irregular Expenditure)
- Follow up on ICT General Controls Reviews and AG IT Findings
- Follow up on AG and Internal Findings

The following were areas of concern:

Output	Areas of concern
HR	High rate of vacancies. Executive positions in Acting capacity. Some Performance Contracts not signed. Leave controls deficiencies. Inconsistent implementation of HR policies.
Performance Information	Completeness, accuracy and relevance of some portfolio of evidence against set targets. Quarterly reports achievements not agreeing with Annual Report.
Corporate Governance	No evidence of evaluation of the Board.
Procurement and Payments	Inconsistent compliance with 30 days payment prescript. Deviation from competitive bidding processes Awards above R30,000 without complying with Preferential Procurement Framework. Appointment of consultants not performed in compliance to regulations. Insufficient enquiry conducted in relation to irregular, fruitless and wasteful expenditure.
Programmes and Projects	Online application system for projects not effective. Inconsistent approval of Monitoring and Evaluation Reports.

Follow-up Audits	Some audit recommendations not implemented per agreed timelines.
Asset Management	Insufficient controls of asset management. Asset register.
IT	Inadequate disaster recovery plan. IT risk register. Inadequate service level agreement management. Application user and administrator activities not monitored.

In-Year Management and Quarterly Report

The public entity has reported on a quarterly basis to the National Treasury as is required by the PFMA. The Audit and Risk Committee had engagements with management to provide clarity on completeness and quality of the Quarterly Reports during quarterly meetings.

Evaluation of annual financial statements

The Audit and Risk Committee (ARC) reviewed the entity's compliance with legal and regulatory provisions during the quarterly Audit and Risk Committee meetings and management has been directed to implement remedial measures where instances of non-compliance were noted.

The audit committee has:

- reviewed and discussed the annual financial statements of the Agency;
- reviewed changes in accounting policies and practices;
- reviewed significant adjustments resulting from the audit.

The Audit and Risk Committee ARC reviewed the entity's compliance with legal and regulatory provisions during the quarterly Audit and Risk Committee meetings and management has been directed to implement remedial measures where instances of non-compliance were noted.

Internal audit

The audit committee has reviewed the work of the internal audit function and has directed Internal Audit to implement remedial measures where instances needing adequate attention were noted and recommended that appropriate assurance provision be enhanced to ensure that it is operating effectively and that it has addressed the risks pertinent to the entity and its audits. The audit committee is satisfied with the independence of the internal auditors.

Auditor-General of South Africa

The audit committee has invited representatives from the office of the Auditor-General of South Africa (AGSA) to attend ARC meetings in the 2016/2017 financial year. The audit committee is satisfied with the independence of the external auditors from AGSA



Nandipha Madiba "CD(SA)"
Chairperson of the Audit and Risk Committee

:

6.3 ACCOUNTING AUTHORITY'S REPORT

1. Incorporation

The entity was established in 2003, in terms of the MDDA Act No. 14 of 2002 and started providing grant funding to projects on 29 January 2004.

2. Going concern

We draw attention to the fact that at March 31, 2017, the entity had accumulated surplus and that the entity's total liabilities exceed its total assets.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the entity to continue as a going concern is dependent on a number of factors. The most significant of these is that the members continue to procure funding for the ongoing operations for the entity.

3. Subsequent events

The members are not aware of any matter or circumstance arising since the end of the financial year.

4. Corporate governance

General

The accounting authority is committed to business integrity, transparency and professionalism in all its activities. As part of this commitment, the accounting authority supports the highest standards of corporate governance and the ongoing development of best practice.

The entity confirms and acknowledges its responsibility to total compliance with the Code of Corporate Practices and Conduct ("the Code") laid out in the King Report on Corporate Governance for South Africa 2002. The accounting authority discuss the responsibilities of management in this respect, at Board meetings and monitor the entity's compliance with the code on a three monthly basis.

The salient features of the entity's adoption of the Code is outlined below:

Board of directors

The Board:

- retains full control over the entity, its plans and strategy;
- acknowledges its responsibilities as to strategy, compliance with internal policies, external laws and regulations, effective risk management and performance measurement, transparency and effective communication both internally and externally by the entity;
- is of a unitary structure comprising:
 - non-executive directors, all of whom are independent directors as defined in the Code; and
 - executive directors.
- has established a Board directorship continuity programme.

5. Auditors

Auditor-General of South Africa will continue in office for the next financial period.



6.4 Report of the auditor-general to Parliament on Media Development and Diversity Agency

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Media Development and Diversity Agency set out on pages 87 to 137, which comprise the statement of financial position as at 31 March 2017, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Media Development and Diversity Agency as at 31 March 2017, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the entity in accordance with the International Ethics Standards Board for Accountants' Code of ethics for professional accountants (IESBA code) together with the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

6. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Material uncertainty

7. With reference to note 27 to the financial statements, the entity is a defendant in a lawsuit. The entity is opposing the claim as it disputes the validity of the service level agreement. The ultimate outcome of the matter cannot presently be determined and no provision for the liability that may result has been made in the financial statements.

Responsibilities of the accounting authority for the financial statements

8. The board of directors, which constitutes the accounting authority, is responsible for the preparation and fair presentation of the financial statements in accordance with SA Standards of GRAP and the requirements of the PFMA and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
9. In preparing the financial statements, the accounting authority is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the intention is either to liquidate the entity or cease operations, or there is no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

10. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. A further description of my responsibilities for the audit of the financial statements is included in the annexure to the auditor's report.

Report on the audit of the annual performance report

Introduction and scope

12. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
13. My procedures address the reported performance information, which must be based on the approved performance planning documents of the entity. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

14. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the entity for the year ended 31 March 2017:

Programmes	Pages in the annual performance report
Programme 2 - Grant and seed funding	28 – 29
Programme 4 - Capacity building	32

15. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

16. The material finding in respect of the reliability of the selected programmes is as follows:

Programme 2: Grant and seed funding

Number of indirect jobs

17. The reported achievement was misstated as the evidence provided did not adequately support the actual achievement of 301.

Programme 4: Capacity building

18. I did not identify any material findings on the usefulness and reliability of the reported performance information for the programme.



Other matters

19. I draw attention to the matters below:

Achievement of planned targets

20. Refer to the annual performance report on pages 23 to 33, for information on the achievement of planned targets for the year and explanations provided for the under or overachievement of a number of targets. This information should be considered in the context of the material finding on the reliability of the reported performance information in paragraph 17 of this report.

Adjustment of material misstatements

21. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of Programme 2: grant and seed funding. As management subsequently corrected only some of the misstatements, I reported a material finding on the reliability of the reported performance information. Those that were not corrected are included in paragraph 17 of this report.

Report on the audit of compliance with legislation

Introduction and scope

22. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the entity with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

23. The material findings in respect of the compliance criteria for the applicable subject matters are as follows:

Procurement and contract management

24. Quotations were accepted from prospective suppliers who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, which is prescribed to comply with treasury regulation 16A8.3.

25. Quotations were accepted from prospective suppliers based on preference points that were not allocated in accordance with the requirements of the Preferential Procurement Policy Framework Act and its regulations. Points were allocated to prospective suppliers who did not submit valid broad-based black economic empowerment (BBBEE) certificates.

Expenditure management

26. Effective steps were not taken to prevent irregular expenditure amounting to R6 715 000 as disclosed in note 33 to the financial statements, as required by section 51(1)(b)(ii) of the PFMA. The majority of the irregular expenditure was caused by quotations that were accepted from prospective suppliers who did not submit valid declarations and BBBEE certificates. The entity relied on the central supplier database system to validate compliance of the above, while the system did not perform this function at the time of awards, resulting in non-compliance.

Other information

27. The Media Development and Diversity Agency accounting authority is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report thereon and those selected programmes presented in the annual performance report that have been specifically reported on in the auditor's report.

28. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

29. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed on the other information obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Internal control deficiencies

30. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual performance report and the findings on compliance with legislation included in this report.

Leadership

31. The accounting officer did not have sufficient monitoring and oversight controls in place to ensure credible performance reporting and compliance with relevant laws and regulations.

Financial and performance management

32. The senior management responsible did not exercise adequate control disciplines over performance reporting and compliance with key legislation. Performance reporting did not always agree to the supporting evidence provided and compliance to legislation was not always monitored.

Auditor General

Johannesburg

31 July 2017



6.5 STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2017

Figures in Rand thousand	Notes	2017	2016
Assets			
Current Assets			
Cash and cash equivalents	3	99,698	93,467
Receivables from exchange transactions	4	1,399	900
Receivables from non-exchange transactions	5	21	8
Inventories	6	-	7
		101,118	94,382
Non-Current Assets			
Property, plant and equipment	7	3,218	778
Intangible assets	8	516	110
		3,734	888
		104,852	95,270
Liabilities			
Current Liabilities			
Payables from exchange transactions	9	2,042	2,637
Finance lease obligation	10	507	140
Unspent conditional grants and receipts	11	25,631	6,479
Provisions	12	2,594	250
Deferred Lease liability	13	14	-
		30,788	9,506
Non-Current Liabilities			
Finance lease obligation	10	1,225	-
Total Liabilities		32,013	9,506
Net Assets		72,839	85,764
Accumulated surplus		72,839	85,764

6.6 STATEMENT OF FINANCIAL PERFORMANCE

Figures in Rand thousand	Notes	2017	2016
Revenue			
Revenue from exchange transactions			
Interest received - investment	15	4,816	4,647
Revenue from non-exchange transactions			
Transfer revenue			
Government grants and subsidies	16	23,814	22,615
Revenue from non-exchange transaction – Broadcast funders	17	45,615	32,501
Total revenue from non-exchange transactions		69,429	55,116
Total revenue	14	74,245	59,763
Expenditure			
Employee related costs	18	(13,174)	(9,220)
Depreciation and amortisation	20	(401)	(302)
Finance costs	21	(8)	(175)
Administrative expenses	22	(15,841)	(13,191)
Grant cost expenditure	23	(57,744)	(29,749)
Loss due to write off of property, plant and equipment		-	(117)
Total Expenditure		(87,168)	(52,754)
Operating (deficit) surplus		(12,923)	7,009
(Deficit) surplus for the year		(12,923)	7,009



6.7 STATEMENT OF CHANGES IN NET ASSETS

Figures in Rand thousand		Accumulated surplus	Total net assets
Balance at April 1, 2015		78,755	78,755
Changes in net assets			
Surplus for the year as previously reported		7,009	7,009
Total changes		7,009	7,009
Balance at April 1, 2016		85,762	85,762
Changes in net assets			
Surplus for the year		(12,923)	(12,923)
Total changes		(12,923)	(12,923)
Balance at March 31, 2017		72,839	72,839

6.8 CASH FLOW STATEMENT

Figures in Rand thousand	Notes	2017	2016
Cash flows from operating activities			
Receipts			
Grants		88,581	63,220
Interest income		4,816	4,647
Other receipts		-	600
		<u>93,397</u>	<u>68,467</u>
Payments			
Employee costs		(10,609)	(9,126)
Suppliers		(17,150)	(15,093)
Finance costs		(8)	(156)
Grant costs - disbursements		(57,746)	(27,779)
Grant disbursements - MICSETA Grant		-	(691)
		<u>(85,513)</u>	<u>(52,845)</u>
Net cash flows from operating activities	25	<u>7,884</u>	<u>15,622</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(1,036)	(276)
Purchase of other intangible assets	8	(477)	(92)
Net cash flows from investing activities		<u>(1,513)</u>	<u>(368)</u>
Cash flows from financing activities			
Finance lease payments		(140)	(127)
Net increase/(decrease) in cash and cash equivalents		6,231	15,127
Cash and cash equivalents at the beginning of the year		93,467	78,340
Cash and cash equivalents at the end of the year	3	<u>99,698</u>	<u>93,467</u>



6.9 STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Budget on Accrual Basis						
	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand thousand						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Interest received - investment	4,291	-	4,291	4,816	525	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants and subsidies	23,814	-	23,814	23,814	-	
Revenue from non-exchange transaction – Other funders	34,387	10,527	44,914	44,571	(343)	
DoC - Broadcast equipment roll-out	-	20,873	20,873	1,044	(19,829)	
Total revenue from non- exchange transactions	58,201	31,400	89,601	69,429	(20,172)	
Total revenue	62,492	31,400	93,892	74,245	(19,647)	
Expenditure						
Employee related costs	(14,523)	-	(14,523)	(13,174)	1,349	
Depreciation and amortisation	(233)	-	(233)	(401)	(168)	
Finance costs	-	-	-	(8)	(8)	
Grant cost expenditure	(32,859)	(21,853)	(54,712)	(57,744)	(3,032)	
Grant cost expenditure - DoC Broadcast equipment grant		(19,829)	(19,829)	-	(19,829)	
Administrative expenses	(14,877)	(505)	(15,382)	(15,841)	(459)	
Total expenditure	(62,492)	(42,187)	(104,679)	(87,168)	17,511	
Deficit before taxation	-	(10,787)	(10,787)	(12,923)	(2,136)	

6.9 STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS (CONT.)

Budget on Accrual Basis	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand thousand						
Statement of Financial Position						
Current Assets						
Receivables from exchange transactions	456	-	456	1,399	943	
Receivables from non-exchange transactions	-	-	-	21	21	
Cash and cash equivalents	79,879	(10,787)	69,092	99,698	30,606	
	80,335	(10,787)	69,548	101,118	31,570	
Non-Current Assets						
Property, plant and equipment	712	-	712	3,218	2,506	
Intangible assets	356	-	356	516	160	
	1,068	-	1,068	3,734	2,666	
Total Assets	81,403	(10,787)	70,616	104,852	34,236	
Liabilities						
Current Liabilities						
Finance lease obligation	127	-	127	507	380	
Payables from exchange transactions	1,507	-	1,507	2,042	535	
Deferred lease costs	121	-	121	-	(121)	
Unspent conditional grants and receipts	-	-	-	25,631	25,631	
Provisions	-	-	-	2,594	2,594	
Deferred Lease liability	-	-	-	14	14	
Total current liabilities	1,755	-	1,755	30,788	29,033	
Non-Current Liabilities						
Finance lease obligation	13	-	13	1,225	1,212	
Total Liabilities	1,768	-	1,768	32,013	30,245	
Net Assets	79,635	(10,787)	68,848	72,839	3,991	
Accumulated surplus	79,635	(10,787)	68,848	72,839	3,991	



6.10 ACCOUNTING POLICIES

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations, guidelines and directives, issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with the historical cost convention as the basis of measurement, unless specified otherwise.. All figures have been rounded to the nearest rand.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

A summary of the significant accounting policies are disclosed below.

These accounting policies are consistent with the previous period.

1.1 Presentation currency

These annual financial statements are presented in South African rand, which is the functional currency of the entity.

1.2 Going concern assumption

These annual financial statements have been prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months.

1.3 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Receivables

The entity assesses its receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the entity makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The recoverable (service) amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumptions may change which may then impact our estimations and may then require a material adjustment to the carrying value of tangible assets.

Value in use of cash generating assets:

The entity reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including economic factors such as inflation and interest. Value in use of non-cash generating assets:

The entity reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indications that impairment may have occurred, the remaining service potential of the asset is determined. The most appropriate approach selected to determine the remaining service potential is dependent on the availability of data and the nature of the impairment

Fair value estimation

The amortised cost (using the effective interest method); less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short term nature thereof. The present value of future cash flows (using the effective interest method), is assumed to approximate the fair value of revenue and expenditure transactions.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 12 Provisions.

Useful lives of property, plant and equipment and other assets

The entity's management determines the estimated useful lives and related depreciation charges for property, plant and equipment and other assets. This estimate is based on industry norm. This estimate is based on the pattern in which an asset's future economic benefits or service potential are expected to be consumed by the entity.

Effective interest rate

The entity uses the government bond rate to discount future cash flows.

Allowance for impairment

For receivables an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the receivables carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

1.4 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one reporting period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost or fair value of the item can be measured reliably.

Property, plant and equipment are initially recognised at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired at no cost, or for a nominal cost, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost), unless the fair value of neither the asset received nor the asset given up is reliably measurable. If the acquired item is not measured at fair value, its cost is measured at the carrying amount of the asset given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Major spare parts and stand by equipment which are expected to be used for more than one period are included in property, plant and equipment. In addition, spare



parts and stand by equipment which can only be used in connection with an item of property, plant and equipment are accounted for as property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Subsequent to initial measurement property, plant and equipment are carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment are depreciated on a straight line basis over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Furniture and fixtures	11 years
Computer equipment	9 years
Office equipment	5 years
Leasehold improvements	lease term

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Reviewing the useful life of an asset on an interim basis does not require the entity to amend the previous estimate; unless expectations differ from the previous estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in surplus or deficit; unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item. Such a difference is recognised in surplus or deficit when the item is derecognised.

Compensation from third parties for an item of property, plant and equipment that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

Leasehold improvements are recognised at cost. The cost of leasehold improvements is depreciated over the shorter of the lease term or useful life of the improvements.

1.5 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and
- the cost or fair value can be measured reliably.

The entity assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's

best estimate of the set of economic conditions that will exist over the useful life of the asset.

Intangible assets are initially recognised at cost.

Where an intangible asset is acquired at no cost, or for a nominal cost, its cost is its fair value as at the date of acquisition.

Subsequent to initial measurement intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment interimly and whenever there is an indication that the asset may be impaired.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Amortisation is provided to write down the intangible assets, on a straight line basis to their estimated residual values as follows:

Item	Useful life
Licences and software	3 years

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of an intangible asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the intangible asset. Such a difference is recognised in surplus or deficit when the intangible asset is derecognised.

1.6 Financial instruments

Classification

The entity classifies financial assets and financial liabilities into the following categories:

- Payables from exchange transactions - Financial liability measured at amortised cost
- Receivables from exchange transactions - Financial asset measured at amortised cost
- Receivables from non-exchange transactions - Financial asset measured at amortised cost
- Cash and cash equivalents - Financial asset measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition.

Initial recognition and measurement

Financial instruments are recognised initially when the entity becomes a party to the contractual provisions of the instruments.

The entity classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Subsequent measurement

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Fair value determination

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the entity establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Impairment of financial assets

At each end of the reporting period the entity assesses all financial assets, other than those at fair value through surplus or deficit, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the entity, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

Impairment losses are recognised in surplus or deficit

Impairment losses are reversed when an increase in the financial assets recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in surplus or deficit within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Receivables from exchange transactions

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in surplus or deficit when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial

reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the deficit is recognised in surplus or deficit within operating expenses. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in surplus or deficit.

Payables from exchange transactions

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at amortised cost.

1.7 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and building elements, the entity assesses the classification of each element separately.

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Any initial direct costs of the lessee are added to the amount recognised as an asset.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are recognised separately as an expense in the period in which they are incurred.

At the commencement of the lease term, lessees shall recognise assets acquired under finance leases as assets and the associated lease obligations as liabilities in their statement of financial position. Any initial direct costs of the lessee are added to the amount recognised as an asset.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis over the lease term.

Any contingent rents are recognised separately as an expense in the period in which they are incurred.

1.8 Inventories

Inventories are initially measured at cost except where inventories are acquired at no cost, or for a nominal cost, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for:

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the entity incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

Inventory comprises of office consumables that shall be consumed within a long-term period in the normal business of the entity and not held for sale. Consumables which will be consumed within a short-term can be immediately expensed at the time of purchase. Records all purchases of consumables should be kept.

If the value of the value of inventory is immaterial at the end of a reporting period it can be expensed in that year. It is essential for management to keep a record of the movement of the inventory in order to determine appropriate application of the GRAP standard relating to inventory.

When inventories are sold, the carrying amounts of those inventories are recognised



as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.9 Taxation

No provision has been made for income tax as the entity is exempt in terms of section 10 (1)(cA)(1) of the Income Tax Act, 1962 (Act No. 58 of 1962).

The entity has deregistered for VAT in terms of section 24(1) of the VAT Act of 1991. This was informed by the nature of operations of the entity. The entity does not charge taxable supplies to the public and revenue is mainly in the form of government grants and donations as classified by the Income Tax Act, 1962 (Act No. 58 of 1962).

1.10 Impairment of non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The entity assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the entity estimates the recoverable service amount of the asset.

Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

The present value of the remaining service potential of a non-cash-generating asset is determined using the following approach:

Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the entity will not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Reversal of an impairment loss

The entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.11 Share capital / contributed capital

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

1.12 Employee benefits

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within 12 months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within 12 months after the end of the reporting period in which the employees render the related employee service;

- bonus, incentive and performance related payments payable within 12 months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognises the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which the entity provides post-employment benefits for one or more employees.



1.13 Provisions and contingencies

Provisions are recognised when:

- the entity has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating expenditure.

If the entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

A contingent liability:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- a present obligation that arises from past events but is not recognised because:
 - it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation;
 - the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised. Contingencies are disclosed in note 27.

1.14 Revenue from exchange transactions

An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Interest, royalties and dividends

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity; and
- the amount of the revenue can be measured reliably.

Interest earned on bank and call account balances is recognised in the statement of financial performance on a time proportionate basis that takes into account the effective yield on the interest investment.

1.15 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by the entity, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, the entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential are required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the entity.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the entity has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the entity.

When, as a result of a non-exchange transaction, the entity recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Transfers

Apart from services in kind, which are not recognised, the entity recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

1.16 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.



1.17 Irregular expenditure

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including:

- (a) this Act; or
- (b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- (c) any provincial legislation providing for procurement procedures in that provincial government.

All expenditure relating to irregular expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

National Treasury practice note no. 4 of 2008/2009 which was issued in terms of sections 76(1) to 76(4) of the PFMA requires the following (effective from 1 April 2008):

Irregular expenditure that was incurred and identified during the current financial year and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial

year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

1.18 Accumulated surplus

The accumulated surplus represents the net difference between the total assets and the total liabilities of the entity. Any surpluses and deficits realised during a specific financial year are credited/debited against accumulated surplus/deficit. Prior year adjustments, relating to income and expenditure, are debited/credit against accumulated surplus when retrospective adjustments are made.

1.19 Commitments

Items are classified as commitments when the entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments, which are disclosed in note 26.

Commitments are not recognised in the statement of financial position as a liability, but are included in the disclosure notes in the following cases:

- approved and contracted commitments;
- where the expenditure has been approved and the contract has been awarded at the reporting date; and
- where disclosure is required by a specific standard of GRAP.

1.20 Grants in aid

The entity transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the entity does not:

- receive any goods or services directly in return, as would be expected in a purchase or sale transaction;
- expect to be repaid in future; or
- expect a financial return, as would be expected from an investment.

These transfers are recognised in the statement of financial performance as expenses in the period that the events giving rise to the transfer occurred.

1.21 Budget information

The approved budget is prepared on the accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 4/1/2016 to 3/31/2017.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

The Statement of comparative and actual information has been included in the annual financial statements as the recommended disclosure when the annual financial statements and the budget are on the same basis of accounting as determined by National Treasury.

1.22 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Management are those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.

Close Directors of the family of a person are considered to be those family Directors who may be expected to influence, or be influenced by, that management in their dealings with the entity.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

1.23 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The entity adjusts the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The entity discloses the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.24 Projects in progress

Projects in progress represent grants received from the Department of Communications for funding programme production projects and the grant received from MICT-Seta for training of the beneficiaries; the grants are treated as liabilities in the statement of financial position in the year they were received or accrued and reduced by the expenses incurred on these special projects.



6.11 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the entity has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
GRAP 17: Property, plant and equipment	April 1, 2016	The impact of the amendment is not material.

2.2 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after April 1, 2017 or later periods:

GRAP 18: Segment Reporting

Benchmark treatment is to recognise borrowing costs as an expense.

Allowed alternative is to capitalise borrowing costs if it is attributable to the acquisition, construction or production of a qualifying asset. All other instances, expense borrowing costs.

All amendments to be applied prospectively.

The effective date of the amendment is for years beginning on or after April 1, 2017.

The entity expects to adopt the amendment for the first time in the 2017 annual financial statements.

It is unlikely that the amendment will have a material impact on the entity's annual financial statements.

GRAP 105: Transfers of Functions Between Entities Under Common Control

All accounting, presentation and disclosure requirements with regards to non-current assets held for sale (or disposal groups) have been deleted. The impact of the amendments is:

- Will no longer be required to reclassify assets as held for sale. GRAP 100 now only deals with discontinued operations.
- Certain disclosure must be made if, at the reporting date, management has taken a decision to dispose of a significant asset or a group of assets and liabilities. Will fall under the Standard of GRAP on Presentation of Financial Statements.

Measurement requirements are to be applied prospectively and presentation and disclosure requirements are to be applied retrospectively

The effective date of the standard is for years beginning on or after April 1, 2017.

The entity expects to adopt the standard for the first time in the 2017 annual financial statements.

It is unlikely that the standard will have a material impact on the entity's annual financial statements.

GRAP 107: Mergers

The objective of this standard is to establish accounting principles for the combined entity and combining entities in a merger.

A merger is where a new combined entity is started, acquirer can be identified and the combining entities do not have any control over the combined entity.

In the event of a merger, the assets and liabilities should be recognised (by the combined entity) at their carrying amounts and should be derecognised (by the combining entities) at their carrying amounts.

The difference between the carrying amounts of assets and liabilities should be recognised in accumulated surplus / (deficit).

The effective date of the standard is for years beginning on or after April 1, 2017.

The entity expects to adopt the standard for the first time in the 2017 annual financial statements.

It is unlikely that the standard will have a material impact on the entity's annual financial statements.

GRAP 106: Transfer of functions between entities not under common control

The objective of this standard is to establish accounting principles for the acquirer in a transfer of functions between entities not under common control.

A transfer of functions between entities not under common control is a reorganisation and / or reallocation of functions between entities that are not ultimately controlled by the same entity before and after a transfer of functions.

In the event of a transfer of functions between entities not under common control, the assets and liabilities should be recognised (by the acquirer) at their acquisition date fair values.

The difference between the amount of consideration paid, if any, and the carrying amounts of assets acquired and liabilities assumed should be recognised in accumulated surplus / (deficit).

For a transfer of functions between entities not under common control there are some specific recognition and measurement principles and exceptions to the recognition and measurement principles.

The effective date of the standard is for years beginning on or after April 1, 2017.

The entity expects to adopt the standard for the first time in the 2017 annual financial statements.

It is unlikely that the standard will have a material impact on the entity's annual financial statements.



Figures in Rand thousand**2017****2016****3. Cash and cash equivalents**

Cash and cash equivalents consist of:

Cash on hand	2	2
ABSA - Current account	41,002	18,204
ABSA - Investment accounts	58,694	75,261
	99,698	93,467

Cash reserves received to fund projects are ring-fenced in an interest bearing investment account until disbursed to intended recipients of the funds.

4. Receivables from exchange transactions

Deposits	1,122	456
Accrued interest	273	266
Prepaid expenses	4	178
	1,399	900

Credit quality of trade and other receivables

The credit quality of trade and other receivables that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

5. Receivables from non-exchange transactions

Staff debtors	21	8
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Credit quality of receivables from non-exchange transactions

The credit quality of receivables from non-exchange transactions that are neither past nor due nor impaired can be assessed by reference to historical information about counterparty default rates.

6. Inventories

Office consumables and cleaning material

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In the prior year inventories which relate to office consumables had been fully utilised and a re-order of office consumable was being processed. Inventories utilised in the current year have been expensed.

7. Property, plant and equipment

Reconciliation of property, plant and equipment - 2017

	2017			2016		
	Cost	Accumulated depreciation and accumulated impairment	Carrying value	Cost	Accumulated depreciation and accumulated impairment	Carrying value
Computer equipment	1,282	(413)	869	677	(330)	347
Furniture and fixtures	1,085	(879)	206	1,085	(826)	259
Office equipment	696	(237)	459	264	(219)	45
Leasehold improvements	1,732	(48)	1,684	-	-	-
Office equipment - Leased	383	(383)	-	383	(256)	127
Printers						
Total	5,178	(1,960)	3,218	2,409	(1,631)	778



Reconciliation of property, plant and equipment - 2017

Figures in Rand thousand	2017			
	Opening balance	Additions	Depreciation	Total

Reconciliation of property, plant and equipment - 2017

Computer equipment	347	605	(83)	869
Furniture and fixtures	259	-	(53)	206
Office equipment	45	432	(18)	459
Leasehold improvements	-	1,732	(48)	1,684
Office equipment - Leased Printers	127	-	(127)	-
	778	2,769	(329)	3,218

Reconciliation of property, plant and equipment - 2016

Figures in Rand thousand	2016					
	Opening balance	Additions	Trade in / Disposal	Write-off	Depreciation	Total

Reconciliation of property, plant and equipment - 2016

Computer equipment	249	276	(83)	(33)	(62)	347
Furniture and fixtures	313	-	-	-	(54)	259
Office equipment	76	-	-	(1)	(30)	45
Office equipment - Leased Printers	255	-	-	-	(128)	127
	893	276	(83)	(34)	(274)	778

Pledged as security

None of the above property, plant and equipment have been pledged as security.

Assets subject to finance lease (Net carrying amount)

Leasehold improvements	1,684	-
Leased office equipment - Printers	-	127
	1,684	127

A register containing the information required by the Public Finance Management Act is available for inspection at the registered office of the entity.

Lost assets written off

During the 2016/17 financial year, a laptop was stolen from one of the MDDA staff. The incident was reported to the police and subsequently to the Insurance providers. The incident is still under investigation.

It was noted at 31 March 2016 that there were assets that were lost during the reporting period. The assets have been written off from the fixed asset register. Most of the assets written off had a zero book value. A comprehensive list of written off assets is attached to the fixed asset register for the current year. The following assets were lost during the period:

Assets written off		
Computer equipment	13	33
Office equipment	-	1
	13	34

Trade in / Disposal of laptops

During the 2015/16 financial year, a decision was taken to upgrade 18 of MDDA's laptops. The laptops initially purchased were pre-installed with Windows 8.1 for home use, which was not considered appropriate for business use. The trade in of the 18 laptops resulted in a loss of R82, 801.80 being incurred.

Loss on trade in of laptops	-	83
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8. Intangible assets

	2017			2016		
	Cost	Accumulated amortisation and accumulated impairment	Carrying value	Cost	Accumulated amortisation and accumulated impairment	Carrying value
Licences and software	641	(125)	516	164	(54)	110

Reconciliation of intangible assets - 2017

	Opening balance	Additions	Amortisation	Total
Licences and software	110	477	(71)	516

Reconciliation of intangible assets - 2016

	Opening balance	Additions	Amortisation	Total
Licences and software	47	92	(29)	110

Pledged as security

None of the above intangible assets have been pledged as security.

A register containing the information required by the Public Finance Management Act is available for inspection at the registered office of the entity.

Figures in Rand thousand

	2017	2016
9. Payables from exchange transactions		
Trade payables	1,134	2,026
Employee related - PAYE, UIF, SDL, Medical aid, Provident contributions	214	69
Employee related - Leave accrual	694	479
Sundry accruals	-	63
	2,042	2,637

Figures in Rand thousand	2017	2016
10. Finance lease obligation		
Minimum lease payments due		
- within one year	695	147
- in second to fifth year inclusive	1,391	-
	2,086	147
Less: future finance charges	(354)	(7)
Present value of minimum lease payments	1,732	140
Present value of minimum lease payments due		
- within one year	507	140
- in second to fifth year inclusive	1,225	-
	1,732	140
Non-current liabilities	1,225	-
Current liabilities	507	140
Current liabilities	1,732	140

The MDDA had a lease for three printers with Safika for a period of 36 months at inception of the contract, which ended in March 2017. The applicable interest was prime interest rate of 9.25% at the inception of the lease. MDDA pays contingent rental which is based on the number of print copies run for each of the 3 leased printers. MDDA after expiration of lease term (36 months) has the option to extend the contract on month to month basis. MDDA may not cede or transfer this agreement to any third party without the written consent of the lessor.



Figures in Rand thousand	2017	2016
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11. Unspent conditional grants and receipts

Projects in progress

Unspent conditional grants and receipts

Projects in progress - DoC	5,802	5,802
Projects in progress - MICT - Seta	-	677
Projects in progress - DOC Broadcast equipment roll-out	19,829	-
	25,631	6,479

Movement during the year

Balance at the beginning of the year	6,479	6,571
Additions during the year	20,873	600
Income recognition during the year	(1,721)	(692)
	25,631	6,479

See note 16 for reconciliation of grants from National/Provincial Government.

These amounts are invested in a ring-fenced investment until utilised.

12. Provisions

Reconciliation of provisions - 2017

	Opening balance	Additions	Utilised during the year	Total
Legal proceedings	-	2,120	-	2,120
Employee costs - provisions	250	474	(250)	474
	250	2,594	(250)	2,594

Reconciliation of provisions - 2016

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Employee costs - provisions	264	250	(64)	(200)	250

An amount of R63 528 was raised in 2014/15 financial year relating to an employee leave accrual. This was re-classified in the 2015/16 financial year to the leave accrual account.

Legal settlement provision relates to a Labour court matter against the MDDA relating to a dispute with a former employee who alleges that MDDA unfairly dismissed her. The applicant initially brought the matter to CCMA and the judgement passed was in favour of MDDA. However, the applicant lodged a review of the matter at the Labour court and the matter was referred back to the CCMA, whereby the applicant was successful. Subsequently, MDDA lodged an appeal. At year end the matter was pending and MDDA's financial exposure was assessed as R2,120,066.34. MDDA has raised a provision due to the uncertainty of timing in the outcome.

A performance bonus provision of R474 184 has been made for all staff at 5% per employee of interim Cost to company in the current year - 2016/17. This is based on the performance assessment of MDDA and also in relation to the individual performance of all staff members. The performance bonuses will be paid during the 2017/18 financial year.

A performance bonus provision of R249 980 was made for all staff at 4% per employee of interim Cost to company in the 2015/16 financial year. This was based on the performance assessment of MDDA and also in relation to the individual performance of all staff members. The performance bonuses were subsequently paid during the 2016/17 financial year.

13. Deferred Lease liability

Operating lease - straightlined

Deferred Lease liability - Current portion

14

-

The operating lease costs for leasehold property were straight-lined from commencement of the rental agreement. The contract expires on the 28th of February 2020 and is valid for a 36 month period.

14. Revenue

Broadcast and other funders contributions

45,615

32,501

Government grants and subsidies

23,814

22,615

Interest received - investment

4,816

4,647

74,245

59,763

The amount included in revenue arising from exchanges of goods or services are as follows:

Interest received - investment

4,816

4,647

The amount included in revenue arising from non-exchange transactions is as follows:

Transfer revenue

Government grants and subsidies

23,814

22,615

Broadcast and other funders contributions

45,615

32,501

69,429

55,116

Figures in Rand thousand	2017	2016
15. Investment revenue		
Interest revenue		
Bank	4,816	4,647
16. Grants and subsidies		
Department of Communications (DoC)	23,814	22,615
Conditional and Unconditional		
Included in above are the following grants and subsidies received:		
Unconditional grants received	23,814	22,615
Projects in Progress - DoC		
Balance unspent at beginning of year	5,802	6,494
Conditions met - transferred to revenue	-	(692)
	5,802	5,802

Conditions still to be met - remain liabilities (see note 11).

During the year 2008/09, MDDA entered into an MoU with the Department of Communications (DoC) for Programme production projects for an amount of R20 million. The management and administration fee levied by MDDA is 10% of the grant fund. The MDDA recognised the 10% (R2 000 000.00) as revenue in 2008/09 financial year.

The Department of Communications (DoC) represents the Executive Authority, which is the controlling entity of the MDDA. Due to the nature of the this relationship, the two parties are considered as related parties and therefore have also been reported as such. (see note 27).

Figures in Rand thousand	2017	2016
Projects in progress - MICT - SETA		
Balance unspent at beginning of year	677	77
Current-year receipts	-	600
Conditions met - transferred to revenue	(677)	-
	<u>-</u>	<u>677</u>

Conditions still to be met - remain liabilities (see note 11).

During 2013/14, the MDDA entered into a MOU with MICT-Seta for training for R3 million. This would be disbursed to the MDDA in tranches. MDDA will recognise the revenue and equal expense in the period in which the training has been conducted. Project has been cancelled and the balance of money received from MICT-Seta to be written off in the 2016-2017 financial year. This was informed through the follow-ups with the MICT-Seta due to late reporting by the MDDA.

Projects in progress - DOC Broadcast equipment roll-out

Current-year receipts	20,873	-
Conditions met - transferred to revenue - management fee	(1,044)	-
	<u>19,829</u>	<u>-</u>

Conditions still to be met - remain liabilities (see note 11).

During the year 2016/17, MDDA entered into an MoU with the Department of Communications (DoC) for Broadcast equipment support for broadcast projects for an amount of R21 million. The management and administration fee levied by MDDA was 5% which is included in the total grant amount.

The MDDA recognised the 5% (R1 043 626.64) as revenue in 2016/17 financial year. The balance of the grant will be realised as the spending on the grant occurs.

The Department of Communications (DoC) represents the Executive Authority, which is the controlling entity of the MDDA. Due to the nature of the this relationship, the two parties are considered as related parties and therefore have also been reported as such. (see note 28).



Soul city grant

Projects in progress - DOC Broadcast equipment roll-out

Current-year receipts	233	-
Conditions met - transferred to revenue	(233)	-
	<u>-</u>	<u>-</u>

During the year 2016/17, MDDA entered into an MoU with the Soul City Institute. The Soul City Institute found it important to collaborate with the MDDA and the Community Broadcast projects of South Africa in order to raise awareness of GBV in schools as a way of reducing the prevalence of the Gender Based Violence (GBV) and related incidences.

This programme will provide training for 37 community radio stations to contribute in advancing or addressing the issues relating to GBV by spreading relevant information to the grassroots communities through drama, talk show etc. It is anticipated that these awareness programmes will serve as an eye opener to school learners or young people so they can be able to respond to cases of GBV accordingly in schools, and available support provided to GBV survivors.

All workshops were completed in the 2016/17 financial year. The funds received from Soul City have been realised as revenue in the 2016/17 financial year.

17. Revenue from non-exchange transaction – Broadcast & other funders

Revenue from non-exchange transaction – Broadcast funders and DoC project	43,661	32,501
Revenue from non-exchange transaction – Soul City grant	233	-
Revenue from non-exchange transaction – DoC Broadcast equipment grant	1,044	-
Revenue from non-exchange transaction – MICTSETA	677	-
	<u>45,615</u>	<u>32,501</u>

18. Employee related costs

Basic salary and leave	9,249	7,135
Bonus	564	250
Unemployment Insurance Fund	33	30
Skills Development Levy	93	72
Provident fund	892	733
Gratuity - Contract termination	2,120	1,000
Medical aid	223	-
	13,174	9,220

Remuneration of Mr Johannes Rantete - Acting Chief Executive Officer - 01/09/2015 - 08/10/2015

Acting Allowance	-	17
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Remuneration of Mr Trevor Kuodza - Acting Chief Financial Officer - 11/08/2016 - 31/03/2017

Basic salary	412	-
Acting allowance	213	-
Performance Bonuses	-	-
Subsistence and travelling	2	-
	627	-

Remuneration of Ms Duduzile Nchoba - Acting Chief Executive Officer - 02/01/2015 - 31/08/2015

Acting Allowance	-	41
Subsistence and travelling	-	7
	-	48



Figures in Rand thousand	2017	2016
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Remuneration of Ms Thembelihle Sibeko - Acting Chief Executive Officer - 11/10/2015 - 31/12/2016

Basic salary	679	704
Acting Allowance	675	371
Subsistence and travelling	8	9
Performance bonus	45	26
	1,407	1,110

Remuneration of Talifhani Kubhana - Acting Chief Financial Officer - 01/04/2015 - 22/10/2015

Annual Remuneration	-	439
Acting Allowance	-	89
Subsistence and travelling	-	4
Performance Bonuses	-	26
	-	558

Remuneration of Lindinkosi Ndibongo - Acting Chief Operations Officer - 11/10/2015 - 31/03/2017

Annual Remuneration	683	716
Acting Allowance	581	324
Subsistence and travelling	11	13
Performance bonus	45	27
	1,320	1,080

Remuneration of Themba Dlamini - Chief Executive Officer - 01/01/2017 - 28/02/2017

Annual Remuneration	184	-
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Executive management emoluments due to their nature have also been included in the note for related party transactions.

19. Non-Executive Management Emoluments

Administration and management fees

1,094

554

Board Member emoluments for Non-Executive Board Member services rendered during the year:

Ms Phelisa Nkomo

417

245

Mr Roland Williams

170

92

Ms Lousie Vale

131

47

Ms Palesa Kadi

118

40

Mr Neo Momodu

67

22

Mr Musa Sishange

182

67

Ms Zanele Mngadi

96

8

Mr Themba Khumalo

-

2

Mr Jabulane Blose

-

31

-

-

-

-

1,181
554
20. Depreciation and amortisation

Depreciation - Property, plant and equipment

329

274

Amortisation - intangible assets

72

28

401
302
21. Finance costs

Finance lease

8

19

Interest paid - late payment

-

156

8
175


22. Administrative expenses

Administration costs	5,115	4,209
Board administration costs	1,518	883
External audit	1,022	809
Internal audit	1,723	1,012
Lease costs - office rental	2,296	2,062
Non-executive management emoluments	1,277	554
Professional services costs	2,890	3,662
	15,841	13,191

23. Grant cost expenditure

Grant disbursements	55,650	28,656
Project tracking expenses	50	49
Workshops and travelling costs	2,044	1,044
	57,744	29,749

The MDDA has been tasked to ensure an increased Disbursement rate is implemented which enables grant recipients to obtain access to funds much easier and quicker. This has resulted in an increased disbursement rate in the 2016/17 financial year. The MDDA has committed to ensuring that the grant funds which have accrued in the account are fully disbursed to the respective projects.

24. Financial instruments disclosure

Categories of financial instruments

2017**Financial assets**

Cash and cash equivalents
Receivables from exchange transactions
Receivables from non-exchange transactions

At amortised cost	Total
99,698	99,698
1,399	1,399
21	21
101,118	101,118

Financial liabilities

Payables from exchange transactions
Finance lease obligation
Unspent conditional grants and receipts
Deferred lease liability

At amortised cost	Total
2,042	2,042
1,732	1,732
25,631	25,631
14	14
29,419	29,419

2016**Financial assets**

Cash and cash equivalents
Receivables from exchange transactions
Receivables from non-exchange transactions
Inventory

At amortised cost	Total
93,467	93,467
900	900
8	8
7	7
94,382	94,382



Figures in Rand thousand	2017	2016
Financial liabilities		
	At amortised cost	Total
Payables from exchange transactions	2,637	2,637
Finance lease obligation	140	140
Unspent conditional grants and receipts	6,479	6,479
Bonus provision	250	250
	9,506	9,506
25. Cash generated from operations		
(Deficit) surplus	(12,923)	7,009
Adjustments for:		
Depreciation and amortisation	401	302
Loss due to write off of property, plant and equipment	-	117
Movements in provisions	-	(14)
Provision - Performance bonus	473	-
Provision - Legal settlement	2,120	-
Leave provision	221	-
Deferred lease costs	14	(121)
Changes in working capital:		
Inventories	7	(7)
Receivables from exchange transactions	(499)	(296)
Receivables from non-exchange transactions	(13)	8,099
Payables from exchange transactions	(1,069)	625
Unspent conditional grants and receipts	19,152	(92)
	7,884	15,622

26. Commitments

Grant commitments

Grant commitments relate to all grant funding agreements signed between the MDDA and the beneficiaries from the 2009/10 financial year to current financial year. The funding agreements are conditional in nature and have therefore not been raised as a liability at year end. The failure by the Grantee to comply with the conditions applicable to the payment of tranches constitutes a breach of this Agreement entitling the Grantor to cancel the Agreement and claim a full refund of the amount transferred to the Grantee. At 31 March 2017 the Agency has committed R81 million, which is yet to be disbursed to beneficiaries once the conditions of the funding agreements have been met.

Figures in Rand thousand	2017	2016
Grant commitments		
Opening balance of Commitments	78,076	43,734
Projects approved in current year	68,176	58,706
Payments made to projects in current year	(54,807)	(24,364)
Write-backs	(10,443)	-
	81,002	78,076
Operating leases - as lessee (expense)		
Minimum lease payments due		
- within one year	1,922	1,606
- in second to fifth year inclusive	3,843	-
- in second to fifth year inclusive	5,765	1,606

At reporting date, the MDDA has outstanding commitments under a 36 month operating lease, in respect of land and buildings which is due as shown above. The operating lease includes office and parking rental. The annual escalation rate for the operating lease is 9% year on year for the duration of the lease. MDDA has paid a deposit of R665,890.00 as part of the rental agreement, which shall be retained by the lessor for a period of 3 months after the lease term has expired and the entity can not offset or deduct the deposit from any rent or other amount payable by it. MDDA may not cede or transfer this agreement to any third party without the written consent of the lessor. MDDA after expiration of lease term (36 months) has the option to extend the contract on month to month basis and will have an escalation of 15% in respect of the monthly rentals. As part of the lease agreement, MDDA has an option to either restore the premises to it's original condition prior to occupation or refurbish or vacate the premises in the current condition upon mutual consensus with the landlord.

The MDDA entered into a three year lease agreement, which commenced on 1 March 2017 and terminates on 28 February 2020. The lease commitment represents the monthly rental lease. Additional costs relating to the leasehold improvements for office partitioning are shown separately below.

Finance lease obligation

Minimum lease payments due

- within one year	507	147
- in second to fifth year inclusive	1,225	-
	1,732	147

The MDDA installed leased improvements in the rented office space from Growth Point properties. This will be recovered over a period of 36 months years, ending in March 2020. The recovery of leasehold improvements will commence one month after inception of the lease. MDDA will not pay any contingent rent on the leasehold improvements. The full disclosure relating to Finance leases can be read on Note 10.



The MDDA had a lease for three printers with Safika for a period of 36 months at inception of the contract, which ended in March 2017. The applicable interest was prime interest rate of 9.25% at the inception of the lease. MDDA pays contingent rental which is based on the number of print copies run for each of the 3 leased printers. MDDA after expiration of lease term (36 months) has the option to extend the contract on month to month basis. MDDA may not cede or transfer this agreement to any third party without the written consent of the lessor. The full disclosure relating to Finance leases can be read on Note 10

Other commitments

Opening balance	301	1,008
Additional operating commitments	955	301
Payments for the year	(301)	(1,008)
	955	301

Other commitments relate to all approved orders and agreements where the service has not yet been rendered and/or goods have been received by the Agency. The payment and invoice will accordingly be processed once the invoices have been received. At the end of the 2016/17 financial year, the Agency had committed R955,000. for its operating expenditure, which is comprised of accommodation and travelling cost and communication and branding, human resources audit and consulting and MDDA outreach activities. This will be settled in the 2017/18 financial year upon receipt of invoices and the services having been rendered.

27. Contingencies

Details of contingencies at reporting date are below.

Service provider v MDDA (Contract dispute)

There is a current legal dispute between the MDDA and a broadcast equipment supplier, in respect of the validity of a service level agreement concluded between the two parties. MDDA's financial exposure is R1,500,000.00 depending on the outcome of the dispute which is uncertain as at year end.

28. Related parties

Relationships

Board Members

Refer to members' report note 19

Executive management emoluments

Refer to Employee related costs note 18

Department of Communications

Refer to note on Government grants 16

By virtue of the fact that the MDDA is a national public entity and controlled by the national government and any other controlled entity of the national government is a related party. All transactions with such entities are at arms length and on normal commercial terms, except where employees of national departments of national public entities participate in our processes and do not receive any remuneration. The related parties include the Executive Authority, executive and non-executive management of the entity and the South African Broadcasting Corporation.

29. Risk management

Financial Risk Management

The MDDA in the course of normal operations has limited exposure to financial risks e.g. liquidity risks, credit risks and interest rate risks. However, the MDDA attempts to manage the following financial risks:

Liquidity risk

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within twelve months equal their carrying balances as the impact of discounting is not significant.

At March 31, 2017	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchange transactions	2,042	-	-	-
Finance lease obligation	507	574	651	-
Unspent conditional grants and receipts	25,631	-	-	-
Deferred lease liability	14	-	-	-

At March 31, 2017	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchange transactions	2,637	-	-	-
Finance lease obligation	140	-	-	-
Unspent conditional grants and receipts	6,479	-	-	-



Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and receivables. The entity only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Receivables comprise a widespread customer base. Management evaluated credit risk relating to receivables on an ongoing basis. If receivables are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the receivable, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by management.

The MDDA receives grant funding from the Government through Department of Communications and contributions from both Broadcasting and Print media partners; therefore, its exposure to credit risk is minimal. The MDDA manages credit by continually engaging with credit related financial instruments.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	31 March 2017	31 March 2016
Cash and cash equivalents	99,698	93,467
Receivables from exchange transactions	1,399	900
Receivables from non-exchange transactions	21	8

Cash and deposits are regarded as having insignificant credit risk.

Market risk

Interest rate risk

The MDDA is not exposed to significant market risk since it is not involved in foreign exchange transactions, and also not trading in bonds and / or shares. However, the MDDA is exposed to interest rate risk.

This is a risk that fair value or future cash flows from financial instruments will fluctuate as a result of changes in the market interest rates. Values in the financial instruments may change, thus resulting in both potential gains and losses. The MDDA's activities do not expose it to significant market interest rate risks. Therefore, there are no procedures in place to mitigate these risks.

The MDDA has invested any surplus cash in a short-term money market account. The interest rates on this account fluctuate in line with movements in current money market rates.

The MDDA has invested any surplus cash in a short-term money market account. The interest rates on this account fluctuate in line with movements in current money market rates.

30. Going concern

The MDDA is financially dependent on (amongst others) a transfer payment from the National Treasury and contributions from the Broadcasting Service Licensees and Print Media funders. On the basis that the transfer payment has been listed in the Estimates of National Expenditure and the signed agreements with the Broadcasting Service Licensees and Print Media funders, the Directors believe that the MDDA will continue to be a going concern in the year ahead.

The ability of the entity to continue as a going concern is dependent on a number of factors. The most significant of these is that the members continue to procure funding for the ongoing operations for the entity. Members have managed to procure funding for the next 12 months.

31. Events after the reporting date

There are no adjusting post-reporting date events noted.

32. Fruitless and wasteful expenditure

Opening balance	1,156	-
Fruitless and wasteful expenditure - late payments	-	156
Fruitless and wasteful expenditure - CEO settlement	-	1,000
Fruitless and wasteful expenditure written off in current year	(1,156)	-
	<u>-</u>	<u>1,156</u>

Details of fruitless and wasteful expenditure incurred in the 2015/16 year relate to Interest on late payments for the following accounts - Alchemy properties, Telkom and South African Revenue Service - Payroll deductions.

Details of the CEO settlement made in the 2015/16 financial year relates to a settlement paid to an appointed CEO whose offer of employment was subsequently withdrawn.

33. Irregular expenditure

Opening balance	5,325	-
Add: Irregular expenditure - current year	6,715	5,652
Staff performance bonus	-	256
Less amounts condoned by Accounting authority awaiting Treasury letter	(5,325)	(583)
Unspent conditional grants and receipts	<u>6,715</u>	<u>5,325</u>



Details of additional irregular expenditure to be condoned relating to current year is attached on Appendix A.

34. Budget differences

Material differences between budget and actual amounts

Income: Actual Income from Broadcast funders was lower than anticipated as most broadcast funders contracts had expired but were in the process of renewal.

Expenditure: Grant costs – Budget currently in line with actual. Underspending on Broadcast projects due to inconsistent reporting from projects and contracting period taking significant amount of time.

Current assets: Cash and cash equivalents - During the 2016/17 financial year, the MDDA received significantly more revenue from Broadcast funders. The Board subsequently approved a record number of Broadcast projects and have signed up contracts with projects grantees who will receive these funds in trenches. Most of the grantees have received the first part payment and will receive the balance over a the term of the agreements

Current liabilities: Trade payable invoices for some suppliers received towards year end. These amounts owed have been settled in the first month of the new financial year.

Current liabilities: Grant received, with conditions attached therefore converted to liability until contracts are signed and expenses paid for. MDDA management fee recognised in the current year as project site assessments and traveling costs have been incurred.



The Minister of Communications supported the first AGM of Poort of Mams Community Radio.



AIP Policy Conference.



Wits Radio Academy Graduation.

MDDA stakeholder engagement.

