

ANNUAL  
REPORT  
2013-4



**umthombo**

Youth Development **+** Foundation

Incorporating the FOM Scholarship Scheme

# MISSION, VISION AND PRIORITY AREAS

## Mission

The Umthombo Youth Development Foundation seeks to address the shortages of qualified health care staff at rural hospitals to improve health care to the indigent population. This is achieved through the identification, training and support of rural youth to become qualified health care professionals

## Vision for the next 3 years

That participating hospitals are well staffed, with local professionals developed through UYDF, resulting in the healthcare needs of the communities being addressed.

## Priority Areas

### 1. Student Support:

- a) Identify sufficient youth with potential
- b) Provide academic and social mentoring support to all students in order for them to succeed
- c) Provide comprehensive financial support to students

### 2. Graduate Support

- a) Graduates obtain employment at participating rural hospitals and honour their work back contracts
- b) Graduate retention through on going support and professional development

### 3. Mobilisation of Resources

- a) Ensure sufficient financial, physical and human resources to meet all objectives

### 4. Expansion of the Programme

- a) Increase the number of students supported annually
- b) Expand to new hospitals within KwaZulu-Natal (3 per year)
- c) Expand the programme to a new Province

### 5. Partnerships

- a) Develop partnerships with strategic stakeholders in

order to achieve our mission

### 6. Organisational Development

- a) Ensure the necessary organisational systems and governance structures are in place
- b) Qualified and motivated Trustees that can assist the organisation to achieve its mission
- c) Competent and motivated staff whose expertise grows through professional development and reflection

### 7. Research

- a) Strengthen Monitoring & Evaluation to measure and share impact
- b) Share best practice in the area of human resources for health
- c) Conduct applied research in order to contribute to the knowledge of addressing the shortages of healthcare workers, specifically through the investment in rural youth

## The Future

Over the past 14 years we have shown that rural youth can succeed in becoming qualified health care professionals, and that they will return to work at their local rural hospital on graduating.

Since the need for healthcare workers is still significant, we seek to identify and support more rural youth to become qualified health care professionals, in order to address the unacceptably high shortages of staff at rural hospitals.

In this regard we will:

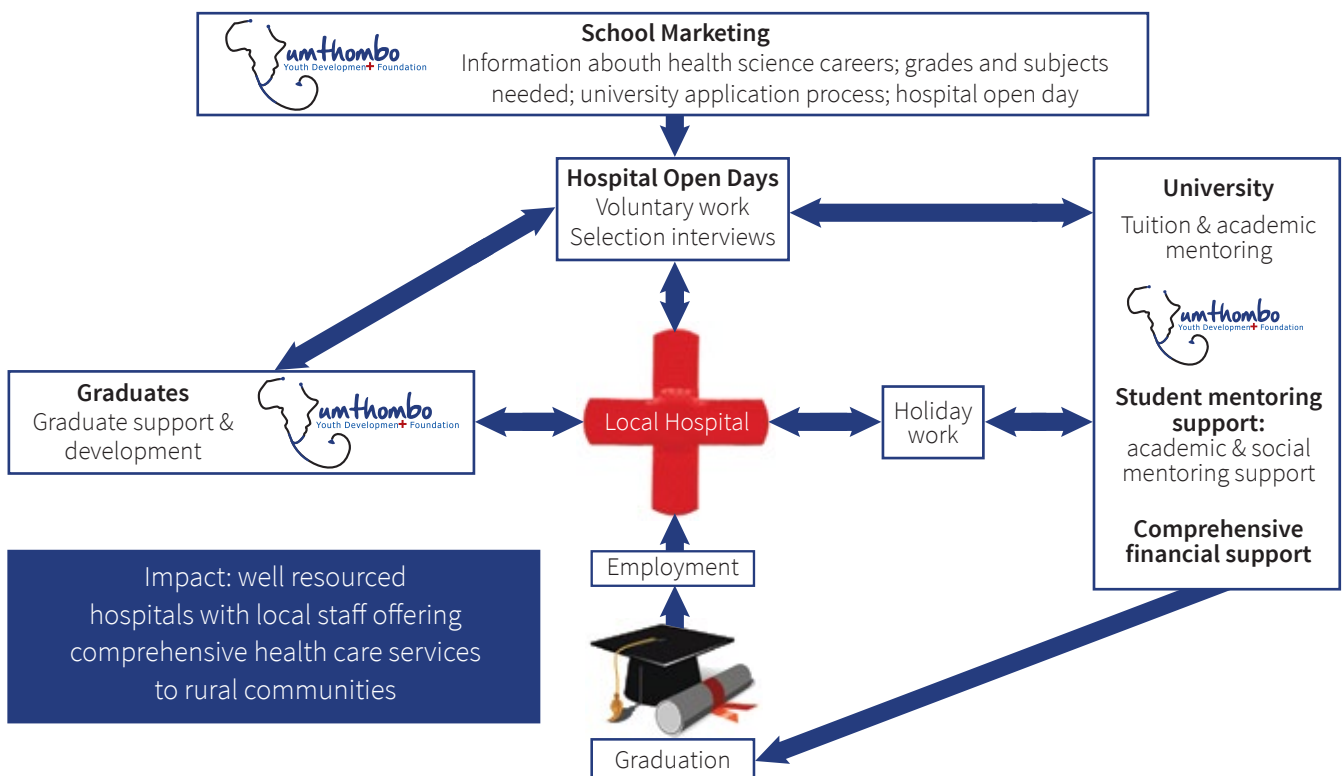
1. Increase our impact at existing hospitals by training more youth
2. Expand our programme to include more rural hospitals in KwaZulu-Natal
3. Establish our programme in at least one other rural Province in South Africa



# CONTENTS

The Model.....	3	The Graduates.....	16
From the Founders Pen.....	4	Trustees.....	19
The Director’s Report.....	5	Organisational Values.....	19
What Do We Do?.....	6	Partners.....	19
How are Students Selected for a Scholarship?.....	6	Funding Organisations.....	19
Why Do We Do it?.....	7	Individual Donors.....	19
How Can You Help?.....	7	Financial Statements.....	20
Highlights of 2013.....	8	Trustees’ Responsibilities and Approval.....	2
The Benefits and Successes of the Umthombo Youth Development Foundation.....	9	Independent Auditors’ Report.....	2
Students.....	10	Trustees’ Report.....	3
How our programme supports government policy.....	11	Statement of Financial Position.....	4
The Alumni (Graduates).....	12	Statement of Comprehensive Income.....	4
History of Umthombo Youth Development Foundation.....	13	Statement of Cash Flows.....	4
Creating a Rural Workforce.....	14	Accounting Policies.....	5
		Notes to the Annual Financial Statements.....	6 - 8
		Statement of Financial Performance.....	8
		Registration and Contact Details.....	28

# THE MODEL



# FROM THE FOUNDER'S PEN

Why do our students do so well?  
Is it because we are able to select exceptional students?  
Is it because we pay their fees?  
Does exceptional potential + funding = success at university?  
Is it just money that is needed for rural origin students to succeed?  
We at UYDF believe that it is much, much more than this. Our students are chosen because they have the academic ability to meet the minimum university entrance requirements. Added to this is comprehensive funding provided by UYDF SS (fees, residence, books and food) PLUS a clearly communicated belief in the potential of each student selected to succeed PLUS compulsory peer and academic mentoring which ensures academic and social engagement and accountability PLUS compulsory experiential holiday work at a local district hospital close to their homes. The outcome: 92% success rate among rural students studying health sciences course at universities in South Africa supported by UYDF SS. We believe that all of the components of the scholarship scheme are

essential if rural origin students are to reach their potential and succeed at institutions of higher learning.  
We have a GREAT story to tell and would love to share our learnings with others who want to invest in our greatest resources – the people of our beautiful and beloved country.



A handwritten signature in black ink that reads "Andrew Ross".

Dr Andrew Ross  
Founder & Trustee



Some students at the *imbizo*.



Some of the students at the *imbizo*.



Mr Jackie Tau (Aspen Pharmacare) and some of our 2013 UKZN graduates.

# THE DIRECTOR'S REPORT

Last year was an exceptional year for many reasons. Firstly we had the largest number of students graduate in a year – 48! Twenty one of the 48 graduates are Doctors! Secondly, Dumisani and his team of mentors were able to increase our student pass rate from 92% to 94%. This is an absolutely amazing achievement. Our students, and their mentors, need to be congratulated for their hard work and dedication.

Not many people know that of the 1 200 medical graduates produced each year, only 35 will work in a rural area for any appreciable time! This is despite the fact that 46% of the population lives in rural areas, and rural communities have high disease burdens. We are working hard to change that statistic, and with 22 Doctors produced in a year, we are getting there!

Our impact has not only been in the production of health science graduates, who will take up employment in rural hospitals in northern KwaZulu-Natal. Over the past few years we have shared what we consider to be the critical factors of success of our programme with the KwaZulu-Natal and Eastern Cape Department's of Health in order to assist them to strengthen their bursary programmes. It is encouraging to know that the Eastern Cape Department of Health have incorporated all our critical aspects into their programme!

The National Development Plan, South Africa's Strategic Plan until 2030, articulates the many challenges that youth face, especially those who live in poverty. According to the NDP documentary narrated by Trevor Manual, a young girl born in 2010, coming from a poor family only has a 4% chance of going to university. It highlights that in all likelihood she would be forced to take up low paying piece jobs for the majority of her life due to lack of skills and appropriate opportunities. This documentary highlights the value of our work, where a young girl, from a poor family, through hard work and our support, can qualify as a healthcare professional, obtain "quality" work immediately and support her family. In this way the poverty cycle is broken, as she assists her family and supports her siblings to access better education, and contributes to the economy as a taxpayer! In addition she serves her community whilst at the same time motivating other youth to emulate her. We have documented this opportunity in a creative way through the eyes of a young girl called Thandi - visit our website to watch it!



It is worth noting that a number of our graduates have worked in rural areas for 8, 9 and even 10 years! The impact that they have made in rural communities is truly immeasurable. We honour them for their commitment to bringing about positive change in often difficult circumstances.

A special mention needs to be made to the following Trustees who have served the organisation tirelessly and who have stepped down: Mrs Elda Nsimbini, Mr Vasco Gama and Mr Abner Mavimbela. We welcome the new Trustees: Dr Cyril Nkabinde, Ms Nobayeni Dladla, Mr Joseph Motha, Mr Siphamandla Mngomezulu (graduate).

We are grateful to our faithful funders who have continued to support our work and have allowed us to increase our student numbers each year. We are grateful for our partnership with the National Student Financial Aid Scheme, which has allowed us to access loan funding for our students.

We are excited about the future, and what we can contribute to empowering youth with an education and employment, whilst at the same time improving health care delivery to rural communities.

## Obituary



We were all shocked at the sudden and unexpected passing of Nontokoza Mathenjwa, the UYDF Administrator. She was a loyal, hard working, self-motivated person who was a significant part of the UYDF staff. We are the poorer for losing her in the prime of her life, but we take solace in the fact that God knows all things, and that she loved Him, and is safely in his arms.

"Today we laid a princess, a sister, a mother, a pillar and a leader to rest. RIP Nontokoza Mathenjwa, may your good works bear fruits through the seeds you planted in us - hard work, humility and confidence." Phelelani Dladla (Graduate)- one of the many tributes paid to Nontokoza.

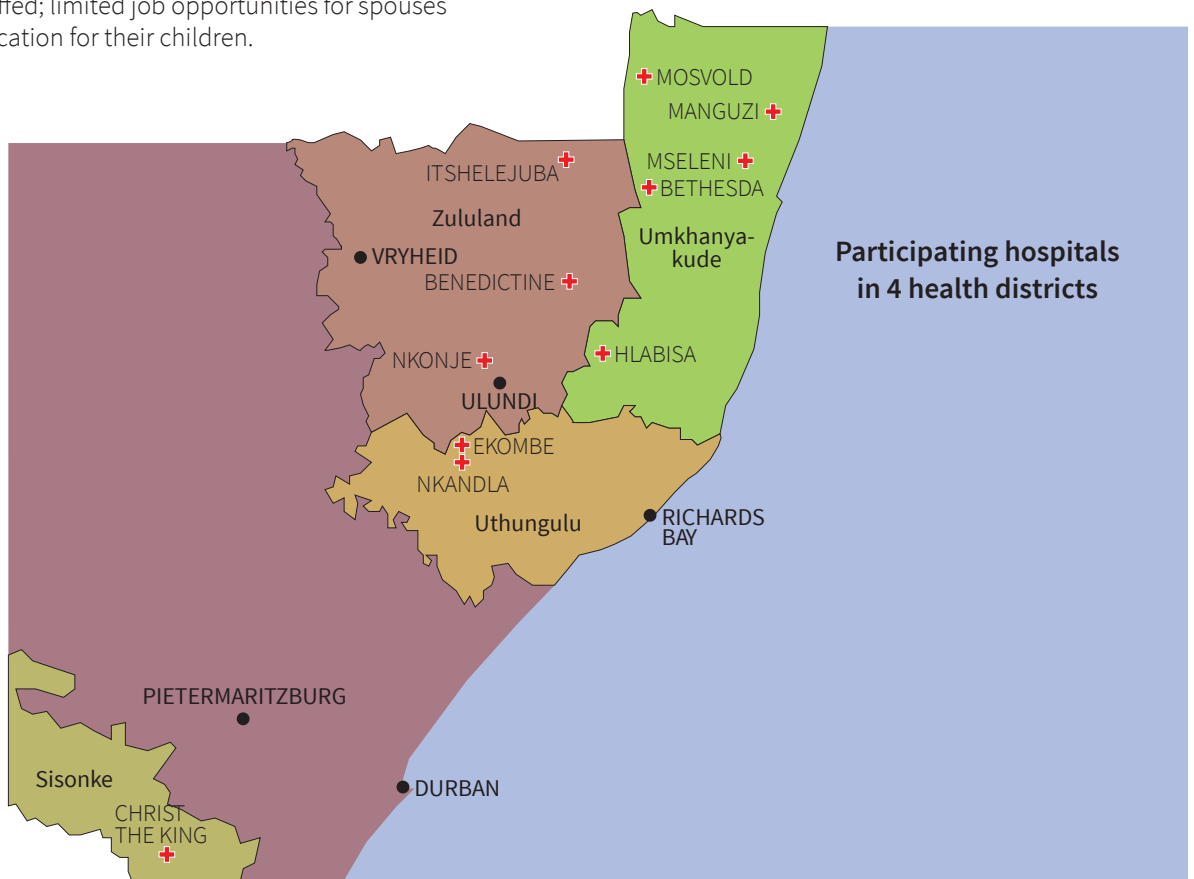
# WHAT DO WE DO?

The Umthombo Youth Development Foundation identifies, trains and supports youth from rural KwaZulu-Natal to become qualified health care professionals, in order to address the shortages of qualified health care staff at rural hospitals, thereby improving health care to the indigent rural population.

The Scheme was established in 1998, under the name of the Friends of Mosvold Scholarship Scheme, to address the chronic shortage of qualified health care staff at Mosvold hospital. Within three years the initiative was spread to the other 4 hospitals within the Umkhanyakude district. Rural hospitals find it difficult to recruit and retain health care professionals for a number of reasons, including: the general shortage of qualified healthcare workers in the public sector; the distance of rural hospitals from urban areas, the perceived lack of career opportunities and career development; difficult working conditions normally due to hospitals being under-staffed; limited job opportunities for spouses and quality education for their children.

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 our experience supports this research) or if they are exposed to the realities of rural health during their training. Based on these research findings, and the belief that rural students have the potential to succeed at University if provided with the necessary support, the Umthombo Youth Development Foundation was established to identify local youth who have an interest and the potential to become health care providers, and who on graduation, would commit to working year-for-year at a rural hospital.

We are currently working with 12 hospitals in 4 health districts of KwaZulu-Natal. Two of the four health districts are Priority 18 districts – districts where health care indicators are poor and require significant interventions. We are also working with two hospitals in the Eastern Cape Province: Zithulele, near Hole in the Wall and St Patricks in Bizana.



# HOW STUDENTS ARE SELECTED FOR A SCHOLARSHIP?

To be eligible for a scholarship, students need to:

- Be from a district where we are working
- Be accepted at a tertiary institution to study an approved health science degree
- Have done voluntary work at their local hospital
- Have a financial need
- Be selected by a local committee

- Be prepared to sign a year-for-year work-back contract

The Umthombo Youth Development Foundation not only provides financial support for students, but also comprehensive mentoring support - to assist students to deal with the academic and social challenges they may face - thus improving their chances of success.

# WHY DO WE DO IT?

Forty six percent of the population live in rural areas, whilst only 19% of nurses and 12% of doctors work in rural areas. At the same time rural communities have high disease burdens related to poverty and poor infrastructural development among other things. This results in a high need for healthcare services, which cannot be met due to the shortages of staff (often between 40-60%), thus leading to unnecessary suffering, morbidity and even mortality.

For example, the five hospitals in the Umkhanyakude district, namely Mosvold; Manguzi; Mseleni; Hlabisa and Bethesda, and their associated clinics, provide health care to over 550 000 indigent people living in the district, which is situated in northern KwaZulu-Natal bordering on Swaziland and Mozambique. 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 high, whilst job opportunities are scarce and the population is generally poorly skilled. Infrastructure like communication and transport is poorly developed, whilst schools are over-crowded 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 teachers and related resources like text books, laboratories and equipment. In most schools the medium of instruction is *isiZulu*, whilst all tertiary education is in English.

Malaria, Tuberculosis and HIV/Aids are examples of the major health problems affecting these rural communities, whilst a lack of clean water and inadequate sanitation resulting in poor hygiene lead to health problems such as gastroenteritis and parasitic infestations. Chronic poverty and illiteracy lead to widespread malnutrition.

Over the years these hospitals have functioned by recruiting Doctors from overseas. This serves as a short term solution with the majority of foreign Doctors staying a relatively short time ( $\pm$  12 months). Further, although these Doctors provide an essential service, they often lack the experience needed in a rural hospital where disease burdens are high and varied – they do, however, gain these competencies in time. In addition, the registration of foreign doctors to work in South Africa is often difficult, frustrating and prolonged. In addition, and importantly, this initiative does not address the shortages of staff other than doctors, who are critical in the support of doctors and in the normal functioning of the hospital system and in providing primary health care services. Unfortunately, even with this initiative in place, vacancy rates of critical positions at rural hospitals are still unacceptably high.

Thus, the investment in the training and development of rural youth to become the future health care workers is seen as critical to addressing the shortages of staff at rural hospitals, and may be considered a more sustainable solution (albeit long term) since:

- a) Local youth, when qualified, are more likely to remain in the area since they have family attachments and commitments
- b) they are able to communicate with patients in their mother tongue aiding in understanding and treating the problem
- c) they are known by the community and held in high esteem which may further encourage them to stay
- d) many youth with potential exist
- e) rural youth are being offered opportunities which were never available before and thus are motivated to work hard at school in order to qualify
- g) Graduates of the programme are positive role models for the rural youth to emulate
- h) The number of qualified health care workers in the country is increased

# 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 contribution towards a student's University fees
- 2) Use your influence in your circle of friends and business associates to encourage them to support the Umthombo Youth Development Foundation. Tell them what impresses you about the programme and why they should also support the programme
- 3) Share business contacts with the Director of Umthombo Youth Development Foundation for fundraising purposes
- 4) Encourage businesses to make donation, which are income tax deductible

- 5) Initiate fundraising ideas to raise money to support students.
- 6) Share information about the programme with your Facebook contacts and become a Facebook Fan of Umthombo Youth Development Foundation!

**Note: all donations are tax deductible for individuals and companies. Companies can obtain BBB-EE points through support of our work.**

The Umthombo Youth Development Foundation is proof that a little idea can become a reality and start changing what was thought to be an insurmountable problem. You too can become part of the solution.

# HIGHLIGHTS OF 2013

In 2013 we supported 191 students. The majority of students (91) were studying medicine followed by physiotherapy and nursing (16 each). We supported students across 15 different health science disciplines to ensure that rural hospitals will be able to provide a wide range of health care services to the community.

Of the 191 students we supported, 179 passed of which 48 graduated, whilst 12 failed. The overall pass rate was thus 92%.

This is an incredible achievement, especially when one considers that these students attended poorly resourced rural schools! We attribute this high pass rate to our highly effective mentoring support programme, which assists students to address both academic and social issues in order to pass. Dumisani Gumede and his team of 14 local mentors must be congratulated for assisting these students to achieve so well.

The 48 graduates increase our total graduate numbers to 185! The 48 graduates covered 14 different health science disciplines, with the majority (21) being doctors. This is the highest number of graduates we have ever had.

We received a number of special awards as recognition of our work with youth. The first award, which was unsolicited, which makes it all the more valuable, was a Special Ministerial Award – awarded by the Minister of Public Service and Administration. Only two such awards were given last year, and so we feel very privileged to have been acknowledged in this way. It is also wonderful to know that government does appreciate our work. Receiving such an award from the Minister of Public Service and Administration also assists us to enter partnerships with provincial Department's of Health, which is critical to our expansion.

A very prestigious panel of South African and international health experts and health journalists named us one of the 2014 Health Innovators and winner in the category “Minding the Gap”. The awards were an initiative of the Bertha Centre

for Social Innovation and Entrepreneurship.

We were the beneficiary organisation of the renowned Discovery Business Leaders Summit which gave us exposure at this significant event.

Our model involves participating hospitals being responsible for student selection, student training and orientation in the form of holiday work, and finally the employment of our graduates. We had a number of workshops with hospital representatives around these issues to ensure that they are implemented effectively and the hospital understands the reason for their involvement and sees the benefit to them.

We also met with the management of a number of rural hospitals who are requesting a partnership with us. We have agreed to include rural hospitals in the Zululand and Uthungulu districts in order to consolidate our efforts in these districts.

Our relationship with the KZN Department of Health continues to develop. We held regular quarterly meetings with Department of Health officials, which has lead to a closer working relationship to the benefit of both organisations. Through this relationship all our graduates are employed at rural hospitals immediately after graduation, which is naturally a huge benefit to us and the communities they will serve. The MEC for Health, Dr S Dhlomo, acknowledged our contribution to offering opportunities to rural youth through a Special Recognition award.

We ended the year with our annual Student Life Skills Imbizo. The value of interacting with the students outside the university environment is critical to moulding and shaping these young people to be the future health care professionals that our country and rural communities desperately need, namely– empathetic, caring, professional, competent, and committed! A number of our graduates attended and lead sessions with our students. The Imbizo is also a wonderful time to be family – laugh and have fun together as well as celebrate our successes!

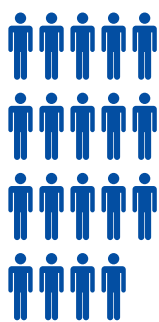




# THE BENEFITS AND SUCCESSES OF THE UMTHOMBO YOUTH DEVELOPMENT ORGANISATION

The programme'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 degree at University. No such opportunities ever existed in rural areas before.
2. Providing a beacon of hope for local learners and **stimulating local youth development** by highlighting that it is possible to come from a deep rural area and become a health professional!
3. It proves that rural students **have the potential to succeed** at university, if provided with the appropriate support, since the pass rate over the past five years has exceeded 88% - well above the national average.
4. Graduates of the programme are **positive role models** for rural youth to look up to and emulate.
5. **Stimulating community development**, through community participation in the selection of scholarship participants and graduates serving their community when qualified.
6. Providing **comprehensive financial support** to students thus removing the financial barriers that would prevent students with potential from going to University.
7. The financial support allows students to **concentrate exclusively on their studies** without worrying about how they will pay their fees or buy food.
8. Providing comprehensive and accessible **mentoring support** for students to deal with academic, social and/or personal issues, thus ensuring that they have the best opportunity to succeed in their studies.
9. The graduates, who are role models, are involved in encouraging and motivating school children about **dreaming about a better future**.
10. Training young people in careers which will give them a **job for life**, as they are scarce and important skills that will always be in demand.
11. It has shown that graduates **will return to work in the district** where they come from.
12. By investing in local people to address a local problem the **solution becomes sustainable** since the graduates are more likely to stay and build their careers in the local hospital.
13. Providing **work place mentoring** for newly qualified graduates to assist in the transition from university life to working in a hospital.
14. Providing rural hospital staff with professional development opportunities as a retention strategy.
15. **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!).
16. Providing **stability in the workforce** as graduates honour their work back obligations.
17. Offers one of the most sustainable solutions for the **long-term supply of professional health care staff** for rural hospitals.
18. It is **replicable**. If it can work in one of the most rural and under resourced districts, then it can work anywhere in South Africa.
19. It is a local solution to the international problem of a shortage of health care workers in rural hospitals.
20. It **breaks the spiral of rural poverty** as youth become qualified healthcare workers, obtain work, earn salaries, assist and serve their communities, whilst inspiring others to do the same.

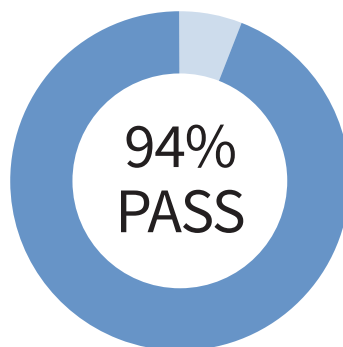


## 2013

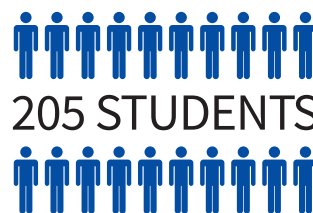
Umthombo supported

### 191 STUDENTS

in 14 health-science disciplines.



## 2014



### 205 STUDENTS

## 183 graduates provide staff for:

nine rural hospitals



sufficient  
DOCTORS

for 5 rural hospitals



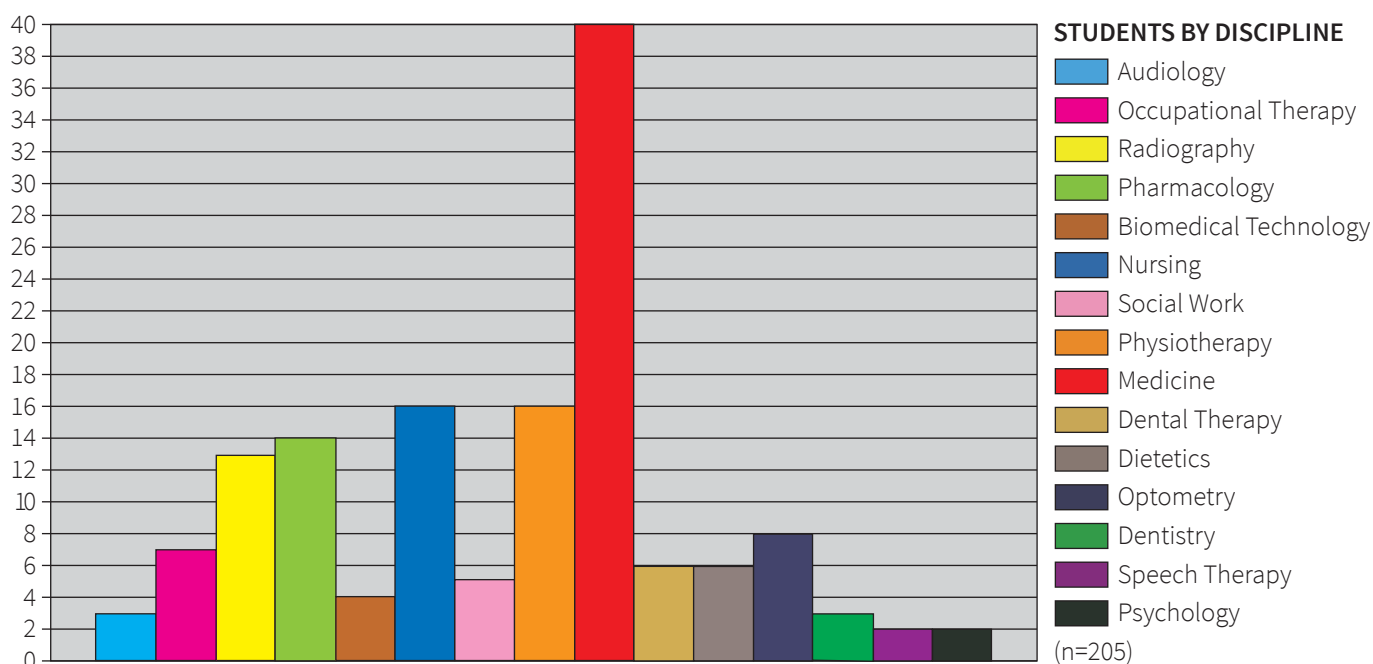
# THE STUDENTS

In 2014, we are supporting 205 students that were selected from 13 rural hospitals.

**School Outreach programme:** School learners are made aware of health sciences as career opportunities, as well as the subjects and grades needed through our school outreach programme. Learners who are interested in studying a health science degree, and have the correct subjects and grades, are invited to attend the **Hospital Open Day** at their local hospital. This gives them the opportunity to learn more about the health science discipline they are interested in, as well as,

ask questions of hospital staff. Our graduates are involved in organising the Open Day, and presenting and interacting with the learners - sharing valuable experience about how they were able to succeed in studying a health science degree. The learners are then required to apply to various universities themselves and complete at least one week's voluntary work at the hospital before attending the selection interviews held at the end of the year.

The table below shows the health science disciplines of the current students:



It is amazing that 100 of the 205 students are studying medicine! A number of years ago, no one would have believed it possible that youth from deep rural areas would gain entry to University, let alone study to become a doctor – this is a major achievement!

Although the majority of students are studying medicine, it is important to note the broad range of health science disciplines being supported. The different disciplines are important in providing comprehensive healthcare especially in a rural hospital.

## Mentoring Support

A critical component of the programme's success is the mentoring support provided to students. Rural students face many challenges at University including their poor command of English (which is the medium of instruction); the fast pace of the academic programme; peer pressure; requests from home and many more. The mentoring support is thus provided to help students cope and overcome these many challenges. The organisation is fortunate to have Dumisani Gumede, one of the first graduates as the full time mentor, since he can identify with the struggles of the students and

provide practical advice for them to overcome their challenges. Dumisani is in contact with the students monthly, either by sms, email or telephone, and meets with them twice a year at University, and at least once whilst they are doing their holiday work.

With the large numbers of students we are supporting, and the fact that the students are studying at a number of different academic institutions, we have a network of student mentors to ensure that all students are able to have a face to face meeting with a mentor. These mentors are based within close proximity of the various academic institutions, and have skills and experience, in motivating and supporting students. Each mentor, submits a monthly report on each student to Dumisani in order for him to remain aware of the progress of every student and provide additional support where needed.

The exceptionally high pass rate achieved last year (94%) can be ascribed to the mentoring support provided to students. Our pass rate far exceeds the national average of around 50% for all university students, and the 35% success rate of disadvantaged students at university.

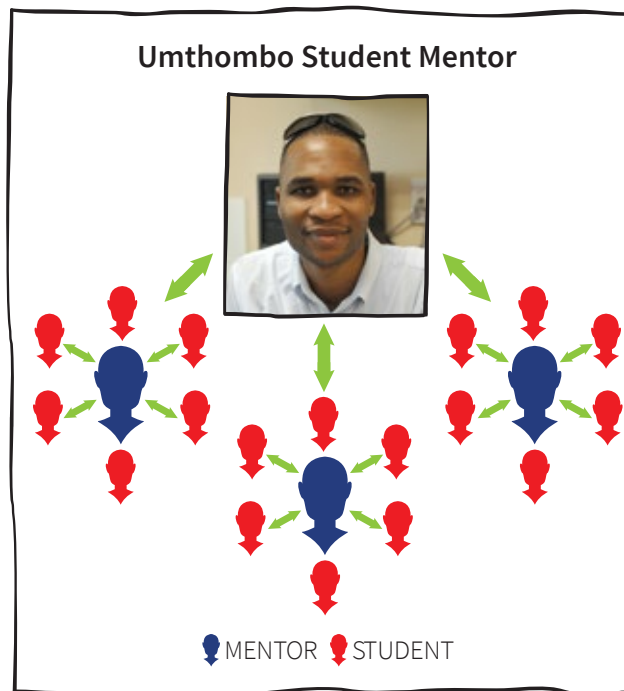
In meeting with the students, the mentors always discuss the following:

1. The student's academic performance and their need to pass. Struggling students are linked with University tutors and the University mentoring programme. They are held accountable by our mentors in terms of ensuring they make the necessary changes needed to address their challenges so they can pass.
2. How they are coping socially and personally. Students are encouraged to support each other and meet at least once a month to discuss issues and interact socially. Students with serious problems are referred to relevant professionals for specific help e.g. Social Worker.
3. Their need to honour their work back agreement when they qualify.
4. The need to make good choices concerning their future such as remaining HIV negative; preventing teenage pregnancy; avoiding drugs etc. It is emphasised that they have a bright future ahead of them which could be negated due to irresponsible behaviour.

The mentor/mentee relationship becomes one of respect, with the mentor being an accessible and available "shoulder to lean on", and who encourages the student to achieve their true potential. We have seen so many students exceed their own expectations as high standards have been set.

### Holiday Work

All students, including the Provincial Bursary students that we support, are required to do at least 4 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 that "this is their hospital", as well as get an idea of our vision for the provision of quality health services to rural communities. 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 the youth and encouraging them to work hard, dream about a better future, know their HIV status and choose healthy lifestyles, so they too can become the change agents in their communities.

Many students report that the holiday work is such a valuable and wonderful experience as it gives context to their university studies and motivates them to work hard in order to qualify so they can return to their hospital to make a difference.

### Financial Support

The financial support provided to the students is comprehensive to ensure that the students are able to concentrate on their studies and pass. The support covers the following:

- Full tuition and accommodation
- A monthly food allowance
- A book allowance paid twice year
- Payment for holiday work
- Any other essential expense as required as part of the curriculum (eg. minor equipment, compulsory excursions etc.)

## HOW OUR PROGRAMME SUPPORTS GOVERNMENT POLICY

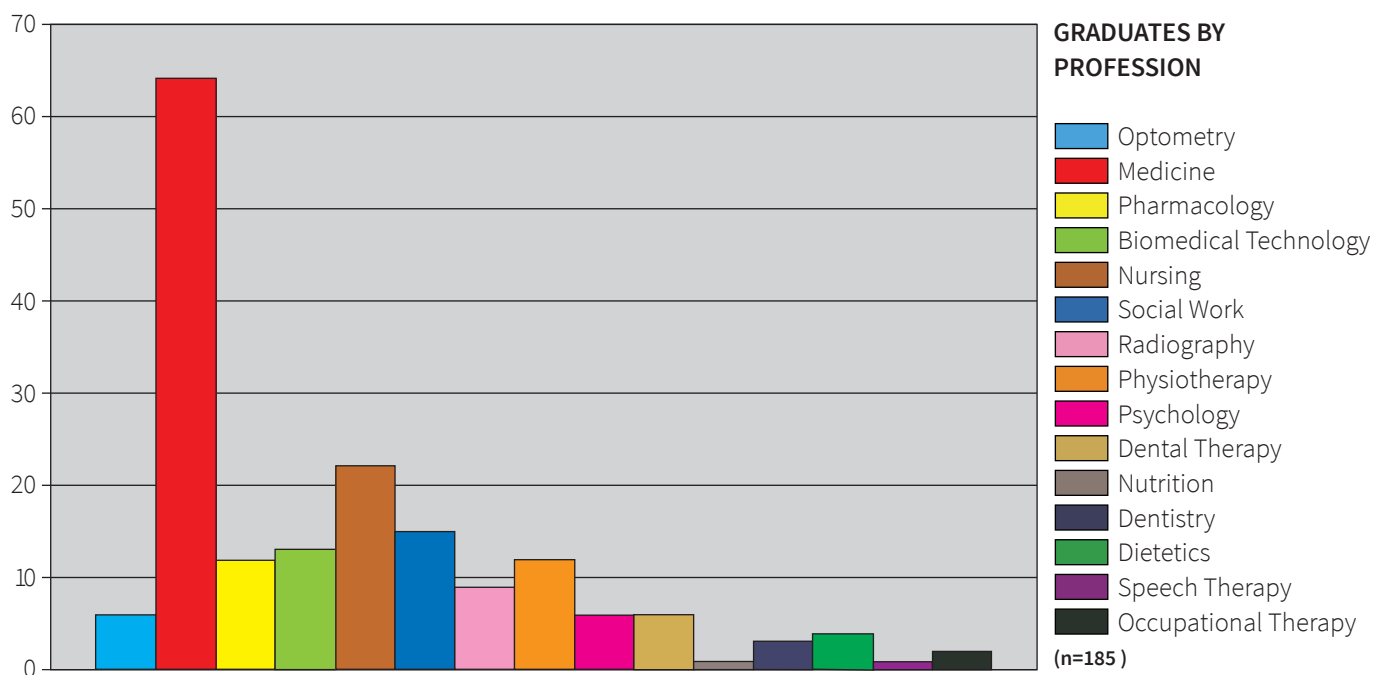
Our work addresses critical aspects of rural and youth development, health, as well as skills development and job creation which are government priorities. These are detailed as:

1. Focuses on opportunities for rural youth.
2. Improves service delivery to rural communities.
3. Leads to skills development, particularly the addressing of scarce skills.
4. Leads to job creation as youth are being trained for specific jobs.
5. Exposes students to the world of work through their holiday work experience.
6. Our work is concentrated in the Priority 18 districts – districts identified by government with particularly poor health indicators that need improvement.
7. Our work of investing in rural youth to become the future healthcare providers is aligned with the government's National Skills Development Strategy III.
8. Youth are trained for specific jobs and are able to work immediately after graduating or completing their internship training.
9. Our model ensures that rural hospitals are actively involved in addressing the shortages of skills at their hospitals.
10. Our support of our graduates and hospital staff, in their professional development, ensures they have the necessary skills to become competent managers and leaders.

# THE ALUMNI

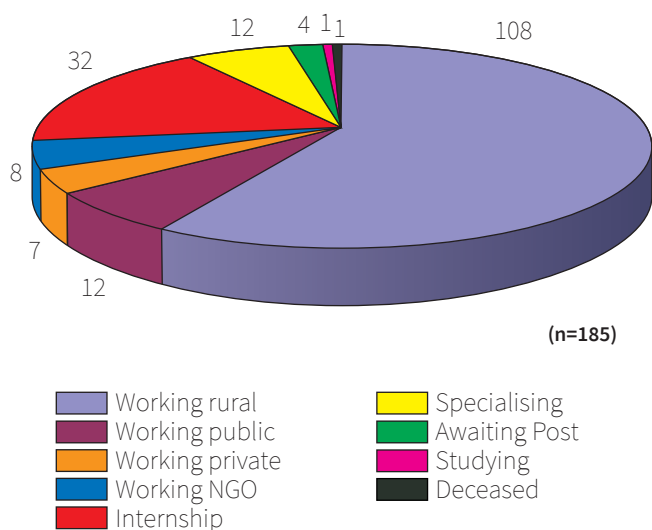
The Umthombo Youth Development Foundation has produced 185 graduates in 15 different health science

disciplines. As can be seen from the table below, the majority of graduates are doctors!



The pie chart below gives a breakdown of where these graduates are currently working:

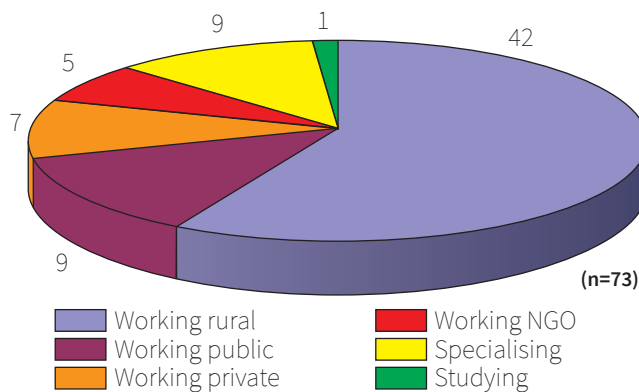
**GRADUATES**



Of the 185 graduates, 32 are busy with their internship training and are thus unavailable to work at a rural hospital at this time. Thus subtracting them from the 185 graduates, we see that 70% of our graduates are working at a rural hospital – the aim and purpose of the scheme! If one includes the number of graduates working in rural non government organisations, this percentage increases to 76%! We have seen a trend over time of more doctors wishing to specialise. Significantly only 7 of the 185 graduates have gone into the private sector.

Regarding our investment in rural youth as a way to address the shortages of staff at rural hospitals over the long term, it is valuable to see where graduates that have no further work back obligations are working. Information for the 73 graduates that have no further work back obligations is presented below:

**GRADUATES WITH NO WORKBACK OBLIGATION**



Significantly, of the 73 graduates that have no further work back obligation to the UYDF, 57% are still working at a rural hospital! In addition, 5 are still serving rural communities as they work for rural non governmental organisations, thus increasing the percentage to 64%. Nine are working in urban public hospitals, thus serving the majority of the population, whilst 9 are specialising. Only 7 have gone into the private health care sector!

This confirms that the investment in rural youth does have a positive effect on the staffing of rural hospitals (both in the short and long term).

# HISTORY OF UMTHOMBO YOUTH DEVELOPMENT ORGANISATION

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 Mosvold Hospital to purchase vehicles, improve accommodation, provide fencing for residential clinics, develop a HIV/AIDS education programme, and implement a large scale sanitation programme. In 1998, based on the need to find a solution to the long-term problem of a lack of qualified staff at the hospitals in the district, and the belief that youth from the area – in spite of many financial, social and educational obstacles – had the potential to become healthcare 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 when MESAB closed.
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 healthcare professionals, and will return to work in the district, which is their “home” community after qualifying – thus addressing the ongoing problem of shortages of qualified staff.

A comprehensive programme was set up at the hospitals and in local schools to promote careers in health sciences, as well as to inspire learners to dream about what seemed impossible, and to raise awareness about HIV/AIDS. Dr Andrew Ross, the Mosvold Hospital Superintendent at the time, started fundraising in order for this concept to become a reality.

The first four students supported were: France Nxumalo (now a qualified optometrist); Dumisani Gumede (a qualified physiotherapist); Nkosinqiphile Nyawo (a qualified biomedical technologist) and Sibusiso Thwala (a pharmacist who is unfortunately deceased). Dr Ross and Mrs Elda Nsimbini were involved in mentoring and supporting these first students.

In time and through interactions with others it was realised that for the approach to succeed, there was a need to not only fund students accepted at university, but also to provide mentoring support, as rural students face many challenges at University (both academic and social). Dr Ross played a key role in providing mentoring support to students whilst at university and Mrs Elda Nsimbini was known by the students as their “mother”.

Each year more and more students applied for assistance which required Dr Ross to find more funding. A number of people caught the vision shared with them by Dr Ross and provided the necessary financial support. These people included Mrs Lynne Fiser of BOE Private Clients; Mr Ken Duncan of the Swiss South African Co-operative Initiative and the Trustees of MESAB (Lynne Fiser and Ken Duncan have continued to provide support through their organisations) as well as a number of individuals.

By the end of 2007, the number of students being supported had grown to 55 and the Scheme had produced 33 health science graduates. The Scheme was still being managed by Dr Ross, who was

fundraising and providing mentoring support and Mrs Elda Nsimbini, who was managing the finances, organising holiday work for students, co-ordinating the selection of new students and compiling the reports required to maintain the organisations non profit status. It was at this time, that Dr Ross, who had since left Mosvold Hospital and taken up a post at the University of Kwa Zulu Natal, realized that he needed help. An award from the Discovery Foundation, relieved the immediate fundraising pressure and allowed Dr Ross to find someone to assist him. Ruth Osborne, a skilled Organisational Development person, with experience in the NGO sector, joined as a consultant to assist Dr Ross and the Trustees determine the best way forward.

They came to the conclusion that either:

- 1) the Scheme is stopped, having been successful in supporting a number of rural youth to succeed at University (there were 33 graduates) and being able to say it can happen or
- 2) full time staff should be employed to manage and develop the Scheme further. Due to the huge potential that the Scheme had, the Trustees decided to employ a Director to manage and develop the Scheme.

In that regard, the present Director, Gavin MacGregor, was employed on 8 February 2008 as the Scheme's first employee and Director. At the same time, Dr Will Mapham was engaged by a potential funder as an independent consultant, to assess the various aspects of the Scheme and highlight the areas that needed strengthening. Using this information a strategic planning session was held to map out the 3-5 year future of the Scheme.

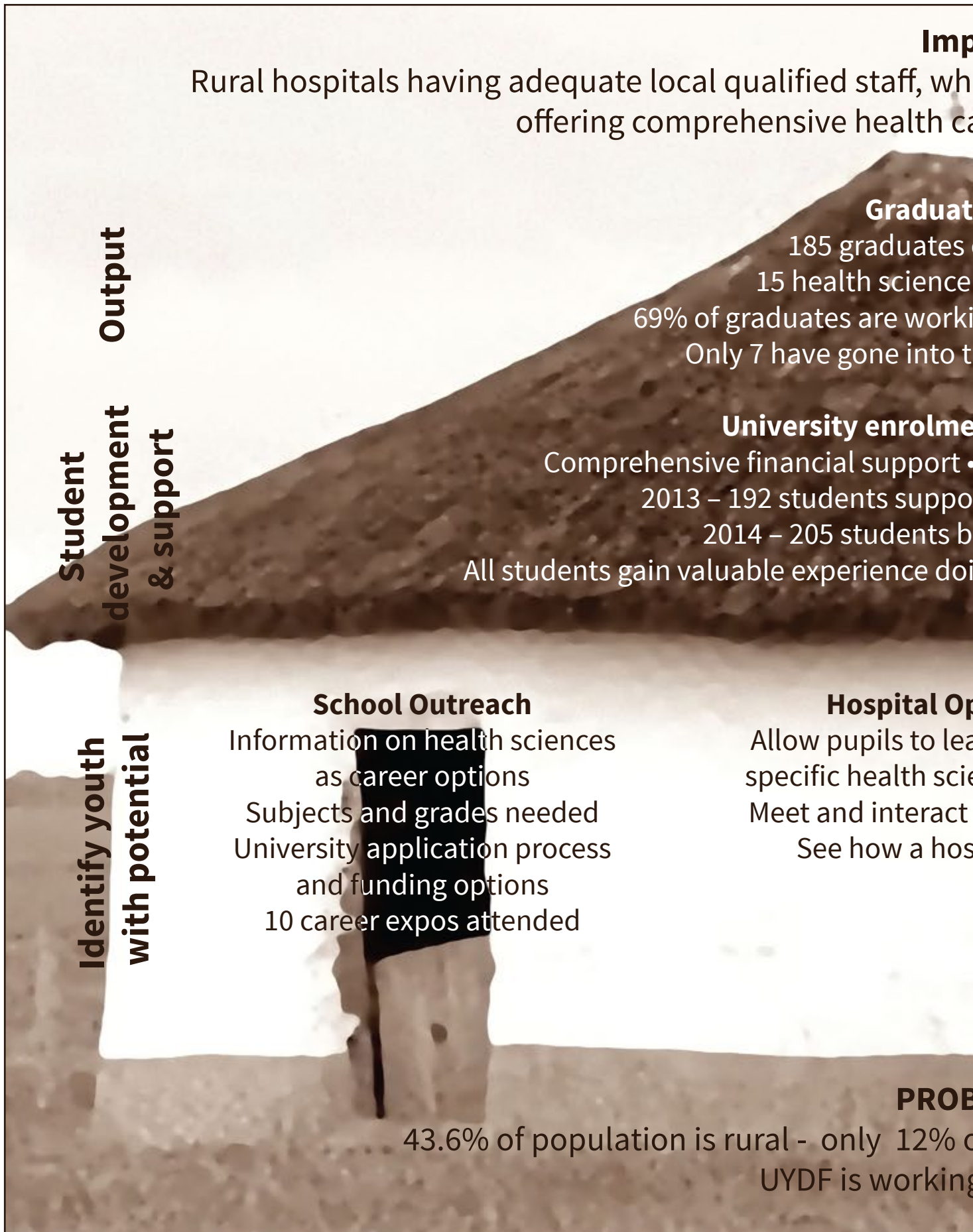
Since the mentoring support was found to be a critical component of the success of the Scheme it was decided to employ a full time Student Mentor. Dumisani Gumede, a physiotherapist graduate of the Scheme was eventually approached to become the Scheme's full time student mentor.

As the Director interacted with the 5 hospitals within the Umkhanyakude district, as well as the Department of Health District and Head Office as well as other stakeholders, it was realized that in developing the Scheme further that the name needed to change. Through a participative process involving the graduates, current students, Trustees and other stakeholders a new name was chosen. Umthombo is an *isiZulu* word for a well or spring. We believe that just as a well provides life giving and refreshing water to sustain a person, so our work offers new life and opportunities for rural youth.

Although the name has changed, the rich history remains in the hearts and minds of many and will not be forgotten. The new name embraces the same mission and purpose, but with a much greater vision of giving even more rural youth opportunities to study health science degrees and involving more hospitals, so that shortages of staff at rural hospitals will be a thing of the past!

On 4 December 2010, a 10 year celebration of the achievements of the FOM Scholarship Scheme was held at Mosvold hospital. The celebration was an opportunity to acknowledge all those who had been involved in developing and supporting the Scheme, as well as an opportunity to share with the community and broader audience the future plans of the organisation, including the name change. The celebration was considered as a visit to our rich and successful past, as well as an embracing of the future expansion of the programme to assist many more youth, in order to ensure service delivery to rural communities improves, through an increased number of qualified health care workers.

# CREATING A RU



# RURAL WORKFORCE

## Impact

To understand the language and culture of their patients,  
provide services to rural communities

## Areas

covering  
disciplines  
working at a rural hospital  
in the private sector

*Building a programme to support rural youth to become  
qualified health care professionals is like building a house.*

*Good foundations are needed (selection of youth  
with potential) on which strong walls  
and a roof can be built.*

## Programme & Support

Programme & Social Mentoring support  
provided – 94% pass rate  
being supported  
doing holiday work at a rural hospital

## Open Days

Learn more about  
various disciplines  
with graduates  
hospital works

## Student Selection

Selection done by a  
hospital selection committee  
Students become accountable  
to the hospital  
13 participating hospitals

## Problem:

Only 10% of doctors and 19% of nurses work rurally  
Working to redress this

# GRADUATES

Nkosingiphile Nyawo Sibusiso Thwala	<b>Graduated 2002</b> Biomedical Technologist Pharmacist	Bethesda Hospital Deceased
John Mkhumbuzi Sithembile Nyawo France Nxumalo Dumisani Gumede Snenhlanhla Gumede Samkelisiwe Mamba Thembinkosi Ngubane	<b>Graduated 2003</b> Dental Therapist Nurse Optometrist Physiotherapist Physiotherapist Radiographer Radiographer	Health Systems Trust Hlabisa Hospital Brien Holden Vision Institute Student Mentor UYDF Benedictine Hospital Ngwelezana Hospital Manguzi Hospital
Zotha Myeni Moses Mkhabela Derrick Hlophe Lillian Mbatha	<b>Graduated 2004</b> Biomedical Technologist Environmental Health Occupational Therapist • Doctor Speech Therapist	Hlabisa Hospital Nqwelezana Hospital Internship Hlabisa Hospital
Nkosinathi Ndimande Sibongeleni Mngomezulu Zodwa Menyuka Hazel Mkhwanazi Nelly Mthembu Thulisiwe Nxumalo Happiness Nyawo Richard Gumede	<b>Graduated 2005</b> Nutritionist Nurse Nurse Optometrist Pharmacist Physiotherapist Radiographer Social Worker	No post Mosvold Hospital Hlabisa Hospital Private practise, Jozini NGO-MATCH Ngwelezana Hospital Itshelejuba Hospital Mosvold Hospital
Nonkuthalo Mbhamali Phila Gina Thulani Shandu Phindile Gina Lungile Hobe Thembelihle Phakathi Zachariah Myeni Sicelo Nxumalo Makhosazana Zwane Themba Mngomezulu Ntombifuthi Mngomezulu Mthokozisi Gumede	<b>Graduated 2006</b> Biomedical Technologist Biomedical Technologist Dental therapist Doctor Doctor Doctor Nurse Nurse Physiotherapist Physiotherapist Radiographer Social Worker	Private Hlabisa Hospital Umzinyathi Health District Groote Schuur Hospital, specialising University KwaZulu-Natal, specialising University KwaZulu-Natal, specialising Mosvold Hospital Mosvold Hospital Northdale Hospital Emmaus Hospital Hlabisa Hospital Bethesda Hospital
Mfundo Mathenjwa Nhlananipho Mangeni Noxolo Ntsele Patrick Ngwenya Petronella Manukuza Bongumusa Mngomezulu Ntombikayise Ngubane Phindile Ndlovu Ntokozo Mantengu Wiseman Nene Ntokozo Fakude Nozipho Myeni Nobuhle Mpanza	<b>Graduated 2007</b> Doctor Doctor Doctor Doctor Doctor Nurse Nurse Nurse Occupational Therapist Physiotherapist Pharmacist Radiographer Social Worker	University KwaZulu-Natal, specialising Hlabisa Hospital UKZN Specialising Prince Mshiyeni & Hlabisa Hospitals University of Pretoria, specialising Health Systems Trust Manguzi Hospital Mosvold Hospital Umzimkulu Hospital Private Manguzi Hospital Lower Umfolozi War Memorial Hospital Mosvold Hospital
Norman Thabethe Lindiwe Khumalo Mlungisi Khanyile Sifiso Buthelezi Zipho Zwane Brian Mahaye, Celenkosini Sibiyi	<b>Graduated 2008</b> Biomedical Technologist Doctor Doctor Doctor Doctor Nurse Speech Therapist	Bethesda Hospital RK Khan Hospital Private University KwaZulu-Natal, specialising Locum Mosvold Hospital Mosvold Hospital
Cynthia Tembe Nonsikelelo Mazibuko Archwell Hlabisa	<b>Graduated 2009</b> Biomedical Technologist Biomedical Technologist Doctor	Mosvold Hospital Hlabisa Hospital University KwaZulu-Natal, specialising



# GRADUATES

Gug'elihle Mkhulisi  
Nhlanhla Champion  
Nompilo Xulu  
Nonhlanhla Gumede  
Nontobeko Khumalo  
Pamela Zungu  
Philokuhle Buthelezi  
Phumla Dladla  
Velemseni Mdletshe  
Bheki Mendlula  
Sicelo Mafuleka  
Simangele Mathenjwa  
Siphamandla Mngomezulu  
Ncamsile Mafuleka  
Nokuthula Zikhali  
Noxolo Mngomezulu  
Phumzile Biyela

Doctor  
Doctor  
Doctor  
Doctor  
Doctor  
Doctor  
Doctor  
Doctor  
Doctor  
Doctor  
Optometrist  
Optometrist  
Psychologist  
Psychologist  
Radiographer  
Social Worker  
Social Worker  
Social Worker

Africa Centre  
Hlabisa Hospital  
Addington Hospital  
Rob Ferriera Hospital  
Addington Hospital  
Ugu District Office  
University KwaZulu-Natal, specialising  
Christ the King Hospital  
Locum  
Phelophepha Health Train  
Vryheid Hospital  
Private  
Hlabisa Hospital  
Manguzi Hospital  
Mseleni Hospital  
Mseleni Hospital  
Assoc for Physical Disabilities

Sthembiso Ngubane  
Bhotsotso Tembe  
Bongiwe Nungu  
Faustin Butiri  
Mazwi Mabika  
Mndeni Kunene  
Sandile Mbonambi  
Thabia Sekgota  
Celumusa Xaba  
Thokozile Phakathi  
Bongekile Zwane  
Victoria Masinga  
Wonderboy Nkosi  
Bhekumuzi Shongwe  
Nonkululeko Nsimbini  
Silindile Gumbi  
Themba Myeni

**Graduated 2010**  
Biomedical Technologist  
Dental Therapist  
Doctor  
Doctor  
Doctor  
Doctor  
Doctor  
Nurse  
Occupational Therapist  
Pharmacist  
Pharmacist  
Pharmacist  
Physiotherapist  
Physiotherapist  
Psychologist  
Social Worker

Studying medicine  
Private  
Locum  
Mosvold Hospital  
WITS-Specialising  
Hlabisa Hospital  
Mosvold Hospital  
Hlabisa Hospital  
Mosvold Hospital  
Mosvold Hospital  
Manguzi Hospital  
Mseleni Hospital  
Hlabisa Hospital  
Mosvold Hospital  
Manguzi Hospital  
Mosvold Hospital  
Bethesda Hospital

Andreas Mthembu  
Nomusa Zikhali  
Simanga Khanyile  
Thandi Nxumalo  
Sikhumbuzo Mbelu  
Immaculate Dlamini  
Mlungisi Banda  
Nokwazi Khumalo  
Nomcebo Gumede  
Nonkululeko Mncwabe  
Sicelo Mabika  
Thulisiwe Mthembu  
Musa Gumede  
Phindile Khuluse  
Senziwe Ndlovu  
Zamani Dlamini  
Sithabile Mthethwa  
Mamsy Ndwandwe  
Ntombifuthi Mbatha  
Sibongiseni Mkhize  
Sicelo Ntombela  
Ncamsile Sithole  
Zamakhondlo Gumede

**Graduated 2011**  
Biomedical Technologist  
Biomedical Technologist  
Biomedical Technologist  
Biomedical Technologist  
Dentist  
Doctor  
Doctor  
Doctor  
Doctor  
Doctor  
Doctor  
Doctor  
Nurse  
Nurse  
Nurse  
Nurse  
Pharmacist  
Pharmacist  
Psychologist  
Psychologist  
Radiographer  
Social Worker  
Social Worker

Hlabisa Hospital  
Hlabisa Hospital  
Bethesda Hospital  
Hlabisa Hospital  
Mosvold Hospital  
Church of Scotland Hospital  
Hlabisa Hospital  
Hlabisa Hospital  
Hlabisa Hospital  
Hlabisa Hospital  
Hlabisa Hospital  
Phoenix Hospital  
Christ the King Hospital  
Mosvold Hospital  
Hlabisa Hospital  
Hlabisa Hospital  
Hlabisa Hospital  
Mseleni Hospital  
Hlabisa Hospital  
Mseleni Hospital  
Benedictine Hospital  
Benedictine Hospital  
Rietvlei Hospital  
Hlabisa Hospital

Gugu Ndlamlenze  
Senzo Khambule  
Justice Shongwe  
Bongumusa Dlamini  
Nothile Khumalo  
Philile Nxumalo  
Bongekile Kubheka

**Graduated 2012**  
Audiologist  
Clinical Associate  
Dentist  
Dietician  
Dietician  
Dietician  
Doctor

Hlabisa Hospital  
Manguzi Hospital  
Mosvold Hospital  
Bethesda Hospital  
Hlabisa Hospital  
Mseleni Hospital  
Madadeni Hospital



## TRUSTEES



The Trustees of the Umthombo Youth Development Foundation are:

Dr A Ross (Founder)  
Ms M Themba  
Ms Nobayeni Dladla  
Mr Joseph Motha  
Dr Cyril Nkabinde  
Mr Sphamandla Mngomezulu

## ORGANISATIONAL VALUES

- Honesty
- Integrity
- Hard work
- Seeing potential in others and giving them an opportunity
- Open communication, approachable, understanding
- Creative and 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 our objectives we work with a number of partners including:

### Department of Health

Local participating hospitals are involved in many aspects of the programme, such as: marketing of the opportunities to the youth including hosting Open Days and offering volunteer work opportunities for interested youth; student selection; holiday work opportunities and ultimately employment opportunities for our graduates.

Our relationship with the Department of Health has been

captured in a Memorandum of Cooperation at Head Office level

### Department of Education

Cooperation with schools in the area and universities where our students are enrolled.

### Districts and Communities where we work

Community members are represented on the selection committee and the community markets the programme in the area. Initially, some funding came from the local community of Ingwavuma.

## FUNDING ORGANISATIONS

Anglo American Chairman's Fund  
AngloGold Ashanti  
Aspen Pharmacare  
Discovery Health  
Gartone Press  
Gifford Attorneys  
Lubrizol  
Mkhiwa Trust  
Robin Hamilton Trust  
The Atlantic Philanthropies  
The Bertha Foundation  
The Chuma Foundation

The DG Murray Trust  
The Don McKenzie Trust  
The ELMA Foundation  
The Lily & Ernst Hausmann Bursary Trust  
The National Lottery  
The Nedbank Foundation  
The Norman Wevell Trust  
The Oppenheimer Memorial Trust  
The RB Hagart Trust  
The Robert Niven Trust  
UCS Technology (Natal)

## INDIVIDUAL DONORS

Brian Whittaker  
Joy and Herb Kaiser  
Dr Andrew Ross  
Dr SS Mathenjwa

Dr Zandi Rosochacki  
Susan Myrdal  
Ronald and Gill Ingle  
Mrs Glenys Ross

Wendy Clarke  
Dr and Mrs H Philpott  
Dawn Jacobson  
Peter Bing

# ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2014

## 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 rural communities in South Africa.
Trustees	Makhosazana Princess Themba Andrew John Ross Siphamandla Senzo Mngomezulu Nobayeni Cecilia Dladla Thandaza Cyril Nkabinde Thanduyise Joesph Motha
Registered office	1A Shongweni Road Hillcrest 3650
Business address	1A Shongweni Road Hillcrest 3650
Postal address	Postnet Suite 10328 Private Bag X7005 Hillcrest 3650
Bankers	Standard Bank of SA Limited
Auditors	Victor Fernandes & Co Chartered Accountants (S.A.) Registered Auditor
Trust registration number	IT1856/95
Tax reference number	1326/035/20/9
Vat reference number	4050263617
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.
Preparer by:	The annual financial statements were independently compiled  AKN Miller CA(SA)
Published	15 May 2014

---

## INDEX

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

<b>Index</b>	<b>Page</b>
Trustees' Responsibilities and Approval	2
Independent Auditors' Report	2
Trustees' Report	3
Statement of Financial Position	4
Statement of Comprehensive Income	4
Statement of Cash Flows	4
Accounting Policies	5
Notes to the Annual Financial Statements	6 - 8
The following supplementary information does not form part of the annual financial statements and is unaudited:	
Statement of Financial Performance	8

# 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 International Financial Reporting Standards 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 International Financial Reporting Standards 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 2014 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 2.

The annual financial statements set out on pages 3 to 8, which have been prepared on the going concern basis, were approved by the trustees on 15 May 2014 and were signed on its behalf by:



AJ Ross - Trustee



MP Themba - Trustee

*Victor Fernandes & Co*  
Chartered Accountants (S.A)  
Registered Auditors No 951366

## REPORT OF THE INDEPENDENT AUDITORS

### To the trustees of Umthombo Youth Development Foundation

We have audited the accompanying annual financial statements of Umthombo Youth Development Foundation Trust, which comprise the trustees' report, the statement of financial position as at 28 February 2014, the statement of comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 3 to 8.

### 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 International Financial Reporting Standards for Small and Medium-sized Entities, and in the manner required by the Companies Act of South Africa. 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 auditor's 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 initial entry of the collections in the accounting records. Accordingly, it was impractical 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 give a true and fair view of (or "present fairly, in all material respects") the financial position of the trust as of 28 February 2013, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards 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  
Registered Auditor  
Chartered Accountants (S.A.)

Per: VMR Fernandes

15 May 2014

Suite 5, Kloof  
Country House  
20 Village Road  
Kloof  
3610

# TRUSTEES' REPORT

The trustees submit their report for the year ended 28 February 2014.

## 1. The trust

The trust was created by a deed of trust dated 19 May 1995 although it commenced operations on 1 March 1996. The name of the trust was changed from Friends of Mosvold to Umthombo Youth Development Foundation Trust in March 2010.

## 2. Review of activities

### Main business and operations

The beneficiaries of the trust are Black people, as defined by the Broad-Based Black Economic Empowerment Act 53 of 2003, resident in rural communities of South Africa. The purpose of the trust is to improve and extend health and health related services to the residents in South Africa.

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.

The Umthombo Youth Development Foundation (UYDF) has entered into a partnership with the National Student Financial Aid Scheme (NSFAS) in which NSFAS provides an annual allocation to the UYDF to disperse loans on its behalf. The loans are issued to UYDF students to fund their university expenses. The UYDF undertakes to repay students' loans after they complete a year of work at an agreed rural hospital for

every year studied. This contingency requires that the UYDF has reserves and cash available to meet these commitments should they become due. During the academic year January to December 2013 NSFAS advanced R4,500,000 to students of which R4,132,831 potentially may need to be repaid by UYDF (Refer note 13).

## 3. Events after the reporting period

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
Makhosazana Princess Themba	
Andrew John Ross	
Siphamandla Senzo Mngomezulu	Appointed 30 Sept. 2013
Nobayeni Cecilia Dladla	Appointed 30 Sept. 2013
Thandaza Cyril Nkabinde	Appointed 30 Sept. 2013
Thanduyise Joseph Motha	Appointed 30 Sept. 2013
Zakhele Vasco Gama	Resigned 30 Sept. 2013
Abner Jabulani Mavimbela	Resigned 30 Sept. 2013
Elda Samukelisiwe Nsimbini	Resigned 30 Sept. 2013

## 5. Auditors

Victor Fernandes & Co will continue in office for the next financial period.

# STATEMENT OF FINANCIAL POSITION

Figures in Rand	Note(s)	2014	2013
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	363,892	170,282
<b>Current Assets</b>			
Receivables and Prepayments	3	153,177	137,186
Cash and cash equivalents	4	14,074,920	10,110,399
<b>Total Assets</b>		<b>14,228,097</b>	<b>10,247,585</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Trust Capital	5	14,261,818	10,170,486
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	8	107,878	86,225
Provision for unpaid leave	7	153,837	161,156
Other Liabilities		68,456	-
<b>Total Equity and Liabilities</b>		<b>14,591,989</b>	<b>10,417,867</b>

# STATEMENT OF COMPREHENSIVE INCOME

Figures in Rand	Note(s)	2014	2013
Revenue		14,255,258	11,454,881
Other income		46,667	-
Operating expenses (see page 8)		(10,622,687)	(11,494,757)
<b>Operating surplus (deficit)</b>	9	<b>3,679,238</b>	<b>(39,876)</b>
Investment revenue		412,090	320,361
<b>Surplus before taxation</b>		<b>4,091,328</b>	<b>280,486</b>
Taxation	10	-	-
<b>Surplus for the year</b>		<b>4,091,328</b>	<b>280,486</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>4,091,328</b>	<b>280,486</b>

# STATEMENT OF CASH FLOWS

Figures in Rand	Note(s)	2014	2013
<b>Cash flows from operating activities</b>			
Cash generated from operations	12	3,754,245	553,069
Interest income		412,090	320,361
<b>Net cash from operating activities</b>		<b>4,166,335</b>	<b>873,430</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	(489,633)	(67,111)
Sale of property, plant and equipment	2	219,363	-
<b>Net cash from investing activities</b>		<b>(270,270)</b>	<b>(67,111)</b>
<b>Cash flows from financing activities</b>			
Movement in other liabilities		68,456	-
<b>Total cash movement for the year</b>		<b>3,964,521</b>	<b>806,319</b>
Cash at the beginning of the year		10,110,399	9,304,080
<b>Total cash at end of the year</b>	4	<b>14,074,920</b>	<b>10,110,399</b>

# ACCOUNTING POLICIES

## 1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with International Financial Reporting Standards 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

Property, plant and equipment are tangible items that:

- are held for use in the production or supply of goods or services, for rental to others or for administrative purposes; and
- are expected to be used during more than one period.

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.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

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
Furniture and fixtures	10 years
Motor vehicles	3 years
Office equipment	4 years
Computer equipment	4 years
Other equipment	4 years

The residual value, depreciation method and the useful life of each asset are reviewed at each annual reporting period if there are indicators present that there is a change 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 and have significantly different patterns of consumption of economical benefits is depreciated separately over its useful life.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss in the period.

### 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 an obligation at the reporting period date as a result of a past event;
- it is probable that the trust will be required to transfer economic benefits in settlement; and
- the amount of the obligation can be estimated reliably.

### 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.

### 1.7 Financial risk management

#### 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.

### 1.8 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they occurred.



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand 2014 2013

## 2. Property, plant and equipment

	2014			2013		
	Cost/ Valuation	Accumulated depreciation	Carrying value	Cost/ Valuation	Accumulated depreciation	Carrying value
Furniture and fixtures	18,411	(7,728)	10,683	16,411	(5,953)	10,458
Motor vehicles	338,043	(67,349)	270,694	160,750	(106,095)	54,655
Office equipment	47,779	(24,920)	22,859	53,129	(39,308)	13,821
Computer equipment	83,251	(72,979)	10,272	98,327	(82,514)	15,813
Other property, plant & equipment	104,608	(55,224)	49,384	104,608	(29,073)	75,535
<b>Total</b>	<b>592,092</b>	<b>(228,200)</b>	<b>363,892</b>	<b>433,225</b>	<b>(262,943)</b>	<b>170,282</b>

### Reconciliation of property, plant and equipment - 2014

	Opening Balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	10,458	2,000	-	(1,775)	10,683
Motor vehicles	54,655	468,823	(172,996)	(79,788)	270,694
Office equipment	13,821	18,810	-	(9,772)	22,859
Computer equipment	15,813	-	-	(5,541)	10,272
Other property, plant & equipment	75,535	-	-	(26,151)	49,384
	<b>170,282</b>	<b>489,633</b>	<b>(172,996)</b>	<b>(123,027)</b>	<b>363,892</b>

### Reconciliation of property, plant and equipment - 2013

	Opening Balance	Additions	Depreciation	Total
Furniture and fixtures	10,280	1,789	(1,611)	10,458
Motor vehicles	107,702	-	(53,047)	54,655
Office equipment	24,040	-	(10,219)	13,821
Computer equipment	18,724	8,898	(11,809)	15,813
Other property, plant & equipment	39,958	56,424	(20,847)	75,535
	<b>200,704</b>	<b>67,111</b>	<b>(97,533)</b>	<b>170,282</b>

## 3. Receivables and Prepayments

Sundry debtors - loans	114,794	129,719
Deposits	7,467	7,467
VAT	24,980	-
Other receivables	5,936	-
	<b>153,177</b>	<b>137,186</b>

## 4. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	14,074,920	10,110,399
---------------	------------	------------

## 5. Trust capital

Trust capital		
Balance at beginning of year	10,170,486	9,889,999
Transfer of surplus to capital account	4,091,332	280,487
	<b>14,261,818</b>	<b>10,170,486</b>

The trust has committed to assist 205 students (2013: 191), estimated to cost R7,943,500 (2013: actual R7,791,882). This would reduce the uncommitted reserves to R6,318,318 (2013: actual R2,378,604).

## 6. Donations and grants received

Anglo American Chairman's Fund	640,000	130,000
AngloGold Ashanti	-	290,000
Aspen Pharmacare	608,000	600,000
Brian Whittaker	-	12,000
Chuma Foundation	250,000	-
Discovery Health	1,048,650	-
Swiss South African Cooperative Initiative (SSACI)	-	150,000
The Atlantic Philanthropies	3,307,618	3,698,915
The Bertha Foundation	390,000	500,000
The DG Murray Trust	1,060,000	1,007,567

Figures in Rand	2014	2013
The Don Mackenzie Trust	327,200	302,000
The ELMA Foundation	4,000,000	3,100,000
The Lily & Ernst Hausmann Bursary Fund	130,00	135,000
The Mkhiwa Trust	-	142,800
The National Lottery	378,660	-
The Nedbank Foundation	500,000	-
The Oppenheimer Memorial Trust	1,160,000	1,000,000
The RB Hagart Trust	-	130,000
The Robin Hamilton Trust	100,000	-
Other donations and grants being under R100,000	355,130	256,599
	<b>14,255,258</b>	<b>11,454,881</b>

## 7. Provision for unpaid leave

### Reconciliation of provision for unpaid leave - 2014

	Opening balance	Movement	Total
Provision for unpaid leave	161,156	(7,319)	153,837

## 8. Trade and other payables

Trade payables	107,878	86,225
----------------	---------	--------

## 9. Operating surplus (deficit)

Operating surplus (deficit) for the year is stated after accounting for the following:

### Operating lease charges

Lease rentals on operating lease - Other			
• Contractual amounts		92,742	95,011
Surplus on sale of assets		46,367	-
Depreciation on property, plant and equipment		123,027	97,533
Employee costs		1,756,220	1,756,497
Student expenses		7,832,531	8,830,139
Audit fees - current year		30,780	32,490

## 10. Taxation

No provision has been made for tax 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 tax in terms of section 56(1)(h) of the Act.

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

## 11. Auditors' remuneration

Fees	30,780	32,490
------	--------	--------

## 12. Cash generated from operations

Surplus before taxation	4,091,328	280,486
<b>Adjustments for:</b>		
Depreciation and amortisation	123,027	97,533
Surplus on sale of assets	(46,367)	-
Interest received	(412,090)	(320,361)
Movements in provisions	(7,319)	39,002
<b>Changes in working capital:</b>		
Receivables and Prepayments	(15,992)	466,631
Trade and other payables	21,658	(10,222)
	<b>3,754,245</b>	<b>553,069</b>

### 13. Commitment for future funding of students

a) The trust has committed to assist 205 students (2013: 191) in the forthcoming year and it is estimated the cost of this will not be less than R7,943,500 (2013: R7,791,882) This is made up of an estimated R5,838,000 for the full cost students, and R2,105,500 for the partial costs for students that have received the majority of their funding from the National Student Financial Aid Scheme.

b) In terms of the new funding arrangement with NSFAS, 123 students were financially assisted by this organisation during the years, to the extent of R5,597,609.

In terms of the trust's agreement with the student, the trust has agreed to assume the repayment obligation that the student has to NFSAS, provided the student completes a year of work at a rural hospital for every year studied.

Of the 123 students, 2 are fulfilling their work obligation in the 2014 academic year and the commitment to fund of R68,456 at the end of the 2014 academic year has accordingly been raised in the financials.

The balance of R5,529,153 remains contingent on the student fulfilling his work obligation.

Should each student fulfill the work obligation, the amounts that would become payable by the trust at the end of the respective academic years, are as follows:

2015	189,080
2016 to 2018	2,623,654
2019 to 2021	2,716,419
	<b>5,529,153</b>

## STATEMENT OF FINANCIAL PERFORMANCE

Figures in Rand	Note(s)	2014	2013
<b>Revenue</b>			
Donations and grants received		14,255,258	11,454,881
<b>Other income</b>			
Bad debts recovered		300	-
Interest		412,090	320,361
Gains on disposal of assets		46,367	-
		<b>458,757</b>	<b>320,361</b>
<b>Operating expenses</b>			
Accounting fees		(53,607)	(71,444)
Administration and management fees		(10,664)	-
Advertising		(31,761)	(81,987)
Auditors' remuneration	11	(30,780)	(32,490)
Bank charges		(58,336)	(47,164)
Computer expenses		(3,654)	(2,367)
Conferences and workshops		(90,925)	(3,886)
Database monthly fees		(95,697)	(7,142)
Depreciation, amortisation and impairments	2	(123,027)	(97,533)
Employee costs		(1,756,220)	(1,756,497)
Equipment donated		-	(90,996)
Internet connection		-	(500)
Motor vehicle expenses		(128,889)	(91,341)
Office rental		(92,742)	(95,011)
Other expenses		(5,500)	(3,220)
Outsourced personnel - student mentors		(177,188)	(175,214)
Outsourced personnel - unemployed youth		-	(10,000)
Printing, stationery and postage		(21,908)	(31,362)
Repairs and maintenance		(2,787)	(5,087)
Staff development		(24,647)	(12,161)
Student Expenses		(7,791,882)	(8,730,770)
Telephone and fax		(41,069)	(45,946)
Travel - local		(81,404)	(102,638)
		<b>(10,622,687)</b>	<b>(11,494,756)</b>
<b>Surplus for the year</b>		<b>4,091,328</b>	<b>280,486</b>

The supplementary information presented does not form part of the annual financial statements and is unaudited.

## Registration Details

The Umthombo Youth Development Foundation is a registered

- Trust – IT 1856/95
- 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
- Has 18A Tax exemption status

## Auditors

Victor Fernandes & Co  
PO Box 821  
Kloof  
3640

## Contact Details

### Head Office

#### Physical Address:

Office 4A  
Bristol House  
1A Shongweni Road  
Hillcrest  
KwaZulu-Natal

#### Postal Address:

Postnet Suite 10328  
Private Bag X7005  
Hillcrest  
3650

Tel: 031 765 5774

Fax: 031 765 6014

Email: [info@umthomboyouth.org.za](mailto:info@umthomboyouth.org.za)

### Mtubatuba Office

#### Physical Address:

Office 1 & 2  
Mtuba Office Park  
107 Kiepersol Drive  
Mtubatuba

#### Postal Address:

PO Box 724  
Mtubatuba  
3935

Tel: 035 55 00 499

Fax: 086 55 434 15

Email: [cebile@umthomboyouth.org.za](mailto:cebile@umthomboyouth.org.za)

[www.umthomboyouth.org.za](http://www.umthomboyouth.org.za)



*This publication has been made possible through the financial support of Atlantic Philanthropies*

