
Friends of Mosvold Scholarship Scheme

Annual Report

2007-08



Contents

	Page
Director's Report	4
What does the FOM Scholarship Scheme do?	5
How bad is the problem?	6
The FOM Scholarship Scheme offers a solution	7
How are students selected for a scholarship?	7
Highlights of 2007	8
The Alumni (FOM Graduates)	9
Awards	10
The Future	11
How can you help?	11
Stories of Two Alumni	12
The Benefits of the Friends of Mosvold Scholarship Scheme	14
What makes the FOM Scholarship Scheme unique in terms of rural health provision?	15
Trustees	16
Organisational Values	16
Partners	16
Funding Organisations	16
Individual Donors	16
History	17
Financial Statements	18
<i>Report of the Independent Auditors</i>	2
<i>Trustees' Responsibilities and Approval</i>	3
<i>Trustees' Report</i>	4
<i>Balance Sheet</i>	5
<i>Income Statement</i>	5
<i>Cash Flow Statement</i>	5
<i>Accounting Policies</i>	6 - 7
<i>Notes to the Annual Financial Statements</i>	8 - 9
<i>Detailed Income statement</i>	10
Registration Details	28

Director's Report

Although I am relatively new to the organisation, it is my pleasure to highlight some of the critical achievements of the FOM Scholarship Scheme over the past year.

Firstly an 87 % University pass rate is highly impressive when compared to the national average which is less than 50%. It is even more impressive though when it is achieved by students who have had a hugely disadvantaged school education. In many cases the standard of teaching was poor due to poorly skilled educators or a lack of educators, large class sizes of 60 to 100 per class and inadequate physical resources like text books, desks, reference books, and laboratory equipment. Another huge hurdle overcome by these students is language-they have had to study in English which is their second or third language rather than their mother tongue. An achievement of this nature indicates that school leavers from the Umkhanyakude district do have the potential to succeed if given the opportunity and the appropriate mentoring support.

The aim of the Scheme of producing health care workers is being achieved – nine students graduated at the end of 2007 and started working at one of the 5 hospitals in the district in 2008. In addition, five medical students started their internship training as Doctors and will be gaining valuable experience before moving to the Umkhanyakude district !

The achievement of the FOM Scholarship Scheme over the past 8 years is worth acknowledging, especially since it was managed by a small number of Trustees. Andrew Ross, the founder, and Matron Elda Nsimbini have worked tirelessly to ensure students received the opportunity to pursue a health science career. Both Andrew and Elda are highly respected by the Alumni, Students, Funders and all who have had interaction with the Scheme- rightfully so especially since they were doing this over an above their normal fulltime jobs! I have heard many students refer to Andrew and Elda as their father and mother – people who saw potential in them when no else did, who encouraged them to work hard, who listened to their problems and offered helpful advice, who helped them persevere and succeed ! The success of the Scheme is truly a reflection of Andrew and Elda's commitment and hard work. More recently the role Ruth Osborne played in helping the Trustees see the huge potential of the Scheme if developed and managed with intention is also worth noting.

In my short time with the FOM Scholarship Scheme

I have been impressed by the quality of graduates the Scheme is producing. They are very committed to ensuring more young people receive the same opportunity they received and some are thus involved in school outreaches whilst others are playing a crucial role in mentoring students at University. This indicates ownership and passion by them for the Scheme and is a good sign for the future success of the Scheme.

The commitment of the donors also needs to be acknowledged. A number of corporate donors and Trusts, have been loyal to the FOM Scholarship Scheme and have enabled more students to be supported each year. A special mention, however, needs to be made about the individuals who faithfully donate each month, knowing that their contribution when added to that of others, will make a significant change. I thank you for choosing to make a difference in a young person's life - may you know the joy of changing someone's future for the better !

I know that all these lives could not have been changed, without the grace and blessing of God the Father who blesses the plans of those who humble themselves.

In terms of the future, the FOM Scholarship Scheme wishes to increase the impact that it is having by offering more students opportunities to become healthcare providers, since the need for qualified staff at the hospitals is still high, and encouragingly more students are applying to the FOM Scholarship Scheme for assistance after having been accepted at University.

I hope that you find this report inspiring and are lead to action and are encouraged to believe that we as South Africans have it in us to solve our problems creatively.

Finally, I leave you with this thought - the students we are supporting are like precious diamonds discovered by the FOM Scholarship Scheme – there are many more – some are in the process of being discovered, others are being refined, whilst others still need to be found – this is the motivation for the FOM Scholarship Scheme!



Dr Gavin MacGregor
Director: FOM Scholarship Scheme

What does the FOM Scholarship Scheme do?

The FOM Scholarship Scheme identifies, trains and supports rural youth from the Umkhanyakude District to become qualified health care professionals in order to address the human resource shortages in rural hospitals, thereby improving health care to the indigent population of the Umkhanyakude District in northern KwaZulu-Natal, South Africa.

The Scheme was established in 1998 to address the chronic shortage of professional health care workers at Mosvold hospital as well as the other 4 hospitals in the Umkhanyakude district. Rural hospitals find it very difficult to recruit and retain health care professionals as rural hospitals are not seen as attractive work places by city dwellers and city trained graduates. In addition there is an overall shortage of trained healthcare workers in the public sector.

Research however has shown that health professionals are more likely to choose to work in a rural area if that is where they come from, and if they are exposed to the realities of rural health care delivery whilst doing their training. Based on these factors, the Friends of Mosvold Scholarship Scheme was established to identify local youth who have an interest and the potential to become health care providers and on graduation would commit to working at one of the 5 hospitals in the district.

The FOM Scholarship Scheme has to date *produced 45 graduates* in a wide range of health care disciplines who are currently working at one of the five hospitals in the Umkhanyakude district and are having a positive impact on service delivery to the community.



Map highlighting Umkhanyakude district in KwaZulu-Natal

How bad is the problem?

The five district hospitals (Mosvold; Manguzi; Mseleni; Hlabisa and Bethesda) provide health care to over 550 000 indigent people in the Umkhanyakude District which is situated in the northern KwaZulu-Natal Province. The district is remote and shares borders with Mozambique and Swaziland. Most of the inhabitants do not have access to electricity or piped water, and live in scattered homesteads, eking out a living by subsistence farming supplemented by income from old age pensions, disability grants and wages from migrant labour. Unemployment is estimated to be between 50 and 70%, whilst job opportunities are scarce and the population is generally poorly skilled. Infrastructure like communication and transport is poorly developed whilst schools are overcrowded and under resourced leading to a generally poor standard of education. In some schools certain important subjects are simply not taught to learners for lack of qualified staff and related resources like text books, laboratories and equipment.

The major health problems affecting people in this district include malaria, TB, HIV/Aids and gastroenteritis. Other third world health problems are also common including malnutrition, poor hygiene, lack of clean water, illiteracy, high birth rate and high teenage pregnancy rate. Parasitic infestations are widespread in children. Sexually transmitted infections constitute a major epidemic with up to 40 % of women attending antenatal clinics being HIV positive. New Aids cases are seen daily at the hospitals, whilst up to 80% of the patients in the TB wards are HIV positive.

Despite the huge need in these communities for healthcare, most of the hospitals in the district have unacceptably high vacancy rates of professional staff. A recent survey at Mosvold and Hlabisa hospitals indicated that there is generally a 50% or higher vacancy rate among

critical professional staff as can be seen in the tables below:



Over the years these hospitals have functioned by recruiting health professionals, mainly Doctors, from overseas. However, few of these qualified people make rural South Africa their home over the longer term – they generally stay for short periods of 6 to 12 months, with a minority staying longer than two years. Even with this initiative in place vacancy rates of critical positions are still unacceptably high. Initiatives by government such as rural allowances have been used to attempt to attract qualified health professionals to the area with limited success.

The FOM Scholarship Scheme offers a solution

The FOM Scholarship Scheme offers a long term, sustainable solution to the provision of quality health care in rural areas through investing in local youth who have the potential and commitment to become qualified health care providers. A critical component of the Scheme is making school learners aware of careers in health science, as well as the subjects and marks required to obtain

admission to a University. These young people face many challenges in attempting to get a good education, since most schools are poorly resourced including the lack of qualified teaching staff. The FOM Scholarship Scheme, however, provides an incentive for the rural youth to work hard and overcome the challenges so that they may ultimately become health care professionals.



How are students selected for a scholarship?

To be eligible for a scholarship, students need to:

- Be from the district
- Have a financial need
- Be accepted at a tertiary institution to study a health science course
- Have done voluntary work at their local hospital (as a way of showing interest)
- Be selected by a local committee
- Be prepared to sign a year for year work back contract

The FOM Scholarship Scheme not only provides financial support for students but also comprehensive academic support and mentoring to deal with any personal or social issues students may face.

Highlights of 2007

- During this financial year we supported 54 students - 40 received full financial support whilst 14 who have provincial bursaries received partial financial support from us – we paid for their holiday work, provided mentoring support; provided a R3 000 /year book allowance and covered their costs of attending the annual end of the year Imbizo
- Of the 54 students supported in 2007, 87% (47) passed as against a national norm of less than 50%
- 9 students graduated at the end of 2007 and 5 medical students completed their course work and started their internship training as Doctors in 2008
- We have continued our academic support program and visited every student at university twice during the year to be able to identify (and help solve) any academic or personal problems that were hindering their ability to progress
- Open days were conducted at all 5 hospitals in the district by FOM graduates – these are held to allow learners in the area to become aware of and exposed to careers in health science
- FOM graduates visited a number of schools in the district to motivate learners to work hard and consider a career in health sciences
- We have continued to work closely with the Hospital Management in the Umkhanyakude district to ensure that students doing compulsory holiday work are mentored and exposed to the realities of hospital life. In addition we have worked with Hospital Management in ensuring their support of the Scheme and in assisting the graduates to integrate into the hospital
- We have worked with the KwaZulu Natal Department of Health (KZN DOH) to ensure cooperation and have continued to provide mentoring support and limited financial support to students who have Department of Health bursaries
- The students supported are studying across 16 health science disciplines (Medicine, Physiotherapy, Occupational Therapy, Pharmacy, Occupational Therapy, Dietetics, Medical Technology, Social Work, Optometry, Dental therapy, Dentistry, Environmental Health, Speech therapy, Nursing, Radiology, and Psychology)
- Four FOM graduates were financially supported for post graduate studies
- In December last year, we also held a hugely successful

Life Skills Imbizo in Pongola. Over one hundred students and Alumni gathered to learn and network. Many of the sessions were facilitated by the Alumni themselves. The Imbizo also helped to develop the concept of the FOM “family”, which cares for one another

- The FOM Scholarship Scheme was one of the first organisational recipients of the Discovery Foundation Award for Excellence in 2007
- The FOM Scholarship Scheme was nominated for an award from the Impumelelo Innovations Award Trust that recognises innovative public private partnerships that lead to better service delivery to the public. This entailed an extensive evaluation of the Scheme by external specialists contracted by the Impumelelo Trust. The FOM Scholarship Scheme subsequently won the highest award granted by Impumelelo Innovations Trust

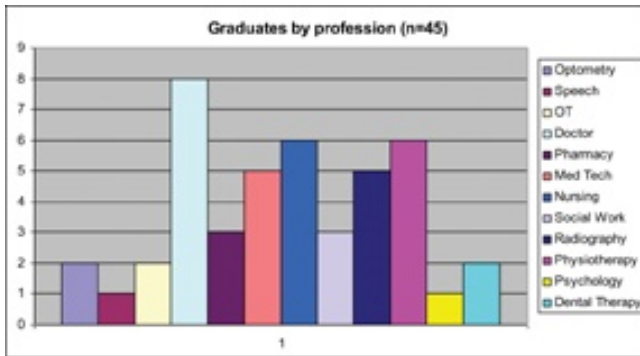
The academic results of the students are exceptional considering their disadvantaged educational background from which they come. The excellent results can be attributed to the hard work of the students as well as the mentoring support they receive.

Students obtaining Department of Health bursaries, relieve FOM of the financial burden for their university fees, but still allow us to play a crucial role in the lives of the students through providing mentoring support and stipends for holiday work. The students still have a work-back commitment to the district. This partnership with the Department of Health will hopefully be strengthened in the future.

Students who are being supported by the FOM Scholarship Scheme do at least four weeks compulsory holiday work at their local hospital each year for which we pay a stipend. The purpose is to allow them to interact with hospital staff and get a sense of “this is our hospital”, as well as get an idea of our vision for the provision of quality health services to the people of Umkhanyakude. This exposure also assists students to gain valuable practical experience which assists them at University. In addition, during their holiday work students participate in outreach activities in local communities – interacting with learners and encouraging them to work hard, dream about a better future, know their HIV status and choose healthy lifestyles.

The Alumni (FOM Graduates)

The FOM Scholarship Scheme has produced 45 graduates in a number of critical health care professions as can be seen from the table below:



The majority of our graduates have a 3-5 year work commitment at one of the hospitals in the district.

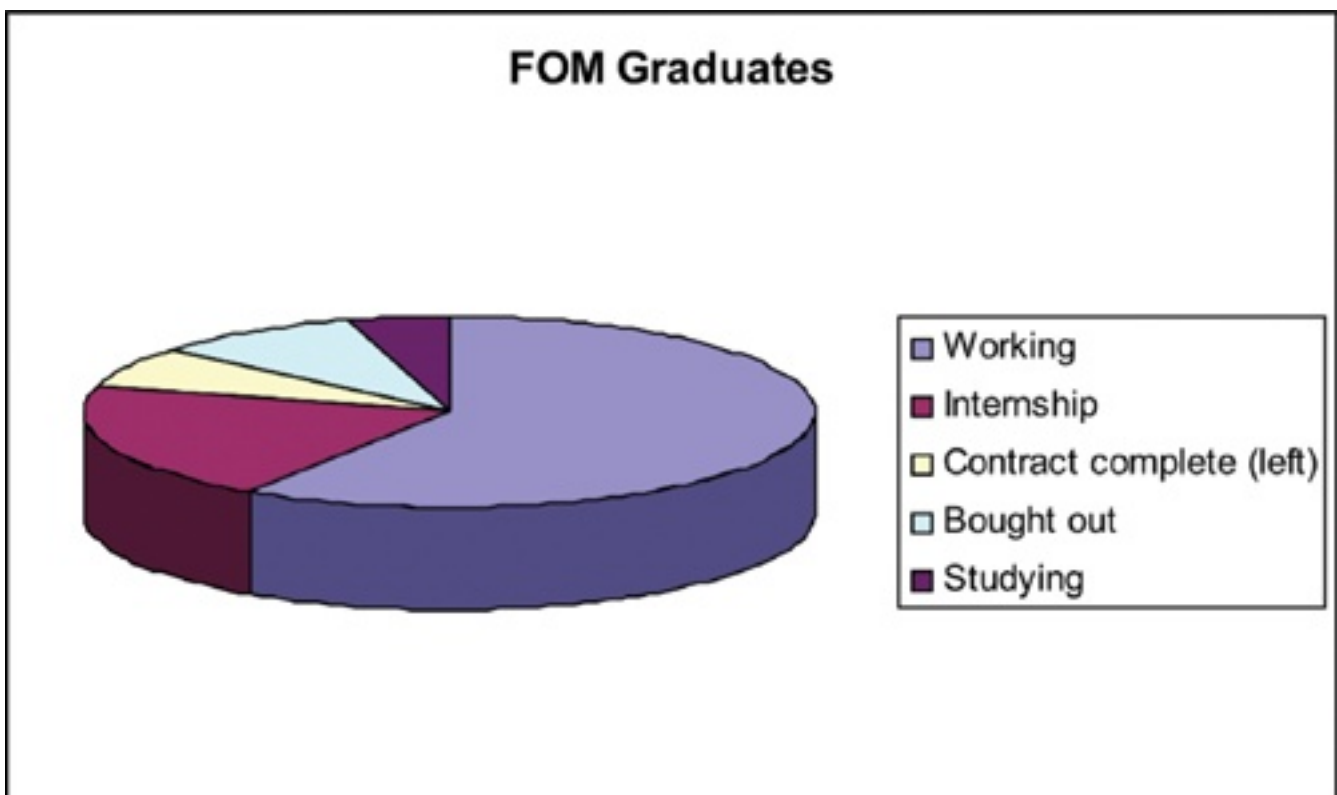
Of the 45 FOM Graduates, two have returned to university to undertake post graduate studies, 9 are busy with their medical internship, 3 have completed their contract time with FOM and have left the district, 4 have bought themselves out; 1 graduate has died, and 26 are currently working at one of the five hospitals in the district.

This is the main objective of the project - producing trained health care professionals who positively impact

health care delivery in the many communities of Umkhanyakude.

A number of graduates have expressed interest in pursuing post graduate studies. Many were leaders in some form or another during their undergraduate years, and we believe that many of them will become health leaders of tomorrow. The FOM Scholarship Scheme has thus taken a strategic decision to support students wanting to do post graduate studies as we see this as a very important development of future health care leaders.

They have been encouraged to pursue “distance based” postgraduate studies, which allows them to continue to work in the district, while pursuing their postgraduate studies and equipping themselves for the future. In 2006, 3 graduates (France Nxumalo, Dumisani Gumede and Snenhlanhla Gumede) registered for the Masters in Public Health (MPH) at the University of KwaZulu-Natal and were supported again in 2007 whilst Richard Gumede enrolled for a Masters in Social Policy at the University KwaZulu-Natal. Hazel Mkhwanaze and Thulisiwe Nxumalo registered for a Masters in Public Health at the University of Limpopo. This public health training will give these graduates a broad overview of public health care delivery as well as skills in human resource management, financial management, health economics etc. – helping to prepare them to be health leaders of tomorrow.



Awards

The FOM Scholarship Scheme was one of the first organisational recipients of the Discovery Foundation Award for Excellence in 2007

The FOM Scholarship Scheme was nominated for an award from the Impumelelo Innovations Award Trust

that recognises innovative public private partnerships that lead to better service delivery to the public. This entailed an extensive evaluation of the Scheme by external specialists contracted by the Impumelelo Trust. The FOM Scholarship Scheme subsequently won the highest award granted by Impumelelo Innovations Trust.



The Future

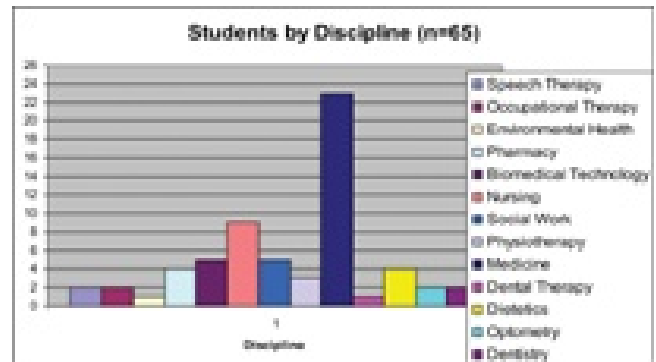
Based on the success of the Scheme to date, as well as the continual need for more qualified healthcare professionals at the 5 hospitals in the Umkhanyakude district, and the increasing number of students being identified with an interest and the potential to study a health science degree, the Trustees decided that full time staff should be employed in order to grow and develop the Scheme further. In this regard a Director was appointed in February 2008, to take full responsibility for the development of the organisation. In addition the Scheme will be employing a full time student and graduate mentor to develop and manage this important component of the programme.

In terms of the future, the FOM Scholarship Scheme is planning over the next couple of years to:

- 1) support more students from the Umkhanyakude district
- 2) expand the Scheme to other rural areas in Kwa Zulu-Natal

We are encouraged that through our outreach activities to schools surrounding the hospitals that more young people are applying to us for assistance after having been accepted at University. In terms of the future it is worth

looking at the health science disciplines being studied by the current students as presented in the table below:



It is exciting to see that the majority of students (23) are studying medicine and 58% of them are in third year or higher, indicating that they are succeeding!

A number of years ago, no one would have believed it possible that youth from Ingwavuma could go to University, let alone study to become a Doctor – this is a major achievement!

Most rural people have a perception that all Doctors are white – thankfully this will be changing in the near future as the 9 doctors currently busy with their internship return to their communities!

How can you help?

We need your support in order to make the future vision a reality. You can help in a number of ways:

- 1) commit to making a financial donation as a contribution towards a student's University fees
- 2) tell others about the FOM Scholarship Scheme and what impresses you about the Scheme and encourage them to make a financial donation. Use your influence in your circle of friends and business associates to encourage them to support the FOM Scholarship Scheme
- 3) share business contacts with the Director of FOM Scholarship Scheme for fundraising purposes
- 4) encourage businesses to make donations, which are income tax deductible

- 5) initiate fundraising ideas to raise money to support students

Note: all donations are tax deductible for individuals and companies

The FOM Scholarship is proof that a little idea, conceptualized in rural Ingwavuma, can become a reality and start changing what was thought to be an insurmountable problem.

You too can become part of the solution.

Visit our website to get involved by making an online donation or obtain our banking details. Together, we can change lives forever!

Stories of Two Alumni



From Construction Site to Consulting Room

Dr Patrick Ngwenya, was born and raised by his mother in the rural area of Manguzi in Northern Kwa Zulu-Natal. Patrick did his schooling locally at the Mfihlewni Primary School and Shayina High School. Shayina High School had approximately 1 500 pupils with 3 classes per grade resulting in 100 pupils per class. The school had only had 6-8 qualified teachers– the other teachers had only a Grade 12 (Matric) qualification. Not all subjects, such as Mathematics and Physical Science had specialized teachers, which ultimately impacted on the quality of teaching and pupils' results. In Grade 10, Patrick was dreaming of becoming an engineer.

In 1997, after completing school and not having the money to register at University, Patrick's neighbour who was an unqualified bricklayer, offered him an opportunity to work with him. Earning R15 a day, Patrick managed to take

home R450-500 per month. He used some money to apply for piped water to their house, because they were fetching water from a stream 1 hour's walk from home.

One day while working on the building site, Patrick contemplated his life and realized that there must be more to his life than this. He knew he had more potential than what he was using and decided by hook or by crook to enroll at the University of Zululand. Due to his poor Matric results, his options were limited and he was grateful to be accepted to study a B Sc Biological Science. Patrick obtained 7 distinctions from 1st to 3rd year, and was awarded a certificate for Best performing student.

Patrick shares that studying towards his B Sc was hard, not only academically but financially as well. In order to get registered he borrowed R2 000 from a church friend and used the little that he had saved to pay rent for a few months. He applied for a student loan that would cover his tuition which he received. Due to his excellent academic performance, he became a Tutor and also worked part time in the Department of Zoology sorting research samples – these two jobs gave him an income which enabled him to survive. Most of the Research assistance, in the Zoology department was done during holidays – and so he only had 2 weeks a year at home.

Having completed his B Sc, Patrick was inspired to study medicine and applied to the University of KwaZulu-Natal, and due to his good results was accepted and started in 2003. In 2007, he completed his training and started his internship at Prince Mshiyeni hospital in Durban. He shares that his experience so far has been wonderful, especially pediatrics and enthusiastically admits he would consider specializing in it. Watching Dr Patrick Ngwenya at work, it is clearly evident that he loves being a doctor as can be seen by his broad smile, an inner peace, and the obvious love he has for his patients.

I am Themba Mngomezulu, a physiotherapist working at Mosvold hospital. I am the eldest in my family – I have a younger sister who is studying a secretarial course in Jozini, a brother who completed his Matric (Grade 12) last year- he is repeating some subjects in order to improve on his poor results. The youngest is my sister who is in Grade 11 at Isicelothu High School – the school I attended.

I am currently supporting my sister to do her secretarial course as well as my brother and youngest sister. In addition, I am buying groceries for my mother as my father has taken a second wife.

I did my primary school education at Our Lady primary school in Ingwavuma from 1989 to 1995. In 1996 I started at Isicelothu High School where I matriculated in 2002.

Whilst in my Matric year, I wrote to a number of educational institutions for application forms. After completing the forms I needed to send R120 with the application – when I asked my father for the money he did not give it to me since he did not see the value of it – he believed that after school you get a job. He has a Standard 6 education whilst my mother has a Standard 4 education.

One of my responsibilities was to ensure my father's cows were in the kraal by 5 o' clock in the afternoon or else there would be trouble. This tension at home motivated me to work hard and bring about change in my life.

During my Matric year, there was a group of guys at school who were very motivational and inspiring and so I associated myself with them. Although academically I was weaker than them, they encouraged me that I could go to University and succeed.

In the same year, I attended the Open Day at Mosvold hospital. I love soccer – I play and coach a team – and so when I saw what a physiotherapist does I realized that this is what I want to be so that I can help soccer players with their injuries (and even help myself as I am a player).

In 2000, I matriculated, but because I was unable to submit my application forms to Universities (because my father would not give me the money) I had not been accepted anywhere. With my friends we found out that registration at Mangosuthu Technikon was R1 000 (the cheapest of all tertiary institutions) and so my goal for the



year was to earn R1 000 so that I could register. I started doing part time work at the Women's Cultural centre in Ingwavuma, doing painting and building repairs for R35 a day. I shared my goal of raising sufficient money to go to University with my Manager. Whilst doing this part time job, I heard of opportunities to volunteer at Mosvold hospital and discussed this with my manager. I then heard that University of the Witwatersrand (Wits) was reserving 10 places for disadvantaged students. When I enquired, I was told to continue my volunteer work at the hospital. I then applied to the FOM Scholarship Scheme and was accepted and soon afterwards I heard that I had been accepted at Wits.

In 2002, I started at Wits – studying Physiotherapy – my first choice. The adaptation from rural Ingwavuma to Johannesburg was huge. I had never seen a lift before let alone knew how it worked ! I received a lot of support from Dr Ross – you could tell him your problems. There were mentors arranged for us at Wits which helped us a lot.

I completed my degree in 2006, and have been working at Mosvold hospital since. My family is here – I support my mother, I have a soccer team which I coach and inspire and buy boots and kit for. I have been able to buy a pickup (bakkie) which I use to transport my soccer team and I have also been able to build some new rooms at our homestead. I have just bought my first goat (owning livestock is very important for a Zulu man). My sister has promised that when she finishes her secretarial course and gets a job, she will support our siblings.

The Benefits of the Friends of Mosvold Scholarship Scheme

The Scheme's benefits are not only limited to providing financial support to needy students but include:

1. Providing an **incentive for local learners** to work hard to achieve the grades that are needed to be accepted to study a health science course at University or Technikon.
2. Providing a beacon of hope for local learners and **stimulating local youth development** by highlighting that it *is* possible to come from Ingwavuma and become a health professional!
3. Providing **mentors and role models** for the rural youth to look up to.
4. **Stimulating community development**, local ownership and co-operation, as local committees select the participants for the scholarships.
5. Offers students **comprehensive financial support**, removing the financial barriers that would prevent students with potential from going to University.
6. Providing comprehensive and accessible **mentoring support** for students to deal with academic, social and/or personal issues, thus ensuring that they have every opportunity to succeed in their studies.
7. Providing **work place mentoring** for graduates and assisting newly qualified graduates with the transition from university life to working in a hospital.
8. **Improving the quality of health care delivery** through the provision of qualified healthcare workers, who understand the language and the culture of the local community and are committed to make a difference (I am helping my community!)
9. Offers what is probably one of the most sustainable solutions for the **long-term supply of professional health staff** for rural districts.



What makes the FOM Scholarship Scheme unique in terms of rural health provision?

We believe the answers are as follows:

1. The FOM Scholarship Scheme is meeting a need in Umkhanyakude – a deep rural area of KwaZulu-Natal. It is providing funding and motivation for local students to go to university and study health science courses. No such opportunities have previously existed in the Umkhanyakude district.
2. It proves that rural students have the potential to succeed at university since the pass rate in 2007 was 87% well above the national average.
3. It has shown that graduates will return to work in the district where they come from.
4. It is replicable. It is a long-term model for staffing all rural hospitals in South Africa since if it can work in Umkhanyakude then it can work anywhere in South Africa. As numerous state hospitals struggle to find professional staff, the future looks brighter for the hospitals in the Umkhanyakude District.
5. It is based on local, community-level partnerships and accountability between residents and leaders in the area, the hospital as well as the scholarship students.
6. It is a local solution to an international problem.
7. It provides academic support and personal mentoring on an ongoing basis ensuring students have every opportunity to succeed.
8. The graduates are involved in mentoring students at University which shows ownership by them, caring and sustainability of the Scheme.
9. The graduates, who are role models, are involved in encouraging and motivating school children about dreaming about a better future.
10. The rural youth have positive role models to emulate whereas previously there were no role models and the youth were demoralised.
11. It is a scholarship scheme that offers much more than “just” money. It intervenes throughout the process - from before students are selected until after they have graduated and fulfilled their contractual obligations. (We are still in close contact with our first three students who were supported and who have completed their work back obligations).



Trustees

The Trustees of the Friends of Mosvold Trust from which the FOM Scholarship Scheme operates are:

Mr A J Mavimbela (Chairperson)
Mr Z V Gama
Matron N D Ntsele
Mrs E Nsimbini
Dr A Ross (Founder)
Mr D Gumede (FOM Graduate and FOM Mentor)



Organisational Values

- Honesty
- Integrity
- Hard work
- Seeing potential in others & giving them an opportunity
- Open communication, approachable, understanding
- Creative & innovative (looking for solutions)
- Committed (Your yes is yes and no is no)
- Professional
- Empower people who in turn empower others
- Respect for others and their situation (flexible when need to be)

Partners

In achieving the objectives, the FOM Scholarship Scheme works with a number of partners:

- Department of Health:
 - Hospital staff are involved in organising and supporting Hospital Open Days.
 - FOM Graduates (hospital staff) provide ongoing support to students.
 - Provincial bursaries allocated to FOM students.
- Department of Education:
 - The local circuit inspector is on the selection committee; cooperation with schools in the area and Universities where our students are enrolled.
- Umkhanyakude Community:
 - Community members are represented on the selection committee and the community markets the Scheme in the area. Some funding has come from the local community.
- Red Cross Air Mercy Services and ZUMAT

Funding Organisations

Anglo American Chairman's Fund	Edgar Droste Trust	African Blacks)
AngloGold Ashanti	Folks Foundation	Norman Wevell Trust
Aspen Pharmaceuticals	Gartone Press	Opperheimer Memorial Trust
Discovery Foundation	Lubrizol	Swiss South Africa Cooperation
Discovery Health	MESAB (Medical Education for South	Initiative (SSACI)

Individual Donors

Dr Andrew Ross	Mrs Glenys Ross	Brian Whitteker
Mr Mosvold	Richard Holden	Wendy Clarke
June Dorrington	Dr Zandi Rosochacki	King Baudo

History

The Friends of Mosvold (FOM) Trust was established in 1995 to facilitate health development in the Umkhanyakude District. Over the years the Trust raised money for the Mosvold Hospital to purchase vehicles, improve accommodation, provide fencing for residential clinics, development of an HIV/Aids education programme, and implementation of a large scale sanitation programme. In 1998, based on the need to find a solution to the long-term problem of lack of professional staff at the hospitals in the district, and the belief that people from the area – in spite of many financial, social and educational obstacles – have the potential to become health professionals, the Trust decided to establish a Scholarship Scheme.

1. The Trust committed to provide at least four new scholarships each year.
2. Obtained an agreement with MESAB (Medical Education for South African Blacks) to contribute half of the university costs (approximately 1/3 of the total costs involved) – this agreement ended in 2007 because of changes in MESAB itself.
3. Initiated career guidance days (“Open Days”) at the hospitals in the district, twice a year to expose school leavers

to career opportunities in the health sciences.

This move by the Trust was fundamentally motivated by the belief that rural learners from Umkhanyakude have the potential to become health care professionals and will return to work in the district which is their 'home' community. A comprehensive programme was set up at the hospitals and in local schools to promote careers in health sciences, to inspire learners to dream about what seemed impossible, and to raise awareness about HIV and Aids. It was realised that for the approach to succeed however, there was a need to not only fund students accepted at university to study health science courses, but also to mentor and support them whilst studying, and to help integrate graduates into the hospitals in the district.

The Scheme started in 1999 with the support of 4 students. Each year has been a step of faith, as more eligible students have applied and been accepted, funds have been raised to support them. To date the FOM Scholarship Scheme has given 102 rural youth an opportunity to study a health science degree and produced 45 graduates in a wide range of health science disciplines and in 2008 is supporting 65 students. Up until 2008, the entire Scheme was managed by a small group of highly committed Trustees.



Friends of Mosvold Trust
(Registration number IT1856/95)

Annual Financial Statements for the year ended 29 February 2008

GENERAL INFORMATION

Country of incorporation and domicile	South Africa
Nature of trust	The purpose of the trust is to improve and extend health and health related services to the residents in the area of Ingwavuma, District of KwaZulu-Natal.
Trustees	ZV Gama AJ Mavimbela ND Ntsele AJ Ross ES Nsimbini
Registered office	3 Shongweni Road Hillcrest 3650
Business address	3 Shongweni Road Hillcrest 3650
Postal address	Postnet Suite 10328 Private Bag X1005 Hillcrest 3650
Bankers	Standard Bank of SA Limited
Auditors	Victor Fernandes & Co Chartered Accountants (S.A.) Registered Auditors
Trust registration number	IT1856/95

INDEX

The reports and statements set out below comprise the annual financial statements presented to the trustees:

<i>Index</i>	<i>Page</i>
Report of the Independent Auditors	2
Trustees' Responsibilities and Approval	3
Trustees' Report	4
Balance Sheet	5
Income Statement	5
Cash Flow Statement	5
Accounting Policies	6 - 7
Notes to the Annual Financial Statements	8 - 9
<i>The following supplementary information does not form part of the annual financial statements and is unaudited:</i>	
Detailed Income statement	10

Victor Fernandes & Co

Chartered Accountants (S.A)

Registered Auditors No 951366

Report of the Independent Auditors

To the trustees of Friends of Mosvold Trust

We have audited the accompanying annual financial statements of Friends of Mosvold Trust, which comprise the trustees' report, the balance sheet as at 29 February 2008, the income statement, the statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 4 to 9.

Trustees' Responsibility for the Financial Statements

The trust's trustees are responsible for the preparation and fair presentation of these annual financial statements in accordance with the South African Statement of Generally Accepted Accounting Practice for Small and Medium-sized Entities, and in the manner required by the . This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of annual financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also

includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the trustees, as well as evaluating the overall presentation of the annual financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

In common with similar organisations, it is not feasible for the organisation to institute accounting controls over cash collections from donations and grants prior to the initial entry of the collections in the accounting records. Accordingly, it was impracticable for us to extend our examination beyond the receipts actually recorded.

Opinion

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, the annual financial statements present fairly, in all material respects, the financial position of the trust as at the 29 February 2008, and of its financial performance and its cash flows for the year then ended in accordance with the South African Statement of Generally Accepted Accounting Practice for Small and Medium-sized Entities.

Supplementary Information

We draw your attention to the fact that the supplementary information set out on page 10 does not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.



Victor Fernandes & Co
Chartered Accountants (SA)
Registered Auditors
30 September 2008

Suite 4
Kloof Country House
20 Village Road
Kloof
3610

Trustees' Responsibilities and Approval

The trustees are required 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 their responsibility to ensure that the annual financial statements fairly present the state of affairs of the trust as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the South African Statement of Generally Accepted Accounting Practice for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the South African Statement of Generally Accepted Accounting Practice for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The trustees acknowledge that they are ultimately responsible for the system of internal financial control established by the trust and place considerable importance on maintaining a strong control environment. To enable the trustees to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss 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 trust and all employees are required to maintain the highest ethical standards in ensuring the trust's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the trust is on identifying, assessing, managing and monitoring all known forms of risk across the trust. While operating risk cannot be fully eliminated, the trust endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems

and ethical behaviour are applied and managed within predetermined procedures and constraints.

The trustees 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 on 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 loss.

The trustees have reviewed the trust's cash flow forecast for the year to 28 February 2009 and, in the light of this review and the current financial position, they are satisfied that the trust has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the trust's annual financial statements. The annual financial statements have been examined by the trust's external auditors and their report is presented on page 3.

The annual financial statements set out on pages 4 to 10, which have been prepared on the going concern basis, were approved by the board on 30 September 2008 and were signed on its behalf by:



Trustee



Trustee

Trustees' Report

The trustees submit their report for the year ended 29 February 2008.

1. The trust

The trust was created by a deed of trust dated 19 May 1995 although it commenced operations on 1 March 1996.

2. Review of activities

Main business and operations

The beneficiaries under the trust are the residents of the Ingwavuma District of KwaZulu Natal. The purpose of the trust is to improve and extend health and health related services to the residents

The operating results and state of affairs of the trust are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

3. Post balance sheet events

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

4. Trustees

The trustees of the trust during the year and to the date of this report are as follows:

Name	Changes
ZV Gama	
FE Nxumalo	Resigned 15 August 2007
AJ Mavimbela	
ND Ntsele	
AJ Ross	
ES Nsimbini	

5. Auditors

PricewaterhouseCoopers Inc. resigned as auditors during the year and Victor Fernandes & Co were appointed in their stead. Victor Fernandes & Co. will continue in office for the next financial period.

Balance Sheet

Figures in Rand	Note(s)	2008	2007
Assets			
Non-Current Assets			
Property, plant and equipment	2	1	1,396
Current Assets			
Receivables and Prepayments	3	70,898	5,000
Cash and cash equivalents	4	3,667,852	1,422,152
		3,738,750	1,427,152
Total Assets		3,738,751	1,428,548
Equity and Liabilities			
Equity			
Trust capital	5	3,712,282	1,361,587
Liabilities			
Current Liabilities			
Trade and other payables	6	26,469	66,961
Total Equity and Liabilities		3,738,751	1,428,548

Income Statement

Figures in Rand	Note(s)	2008	2007
Revenue		4,257,111	1,912,647
Operating expenses		(2,046,356)	(1,608,382)
Operating surplus	7	2,210,755	304,265
Investment revenue		139,940	50,309
Surplus before taxation		2,350,695	354,574
Taxation	8	-	-
Surplus for the year	5	2,350,695	354,574

Cash Flow Statement

Figures in Rand	Note(s)	2008	2007
Cash flows from operating activities			
Cash generated from operations	10	2,105,760	352,624
Interest income		139,940	50,309
Net cash from operating activities		2,245,700	402,933
Total cash movement for the year		2,245,700	402,933
Cash at the beginning of the year		1,422,152	1,019,219
Total cash at end of the year	4	3,667,852	1,422,152

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the South African Statement of Generally Accepted Accounting Practice for Small and Medium-sized Entities. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Property, plant and equipment

All Property, plant and equipment is stated at historical cost less accumulated depreciation and any impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the trust and the cost can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they occurred.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value, over the useful life of the property, plant and equipment, which is as follows:

Item	Average useful life
Computer equipment	3 years

The residual value, depreciation method and the useful life of each asset are reviewed at each financial period-end.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

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.

1.2 Receivables and Prepayments

Receivables and prepayments are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the trust will not be able to collect all amounts due according to original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flow, discounted at the effective interest rate. The amount of the provision is recognised in the income statement within expenses.

1.3 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

1.4 Trade payables

Trade payables are carried at the fair value of the consideration to be paid in future for goods or services that have been received or supplied and invoiced or formally agreed with the supplier.

1.5 Provisions and contingencies

Provisions are recognised when:

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

1.6 Revenue

Revenue comprises of grants and donations received and are recognised when they are received.

Interest income is recognised when it is accrued.

Foreign exchange risk

The trust is not exposed to foreign exchange risk as no foreign currency transactions are entered into.

Interest rate risk

As the trust has no significant interest-bearing assets, except for cash and cash equivalents, the trust's income and operating cash flows are substantially independent of changes in market interest rates.

As the trust has no interest-bearing borrowings, it is not exposed to any interest rate risks.

Credit risk

The trust has no significant concentrations of credit

risk, as receivables comprise mainly of prepayments and deposits. At the year-end, cash transactions are limited to high credit quality financial institutions.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through credit facilities.

Fair value estimations

The carrying amounts of the financial assets and liabilities in the balance sheet approximate fair values at the year-end. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Notes to the Annual Financial Statements

Figures in Rand 2008 2007

2. Property, plant and equipment

	2008		2007			
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
IT equipment	27,726	(27,725)	1	27,726	(26,330)	1,396

Reconciliation of property, plant and equipment - 2008

	Opening Balance	Depreciation	Total
IT equipment	1,396	(1,395)	1

Reconciliation of property, plant and equipment - 2007

	Opening Balance	Depreciation	Total
IT equipment	5,894	(4,498)	1,396

3. Receivables and Prepayments

Sundry debtors - loans	70,898	5,000
------------------------	--------	-------

4. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash at bank	3,667,852	1,422,152
--------------	-----------	-----------

5. Trust capital

Capital account / Trust capital

Balance at beginning of year	1,361,587	1,007,013
Transfer of surplus to capital account	2,350,695	354,574
	3,712,282	1,361,587

6. Trade and other payables

Trade payables	6,369	41,961
Accrued audit fees	20,100	25,000
	26,469	66,961

7. Operating surplus

Operating profit for the year is stated after accounting for the following:

Depreciation on property, plant and equipment	1,395	4,498
Employee costs	23,762	-
Scholarship Scheme	1,827,040	1,464,988
Auditors remuneration		
Audit fees		
- current year	20,100	25,000
- under provision prior year	-	16,727
Other services	18,526	13,143

Figures in Rand	2008	2007
-----------------	------	------

8. Taxation

No provision for tax has been made as the trust is exempt from income tax in terms of section 10(1)(cN) of the Income Tax Act.

The trust, as a public benefit organisation, has been given section 18A(1)(a) exemption and donations to the organisation will be tax deductible in the hands of the donors in terms of and subject to the limitations prescribed in Section 18A of the Act.

Future donations by and to the trust are exempt from donations in terms of section 56(1)(h) of the Act.

Bequests or accruals from the estates of deceased persons in favour of the public benefit organisation are exempt from the payment of estate duty in terms of section 4(h) of the Estate Duty Act , 45 of 1955.

9. Auditors' remuneration

Fees	20,100	25,000
Prior year under provision	-	16,727
Other services	18,526	13,143
	38,626	54,870

10. Cash generated from operations

Surplus before taxation	2,350,695	354,574
Adjustments for:		
Depreciation and amortisation	1,395	4,498
Interest received	(139,940)	(50,309)
Changes in working capital:		
Receivables and Prepayments	(65,898)	(3,100)
Trade and other payables	(40,492)	46,961
	2,105,760	352,624

Detailed Income Statement

Figures in Rand	Note(s)	2008	2007
Revenue			
Donations and grants received		4,257,111	1,912,647
Other income			
Interest received		139,940	50,309
Operating expenses			
Auditors remuneration	9	(38,626)	(54,870)
Reversal of prior year creditors accrual		41,961	(1,900)
Bank charges		(5,728)	(4,062)
Depreciation, amortisation and impairments		(1,395)	(4,498)
Employee costs		(23,762)	-
Equipment donated		(189,179)	(75,821)
Internet Connection		(1,260)	(1,265)
Scholarship Scheme		(1,827,040)	(1,464,988)
Transport and freight		(1,327)	(978)
		(2,046,356)	(1,608,382)
Surplus for the year		2,350,695	354,574

Registration Details

The Friends of Mosvold Trust is a registered

- Non Profit organisation (010-021 NPO)
- Public Benefit Organisation (PBO) (18/11/13/4296)
- Has tax exemption on the basis of 10 (1) (cB)(i)(bb) of the income Tax Act and
- Has 18A Tax exemption status

Auditors:

Victor Fernandes & Co
P O Box 821
Kloof
3640

Contact Details:

Physical Address:

3 Shongweni Road
Hillcrest
KwaZulu-Natal

Postal Address:

Postnet Suite 10328
Private Bag X1005
Hillcrest
3650

Tel: 031 765 5774

Fax: 031 765 1755

Email: info@fomscholarship.org.za

Website: www.fomscholarship.org.za

