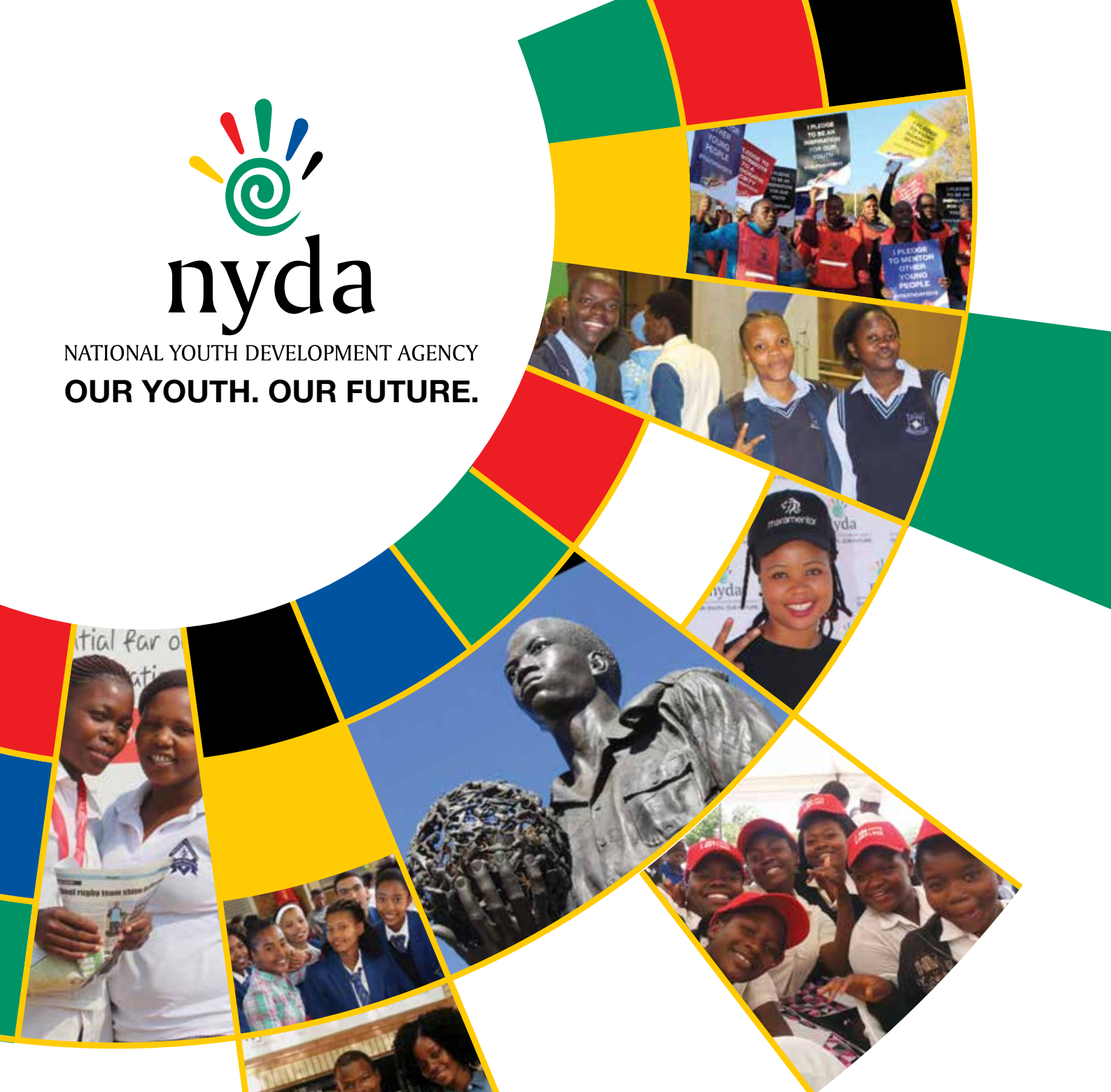




NATIONAL YOUTH DEVELOPMENT AGENCY  
**OUR YOUTH. OUR FUTURE.**



# ANNUAL REPORT **2016/17**

**THIRD CLEAN AUDIT | 100% PERFORMANCE**



## Vision

A credible, capable and activist development agency that is responsive to the plight of South Africa's youth



## Mission

- To mainstream youth issues into society and
- To facilitate youth development with all sectors of society



## Values

- Integrity and Honesty
- Excellence
- Respect and Humility
- Professionalism
- Accessibility

## CONTENTS

Introduction to the NYDA	1
Strategic Overview, Legislative and Other Mandates	3
Abbreviations	5
Definitions of Terms of Audit Reporting	6
Message from the Minister	8
Message from the Deputy Minister	10
Message from the Executive Chairperson of the Board	12
Chief Executive Officer's Report	16
Executive and Operational Structure	19
Operations Executive Committee	23
Performance report	27
Overview of the Public Entity's Performance	28
Partnership for Youth Development	48
National Youth Service Report	49
NYDA Operations	53
Beneficiary Stories	57
South African Youth Awards	67
Social Responsibility	90
Human Resources	91
Risk Management and Corporate Governance	97
Annual Financial Statements	103



planning, monitoring  
& evaluation

Department:  
Planning, Monitoring and Evaluation  
REPUBLIC OF SOUTH AFRICA



NATIONAL YOUTH DEVELOPMENT AGENCY  
OUR YOUTH. OUR FUTURE.

# INTRODUCTION TO THE NATIONAL YOUTH DEVELOPMENT AGENCY

The National Youth Development Agency (NYDA) was established in 2009, following a merger between the Umsobomvu Youth Fund (UYF) and the National Youth Commission (NYC).

The NYDA was formally launched on 16 June 2009, as pronounced by His Excellency, President Jacob G Zuma in his 2009 State of the Nation Address. The launch formed part of the National Youth Month events championed by The Presidency.

The Agency derives its mandate from the legislative frameworks, including the National Youth Development Agency Act, 2008 (Act 54 of 2008) (NYDA Act), the National Youth Policy (NYP) (2009–2014) and the draft Integrated Youth Development Strategy (IYDS). The Agency assumed and improved the operational platform developed by both the UYF and the NYC, which rendered the Agency operational with immediate effect. In addition, the staff component of its predecessors was also incorporated into the NYDA.

The activities of the NYDA could be summarised as follows:

- a) Lobbying and advocating for integration and mainstreaming of youth development in all spheres of government, the private sector and civil society
- b) Initiating, implementing, facilitating and coordinating youth development programmes
- c) Monitoring and evaluating youth development intervention across the board and mobilising youth for active participation in civil society engagements.

The NYDA is a South African-based agency established primarily to address challenges faced by the nation's youth. The Agency was established by an Act of Parliament (Act 54 of 2008). The institution was established to be a single, unitary structure addressing youth development issues at national, provincial and local government level. The Agency should be seen within the broad context of South Africa's development dynamics.

According to Statistics South Africa (2016), young people constitute 36,2 percent of the country's population. This represents a powerful resource for the country, provided the youth are supported and able to become active members of society. The National Development Plan (NDP) states the following: "Having a relatively young population can be advantageous, provided the majority of working-age individuals are gainfully employed ... The challenge is to convert this into a demographic dividend. This will only be possible if the number of working-age individuals can be employed in productive activities (2012:98).

Yet, social norms continue to sideline young South Africans, treating political and economic participation as the prerogative of older people, which is why there is a continued need for policies and implementation frameworks that are deliberately aimed at youth concerns.

Given the youthful nature of the South African population, many of the socio-economic challenges faced by the nation, for example, poverty, inequality, joblessness and poor health, are borne by the youth. The gravity of the challenges requires multipronged efforts that simultaneously promote the development of sustainable livelihoods; reduce poverty and inequality; and prioritise the formulation of policies which create an enabling environment for youth development.

The NYDA plays a leading role in ensuring that all major stakeholders, i.e. government, the private sector and civil society, prioritise youth development and contribute towards identifying and implementing lasting solutions which address youth development challenges.

Furthermore, the NYDA designs and implements programmes aimed at improving the lives of youth and the opportunities available to them. These programmes may be clustered as follows:

- At an individual level (micro-level), the NYDA provides direct services to youth in the form of providing information, career guidance services, mentorship, skills development and training, entrepreneurial development and support, and grant funding, as well as health awareness programmes and involvement in sport.
- At a community level (meso-level), the NYDA encourages young people to be catalysts for change in their communities through involvement in community development activities, social cohesion activities, National Youth Service (NYS) programmes and dialogue.
- At a provincial and national level (macro-level), through its policy development, partnerships and research programmes, the NYDA facilitates the participation of youth in developing key policy inputs which shape the socio-economic landscape of South Africa.

## **National Youth Service (NYS)**

The NYS aims to reconstruct South African society by developing the abilities of young people through service and learning. The organisation builds character and enables young people to give back to society. In addition, it addresses past racial segregation by enabling young people to share common space in such a way that they recognise a common humanity in each other.

# INTRODUCTION TO THE NATIONAL YOUTH DEVELOPMENT AGENCY

NYDA programmes remain focused on the following categories of youth when providing its products and services:

- Unemployed youth
- Young women
- Youth in rural areas
- Youth living with disabilities
- In-school-youth
- Out-of-school youth
- Youth at risk
- Youth heading households
- Youth in conflict with the law
- Youth abusing dependence-inducing, narcotic-based substances, including alcohol.

## Beneficiaries and Target Audiences

- South African youth aged between 14 and 35 years
- South African youth, irrespective of race, gender, colour, creed, geographical location or political affiliation.

## The Agency has a predisposition towards:

- Youth in rural areas
- Out-of-school youth
- Youth with disabilities
- Young women
- Unemployed youth
- Youth in conflict with the law.

## Vision

A credible, capable and activist development agency that is responsive to the plight of South Africa's youth.

## Mission

- To mainstream youth issues into society
- To facilitate youth development with all sectors of society

## Values

- Integrity and Honesty
- Excellence
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## NYDA Key Performance Areas

The NYDA smartly continues with its business of implementing youth development programmes directly. The focus of the NYDA's business will still be informed by imperatives of youth development as contained in the NYP, 2015–2020, which are:

**Economic participation:** To assist and facilitate youth participation in the economy, leading to improvement of their livelihoods through NYDA grants as financial support and non-financial support interventions. The aim is to respond to the challenges of youth unemployment and low total entrepreneurship activity among youth.

**Education and skills development:** To promote access to quality education and skills, to both school-going and out-of-school youth, through targeted interventions. The NDP outlines South Africa's education vision to ensure that, by 2030, South Africans have access to education and training of the highest standard possible, producing significantly improved learning outcomes.

**Nation-building & social cohesion:** To promote the implementation of the NYS across all race and class groups.

**Policy and research:** To create and produce youth development information and knowledge that informs the public sector, private sector and civil society on developing policy, and the planning, implementation and review of all (100%) of their programmes related to government priorities.

## Governance and administration:

- To provide effective IT systems, business processes, and human resources (HR) capacity development, as well as improving the operations of the NYDA.
- To ensure that all NYDA systems and processes support NYDA products and services for effective service delivery.



# STRATEGIC OVERVIEW, LEGISLATIVE AND OTHER MANDATES

## Strategic Overview

The National Youth Development Agency (NYDA) was established by an Act of Parliament, the NYDA Act, 2008 (Act 54 of 2008). This Act mandates the NYDA to develop an IYDS for South Africa and initiate, design, coordinate, evaluate and monitor all programmes that aim to integrate the youth into the economy and society, in general. The Act instructs the Agency to promote a uniform approach to youth development by all organs of state, the private sector and NGOs.

## LEGISLATIVE AND OTHER MANDATES

### National Development Plan (NDP2030)

The National Planning Commission of South Africa was established to develop a national plan to propel South Africa to a better society by 2030. The plan sets out an approach focusing on developing people's capabilities to improve their lives through education, skills development, healthcare, access to better healthcare, access to public transport, social protection, rising income, housing and basic services, and safe communities.

### South Africa's New Growth Path

The three focus areas of the New Growth Path that are directly related to the economic participation thematic area are Stepping Up Education and Skills Development, Enterprise Development and Broad-Based Black Economic Empowerment.

### The NYDA Act, 2008 (Act 54 of 2008)

The NYDA derives its mandate from the NYDA Act, 2008 (Act 54 of 2008). The Act provides primarily for the NYDA as a unitary structure, responsible for the implementation of youth development programmes, including the mainstreaming of youth development activities by all stakeholders. The Act further mandates the Agency to develop an IYDS and youth development guidelines aimed at establishing parameters for youth development activities in the country.

### National Youth Policy 2015–2020

The NYP for 2015–2020 (NYP 2020) was developed for all young people in South Africa, with a focus on redressing the wrongs of the past and addressing the specific challenges and immediate needs of the country's youth. The NYP 2020 builds on South Africa's first NYP, which covered the period 2009–2014. It improves upon and updates the previous policy by focusing on the new challenges that South Africa's youth are facing, while acknowledging that more should be done to address the challenges identified in the previous NYP. The NYP 2020 seeks to create an environment that enables the young people of South Africa to reach their potential.

Mindful of the global economic challenges affecting South Africa, the policies identify the mechanisms and interventions that will act as catalysts to help clear critical blockages and achieve this positive environment. The policy imperatives which have been identified as necessary for ensuring the development of young people in the context of South Africa include:

- a) Economic participation and transformation
- b) Education, skills and second chances
- c) Healthcare and combating substance abuse
- d) Nation-building and social cohesion
- e) Building effective and responsive youth development institutions for civic participation. The NYP further provides parameters for the youth cohort as being ages 14–35.

### Integrated Youth Development Strategy (IYDS 2015–2020)

There is widespread acknowledgement within South Africa that, in order to respond to the growing needs of the youth population, a concerted and coordinated effort should be made by all. The enabling legislative environment, through the National Youth Development Act, 2008 (Act 54 of 2008), confirms the need for the development of an Integrated Youth Development Strategy for South Africa, which will guide the coordinated and concerted effort required from everyone to alleviate youth challenges, and actively promote youth development. In addition, the Act recognises the role of the NYDA as the custodian of the strategy.

The IYDS seeks to create a framework within which all youth-related work in South Africa may be coordinated and linked, in order to build relationships, foster information-sharing, avoid duplication and, ultimately, maximise impact.

### South African Youth Accord

The Accord describes several commitments to improve the education and skills development of young people, and help them to find jobs and start their own businesses. According to the Accord, government also commits to increasing the number of people employed in the public sector, while certain industries will set youth development targets. In addition, several numerical targets are set for specific sectors or programmes. These targets are our common aspirations and we will work closely with each other to progressively realise them over a period of time. The timeframes within which they can be realised will be determined by experience and the successes reached in the first few years. We will, therefore, regularly measure our impact and adjust programmes in the light of experience to ensure constant progress to higher levels of youth absorption into the economy.

# STRATEGIC OVERVIEW, LEGISLATIVE AND OTHER MANDATES

The parties to this Accord agree to implement a coordinated youth employment strategy (YES) from 2013, aimed at making employment available to significantly larger numbers of young people, using a combination of measures. This includes building on the discussion and consensus reached by the constituents in the August and October 2012 discussions 18 new growth path: ACCORD 6, held in conjunction with Nedlac, and putting it into practice on the following terms:

- Incorporating appropriate support measures and incentives to ensure increased youth absorption into the economy and training
- Acceptance that youth programmes should target net new job creation and avoid displacing older workers from their jobs
- Rapid roll-out across the country of the youth employment strategy, which covers, among others:
  - Training, internships and apprenticeships
  - Private sector commitments and programmes
  - Youth brigades to give youth a chance to serve their communities, gain some work experience and training, be integrated into a social movement, build social cohesion and earn a stipend
  - Mechanisms for coordination within government, based on identifying a central coordinating department to bring together the various government youth programmes.

## **Public Finance Management Act, 1999 (Act 1 of 1999)**

The PFMA regulates the management of finances in national and provincial government. It sets out the procedures for efficient and effective management of all revenue, expenditure, assets and liabilities. It establishes the duties and responsibilities of government officials in charge of finances. The Act aims to secure transparency, accountability and sound financial management in government and public institutions.

## **National Small Business Amendment Act, 2004 (Act 29 of 2004)**

According to the National Credit Regulator (NCR), it is estimated that SMEs employ 22% of the adult population in developing countries. The United Nations Industrial Development Organisation (UNIDO) estimates that SMEs represent over 90% of private business and contribute to more than 50% of employment and gross domestic product (GDP) in most African countries (UNIDO, 1999). A recent study conducted by Abor and Quartey (2010) estimates that 91% of formal business entities in South Africa are SMEs, and that these SMEs contribute 52% to 57% to GDP and provide about 61% to employment.

## **The African Youth Charter**

The African Youth Charter (AYC), which was endorsed in July 2006, is a framework which defines Africa's youth agenda. It is a political and legal document which serves as the strategic framework for giving direction for youth empowerment and development at a continental, regional and national level. The AYC aims to strengthen, reinforce and consolidate efforts to empower young people through meaningful youth participation and equal partnership in driving Africa's development agenda. The charter is guided by the vision, hopes and aspirations of the African Union, inclusive of Africa's integration, and the inherent dignity and inalienable rights afforded to all members of the human family, as set out in the United Nations Universal Declaration of Human Rights (1948), the International Covenant of Civil and Political Rights (1976), and the International Covenant on Economic, Social and Cultural Rights (1976), and articulated for the African peoples through the African Charter on Human and People's Rights (1986).



# ABBREVIATIONS

<b>ASB</b>	Accounting Standards Board
<b>AYC</b>	African Youth Charter
<b>BSC</b>	Balance Scorecard
<b>CGU</b>	Cash-generating Unit
<b>CTA</b>	Certificate of Theory in Accounting
<b>DIRCO</b>	Department of International Relations and Cooperation
<b>DPME</b>	Department of Planning, Monitoring and Evaluation
<b>EDP</b>	Entrepreneurship Development Programme
<b>EPWP</b>	Expanded Public Works Programme
<b>ETDP SETA</b>	Education, Training and Development Practices Sector Education and Training Authority
<b>EWP</b>	Employee Wellness Plan
<b>GDP</b>	Gross Domestic Product
<b>GRAP</b>	Generally Recognised Accounting Practice
<b>IAS</b>	International Accounting Standards
<b>IPSAS</b>	International Public Sector Accounting Standards
<b>IYDS</b>	Integrated Youth Development Strategy
<b>KPA</b>	Key Performance Area
<b>KPI</b>	Key Performance Indicator
<b>MIS</b>	Management Information System
<b>NCR</b>	National Credit Regulator
<b>NDP</b>	National Development Plan
<b>NHI</b>	National Health Insurance
<b>NYC</b>	National Youth Commission
<b>NYSP</b>	National Youth Service Programme
<b>NSS</b>	Non-State Sector
<b>NYSU</b>	National Youth Service Unit
<b>OHS</b>	Occupational Health and Safety
<b>PFMA</b>	Public Finance Management Act
<b>PYWG</b>	Presidential Youth Working Group
<b>SADC</b>	Southern African Development Community
<b>SA GAAP</b>	South African Statements of Generally Accepted Accounting Practice
<b>SAICA</b>	South African Institute of Chartered Accountants
<b>SASCOC</b>	South African Sports Confederation and Olympic Committee
<b>SMEs</b>	Small and Medium-sized Enterprises
<b>TAA</b>	Transitional Accounting Authority
<b>UYF</b>	Umsobomvu Youth Fund
<b>UNIDO</b>	United Nations Industrial Development Organisation
<b>VSP</b>	Voluntary Settlement Package
<b>YDISA</b>	Youth Development Institute of South Africa

# DEFINITIONS OF TERMS OF AUDIT REPORTING

The auditor's report is a formal opinion or disclaimer thereof, as a result of an external audit performed on the NYDA.

It is important to note that auditor's reports on financial statements are neither evaluations, nor any other similar determination used to evaluate entities, in order to make a decision. The report is only an opinion on whether the information presented is correct and free from material misstatements, whereas all other determinations are left for the user to decide.

There are four common types of auditor's reports, each one presenting a different situation encountered during the auditor's work. The four reports are as follows:

## 1. Unqualified Opinion

An opinion is said to be unqualified when the auditor concludes that the financial statements give a true and fair view, in accordance with the financial reporting framework used for the preparation and presentation of the financial statements.

An auditor gives an unqualified opinion when they do not have any significant reservation, in respect of matters contained in the financial statements. The auditor can only provide reasonable assurance regarding the financial statements, and not regarding the integrity of company records that were not part of the foundation of the financial statements. This type of report is issued by an auditor when the financial statements presented are free of material misstatements and are represented fairly, in accordance with the Generally Recognised Accounting Practice (GRAP), which means that the company's financial condition, position and operations are fairly presented in the financial statements. It is the best type of report an auditee may receive from an external auditor.

An unqualified opinion indicates the following:

- (1) The financial statements were prepared using the GRAP, which was consistently applied.
- (2) The financial statements comply with relevant statutory requirements and regulations.
- (3) There is adequate disclosure of all material matters relevant to the proper presentation of the financial information subject to statutory requirements, where applicable.
- (4) Any changes in the accounting principles or in the method of their application, and the effects thereof have been properly determined and disclosed in the financial statements.

## 2. Qualified Opinion

A qualified opinion report is issued when the auditor encounters one of two types of situations which do not comply with GRAP, but the rest of the financial statements are fairly presented. This type of opinion is very similar to an unqualified opinion, but the report states that the financial statements are fairly presented with a certain exception, which is otherwise misstated. The two types of situations which would cause an auditor to issue this opinion over the unqualified opinion are:

Single deviation from GRAP — this type of qualification occurs when one or more areas of the financial statements do not conform to GRAP, e.g. are misstated, but do not prevent the rest of the financial statements from being fairly presented when taken as a whole. Examples of this include when a company did not correctly calculate the depreciation expense of its building. Even if this expense is considered material, since the rest of the financial statements do conform to GRAP, the auditor qualifies the opinion by:

- describing the depreciation misstatement in the report and continues to issue an unqualified opinion on the rest of the financial statements
- limitation of scope — this type of qualification occurs when the auditor could not audit one or more areas of the financial statements and, although they could not be verified, the rest of the financial statements were audited and they conformed to GRAP. Examples of this include an auditor not being able to observe and test a company's fixed asset verification process. If the auditor audited the rest of the financial statements and is reasonably sure that they conform to GRAP, then the auditor simply states that the financial statements are fairly presented, with the exception of the fixed assets, which could not be audited.

## 3. Adverse Opinion

An adverse opinion report is issued when the auditor determines that the financial statements of an auditee are materially misstated and, when considered as a whole, do not conform to GRAP. It is considered the opposite of an unqualified opinion, essentially stating that the information contained is materially too incorrect, unreliable, and inaccurate to assess the financial position and results of operations.

Generally, an adverse opinion is only given if the financial statements pervasively differ from GRAP.



#### 4. Disclaimer of Opinion

A disclaimer of opinion report, commonly referred to simply as a disclaimer, is issued when the auditor could not form and, consequently, refuses to present an opinion on the financial statements. This type of report is issued when the auditor tried to audit an entity, but could not complete the work, due to various reasons, and does not issue an opinion.

Statements on Auditing Standards (SAS) provide certain situations where a disclaimer of opinion may be appropriate:

- A lack of independence, or material conflict(s) of interest, exists between the auditor and the auditee (SAS No. 26)
- There are significant scope limitations, whether intentional or not, which hinder the auditor's work in obtaining evidence and performing procedures (SAS No. 58)
- Substantial doubt exists about the auditee's ability to continue as a going concern or, in other words, continue operating (SAS No. 59)
- There are significant uncertainties within the auditee (SAS No. 79).

Although this type of opinion is rarely used, the most common examples where disclaimers are issued include audits where the auditee wilfully hides, or refuses to provide, evidence and information to the auditor in significant areas of the financial statements, where the auditee is facing significant legal and litigation issues of which the outcome is uncertain (usually government investigations), and where the auditee has going concern issues.

Emphasis of matter is a type of paragraph in, or section of, an auditor's report on financial statements. Such a paragraph is added to indicate a significant uncertainty or other matter, which is disclosed appropriately in the notes forming part of the financial statements, but which the auditor considers to be significant or important enough to warrant a mention in their report.

An emphasis of matter paragraph does not qualify the auditor's opinion; in fact, such paragraphs typically begin by stating, "Without qualifying our report..."

#### Supply Chain Management:

"Fruitless and wasteful expenditure" means expenditure which was made in vain and could have been avoided, had reasonable care been exercised.

"Irregular expenditure" means expenditure, other than unauthorised expenditure, incurred in contravention of, or not in accordance with a requirement of any applicable legislation, including:

- (a) This Act (referring to the Public Financial Management Act), the State Tender Board Act, 1968 (Act 86 of 1968), or any regulations made in terms of that Act
- (b) Any provincial legislation providing for procurement procedures in that provincial government.





## MESSAGE FROM THE MINISTER

The government of South Africa declared this year, ‘the year of Oliver Reginald Tambo. This gallant fighter and revolutionary would have been a hundred years old, had he lived. Therefore, we declared this year, ‘The Year of OR Tambo: Moving South Africa Forward’.

He was known for his statement to the youth at the height of the struggle for liberation and democracy: “Make Apartheid unworkable. Make South Africa ungovernable. Prepare the conditions for the seizure of power by the people.”

Fast forward to 41 years after the Soweto Student Uprising: government has called on young people to take advantage of the opportunities presented by the democratic government, such as the establishment of the National Youth Development Agency (NYDA) in 2009 through an Act of Parliament of the Republic of South Africa (Act 54 of 2008). The Agency is a primary and unitary structure responsible for youth development matters across all spheres of government and society, and demonstrates government’s commitment to its youth.

Indeed, government has moved forward considerably on its agenda to empower young people and make sure that they contribute to the socio-economic trajectory of the country. This is evident in both policy formulation, in this context the adoption of the National Youth Policy (2020) two years ago; and the implementation of various programmes. Addressing the second South African Youth Awards (SAYA), under the auspices of the NYDA earlier this year, I said, “It goes without saying that a lot has been achieved by the NYDA, but more needs to be done. It is, therefore, befitting to take this opportunity to applaud the NYDA for its record of clean governance, and for having improved and sustained its year-on-year targets. We believe that, by the end of this financial year, we will have received more positive outcomes, which we believe are beginning to translate into more lives of young people being changed”.

I am, therefore, delighted to present to South Africa and the world an all-time record achievement by the NYDA, a third consecutive Clean Audit outcome and 100% achievement of all targets set for the 2016/2017 financial year.

Our country’s blueprint for sustainable development and growth, the National Development Plan (2030), places the responsibility to build a just, fair, prosperous and equitable South Africa upon all of us. The National Youth Development Agency remains a critical vehicle for the socio-economic emancipation of all young people.



**Jeff Radebe**

Minister in The Presidency: Planning, Monitoring and Evaluation

“Indeed, government has moved forward considerably on its agenda to empower young people and make sure that they contribute to the socio-economic trajectory of the country.”



## MESSAGE FROM THE DEPUTY MINISTER

Our government's approach is to mainstream youth development across government, civil society and the private sector. This approach is premised on integrating youth development in all sectors and maximising opportunities for all youth. In line with this approach, the NYDA remains government's key implementing agency for youth development.

The youth development challenges that the youth of our country face are numerous, despite the progress that government is making in some areas. The NYDA is at the coalface of service delivery for youth development. Through its branches and local youth offices, thousands of young people interface with this critical agency on a daily basis.

Over the years, the NYDA has been making steady progress in the areas of management and corporate governance. The restructuring of the Agency has seen more resources directed away from salaries and towards youth programmes. Once again, the Agency has sustained a clean audit and should be commended for its prudent financial management and disciplined spending. In addition, and for the first time in its history, the NYDA has recorded full achievement in meeting its predetermined objectives – this equates to meeting 100% of its performance targets. This is another recorded achievement and another step in the right direction.

As the Executive Authority, the Department of Planning, Monitoring and Evaluation in The Presidency is reviewing the NYDA Act and will soon submit the NYDA Amendment Bill to Parliament. The Amendment Bill seeks to streamline the broad mandate of the Agency, as well as address the challenges identified in the implementation of youth development services. Through this process, it is envisaged that the NYDA will be more focused while expanding its products and services to youth at provincial and local level.

The work of the Transitional Accounting Authority (TAA), under the able leadership of Dr Ntsiki Tshayingca-Mashiya, must be commended. The TAA acted as the Board of Directors during the 2016/17 financial year. I welcome the new Board appointed by President Jacob Zuma, under the leadership of Mr Sifiso Mtshweni. It is their responsibility to continue with the building of the NYDA towards a credible institution that is proactively responding to the needs of South Africa's youth.



**Mr Buti Manamela, MP**

Deputy Minister in The Presidency: Planning, Monitoring and Evaluation

“... for the first time in its history, the NYDA has recorded full achievement in meeting its predetermined objectives – this equates meeting 100% of its performance targets.”





## MESSAGE FROM THE EXECUTIVE CHAIRPERSON OF THE BOARD

I am pleased to present the NYDA Annual Report for the 2016/17 financial year.

I would like to take this opportunity to thank the Transitional Accounting Authority (TAA), led by Dr Nontsikelelo Tshayingca-Mashiya, which kept the wheels of youth development rolling in the absence of a Board in the past financial year.

It is a great pleasure to have arrived at this time in the journey of the Agency and have the opportunity to lead an institution of such great calibre as the NYDA. The Agency is an institution that deserves applause: it has been able to overcome many obstacles of the past and some that continue to the present, such as the limited budget received from the government, adversity and a chequered past, to emerge stronger than ever. The NYDA staff members are at the very core of these achievements and the changes that are now visible. It is your resilience that has caused us to stand out among other government institutions. We can be very proud to be part of the NYDA, which has achieved 100% against targets, in terms of performance, and maintained a Clean Audit for a third year in a row. This is a fact that has been affirmed by the Auditor General of South Africa in his audit report. We all have reason to celebrate and take time out to pat ourselves on the back for this achievement. As we celebrate, we need to continue to strive for more and continue to be that beacon of hope for the youth of South Africa. They rely on us to make a tangible change

Since I took the position in May with an induction into the NYDA operations, products and services, so much has happened. As the NYDA Board, we have had an opportunity to meet and interact with young people from all walks of life, listen to their stories and their challenges, and to what kind of assistance they need from the NYDA through the various dialogues we have been hosting around the country.

When we came into office, we were also very cognisant of the fact that as much as has been achieved in the space of youth development, more needs to be done.

There are many issues facing the youth of this country, the most prevalent being youth unemployment. The latest unemployment figure by Statistics South Africa (Stats SA) reflects that the gap between 'the haves' and 'the have nots' has widened even further, which has catastrophic implications for the country's economic growth ambitions. The latest unemployment rate (26,7%) for the first quarter of 2016 means that 5.5 million people out of 35.8 million of South Africa's working age were without a job during the first four months of 2016. This is the highest reading since September 2005. South Africa remains one of the most 'unequal' societies in the world and these unemployment figures show that 23 years after the advent of democracy, many people still struggle to make ends meet, or to afford a decent living.

Of the 5.5-million officially unemployed people in South Africa, 65,9% are youth. This makes unemployment predominantly a youth employment problem. Extremely high youth unemployment numbers have an impact on both the economic and social landscape of a country.

According to a social impact study by the Government Communications & Information System (GCIS):

- Education levels of South African youth are concerning. Only 8% of the employed and the unemployed have undergone tertiary education.
- The majority of our youth are in the rural and informal settlements — Rooted Realists.
- Youth in the cities (City Seekers) are mainly optimistic and appreciative of social grants, but believe in a better life through decent work, despite challenges of financial distress, lack of opportunities and poor education. This is in line with the call that the young people made during the National Youth Policy (NYP2020) consultations that they needed a "Hand Up" and not a "Hand Out".

“Of the 5.5 million officially unemployed people in South Africa, 65,9% are youth. This makes unemployment predominantly a youth employment problem. Extremely high youth unemployment numbers have an impact on both the economic and social landscape of a country.”

# MESSAGE FROM THE EXECUTIVE CHAIRPERSON OF THE BOARD

When we took over the reins of the NYDA, we acknowledged the good work that had been done over recent years to turn this institution around. The NYDA has moved and matured in leaps and bounds, from a place where it was characterised by underperformance and irregular expenditure that amounted to millions of rand, to its present position of achieving its third Clean Audit. The turnaround has seen the Agency achieve its highest performance ever in its history. Good governance remains the priority of the current Board.

## The New Strategic Focus

As we steer this ship forward, we want to build on a positive legacy for the youth of South Africa. In terms of the way forward, the following are the key strategic areas that we will be focusing on as the Board in our term in office.

We want to accomplish the following:

- Take the NYDA back to the young people.
- See more branches established across the country. We will be launching three new offices in the near future.
- To rebrand the Agency to reflect the character of the youth of today.
- Improve on our communications strategy to make sure it speaks the language of the youth and resonates with them.
- Meet with all youth formations to learn to understand their challenges. We all understand that collaboration in youth development is crucial.
- Speed up the process of amending the NYDA Act from Section 75 to Section 76, so that we will be able to establish Provincial Boards of the NYDA.
- As part of our mission to mainstream youth development in all sectors of society, we will convene all Youth Directorates and Youth Units in provincial and local governments, so that we align youth development programmes into one. This will assist the NYDA in playing the coordination role.
- Lobby government and the private sector to deal with the issue of youth (ONLY) set-asides. When you look at government contracts/business, for example, at least 30% must be allocated to the youth.
- Challenge government and the private sector to ensure that at least 40% of the workforce is youth graduates. We have a crisis in the country of youth graduates that are not employed.
- Lobby government when it comes to the budget that has been allocated to the NYDA — we feel that more could be done. We will engage with the National Treasury, but at the same time we understand that we need to be creative with what we have.
- To support youth enterprises further than what the NYDA is currently doing: we are looking at establishing two funds, which are:

### a) Youth Fund:

- For this fund, we are looking at engaging government and the private sector to pledge funds and make investment into the fund.
- The funds will be used to finance youth-owned enterprises that need funding to grow. This falls outside the NYDA Grant Fund's threshold of R100 000.

### b) Skills Fund:

- We will engage the SETAs and the Department of Labour to set up a fund that will deal with the skills development and training of artisans.

I wish to extend my gratitude to the Chief Executive Officer, Mr Khathu Ramukumba, and his executive team, as well as the employees of the NYDA for the great achievements that we have seen in the financial year under review. Well done, once again!

To the youth of South Africa, I would like to reiterate what I have been saying in my engagements with you through the dialogues, namely that we are an activist Board. Youth development remains our priority and we will move mountains to ensure that we live up to the expectations you have set for us.



**Mr Sifiso Mtsweni**  
Executive Chairperson of the Board





## THE NYDA BOARD



*Standing from left: Mr Yershen Pillay, Mr Ndumiso Thokozani Mokako,  
Mr Sifiso Mtsweni, Mr Khathutshelo Ramukumba (Ex Officio)  
and Mr Itiseng Kenneth Morolong*

*Seated from left: Ms Khomotjo Joy Maimela, Ms Bavelile Hlongwa  
and Ms Zandile Majozi*



# CHIEF EXECUTIVE OFFICER'S REPORT

Oliver Reginald Tambo said in 1990,

“We have come this far because thousands upon thousands of our people refused to accept their oppression as God-given. Organised in your various formations as workers, communities, congregations, youth and others, you fought a heroic and unrelenting struggle. At this juncture, it is fitting that I pay special tribute to the gallant youth of South Africa. I salute you, the young lions, for unflinchingly bearing the brunt of the state repression. You have not retreated and we are winning.”

Had OR Tambo been alive, we would have celebrated his 100th birthday this year. Today, we channel the spirit of this extraordinary leader as we continue our journey of youth development.

I am pleased to present the report of the National Youth Development Agency for the 2016/2017 financial year. My colleagues will tell you that, if I had a singular obsession since joining the Agency as its Chief Executive Officer, it would be the achievement of 100% of all the Agency's KPIs for the year under review. Indeed, my obsession has come to realisation, as, for the first time in our history, I am proud to report that we achieved and exceeded most of the organisational targets.

It also gives me immense pride to report that we achieved a third successive clean audit for the Agency as our commitment to good governance stands strong. This further indicates that we have established systems, processes and internal controls related to financial statements, performance information, supply chain management and compliance with laws and regulations, and that these systems are functioning effectively.

With regard to our financial results, I wish to draw attention to the following:

- Our project and grant disbursements grew from R143.5 million to R171.8 million — an increase of 19% year on year in the direct investment made towards the development of young people.
- The NYDA saw a reduction in its annual allocation from the National Treasury from some R409 million in 2015/2016 to R405 million in 2016/2017 in the third year that fiscal cuts were effected to the budget.
- Employee costs after the restructuring of the NYDA were reduced from R209 million to R143 million — a reduction of 32%.
- Furthermore, there was cost containment in our administrative, travel and outsourcing costs to compensate for the reductions in budget, as well as re-allocations to projects, while we increased spending on employee training programmes, as we invested in our employees to expand the new cadre of youth development.
- The first phase of the Enterprise Resource Planning tool was deployed, as we aimed to consolidate our Information, Communication and Technology platforms into a centralised platform which would enhance our service delivery by making it more innovative, as well as smarter and faster. In the long term, this project will save us costs by reducing the number of systems, and licence and support costs incurred. Completion of the project is planned for the 2019/2020 financial year.
- The Agency remains a going concern as assessed by its financial and liquidity positions, and the financial statements were prepared on this basis.

The current fiscal environment in which the NYDA is operating is extremely challenging and I remain acutely aware of the fact that we cannot respond to the developmental needs of all young people in South Africa. I am also constantly aware of the NYDA's lack of presence, especially in the rural areas of the country. In this regard, the NYDA is taking the following fundamental steps towards addressing the challenges:

- The NYDA Annual Performance plan was amended for the 2017/2018 financial year, in order to direct a distinct focus on entrepreneurship and jobs, with the Agency aiming for a high-impact model of youth development. In this regard, programmes in respect of career guidance have reached their culmination, while programmes related to Second Chance Matric Rewrite, and Health and Wellbeing have been handed over to the Department of Basic Education, and the Department of Health, respectively, with these departments having the potential to take the programmes to their necessary scale.

# CHIEF EXECUTIVE OFFICER'S REPORT

- The Agency effected significant internal changes through its restructuring and the relocation of its Head Office, as well as its cost containment programme, which have seen almost R80 million adjusted over the past three financial years from operational costs to projects.

Towards the end of the financial year, the relocation of the Head Office was concluded, which will create savings for the Agency of some R12 million per year and R40 million over the MTEF period. In 2017/2018, our focus will be on the branches of the Agency, with two new branches to be opened and a further four to be upgraded. Two new mobile outreach vehicles will be procured, which can take products and services of the NYDA to outlying rural areas, while all branches will be Wi-Fi hotspots in future. We are also looking forward to the launch of the mobile application that will enable young people who are far away from our branches to have access to our products and services.

It gives me great pleasure to welcome our new Board of Directors, led by the Chairperson, Mr Sifiso Mtsweni, as of 5 May 2017. I wish you the greatest success in your role of leading youth development in our great nation.

I wish to extend my deepest appreciation to the Transitional Accounting Authority for the guidance and directive they provided in the interim period. I further wish to acknowledge the NYDA Executive for their important role in the successes we have achieved over the past financial year. Finally, to the employees of the Agency who make youth development happen on the ground — thank you for being the committed public servants that you are.

In conclusion, we are experiencing a difficult period in our history as South Africans. Twenty-three years after the start of democracy, we are still seeing the challenges of unemployment, inequality and poverty clearly reflected in our society and entrenched in the lives of young South Africans. As the youth, we need to lead the charge for economic emancipation and empower each other to achieve the society that OR Tambo envisaged. I believe in you, young people, and I will continue to devote every available second of my time towards achieving youth development. Now is our time. Rise young people, Rise!



**Khathutshelo Ramukumba**  
Chief Executive Officer



# EXECUTIVE AND OPERATIONAL STRUCTURE



# NATIONAL YOUTH DEVELOPMENT AGENCY BOARD AS OF 5 MAY 2017



**Executive Chairperson  
Mr Sifiso Mtsweni**



**Executive Deputy  
Chairperson  
Ms Bavelile Hlongwa**



**Board Member  
Ms Khomotjo Joy  
Maimela**



**Board Member  
Mr Itiseng Kenneth  
Morolong**



**Board Member  
Mr Ndumiso Thokozani  
Mokako**

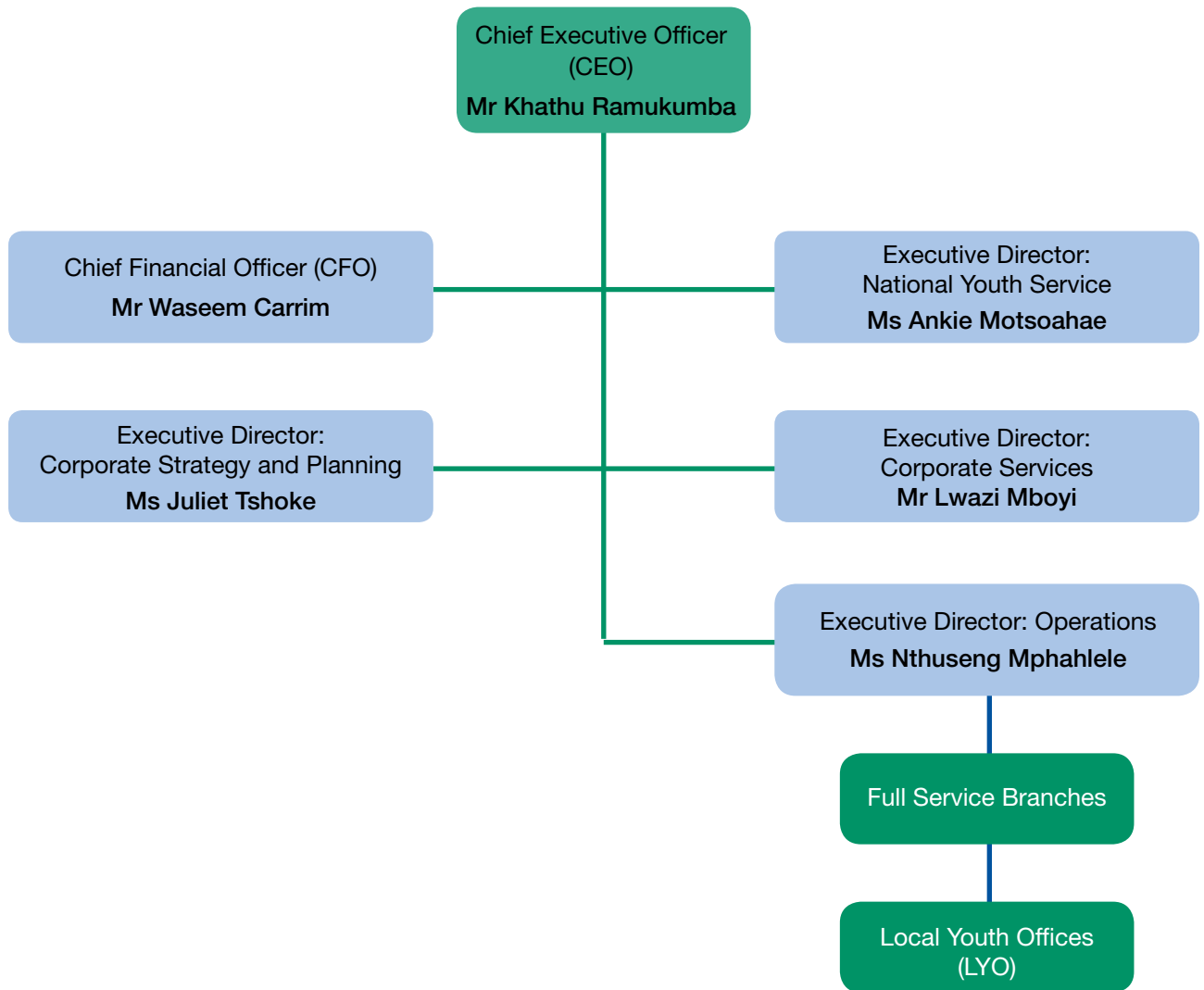


**Board Member  
Mr Yershen Pillay**

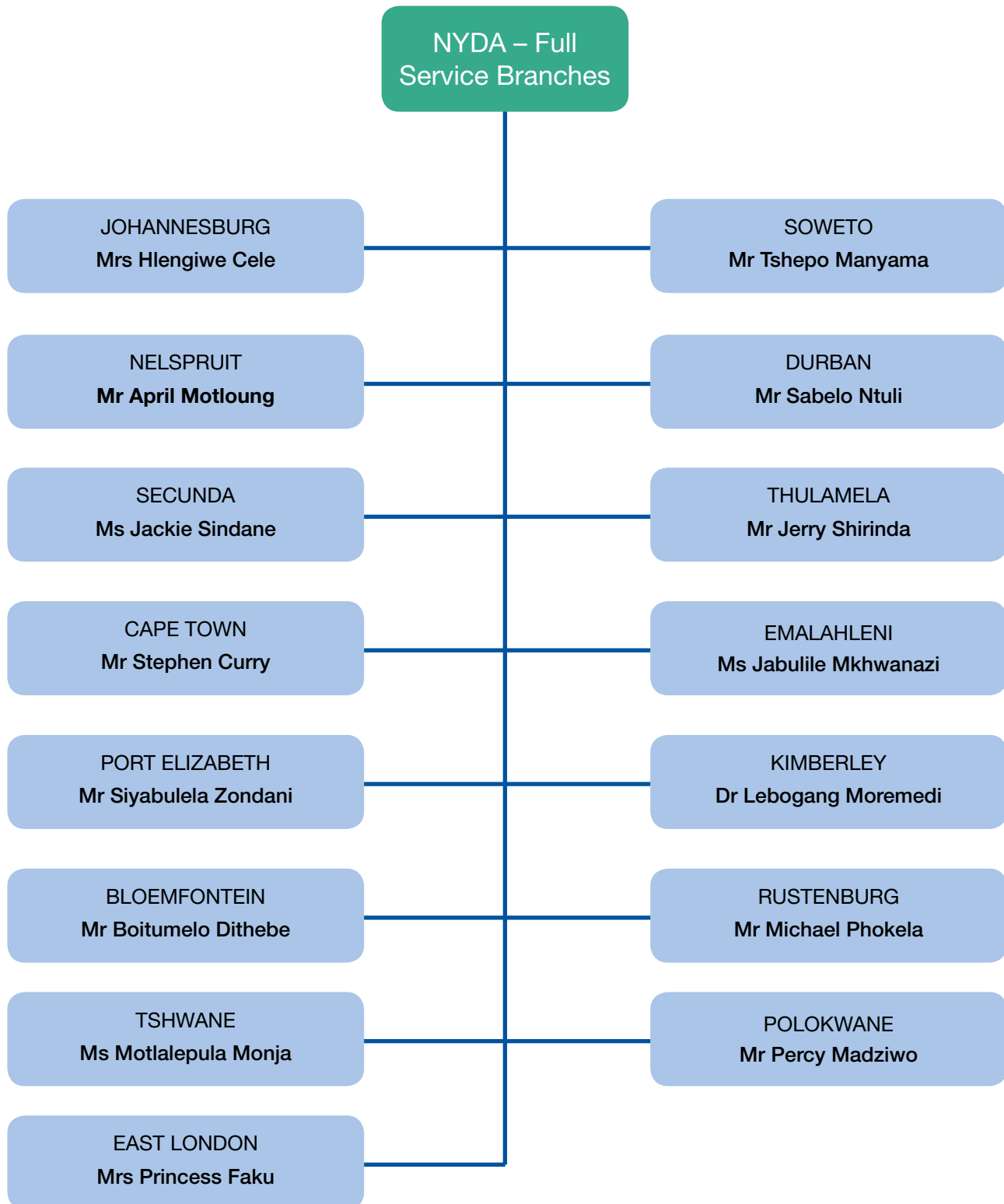


**Board Member  
Ms Zandile Majozi**

# OPERATIONAL EXECUTIVE STRUCTURE AS OF 31 MARCH 2017



# FULL SERVICE BRANCHES





## OPERATIONS EXECUTIVE COMMITTEE



### **KHATHUTSHELO RAMUKUMBA CA (SA)**

#### **Chief Executive Officer**

Mr Khathu Ramukumba obtained his BCom in Financial Accounting from the University of Pretoria in 2002, and BCom Hons (Financial Accounting) with CTA (Certificate of Theory in Accounting), from the University of KwaZulu-Natal in 2006. In 2009, he completed the Public Practice Examination (Second Board Examination with Independent Regulatory Board for Auditors) and was admitted as a CA (SA) by SAICA in 2010. He is currently completing his MBA with Henley Business School.

Mr Ramukumba's career commenced at the Auditor General, where he worked from 2003 to 2006 and did his articles in Chartered Accountancy. On completion of his articles, he joined the Rand Water Group as a Senior Internal Auditor for one year, after which he was promoted to Audit Manager. The following year, Mr Ramukumba was promoted to Group Audit Manager and worked in this position until June 2011. His career highlights include being involved in two ministerial directive projects on turnaround strategy and support for Botshelo Water, in 2009, and Bushbuckridge Water, in 2010/2011. He joined the NYDA as the Chief Financial Officer in May 2011. Mr Ramukumba was appointed to the position of Chief Executive Officer of the NYDA in May 2014, after having acted in this position for four months.

Mr Ramukumba also served as the Chairperson of the Audit Committee for the Sekhukhune District Municipality. He is currently a member of the Audit Committee of the Mpumalanga Provincial Legislature, and a Board and Audit Committee member of the Youth Development Institute of South Africa (YDISA). He was also recently appointed as a member of the Cluster Audit Committee of the Limpopo Provincial Treasury responsible for these three provincial departments: Department of Economic Development, Department of Transport and Department of Agriculture.

He has also represented the Auditor General in Audit Steering Committees for the following clients: The Public Protector; the Department of Justice and Constitutional Development; and the National Prosecuting Authority. He is passionate about youth development and, as a result, has served and continues to serve in various leadership positions in youth organisations focusing on issues of young people across the board, including Chairperson of Youth Against Crime at Vhumbedzi District in Vhembe Region, in Limpopo, from 2002–2003.

Mr Ramukumba has overseen the achievement of three successive clean audits; achievements of 93%, 96% and 100% of planned performance indicators for three years in a row; the restructuring of the NYDA; and relocation of the NYDA head office.

### **WASEEM CARRIM CA (SA)**

#### **Chief Financial Officer**

Waseem attended the University of Pretoria and received his BCom Honours degree in Accounting Sciences in 2009. He began his career at the same university, spending one year as an academic article trainee lecturing first to third-year students in Accounting. He completed his article traineeship with KPMG and was admitted as a member of the South African Institute of Chartered Accountants (SAICA) in 2013. Waseem also holds a Master's degree in Taxation from the University of Pretoria.

After completing his articles, Waseem joined KPMG's Department of Professional Practice, where he served as a specialist in public sector accounting and assurance matters, and served on committees and initiatives related to the public sector. He also served on committees relating to social integration, as well as driving transformation initiatives in the Chartered Accounting profession. He held a portfolio of audit clients, which he managed within the public sector space, one of which was the NYDA. Waseem led the turnaround of the finance and supply chain management divisions that culminated in the three clean audits and a fundamental reduction in irregular, fruitless and wasteful expenditure.

In 2016, Mr Carrim was named one of the Top 35 under-35 Chartered Accountants by the SAICA.



## OPERATIONS EXECUTIVE COMMITTEE



### ANKIE MOTSOAHAE MAEPA

#### **Executive Director: National Youth Service**

Ankie Motsoahae Maepa holds a Masters Degree in Management – Public and Development Management from the University of the Witwatersrand, and a post graduate Diploma in Public and Development Management.

Ms Motsoahae Maepa has passion for Youth Development, Gender Mainstreaming and Public Policy. Her Masters thesis was focused on the analysis of the disjuncture between policy intentions and implementation in the Public Sector.

Her involvement in the Youth Development sector began in the early 90s as a youth and gender activist. Her participation in the sector led to her representing South Africa in different international women and youth development Forums, such as the United Nation's 4th World conference On Women that was held In Beijing China, China.

In 2004, she moved on to join the public sector, working for the Gauteng Department of Public Transport Roads and Works (DPTRW), responsible for Transformation, Youth and Gender Mainstreaming. Part of her responsibilities was to advise the Department on progressive youth development and gender sensitive policies.

From DPTRW, Ms Motsoahae Maepa joined the Presidency – the National Youth Commission (NYC) as the National Manager for the National Youth Service Programme (NYS). It is in this position that she elevated the NYS programme to being a priority programme of government of South Africa, and ensured that there were structures in place to anchor the programme at the highest level of government.

She was responsible for political championing of the programme and vigorously advocated for the programme to be implemented by government departments such as the Department of Public Works and the Department of Human Settlements. She served as a youth representative in the Social Cluster of the South African government. She was also part of the collective that drafted the prescripts guiding the implementation of the NYS in her capacity as a youth activist as well as an employee of the NYC.

Ms Motsoahae Maepa also had the opportunity to work for the National Department of Transport as the Director in the DGs office responsible for Transport Infrastructure Investment.

In her current position as the Executive Director- National Youth Service, she is responsible for establishing the NYS Unit within the NYDA, scaling up the programme, and to ensure that there is an effective coordination mechanism of the programme at all levels of society. Part of this is to ensure that there is implementation of the programme by the three spheres of government, civil society and the private sector and importantly to create supporting structures for the implementation of the programme.

## JULIET TSHOKE

### **Executive Director: Corporate Strategy & Planning**

Juliet Tshoke has a Higher Diploma in Education, majoring in Psychology, African History and Education, from the University of the Western Cape, and a Diploma in Human Resources from Allenby. She has also enrolled in the Transnet Management Diploma programme, which is a postgraduate diploma offered by Wits Business School. She also obtained a Post Graduate Diploma in Management Practice with Henley Business School and is currently studying towards a Masters in Business Administration (MBA) with the same institution.

Ms Tshoke's career development started in the banking industry and she was eventually appointed as the Group Recruitment Manager at Nedcor Bank. It was in this space that she developed an interest in transformation projects and succeeded in positioning herself in the bank. She then moved to the transport industry and joined Transnet's National Ports Authority as the Key Account Manager: Human Resources, based at their Head Office. She provided HR products and services to infrastructure-based projects such as the Port of Ngcura; Property Management; Safety, Health and Environment; and the Planning Unit. She was then promoted to the position of Capacity-building Manager, where she was responsible for implementing organisational capacity-building interventions and performance management. Transnet was implementing a turnaround strategy and Juliet was entrusted with implementing the people management aspect of talent management in her position as Group Talent Manager.

She designed the Rand Water customised talent management framework to enable pipeline development, capacity-building, implemented performance and reward management strategies, aligned with best practice. These were aligned to programme management office deliverables, aimed at accelerating innovation-based projects, in support of the organisation's turnaround strategies. Subsequently, she took the opportunity to consult at Ernst and Young, and was seconded to SARS for a year as a Project Manager for the Integrated Competency Solution for Job Rationalisation project.

With her increased enthusiasm for working on projects geared towards modernisation, she then joined PRASA as the Head of the Centre of Technology for Gauteng. The centre needed to develop a business case for organisational readiness, in terms of artisan and priority skills. She was given the opportunity to build a technical artisan school for PRASA to implement learning and development of old infrastructure, in order to minimise maintenance costs of the operations. She then left PRASA and joined the NYDA as the Executive Manager: Corporate Services, after which she moved to her new role as the Executive Director: Corporate Strategy and Planning.



## OPERATIONS EXECUTIVE COMMITTEE



### LWAZI MBOYI

#### **Executive Director: Corporate Services**

Mr Lwazi Mboyi has extensive business and management experience, having served in various senior management roles across different industries in both the public and the private sector. He possesses a wealth of experience, and knowledge in executive management, strategy development, business development, enterprise transformation, youth development and investments in infrastructure.

His last executive role was that of Head: Special Project at the Department of Transport (DOT), focused on transport investment strategy and execution for the department, and was part of the Executive Committee. Prior to that, he served as the Senior Consultant for JMJ Associates, a US Company working on various massive infrastructure projects across the African continent. He worked in the Enterprise Transformation space in Ghana and Nigeria, and led the West African Gas Pipeline project strategy and implementation.

Before Mr Mboyi's role at JMJ, he was at EOH Consulting, which forms part of the EOH Group, as Head of Operations for the Free State, and served on the MANCO. He was responsible for business development and strategy.

In terms of his experience within the youth development space, Mr Mboyi served as the Chief Executive Officer of the National Youth Commission (NYC) for a period of eight years. His responsibilities included strategy development and execution, as well as overseeing the operational departments of the organisation and key functions such as HR, Finance, IT and Communication.

Mr Mboyi possesses the following qualifications:

- Honours Degree in Industrial Psychology (University of KwaZulu-Natal)
- Senior Executive Programme (Wits & Harvard Business School)
- Currently completing a Master's Degree in Development Finance (University of Stellenbosch Business School)



### NTHUSENG MPHAHLELE

#### **Executive Director: Programme Design Operations**

Nthuseng Mphahlele holds an MSc in Development Planning from the University of the Witwatersrand and a BA in Economics from the National University of Lesotho. She has more than 14 years' experience in the development sector, having worked in both the public and civil society sectors, specifically in youth development, housing and infrastructure, local government, environment, gender and poverty.

In her current position at the NYDA, Ms Mphahlele has been mandated to oversee the implementation of the operations, which include economic participation, education of skills development and the service delivery channel.



# PERFORMANCE REPORT



# OVERVIEW OF THE PUBLIC ENTITY'S PERFORMANCE

## 1. Statement of Responsibility for Performance Information for the Year Ended 31 March 2017

The Accounting Authority is responsible for the preparation of the organisation's performance information, judgments conveyed through this information, and implementing a system of internal control design. There needs to be reasonable assurance provided regarding the integrity and reliability of performance information. In our opinion, the performance information fairly reflects the performance information of the organisation for the financial year ended 31 March 2017.

## 2. Overview of the Public Entity's Performance

### 2.1 Service delivery environment

The National Youth Development Agency (NYDA) derives its mandate from the legislative frameworks, including the NYDA Act, 2008 (Act 54 of 2008), the National Youth Policy (NYP) (2009-2014) and the draft Integrated Youth Development Strategy (IYDS) as adopted by the Youth Convention of 2006. The institution was established to be a single, unitary structure for addressing youth development issues at national, provincial and local government level. In furtherance of the NYDA mandate, as outlined in the NYDA Act, 2008 (Act 54 of 2008), the NYDA activities could be summarised as follows:

- Lobbying and advocacy for integration and mainstreaming of youth development in all spheres of government, the private sector and civil society
- Initiation, implementation, facilitation and coordination of youth development programmes
- Monitoring and evaluation of youth development interventions across the board and mobilising youth for active participation in civil society engagements.

The NYDA faces key challenges of meeting the expectations of youth and addressing all the challenges that young people face on a daily basis. This requires continued innovation in designing and developing products and services, in response to the challenges of the youth.

### 2.2 Performance information summary

During the year under review, a total of 698 youth-owned enterprises or youth received NYDA grant funding, including 495 enterprises, 134 individuals and 69 co-operatives. The 110,9% overachievement was due to improved assessment methodologies and the accurate awarding of grants.

Overall, 63 407 aspiring and established young entrepreneurs were supported through NYDA Business Development Support Services. The relationship with Primestars led to achieving and exceeding the annual target, as the company contributed significantly towards delivering the Entrepreneurship Development programme, which accounts for 78,7% of the annual performance.

Ten communities benefitted from community development projects that were supported by the NYDA Grant Funding programme. The achievement of 111% of the target was due to partnerships that improved the focus on community development.

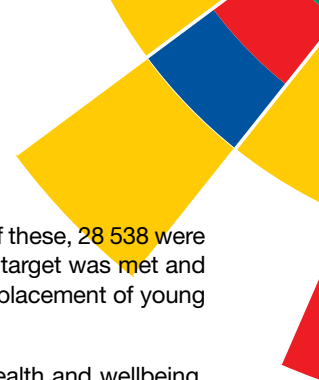
A total of 3 718 jobs were created and sustained through grant funding, co-operatives and business development services. The target was met and exceeded at 117%, due to a high demand on voucher and grant programmes.

The 2nd Chance Matric Rewrite programme was started in 2011 by the NYDA as a pilot and has been running annually over the past six years. Education and Training Development Practitioner Sector Education Training Authority (ETDP SETA) joined as a funding partner in 2012. In 2016, the NYDA Board took a resolution that the NYDA should hand over the programme to the Department of Basic Education (DoBE), which was subsequently completed.

The Solomon Mahlangu Scholarship Fund (SMSF) was instrumental in supporting 444 young people. The 101% achievement of the target was due to additional funds received from the National Skills Fund and the Road Management Traffic Corporation.

As a result of individual group career guidance, some 981 088 young people were supported, which constituted an achievement of 110% of the target. The overachievement was due to the involvement of the Deputy President in championing the career guidance programme.

The facilitation and implementation of the technical skills programmes led to 745 young people being supported, which was a 149% achievement of the target. This was due to a partnership with Google, which provided a digital skills programme for young people.



The jobs programme achieved 116% of the target, where 71 306 young people were supported. Of these, 28 538 were trained in life skills and 37 654 in job preparedness, while 5 114 were placed in jobs. The annual target was met and exceeded, due to a partnership with Catalyx and Jump Start programmes, whereby training and placement of young people in the workplace were increased.

Overall, 348 623 young people accessed programmes and interventions designed to improve health and wellbeing. This was an overachievement of 166% of the target and was due to resources leveraged from the Start Here and Back to School campaigns.

As far as partnerships were concerned, a total of 17 organs of state partnered with the NYDA to implement youth development programmes. This was an overachievement of 113% of the target because of successful stakeholder engagements between the NYDA and state organs. Twenty-nine private sector companies were lobbied to implement youth development programmes. This overachievement of 193% of the annual target was an outcome of the private sector stakeholders' increased understanding of the NYDA mandate and subsequent willingness to work with the NYDA.

During the year under review, 11 445 young people participated in National Youth Service (NYS) Category 1 programmes. Stakeholders such as the Department of Public Works and the Department of Infrastructure in Gauteng contributed significantly, as they were committed to providing skills and practical experience to young people while delivering infrastructure projects. Overall, 44 962 young people were enrolled in the NYS volunteer programmes. The partnership with Technical Vocational Education (TVET) colleges, community-based organisations (CBOs) and schools assisted with recruiting young people.

Some 54 projects, constituting an achievement of 108% of the target, were registered to implement structured NYS programmes. The target was met and exceeded, as a result of the implementation of NYS projects by government departments and civil society organisations (CSO's). A number of government departments and CSOs were coordinated by the NYDA to implement the NYS. Consequently, 132 institutions were implementing the NYS in a more coordinated manner through the guidance of the NYDA.

Through the interventions of the NYDA, some 1 511 youth in conflict with the law were supported, which comprised an achievement of 151% of the target. The overachievement was due to a high demand on the Correctional Services programme for young people in conflict with the law to access the NYDA products and services as part of their rehabilitation, and integration back into society. Overall, 795 young people with disabilities were supported through business support services and training interventions. This constituted an achievement of 159% of the target and was due to a good response from organisations working with people with disabilities.

The NYDA access points disseminated information on youth development to 1 444 466 young people during the period under review. This significant achievement can be attributed to outreach events, which accounted for 91% of the performance. Thirty-five information dissemination access points were operationalised, thereby meeting and exceeding the annual target of 33. This was due to the implementation of the internship programme, which necessitated the operationalisation of additional access points.

### **2.3 Organisational environment**

The existence of the NYDA should be considered within the broad context of South Africa's development dynamics. Similar to many developing countries, South Africa has a large population of youth between the ages of 14 and 35, representing 36% of the total population (Stats SA 2017).

Given the youthful nature of the South African population, many of the socio-economic challenges faced by the nation, i.e. poverty, inequality, joblessness and poor health, are borne by the youth. The gravity of the challenges South Africa is facing requires multi-pronged efforts that simultaneously promote the development of sustainable livelihoods, reduce poverty and inequality, and prioritise the development of policies which create an enabling environment for youth development.

The NYDA plays a leading role in ensuring that all major stakeholders, i.e. government, the private sector and civil society, prioritise youth development and contribute towards identifying and implementing lasting solutions which address youth development issues.

The NYDA takes the responsibility very seriously of meeting the expectations of youth and addressing some of the challenges that young people face on a daily basis. This requires continued innovation in developing products and services responsive to the needs of the youth.

# OVERVIEW OF THE PUBLIC ENTITY'S PERFORMANCE

## 3. Strategic Outcome-oriented Goals

### **Strategic Outcome Area 1: Improved and sustainable livelihood opportunities for young people in South Africa**

This strategic outcome area focuses on providing a comprehensive suite of interventions that leads to decent employment, skills development, education, and entrepreneurship for all young people in the age group 14 to 35.

### **Strategic Outcome Area 2: Enhanced participation of young people in social cohesion towards nation-building**

This strategic outcome area aims to promote and maximise initiatives for the active participation of young people through encouraging social cohesion, health and wellbeing, dissemination of information and community participation activism for improved social conditions of young people in South Africa (aged 14-35).

### **Strategic Outcome Area 3: An enhanced enabling environment that promotes youth development in all sectors of South African society**

This strategic outcome area focuses on fostering a mainstreamed, evidence-based, integrated and result-oriented youth development approach through relevant research, policy development, regulations, monitoring and evaluation, communication and an advisory service.

### **Strategic Outcome Area 4: The development and enhancement of a credible and capable youth development agency**

This strategic outcomes area is defined as the efficient and effective utilisation of resources through the establishment of judicious governance, technology and systems, business operations systems, human capital and financial management systems that adhere to relevant legislative requirements for public funded entities.

## 4. Performance Information by Programme

### 4.1 Description of each programme

#### 4.1.1 Key Programme Area 1: Economic Participation

The main goal of the Economic Participation programme is to enhance the participation of young people in the economy through targeted and integrated programmes. Programmes that are implemented by the NYDA against this Key Performance Area (KPA) aim to facilitate and provide employment opportunities for young people to enhance their participation in the economy, through improved job creation, entrepreneurship participation and skills development, and the provision of business support to young people.

The strategic objective that relates to the KPA is as follows:

- To enhance the participation of young people in the economy.

#### 4.1.2 Key Programme Area 2: Education and Skills Development

The main goal of the Education and Skills Development programme is to promote, facilitate, and provide education and skills development opportunities for young people to enhance their socio-economic wellbeing. The aim is to improve access to quality education; to facilitate and implement skills development programmes, job preparedness and life skills training; to disseminate information; to provide access to career guidance interventions; to make scholarships available; and to lend assistance to young people with Matric Re-write.

The strategic objectives that relate to the KPA are as follows:

- To facilitate and implement education opportunities to improve quality education attainment by the youth
- To facilitate and implement skills programmes.

#### 4.1.3 Key Programme Area 3: Health and Wellbeing

The goal of the Health and Wellbeing programme is to increase awareness of healthy lifestyles that promote good health practices among the youth of South Africa, including teaching them about nutrition, and alerting them to the dangers of substance abuse, unprotected sex, sexually transmitted diseases, and the impact of HIV and Aids.

The strategic objective that relates to the KPA is as follows:

- To facilitate access to health and wellbeing programmes.





#### 4.1.4 Key Programme Area 4: Knowledge Management

The goal of the Knowledge Management programme is to create a body of knowledge and best practice in the youth development sector, and to inform and influence policy development, planning and implementation. The fundamental aim of this area is to ensure that policies and frameworks that drive youth development are developed, based on a body of knowledge and facts that are relevant to the developmental needs of the youth of South Africa, and that South Africa is given a competitive edge, globally.

The strategic objectives that relate to the KPA are as follows:

- To create and produce information and knowledge for better youth development planning and decision-making
- To lobby key stakeholders to support and implement youth development programmes
- To create a platform where youth can participate and benefit from democratic processes
- To mobilise and leverage financial resources from key stakeholders.

#### 4.1.5 Key Programme Area 5: Governance

The goal of the Governance programme is to achieve the efficient and effective utilisation of resources through the establishment of judicious governance, technology and systems, business operations systems, human capital and financial management systems that adhere to the relevant legislative requirements for public-funded entities.

The strategic objective that relates to the KPA is as follows:

- To establish a credible, efficient and effective organisation.

### 4.2 Strategic objectives, performance indicators, planned targets and actual achievements

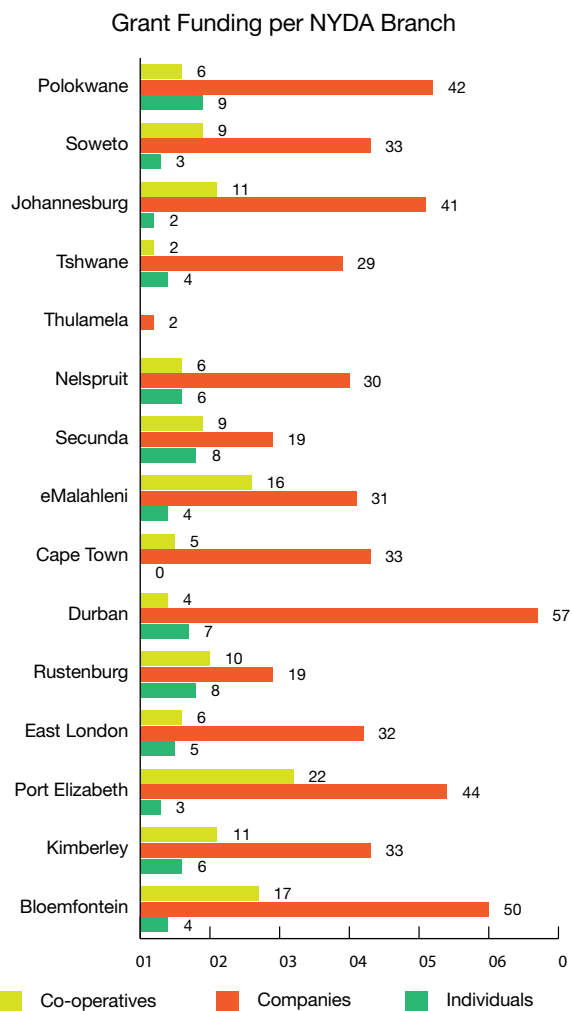
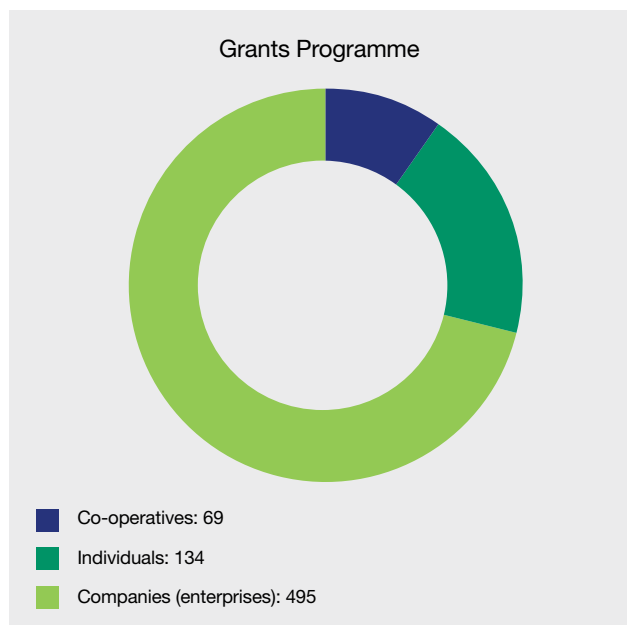
#### 4.2.1 Economic participation performance information

Programme Area 1: Economic Participation				
Strategic objective	Key performance indicator	2016/2017 Target	2016/2017 Actual	Reason for variance
To enhance the participation of young people in the economy	Number of new youth-owned enterprises and youth receiving NYDA grant funding	629 new youth-owned enterprises and youth receiving NYDA grant funding	698 new youth-owned enterprises and youth	Year-to-date target met and exceeded, due to improved assessment methodologies and accurate awarding of grants
	Number of young aspiring and established entrepreneurs supported through NYDA business development support services	56 329 young, aspiring and established entrepreneurs	63 407 young, aspiring and established entrepreneurs	Year-to-date target met and exceeded, due to increased reach through Primestars programme
	Number of community development projects supported through the NYDA grant funding programme	9 communities	10 communities	Year-to-date target met and exceeded, due to partnerships that improved focus on community development
	Jobs created and sustained through grant funding, co-operatives and business development services	3 176 jobs created and sustained	3 718 jobs created and sustained	Year-to-date target met and exceeded, due to a high demand on the voucher and grant programmes

# OVERVIEW OF THE PUBLIC ENTITY'S PERFORMANCE

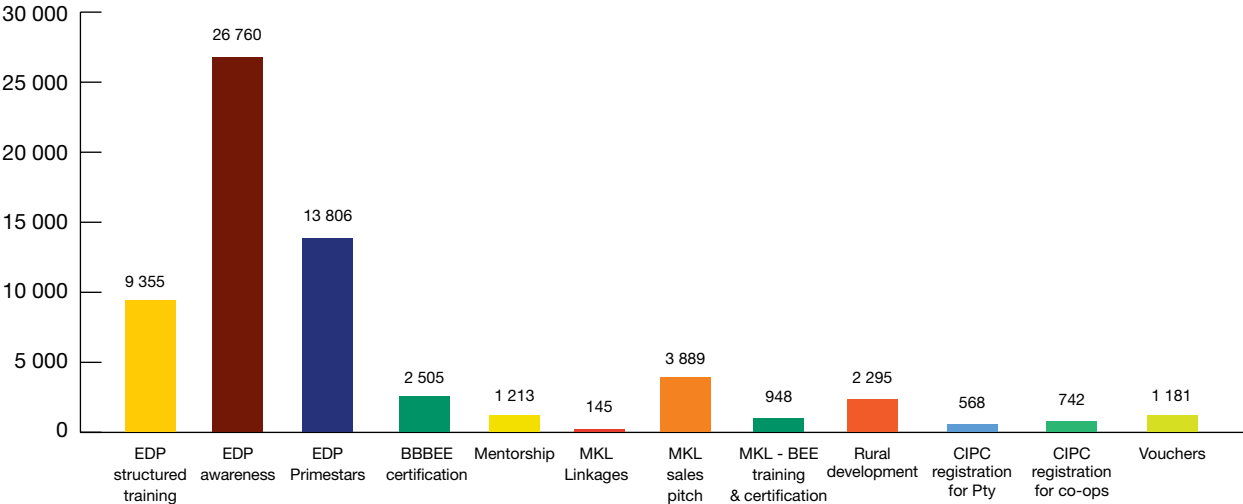
## To enhance the participation of young people in the Economy

During the year under review, a total of 698 youth-owned enterprises or youth received NYDA grant funding, comprised of 495 enterprises, 134 individual youth and 69 co-operatives. The branch that issued the most grants to enterprises was the Durban branch, while the Port Elizabeth branch issued the most grants to individuals and the Polokwane branch issued the most grants to co-operatives.



A total of 63 407 aspiring and established young entrepreneurs were supported through NYDA business development support services. The relationship with Primestars led to achieving and exceeding the annual target, as the company contributed significantly towards delivering the entrepreneurship development programme, which accounts for 78,7% of the achievement of the KPI.

Aspiring and established entrepreneurs supported

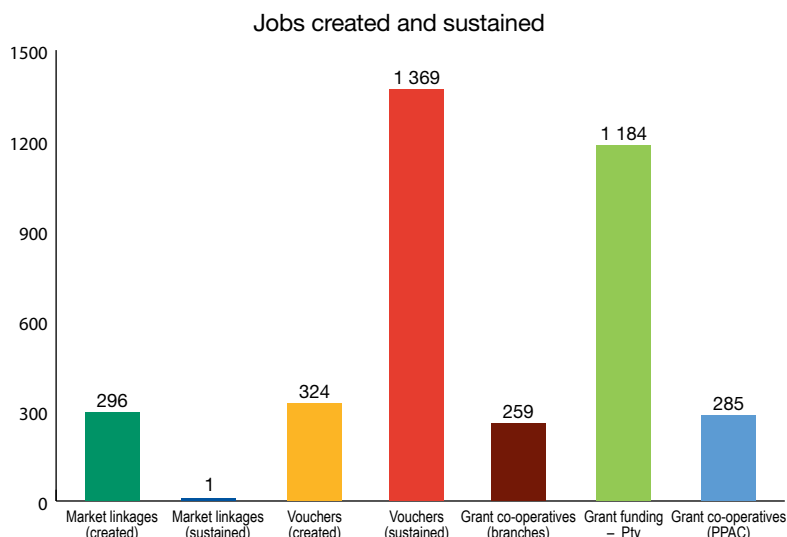


During the period under review, a total of 10 community development projects were supported through the NYDA grant funding programme.

Name of Project	Province	Community Project Background
Diepdale	Mpumalanga	Forestry and furniture manufacturing
Nongoma	KwaZulu-Natal	Forestry and furniture manufacturing
Timbadola	Limpopo	Forestry and furniture manufacturing
Carolina food security enhancement project	Mpumalanga	Hydroponics (vegetable production)
Mbuzini food enhancement project	Mpumalanga	Hydroponics (vegetable production)
Shabalala food security enhancement project	Mpumalanga	Hydroponics (vegetable production)
Elukwatini food security enhancement project	Mpumalanga	Hydroponics (vegetable production)
Malelane food security enhancement project	Mpumalanga	Hydroponics (vegetable production)
Piet Retief hydroponics	Mpumalanga	Hydroponics (vegetable production)
MIA musical instruments and making projects	Gauteng	Manufacturing musical instruments

# OVERVIEW OF THE PUBLIC ENTITY'S PERFORMANCE

Overall, 3 718 jobs were created and sustained through grant funding, co-operatives and business development services. The high demand on the voucher and grant programmes contributed to the creation of jobs, where 55% and 36% of jobs were sustained.

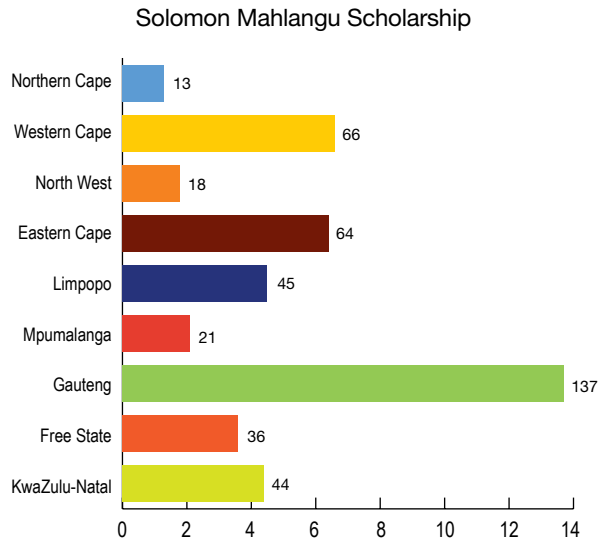


## 4.2.2 Education and skills development performance information

Programme Area 2: Education and Skills Development				
Strategic objective	Key performance indicator	2016/2017 Target	2016/2017 Actual	Reason for variance
To facilitate and implement education opportunities, in order to improve quality education attainment for the youth	Matric Re-write: hand over report to the Department of Basic Education (DoBE)	Matric Re-write: hand over report to the Department of Basic Education (DoBE)	Matric Re-write: report produced and submitted to DoBE	Annual target met as the report was finalised and handed over to the DoBE
	Number of youth supported through the scholarship programme (SMSF)	440 youth supported through the scholarship programme	444 youth supported through the scholarship programme	Annual target met and exceeded, due to additional funds from the National Skills Fund and the Road Management Traffic Co-operation
	Number of young people supported through individual and group career guidance interventions	889 350 young people supported through individual and group career guidance activities	981 088 young people supported	Year-to-date target met and exceeded, due to the involvement of the Deputy President in championing career guidance
To facilitate and implement skills programmes	Number of youth participating in technical skills programmes	500 young people participating in technical skills programmes	745 young people participating in technical skills programmes	Year-to-date target met and exceeded, due to a partnership with Google and the provision of a digital skills programme
	Number of young people supported through the NYDA jobs programme	61 205 young people supported through the NYDA jobs programme	71 306 young people supported through the NYDA jobs programme	Annual target met and exceeded, due to a partnership with Catalyx and Jump Start programmes

**To facilitate and implement education opportunities to improve quality education attainment by the youth**

During the period under review, a total of 444 young people were supported through the SMSF. Of the scholarships issued, 311 were renewals, while 133 were issued to first-time recipients.



A total of 981 088 young people were supported through individual and group career guidance, the My Future, My Career programme and access to career guidance booklets. An overwhelming majority of young people received support through outreach events, which account for 97% of the performance.

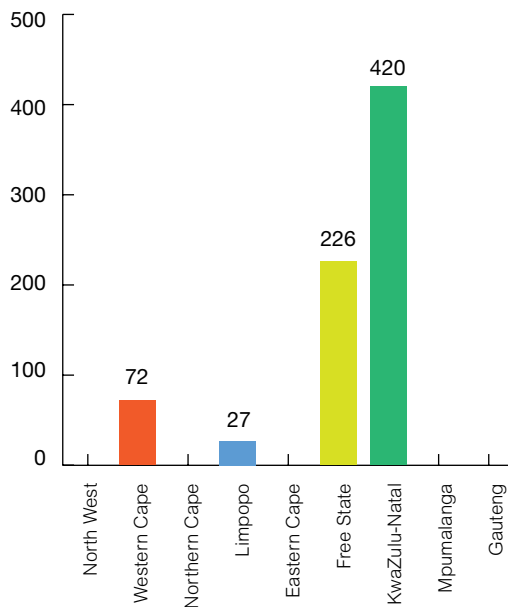


# OVERVIEW OF THE PUBLIC ENTITY'S PERFORMANCE

## To facilitate and implement skills programmes

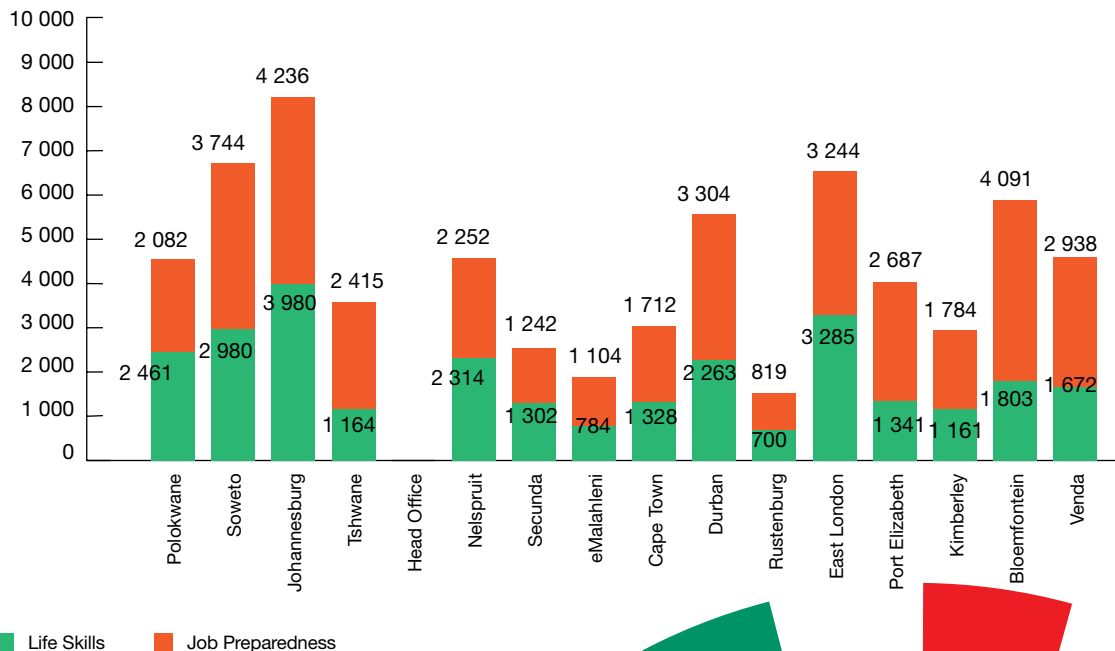
A total of 745 young people participated in the technical skills programme provided through the partnership with Google, where they were trained in digital skills.

Technical Skills Training



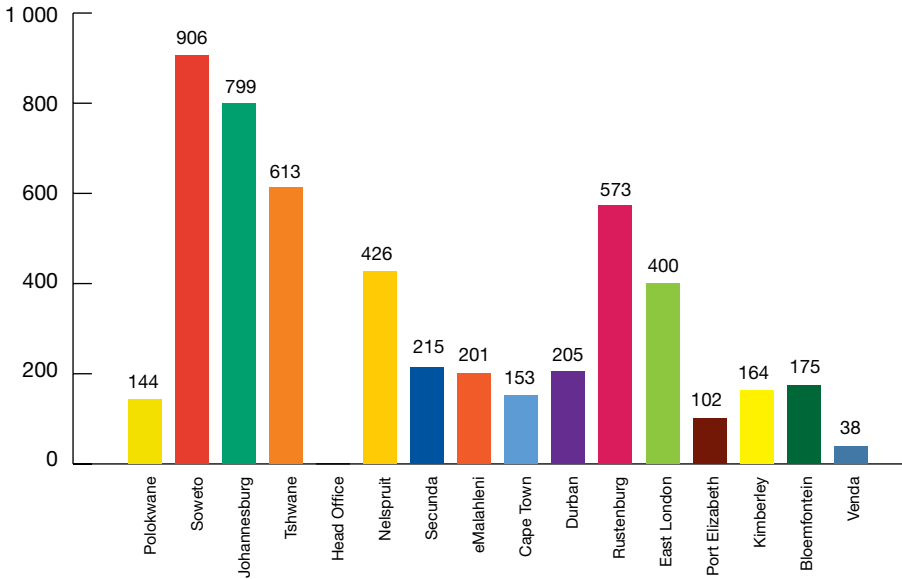
A total of 71 306 young people were supported through the jobs programme, which is divided into three subprogrammes, namely life skills, job preparedness and the job placement programme.

Life Skills and Job Preparedness



Life skills and job preparedness training reached 71 306 young people overall, where 28 538 young people were trained in life skills and 37 654 in job preparedness. A total of 5 114 young people were placed in jobs through the Job Placement programme, with the majority of placements in Gauteng.

Jobs Placement



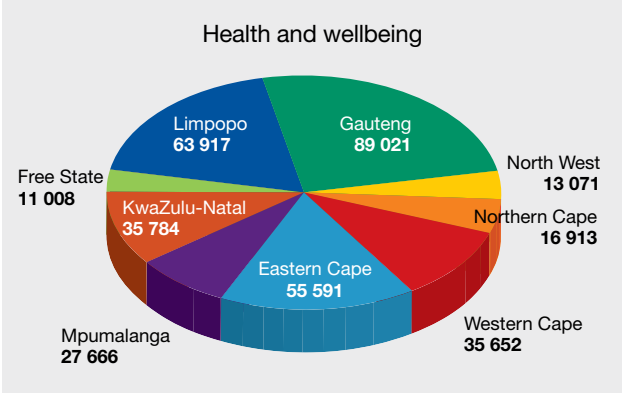
4.2.3 Health and wellbeing performance information

Programme Area 3: Health and Wellbeing				
Strategic objective	Key performance indicator	2016/2017 Target	Actual	Reason for variance
To facilitate access to health and wellbeing programmes	Number of young people accessing programmes and interventions designed to improve health and wellbeing	210 000 young people	348 623 young people	Annual target met and exceeded, due to resources leveraged from the Start Here and Back to School campaigns

During the year under review, a total of 348 623 young people had access to programmes and interventions designed to improve health and wellbeing, such as:

- Start Here campaign
- Back to School campaign
- Campaign for the distribution of sanitary pads.

Most interventions were conducted in Gauteng, followed by Limpopo and the Eastern Cape, while the smallest number of interventions took place in the Free State and North West.



# OVERVIEW OF THE PUBLIC ENTITY'S PERFORMANCE

## 4.2.4 Knowledge management performance information

Programme Area 4: Knowledge Management				
Strategic objective	Key performance indicator	2016/2017 Target	2016/2017 Actual	Reason for variance
To create and produce information and knowledge management for better youth development planning and decision-making	Number of youth development programme evaluations produced by the NYDA	13 evaluations	13 evaluation reports produced	Annual target met, as 13 programme evaluations were performed
	Development of research articles related to youth development matters for public and private sector consumption	16 research articles	17 research articles produced	Annual target met and exceeded, due to high demand for research on products and services by internal divisions
	Number of youth development knowledge management publications produced by the NYDA	50 knowledge publications	51 knowledge publications produced	Annual target met and exceeded, due to a positive response from NYDA staff to write knowledge briefs
	Development of the National Youth Employment Plan (YEP) 2030	Final YEP 2030 endorsed by The Presidency of South Africa	Letter received from The Presidency of South Africa endorsing the YEP	Annual target met

During the period under review, a total of 13 programme evaluations were performed. The evaluations were as follows:

1. Impact evaluation of the Grant programme
2. Impact evaluation of NYDA grantees who received grants during the period April 2014 to September 2014
3. Process evaluation of the implementation of the Grant programme at NYDA branch level
4. Impact evaluation of the Career Guidance programme
5. Impact evaluation of the Job Preparedness programme
6. Impact evaluation of the Life Skills programme
7. Impact evaluation of the Job Placement programme
8. Impact evaluation of the Matric Re-write programme
9. Impact evaluation of the Turnaround Strategy
10. Impact evaluation of the Primestars programme
11. Impact evaluation of the Mentorship programme
12. Impact evaluation of the Market Linkages programme
13. Impact evaluation of the SMSF.

The programme evaluations were conducted to provide the organisation with an understanding of the level of impact on programme implementation and improvements to maximise impact, and inform the strategy planning process.

Research was conducted to produce information and knowledge for better youth development planning and decision-making by the organisation. The research articles covered the following topics:

- Analysis of growth opportunities available to young people to access business
- How the NYDA can work with various associations in all sectors to maximise linkages between suppliers and youth
- Environmental scanning of entrepreneurship skills among young people in business, aged 14 to 35
- An exploration of international market opportunities that could be utilised by young South African business people
- A comparison model that could be used by the NYDA to approach Market Linkages in South Africa
- In-depth analysis of the growth opportunities available to young people to gain access to businesses in coastal areas
- Growth sectors in South Africa to which the NYDA could link aspiring young entrepreneurs, in order to enhance their businesses
- In-depth analysis of growth opportunities available to young people in inland areas to access businesses
- NYDA internship programme survey report
- Customer satisfaction survey report (fourth quarter 2015/2016)
- Customer satisfaction survey (first quarter 2016/2017)
- Customer satisfaction survey (second quarter 2016/2017)
- Customer satisfaction survey (third quarter 2016/2017)
- Service-level agreement report 2016/2017 (policy and process integration unit)
- Desktop review report 2016/2017 (youth salaries and labour market)
- Understanding youth development — a local government perspective
- An in-depth analysis of growth opportunities available to young people to access business in the Winelands.



The 51 knowledge publications that were produced by the NYDA covered a large spectrum of issues that affect young people and ways that they can be resolved, as well as opportunities to explore them, in order to improve youth development.

The YEP 2030, which was developed and approved in the financial year 2015/2016, was endorsed by The Presidency of South Africa for incorporation into the NYP implementation plans.

Programme Area 4: Knowledge Management				
Strategic objective	Key performance indicator	2016/2017 Target	2016/2017 Actual	Reason for variance
To lobby key stakeholders to support and implement youth development programmes	Number of organs of state partnering with the NYDA to implement youth development programmes	15 organs of state	17 organs of state	Annual target met and exceeded, due to several stakeholder engagements with state organs, which led to programmes being implemented in partnership with these organisations
	Number of private sector companies lobbied by the NYDA to implement youth development programmes	15 private sector companies lobbied	29 private sector companies lobbied	YTD target met and exceeded, due to stakeholder engagement sessions held with the private sector to clarify and communicate the mandate of the NYDA
To create a platform for youth to participate in and benefit from the democratic process	Number of youth participating in youth development-related dialogue sessions	11 340 young people	11 635 young people	YTD target met and exceeded, due to improved response from municipalities
To create a platform for youth to participate in and benefit from the democratic process	Number of registered projects to implement structured NYS programmes	50 registered projects	54 registered projects	Year-to-date target met and exceeded, due to most government departments and CSOs implementing NYS projects
	Number of young people participating in expanded volunteer programmes	40 000 young people	44 962 young people	Year-to-date target met and exceeded, due to engagements with TVET colleges, CBOs and schools which assisted
	Number of young people enrolled in NYS Category 1	10 000 young people	11 446 young people	Year-to-date target met and exceeded, due to a high number of participants from the Department of Public Works and the Department of Infrastructure Development (Gauteng)
	Number of government departments and CSOs coordinated by the NYDA to implement NYS	100 institutions	132 institutions	Year-to-date target met and exceeded, due to a positive response from government departments and CSOs
	Number of youth in conflict with the law supported through the NYDA training interventions	1 000 youth in conflict with the law	1 511 youth in conflict with the law	Year-to-date target met and exceeded, due to a high demand from correctional facilities for the NYDA to provide products and services to the youth, so that they can transition back into society
	Number of youth with disabilities supported through the NYDA business support services and training interventions	500 youth with disabilities	795 youth with disabilities	Year-to-date target met and exceeded, due to a positive response from organisations working with people with disabilities
To mobilise and leverage financial resources from key stakeholders	Value of funds committed to supporting youth development programmes	R99 million	R113.4 million	Year-to-date target met and exceeded

# OVERVIEW OF THE PUBLIC ENTITY'S PERFORMANCE

During the period under review, 17 organs of state partnered with the NYDA to implement youth development programmes.

Organs of state partnering with the NYDA	Intent for partnering
Department of Social Development (DSD)	DSD hosting NYDA local youth offices (LYOs)
SAGDA	To establish a working relationship
Department of Arts and Culture	To partner with the NYDA for a social cohesion programme
Mtubatuba Local Municipality	To work together towards promoting the interests of youth through LYOs
Endumeno Local Municipality	To work together towards promoting the interests of youth through LYOs
Richmond Local Municipality	To work together towards promoting the interests of youth through LYOs
National Skills Fund	To explore funding opportunities for NYDA products, services and programmes
DAFF, DSD, DIRCO, DHET	To discuss the DIRCO Chilean-SA Nelson Mandela Scholarship with the NYDA to assist with recruiting applicants in SA
Road Accident Fund	The purpose of this agreement was to embark on joint campaigns for promoting road safety to change youth road-using behaviour, while collaborating on corporate social responsibility initiatives and/or other related initiatives, aimed at advancing the development of communities where both parties co-operate
Ingwe TVET college	The Ingwe TVET college will host five LYOs
Ndwedwe Local Municipality	Ndwedwe Local Municipality will host two LYOs
Big 5 Hlabisa Municipality	Big 5 Hlabisa Municipality will host a LYO
Department of Small Business Development	To discuss areas of collaboration towards the incubation programme
Department of Tourism	To discuss areas of collaboration for Youth Month, 2017
uPhongolo Local Municipality	To work together in promoting the interests of youth through LYOs
Gauteng Department of Economic Development	To discuss areas of collaboration for the Buddi Box programme
Cooperative Governance and Traditional Affairs	

In the year under review, a total of 29 private sector companies were lobbied by the NYDA to implement youth development programmes.

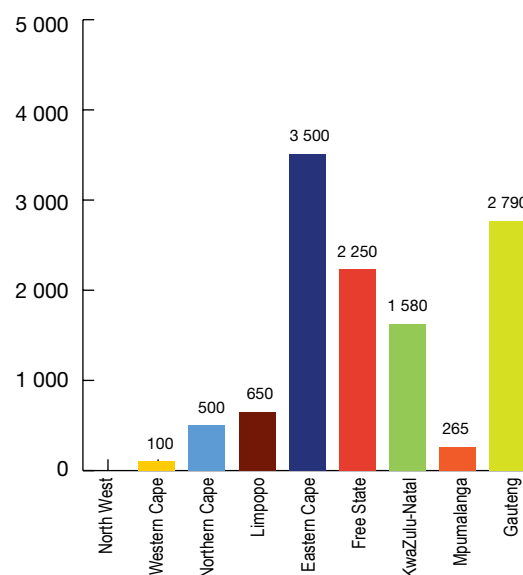
Month	Private company lobbied	Intent of lobbying
01-Apr-16	UNDP	To discuss areas of collaboration regarding programmes
26-Apr-16	Freedom Park	To discuss areas of collaboration regarding programmes
26-Apr-16	Old Mutual-SA	To discuss a potential partnership between NYDA and Old Mutual SA regarding scholarships or education-related programmes
17-May-16	Tiger Brands	To discuss areas of collaboration regarding the implementation of youth development programmes
19-May-16	Lepharo	To discuss way forward, in terms of operationalising the agreement between the two parties towards working on the incubator for business in the base metal & engineering industry based in Springs/Ekurhuleni, which offers skills to the youth
19-May-16	Silverton Trio Foundation	To discuss areas of collaboration regarding the implementation of the shoes for success campaign. (To buy school shoes for non-paying primary schools in poverty-stricken areas)
19-May-16	Peer Africa	To discuss areas of collaboration towards youth development programmes (enterprise development, financial & non financial training)
20-May-16	SAB Kickstart	To discuss areas of collaboration for the SAB kickstart enterprise development initiative (1 month recruitment campaign taking place during the youth month/June)
24-May-16	Tshepo 500K	MSG presented their proposal and they also discussed areas of collaboration for programmes (placing young people in jobs)
26-May-16	Grow Rural	To discuss areas of collaboration for cooperatives
26-May-16	NAFU	To discuss areas of collaboration regarding the implementation of youth development programmes, especially in the agricultural sector
15-Jun-16	Career Monitor South Africa (CMSA)	To discuss areas of collaboration towards working together on the Career guidance programme



Month	Private company lobbied	Intent of lobbying
15-Jun-16	Air Liquide	To discuss areas of collaboration towards youth development.
19-Jul-16	Adcock Ingram	To discuss areas of collaboration for programmes
26-Jul-16	Likhwethi communications	To discuss areas of collaboration to get assistance with identifying young people and the formation of co-operatives
27-Jul-16	CIPLA	To discuss areas of collaboration on the National Campaign of empowering girls and young women
11-Aug-16	GALXCOC	To discuss areas of collaboration for programmes
12-Aug-16	Izy Daz It	To discuss a collaboration on career development services
17-Aug-16	Assiteg and Theatre 4 youth	To identify areas of collaboration
22-Aug-16	TOSACA	To discuss a partnership for a sponsorship for a digital innovation youth symposium
05-Oct-16	Desert Charm trading Aviation	To discuss areas of collaboration, Desert Charm would like to partner with NYDA to implement a skills development programme in the aviation
10-Oct-16	UN Volunteers	To discuss areas of collaboration
11-Oct-16	Telkom foundation	To discuss areas of collaboration for the introduction and implementation of sanitary cups project
21-Nov-16	Green Youth Indaba	To discuss areas of collaboration towards the annual Green Youth Indaba for 2017
25-Jan-17	International Youth Fellowship	To discuss areas of collaboration towards hosting the annual youth camp in South Africa between April and September 2017
26-Jan-17	Think Tank Africa	To discuss areas of collaboration for the Think Tank Africa annual event for young entrepreneurs
01-Feb-17	China trader Expo Incubation	To discuss areas of collaboration between Africa hub and LEDI
23-Feb-17	Embassy of Hungary	To discuss the advertisement of the Hungarian government scholarship programme
23-Mar-17	Saint Gobain	To discuss the re-establishment of the partnership

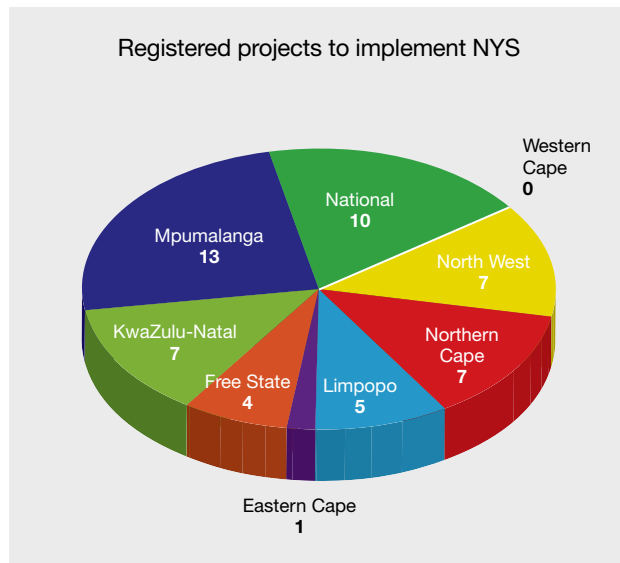
In order to create a platform for youth to participate in and benefit from democratic processes, the NYDA was involved in organising the participation of 11 635 young people in youth development-related dialogue sessions. Most dialogue sessions were conducted in the Eastern Cape, followed by Gauteng, while the areas with no or little interventions were North West and the Western Cape.

Dialogue Sessions

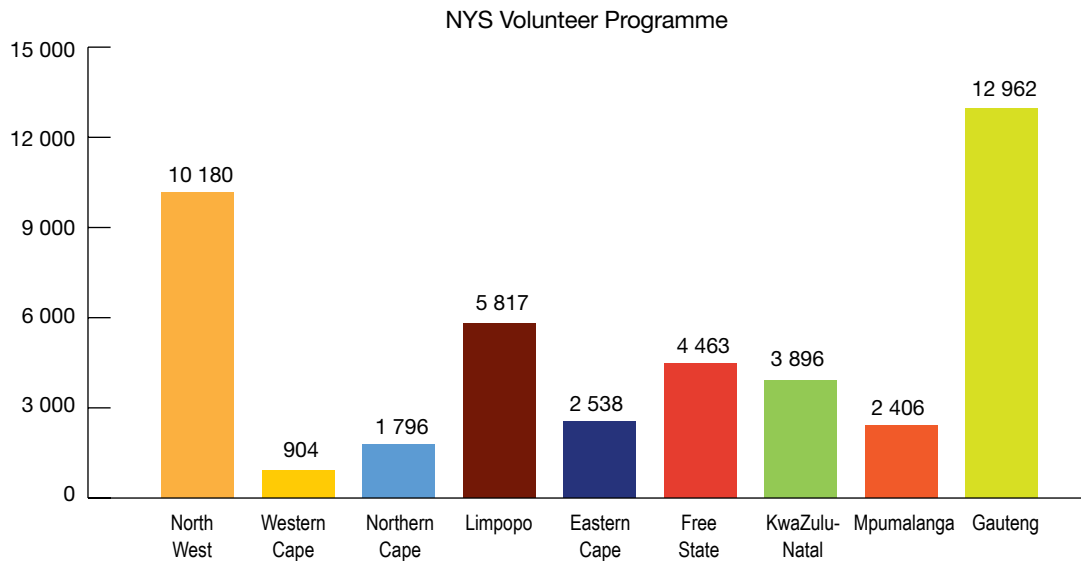


# OVERVIEW OF THE PUBLIC ENTITY'S PERFORMANCE

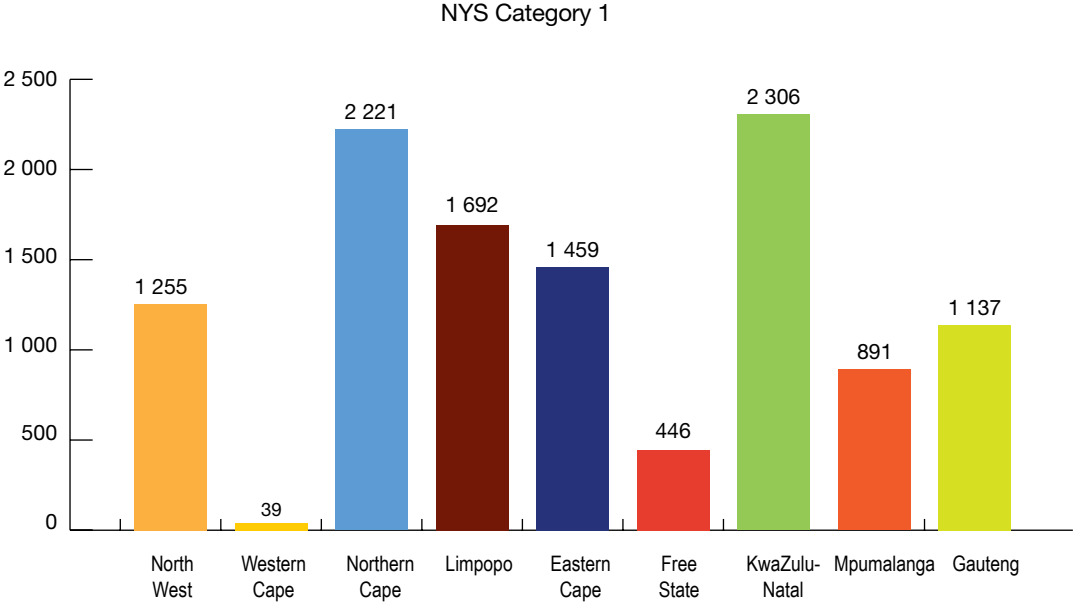
In the year under review, 54 projects were registered to implement structured NYS programmes. This helped to increase the number of departments and CSOs implementing NYS programmes. Most of the projects were registered in Gauteng, while the smallest number of projects was registered in the Eastern Cape.



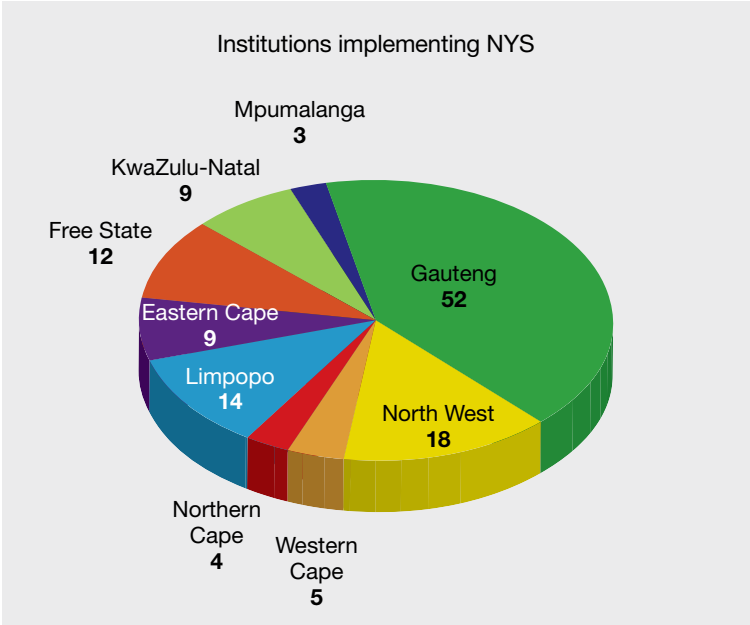
In the year under review, 44 962 young people participated in an expanded volunteer programme, which provided them with the platform or opportunity to be engaged in community development on a voluntary basis, thereby giving back to their communities.



In the year under review, 11 446 young people were enrolled in NYS Category 1 programmes, where young people who are not in employment, education and training (NEET) are provided with skills development training. Stakeholders such as the Department of Public Works and the Department of Infrastructure Development (Gauteng) contributed significantly, as they were committed to providing skills and practical experience to youth while delivering infrastructure projects.



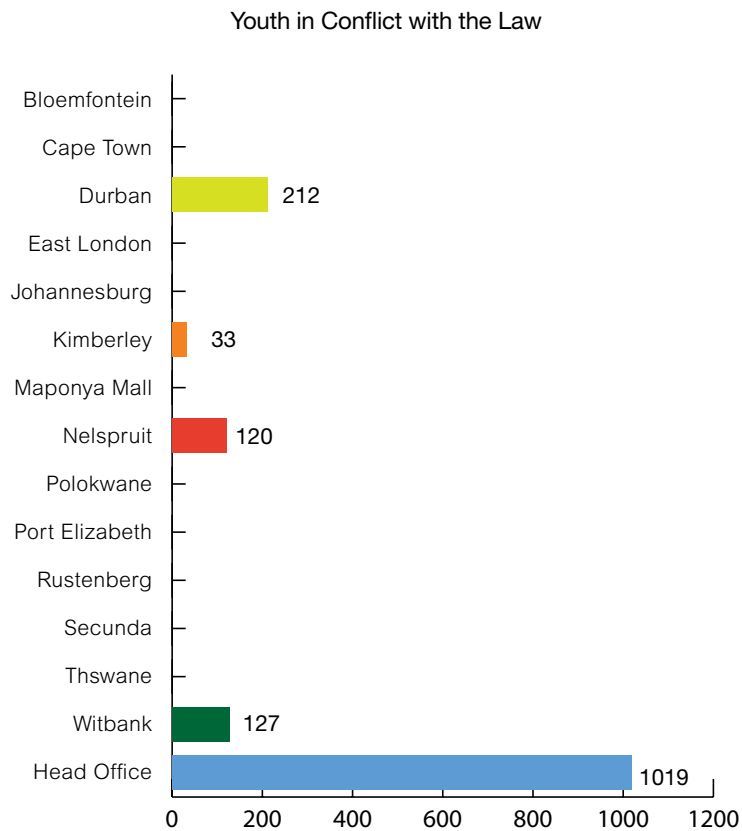
The number of government departments and CSOs coordinated by the NYDA to implement NYS was 132. This indicates that government departments and CSOs were implementing NYS in a more aligned and coordinated manner.



# OVERVIEW OF THE PUBLIC ENTITY'S PERFORMANCE

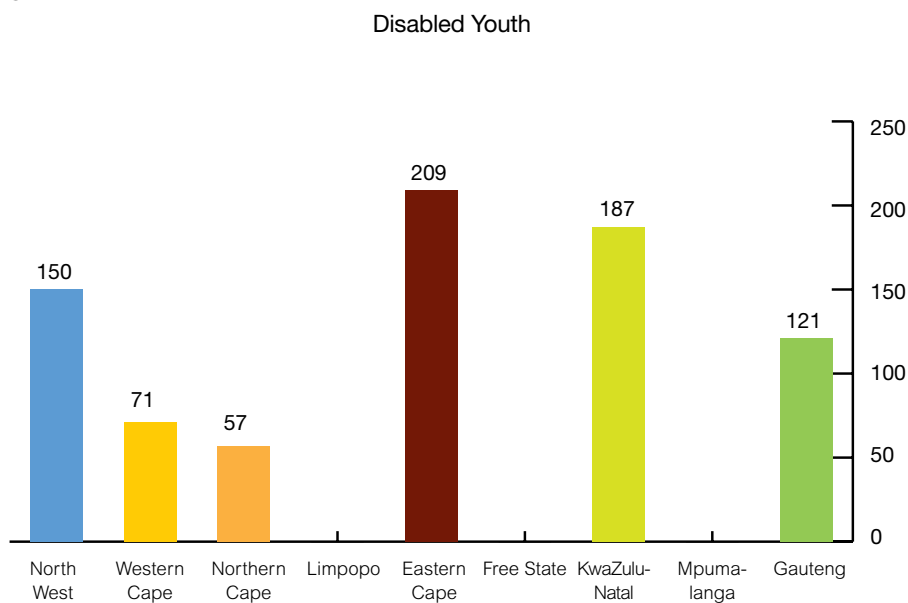
In the year under review, 1 511 young people in conflict with the law were supported through the NYDA training interventions, where they were offered the following training products:

- Entrepreneurship development programme
- Life skills
- Job preparedness



A total of 795 young people with disabilities participated in the following training programmes offered through NYDA Business Support Services:

- Entrepreneurship development programme
- Life skills



To optimally mobilise and leverage financial resources from key stakeholders, the NYDA managed to source R113 408 448 from the following stakeholders:

- Nation of Champions South Africa
- Air Liquide
- Inqaba Youkulinda
- Ekurhuleni Metropolitan Municipality
- Komatiland Forests (Pty) Ltd (SAFCOL)
- Department of Arts and Culture
- Mountain Top Production
- IBA Global
- David Tlale Foundation
- Big Brands Media
- Department of Public Works
- Flemish government
- SEFA

Programme Area 5: Governance				
Strategic objective	Key performance indicator	2016/2017 Target	2016/2017 Actual	Reason for variance
To establish a credible, efficient and effective organisation	Efficient and effective IT systems to support youth development	Implementation plan of Phase 2: Implement 70% of ICT architecture  Evaluation of the roadmap implementation	Phase 2 implemented 70% of ICT architecture implemented  Roadmap implementation evaluated and report produced	Year-to-date target was achieved, as Phase 2 of the ICT architecture was implemented and the evaluation report submitted
	Review of identified policies, guidelines and processes for increased efficiency	Evaluation of the roadmap	Roadmap evaluated and report produced	Year-to-date target was achieved, as the evaluation of the roadmap was completed
	Number of staff who received training and capacity-building to enhance staff performance	380 employees trained	595 employees trained	Year-to-date target was met and exceeded, due to LYO training and organisational reorientation of staff
	Number of young people receiving information on youth development through NYDA access points	1 320 000 young people	1 444 466 young people	Year-to-date target met and exceeded, due to an increased number of young people who visited NYDA branches
	Number of information dissemination access points operationalised	33 information dissemination access points operationalised	35 information dissemination access points operationalised	Year-to-date target met and exceeded, due to the implementation of the internship programme, which contributed to the operationalisation of additional access points

# OVERVIEW OF THE PUBLIC ENTITY'S PERFORMANCE

During the year under review, 70% of Phase 2 of the information technology roadmap was achieved, as the following were delivered:

- Definition and implementation of an IT department organisational structure
- Production of a new ICT structure, roles and responsibilities
- Structuring of performance management around documented roles and responsibilities
- Implementation of service desk management
- Definition of incident categories and resolution timeframes for each category
- Submission of incident reports and stats from CRM
- Feedback to users on the status of calls logged throughout the resolution process
- Implementation of incident and problem management
- Submission of an incident management and problem management procedure manual
- Identification of a list of major incidents and their root causes
- Development of data and information security policies
- Development of information security awareness presentations
- Implementation of security awareness training programmes
- Production of a server control list
- Development of a firewall process and procedure manual
- Development of a formalised antivirus policy and patch update manual
- Regular internal and specialist external security reviews
- Production of an internal and external firewall report
- Production of telephone usage reports
- Production of a list of IT assets (hardware and software)
- Production of asset inventory and lifecycle data
- Procurement of an IT asset management system
- Development of an IT asset management procedure and disposal policy.

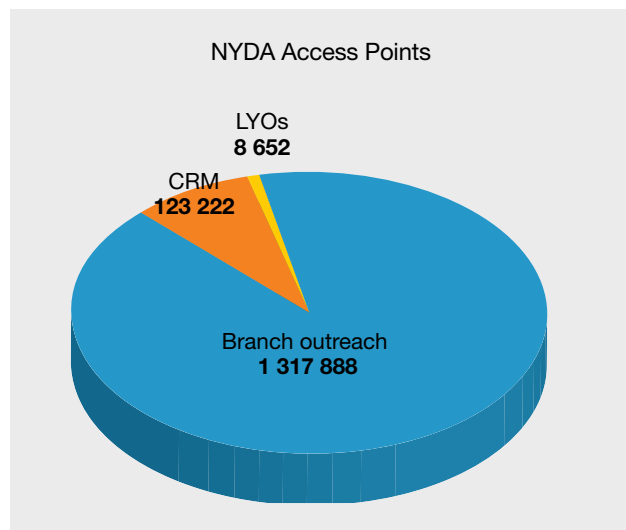
In the year under review, the evaluation of the roadmap report was finalised and the policies listed in the roadmap were reviewed.

Overall, 595 employees were trained. The number included the NYDA staff, interns and LYO staff. There was a high demand for training and capacity-building within the Agency. This was due to staff being placed in new positions and HR being responsive to meeting their training demands.

The following training was conducted:

- Staff orientation
- Product training
- HR premier module
- Finance and payroll
- SCM training
- Customer service
- Performance management.

A total of 1 444 466 young people received information on youth development through NYDA access points. Most (92%) of the young people received information through the NYDA branches and outreach events carried out by the NYDA branches, while 8% received information from the NYDA Customer Relationship Management (CRM) system and 0,41% received information from the LYOs.





In the year under review, the following 35 information dissemination access points were operationalised:

Name of partner	Number of access points
KwaDukuza Local Municipality	1
NADCAO – Kroonstad	1
Ekurhuleni – Daveyton	1
Maphumulo Local Municipality	1
Inqaba Yokulinda – Ratanda	1
Mossel Bay Local Municipality	1
Ntabankulu Local Municipality	1
Greater Kokstad Local Municipality	1
Amsterdam Youth Development Centre	1
Phumalanga Youth Development Centre	1
Khulangolwazi Youth Centre	1
Sakhile Youth Empowerment Centre	1
Steve Tshwete Local Municipality	1
uMngeni Local Municipality	1
Ulundi Local Municipality	1
Makana Local Municipality	1
Inxuba Yethemba Local Municipality	1
Vukukhanye Nawe Youth Centre	1
Mkhambathini Municipality	1
Mathyzensloop Youth Organisation (MAYO)	1
Kilowatt Youth Initiative DC	1
Emakhazeni Local Municipality	1
Babanango LYO	1
Ekulindeni Youth Enviro Club	1
Ekuphumuleni Cultural Village	1
Ekurhuleni – Benoni	1
Dr JS Moroka Local Municipality	1
Kwazamokuhle Youth Movement	1
Imbabazane Local Municipality	1
Impendle Local Municipality	1
NADCAO – Hennenman	1
Siletha Ubuntu Youth Development Centre	1
Siphumelele Youth Centre	1
Alfred Nzo District Municipality	1
Newcastle Local Municipality	1



# PARTNERSHIPS FOR YOUTH DEVELOPMENT

In the South African socio-economic landscape, the private sector continues to feature prominently in the task of ameliorating social challenges, including that of youth development. This, the private sector does through contributing funds to different social causes that need to be addressed. The involvement of the private sector in addressing social issues does not only assist to develop its own market, but also helps the sector entrench itself in the communities that buy its products and services.

In the course of each financial year, the NYDA engages companies in the private sector with the intention of establishing partnerships that will benefit youth development at large. The NYDA considers the involvement of the private sector as very important in dealing with the challenges faced by young people. In this financial year, the NYDA has partnered with amongst others Adcock Ingram. The purpose of this partnership is to support and empower the youth of Tembisa with information relating to substance and drug abuse, as well as providing information about how youth can establish their own businesses or find employment.

Another example of a working partnership between the private sector and the NYDA is the partnership with Lekhwethi Communications. In this project, the NYDA has supported the creation of the Buddibox project. The purpose of the project is to provide a point to point retail distribution network in different townships in South Africa. In this process employment opportunities will be created for youth through them owning and operating tuk-tuk vehicles that will be used to distribute retail products in the township.

The NYDA is also working with Tocasa Media. Tocasa Media has established and runs the annual Green Youth Indaba. The purpose of the Green Youth Indaba is to provide a platform for all the participants in the green economy to come together under one roof in order to support youth in the green economy space. The Green Youth Indaba has been a great success over the years and continues to be, and the NYDA is delighted to part of this great and important youth event.

Another partnership that was a success was with the David Tlale Foundation, where NYDA supported the initiative that assisted young designers to showcase their work to members of the Media, Fashion Industry and profiled their talents. The platform also brought about growth and possibility of having “The Intern by David Tlale” to become a reality show on SABC.

The NYDA equally worked with Mountain Top Productions and the SABC through a “One Day Leader” show. One Day Leader is a reality series that engages and educate young South Africans between the ages of 18 to 25 years on social, economic, and political issues of the country. Six young leaders are chosen from different communities, a specific community is identified, each week they are given a topic a theme that has a direct impact to the chosen community. These young people must find implementable solutions to the problem affecting that community. They must bring their vision to the studio; they must defend it and sell it to the viewers and the live audience. This series educates and entertains through a medium that grabs the attention of young South Africans today, namely reality television.

The NYDA will continually encourage the private sector to collaborate with it in order to support the development of young people at large. In this light, the NYDA held its first private sector forum. The purpose of this forum was to engage the private sector to determine who the NYDA can respond to it and assist it in the implementation of its CSI and social and community development projects. This engagement forum was a great success and the NYDA will hold it annually as part of its effort to work with the private sector in the task of assisting and empowering young people.



# NATIONAL YOUTH SERVICE REPORT



# NATIONAL YOUTH SERVICE REPORT

During the period under review, the National Youth Service Programme (NYSP) was elevated to a priority programme of the NYDA to extend its reach to marginalised communities and youth in rural areas. The programme engages youth in skills development and volunteer opportunities with a view to enhancing and mainstreaming their participation in society. The NYSP further aims to enhance the participation of young people in activities geared towards promoting social cohesion and nation-building. The National Youth Service Unit (NYSU) located in the NYDA has been tasked with the responsibility of overall coordination of the NYSP in all spheres of government, civil society and the private sector. As the coordinating hub, the NYSU has representation in eight provinces, namely Eastern Cape, Free State, Gauteng, Limpopo, Mpumalanga, Northern Cape, North West and Western Cape. These officers are charged with the responsibility to ensure that the NYSP projects in the provinces receive the necessary implementation guidance and coordination support.

In the quest to reposition the NYSP as a flagship programme of government, the NYSP National Coordination Framework was developed to provide clear institutional and implementation mechanisms. The development of the National Coordination framework involved consultations with key government departments, youth formations, as well as civil society organisations. It is due for presentation to Cabinet for approval.

## 1. Anchor Programmes

### *Skills Development Programme*

The skills development programme focuses on youth who are unemployed and those who have fallen through the cracks of the education system. This is a pocket of our young people classified as youth who are 'Not Employed, not mainly Education or Training' (NEET group). This programme area is also known the Category 1 NYS Programme. This is implemented through partnerships with government departments. The benefits for NYSP partners involved with this cluster of youth is that these youth are transformed into available skilled capacity to tap into to enhance service delivery. Young people in this category are given the opportunity to access the following:

- Accredited training leading to nationally recognised certificates upon the completion of training
- Community service directed towards marginalised and rural communities
- Exit pathways that lead to employment, self-employment and, further learning.

### *NYSP Category 1 Projects Implemented*

PROJECT NAME	PROJECT DESCRIPTION
Brigade Data Collection Project in Limpopo	Recruited and trained young people to capture data and update reports of opportunities created and accessed by intended beneficiaries in the province. The data capturers were placed in all district offices across the province.
Artisan Development Programme in Limpopo	Recruited and trained young people in building and civil construction covering plumbing, bricklaying, carpentry and community house building. Youth participated in the department's building maintenance and refurbishment programme.
Technical Skills Training Programme in Limpopo	Recruited and trained young people in welding skills as a bridging programme into the department's Artisan Development Programme.
The Youth Brigade Contractor Development Project (North West, Eastern Cape and Western Cape)	Recruited and trained young people in different building and construction trades as part of the June month programme. The youth provided capacity during the construction of houses for the department of Human Settlement as part of the celebration of the 40th anniversary of the 1976 uprisings.
National Rural Youth Service Corps Programme	The programme focused on aspects of discipline, patriotism and service delivery in rural communities. The service and training are determined by the needs of the respective communities and supported by the department's rural development strategy.
The Leeuwkop NYS Juvenile Skills Development Project in Gauteng	Capacity-building and social reintegration programme of young offenders through monitored community service work that benefits neighbouring communities. The project provided opportunities for young offenders to acquire skills and interact with communities as part of their rehabilitation and reintegration back into the society.
Youth Service Programme in Johannesburg, Gauteng	Recruited unemployed and homeless youth to access government services such as applying for ID documents. The project co-operated with self-help groups working to establish small businesses for the young people, so they could achieve economic independence.
The Social Rehabilitation Programme for Blind and Deaf Communities in KwaZulu-Natal	Skills development training in orientation and mobility for the blind. This includes basic computing to enhance opportunities for job placement. The project is for both sighted and blind young people to build coping mechanisms in communities for the disabled youth and the families with members living with disabilities. Training included sign language training.
HIV and AIDS Community Project in the Free State	This is youth skills development in the field of HIV and AIDS prevention, care and support.



Public Buildings and Maintenance Project in Mpumalanga	The project trained young people and enabled them to participate in the maintenance and construction sector with a specific interest in the maintenance of public buildings in the province.
The Youth Brigade Programme in the Northern Cape	The programme was implemented in all five districts of the province. The project sought to engender a disciplined work ethic and an appreciation for doing things for oneself. Participants were encouraged to serve their communities through their on-the-job training and practical work.

## 1.2 The Expanded Volunteer Programme

The second programme area is the Expanded Volunteer Programme (EVP), which is also known as the Category 2 and 3 NYS Programmes. The NYSP EVP creates platforms for youth to participate in community service through volunteerism. These volunteer platforms are created through collaborations with government departments and various civil society partners. The EVP has implemented initiatives such as the 67 Minutes for Nelson Mandela, where young people are mobilised to take part in projects that range from public health campaigns and the renovation of public benefit infrastructure to environmental awareness and cleaning campaigns.

### NYSP Category 2 & 3 Projects Implemented

PROJECT NAME	PROJECT DESCRIPTION
Nelson Mandela Day celebration	Enabling young people across the country to participate in volunteer activities that serve to contribute to community development with a bias towards marginalised communities
Volunteer action with TVET students in various provinces	The project mobilised TVET students across the country to become involved in the maintenance of public amenities such as community halls and the maintenance of sports facilities across the country
Volunteer activities with learners in schools around the country	The project mobilised school learners to become involved in the painting of schools, community halls and orphanages across the country
Out of school youth engaged in community development	Community development action focused on keeping orphanages and old-age facilities across the country clean
Health awareness campaigns for out-of-school youth	Sports tournaments focused on re-affirming positive health attitudes in partnership with community clubs
Sanitary Towels Campaign	The distribution of sanitary towels to young women in marginalised communities to enable them to stay in school, thereby promoting better academic achievement for young women
Peer-to-Peer Community Dialogues	The mobilisation of university students to engage with out-of-school youth in marginalised communities in dialogue on community development issues
National Student Financial Aid Scheme Campaign	A campaign focused on enabling Matric students to apply for financial assistance for the 2017 NSFAS academic year. The campaign reached rural learners who had never heard of NSFAS before
NYSP Category 1 youth participated in community development activities	Participants in the NYSP Category 1 projects were engaged in giving back to their communities with their newly acquired skills

## 2. Special Projects of the NYSU

### 2.1 Flemish Cooperation

The cooperation with the Flemish government started in 1996. A review of the cooperation was conducted in October 2014 which produced the vision “Up scaling and promoting youth volunteering in civil society organisations in South Africa”. The spirit of the new vision is to consolidate and stimulate youth volunteer initiatives within the civil society sector. The cooperation framework is for 5 years commencing in 2015 and ending in 2020 with the following building blocks:

- **Capacity Building**, which enabled the development of Volunteer Management Toolkit which is printed in Zulu, Xhosa, Sesotho and Venda and it is used for training NGO’s to better manage Volunteer work.
- **Knowledge Generation**, wherein there is a continuous process of researching and studying volunteer landscape in South Africa focusing specifically on Opportunities and Weaknesses.
- **Marketing and Communications**, an online database is continuously maintained to profile available volunteer opportunities. To further ensure that the online database and volunteer activities are promoted a Communications and Marketing Strategy and its implementation plan was developed to be rolled out in the 2017/18 financial year.
- **Lobby and Advocacy**, drawing from the research report on the volunteer landscape in South Africa, development of volunteer policy is needed to guide funding mechanism that will ensure long-term sustainability of the volunteer programme.

# NATIONAL YOUTH SERVICE REPORT

## **2.2 Namibia – South Africa Exchange Programme (NSEP)**

This is an exchange programme between South Africa and Namibia whereby 20 young people from South Africa and 20 young people from Namibia are afforded an opportunity to learn different skills. The 40 young people got an opportunity to spend 6 months in South Africa learning Facilitation Skills Training and Youth Development Foundations. Upon completion of the training, they are placed in NYDA branches as interns. When in Namibia, for 6 months, the 40 youth received training in different technical skills and undertook community service across Namibia. In the next financial year NYSU staff will embark on a study tour to benchmark the implementation of National Youth Service Programme with the Namibian counterparts.

## **2.3 Collins Chabane School for Artisans**

The NYDA continues to run the school as a pilot with 50 young people recruited in the Pietermaritzburg area of Msunduzi Local Municipality. The municipality is a strategic partner in the project. It is envisaged that these recruits will be graduating from the school at the end of 2017/18 financial year. The school serves as a powerful beacon of hope to our people and honours the memory of the great son of the soil, Mr Collins Chabane.

## **2.4 The Young Patriots Programme (TYPP)**

This is a project implemented in partnership with the Department of Arts and Culture which seeks to engage young people in the promotion of patriotism, nation building and social cohesion. The project recruited 300 young people across the country who were involved in verifying the state of South African Flags in all the public schools across the country. These young people are also expected to promote National Symbols amongst community members as well as school children across the country. Prior to engagement, the participants were taken through NYS Orientation and Mental Toughness programme.

## **2.5 NYSP National Coordination Framework**

The NYSU embarked on a consultation process for the development of the NYSP National Coordination Framework with government departments, civil society and private sector. The aim of the framework is to create a platform for the institutionalisation of the NYSP coordination and the capacitation of the NYSP partners as the programme is taken to scale. The NYSP National Coordination Framework is now ready for presentation to Cabinet for approval.



# NYDA OPERATIONS



# NYDA OPERATIONS

## Service Delivery Points

The NYDA has fifteen (15) full service branches located in all nine provinces in South Africa. The Agency has further partnered with local municipalities and establishing Local Youth Offices (LYO's) that serve as information dissemination points.

In terms of accessibility, the Agency plans to be in all district municipalities through our LYO partnership strategy so that the Agency can reach more young people. The plan is to also launch a mobile application that will enable young people to access our products and services. NYDA is already providing much needed online career guidance support to students for free through the website with partners. All branches have free wi-fi to enable young people to access the internet for free.

## Rural Reach & Development

In addressing these challenges, the NYDA has implemented a number of initiatives through community development facilitation in rural areas that support youth cooperative development. The approach uses an asset based community development model where young people in rural communities are empowered to be at the center of their development needs. This approach also enables the organization to be accessible to young people that would ordinarily find it a challenge to visit NYDA branches. Through the outreach programme, the Agency is constantly visiting communities in order to share with them the products and service offerings.

## Entrepreneurship Development

The youth constitute approximately 41,2% of the South African population, but the number of young people involved in entrepreneurial activity remains extremely low at 6% of the total youth population. South Africa's Total Early-Stage Entrepreneurial Activity (TEA) index, which currently stands at 8,9% youth, contributes a mere 10%, representing 0,9% of the total TEA index. Therefore, there is no doubt that accelerating entrepreneurship among young people will have a positive impact not only on the social plane of bringing equity in the economy, but also by raising the levels of the overall economic indicators of South Africa.

In response to this, the NYDA through the Division of Programme Design, Development and Delivery (PDDD) is implementing a number of Economic Development initiatives that are aimed at supporting the participation of youth in the main stream economy through entrepreneurship development. The promotion of youth owned enterprises is an important and significant strategy for fostering economic participation amongst young people. For many young people employment opportunities in the existing public and private sector are insufficient to meet the demand. Additional employment creation opportunities must be found in the emerging SMME sector. As young people consider entrepreneurship, however there are many barriers to entering this space ranging from lack of technical skills required to starting and growing sustainable businesses, to lack of capital to finance the business and lack of mentorship among other factors making it difficult for young people to flourish as successful entrepreneurs.

The NYDA has assisted a number of entrepreneurs through the Grant Programme to start and grow their businesses. In the previous evaluation of beneficiaries that benefited from the programme in the 2014/15 financial year, the NYDA recorded a sixty-six percent (66%) business sustainability rate. The beneficiaries who are older than twenty-six years of age have a higher sustainability rate compared to their younger peers. This further strengthen the case that with the right kind of support young people are able to operate and manage successful enterprises. There is a need to expand this programme to more young people in order to address the challenges faced by the South African youth.

## Skills Development & Education

In the Skills and Education sector, the NYDA has partnered with a number of Sector Education and Training Authorities to address the technical skills challenges faced by the youth. Young people that participate in these programmes also receive stipends which enable them to meet their daily needs. It is estimated that in South Africa on average a salaried employee supports approximately four people with their income. This intervention provides much needed relief whilst addressing long-term skills development needs of the country.





The Agency are now in a process of integrating beneficiaries of this programme to our economic development initiatives in order to improve sustainability. The NYDA is further expanding this programme to include beneficiaries across all nine provinces of the country. A number of young people have also benefited from the Solomon Mahlangu Scholarship fund which is proving to be one of the largest scholarship funds in the country. This scholarship fund favours financially needy students who on average achieve more than seventy percent pass rate at matric that would under normal circumstances have limited access to tertiary education. The fund enjoys a ninety percent pass rate of students who are enrolled in public universities across the country.

### **National Skills Fund (NSF)**

The NYDA continues to derive great value from the partnership with the NSF. The NSF took over funding of 115 Solomon Mahlangu Scholarship Fund students in 2014 and continues to fund those who progress satisfactorily. Out of the 115 students, 85 are still being funded by NSF for the academic year 2017.

Of the other 30, the majority graduated, whereas some others were suspended due to them not meeting the passing criteria. This relationship eases the burden on the limited funding of the NYDA with regards Solomon Mahlangu Scholarship Fund.

### **Services SETA (SSETA)**

A partnership was established between NYDA and SSETA whereby in the financial year 2016/2017, graduate interns were placed at NYDA Head Office and at the Local Youth Offices. The programme started in April 2016 with 210 interns participated and ended in March 2017 with a total of 185 interns – a number of them accepted job offers before the end of the internship.

Preparations are underway to start an Apprenticeship programme for over 600 young people, focusing on skills in construction. Candidates will receive theoretical training and workplace experiential training for the duration of 3 years, after which a Trade Test will be written.

The next section highlights the beneficiaries of some the NYDA programmes.

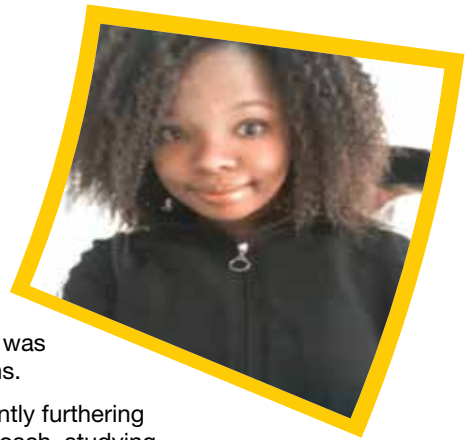




# BENEFICIARY STORIES



## Solomon Mahlangu Scholarship Fund (SMSF)



### Gomolemo Tlhale

I am a hardworking, committed aspirant Chartered Accountant who matriculated last year at Ferdinand Postma High School I have a keen interest and passion for the accounting industry. I have had a love for EMS at a young age and accounting was my favourite subject to which I have consistently produced a number of distinctions.

In ten years' time I want to see myself being one of the voices of Africa. I am currently furthering my studies and developing my passion for accounting at the University of Stellenbosch, studying BAccounting, which is a three year degree and one year honours.

The Scholarship will help me to change my future and, I hope I will be able to change the future of those around me. I believe that SMSF is an excellent initiative that believes in developing talent of the youth.



### Kelebogile Morweng

I am doing a BHSc in Medical Laboratory Science. It is a four-year course. I found out about the SMSF when I was searching for bursaries on the internet. I then applied for it on the student portal website. They then contacted me asking for the necessary documents.

NYDA has been very helpful in assisting me wherever I needed. They answered all my questions when I call them and they have helped me reduce the stress of how am I going to pay for everything. Kelebogile is a Cape Peninsula University of Technology student and it's her first year at University.

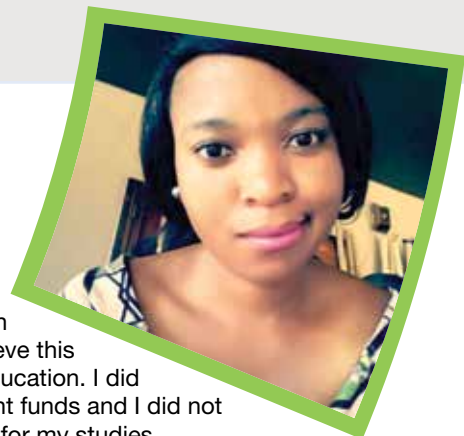


### Anele Peter



I wanted to go to university to further my Accounting studies so I could be an educated and empowered black woman in future. What would help me achieve this and also better prepare for my Accountancy career was getting university education. I did not know how I would pay for my studies; however I applied for many student funds and I did not receive any feedback and I was starting to lose hope of ever getting funding for my studies.

I saw a post on Facebook about the Solomon Mahlangu scholarship fund a few days before its closing date and I decided to apply and my application was successful. I am now a full time BCom accounting student at University of Fort Hare and my course will take 3 years to complete. The NYDA Solomon Mahlangu Scholarship Fund helped me by paying for my tuition fees, residence, and food and for my textbooks. Had it not been for the NYDA SMSF I would not be studying this year, I would like to thanks NYDA for this opportunity to fund my studies.





## Rebakakgosi Ronald Mohutsiwa

I am currently studying towards a National Diploma in Mechanical Engineering and I am pursuing it at the Central University of Technology, Free State. It takes three years to finish the afore-mentioned qualification. When I started, I was lacking funding and it was then that my friend's sister took my particulars and applied online, on my behalf, for the Solomon Mahlangu Scholarship Fund in January 2016. This was my first time applying for the SMSF.

I received the scholarship in February/March 2016. Since I have been the recipient of the SMSF my only worry now is doing well in my academics so that I achieve my dream of being a Mechanical Engineer.



## Thabo Djoye Godfrey

I am 19 years-old from a small town called (Rammolutsi) Viljoenskroon in the Free State province. I surely remember that during January I was thinking about my future and everything seemed dark, all the funding companies rejected my application and my only hope was NYDA, what got me worried about NYDA was that they had already sent me an email saying that my chances of getting the funding are slim since they needed proof of registration in February

Late in March I received an email from the NYDA informing me about my successful application I was extremely happy and the only thing got me worried was books, but with amazement NYDA sent money for my books on the intelimali account. The following day I was able to buy for my semester and I am truly grateful for the NYDA SMSF, without you my future would have been thwarted from prospering, I mean I was ready to give up but you guys assisted me right on time and right now I am a proud student studying B.Sc. Chemistry with mathematics (3 year course) at the University of Cape Town.



## Mompoti Eroid Keetile

Mompoti Eroid Keetile, 19, currently studying (BSc) Computer Science and Mathematics at North West University Mafikeng-campus, which is a four-year course. He is funded by the Solomon Mahlangu Scholarship Fund of which he heard of it from Vryburg Mini-Garona government offices the time he was looking for funding.

Mompoti went on to do his research on the bursary and noticed he was the right candidate and applied for it, a month later he got a response from SMSF-NYDA saying he is the right candidate, so he will be funded. Since then he never studied on an empty stomach or had shortage of stationary or being worried of how he will pay for his studies all thanks to SMSF-NYDA.



# Solomon Mahlangu Scholarship Fund (SMSF)



## Piter Nhambe

My name is Piter Nhambe. I was born at Ntunda trust, a small village in Mpumalanga province under Nkomazi municipality. I am a boy of 28 years old. I heard about NYDA at Ntunda youth advisory centre. NYDA usually come to Ntunda youth advisory centre to teach youth about different skills and how to market yourself to be successful in life. I heard about the SMSF from Ntunda youth advisory centre. I got the application form from reception at the centre in Ntunda. After reading the form I decided to visit the NYDA website where I applied for the scholarship online.

I received a phone call from NYDA late January 2017 where NYDA wanted to confirm which university have I registered because from the information I gave them when I apply the was UJ and UCT which I confirm that I registered at UJ. I also received an email during February from NYDA requesting supporting document and proof of income which I did sent it. I was happy when I received an email from NYDA confirming that I am awarded SMSF. I hope I will be able to finish my Bachelor of Engineering Technology Chemical at the University of Johannesburg in three years since it is a three years degree course.

Thank you NYDA for giving me a chance to fulfil my dream.

## Oliver Makoa



Oliver Makoa was born in Kimberley and attended school at Emang Comprehensive School. He is a recipient of the Solomon Mahlangu Scholarship. He was selected as one of the Top Achievers within the province for the class of 2015. Oliver is currently studying BCom Economics at the University of the Free State.

## Joy Mokgoroane



My name is Joy Mokgoroane. I am currently studying BSoc doing my 2nd year at the University of the Free State and it is all thanks to the NYDA Kimberley branch for assisting me to get the scholarship from Northern Cape Social Development. The NYDA inspired her to reach out to the communities to make a difference in people's lives, by applying research and finding solutions to social ills.

## Duane De La Fontaine



Duane De La Fontaine from Upington had already started working to save up for his tuition fees after realising his family could not afford to take him to varsity.

Duane was happy to hear that the NYDA had awarded him the NYDA Solomon Mahlangu Scholarship. This followed his achievement of a 66% average on his Maths and Physical Sciences subject upgrades through the NYDA NSC 2nd Chance Programme.

He is enrolled for Mechanical Engineering at the University of Cape Town. "I am super excited. I needed that one opportunity to unlock the doors to my education." – said Duane De La Fontaine

## Nadine Vries



Eighteen-year-old Nadine Vries from Kimberley says that she was very disappointed to learn that she had not achieved a university entrance after writing her matric exams in 2014.

"There was nothing that I could do though. I had to move on and accept my mistakes. After enrolling into the NYDA Second Chance Matric Rewrite Programme things became easier and I ended up having lots of fun, especially in the Maths class," she said.

Vries said that she has always wanted to study towards a Bachelor of Science Degree.

"My mother works in retail and supports my three siblings and I so I have applied to NSFAS for funding for my university fees," she said.

Vries has since been awarded a NYDA Solomon Mahlangu Scholarship to cover her fees, accommodation and books. She is currently studying at the University of the Free State.

## Angelique Booysen

Angelique Booysen is a Solomon Mahlangu beneficiary, studying BA Humanities at the Sol Plaatje University, currently in her third year and planning to delve more into humanities, through furthering her studies to specialise or enrolling for an internship in the public sector to gain more experience in social development. The NYDA inspired her to reach out to communities to make a difference in people's lives, by applying research and finding solutions to social ills.



## Grant Programme

### Citrus Green Solutions

Musa Dikobe



Musa Dikobe established Citrus Green Solutions in 2009, a cleaning company operating in the Nelson Mandela Bay. The business offers eco-friendly services with expertise in the food and manufacturing industry such as high-rise cleaning, manufacturing, plant and warehouse cleaning, pressure cleaning and office cleaning.

The business currently employs 32 people who service the company's clients. The company has also secured contracts with South African Breweries, UTI, and Scribante Concrete.

Citrus Green Solutions is one of the few companies in the Nelson Mandela Bay that offers eco-friendly services in the automotive and food industries. It is an International Organisation for Standardisation (ISO) approved for its cleaning procedures, reporting systems and health safety consciousness.

The company received the NYDA Grant Fund to the value of R46 200 for equipment and cleaning materials, as well as assistance from the NYDA voucher programme for marketing, which has assisted significantly.



### Makgosi Creations

Motlalepule Motlolometsi

Motlalepule Motlolometsi is the owner of Makgosi Creation, Makgosi Creation is a business that operates from Bloemfontein, and she is the second born of 3 siblings with both parents who are still alive. After she matriculated she went on to study HR at Motheo TVET and continued her studies at University of Free State where she studied B.com in Human Resource Management. Makgosi Creations started operating informally in 1998, and the following year she won a Competition which gave her an opportunity to represent South Africa in Germany.

"This experience would play a role in developing her love for the business and since then she never looked back she says".

In 2004 she started to showcase her work through attending Local Exhibitions Shows which introduce her work to bigger audiences.

According to Motlalepule her business is currently supplying the following with her merchandise:

1. Joyce Beads Work (China Mall, Johannesburg)
2. The Collectables (Lesotho)
3. Ntozinhle Accessories (Soweto, Johannesburg)
4. Victoria Market – (Durban)
5. Beads Pop UP Store (Swaziland)

When asked about how her journey with NYDA came about, she indicated that she came into the branch (Bloemfontein Branch) and enquired about products and services offered by the agency (NYDA) and she was later assisted to apply for funding.

Motlalepule has received a grant to the value of R50 000 and employs 6 people including herself and 4 interns.



## Grant Programme

### Silverback World Infrastructure

Shadreck Sithole



Shadreck Sithole's journey started when he was the youngest person to head the roll-out of Fibre at Eagle Service. A few years later, he then moved to heading up accounts for well-established companies such as MTN, Neotel and Vodacom.

After four years in the corporate world, Shadreck (32) could no longer ignore the burning desire to build his own fibre optic legacy. His desire to build a company, combined with the decision to take a leap of faith in his capabilities brought about registering his own company called Silverback World Infrastructure.

This is an establishment where he takes pride in knowing that with every new opportunity presented to him, he can assist other young minds to achieve their goals. Silverback World Infrastructure is a 100% black youth-owned company, focused on offering a variety of services such as IT support, network design and cyber security. The business has been operating for three years.

After a successful application process for the NYDA Grant Programme, applied for at the Agency's Johannesburg branch, he was given an NYDA grant to the value of R43 999.94 to purchase equipment, as well as a business plan voucher to assist his business. The business currently boasts 27 employees.

"My dream of building a legacy that generations long after I have gone can continue to build on and be proud, keeps me focused and motivated. I will not only change South Africa, I will move the entire continent," said Shadreck.



### Sentifique Creations (Pty) Ltd

Sandile Dube



Sandile Dube is a 34-year-old from Pietermaritzburg who has a degree in Education. He resigned as an educator in 2014, with the main purpose of directing his entire focus on his own business which was already in existence at the time. His manufacturing business, Sentifique Creations (Pty) Ltd started as a result of his interest in leather products and the need to explore new designs that would appeal to clients. Sandile wanted to express his art through leather-made products.

As such, the business manufactures leather products, ranging from travel bags, laptop bags and ladies handbags to cushions for home couches. Along the way, Sandile experienced challenges with maintaining and expanding his business.

These were due to lack of funding and technical training that would contribute to sustaining the business. Additionally, he was also uninformed about the possible funders that would assist in growing his business.

It was through an outreach event held at uMsunduzi Local Youth Office that Sandile came to know about the products and services of the NYDA. He registered and participated in the Entrepreneurship Development Programme (EDP).

Later, Sandile applied for the NYDA Grant Programme, which was approved to the value of R48 546.10. He also received the NYDA's Voucher Programme to assist with marketing and creating a website for his business. The intervention of the NYDA has contributed enormously to providing start-up materials and manufacturing equipment, which has enabled the business to produce large quantities and improve the quality of its products.





## Sweet Gift Bakery & Catering

Siphokazi Magcoba



Siphokazi Magcoba founded the Sweet Gift Bakery & Catering that she established when she was still studying at the University of KwaZulu-Natal, selling muffins to fellow students and lecturers.

The business grew to a point of being allocated a space within the university's premises, where she sold a variety of cakes and other confectionery products. This resulted in her engaging other students and taking the initiative to train them to bake during the evenings.

The business supplies its confectionery to home industries, restaurants and also provides catering for board meetings. Siphokazi approached the NYDA Johannesburg Branch for assistance in expanding her business. She was then included in the NYDA's Mentorship Programme, assisted with a Voucher Programme and the NYDA Grant Fund, valued at R44 581.05.

As part of the NYDA Business Support Services, Siphokazi has recently been allocated a qualified Chartered Accountant (CA), who has been assisting her with updating her Business Plan and finances. This form of intervention has had a major impact, as the business is now able to cater for big events. As such, the business has catered for companies such as Sanlam, Ubuntu-Botho Investments and other corporate companies and government divisions.

"Do not be scared to follow your dreams, passion and to make use of your talents, no matter how hard it may seem. Be encouraged to contribute to the country's GDP by being an employer who will also contribute in decreasing the unemployment rate amongst our youth," Siphokazi asserted.

The business currently has two employees and one of its long-term goals is to hire more young people.



## Drop Financial Consultants

Pule Moekoa



"Don't lose hope on the NYDA and more importantly, stand up for what you desire to be. Don't underestimate the opportunity available by not doing anything with your life."

Pule Moekoa (34) expressed these words as a contribution to encouraging and uplifting other young people. His statement above is based on his background, as well as personal experience with the NYDA. He is a highly driven, passionate and determined young person who runs Drop Financial Consultants as his business. Pule's business currently has four employees.

He has four siblings and they were all raised by their single mother. Moekoa was pushed and motivated by his poor background. He saw an opportunity in the lack, his deprived situation made him know exactly what he was missing and that intensified his passion and determination. Having a business was always one of his primary aspirations.

Initially, this young person encountered enormous challenges during the early stages of establishing his business. He realised that he needed more resources such as office equipment, in order to ensure the smooth running of the business. He then decided to visit the NYDA Bloemfontein Branch, where he applied for a Grant Fund.

As such, he qualified for and was awarded a NYDA Grant fund of R45 665 and working capital of R4 000. His business then started to have such an impact on the community that he was contacted by radio stations to motivate other young people. Moekoa states that he is grateful to the NYDA because he is able to plough back into the community and to create jobs for other people as well.

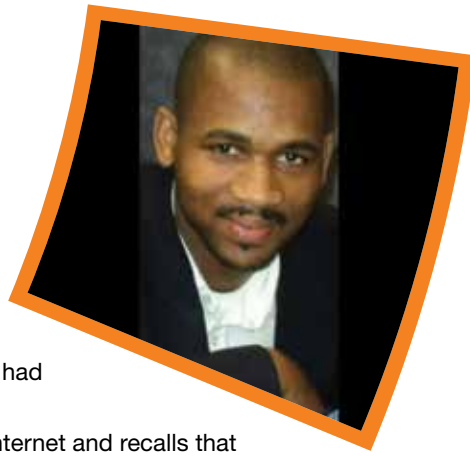
Drop Financial Consultants has a newly established branch in Sandton. "I am planning to grow this company to the level of the big four accounting firms in the globe," Moekoa added.



## Grant Programme

### Malux IT Solutions

Sibisiso Malambule



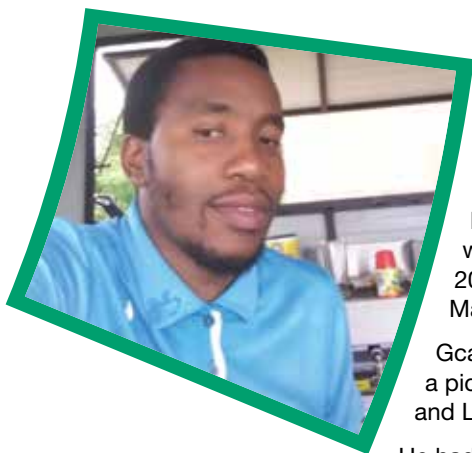
“Never give up on your goals, despite your background,” are the inspirational words of a 29-year-old businessman, Sibisiso Malambule who lost his father at the tender age of seven.

Raised in rural KwaZulu-Natal by a widowed single parent, Malambule, saw a need to improve the living conditions in his home. “The reason I decided to start a business was because of lack of job opportunities. I also had no work experience to access job opportunities,” says Malambule.

In his quest to start his own business, Malambule found the NYDA on the internet and recalls that the one thing that stood out about the organisation was its willingness to assist aspiring entrepreneurs who are underprivileged just like him.

The NYDA assisted Malambule with a grant worth R50 000 for his IT business, Malux IT Solutions. Transnet and SEDA also played a role in kick-starting his business. Malux IT Solutions now employs three full-time employees.

Like any aspiring entrepreneur with a growing business, goals and a vision were put in place. The young IT company founder hopes to become a recognised entrepreneur in the IT industry, as well as to help disadvantaged people with the same background like his.



### Thembela Projects and Logistics

Thamsanqa Gcaba



Thamsanqa Gcaba, a 30-year-old young man, from Stanger in KwaZulu-Natal, has demonstrated that no situation can hinder an individual who has a strong willingness to succeed. This attitude prevailed following his car accident in 2008 where he was left physically challenged, which affected his performance in Matric.

Gcaba continued to triumph, even though his physical condition may have painted a picture of complete impossibility in the eyes of many. He runs Thembela Projects and Logistics, a mobile kitchen business that sells food and has two employees.

He had always wanted to have his own business, and his dream materialised when he obtained a school-feeding contract in 2013. He was using a gazebo tent as a shelter for cooking and running of his business at the time. However, the shelter posed a number of challenges, as it could not stand in windy, dusty and rainy weather. The business was also experiencing problems with managing the cash flow to such an extent that it ended up shutting down.

In 2015, Gcaba decided to visit the NYDA where information about the Agency’s Entrepreneurship Development Programme (EDP) was also shared. He later applied for the NYDA Grant Fund to buy a mobile kitchen and it was approved to the value of R42 568. The trailer was designed according to his specifications, in order to allow him easy access and movement with the wheelchair.

He has also applied for the NYDA Voucher Programme for branding and is currently waiting for assessment. Thamsanqa serves as an inspiration to other young people. He often receives invitations from various community members, schools and organisations to publicly share his story and give hope to others.

“I want to create a platform of hope in my family and community. There are many opportunities that the government has created for the youth. It is a matter of seeking more information than entertainment,” said Gcaba.

## Malashe Agricultural Co-operative



Malashe Agricultural Cooperative is an agricultural enterprise that was established on 1 August 2014. The business is situated in Plaston (Mpumalanga), White River farming area, and is owned by six young people. The co-operative specialises in the cultivation of vegetable cash crops and pig farming. Prior to the NYDA's intervention, the business encountered enormous challenges that hindered the growth and potential of the business, such as the lack of resources needed for enhancing and maintaining production levels.



This then undermined the abilities and efforts of the owners. The shortcomings involved poor infrastructure, lack of proper operating premises (office space and store-room), a poor irrigation system and lack of water reservoirs (for water storage and harvesting). Malashe Agricultural Co-operative qualified for and received a R50 000 NYDA Grant Fund, in order to improve and expand their business.

In addition, the co-operative members were provided with training on business start-up skills workshops to enable them to optimise their production and sustain the business. This assistance has brought about positive change and remarkable development of the business, which ensured sustainability and has given way to the creation of new opportunities for community members.

As such, the co-operative has managed to negotiate and secure services and products from relevant suppliers. The business has also been able to increase its turnover.

The business currently has two employees and one of its long-term goals is to hire more young people.

## Vhu-matshelo Crop Farming

Lutendo Ramahala



Lutendo Ramahala is a 28-year-old young man who believes that the farming industry is still dominated by the older generation and needs more young people involved in the sector.

Lutendo and his five partners identified an opportunity within the agricultural sphere. They collaborated to form Vhu-matshelo Crop Farming, a co-operative which specialises in growing butternuts and carrots. The main objective was to create an environment where more young people could actively take part in agriculture and disprove the stereotype that farming is meant for older people. They wanted to demonstrate to other young people that the possibility of success exists for youth within this space. The co-operative is comprised of six members: three men and three women.



The need for extensive assistance and intervention from established organisations arose as the team's vision broadened. Subsequently, Lutendo was introduced to the NYDA during its visit to the University of Venda, where he made enquiries and later applied for funding for the co-operative. The co-operative received the NYDA Grant Fund to the value of R48 314.93 for equipment to assist with upgrading the irrigation and the fence, which ensured that production would be conducted in secured premises.

Furthermore, the NYDA negotiated with the local municipality, on behalf of Vhu-matshelo Crop Farming, to provide machinery for the cleaning of the thorn-covered vegetation which imposed challenges for the co-operative.

Therefore, this establishment has created six permanent jobs for its directors and is also instilling a culture of learning in the community, as it is currently hosting a Level 2 plant production learnership for 14 students from Vhembe TVET College who are also earning a monthly stipend. In September 2016, the co-operative won a second runner-up prize in the agriculture and agro-processing category in the Eskom Business Investment Competition.

The co-operative wants to create more employment and market opportunities for farmers through agro-processing: growing sunflowers as a major crop, in order to produce cooking oil and margarine.

"We should make farming a trend that will attract other young people, the industry needs more youth," says Lutendo.

# Grant Programme

## Green Africa Group

Lungelo Mabizela



Lungelo Mabizela, a 28-year-old entrepreneur from Howick in KwaZulu-Natal started an electrical repair and maintenance company called Nkuluzavu Trading with his brother. He soon realised that his passion was farming and decided to approach the NYDA through Umgeni Local Youth Office (LYO) for assistance to establish his new agricultural venture.

Having received advice, Lungelo opted to attend the Business Management Training (BMT) Short Course which was held at Umgeni LYO. The course managed to assist Lungelo with costing, research and marketing, which enabled him to pursue his goal of starting his own company Green Africa Group. He planted his first crop of cabbages in Colenso, where he is leasing land using his own capital.

Four months later, he sold his first crop of cabbages to Fresh Market. To date, the business has a turnover of R340 000 per annum and has employed five people, permanently.

Other NYDA Business Development Services (BDS) intervention have been recommended to Lungelo, which will assist the business to operate more professionally in the future.

Lungelo attributes his success to the knowledge he gained during his training facilitated by NYDA.



## National Youth Service

### Testimony by three participants from the NYDA Technical Skills Training Project:

*My name is Kinsley Lesibana Matlou. I was enrolled in the skills development programme. The programme was divided into three phases: Orientation and Induction, Technical Skills Training and Community Service and was for a period of six months. The Technical Skills Training offered was Welding Level 2. Throughout this skills programme, I gained knowledge and practical work experience under SMAW and GMAW which is for level 2 students. I'm confident about the future and I feel motivated that I will carry on providing services to my community and throughout my country even after the training programme. I would like to appreciate the efforts taken by everyone who made it possible that I was granted this opportunity and I promise that with this skill, I will change my life and that of my community members.*



*My name is Lerato Moabelo from Mahwelereng zone 1. I have always thought that plumbing was a male career as I had never seen a woman plumber until I attended the training. At first it was easy, and the theory was so good and enjoyable. We started with practicals, which was the hardest job I ever came across. Doing the blockage was the worst part, but being part of the great team was the best, I started falling in love with it. The best part was installation, I started getting motivated. After all it was the best experience of my life. I am so proud to say I love what I am doing. Thank you for the opportunity, it was worth it.*



### Testimony from an Expanded Volunteer Programme (EVP) participant.

*My name is Kagiso Sephiphi from Ikageng Location in Potchefstroom, I am one of the young people who volunteered to repaint and clean Ikhaya La Bantwana Orphanage here in Ikageng. I would like to encourage other young people out there to get engaged in projects like this one in ensuring that we give our time and service to our communities. This is done to educate other young people that volunteering is important for our development.*



# SOUTH AFRICAN YOUTH AWARDS



# SOUTH AFRICAN YOUTH AWARDS (#2NDSAYA)

“As the NYDA, we are greatly encouraged by the amazing stories and incredible initiatives that these young people are undertaking in their spheres of influence. They are what we call #LimitlessYouth. They have reached lofty heights and continue to dream big. They are indeed an inspiration to many others. I am proud to be a South African today with such a bright future being displayed by these young South Africans. Congratulations to all the Winners!” said Mr Khathu Ramukumba, CEO of the National Youth Development Agency.

The winners are listed below by category:



## Academia Excellence:

**Category Winner:**  
Mokhwetha Mabula

**1st Runner-Up:**  
Khethelo Xulu

**2nd Runner-Up:**  
Thulile Khanyile



## Entrepreneurship:

**Category Winner:**  
Lethabo Mokoena

**1st Runner-Up:**  
Promise Machimane

**2nd Runner-Up:**  
Bulelani Balabala



## Social Cohesion/Civil Society:

**Category Winner:**  
Gugu Nonjinge

**1st Runner-Up:**  
Mfundo Radebe

**2nd Runner-Up:**  
Koketso Marishane



## Health and Wellbeing (including Sport):

**Category Winner:**  
Matreki Mabizela

**1st Runner-Up:**  
Thabo Letsiri

**2nd Runner-Up:**  
Mlungisi Freedom Luthuli



## The Environment (including Agriculture):

**Category Winner:**  
Ntsako Baloyi

**1st Runner-Up:**  
Alumani Netshia

**2nd Runner-Up:**  
Cyprian Gumbi



## Science, Technology and Innovation (including Medicine):

**Category Winner:**  
Nneile Nkholise

**1st Runner-Up:**  
Ludwick Marishane

**2nd Runner-Up:**  
Andries Pretorius



## Extraordinary Champions (Differently Abled Individuals):

**Category Winner:**  
Lebohang Monyatsi

**1st Runner-Up:**  
Lubabalo Tybosch



## Arts & Entertainment (includes Music, Film, Literature and Dance):

**Category Winner:**  
Lucas Tshwane

**1st Runner-Up:**  
Duncan Maphanga

**2nd Runner-Up:**  
Nonala Tose



**Presidential Award (Overall Winner):**  
Nneile Nkholise



# ACADEMIA EXCELLENCE

## CATEGORY WINNER: Mokhwetha Mabula

Mokhwetha Mabula, aged 35, from the Free State, joined the University of Pretoria Mathematics and Applied Mathematics Department in October 2012 as a lecturer. In December 2016, he was promoted to a senior lecturer position. His academic research interests are in Functional Analysis, Banach lattices, Cone metric spaces, Operator theory in Banach lattices and asymmetrically normed lattices.

Mokhwetha obtained a BSc Mathematical Statistics and Mathematics at the University of the Free State, a BSc Honours and MSc in Mathematics at the Witwatersrand University and a PhD Mathematics at the University of Cape Town. He is a full member of the following organisations: South African Mathematical Society (SAMS), Southern Africa Mathematical Science Association (SAMSA) and SAMS-MASAMU. He attended many international and national conferences to present his research works and publishes his work in the International Journal of Mathematics. He has successfully supervised one MSc and one Honours student and is currently supervising three Honours students.

### RECOGNITION AND AWARDS:

#### Year 2006:

- Won the Free State Youth Premier's Awards for Outstanding Achievement in Education.

#### Year 2014:

- Received the University of Pretoria Staff Exchange Bursary for his research visit to Prof Stefan Cobzas, in Romania, Babes-Bolyai University.

#### Year 2015:

- Received a research fellowship to visit the African Institute for Mathematical Sciences (AIMS).

#### Year 2016:

- Won the Adding Value to Teaching Award at the Department of Mathematics and Applied Mathematics, University of Pretoria.
- Obtained University of Pretoria conference funding to attend a conference at Leicester University, London.
- Received University of Pretoria research development funding for young researchers.
- Received knowledge interchange and collaboration funding from the South African National Research Foundation to host the SAMSA Annual Congress at the University of Pretoria.

He is the founder of the undergraduate's Mathematical Research Club, Crypto Giants ([www.up.ac.za/cryptogiants](http://www.up.ac.za/cryptogiants)), where he mentors and encourages students to pursue higher degrees in Mathematical Sciences. He also established a few other projects, namely the Adopt-a-School Project to teach Mathematics to Grade 9 learners and the Mathematics awareness campaign to encourage and recruit high school learners to enrol for a degree in mathematics.

He was the team leader to negotiate the establishment of the Siyanqoba Mathematics Olympiad Centre for township schools in Shoshanguve, Tswane University of Technology. In 2014, he joined the University of Pretoria Mathematics competition, focusing on township schools, and in 2016; he established the tutor room for Mathematics students at the University of Pretoria, to assist with additional consultation.

In May 2017, he visited Prof Oscar Valero at Balearic Islands University, in Spain, and he also attended a conference on Topology, Analysis, Algebra and Categorv Theory at the University of Botswana, in September 2017.



*Dr Mokhwetha Mabula (right) receiving his award from MEC for Education in Gauteng, Mr Panyaza Lesufi.*



# ACADEMIA EXCELLENCE

## 1ST RUNNER-UP: KHETHELO XULU

Khethelo Richman Xulu, a 33-year-old from KwaZulu-Natal, is an enthusiastic aspiring young medical scientist researcher who is currently finishing his PhD dissertation, majoring in Psychiatric Genetics at University of Stellenbosch, South Africa. He was born, bred and matriculated in rural Obuka Traditional Authority outside Empangeni in KwaZulu-Natal. He started and finished his primary schooling at Zibone Primary, a school with only three classrooms in the early 1990s (1991-1997). He went on to complete his Matric at Nkosithandile High School. During his schooling years, he had to endure long walking distances to and from school. In 2002, Khethelo was the Deputy President of the Learners' Representative Council (LRC) in the same secondary school.

Upon finishing his Matric, due to a lack of financial support and necessary information to apply for financial aids, like many young people from underprivileged rural communities, he relocated from his rural village of KwaZulu-Natal and went on to Gauteng to find a job, so that he could raise enough money to register at a tertiary institution.

Indeed, after three years, he have managed to register for a BSc Biochemistry at the University of Zululand, which he completed in 2008 with a First Class Pass, followed by graduation in 2009. While still at the University of Zululand, he participated in different student leadership roles: a house committee member, part of the Society of Biochemistry and Microbiology, and a steering committee member. In 2010, he enrolled for a BSc Medicine Honours in Medical Biochemistry and graduated the same year from the University of Cape Town. While still at UCT, he was selected to participate in a youth leadership forum that sought to encourage young people with high potential to lead their communities and impact their country.

In 2011, he subsequently enrolled for a Master's of Science in Medicine (MSc Med Haematology) at the same University (UCT) and completed his dissertation in 2013 and graduated in 2014. He further enrolled for a PhD in Psychiatric Genetics at Stellenbosch University, where he is currently.

Khethelo has continually been involved in community outreach projects that seek to emancipate young people through education. When he was still at the University of Zululand, he started a tutoring and motivation programme for the learners in Obuka. His personal experiences inspired this, as he wanted to see young people doing well in their education. Since then, he has regularly hosted motivational talks in his hometown and beyond. In 2011, he had the opportunity to represent South Africa in a Global Youth Summit, One Young World, in Zurich, Switzerland. During the conference, he was selected to visit and motivate schools around Zurich, together with the HRH Prince Haakon of Norway, the co-founder of Global Dignity. In the same year, together with young South Africans, under the leadership of South African Chairwoman of Global Dignity and the then CEO of Shanduka, he organised the Global Dignity across three provinces: KZN, Western Cape and Gauteng. He has also taken part in the Brightest Young Minds of South Africa. In 2012, he was selected as part of Top 200 Young South Africans by the Mail & Guardian newspaper. In 2014, he was nominated for the Johnny Walker Nation's Greatest Awards and became a finalist. He has also been featured on the eNCA TV, Against All Odds show.

Khethelo has co-founded Magaeng Developers for Science and Engineering (MDSE) and Dikakapa-Everyday-Heroes, both registered NPOs. These two registered NPOs seek to play their role in encouraging young people to stay at school and use education as a tool to develop their careers. Khethelo, together with his colleagues, has published a motivational book with inspirational short stories. Khethelo is a Tirisano/UCLA fellow and a visiting scholar at the University of California Los Angeles (2016). Awards and scholarships obtained:

### Awards and Scholarships obtained

- 2016 UCLA/Tirisano fellow and visiting scholar
- 2015 NRF Innovation PhD
- 2012 Oppenheimer Memorial Trust (OMT)
- 2011 MSc Research Scholarship University of Cape Town
- 2011 NRF Free-Standing MSc
- 2010 NRF scarce skills scholarship for Honour's studies
- 2008 (third year) Rector's Fund University of Zululand

### Other achievements & recognition received

- 2013 John Walker Sunday Times Nation's Greatest Awards Finalist
- 2012 Mail and Guardian Top 200 Young South African
- 2011 National Leadership Youth Conference -Brightest Young Minds-South Africa (BYM)
- 2011 International Leadership Youth Conference-One Young World- Zurich-Switzerland (OYW)



*Khethelo Xulu with Dr Salome Maswime.*





## Community involvement

- Initiated a tutoring, motivational speaking, mentoring and career guidance project for learners in Nkosithandile High (KwaZulu-Natal)
- Founding member of Bumbanani Youth for Social Change (BYSC) in KwaZulu-Natal:  
This initiative aims to help the community of Obuka Traditional Authority to engage and debate about critical matters affecting their day-to-day life and find solutions to the most pressing community issues. It includes making people aware of opportunities, development, and means to eradicate extreme poverty, particularly youth involvement in community development. It further involves working with different stakeholders, such as traditional leaders, community leaders, government, and partnering with other initiatives serving the same interests in community development.
- Founding member of Magaeng Developers for Science and Engineering (MDSE):  
A project which seeks to motivate rural learners to take mathematics and science subjects, pass them well and enroll for science and engineering qualifications in tertiary studies.
- Founding member of Dikakapa-Everyday-Heroes (D-EH):  
An initiative that embarked on collecting and compiling stories of young and old Africans who have achieved considerably in their fields. The book is published by Juta and Co and is currently rollout out at a few schools in Cape Town to be used as a motivation tool. It is also in the of being made available for sales in bookshops and stores countrywide.



## 2ND RUNNER-UP: Thulile Khanyile

Ms Thulile Khanyile, 28-year-old from KwaZulu-Natal, is a lecturer and PhD candidate at the University of the Witwatersrand (WITS). She is the co-founder and co-director of an NPO, NKa’thuto EduPropeller. She also serves on the Executive Board of an NPO called BSTEP, which stands for Black, Scientists, Technologists and Engineering Professionals. She holds a National Diploma and Bachelor of Technology degree, both in Biotechnology, from the Tshwane University of Technology. Her highest qualification is a Master of Science (MSc) in Medicine Degree from Wits University. Prior to joining Wits, Thulile was employed by the Council for Scientific and Industrial Research (CSIR) in various positions ranging from in-service trainee to PhD Candidate Researcher.



*Thulile Khanyile (right) with MEC Panyaza Lesufi and Dr Salome Maswime, Director: Clinical Research Unit at Wits.*

Thulile is part of international communities such as the Golden Key Honour’s Society, to which the top 15% academic achievers in the world are invited. She was also part of the SOLVE-MIT network which is composed of world leaders aiming to solve the world’s biggest challenges. She is the recipient of the Department of Science and Technology (DST) Women in Science Award (WISA) in 2015 where Minister Pandour recognised her academic excellence in the MSc category sponsored by TATA International. She is also the recipient of bursaries and studentships, particularly from the CSIR and the TATA Foundation.

Thulile has co-authored a peer-reviewed article in the *Journal of Biophotonics* and has co-authored an article in popular science magazine *Quest*. Her research findings have been presented in various local and international conferences, particularly in the United States of America and in France. She has also received numerous travel grants from organisations such as the National Research Foundation (NRF) and the Optical Society of America (OSA). Furthermore, she has received research grants such as the NRF Thuthuka, Wits Faculty of Health Sciences Seed funding and the Medical Research Council (MRC) – Soweto Matlosana Collaborating Centre for HIV/AIDS and TB (SoMCHAT), which are targeted at new and emerging researchers such as Thulile.

Ms Khanyile was part of the AptaMex team which won second place in the Gauteng Accelerator Programme (GAP) run jointly by the Innovation Hub and Emory Business School. She was also a finalist in the Solomon Mahlangu Freedom College (SOMAFCO) Trust, Essay-writing competition which won her an all-expenses paid trip to Tanzania on the OR Tambo Edu Tour in 2014. She was named a mover and a shaker by *The Sunday Times* in June 2016 and was a Nedbank Igniter for the 2016 Talks4Success campaign. She has been featured in various newspapers, magazines and radio stations talking about her work as a scientist and youth in the country. Thulile is passionate about science and believes that the key to economic freedom in our lifetime is emancipating, through education, previously disadvantaged communities residing in all spheres of society.

# ENTREPRENEURSHIP

## CATEGORY WINNER: Lethabo Mokoena

Lethabo Mokoena, a 25-year-old from Daveyton, better known as Lenyora to his friends, is an entrepreneur and BA Corporate Communication graduate from the University of Johannesburg. He is an avid believer in growing the township economy.

He and his two sisters were raised by an unemployed single mother in the East Rand township of Daveyton. He is passionate about youth and skills development, and strongly believes in creating opportunities for his peers.

In February 2015, Lethabo founded WALK FRESH, a boutique sneaker cleaning and shoe care service providing the best care and maintenance for all brands, makes and materials. His services include: sneaker cleaning, suede/nubuck cleaning and refurbishing, leather polishing and maintenance, pick-up and delivery of footwear and sales of shoe accessories. His experience as a black university graduate in the township inspired him to start his own business, and he mainly wanted to address the issue of youth unemployment and the lack of skills in townships.

During his university days, after failing his first year twice, Lethabo was forced to find part-time jobs to pay for his tuition and cover his expenses, or drop out, as his uncle could no longer afford to pay for his education. This taught him to be independent and manage his time.

Coming back home to Daveyton after graduating, and finding some of his childhood friends at the same place he left them was one of the reasons that propelled him to focus on taking the entrepreneurial route more seriously; as this would offer a way for him to effect some form of change and progression in his community.

In February 2015, on the day the idea of WALK FRESH was conceived, he and his friends were sitting at the shops and one of his friends was cleaning his mother's sneakers. After realising that he also had sneakers that he would like to be cleaned, he asked the friend why he was not getting paid for the work he was doing, but the friend did not think it was a viable business to pursue. It was at that moment that Lethabo saw the business opportunity. The following day, he spent the money he had budgeted for transport to get to work and bought cleaning materials. Then he asked some of his friends to work with him. In the first month of business, they cleaned 46 pairs of shoes.

The first few months of business were not that good, however. Since its inception, WALK FRESH had been operating from a backyard, using a bedroom for storage. Everything was hard and the pressure was really high. They were still trying to get their heads around the actual craft of cleaning footwear, since there was no formal information documented anywhere, apart from YouTube videos. Most of the techniques they used were purely trial and error, but this also meant some of their clients' footwear was ruined in the process. Regardless of how cash-strapped Lethabo was, he also had to reimburse the client with a new pair of shoes. This was really stressful, and at the time, he was still working full-time as a brand activator for one of the mobile device manufacturers, which allowed him to inject more money into the business monthly and to pay salaries, since the business was not making any money. On 1 September 2015, after paying salaries and company expenses which left him broke before he could even pay for personal expenses, one of his team member's and childhood friend sent him a text saying he was leaving WALK FRESH to start his own sneaker-cleaning company. He had to pull over on the highway to cry because he felt like the pressure was unbearable.

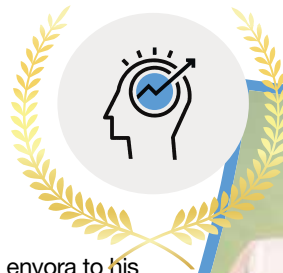
Days later in the same month, Lethabo received a call from KIWI, who was interested in their company. However, they would only be able to work with them after five months. This was when he decided to approach PLUSH, and they were willing to give him free products in exchange for brand/product reports. To recruit more business, he decided to approach Laundromats and proposed a partnership to provide WALK FRESH services to their clients, using their shops as drop-off points.

In January 2016, KIWI invited WALK FRESH to be part of its enterprise development programme and provided the company with financial and non-financial assistance. After scouting their progress and determination, J&B Hive, which is a Johannesburg-based incubator for young creative entrepreneurs, offered Lethabo a sponsorship to build his first store, in November 2016.

Today, WALK FRESH employs four young people full-time, and has seven drop-off points in Johannesburg, Randburg, Benoni and Soweto, handling an average of 250-300 pairs of shoes a month. They are in the process of launching their first flagship store in Daveyton, and have grown as a brand through the support from their community. More importantly, however, Lethabo thinks WALK FRESH works and is still running today because of the 'WHY' behind WALK FRESH. 'WHY' they wake up every morning to pursue this township dream. Many people can ask their helpers to clean their footwear, or take the DIY route, but most people support the business because of 'WHY' they are doing the business.

"Someone would see our work or read our story somewhere on the internet and feel compelled to track us down and bring their footwear to be cleaned by us. Honestly, I think the authenticity of our story is what keeps the business running because even when the days get dark and payroll seems impossible to meet, I still wake up to pursue relentlessly because I always remind myself of 'WHY' I started," says Lethabo Mokoena.

The long term goal for the business is to have franchises of the company around the country.



Lethabo Mokoena with entrepreneur Lebogang Luvuno

## 1st RUNNER-UP: Promise Machimane

Promise Machimane has a BCom in Banking, as well as a Diploma in Project Management from the University of Johannesburg. She is currently studying for a Diploma in Safety Management with Unisa.

She started MIA, a sanitary towels manufacturing company in 2012, and the company currently has eight products in its line. MIA has seven full time employees and 27 main distributors. In total, the company has created 87 jobs directly and indirectly. Promise started the company with only R1 000 and managed to achieve sales of R28 000 in the first year. To date, MIA has a turnover of R10 million per annum as of December 2016. The company also exports its products to four African countries, namely Zambia, Botswana, Mozambique and Lesotho.

In 2017, MIA was selected to be one of the first eight companies to be assisted and trained with getting their companies/ideas franchised, by the South African government through the Department of Trade and Industry (the dti). Currently, the company has three) franchises.

Promise has founded a NPO called the MIA Foundation. The foundation trains youth on how to start and grow their own business with only R150. The foundation also encourages the youth to study about entrepreneurship through providing relevant information.

Promise's goals are to expand MIA by franchising the business across South Africa, creating distributors across Africa, as well as by creating sustainable jobs while motivating and training youth in townships about entrepreneurship.



*Promise Machimane with NYDA CEO Mr Khathu Ramukumba*



## 2nd RUNNER-UP: Bulelani Balabala

Bulelani Balabala, a 31-year-old from Tembisa, is an award-winning young entrepreneur and speaker. He is the founder and executive brand engineer of Intercessor Army Franchising, which is a brand agency that started in 2006. He grew up in Tembisa, where his surroundings and disadvantaged upbringing inspired him to become creative. Armed with nothing but a dream and passion, he started selling the concept of brand development from a township perspective to corporates and other entrepreneurs. His resilience and drive has caused local and international companies to work with him.

He is very passionate about the empowerment of entrepreneurs, and the upliftment of townships. He is a seasoned specialist in the field of brand consulting, brand development, brand strategy and printing. His strategies have helped position companies to attract the clients that they need.

He is incubated at Raizcorp, which is a business incubator that focuses on developing entrepreneurs, systemising businesses through processes and running a functional and profitable business. He has been deemed one of the best sales and networking entrepreneurs in the history of Raizcorp.

He has been blessed to speak at multiple corporate and social events, alongside giants in the speaking arena and business sector. Some of the people he has shared podiums with are Sbusiso Leope (DJSbu), Bill Gibson (USA), Hector Motau, Lebo Gunguluza and Billy Selekeane. He speaks on the following topics: Motivation, Inspiration, Innovation, Creativity, Sales and Marketing, and Brand Development and Strategies.

He is a proud member of the Sbusiso Leope Education Foundation, which is actively involved in township schools. He speaks at a minimum of two schools a week, giving motivation and guidance to students at no cost. On this platform, Bulelani focuses on the development of young black kids with the use of motivation and strategy. He has already spoken at over 300 schools within the Ekurhuleni area and was awarded Best Corporate Citizen in Youth Development by the Mayor of Ekurhuleni, the Honourable Cllr Mondli Gungubele, in 2014.

Bulelani is also passionate about empowering township entrepreneurs through the work that he does in hosting events for Township Entrepreneurship Alliance (TEA).



## CIVIL SOCIETY & SOCIAL COHESION

### CATEGORY WINNER: Gugu Nonjinge

Gugu Nonjinge, a 23-year-old from the Western Cape, is an education and girl advocate who has run a number of campaigns and advocacy work under her NPO, Gugu Nonjinge Education Foundation. She holds a BSc in Mathematics and is a founder of the Numbers Tutorial Programme – a professionally run, weekly educational intervention that engages female Grade 11 and 12 learners in Khayelitsha.

In August 2015, she was awarded the Lead SA Hero award for the work she does for young girls in Africa. She is an ambassador for the Caring4Girls programme – an initiative that collects, donates and distributes sanitary packs to schoolgirls from underprivileged communities across South Africa. Gugu is also on the Cape Town Board of Dream Girls International Outreach and Mentoring programme, which promotes the enrolment and success of young women in institutions of higher education. In addition, Gugu was selected to be part of the Preparing Global Leaders Academy that took place in Amman, Jordan in 2015.

Moreover, she has been invited to speak at a number of gatherings and events such as the LOYD Sessions in Cape Town, The #FiresideChat, hosted by UN Women Empower Women Global Champion Alysia Silberg, and ChangeThePlatform. Gugu has reliable experience in the print media, communications and digital media sector through working with GLAMOUR SA, British Council Connect ZA, Live Magazine SA and This Is Africa, just to mention a few. She is currently working at the Institute for Justice and Reconciliation as a Communications and Advocacy Officer.



*Gugu Nonjinge with Deputy Minister Buti Manamela*



*Bafana Radebe receiving the award on behalf of his brother from actress Thuli Phongolo.*

### 1ST RUNNER-UP: Mfundo Radebe

Mfundo is an internationally renowned young public speaker and debater, and a student at Harvard. His story has inspired many young people across the country that they can achieve anything they put their minds to. He has used his achievements in academics to advance other young South Africans.

Mfundo was raised by his then single mother in the township of Umlazi, south of Durban. He recognised the need to work hard and attain an education, so that he could help build his community. His hunger for knowledge and an education would see him fight to obtain a scholarship through the Michael and Susan Dell Foundation. As a Grade 8 student, he implemented a tutoring programme to help struggling students. Recognising the need to be the best he could be, he then worked immensely hard and negotiated for a while, until he was awarded the first full compassionate scholarship to Crawford College. While there, Mfundo excelled both

in his academics and in his extracurricular activities. He became a National Schools' Debating champion after having been involved in debating for a year.

In 2015, Mfundo became the international champion of the My Magna Carta competition in London, where his skills were pitted against the other continental finalists representing Africa. Mfundo used this platform to make a difference in the lives of many young people. The Honourable Minister Nathi Mthethwa even declared Mfundo the youngest ever social cohesion advocate in South Africa. Mfundo has appeared on television and radio, and has written articles for national newspapers advocating the advancement of young South Africans. He has spoken against racism and worked in civil society to help with the development of legislation that will help South Africa move forward. He also founded a workshop model that enabled students from less privileged schools across KwaZulu-Natal to be given access to public speaking coaching from himself and a friend.

Apart from this, he speaks to young people at schools and forums across South Africa. He has also passionately defended his causes to notable celebrities such as Nobel Prize Laureate Wole Soyinka. Mfundo is currently a student at Harvard University on a full scholarship. He has founded The Dzulisa Initiative, a youth-led civil society initiative that collects resources such as textbooks for less-privileged schools. His initiative, praised by government and civil society, is on track to help many young people. Mfundo is proof that even a young boy from Umlazi can achieve anything they wish.



## 2ND RUNNER-UP: Koketso M Marishane

Koketso M Marishane, a 32-year-old from Marishane, Limpopo, is an obsessed cosmopolitan Arts Education and ICT practitioner from Ga Marishane in Limpopo. A third-generation sophomore from the Marishane legacy, he is a Pan-African visionary. Having contributed to various ICT and Arts Educational settings in different capacities around the world, Marishane has been acknowledged, recognised and honoured as among others: Star of Limpopo by the City of Polokwane; Youth of the Quarter by Capricorn District Youth Chamber; Hero of the Week by SAFM; Hero of the Week by SABC Limpopo; Tomorrow's Leaders Fellow; Mail & Guardian Top 200 Young South Africans; Top 100 Global Youth Mobility Talent Fellow (Oslo, Norway); and Top 100 Global Young Leaders (UNAOC — Bali, Indonesia). As a proficient and articulate speaker, he leverages his business experience and networks, thereby adding value to events where he officiates.

Tapping into his experiences and industry insights, Marishane has spoken at a range of both national and international forums on a variety of subjects, including: Youth Leadership Development and Support; Gender, Diversity and Identity; and Entrepreneurship and Rural Development.

To date, Marishane has served on various local and international youth leadership development boards in different capacities promoting good orderly development, namely, among others: the World Economic Forum; TalkUbuntu; Stephen Gill Academy (Canada-India); Polokwane Youth Development Forum; Activate! Change Drivers; Eskia Mphahlele Foundation and Marishane Local Authority as the Youth Envoy.

On these forums, he uses progressive and innovative tools to find Africa centred, gender-aligned solutions to achieve global impact.



*Koketso Marishane (centre) with DM Manamela and Thuli Phongolo.*



## SPORTS, HEALTH & WELL-BEING



### CATEGORY WINNER: Mtreki Mabizela

Mtreki Mabizela, aged 32, from the Free State, is a football assessor from a farm in Kestell in the Free State. She was born into football, as, growing up, her brothers owned a soccer team. Her interest in football began when she was tasked with washing the soccer kit of the team. At the age of 14, she began her journey into the arena of football, when she established her own team, Mighty Queens FC, with just her passion and drive to succeed in a male-dominated sport. Driven to succeed like her role models, Doctor Khumalo and Kaizer Motaung, Mabizela registered her team with the local football league after being awarded third prize in the My JAM ALLEY GIRLFRIEND competition and receiving prize money worth R15 000.

In 2006, she enrolled at Rhodes University in Grahamstown to study journalism, which turned out to be a life-changing decision that saw her become more involved in football administration. In her first year, she played for the first team, competing in different leagues of the Eastern Cape until she completed her degree. During this time, she was both a player and captain of the team.

In 2008, she became the Chairperson of the Rhodes Soccer Club. It was during this time that she became a member of University Sport of South Africa (USSA) and later, the Deputy Secretary and Secretary of USSA football. During her time spent in the Eastern Cape, Mabizela built relationships with personnel who were representatives of the South African Football Association in the Eastern Cape region. This allowed her to gain recognition in the region and secure meaningful alliances that further encouraged soccer development.

She was able to venture into refereeing when a group of individuals visited Rhodes for a refereeing workshop. Her love for refereeing grew when she was appointed to referee her first match in the RMR Internal League and became the first and only female referee. She continued refereeing, as well as playing football for the Rhodes first team for women.

After completing her BA Degree in Political and International Studies, and Anthropology at Rhodes University, she moved back to her home town of Kestell. It was here that she met the referees' convenor of the region and started officiating in the SAB Regional league in Thabo Mofutsanyana in 2011, and her maiden season in the SASOL league in 2013. Her performance on the field and her understanding and interpretation of the rules of the game gained her recognition from the provincial structure of SAFA in the Free State Province. Therefore, after her retirement from refereeing, when one of the female assessors fell ill on the eve of the assessors' course, she was identified to attend the workshop and became part of the match commissioners/assessors in the Province.

Her hard work did not go unnoticed, as she was recognised to be part of the New Years' Cup foundation and tournament that played in December 2016 in Grahamstown, a first of its kind with R100 000 as the target prize for the winning team. She worked with different referees from the Eastern Cape who are in the elite league of South African football, which is PSL/NFD, as well as some from the ABC Motsepe League.

Currently, she is the instructor of referees in the Maluti-a-Phofung local football association and the Free State Province. She is one of the assessors in the ABC Motsepe league in the Free State. She holds classes for 30 referees in QwaQwa every Saturday, travelling 53 kilometres to ensure that the training and development of referees is a priority.

One of her aspirations is to see more referees from the region and the province on the PSL panel and to have more referees gaining FIFA badges/ accolades. Also on the forefront would be to recruit and train more female referees, as Maluti-a-Phofung has only one female referee. On a personal level, her vision would be to see the face of refereeing change and the mindset of the football fraternity becoming more welcoming to females than it currently is.



*Mtreki Mabizela (centre)  
with NYDA CFO Mr Waseem  
Carrim and Dj Mabi Dixon*



## 1ST RUNNER-UP: Thabo Letsiri

Thabo Letsiri, a 34-year-old from Gauteng, is a highly motivated and knowledgeable personal trainer, with eight years' experience in designing and monitoring exercise programmes based on client needs, goals, abilities and anatomy. He has demonstrated the ability to apply useful, tactful and safe advice to individuals regarding their fitness programme and related equipment.

He has a strong understanding of the functions and vital processes of the human body. He is energetic and motivating, always encouraging clients to reach maximum performance. He is able to administer client health history questionnaires and interpret physical assessments. Knowledgeable about setting up, calibrating, demonstrating and maintaining sophisticated exercise equipment, he is certified to train professionals and general clients.



*Thabo Letsiri with  
Waseem Carrim*

### Core Competencies

- Exercise and boot camp programmes
- Client education and motivation
- Health and wellness
- Team-building and fitness games programme development
- Marketing and advertising
- Research, analysis and problem-solving
- Individual assessment and planning
- Workplace wellness
- Sports specifics programme development



### Professional Experience

**Company:** Prone Wellness (Pty) LTD

**Role:** Owner and Programme Director (2012–2015)

Thabo works in conjunction with a business partner to develop and implement quality in-home personal fitness training programmes, team-building programmes and boot camp programmes for groups and individuals. He engages in continuous research, and implements best practice and information to customise clients' programmes to access fitness levels and follow a fitness regimen to safely achieve their personal goals. He is passionate about educating clients on the importance of establishing realistic goals that promote lifelong adherence to a health and physical programme.

### Achievements

- Big Brother Africa – The Chase 2013 as a fitness trainer
- Conditioning coaching at Mamelodi Sundowns reserve team (PSL TEAM)
- Running 3 boot camps in and outside Johannesburg
- Running community wellness events, health and fitness festivals and team-building games
- Instituted strong business practices, ethics and marketing strategies to maintain longevity in the industry, and gain recognition as the #1 in-home training company
- Offering fitness plans for individuals with physical and medical disabilities, including high blood pressure, diabetes, arthritis, cerebral palsy and joints problems from injuries.
- Certification /training.
- HFPA-certified personal trainer and conditioning coach.
- TRX everywhere training instructor
- CPR/AED-certified – American Heart Association

# SPORTS, HEALTH & WELL-BEING

## 2ND RUNNER-UP: Mlungisi Freedom

Mlungisi Freedom, Luthuli, aged 33, is from Ulundi, KwaZulu-Natal. From a very young age, he was passionate about soccer and very active in youth structures. His childhood team was Amavukane FC and he played in the U14 and U16. He later became the captain of the team. In 1999, he joined the SAFA professional U17 side. However, he was never given game time. In his lifetime, he has played for a number of teams, including Double Classics and Madomas FC, as well as in the MUT League. Besides being the best striker of this team, he also took up other roles within the team and was asked by the coaches to assist the team as an HIV counsellor, while also working as a counsellor at the local clinic.

Due to his champion spirit, Mlungisi always tried to find ways to assist his team. With sourced funds from local councillors, he bought materials such as sports kits and balls for the team. He then assisted the team with join the Ulundi SAFA Professional League. He later became the CEO of the Young Dribblers FC, which was playing in the Under17 and Under13 of the league.

In 2006, Mlungisi left Ulundi to work at the Maphumulo Hospital, where he added value to hospital team named Vultures. They won several medals in the iLembe Health District Champions League, the Old Mutual Tournament and the KZN Health Tournament, held in Pietermaritzburg in 2009.

Due to his passion for sports, he formed a sports committee for the health workers at the hospital. He was then asked by his superiors to join the committee responsible for promoting healthy lifestyles of patients and the community. As part of his new portfolio, he was also involved with working with the Centre for ARVs in the hospital, as well as interacting with the Treatment Action Campaign (TRC) and other NGOs like Love Life and Medical Care Development International (MCDI).

While working at the hospital, Mlungisi continued visiting and worked with his team in Ulundi, and organised sports days for the youth. The event was sponsored by Aquelle, Health District of Zululand and the local municipality. He then approached the provincial Department of Sports and Recreation to come on board as a development partner in his initiatives. He was tasked by the department to run pilot projects such as the league for U13, which was supported by SAFA. In 2007, the team advanced to the Vodacom U17 Tournament. One of the products of the team, Thembela Skhakhane, represented South Africa playing for Bafana and received a Gold Medal.

Not content with just making in sports, Mlungisi got the community of Maphumulo together and established a youth organisation. Due to his keen sense and passion for sports, he was also asked to established and develop the ladies' soccer, as well as table tennis. Some of the players from the development teams have managed to access opportunities that they would otherwise not have had. A case in point is Siphephelo Sithole, who is now part of the KZN Sports Academy in Durban, as well as Sibongakonke Mbatha, who is now playing for the U20 South African soccer team. He scored the third goal that qualified South Africa for the World Cup in May 2017 and was named Man of the Match. This is testament to the impact that grassroots level development is able to change the lives of young people for the better and put them on an international stage.

Mlungisi is a Youth Cadre at heart and continues to impact his community on many levels. He has established the Zululand Youth Development Centre & Sports Academy, an NPO, which will not only focus on sports, but also on career guidance and tackling challenges that face young people such as HIV/Aids, teenage pregnancies and unemployment. This NPO has also yielded a rural co-operative called Nhlungwane Builders, which manufactures building blocks. They aim to grow and sell to hardware stores. The newly formed NPO was also introduced to the provincial Department of Sports & Recreation and the Department of Social Development, which lauded its work. Currently, he is seeking sponsorships, in order to advance the work of the NPO.



*Mlungisi Luthuli with Waseem Carrim*





## ENVIRONMENT & AGRICULTURE

### **CATEGORY WINNER: Ntsako Baloyi** (CEnv (UK), Pr.Sci.Nat, MIEEnvSc (UK), PMP®)

At the age of 32, Ntsako Baloyi from Kagiso in Gauteng, was the youngest president of the South African affiliate of the International Association for Impact Assessment (IAIA) since its inception in 1992. He previously served as a committee member for Gauteng, before he was elected into the national executive committee and then as President. He has a BSc in Environmental Science and Chemistry, a BSc (Honours) in Environmental Management, certificates in Project Management and Air Quality Management, and is busy with a Master's Degree in Project Management.

He was professionally registered as a Natural Scientist (PrSciNat) with the South African Council for Natural and Scientific Professions (SACNASP), at the age of 27. At 28, this young achiever was certified as a Project Management Professional with the Project Management Institute (PMI, USA). PMI's Project Management Professional (PMP)® credential is the most important industry-recognised certification for project managers, which is globally recognised and demanded. The PMP® demonstrates that you have the experience, education and competence to successfully lead and direct projects. At 29, he was accepted as a Professional Member (MIEEnvSc) of The Institute for Environmental Sciences (IES) in the United Kingdom, and was also registered as a full professional member with the Southern African Institute of Ecologists and Environmental Sciences (SAIEES).

At 30, he was accredited and qualified as a Chartered Environmentalist (CEnv) with the Society for Environment, also in the United Kingdom. CEnv is the highest and most prestigious level of professional qualification for environmental practitioners. There are currently fewer than 20 chartered environmentalists in South Africa and he is certainly proud to be listed among the tough leaders in the environmental field. In addition, he is also a professional member of the International Association for Public Participation, Southern African Affiliate (IAP2sa).

In 2013, he was appointed as a board member for the African Leadership Academy's student enterprise programme, where he mentored students in their environmental projects and business ventures. He has served as a judge for the annual Enviropeadia Eco-Logic Awards, as well as a panellist at the Thabo Mbeki Africa Leadership Institute inaugural Alumni Conference. Ntsako Baloyi is also the Chief Executive Officer of the Limpopo-based Xisasi Foundation that focuses on providing lasting solutions that bring about change in people's lives.

He was recently featured in the prestigious Mail & Guardian Top 200 Young South Africans to watch in 2015 in the Environment Category. He has also been selected as the Business Events Ambassador by the South African National Conventions Bureau. Ambassadors are tough leaders who are internationally recognised for achievements and contributions in their field, and enthusiastic in their support for South Africa. It is through his role as an ambassador that Ntsako was awarded the host of the International IAIA conference in 2018. He has since been elected as one of the co-chairpersons for the Local Organising Committee for the global event.

However, this diligent scientist also has a fun side. He was featured in the local version of BBC Entertainment's reality show, Come Dine With Me. Ntsako is currently employed as a Project Manager (Environment and Enterprise Development) for Coca-Cola Beverages South Africa (CCBSA). Previous companies he has worked for include global mining giant BHP Billiton, as an Environmental Specialist, and the world's biggest consulting firm, Accenture, as a Management Consultant, as well as one of the leading global environmental solutions' firms, SLR Consulting, as an Environmental Project Manager.



*Ntsako Baloyi (right) with actor Zweli Dube*



# ENVIRONMENT & AGRICULTURE

## 1ST RUNNER-UP: Aluwani Netshia

Aluwani Netshia grew up in a small village of Tsianda, which is 17 km outside Thohoyandou, in Venda. She is 31 years old and the owner of Greenland Landscaping Farm, outside Lwamondo in Thohoyandou. After she completed her studies and qualified as a land care facilitator at the Waterberg FET College in 2008, she also worked for the NARYSEC Skills Development project at the Tshwane University of Technology. She was also part of the Expanded Public Works Skills Development programme for youth skills development (EPWS).

When Aluwani decided to start her own landscaping business, she started designing gardens in homes and her business soon expanded to cultivating avocado and pear trees, as well as rose geraniums and macadamia nuts. A total of 75% of her income comes from farming, followed by landscaping and gardening, at 25 and 5 percent, respectively. Greenland Landscaping owns a 10 ha farm with nearly 9 000 trees for avocados, litchis, macadamia nuts and rose geraniums, which are used in blending oils. She also plants seasonal crops among the trees to prevent soil erosion, as well as for the personal benefit of the employees which contribute to staff members' food security.

In establishing the company, Aluwani was motivated by the need to create employment for the youth in her village, as well as the government's drive and commitment to support agricultural development based on successful land reforms and claims. Her company has changed the lives of her community and currently provides permanent employment to 25 people. Aluwani is not afraid to get her hands dirty and does most of the planting in the gardens she designs.

Greenland Landscaping recently received Global Gap Accreditation, funded by Westfalia and the Dutch Foundation in the Netherlands. The accreditation will allow the company to export their products to international markets.

### Achievements and Community Work:

- 2013: 2nd in the Vhembe Municipality Inspiring Youth Competition in the Agricultural Category.
- 2014: 2nd Runner-Up in the Eskom Business Investment Competition in the Agricultural Category.
- 2016: Provided 11 community NQF Level 4 Plant Production learnerships accredited by Agriseta.
- 2017: Provided 11 community NQF Level 3 Plant Production learnerships accredited by Agriseta.
- Donated ornamental plants to Gwamasenga Secondary School to be used to beautify the landscaped area.
- Assisted with bush-clearing at Pfanani Home-based Care.

Aluwani's vision is to create sustainable growth that will benefit the youth and women in rural areas by providing sustainable livelihoods.



*Aluwani Netshia (right) with Dr Nontsikelelo Tshayingca-Mashiya, Chairperson of TAA*





## 2ND RUNNER-UP: Cyprian Gumbi

Cyprian Gumbi, a 26 year-old from Driefontein, finished his Matric at Vukubone Secondary School in 2011. The following year, he started working at Shoprite as a part-time shelf packer. He was then promoted in 2013 and started working in the bakery of the retail store.

In 2014, he left Shoprite to follow his entrepreneurial ambition. He became the chairperson and co-founder of the Senzakonke Youth Agricultural Co-operative. The co-operative operates in the Gert Sibande Region in Mpumalanga in the Mkhondo Local Municipality. It was established by eight members, of which five left along the way without even resigning or giving notice. This did not quench Cyprian's spirit. He went on to recruit four other young people to join the co-operative.

In the beginning, the co-operative was planting the following produce: Swiss chard, tomatoes, onions, potatoes, carrots, beetroot, chillies, peppers, green beans, butternut and cabbages. However, they discovered that there was a low demand for some of their produce and, at the advice of an agent at the Johannesburg market, they now focus only on cabbages and maize. Their client base includes the local community and educare centres in the area, a company called TWK for grain, and the Johannesburg Market.

Besides creating employment for the members of the co-operative, it is set to create 10 more temporary jobs in June when the harvesting time for dry maize arrives for members of the community. The co-operative also gives donations of the produce to destitute community members, a home for the disabled and an old-age home in their community. They also offer skills training to youth that want to learn about farming.

Cyprian's aspirations for the business are to see it grow from being a small-scale agricultural entity to becoming a sustainable and large agricultural producer of food that will assist in the welfare of the community by creating permanent jobs and alleviating poverty.



*Cyprian Gumbi (right) with Zweli Dube.*



## SCIENCE, TECHNOLOGY AND INNOVATION (INCLUDING MEDICINE):

### **CATEGORY WINNER: Nneile Nkholise** **Presidential Award (Overall Winner)**

Nneile Nkholise, a 28-year-old from Thaba Nchu in the Free State, is an impact entrepreneur and the founder of iMed Tech, currently incubated at Innovation Hub, which is working on the application of Additive Manufacturing to produce custom-made external prostheses. She is also a games designer, having produced word board games, such as Minute Words, to help in the development of English-second language learning.

She originally hails from Thaba Nchu in the Free State, where she did her junior schooling at Tlotlanang Combined School. It was also during her junior schooling years at Tlotlanang that she was introduced to entrepreneurship, which was part of her extracurricular activities after the introduction of the Outcome-based Education curriculum and scientific and technological innovation through the Eskom Science Expos. She attended Mariasdal High School, a Catholic boarding school, where she completed Matric.

She holds a BTech Mechanical Engineering from the Central University of Technology and is currently pursuing her MEng in Mechanical Engineering at the same university of Technology, with her research focus on the applications of Additive Manufacturing in Medicine.

She is a sport activist, and has spent much of her life in the service of sport, such as holding the post of Deputy President of the University Sport South Africa from 2013 to 2015. She has also served on the Free State Sport Confederation executive committee.

She has received numerous awards and recognition in her entrepreneurial career, such as:

- being one of the winners in the SAB Foundation Social Innovation Awards 2015
- being named Africa's Top Female Innovator by World Economic Forum
- being one of the top entrepreneurs recognised by the Tony Elumelu Foundation
- one of the regional winners of the Gauteng Accelerator Programme, led by The Innovation Hub which awards top entrepreneurs for innovations in Bioscience.

She has also been recognised as one of the top MedTech entrepreneurs by Discovery, and represented South Africa at the Global Entrepreneurship Summit, held in San Francisco, in 2016. She is a socially conscious leader, a devoted entrepreneur and a technology-driven innovator.



*Nneile Nkholise receiving the Presidential Award from Minister Jeff Radebe.*





## 1ST RUNNER-UP: Ludwick Marishane

Ludwick Marishane is 26 years old and the founder and MD of Headboy Industries Inc. He is South Africa's youngest patent-filer, after having invented DryBath® at the age of 17. Headboy Industries Inc. is an innovative product development and commercialisation company. The company seeks to become the home of African innovation, providing global solutions to global consumers. This is aligned to their mission to contribute extensively to the development of a globally-inclusive African innovation ecosystem. The company is currently focused on globally commercialising its DryBath® Gel product, as well as contributing to youth development through the Pioneers@Uni programme.



*Ludwick Marishane with Nonhlanhla Mkhize, Chief Director: Innovation at Department of Science and Technology*

DryBath® Gel is the world's first Bath-Substituting® skin gel, removing full-body odour, so that users can save time and water when cleaning themselves in rushed or awkward situations (#DryBathMoments). Ninety percent of the product is sold online to the export market (60% to the USA). The product will be retailed in South Africa within the next six months at a price of R10 per sachet/bathe. The product is available in 15ml sachets and 250ml bottles.

While at Dynamique High School, a small school with only 10 classrooms and no computer or science labs, Ludwick invented DryBath® in grade 11. The idea came to him after a lazy friend complained about why there wasn't such a product on the market. In the Limpopo community where he grew up, most people used the bucket-bathing method, where you boil water in a kettle and mix it with cold water in a small bowl, in order to bathe. This method is very uncomfortable and especially irritating during the winter months.

The Excel@Uni programme for bursary students provides them with effective, dedicated support for their personal and professional development during their university careers. Most of these students are from historically disadvantaged communities, and are commonly the first generation in their families to go to university, or obtain a tertiary education. Ludwick helps companies that award CSI-based (and some recruitment-based) bursaries to provide their students with the added support that they require to reach their full potential at university, holistically, as well as academically. Excel@Uni has increased student academics by 10%, on average; decreased bursary drop-off rates by 75%; and increased employability by 300% for their clients.

Ludwick also runs Polymath Inclusive-Innovation, which is an advisory practice focused on helping established organisations (private sector or government) to develop value-adding innovation initiatives that cannot currently be developed in-house. This is done by conducting measurable commercial experiments that can produce sustainable results for the client. The solution is then sold to the client after it has proven to be sustainably implementable and scalable.

He holds a Bachelor of Business Science, majoring in Finance and Accounting, from the University of Cape Town and has an arm's length of national and international accolades to his name, which are the following:

- In 2011, he was rated as the best student entrepreneur in the world.
- In the same year, Google named him one of the 12 Brightest Young Minds in the World.
- In December 2013, the global TIME Magazine named him one of the 30 People under 30 who are changing the world, being one of only two Africans on the list.
- Forbes Africa named him one of the Top 30 under 30 Young African Entrepreneurs in 2013 and 2015. In 2015, he was chosen as one of South Africa's 21 ICONS for the youth-focused 3rd edition.
- In 2013, Frost & Sullivan awarded him, alongside Archbishop Desmond Tutu, the Growth Innovation & Leadership Africa Award (GIL 2013).
- Headboy Industries was also selected as the Overall Winner at the Inaugural Western Cape Premier's Entrepreneurship Recognition Awards (2013).
- He was one of the five African nominees for the inaugural MTV Base Leadership Award at the 2014 MAMAs. Ludwick believes in the pursuit of a sustainable society, where Headboy's products and services can play an instrumental role in creating an innovative contribution to their customers' ability to fulfil their individual and societal purpose.

## SCIENCE, TECHNOLOGY AND INNOVATION (INCLUDING MEDICINE):

### 2ND RUNNER-UP: **Andries Matt Pretorius**

Matt Pretorius, aged 27, from Uitzicht, Western Cape, is an inventor, entrepreneur and enterprise engineer. He completed his Bachelor's degree in Civil Engineering at Stellenbosch University in 2012. He then pursued a Masters' in Industrial Engineering, also at Stellenbosch University, which was subsequently upgraded to a doctorate degree in 2015.

During his postgraduate studies, he was awarded a SAVUSA scholarship to attend a three-month course at Wageningen University (Netherlands), as well as a 10-month data-collection research stint at Uppsala University, Sweden, by the Erasmus Mundus scholarship.

He has represented his research at numerous international conferences and has received various academic merit awards, including the prestigious Golden Key International Honour Society. Parallel to his academic studies, he co-founded Pitchin South Africa, which was exited to the Stellenbosch University business incubator, the LaunchLab. Furthermore, he helped to develop the technology for the start-up, Stroketch, which has received numerous international awards for its sport innovation, including the Swiss-South Africa Venture Leaders and Leaders in Innovation Fellowship.

He recently invented a novel eco-toilet (provisional patent filed) and launched a social enterprise, called Common Toilet, which has also received numerous international awards, including the Mazars for Good Innovation Challenge and the Ericsson Innovation Awards. Matt is passionate about technology and, more importantly, how it can be used to better our society.

He is also a keen water sportsman and enjoys surfing, sailing, underwater hockey and free diving, as well as being a trained scuba divemaster.



*Matt Pretorius receiving award  
from actor Kope Makgae*



# EXTRAORDINARY CHAMPIONS

## CATEGORY WINNER: Lebogang Monyatsi

Lebogang Monyatsi is a 31-year-old woman, born and raised in North West, in a small town called Vryburg. She studied Bachelor of Social Sciences and Psychology at North West University, Mafikeng Campus. She is recognised for representing South Africa in the field of Wheelchair Basketball.

She considers herself as a work in progress and on a quest for who she has not yet become. She is passionate about the needs of children, disability inclusion and accessible features for all.

Lebogang is a runway and photographic model, and the first South African woman in a wheelchair to do runway. Her main goal is to break the stereotypes associated with people with disabilities in the fashion/entertainment industry and to pave the way for those who follow and succeed her.



*Lebogang Monyatsi (left) with Miss South Africa 2016 Ntandoyenkosi Kunene.*



## 1ST RUNNER-UP: Lubabalo Tybosch

Lubabalo Tybosch, 30 years old, is the owner of Impeccable Communications (Pty) Ltd, a company in its start-up phase. Although he was hit by a taxi when he was 10 years old, he is adamant that he is not defined by his physical disability and thrives in adversity.

He is an internationally renowned public speaker and leader who holds a Competent Communicator and Advance Leadership Bronze Award from Toastmasters International. He is an innovative individual and a change-maker whose company has a corporate philosophy to promote the spirit of entrepreneurship and good leadership/mentorship of young people in their efforts to curb unemployment in society.

One of his social responsibility projects is 'The SA Mark' ([www.thesamark.co.za](http://www.thesamark.co.za)), a project committed to helping alleviate poverty, support entrepreneurship, reduce crime, build unity, educate and entertain through arts and culture.

Among the many accolades he has received, he has been presented with the Service Excellence Award from Transnet, the National President's Prize for Perseverance and the Douglas Bader Award for Courage from Queen's College.



*Lubabalo Tybosch (right) with actress Motsoaledi Setumo.*



## ARTS AND ENTERTAINMENT

### CATEGORY WINNER: Lucas Tshwane

Lucas, aged 35, from Mabopane, Tshwane, faced many family challenges while he was growing up. His mother passed away when he was eight years old, and he and his two younger siblings were raised by his grandparents in a Christian home. He enjoyed playing soccer and drowned his sorrows through music. He grew up angry and bitter, and life was tough, as they were 10 people in his household, including his aunts and uncles, in a four-roomed house with limited resources.

His grandfather was the only one who was working as a security guard at Medunsa and did his best to provide for the whole family. Lucas started attending school at Tlo-tlo Mpho Primary School and proceeded to Kgaugelo Middle School and then Modiri High School, from 1996–1998.

He joined the school choir under the leadership of the late Mrs JC Motshwane, who discovered his singing ability and encouraged him to sing. In 1997, he joined the Garankuwa Youth Choir, where he learnt a great deal about singing and developing his interest in opera music. In 1998, when he was doing Matric, Mrs. Motshwane registered him to sing Solo Tenor at the North West School Choral Music Association – Garankuwa 2 Music Eisteddfod, where he competed with other schools around Garankuwa and came second. This helped him to qualify to sing at Brits District. He came second at the regional finals that were held in Rustenburg.

After completing his Matric, Lucas registered at Gauteng Computer College, where he studied towards a one-year Diploma in Computer Technology and Networking. Lucas started the music group, Tshwane Youth Gospel Choir, in September 2009, which later became TYGC Family, after he had a vision of bringing together youth from different denominations for a common goal, namely singing to GOD. He wanted to create an environment where they could come together and forget about religious systems from their churches and just be one in song.

Partnering with Nkanyenzi Masango whom he knew from church, he managed to recruit more than 20 choristers and that's where everything started. At the start of the choir, they couldn't find a place to practice, but they ultimately found a room at Odi Stadium and later moved to Mabopane Indoor Centre. Lucas encountered many challenges dealing with the youth who were in the choir, as some parents saw the practices as a waste of time and discouraged their children from continuing. The choir struggled to get recording deals, but persevered and continued to send demos to various record labels.

In 2013, Lucas decided to register his own record label, Tshwane Legacy Records, partnering with Godfrey Ratlou. In 2014, he took nine of his choristers to the television competition, Clash of the Choir Season 1, where six of his choristers were selected for Team North West, under the guidance of Mr Hostix Mabuse, a world-renowned South African musician. Working with a professional sound engineer, the choir recorded a 10-track album, The Journey Begins, which was released under his record label. The album received critical acclaim and went on to win the following awards:

- Best Accapella Album of the Year at Mzansi Gospel Awards (2015)
- Best Gospel Accapella at the SABC 8th Crown Gospel Awards (2015)
- Best Traditional Faith Music at the 22nd SAMA Awards (2016)
- Best Accapella Album at the INGOMA Awards (2016).

Lucas' vision is to create employment opportunities through music to fight and alleviate poverty in his community. He dreams of owning his own recording studio, which would assist in recording solo albums for his choristers and thereby create opportunities and platforms for young people. He is currently studying music at the Vusi Mahlasela Music Development Foundation at the State Theatre in Pretoria, where he is doing piano, vocals and musicianship.



*Lucas Tshwane (right) with media personality Somizi Mhlongo.*





## 1ST WINNER: Duncan Maphanga

Duncan Maphanga, aged 28, from Delft South, Western Cape, is also known as Danzo Mapara (Dance King). Duncan is a professional Pantsula Dancer/Choreographer: his part in Jazzart Dance Theatre was that of a Dance Freelance Facilitator. He was born in KwaZulu-Natal and raised in Witbank, in Mpumalanga. He later finished his Matric in Johannesburg (2009) and currently resides in Cape Town, in Delft South, where he has been working with an organisation called Rainbow Arts Organisation as a Pantsula choreographer since 2013.



*Duncan Maphanga with actress and PhD fellow Nobulali Dangezele.*

### Achievements:

- 2010: He was one of the Diski Dance choreographers who were teaching people how to do the Diski Dance for the 2010 World Cup, including His Excellency President Jacob Zuma and government officials. He was also a backup dancer for Queen of Kwaito Mshoza.
- 2012: Winner for Best Dancer in a TV show called Turn it Out 2 on SABC1
- 2013: Winner of Stumbo Stomp Amapantsula Season 2 SABC1
- 2014 Shot and choreographed an advert for Coca Cola called 'Bobby', together with well-known choreographers.
- 2015: Duncan choreographed a documentary about Pantsula called How We Move, directed by Rowen Smith and produced by Discovery Digital Network from San Francisco in California. In May 2016, the documentary was selected to be part of the First Film Selection at the Indie Karoo Film Festival 2016.
- He recently graduated in Business Administration.
- May 2015: Duncan shot a film called Gift, where he choreographed a young boy, Gift, performing a Pantsula piece about perception and understanding that everything is perfect always: maybe it's just you looking at it in the wrong way. You cannot control your surroundings, but you can control the way you see them. In September 2015, the film won the award for the best film in an international short film competition, My Rode Reel Awards 2015, in Sydney, Australia. In June 2016, Gift won Silver Screens in the Young Directors Award at the Cannes Film Festival, beating more than 400 contenders and becoming the only African film to win an award.
- June 2015: Duncan shot and choreographed a music video for Billie Black, an artist from West London in England, directed by Anton Du Preez.
- June 2015: Duncan choreographed a dance piece, Sound of the City, for Cape Town's Most Wanted 2016, performed in the Artscape Theatre.

Duncan Maphanga has made a considerable impact over the past years as a passionate choreographer and a leader to the youth. His work and cultural activities are as varied as his skills. In 2016, the Western Cape Provincial Government (Department of Cultural Affairs and Sport) nominated this hard-working young man for the annual awards in the Best Contribution to Performing Arts Category: Dance (Cultural Affairs Awards 2015/16). The awards provide an opportunity to proudly acknowledge and showcase the diversity of the cultural landscapes of the Western Cape. Duncan, who has achieved excellence in his field (Dance), has made significant, observable changes in the lives of children and young people. He is currently working for the Amy Biehl Foundation, a foundation named after American student Amy Biehl, a gifted and dynamic young woman who was committed to making a difference in South Africa. The foundation focuses on young people in the townships, offering healthy alternatives to today's negative influences and providing them with hope and a brighter future. It endeavours to keep them off the streets and away from violence, drugs, alcohol, sex and idleness. At the same time, the organisation seeks to unlock creative talent by providing students with opportunities to become future leaders.



# ARTS AND ENTERTAINMENT

## 2ND RUNNER-UP: Nonala Tose

Nonala Tose is the multi-award winning Bright Star Young Achiever Club inductee at the 2013 Radio Awards. She is a fresh and dynamic radio broadcaster with over five years of experience in radio presenting, production and copywriting. Born and raised in the Eastern Cape, 'Nala' (as she is best known) is a certified John Maxwell Leadership Trainer, Life coach and International Speaker. She is an entrepreneur and the founder of a dynamic organisation called Nonala Tose Productions, which builds child leaders in Africa under the 'Visualise Plan Pray Achieve' programme.



As an alumnus of the University of Cape Town, she is passionate about education and achieved a Bachelors of Social Sciences degree in Psychology and Organisational Psychology. She also earned an NQF Level 5 Broadcasting certificate from YFM's Y-Academy. Nala is currently on 5FM's breakfast show, Fresh At 5, where she contributes as a traffic and entertainment news reporter. Previously, Nonala won best daytime radio show 2013-2015 for a show she produced and presented on Umhlobo Wenene FM, called Sjikilanga (S JL 123).

From 2012-2015, the whole of southern Africa (Lesotho, Namibia, Botswana, Swaziland and South Africa) listened to Nala at all the Clicks Group stores, pharmacies and clinics, as the radio presenter on Clicks Live Radio. A former entertainment and fundraising coordinator for the SRC at UCT and a member of the Junior Town Council in her school years, she has exceptional leadership qualities.

Nonala specialises in voice-over, acting as a Master of Ceremonies and corporate entertainment work. For three consecutive years, Nala was specially selected as the Programmes Director for the main stage at the 14th, 15th and 16th Cape Town International Jazz Festival; where everybody comes together for the second largest jazz festival in South Africa. She is a voice-over artist with copywriting experience from Kaya FM in Johannesburg, and was the voice of the Kaya FM summer campaign 2011/2012 (Ke Summer Boss Re Ja Joy). She has been an Oakley Woman Ambassador and also channels bone-marrow transplant awareness with the Sunflower Fund. Nonala works a great deal with children under her Visualise Plan Achieve project, where she inspires children to dream big and follow their dreams. The vision is to build a child leadership academy and multimedia platform to inspire the African child to reach for their dream. Women in Media is a project Nonala hosts on Women's Day to give women in industry a platform to network and share their pearls of wisdom in a male-dominated environment, thereby accelerating their development.





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# SOCIAL RESPONSIBILITY

The NYDA implements its programmes and projects in accordance with the key performance areas, and is guided by policy. There are many programmes and projects implemented by young people and/or youth development organisations, however, which fall outside the NYDA's programmes, project policies and guidelines. As part of its efforts to mainstream young people into the economy and develop their livelihoods, the NYDA has a Corporate Social Investment budget, which is utilised to provide donations and sponsorship funding to projects run by young people, or projects aimed at developing young people. All initiatives that the NYDA supports through donations and sponsorships are, therefore, directly in accordance with the organisational key performance areas.

All donations and sponsorship requests are evaluated by the Donations and Sponsorships Committee, in accordance with the directives in the Donations and Sponsorships Charter.

Donations and Sponsorship Definitions:

## 1. Donations

Any donation of cash or a redundant NYDA physical resource may be made. No return on investment is expected from expenditure on donations, except that it should promote the NYDA's image as a socially responsible and caring organisation creating goodwill among the public. Donations are inherently of a charitable nature.

Donations are approved in three categories: philanthropic, asset or strategic.

### 1.1 Philanthropic donations

A donation to a philanthropic cause is a once-off payment to youth or organisations and is deemed to add value to the objectives of that individual or organisation, which need to be directly aligned with the NYDA's mandate primarily aimed at disadvantaged youth/disadvantaged communities. Examples include:

- Facilitating partnerships between young people and other institutions
- Showing clear impact
- Having a broad community impact.

### 1.2 Asset donations

An asset donation includes redundant, movable or fixed NYDA assets. These assets are disposed of in accordance with the NYDA's finance and procurement policy.

### 1.3 Strategic donations

Strategic donations are considered for approval where they are deemed fit for the strategic importance of the organisation and the nature of the business. This type of donation is given to initiatives or projects, such as the following:

- There are significant commemorative days recognised in South Africa. The NYDA will identify in which days it will participate annually, based on organisational priorities
- Payment towards a cause, for example, disaster relief, administered by such organisations that are deemed of strategic importance to the NYDA's objectives and nature of business
- A donation that is deemed of a strategic nature and is a business imperative, aligned with the NYDA's core business offering.

If a strategic donation is not approved, the NYDA's operations may be negatively affected. Such donations are deemed of strategic importance to the NYDA and convey that the NYDA is a committed and respected role-player in local communities.

## 2. Sponsorships

Sponsorships are given for business reasons. A sponsorship is an investment which creates the expectation of future returns. The difference between a donation and a sponsorship lies in the motivation for the NYDA.

Through sponsorships, the NYDA strives to:

- build the reputation of the organisation
- forge new relationships and/or strengthen current ones
- contribute towards social cohesion (nation-building)
- address social priorities (community and national needs)
- build brand loyalty
- create visibility and awareness
- drive business imperatives and showcase the NYDA's work.

As a result of a large portion of our support to youth and/or organisations meaningfully contributing to the development of youth, we have been able to touch and positively impact the lives of many young South Africans. However, this continues to be a drop in the ocean, given the vast needs of young people who require our services against our financial capacity. However, the Agency continues to forge ahead.

# HUMAN RESOURCES



# HUMAN RESOURCES OVERVIEW

## Context

*“Great Vision without Great People is irrelevant.”* - Jim Collins, Good to Great

Our vision, which is to be a credible and capable development agency for South Africa’s youth, will remain unattainable, if our people are not at the centre of our everyday action. The Agency, therefore recognises and places our staff at the forefront of everything we do.

As part of the strategic repositioning of the NYDA, the Agency embarked on an organisational realignment project, the outcomes of which spoke directly to the strategic shift required to ensure that the Agency remains focused and relevant to the needs and aspirations of the youth. Moreover, the purpose of the strategic repositioning was to ensure that we are positioned towards being a credible and capable Agency.

This strategic shift rests on four pivotal pillars, namely:

- Pillar 1: Enhancing Credibility
- Pillar 2: Building Capability
- Pillar 3: Developing Efficiency
- Pillar 4: Enhancing Impact

The Turn-Around Strategy (TAS) continues to be a key focus area that contributes to such a realisation. This is implemented through a strategic roadmap translated into Annual Performance Plans monitored on a monthly basis. The Human Resources Strategy plays a key role in enablement in ensuring that the TAS is realised by engaging and utilising staff in NYDA who drive the strategy to deliver organisational results.

The year under review was characterised by implementation of the organisational realignment, change management and culture change project processes.

## Set HR priorities for the year under review

The following were key HR priorities:

- Appointment of capable staff in critical positions
- Development of updated job profiles
- Development of the change management framework
- Development, distribution and report on the change impact assessment
- Development and approval of the reward and recognition programme
- Staff development and capacity-building
- Improved staff morale and labour relations

## Workforce planning framework and key strategies to attract and recruit skilled and capable workforce

During the year under review, the priority was on placement of capable staff into identified critical positions. Only when the required skills set could not be internally found, an external recruitment advertisement was placed on the Agency’s website and through recruitment agencies. All the identified critical positions were successfully filled and on time.

## Employee Performance Management Framework

The Employee Performance Management Framework is embedded within the NYDA Performance Management Policy. The performance management cycle guides the coordination of performance management strategies and is inclusive of the following elements:

- Performance planning
- Performance contracting
- Employee capacity-building
- Monitoring performance appraisals
- Evaluating performance
- Employee reward and recognition.

During the year under review, focus continued to be on automating the Performance Management Process through introduction of the Balance Scorecard (BSC).

The BSC should result in:

- Improved processes
- Motivated employees
- Enhanced information systems
- Monitored progress
- Greater customer satisfaction
- Increased financial customer usage.

The need to have a suitable and effective software support package that will support the usage of a BSC system that is:

- Compliant with the Agency’s current technology platform
- Always accessible to everyone everywhere
- Easy to understand/update/communicate.

## Employee Wellness Programme

The purpose of the Employee Wellness Policy (EWP) is to:

- Promote and enhance personal and occupational health and wellness of the Agency
- Ensure that the Agency is compliant with the legislation regulating employee health and safety.

The key activities implemented for the year under review include:

- A total of 35 staff provided with counselling and advisory services
- Health Risk Assessments (Wellness Day) across all branches and Head Office.
- EWP Orientation Sessions.

## Achievements

- 702 Walk the Talk
- Women’s Day
- Deaf SA selling of stickers
- Heritage Day (bring and share, wear your traditional attire)
- Wellness Day
- Appointment of OHS Representatives and Committee
- Consultative Forum meetings
- Bargaining Forum meetings (successful salary negotiations and implementation)

### Challenges Faced by the Agency

A number of challenges were identified as possible barriers to implementation of the turnaround project and included the following:

- Employees were sceptical about the business rationale of the project
- Fear and anxiety of employees
- Buy-in from all stakeholders.

### Future HR Plans/Goals

- Staff capacity-building (job-based and generic training)
- Culture change
- Change management
- Talent management
- Leadership development programmes
- On-boarding (executive and general)
- Employee excellence awards
- Enabling environment for staff.

### Code of Conduct and Ethics, and Policy Update

The Agency's Code of Conduct and Ethics policy continues to be implemented and monitored. The purpose of the policy is to:

- Provide guidance in relation to ethical conduct of employees with regard to their relationship with the Agency, other employees and the public
- Promote the spirit of accountability, fairness and transparency among employees in the execution of their duties and responsibilities
- Ensure that, at all times, employees act in the best interest of the Agency
- Set out standards of conduct expected from NYDA staff
- Serve as a brief description of the NYDA's core values
- Provide a framework for identifying conduct that is ethical and acceptable to NYDA staff who, effectively, act as its agents at all levels
- Create the context for the ethical use of authority
- Support all efforts aimed at curbing moral degeneration
- Promote the principle of open government and welcome opportunities to share information with relevant stakeholders.

### Health, Safety and Environmental Issues

During the year under review, the following activities took place:

- Appointment of representatives for all full service branches including Branch Managers
- Training of representatives
- Committee meetings
- First Aid refills

### Reasons for Staff Leaving

Reason	Number	% of total no. of staff leaving
Death	2	0.08
Resignation	18	0.72
Dismissal	2	0.08
Retrenchment	0	0.00
Retirement	0	0.00
Ill health	0	0.00
Expiry of contract	3	0.12
Voluntary severance package	0	0.00
Other	0	0.00
<b>Total</b>	<b>25</b>	<b>100</b>

# HUMAN RESOURCES OVERVIEW

## Equity Targets and Employment Equity Status

Levels	Males			
	African Current	Coloured Current	Indian Current	White Current
Executive management	1	0	0	0
Senior management	1	0	1	0
Professionally qualified	19	1	0	0
Skilled technical	78	3	0	0
Semi-skilled	23	1	0	1
Unskilled	0	1	0	0
Not defined	9	0	1	0
<b>TOTAL PERMANENT</b>	<b>131</b>	<b>6</b>	<b>2</b>	<b>1</b>
Professionally Qualified	0	0	0	0
Skilled Technical	0	0	0	0
Semi-skilled	1	0	0	0
<b>Total not defined</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>GRAND TOTAL</b>	<b>132</b>	<b>6</b>	<b>2</b>	<b>1</b>

## Equity Targets and Employment Equity Status

Levels	Females			
	African Current	Coloured Current	Indian Current	White Current
Executive management (E4-F2)	0	0	0	0
Senior management (DS-E3)	3	0	0	0
Professionally qualified (D1-D2)	15	0	0	1
Skilled technical (C1-C5)	107	7	1	0
Semi-skilled (B1-B5)	54	4	0	1
Unskilled (A-A3)	0	0	0	0
Not defined	11	0	0	0
<b>TOTAL PERMANENT</b>	<b>190</b>	<b>11</b>	<b>1</b>	<b>1</b>
Professionally qualified	1	0	0	0
Skilled technical	1	0	0	0
Semi-skilled	1	0	0	0
<b>Total not defined</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand total</b>	<b>193</b>	<b>11</b>	<b>1</b>	<b>1</b>





## Training Costs

Directorate/ business unit	Personnel expenditure (R 0'000)	Training expenditure (R 0'000)	Training expenditure % of personnel	Number of employees trained	Average training cost per employee
Training for the NYDA	R 142 576.388	R 3 435 862.92	2.43	470	R 7 310.00

## Programmes

	2015/16 No. employees	2016/17 approved posts	2016/17 No. employees	2016/17 vacancies	% of vacancies
Office of the Chief Executive Officer	14	0	17	0	0
Finance and Supply Chain	25	0	20	0	0
Corporate Services	34	0	27	0	0
National Youth Services (NYS)	19	0	17	0	0
Programme Development, Design and Delivery	309	0	255	0	0
Corporate Strategy and Planning	15	0	11	0	0
Office of the Executive Board	21	0	0	0	0

## Employee Changes

Salary band	Employment at beginning of migration	Approved posts	Migrated	Competitive appointments	Terminations	Vacant positions	Employment at end of period
Executive Management (E5-F2)	3	3	0	0	2	2	1
Senior Management (E1-E4)	8	5	0	5	8	0	5
Professional Qualified (D1-D5)	72	42	0	38	30	4	38
Skilled (C1-C5)	190	283	148	93	59	42	241
Semi-skilled (B1-B5)	161	98	60	12	89	20	72
Unskilled (A-A3)	42	5	2	1	39	2	3
Temporary Employees	5	0	0	44	50	0	0
Board	5				5		
<b>Total</b>	<b>486</b>	<b>436</b>	<b>210</b>	<b>193</b>	<b>282</b>	<b>70</b>	<b>360</b>

## Employee Relations:

1. Verbal Warning = 0      2. Written Warning = 02      3. Final Written Warning = 01      4. Dismissal = 0

# HUMAN RESOURCES OVERVIEW

## Personnel Costs by Programme

Programme	Total expenditure for the entity	Personnel expenditure	Personnel expenditure as a % of total expenditure	Employees	Average personnel cost per employee
Office of the Chief Executive Officer	19 964 243	9 487 811	47,52%	14	677 701
Financial Services division	40 079 388	11 180 944	27,90%	25	447 238
Information Technology and Communications	-	-	-	-	-
Communications	-	-	-	-	-
Corporate Services	66 130 994	12 291 526	18,59%	28	438 983
Corporate Partnerships	-	-	-	-	-
Economic Development	-	-	-	-	-
National Youth Services	48 141 658	9 911 723	20,59%	17	583 042
Corporate Strategy and Planning	20 310 035	8 612 913	42,41%	13	662 531
Programme, Design, Development and Delivery	236 990 711	90 734 508	38,29%	265	342 394
Office of the Executive Board	6 982 662	356 963	5,11%	1	356 963
<b>Total</b>	<b>438 599 691</b>	<b>142 576 388</b>		<b>363</b>	<b>3 508 853</b>

## Personnel Costs by Salary Band

Level	Personnel expenditure	% of personnel expenditure to total personnel cost	Employees	Average personnel cost per employee
Top Management	8 543 757	5,99%	6	1 423 959
Senior Management	5 134 194	3,60%	5	1 026 839
General Staff	128 794 981	90,33%	348	370 101
Board	103 457	0,07%	4	25 864
<b>Total</b>	<b>142 576 389</b>		<b>363</b>	

## Performance Rewards

Programme	Performance rewards	Personnel expenditure	% of performance rewards to total personnel cost
Top Management	952 666	8 543 756	11%
Senior Management	639 889	5 134 193	12%
General Staff	4 859 443	128 898 528	3%
<b>Total</b>	<b>6 451 999</b>	<b>142 576 479</b>	<b>27%</b>



# RISK MANAGEMENT AND CORPORATE GOVERNANCE



# RISK MANAGEMENT

## **Nature of Risk Management**

The Agency has a dedicated risk management unit that is guided by the Public Sector Risk Management framework in rolling out its risk management activities. A culture of enterprise-wide risk management principles is communicated via risk policies and methodologies, in order to mitigate the main inherent risks to which the Agency is exposed. The National Treasury Financial Management Capability Maturity Model is used to assess the Agency's risk management maturity level. This assessment is used as a tool to monitor progress in implementing enterprise-wide risk management across the Agency. During the 2016/17 FY, the NYDA embedded risk management within its business process and widely communicated risk management throughout the Agency.

With assistance from the Risk Unit, each division is required to identify prioritised risks and develop a risk response strategy to address these risks.

With the assistance of appointed Risk Champions, the Risk Unit identifies emerging risks on an ongoing basis and brings them to management's attention for mitigation.

The unit is assisted by the Audit Committee, delegated by the board, which is responsible for providing oversight functions on the enterprise-wide Risk Management Process.

## **Risk Management Strategies to Identify and Manage Risks**

The Agency conducts a comprehensive risk assessment on an annual basis to review/update the Agency's risk register, according to the approved Risk Management Strategy and Risk Management Implementation plan, as required by the National Treasury Public Sector Risk Management framework. During the risk assessment process, the responsibility for designing and implementing risk action plans for the key risks identified is delegated to the specific risk owners from the Agency-appointed Risk Champions, at executive director level.

## **Risk Management Software**

The Risk Management unit uses Barnowl software to develop the Agency's risk registers and monitor the risk action plans that management devises for mitigating the risks identified.

## **Governance**

Each division is responsible for developing and reviewing policies applicable to its operations and products. The Risk Unit ensures that the policies are in line with the Delegations Authority policy and, where necessary, advises on changes to this policy. The Risk Unit is the custodian of the final signed-off policies and charters registered in the policy register. The unit facilitates the development of the strategic risk register, and monitors and reports on progress made in the mitigation of risks to management, the Audit Committee and the board.

The Risk Unit has a standing invitation to attend all board and board committee meetings, as well as the committees of the CEO.

## **Insurance**

The Risk Unit is responsible for ensuring that the insurance requirements of the Agency are met. During the 2016/17 FY, an invitation to interested insurance brokers to submit tenders for insurance broking services was placed in the government bulletin. The appointment of the new broker will be finalised in the 2017/2018 FY and will be for a period of three years to process all NYDA insurance claims. To this end, limits are reviewed annually and claims managed on a monthly basis.

## **Business Continuity Management**

The Risk Management Unit and Information Communication Technology Unit embarked on an exercise to update the business continuity process for the NYDA in the 2016/17 FY. SETA conducted the business continuity process and the developments of the Business Continuity Management Governance framework, strategy and policy.

## **Progress Made in Addressing Risks Identified**

Executive management reviewed the Agency's risk registers monthly during the 2016/17 FY, updating the risk action plans and identifying new emerging risks for mitigation. Executive management is committed to executing and implementing the risk action plans.

The Agency progressed well during the 2016/17 FY, addressing the risk action plans by ensuring that adequate and effective internal controls were in place.

## **Internal Control Unit**

The Agency established internal controls through the development of policies and procedure manuals which spell out the delivery of products and services through the initiation, delivery, and quality assurance and completion phases. These policies and procedure documents develop clear frameworks of the roles and responsibilities within the respective process areas, which ensure that roles are adequately segregated to prevent an override of internal controls.

The NYDA implements a combination of manual and automated controls within process activities, and these controls are monitored through management review on an ongoing basis.

The Agency places special emphasis on control activities within the financial, supply chain management, compliance and performance information process areas, and these areas are subject to robust audits from both internal and external audit.

The findings are noted by management and the root causes investigated, and the related process activity and internal controls amended to correct the deficiency. Management also follows the Auditor General of South Africa's tripartite approach to matters of internal control incorporating leadership, financial and performance management, and governance.

The abovementioned is also supported by the clean audits achieved consecutively by the Agency.

### **Internal Audit and Audit Committee**

The Agency has an established in-house Internal Audit Unit. This unit is capacitated with five staff members. In addition, a co-sourced partner, Nexia SAB&T, was procured to perform specialist audit services.

The internal audit manual, which includes internal audit methodology, was developed in accordance with National Treasury requirements. A peer review (internal quality assurance of audit work/audit file performed in-house) is conducted by our co-sourced partner.

A risk-based, three-year, strategic rolling plan and annual operational plan were approved by the Audit Committee and the board. For the year under review, 46 audits were completed.

The Audit Unit conducts all investigations on allegations of the misappropriation of funds, and reports outcomes to the CEO and Audit Committee.

The Audit Committee reviews the work of the internal audit on a quarterly basis.

### **Compliance with Laws and Regulations**

The Agency is committed to a philosophy of Integrated Compliance Risk Management as a core managerial capability, which is aligned to the principles of the King Report, the standards set by the Compliance Institute of SA and the legislative requirements of the PFMA. In addition, the Audit Committee oversees and provides advice on the Agency's compliance activities.

The Compliance Implementation plan gives effect to the development of the compliance policy and sets out all compliance activities planned for the 2016/17 FY. The key responsibilities, in accordance with the Approved Compliance framework, are to monitor, and keep management abreast of compliance processes and procedures.

Compliance activities undertaken during 2016/17 FY include:

- Identifying and prioritising the legislative statutes applicable to the Agency
- Submitting reports to the Department of Labour as prescribed by the law. This includes:
  - Basic Conditions of Employment Act (BCEA)
  - Organisational Health and Safety (OHS)
  - Skills Development and Employment Equity (SD & EE)
  - Unemployment Insurance Fund (UIF)
  - Workman Compensation Fund (WCC).

### **Fraud and Corruption**

The Agency has an approved Fraud Prevention strategy and Fraud Prevention plan that are updated on an annual basis.

The Agency's toll-free hotline number (0800 203 240) is used to report any suspicious and corrupt activities within the Agency. All allegations received are followed up and, if necessary, investigations are conducted. The Agency strives to create an environment where it is safe to report suspicious activity, in line with the Protected Disclosures Act, 2000 (Act 26 of 2000). Where it can be proven that fraud, collusion or theft were perpetrated, criminal charges are laid against the perpetrators.

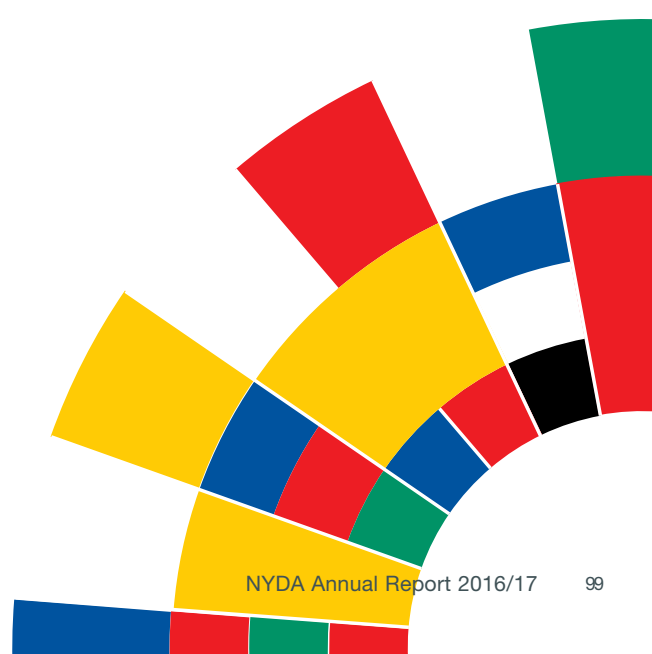
In order to proactively mitigate the risk of fraud, a fraud risk assessment is conducted annually on high-risk areas. Staff members are required to complete a declaration of interest form on an annual basis to ensure that there is no conflict of interest with service providers on the supply chain management database.

Fraud awareness campaigns are conducted during the year.

### **Minimising Conflict of Interest**

The Agency uses the following procedures to minimise conflict of interest:

- All staff members are required to complete and submit a declaration of interest form on a yearly basis. Staff members in the Agency who do not comply with the FDF may be charged with misconduct, in accordance with the regulations.
- All Bid Committee members involved in the procurement process in the Agency must also sign declaration of interest forms to avoid any potential conflict.



# CORPORATE GOVERNANCE

## Executive Authority:

The Executive Authority of the National Youth Development Agency is its transferring Department, the Department of Planning, Monitoring and Evaluation (DPME), led by the Minister, Hon Jeff Radebe and Deputy Minister Hon Buti Manamela. The Agency holds frequent meetings with the Executive Authority, which approve the annual performance plans and Five Year Strategic Plans of the Agency. The department also has significant input into youth development policy through the youth desk in DPME.

## Portfolio Committee:

The National Youth Development Agency reports to the Portfolio Committee on Public Service and Administration in Parliament and attended five meetings of the Committee in the financial year under review. In addition, the Committee conducts oversight work at the NYDA branches and monitors service delivery. Critical matters raised by the Committee were as follows:

- The rural reach of the Agency and the Agency's ability to impact those young people most affected by poverty, unemployment and inequality
- The programmes of the Agency and where they can be amended to provide more meaningful impact
- The communications strategy of the Agency and raising awareness among young people of the Agency's work.

## Board of Directors:

The National Youth Development Agency Board is appointed by the President of the Republic of South Africa on the recommendation of Parliament. The term of office of the second Board of Directors ended on 22 March 2016, and a new Board of Directors was appointed on the 5 May 2017. In the interim period, a Transitional Accounting Authority was appointed by the Hon Minister in The Presidency for Planning, Monitoring and Evaluation, Jeff Radebe. The objective of the Transitional Accounting Authority was to oversee the governance of the Agency and to provide leadership during the process of Parliament concluding the Board appointment process.

The members of the Transitional Accounting Authority as listed below are officials in the Department of Planning, Monitoring and Evaluation, the transferring Department and Executive Authority of the Agency:

## Board Committees

A summary of the NYDA's Board and Board Committee structure, as at 31 March 2016

Name	Designation	Date appointed	Area of expertise	Other committees	Number of meetings
Dr Nontsikilelo Tshayingca Mashiya	Chairperson of the TAA	30 March 2016	Performance monitoring and evaluation		9
Mr Pieter Pretorius	Deputy Chairperson of the TAA	30 March 2016	Financial management	Audit Committee	10
Mr Clayton Peters	Member of the TAA	30 March 2016	Youth work and policy development		9
Mr Khathu Ramukumba	Chief Executive Officer and ex-officio member	1 February 2014	Financial management and youth development		8

The Transitional Accounting Authority oversaw the following matters during their term of office:

- Approval of the NYDA Financial Statements for the 2015/2016 financial year
- Approval of the Annual Performance Report for the 2015/2016 financial year
- Human Resource Strategy of the Agency, including the annual salary review process
- Development of the Annual Performance Plan and the Annual Budget for the 2017/2018 financial year
- Communications activities of the Agency including major activities such as the commemoration of 16 June 1976 and the second South African Youth Awards 2017
- Signing of an annual performance agreement with the Chief Executive Officer of the Agency
- Reviewing of quarterly financial and performance reports of the Agency
- Reviewing of the National Youth Service coordination framework
- Receiving and providing guidance on legal matters of the Agency
- The identification of a new site for the Head Office of the Agency, including the lease negotiations and the moving process
- Providing guidance and direction to management on matters of critical importance.

## Board Statutory Committees:

### Audit Committee:

The NYDA Audit Committee is comprised of three members, a non-executive Board Member and two Independent Members, one of which is the Chairperson.

The Audit Committee is responsible for ensuring the following:

- The NYDA's audit, financial and risk areas are adequately addressed
- Appropriate policies and internal control recommendations are implemented by management
- Recommendations of internal and external audit are attended to and implemented timeously
- The annual financial statements and annual report have been prepared in accordance with all relevant legislation and standards by management, and reviewed by internal and external audit, prior to recommendation to the NYDA Board of Directors for approval
- Reports which have a financial, audit or risk impact are reviewed by the Audit Committee prior to being presented to the Board of Directors
- Periodic evaluations of the suitability and performance of auditors is conducted
- Best practice corporate governance standards are recommended to the Board of Directors
- Policies of the Agency are reviewed and recommended to the Board for approval.

The independent specialists are remunerated from time to time, for each meeting attended, based on the guidelines issued by the National Treasury.

The table below indicates the members of the Audit Committee and meetings attended for the financial year under review:

Name	Designation	Date appointed	Area of expertise	Number of meetings
Ms Rachel Kalidass	Chairperson of the Audit Committee	1 November 2012	Governance	5
Mr Tayron Tshitauzi (Independent Non-Executive Board)	Member of the Audit Committee	1 November 2012	Internal Audit	5
Mr Pieter Pretorius	Member of the Audit Committee	1 April 2016	Financial Management	5





# ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2017



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

## INDEX

Accounting Authority's Responsibilities and Approval	104
Accounting Authority's Report	105
Auditor General's Report	107
Audit Committee Report	111
Statement of Financial Position	113
Statement of Financial Performance	114
Statement of Changes in Net Assets	115
Cash Flow Statement	116
Statement of Comparison of Budget and Actual Amounts	117
Accounting Policies	118
Notes to the Financial Statements	128



# ACCOUNTING AUTHORITY'S RESPONSIBILITIES AND APPROVAL

The National Youth Development Agency (NYDA), Section 3A Public Entity was established by the National Youth Development Agency Act, 2008 (Act 54 of 2008) (NYDA Act) through the merger of the National Youth Commission (NYC) and the Umsobomvu Youth Fund (UYF).

The merger was pursuant to section 21(2) of the NYDA Act, effective from 1 October 2009. This report and the accompanying financial statements cover the period 1 April 2016 to 31 March 2017. The NYDA is governed through the NYDA Act and focuses on youth development in the age group 14 to 35 through the Key Programmatic Areas of Economic Development, Education and Skills Development, Research and Knowledge Management.

The NYDA is established within the Department of Planning, Monitoring and Evaluation, which is the transferring department of the Agency and represents the Executive Authority.

The Accounting Authority is the NYDA Board of Directors.

A Transitional Accounting Authority was appointed for the financial year 1 April 2016 to 31 March 2017 by the Hon. Minister in The Presidency for Planning, Monitoring and Evaluation, Jeff Radebe, and fulfilled its term until the appointment of a new board by the Honourable President Mr Jacob G Zuma on 5 May 2017.

The Accounting Authority is required by the Public Finance Management Act, 1999 (Act 1 of 1999) (PFMA), as amended, to maintain adequate accounting records and is responsible for the content and integrity of the financial statements and the related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the NYDA as at the end of the financial period, and the result of operations and cash flows for the period then ended, in conformity with the Standard of Generally Recognised Accounting Practice (Standard of GRAP), and directives and guidelines issued by the Accounting Standard Board (ASB). The external auditors are engaged to express an independent opinion on the financial statements and are given unrestricted access to all financial records and related data.

The annual financial statements were prepared in accordance with the Standard of GRAP, including any interpretations, guidelines and directives issued by the ASB. These annual financial statements are based on appropriate accounting policies which were consistently applied and supported by reasonable and prudent judgments and estimates. The Accounting Authority acknowledges that it is ultimately responsible for the system of internal financial control established by the NYDA, and places considerable importance on maintaining a strong control environment. To enable the Accounting Authority to meet these responsibilities, the authority sets standards for internal control, aimed at reducing the risk of errors 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 by the NYDA and all employees are required to maintain the highest ethical standards in ensuring that the NYDA's business is conducted in a manner that is above reproach, in all reasonable circumstances. The focus of risk management is on identifying, assessing, managing and monitoring all known forms of risk across the NYDA. While operating risk cannot be fully eliminated, the NYDA endeavours to minimise risk by ensuring the appropriate management and application of infrastructure, controls, systems and ethical behaviour, with predetermined procedures and constraints.

The Accounting Authority was of the opinion that the system of internal control provided reasonable assurance that the financial records were reliable for the preparation of these annual financial statements. However, any system of internal control can provide only reasonable and not absolute assurance against any misstatement or loss. The annual financial statements for the year ended 31 March 2017, which were prepared on a going concern basis, were approved for issue by the Accounting Authority and were signed on its behalf by:



**Mr Sifiso Mtsweni**

Chairperson of the Board of Directors

31 July 2017

# ACCOUNTING AUTHORITY'S REPORT

## Accounting Authority's Report

The Accounting Authority of the National Youth Development Agency is pleased to submit its report, together with the NYDA's annual financial statements for the year ended 31 March 2017.

## Establishment, mandate and operations of the NYDA

The NYDA was established by the South African government through the NYDA Act. This Act, in particular section 21(2), made provision for the merger between the UYF and NYC to form the NYDA. It is classified as a national public entity under Part A of Schedule 3 of the PFMA, as amended. The NYDA's mandate is to lobby and advocate for integration and mainstreaming of youth development in all spheres of government, the private sector and civil society. The mandate also includes initiating, implementing, facilitating and coordinating youth development programmes, as well as monitoring and evaluating youth development interventions across the board, and mobilising for active youth participation in civil society engagements.

### Capitalisation and going concern:

Through the Medium-term Expenditure Framework process, the NYDA was capitalised by R405.7 million for the year ending 31 March 2017, in comparison to R409.8 million received during the prior financial period.

The Accounting Authority made an assessment of the NYDA's ability to continue as a going concern, and is satisfied that the NYDA has adequate resources and measures in place to continue operating as a going concern in the next 12 months, after the approval of the annual financial statements. At the time of making this assessment, the Accounting Authority was not aware of any intention of the government to either liquidate or curtail the operations of the NYDA in the next 12 months. Consequently, the NYDA has adopted its viability as a going concern as the basis for preparation of these financial statements.

## Significant matters

### Impairment of financial assets

The Accounting Authority has noted the continuous significant amounts allocated to the provision for impairment in the current financial year as in previous financial years. The Accounting Authority noted that the key contributors, are amongst others are:

- Current economic climate characterised by slow recoveries of the global economy
- Lack of confidence by the markets in the abilities of youth-owned enterprises to deliver the right quality and quantity timeously
- Most importantly, in South Africa, which is a developing economy, that many young people who apply for enterprise funding are not necessarily individuals with a passion for entrepreneurship, but do so as an alternative after they cannot find employment, which is their first option in pursuit of a better life.

The Accounting Authority has noted that some young people have the means to repay their loans, but deliberately do not honour their commitment. Legal avenues are being pursued in an endeavour to recover these loans receivable.

The Accounting Authority continues to implement measures to ensure that defaulters pay the NYDA, which include, amongst others, the rescheduling of loan terms, assisting their businesses with market linkages, providing mentorship and the provision of the relevant NYDA vouchers, in line with business requirements to enable greater success.

### Financial performance:

The Accounting Authority noted that the Agency has reported a surplus of R6.3 million for the period under review. The key contributor is the cost of capital investments which is reflected through non-cash amortisation and depreciation over future financial years.

### Subsequent events:

The Accounting Authority is not aware of any matters or circumstances arising between 31 March 2017 and the date of this report, not dealt with in the annual financial statements, which would significantly affect the operations of the NYDA and are not sufficiently dealt with in the financial statements.

# ACCOUNTING AUTHORITY'S REPORT

## Board of Directors

The members of the NYDA Transitional Accounting Authority for the period 30 March 2016 – 5 May 2017 were as follows:

Transitional Accounting Authority	Role
Dr Nontiskilelo Tshayingca-Mashiya	Chairperson of the Accounting Authority
Mr Pieter Pretorius	Deputy Chairperson of the Accounting Authority
Mr Clayton Peters	Member of the Accounting Authority
<b>Ex-officio</b>	
Mr Khathu Ramukumba	Chief Executive Officer

The members of the Board of Directors appointed on a three-year term on 5th May 2017, to date, were as follows:

Board of Directors	Role
Mr Sifiso Mtsweni	Executive Chairperson
Ms Bavalile Hlongwa	Deputy Executive Chairperson
Ms Joy Maimela	Non-Executive member
Mr Kenny Morolong	Non-Executive member
Mr Ndumiso Mokako	Non-Executive member
Mr Yershen Pillay	Non-Executive member
Ms Zandile Majozi	Non-Executive member
<b>Ex-officio</b>	
Mr Khathu Ramukumba	Chief Executive Officer

The Chief Executive Officer is an ex officio member of the Board without voting rights.

## Bankers

Standard Bank of South Africa Limited

## Auditors

Auditor General of South Africa

## Company Secretary

Vacant

The annual financial statements for the year ended 31 March 2017, as set out on pages 113 to 151, which have been prepared on a going concern basis, were approved by the Accounting Authority and signed on its behalf.



**Mr Sifiso Mtsweni**  
Chairperson of the Board of Directors  
31 July 2017

# AUDITOR GENERAL'S REPORT

## Report of the Auditor General to Parliament on the National Youth Development Agency

### Report on the audit of the financial statements

#### Opinion

1. I have audited the financial statements of the National Youth Development Agency set out on pages 113 to 151, which comprise the statement of financial position as at 31 March 2017, and the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the National Youth Development Agency as at 31 March 2017, and its financial performance and cash flows for the year then ended, in accordance with Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the PFMA.

#### Basis for opinion

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

#### Emphasis of matters

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

#### Material Impairments

7. As disclosed in note 8 to the financial statements, material impairments to the amount of R3 356 000 (2016: R6 912 000) were incurred in the current year as a result of the impairment of loans advanced by the NYDA. At 31 March 2017, of the total gross loans receivable of R128 296 000, a total of R128 265 000 had been impaired, as the recoverability of these loans are doubtful.

#### Responsibilities of Accounting Authority for the financial statements

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

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

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

# AUDITOR GENERAL'S REPORT

## Report on the audit of the annual performance report

### Introduction and scope

12. In accordance with the Public Audit Act of South Africa, 2004 (Act 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings, but not to gather evidence to express assurance.
13. My procedures address the reported performance information, which must be based on the approved performance planning documents of the public entity. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
14. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the public entity for the year ended 31 March 2017:

Programmes	Pages in annual performance report
Programme 1 – Economic Participation	31 – 34
Programme 2 – Education and Skills Development	34 – 37

15. I performed procedures to determine whether the reported performance information was properly presented in accordance with the National Treasury's annual reporting principles and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
16. I did not identify any material findings on the usefulness and reliability of the reported performance information for the following programmes:
  - Economic Participation
  - Education and Skills Development

### Other matters

17. I draw attention to the matter below.

### Achievement of planned targets

18. Refer to the annual performance report on pages 27 to 47 for information on the achievement of the planned targets for the year and explanations provided for the overachievement of a number of targets.

## Report on audit of compliance with legislation

### Introduction and scope

19. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the public entity with specific matters in key legislation. I performed procedures to identify findings, but not to gather evidence to express assurance.
20. I did not identify any instances of material non-compliance with selected specific requirements of applicable legislation, as set out in the general notice issued in terms of the PAA.

### Other information

21. The National Youth Development Agency accounting authority is responsible for the other information. The other information comprises the information included in the annual report, which includes the Accounting Authority's report and the Audit Committee's report. The other information does not include the financial statements, the auditor's report thereon and those selected programmes presented in the annual performance report that have been specifically reported on in the auditor's report.
22. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
23. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed on the other information obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

### Internal control deficiencies

24. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. I did not identify any significant deficiencies in internal control.

### Other reports

25. I draw attention to the following engagements conducted by various parties that had, or could have, an impact on the matters reported in the public entity's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

### Investigations

26. During the 2011 financial year, an investigation was initiated by the Public Protector to probe whether the hosting of the World Festival of Youth and Students held in December 2010 was within the NYDA's mandate, if the allocated funds were not misappropriated and whether the relevant supply chain management prescripts were followed. As at 31 July 2017, a final report had not been released by the Public Protector.

### Audit-related services and special audits

27. An agreed-upon procedures engagement was performed on compliance with regulation 68 of the regulations to the National Credit Act, 2006. The report covered the period 1 April 2015 to 31 March 2016, and was issued to the NYDA and the National Credit Regulator on 21 October 2016.
28. I am in the process of completing a similar agreed-upon procedures engagement for the period 1 April 2016 to 31 March 2017.

*Auditor General*

Pretoria

31 July 2017



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## ANNEXURE – AUDITOR GENERAL’S RESPONSIBILITY FOR THE AUDIT

1. As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected programmes and on the public entity’s compliance with respect to the selected subject matters.

### Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in the auditor’s report, I also:
  - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - obtain an understanding of internal control relevant to the audit, 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 public entity’s internal control.
  - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting authority.
  - conclude on the appropriateness of the accounting authority’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the National Youth Development Agency’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of the auditor’s report. However, future events or conditions may cause the public entity to cease to continue as a going concern.
  - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

### Communication with those charged with governance

3. I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting authority that I have complied with relevant ethical requirements regarding independence, and have communicated all relationships and other matters that may reasonably be thought to have a bearing on my independence and here applicable, as related safeguards.



# AUDIT COMMITTEE REPORT

## Audit Committee Report

The committee is pleased to present its final annual report for the financial year ending 31 March 2017.

This report is presented in accordance with the requirements of the PFMA, as amended, and the recommendations contained in the King Report on Governance for South Africa and the King Code of Governance Principles (King IV).

## Audit Committee Members and Attendance

The National Youth Development Agency has a constituted Audit Committee for the financial year under review.

During the current financial year, five Audit Committee meetings were held. Interactive meetings are held between the Chairperson and Management as the need arises. The meeting attendance details during the 2016/2017 financial year were as follows:

Names of members	No. of meetings attended
Ms Rachel Kalidass (Independent non-executive chairperson appointed November 2012)	5
Mr Tayron Tshitauzi (Independent non-executive member appointed November 2012)	5

## Audit Committee responsibility

We report that we have adopted appropriate formal terms of reference in our Charter, in line with the requirements of Section 51(1) of the PFMA and Treasury Regulations 27.

The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee charter, has regulated its affairs in compliance with this charter, and has discharged all its responsibilities as contained therein.

## The effectiveness of internal control

The system of internal controls is designed to provide cost-effective assurance that assets are safeguarded and that liabilities and working capital are efficiently managed. The system of internal control applied by the NYDA over financial and risk management is partially effective, efficient and transparent.

In accordance with the PFMA and the King IV Report on Corporate Governance requirements, Internal Audit provided the Audit Committee and management with assurance that the internal control environment is appropriate and effective.

This is achieved by means of risk management, as well as the identification of corrective actions and suggested enhancements to the internal controls and processes.

In the past financial year, internal control environments related to audit findings (leadership, management and governance) were as reflected as below:

- Stability in financial management at 93%
- Regression in performance information reporting from 86% to 83%
- Increase in compliance from 86% to 92%.

Irregular expenditure was significantly reduced from R133 million in 2011/12 to R62 million in 2012/13, reduced further to R16 million in 2013/14, to R580 000 in 2014/15, R74 000 in 2015/16, and now stands at R600 000, subjected to condonation.

From the various reports of the Internal Auditors, the Auditor General Report on the Annual Financial Statements and the Management Letter of the Auditor General, it was noted that there was a stabilisation of the organisation's internal control environment, which culminated in the NYDA sustaining the clean audit again for the 2016/17 financial year (three years in succession). Of significance, is the 100% achievement of planned targets.

Accordingly, we can report that the general system of internal control for the period under review was partially effective and efficient, with only information and communication technology and the long outstanding loan book still of concern.

## AUDIT COMMITTEE REPORT (CONTINUED)

**The quality of in-year management and monthly/quarterly reports submitted in terms of the PFMA and Division of Revenue Act.**

The Audit Committee is satisfied with the content and quality of monthly reports prepared and issued by the NYDA during the year under review, noting that there has been significant improvement around performance information compilation and reporting.

The Audit Committee will continue to monitor the achievement of all planned targets for the forthcoming financial year and sustain the 100% achievement of planned targets.

### **Evaluation of financial statements**

The Audit Committee has:

- Reviewed and discussed the audited financial statements to be included in the Annual Report, with the Auditor General and the Accounting Authority
- Reviewed the Auditor General of South Africa's management report and management's report thereto
- Reviewed the Agency's compliance with legal and regulatory provisions
- Reviewed significant adjustment resulting from the audit
- Reviewed the information on predetermined objectives to be included in the annual report.

### **Internal audit**

We are satisfied that the internal audit function is operating effectively, with the support of its co-sourced internal auditors, and that it has addressed the risks pertinent to the NYDA in its internal audits.

### **Auditor General of South Africa**

We have met with the Auditor General of South Africa to ensure that there are no unresolved issues.

### **Conclusions**

The Audit Committee received allegations through the whistle-blowing hotline. These were referred to Internal Audit to determine their validity, and for further investigation. On a regular basis, the Audit Committee received progress reports on the status of these investigations and reviewed these forensic and investigation reports, ensuring that the necessary correction action was being taken by management.

We would like to extend our appreciation to the Accounting Authority, management, and the internal and external auditors for their tireless efforts in supporting and co-operating with us during the year. We look forward to another successful year ahead.



**Ms Rachel Kalidass**  
Chairperson: Audit Committee

# STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017

	Note(s)	2017 R'000	2016 R'000
<b>Assets</b>			
<b>Current Assets</b>			
Receivables from exchange transactions	2	8 678	10 600
Receivables from non-exchange transactions	3	11 262	6 000
Loan receivables from exchange transactions	8	31	4 308
Investments in associates – held for sale	7	5 127	4 866
Cash and cash equivalents	4	46 866	36 809
		<b>71 964</b>	<b>62 583</b>
<b>Non-current Assets</b>			
Equipment	5	12 423	13 027
Intangible assets	6	15 077	5 349
Loan receivables from exchange transactions	8	–	197
Rental deposit		3 806	1 018
		<b>31 306</b>	<b>19 591</b>
<b>Total Assets</b>		<b>103 270</b>	<b>82 174</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Finance lease obligation	9	179	163
Payables from exchange transactions	10	69 800	55 997
Employee cost provisions	11	12 252	16 637
Deferred income	12	9 287	6 606
Deferred expenses	13	2 508	935
		<b>94 026</b>	<b>80 338</b>
<b>Non-current Liabilities</b>			
Finance lease obligation	9	47	226
Deferred expenses	13	1 270	–
<b>Total Liabilities</b>		<b>95 343</b>	<b>80 564</b>
<b>Net Assets</b>		<b>7 929</b>	<b>1 610</b>
Accumulated Surplus		7 929	1 610

# STATEMENT OF FINANCIAL PERFORMANCE

	Note(s)	2017 R'000	2016 R'000
<b>Revenue</b>			
<b>Revenue from Exchange Transactions</b>			
Fair value adjustments	17	261	–
Interest income	15	8 922	15 398
Other income	16	1 523	2 903
Gain on disposal of assets and liabilities		40	45
		<b>10 746</b>	<b>18 346</b>
<b>Revenue from Non-exchange Transactions</b>			
<b>Transfer Revenue</b>			
Transfer income — Department of Planning, Monitoring and Evaluation		405 766	409 789
Donor-funding income	23	28 438	25 594
		<b>434 204</b>	<b>435 382</b>
<b>Total Revenue</b>		<b>444 950</b>	<b>453 728</b>
<b>Expenditure</b>			
Operating expenses	18-22	(133 370)	(166 332)
Donor-funding disbursements	23	(28 438)	(25 594)
Finance costs		(31)	(43)
Projects disbursements	25	(246 305)	(256 433)
Grant disbursements	24	(30 486)	(29 974)
Fair value adjustment	17	0	(33)
<b>Total Expenditure</b>		<b>(438 650)</b>	<b>(478 409)</b>
<b>Surplus/(Deficit) for the Year</b>		<b>6 300</b>	<b>(24 681)</b>

# STATEMENT OF CHANGES IN NET ASSETS

	Accumulated surplus R'000	Total net assets R'000
Balance at 1 April 2015	26 291	26 291
Deficit for the year	(24 681)	(24 681)
<b>Balance at 1 April 2016</b>	<b>1 610</b>	<b>1 610</b>
Surplus for the year	6 320	6 320
<b>Balance at 31 March 2017</b>	<b>7 930</b>	<b>7 930</b>

# CASH FLOW STATEMENT

	Note(s)	2017 R'000	2016 R'000
<b>Cash Flows from Operating Activities</b>			
<b>Receipts</b>			
Transfer income		405 766	409 789
Interest income received		3 447	8 927
Other receipts		1 523	2 899
Loan capital repayment		–	–
		<b>410 736</b>	<b>421 615</b>
<b>Payments</b>			
Employee costs		(146 961)	(213 021)
Suppliers		(243 278)	(241 561)
Loans movement		–	(1 621)
		<b>(390 239)</b>	<b>(456 203)</b>
<b>Net Cash Flows from Operating Activities</b>	26	<b>20 497</b>	<b>(34 588)</b>
<b>Cash Flows from Investing Activities</b>			
Equipment		(3 863)	(3 551)
Proceeds from disposal of equipment		741	198
Receipts from loans		3 949	–
Purchase of intangible assets		(11 109)	(1 687)
<b>Net cash flows from investing activities</b>		<b>(10 282)</b>	<b>(5 040)</b>
<b>Cash flows from financing activities</b>			
Finance lease payments		(162)	(28)
Net increase/(decrease) in cash and cash equivalents		10 053	(39 656)
<b>Cash and Cash Equivalents at the Beginning of the Year</b>		<b>36 809</b>	<b>76 465</b>
<b>Cash and Cash Equivalents at the End of the Year</b>	4	<b>46 866</b>	<b>36 809</b>

# STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Budget on Cash Basis					
	Approved budget R'000	Adjustments R'000	Final budget R'000	Actual amounts on comparable basis R'000	Difference between final budget and actual R'000
<b>Statement of Financial Performance</b>					
<b>Revenue</b>					
<b>Revenue from Exchange Transactions</b>					
Interest income	5 120	(1 620)	3 500	8 922	(5 422)
Fair value adjustments	–	–	–	261	261
Other income	–	–	–	1 523	1 523
Gains on disposal of assets	–	–	–	40	40
<b>Total Revenue from Exchange Transactions</b>	<b>5 120</b>	<b>1 620</b>	<b>3 500</b>	<b>10 746</b>	<b>(7 246)</b>
<b>Revenue from Non-exchange Transactions</b>					
<b>Transfer revenue</b>					
Department of Planning, Monitoring and Evaluation	405 766	–	405 766	405 766	–
Donor-funded income	21 000	9 000	30 000	28 438	(1 562)
<b>Total revenue from Non-exchange Transactions</b>	<b>426 766</b>	<b>9 000</b>	<b>435 766</b>	<b>434 204</b>	<b>(1 562)</b>
<b>Gross Revenue</b>	<b>431 886</b>	<b>10 620</b>	<b>439 266</b>	<b>444 950</b>	<b>5 684</b>
<b>Expenditure</b>					
Administration and overheads	11 927	12 073	24 000	24 474	(474)
Communication and public relations	15 118	–	15 188	18 269	(3 018)
Employee costs	145 529	–	145 529	142 576	2 953
Information Technology	30 091	(8 000)	22 091	21 670	421
Outsourcing and external services	11 400	–	11 400	12 841	(1 441)
Seminars and training	4 925	–	4 925	4 530	395
Travel and accommodation	4 900	–	4 900	4 566	(48)
Interest paid	–	–	–	31	(31)
Project disbursements	145 922	(3 992)	142 000	141 307	693
Impairment, write-off, depreciation, amortisation	–	–	–	9 442	(9 442)
Donor-funded expenditure	21 000	9 000	30 000	28 438	1 562
Grant disbursements	33 100	(3 100)	30 000	30 486	(486)
<b>Total Expenditure</b>	<b>423 912</b>	<b>6 051</b>	<b>430 033</b>	<b>438 630</b>	<b>(8 597)</b>
Capital Expenditure	7 974	3 000	10 974	14 973	(3 999)
<b>Gross Expenditure</b>	<b>431 886</b>	<b>9 051</b>	<b>441 007</b>	<b>453 603</b>	<b>(12 596)</b>

# ACCOUNTING POLICIES

## 1. Basis of Preparation

The NYDA was established by the South African government through the National Youth Development Agency Act, 2008 (Act 54 of 2008). This Act, in particular Section 21(2), made provision for the merger between the Umsobomvu Youth Fund and the National Youth Commission, to form the NYDA. It is classified as a National Public Entity under Part A of Schedule 3 of the PFMA, as amended.

### Statement of Compliance:

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

The following standards and interpretations of GRAP were approved, but are not yet effective:

GRAP 20	Related Party Disclosures
GRAP 32	Service Concession Arrangements: Grantor
GRAP 34	Separate Financial Statements
GRAP 35	Consolidated Financial Statements
GRAP 36	Investments in Associates and Joint Ventures
GRAP 37	Joint Arrangements
GRAP 38	Disclosure of Interests in Other Entities
GRAP 108	Statutory Receivables
GRAP 109	Accounting by Principals and Agents
GRAP 110	Living and Non-living Resources
IGRAP 17	Interpretation of the Standard of GRAP on Service Concession Arrangements, where a Grantor Controls a Significant Residual Interest in an Asset
IGRAP 18	Interpretation of the Standard of GRAP on Recognition and Derecognition of Land.

The standards in respect of Related Party Disclosures, Joint Ventures, Statutory Receivables and Accounting by Principals and Agents are expected to have a material future impact on the Agency. Finance senior management will attend training workshops to familiarise themselves with the new standards, once they are effective, and will devise a strategy and implementation plan to ensure adherence to the new standards.

### Basis of measurement:

These annual financial statements were prepared on an accrual basis of accounting and are in accordance with the historical cost convention, unless otherwise specified. The NYDA's functional currency is the South African Rand and the annual financial statements are presented in South African Rand. Assets, liabilities, revenues and expenses were not offset, except where offsetting was required, or permitted, by a Standard of GRAP.

## 1.1 Significant estimates, assumptions and judgments

The key assumptions concerning the future and other key sources of estimations, and uncertainty at reporting date, which hold a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

### Financial assets and liabilities

#### Investment in associates

Management makes assumptions when determining the fair value of investments in associates. Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable, willing parties in an arms-length transaction. The NYDA uses the discounted, free cash-flow valuation technique or net asset value as the primary basis of valuing investment in associates. The NYDA uses discount rates of 20% to 40% to discount estimated future cash flows. Where reliable information necessary for the application of the discounted free cash-flow valuation technique is not available, the investments are carried at cost. In circumstances where the NYDA makes a loan to an associate and such a loan is impaired, this will be regarded as an impairment indicator of the investment. The NYDA does not have any financial instruments which are actively traded in the financial markets.



## **Determination of recoverable amount and impairment of non-financial assets:**

### **Cash-generating assets**

Where impairment indicators exist, the determination of the recoverable amount of non-financial assets requires management to make assumptions on cash-generating assets to determine the recoverable amount. On each reporting date, the NYDA assesses whether there is an indication that an asset may be impaired. If any such indication exists, the NYDA estimates the asset's recoverable amount. An asset's recoverable amount is the higher of the asset's fair value less costs to sell and its value in use, and is determined for an individual asset. If the asset cannot be assessed individually, it will be assessed as part of a cash-generating unit (CGU). Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset or CGU is considered impaired and is written down to its recoverable amount. In assessing the value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset.

### **Non-cash generating assets (services)**

For non-cash generating assets, when an impairment indicator exists, management must determine a recoverable service amount. The recoverable service amount is the higher of the asset's fair value less costs to sell or value in use. It may not be possible to determine fair value less costs to sell, in which case alternative methods may be used to estimate fair value less costs to sell. Value in use is the present value of the asset's remaining service potential.

## **Determination of recoverable amount and impairment of financial assets:**

Where impairment indicators exist, the determination of the recoverable amount of financial assets requires management to make assumptions to determine the recoverable amount. On each reporting date, the NYDA assesses whether a financial asset is impaired.

Individual financial assets are reviewed for any indicators of impairment. If there is objective evidence that an impairment loss on a financial asset has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate (the effective interest rate computed at initial recognition). When an amount is outstanding in excess of 90 days, this is considered by management as objective evidence that an impairment loss has occurred. However, there may be other objective evidence, either indicating or not indicating impairment, which management considers when assessing a financial asset.

## **Equipment**

### **Depreciation and carrying value of equipment**

Residual value is the estimated amount that could be currently obtained from disposal of the asset after deducting costs of disposal, if the asset were already of an age and a condition to be expected at the end of a useful life. The estimation of the useful life and residual value an asset is based on management's judgment. Any material adjustments to the estimated remaining useful life and residual value an asset will have an impact on the carrying value of such an item.

### **Change in useful lives of assets**

The useful lives and residual values of equipment and intangible assets were assessed at year-end and the following adjustments made:

- Residual value for furniture and fittings was adjusted to nil.

This adjustment will be accounted for prospectively.

### **Provision for bonuses**

The provision for bonuses is estimated based on management's best estimate of the expected bonus payout, which is based on average employee and organisational performance.

# ACCOUNTING POLICIES (CONTINUED)

## 1.2 Equipment

### Definition of equipment

Equipment is a tangible item that is held for use in the production or supply of goods and services, for rental to others or for administrative purposes, and is expected to be used during more than one reporting period.

### Initial recognition of equipment

The cost of an item of property, plant and equipment is recognised as an asset in the following cases:

- It is probable that future economic benefits or service potential associated with the item will flow to the entity.
- The cost of the item can be measured reliably.

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

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

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

### Subsequent recognition of equipment

Costs include costs incurred initially to acquire an item of 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 equipment, the carrying amount of the replaced part is derecognised.

### Depreciation and impairment of equipment

Equipment is depreciated over its expected useful life on a straight line basis, at rates estimated to write each asset down to its estimated residual value over the term of its useful life. Depreciation of equipment begins when an asset is available for use. Equipment is carried cost, less accumulated depreciation and any accumulated impairment losses.

The residual value and useful life of an asset are reviewed at least at each reporting date and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimates.

At each reporting date, all items of equipment are reviewed for any indication that they may be impaired. Impairment exists when an asset's carrying amount is greater than each recoverable amount. The recoverable amount of an asset or CGU is the higher of its fair value less cost to sell and its value in use. If there is an indication of impairment, the asset's recoverable amount is calculated. An impairment loss is recognised in surplus or deficit and the depreciation charge relating to the asset is adjusted for future periods.

The useful lives of items of equipment for the current and comparative period are as indicated below:

Motor vehicles	Straight line 4-6 years
Office equipment	Straight line 5-10 years
Computer hardware	Straight line 3-5 years
Leasehold improvements	Straight line

Leasehold improvements are depreciated on a straight line over the shorter of the term of the lease or the useful life thereof. Useful life is between 5 - 10 years, while lease terms range from 5 - 7 years.

### Derecognition of equipment

The carrying amount of an item of equipment is derecognised:

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

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

### 1.3 Intangible Assets

An asset is identifiable, if it:

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

#### Initial recognition for intangible assets

An intangible asset is recognised when:

- It is probable that the expected future economic benefits or service potential that is attributable to the asset will flow to the entity.
- The cost or fair value of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

The cost of an intangible asset acquired for no consideration or for a nominal consideration will be its fair value as at the date of acquisition.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised in the following circumstances:

- It is technically feasible to complete the asset, so that it will be available for use or sale.
- There is an intention to complete and use or sell it.
- There is an ability to use or sell it.
- It will generate probable future economic benefits or service potential.
- There are available technical, financial and other resources to complete the development and to use or sell the asset.
- The expenditure attributable to the asset during its development can be measured reliably.

#### Subsequent measurement of intangible assets

Intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

#### Amortisation and impairment of intangible assets

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. An intangible asset with an indefinite useful life is not amortised.

Amortisation is not provided for these intangible assets, but they are assessed annually for impairment and whenever there is an indication that the asset may be impaired. For all other intangible assets, amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets with a finite useful life are reviewed at each reporting date. If the expected useful life of the asset is different from previous estimates, the amortisation period is charged accordingly. If there was a change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the amortisation method is charged to reflect the changed pattern. Each change is accounted for as a change in accounting estimates, in accordance with the Standard of GRAP on Accounting Policies, and Changes in Accounting Estimates and Errors.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values. The NYDA amortises its intangible assets at a rate of 14% to 20% per annum. Developed software is amortised when the software becomes available for use. Amortisation of these assets is recognised in surplus or deficit.

## ACCOUNTING POLICIES (CONTINUED)

At each reporting date, all items of intangible assets are reviewed for any indication that they may be impaired. Impairment exists when an asset's carrying amount is greater than its recoverable amount. The recoverable amount of an asset or CGU should be higher than its fair value less cost to sell and its value in use. If there is an indication of impairment, the asset's recoverable amount is calculated. An impairment loss is recognised in surplus or deficit and the amortisation charge relating to the asset is adjusted for future periods.

### **Derecognition of intangible assets**

Intangible assets are derecognised:

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

The gain or loss arising from derecognition of an intangible asset is included in surplus or deficit when the asset is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

### **1.4 Investments in Associates**

An associate is an entity in which the NYDA has significant influence and which is neither a subsidiary nor a joint venture. The NYDA invests in equity of the young, rapidly growing companies that have the potential to develop into significant economic contributors and expanding companies that also create jobs in the economy. The NYDA meets the definition of the venture capital organisation, as it invests in new companies with a limited operating history that are too small to raise capital in the public markets and have not reached a point where they are able to secure a bank loan or complete debt offering. The NYDA has, therefore, opted to elect the venture capital organisation exemption and these investments in associates, upon initial recognition, are designated as at fair value through surplus or deficit, in accordance with GRAP 104.

Fair value adjustments are recognised through surplus or deficit. The NYDA uses the discounted, free cash-flow valuation technique or net asset value as the primary basis for valuing investments in associates. The NYDA uses discount rates of 20% to 40% to discount estimated future cash flows. Where reliable information necessary for the application of the discounted, free cash flow valuation technique is not available, the investments are carried at cost. In circumstances where the NYDA makes a loan to an associate and such a loan is impaired, this will be regarded as an impairment indicator of the investment.

### **1.5 Leases**

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

#### **Finance lease – initial recognition**

At the commencement of the lease term, the NYDA recognises finance leases as assets and liabilities in its Statement of Financial Position, at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is practicable to determine. If not, the lessee's incremental borrowing rate is used. Any initial direct costs of the lessee are added to the amount recognised as an asset.

#### **Subsequent measurement**

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

Contingent rents shall be charged as expenses in the periods in which they are incurred.

#### **Classification of finance lease**

The leases are classified as finance leases, as the assets will be used for the majority of their economic life.

#### **Operating leases**

Lease payments under an operating lease are recognised as an expense in surplus or deficit on a straight line basis over the lease term, unless another systematic basis is more representative of the time pattern of the user's benefit.

## 1.6 Revenue from Exchange Transactions

An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives an approximate equal value to the other party in the exchange.

Revenue is the gross inflow of economic benefits or service potential during the reporting period, when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

### Measurement

Revenue is measured at the fair value of the consideration received or receivable.

### Interest

Interest income is recognised in surplus or deficit for all financial instruments measured at amortised cost, using the effective interest rate method. The effective interest rate method is a method of calculating the amortised cost of a financial asset and allocating the interest income over the average expected life of the financial instruments. The effective interest rate is the rate that exactly discounts estimated future cash receipts over the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial asset. When calculating the effective interest rate, the NYDA estimates cash flows, considering all contractual terms of the financial instruments, but does not consider future credit losses.

## 1.7 Revenue from Non-exchange Transactions

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

### Government grants

Government grants are recognised as revenue:

- When it is probable that the economic benefits or service potential associated with the transaction will flow to the entity.
- When the amount of the revenue can be measured reliably.
- To the extent that there has been compliance with any restrictions associated with the grant.

The entity assesses the degree of certainty attached to the flow of future economic benefits or service potential on the basis of the available evidence. Certain grants payable by one level of government to another are subject to the availability of funds. Revenue from these grants is only recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the entity. An announcement at the beginning of a financial year that grants may be available to qualifying entities, in accordance with an agreed programme, may not be sufficient evidence of the probability of the flow. Revenue is then only recognised once evidence of the probability of the flow becomes available.

Grants are measured at the fair value received or receivable.

The government grant received does not have any specific condition attached and is recognised as revenue, once committed.

### Gifts and donations

Gift and donations are recognised as revenue in the following cases:

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

Gifts and donations are measured at the increase in net assets.

## ACCOUNTING POLICIES (CONTINUED)

### 1.8 Irregular, Fruitless and Wasteful Expenditure

Irregular expenditure is expenditure that is contrary to legislation, including, but not limited to the PFMA and National Treasury regulations.

Fruitless and wasteful expenditure is expenditure that was incurred in vain and could have been avoided, had reasonable care been exercised.

Irregular expenditure is recorded in the notes to the financial statements, when confirmed. The amount recorded is equal to the value of the irregularity, unless it is impracticable to determine, in which case reasons are provided in the note. Irregular expenditure is removed from the note when it is either condoned by the relevant authority, or transferred to receivables for recovery.

### 1.9 Budget Information

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

The financial statements and the budget are on the same basis of accounting, and a comparison with the budgeted amounts for the reporting period has, therefore, been included in the statement of comparison of the budget and actual amounts. Comparative information is not required.

### 1.10 Related Parties

The NYDA operates in an economic sector which is currently dominated by entities directly or indirectly owned or controlled by the South African government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the national sphere of government within the same department structure are considered to be related parties.

Key management is defined as being individuals with the authority and responsibility to plan, direct and control the activities of the entity. We regard all members of the Operations Executive Committee reporting directly to the Chief Executive Officer as key management individuals.

### 1.11 Financial Instruments

#### Initial recognition and measurement

On initial recognition, an instrument is classified as either a financial asset or a financial liability and recorded at fair value plus, in the case of financial assets and financial liabilities not recorded at fair value through surplus or deficit or any directly attributable incremental costs of acquisition or issue.

Purchases or sales of financial assets that require delivery of assets within a timeframe established by regulation or conversion in the marketplace (regular way of purchases), are recognised on the trade date, i.e. the date that the NYDA commits to purchase or sell the asset.

#### Subsequent measurement

Subsequent measurement of financial instruments carried on the Statement of Financial Position is on the following basis:

#### Investments

Investments in equity instruments are designated as at fair value through surplus and deficit. All changes in fair value are recognised directly in surplus or deficit.

#### Loans receivable

Loans receivable are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Such assets are carried at amortised cost, using the effective interest rate method, less any allowance for impairment. Gains and losses are recognised through surplus and deficit when the loans receivable are derecognised or impaired, as well as interest through the amortisation process.

#### Receivables from exchange transactions

Receivables are initially recognised at fair value and subsequently measured at amortised cost, using the effective interest method.

Where the impact of discounting is not material, receivables are carried at the original invoice amount, less any allowance for impairment.

### **Trade and other payables from exchange transactions**

Trade payables are initially recognised and carried at fair value and, subsequently, measured at amortised cost, using the effective interest rate method. Trade payables are derecognised when the obligation under the liability has been discharged.

### **Cash and cash equivalents, including cash on call**

Cash and cash equivalents, including cash on call, are comprised of demand deposits and short-term, highly liquid investments that are readily convertible into known amounts of cash. Cash and cash equivalents, including cash on call, are subsequently measured at amortised cost.

### **Rental deposits**

Rental deposits include all monies paid by the NYDA as deposits for the rental of the buildings. Rental deposits are initially recognised and carried at fair value and, subsequently, measured at amortised cost.

### **Investment in associates**

Refer to note 1.4

### **Impairment of financial assets**

#### **Assets carried at amortised cost**

At each reporting date, the NYDA assesses whether a financial asset is impaired. Individual financial assets are reviewed for any indicators of impairment. If there is objective evidence that an impairment loss on a financial asset has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate (the effective interest rate computed at initial recognition).

When an amount is outstanding for longer than 90 days, this is considered by management as objective evidence that an impairment loss has occurred. However, there may be other objective evidence that may or may not indicate impairment. Management considers such objective evidence when assessing a financial asset. The carrying amount of the financial asset is reduced through use of an allowance account, when there is objective evidence that the asset may be impaired directly and against the carrying value of an asset, when the asset is considered irrecoverable. The amount of the loss is recognised through surplus or deficit. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortised cost by the reversal date. Any subsequent reversal of an impairment loss is recognised in surplus or deficit.

### **Derecognition of financial instruments**

- If the rights to receive cash flows from the asset have expired.
- If the NYDA retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full, without material delay, to a third party under a 'pass through' arrangement.
- If the NYDA has transferred its right to receive cash flows from the asset and has either transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the NYDA has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the asset is recognised to the extent of the NYDA's continuing involvement of the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the NYDA could be required to repay.

A financial liability is derecognised when the obligation under the liability is discharged, or cancelled, or expires.

### **Cash-generating assets and non-cash-generating assets**

Cash-generating assets are held with the primary objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented entity. Holding an asset to generate a "commercial return" indicates that the NYDA intends to generate positive cash inflows from the asset (or from the cash-generating unit of which the asset is a part) and earn a commercial return that reflects the risk involved in holding the asset. Non-cash-generating assets are assets other than cash-generating assets.

## ACCOUNTING POLICIES (CONTINUED)

### 1.12 Employee Benefits

#### Short-term employee benefits

The cost of short-term employee benefits (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), is recognised in the period in which the service is rendered.

Liabilities for short-term employee benefits which are unpaid at year-end are measured at the undiscounted amount that the entity expects to pay in exchange for that service and had accumulated at the reporting date.

#### Defined contribution plans

A defined contribution plan is a plan according to which the entity pays fixed contributions into a separate entity. The entity has no legal or constructive obligation to pay further contributions, if the fund does not hold sufficient assets to pay all employees the benefits relating to services in the current or prior periods. The entity's contributions to the defined contribution funds are established in terms of the rules governing those plans. Contributions are recognised in surplus or deficit in the period in which the service is rendered by the relevant employees, unless the standard requires or permits the inclusion of the contribution in the cost of an asset. Prepaid contributions are recognised as an asset to the extent that a cash refund or reduction in future payments is available.

Where contributions to a defined contribution plan do not fall due wholly within 12 months after the end of the period in which the employees render the related service, they are discounted, using a risk-free rate determined by reference to market yields on the reporting date on government bonds or by reference to market yields on high-quality corporate bonds.

#### Termination benefits

The NYDA recognises termination benefits as a liability and an expense when, and only when, the entity is demonstrably committed to one of the following:

- Terminating the employment of an employee or group of employees before the normal retirement date, or
- Providing termination benefits as a result of an offer made, in order to encourage voluntary redundancy.
- The NYDA is demonstrably committed to a termination when, and only when, it has a detailed formal plan for the termination and there is no realistic possibility of withdrawal. The detailed plan will include, at the very minimum:
  - The location, function and approximate number of employees whose services are to be terminated
  - The termination benefits for each job classification or function
  - The period in which the plan will be implemented. Implementation will begin as soon as possible and the time period for completing implementation will be such that material changes to the plan are not likely.

### 1.13 Project Disbursements

Disbursements to projects are categorised and disclosed as follows:

Project disbursements are approved grant funding made to third-party service providers who plan, implement and manage youth development projects, as well as payments relating to youth development projects, managed internally by the NYDA, using its own capacity.

### 1.14 Commitments

Where a project has been approved, but has not been accrued for, or provided for, it is disclosed as commitments in the notes to the annual financial statements.

### 1.15 Deferred Income

Deferred income represents revenues collected, but not earned, as at reporting date. This includes grants from foreign institutions.



## 1.16 Joint Ventures

A joint venture is a binding arrangement, whereby two or more parties are committed to undertaking an activity that is subject to joint control.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operational decisions relating to the activity require unanimous consent of the parties sharing control (the ventures). The binding agreement establishes joint control over the joint venture. Such requirement ensures that no single venture is in a position to unilaterally control the activity.

### Jointly controlled operations

Where the operation of a joint venture comprises the use of the venture's assets and other resources, without the establishment of a separate entity, the joint venture is referred to as a jointly controlled operation.

The entity recognises, in its separate annual financial statements and, consequently, in its annual financial statements:

- The assets that it controlled and the liabilities that it incurred
- The expense that it incurred and its share of the revenue that it earned from the sale or provision of the goods or services by the joint venture.

### Jointly controlled assets

Where the entity undertakes its activities under a joint-venture arrangement directly, the controlling entity's share of jointly controlled assets, and any liabilities incurred jointly with other ventures, is recognised in the statement of financial position of the entity, and classified according to category. Revenue from the sale or use of the entity's share of the output of jointly controlled assets and its share of joint venture expense are recognised in surplus or deficit.

## 1.17 Grant Disbursements

Grant disbursements are recognised, once the grant has been approved and the grant holder has been informed of such approval.

## 1.18 Voucher Disbursements

The Voucher programme is subject to the following accounting treatment:

- The issue to a young person of a voucher that is not yet redeemed is disclosed as a contingent liability as at financial year end, as there is only a possible obligation, contingent upon redemption of the voucher and delivery of the product.
- The redemption of the voucher and delivery by a service provider without a product having passed all quality assurance creates a constructive obligation and a provision is determined and accounted for.
- The delivery by a service provider which has passed quality assurance is accounted for as a liability.

## 1.19 Non-current Assets Held for Sale

Non-current assets held for sale are classified and disclosed as current assets when there is an approved decision to dispose of the assets, and plans have been implemented to market the assets for sale and the sale is expected to be concluded within 12 months.

## NOTES TO THE FINANCIAL STATEMENTS

	2017 R'000	2016 R'000
<b>2. Receivables from Exchange Transactions</b>		
Sundry debtors	5 692	9 619
Staff loans	537	513
Prepaid expenses	2 226	1 885
Fixed asset receivables	700	–
Interest receivable banks	358	334
Less: Allowance for impairment	(834)	(1 751)
	<b>8 679</b>	<b>10 600</b>

### Receivables allowance for impairment reconciliation 2017

	Allowance for impairment 2016	Impairment expense	Allowance for impairment 2017
Allowance for impairment	(1 752)	917	(834)

### Receivables allowance for impairment reconciliation 2016

	Allowance for impairment 2015	Impairment expense	Allowance for impairment 2016
Allowance for impairment	(1 264)	(488)	(1 752)

### 3. Receivables from Non-exchange Transactions

Independent Development Trust	9 976	6 000
Flanders	666	–
Department of Arts and Culture	620	–
	<b>11 262</b>	<b>6 000</b>

### 4. Cash and Cash Equivalents

Cash and cash equivalents consist of:

#### Unrestricted cash

Cash at bank and on hand	46 043	33 763
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#### Restricted cash

CIPC	351	82
Massmart Holding Limited	–	15
Joint Venture – University of Johannesburg Institute	471	2 949

<b>Cash and cash equivalents</b>	<b>46 866</b>	<b>36 809</b>
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Restricted cash represents funds earmarked for specific projects where the NYDA is in partnership with third parties. Hence, such funds are restricted and cannot be used for any purpose other than the purpose as stipulated in the partnership agreement.

#### Guarantees

ABSA Bank Limited has issued rental guarantees, on behalf of the NYDA, in favour of the Department of Public Works for the amount of R2.6 million (2016: R2.3 million). The cession in respect of the guarantee from ABSA Bank was released prior to 31 May 2017 and deposited into the NYDA account.

## 5. Equipment

	2017			2016		
	Cost R'000	Accumulated depreciation and impairment R'000	Carrying value R'000	Cost R'000	Accumulated depreciation and impairment R'000	Carrying value R'000
Motor vehicles	1 783	(1 515)	268	1 783	(1 515)	268
Office equipment	5 825	(3 760)	2 065	10 280	(7 527)	2 753
Leasehold improvements	35 484	(31 472)	4 011	32 433	(30 674)	1 759
Furniture	10 704	(8 489)	2 215	15 284	(12 120)	3 164
Computer equipment	17 995	(14 131)	3 864	17 713	(12 630)	5 083
<b>Total</b>	<b>71 791</b>	<b>(59 368)</b>	<b>12 423</b>	<b>77 493</b>	<b>(64 466)</b>	<b>13 027</b>

### Reconciliation of equipment – 2017

	Opening balance R'000	Additions R'000	Disposals R'000	Depreciation R'000	Impairment loss R'000	Total R'000
Motor vehicles	268	–	–	–	–	<b>268</b>
Office equipment	2 753	163	(324)	(508)	(19)	<b>2 065</b>
Leasehold improvements	1 759	3 051	–	(797)	–	<b>4 011</b>
Furniture	3 164	101	(377)	(627)	(44)	<b>2 217</b>
Computer equipment	5 083	548	–	(1 698)	(69)	<b>3 863</b>
	<b>13 027</b>	<b>3 863</b>	<b>(701)</b>	<b>(3 631)</b>	<b>(133)</b>	<b>12 423</b>

### Reconciliation of equipment – 2016

	Opening balance R'000	Additions R'000	Disposals R'000	Depreciation R'000	Impairment loss R'000	Total R'000
Motor vehicles	268	–	–	–	–	<b>268</b>
Office equipment	2 649	1 128	–	(985)	(39)	<b>2 753</b>
Leasehold improvements	1 402	1 040	–	(683)	–	<b>1 759</b>
Furniture	3 744	259	–	(694)	(145)	<b>3 164</b>
Computer equipment	6 266	1 126	(153)	(2 056)	(100)	<b>5 083</b>
	<b>14 329</b>	<b>3 553</b>	<b>(153)</b>	<b>(4 418)</b>	<b>(284)</b>	<b>13 027</b>

## 6. Intangible Assets

	2017			2016		
	Cost R'000	Accumulated amortisation and impairment R'000	Carrying value R'000	Cost R'000	Accumulated amortisation and impairment R'000	Carrying value R'000
Software developed in-house	12 633	(8 777)	3 856	10 633	(7 579)	3 054
Computer software purchased	4 558	(2 324)	2 234	2 859	(2 141)	718
Software under development	8 987	–	8 987	1 577	–	1 577
<b>Total</b>	<b>26 178</b>	<b>(11 101)</b>	<b>15 077</b>	<b>15 069</b>	<b>(9 720)</b>	<b>5 349</b>

## Reconciliation of intangible assets – 2017

	Opening balance R'000	Additions R'000	Disposals R'000	Transfers R'000	Amortisation R'000	Impairment loss R'000	Total R'000
Software developed in-house	3 054	900	–	1 100	(1 198)	–	3 856
Computer software purchased	718	1 315	–	384	(183)	–	2 234
Software under development	1 577	8 895	–	(1 484)	–	–	8 988
	<b>5 349</b>	<b>11 110</b>	<b>–</b>	<b>–</b>	<b>(1 381)</b>	<b>–</b>	<b>15 078</b>

## Reconciliation of intangible assets – 2016

	Opening balance R'000	Additions R'000	Disposals R'000	Amortisation R'000	Impairment loss R'000	Total R'000
Software developed in-house	3 968	143	–	(1 057)	–	3 054
Computer software purchased	923	59	–	(264)	–	718
Software under development	92	1 485	–	–	–	1 577
	<b>4 983</b>	<b>1 687</b>	<b>–</b>	<b>(1 321)</b>	<b>–</b>	<b>5 349</b>

## 7. Investments in Associates

Name of entity	Nature of enterprise	% Shareholding	Cumulative investment at cost 2017	Cumulative investment at cost 2016	Cumulative repayment received 2017	Cumulative repayment received 2016	Accumulated fair value adjustment 2017	Accumulated fair value adjustment 2016	Carrying amount 2017	Carrying amount 2016
Franchise Fund - held for sale	Private equity investment	80%	101 400	101 400	(100 000)	(100 000)	5 127	3 465	5 127	4 866
Chicken Kwasa (Pty) Ltd	Fast food	26%	300	300	–	–	(300)	(300)	–	–
Vynide Investment	Manufacturing	10%	1 000	1 000	–	–	(1 000)	(1 000)	–	–
			<b>102 700</b>	<b>102 700</b>	<b>(100 000)</b>	<b>(100 000)</b>	<b>3 827</b>	<b>2 145</b>	<b>5 127</b>	<b>4 866</b>

### Investments in associates

In respect of the investments above, in which the NYDA has less than 20% shareholding, the NYDA has significant influence by virtue of having representation on the Board of Directors, and also having a right to participate in policy-making processes, including participation in decision-making about dividends and other distributions. All the above associates have been incorporated in the Republic of South Africa. The cost of investments and fair value adjustments less than R1 thousand have been shown as nil.

Based on the contractual agreement with Business Partners (Pty) Ltd, the NYDA contributes 80% of the funding for Franchise Fund loans. However, the NYDA only exercises significant influence and does not participate in the management of the fund. Therefore, it is classified as an investment in associate. The Franchise Fund was classified as held for sale throughout the financial year and was disposed of prior to 31 May 2017 through divestment, with the funds deposited back to the NYDA.

Fair value adjustment is disclosed in note 17.

	2017 R'000	2016 R'000
<b>Summarised Franchise Fund</b>		
Opening carrying amount	4 866	4 758
Repayment received during the year	–	–
Fair value adjustment	261	108
<b>Carrying value at the end of the year</b>	<b>5 127</b>	<b>4 866</b>
Due within more than one year	–	–
Due within one year	5 127	4 866

# ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

	2017 R'000	2016 R'000
<b>8. Loans Receivable from Exchange Transactions</b>		
Small-medium enterprise	259 476	259 308
Micro-loans, direct lending and intermediaries	113 555	114 705
Co-operatives	11 233	11 233
<b>Gross Advances</b>	<b>384 274</b>	<b>385 246</b>
Add: Interest receivables	105 529	106 357
Less: Loans written off	(130 956)	(127 921)
Less: Cumulative capital repayment	(230 551)	(233 295)
Less: Transfer from loans receivable	–	(972)
<b>Subtotals</b>	<b>128 296</b>	<b>129 415</b>
Allowance for impairment	(128 265)	(124 910)
Small-medium enterprise	(108 527)	(106 450)
Micro-loans, direct lending and intermediaries	(9 377)	(8 694)
Co-operatives	(10 362)	(9 766)
<b>Net loans receivable from exchange transactions</b>	<b>31</b>	<b>4 505</b>
Due within one year	31	4 309
Due within more than one year	–	197

Loans written off were written off after the following criteria had been met:

The loan holders had no recoverable assets as surety against which to recover loans; the legal process was exhausted against loan holders; loan holders were not traceable through debt recovery procedures.

Loan receivables allowance for impairment reconciliation 2017

	Allowance for impairment 2016 R'000	Impairment expense R'000	Impairment reversal R'000	Allowance for impairment 2017 R'000
Small-medium enterprise	106 450	2 077	–	108 527
Micro-loans, direct lending and intermediaries	8 694	683	–	9 377
Co-operatives	9 766	596	–	10 362
	<b>124 910</b>	<b>3 356</b>	<b>–</b>	<b>128 266</b>

The Franchise Fund is held for sale at the financial reporting date.

## 8. Loans Receivable from Exchange Transactions (continued)

### Loan receivables allowance impairment reconciliation 2016

	Allowance for impairment 2015 R'000	Impairment expense R'000	Impairment reversal R'000	Allowance for impairment 2016 R'000
Small-medium enterprise	160 755	(59 934)	5 268	106 450
Micro-loans, direct lending and intermediaries	69 424	(61 424)	694	8 694
Co-operatives	9 362	(186)	590	9 766
	<b>239 541</b>	<b>(121 544)</b>	<b>6 912</b>	<b>124 910</b>

In assessing its loan book for any indicators of impairment, the NYDA considered the following factors over and above the amount in excess of 90 days:

- Whether the borrower was trading or not
- The age of the debt
- Progress of the attorneys in recovering the debt and their opinion on the recoverability
- The reliance of the borrower on the few customers and the loss of this customer base
- The cash flows of the business as shown on the bank statement and/or management accounts
- Defaults on expected repayments of interest and principal amounts by the borrower.

Range of interest rates	2017	2016
Small-medium enterprise	6–18%	6–18%
Micro-loans, direct lending and intermediaries	6–24%	6–24%
Co-operatives	3,5–10%	3,5–10%

# ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

	2017 R'000	2016 R'000
<b>9. Finance Lease Obligation</b>		
<b>Minimum lease payments due</b>		
- within one year	179	163
- in the second to fifth year, inclusive	47	226
	<b>226</b>	<b>389</b>
Less: Future finance charges	(15)	(45)
<b>Present value of minimum lease payments</b>	<b>211</b>	<b>344</b>
<b>Present value of minimum lease payments due:</b>		
- within one year	179	163
- in second to fifth year	47	226
	<b>226</b>	<b>389</b>
Non-current liabilities	47	226
Current liabilities	179	163
	<b>227</b>	<b>389</b>

The NYDA leased photocopiers from Konica Minolta for a period ranging from 31-36 months for a fixed monthly rental of R87 000 (2016: R87 000), payable in arrears with no residual value. Ownership of these machines will not pass to the end of the lease term.

## 10. Trade and Other Payables from Exchange Transactions

Trade payables	19 447	20 153
Accruals	50 353	36 779
	<b>69 800</b>	<b>56 932</b>

The NYDA trade payables generally do not exceed a maturity of four months and the fair value is considered to be a reasonable approximation of the carrying value.

## 11. Employee Cost Provisions

### Reconciliation of employee cost provisions 2017

	Opening balance R'000	Additions R'000	Utilised during the year R'000	Reversed during the year R'000	Total R'000
Employee termination	4 810	–	(3 720)	–	1 090
Leave pay	5 293	3 713	(4 296)	–	4 710
Staff bonuses	6 534	6 452	(5 479)	(1 055)	6 452
	<b>16 637</b>	<b>10 165</b>	<b>(13 519)</b>	<b>(1 055)</b>	<b>12 252</b>



## 11. Employee Cost Provisions (continued)

### Reconciliation of employee cost accruals – 2016

	Opening balance R'000	Additions R'000	Utilised during the year R'000	Reversed during the year R'000	Total R'000
Employee termination	–	4 810	–	–	4 810
Provision for leave	7 135	6 223	(8 065)	–	5 293
Provision for performance bonus	9 703	6 533	(9 586)	(116)	6 534
	<b>16 838</b>	<b>17 566</b>	<b>(17 651)</b>	<b>(116)</b>	<b>16 637</b>

Staff bonuses are expected to be paid during the new financial year; the leave pay accrual is expected to be utilised when employee takes leave or resigns.

## 12. Deferred Income

	2017 R'000	2016 R'000
Flemish Government – donor funding	3 286	2 145
Department of Trade and Industry	535	538
MERSETA	–	396
Prince's Youth Business International	236	236
Independent Development Trust	2 784	338
Industrial Development Corporation	–	2 650
Front-end fees	33	90
Education, Training and Development Practices	–	215
The Young Patriots Programme	2 412	–
	<b>9 286</b>	<b>6 606</b>

Deferred income is comprised of the following:

- Flemish government: donor support for conferencing, research, development and implementation of a National Youth Service volunteer programme
- Department of Trade and Industry: donor support for the economic development programme of the Agency
- MERSETA: donor support for the career guidance programme of the Agency
- Prince's Youth Business International: donor support by the Prince's Fund for youth development economic development programmes.

## 13. Deferred Expense

Operating lease deferred expense	805	935
Tenant installation allowance - current portion	435	–
Tenant installation allowance - non-current portion	2 167	–
	<b>3 778</b>	<b>935</b>

# ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

## 14. Financial Instruments

Set out below is the classification of financial instruments held by the NYDA as at 31 March 2017

	Financial assets at amortised cost R'000	Financial assets as at fair value through surplus / (deficit) R'000	Financial liabilities at amortised cost R'000	Total R'000
<b>2017</b>				
<b>Assets</b>				
Loans and receivables from exchange transactions	–	–	–	–
Short-term portion of loans and receivables from exchange transactions	31	–	–	31
Rental deposit	3 806	–	–	3 806
Investment in associates	–	5 127	–	5 127
Receivables from exchange transactions	8 678	–	–	8 678
Receivables from non-exchange transactions	11 262	–	–	46 866
Cash and cash equivalents	46 866	–	–	46 686
	<b>70 643</b>	<b>5 127</b>	<b>–</b>	<b>75 770</b>
<b>Liabilities</b>				
Finance lease obligation	–	–	227	227
Trade and other amounts payable from exchange transactions	–	–	69 800	69 800
	<b>–</b>	<b>–</b>	<b>70 027</b>	<b>70 027</b>
	Financial assets at amortised cost R'000	Financial assets as at fair value through surplus and deficit R'000	Financial liabilities at amortised cost R'000	Total R'000
<b>2016</b>				
<b>Assets</b>				
Loans and receivables from exchange transactions	197	–	–	197
Short-term portion of loans and receivables from exchange transactions	4 309	–	–	4 309
Rental deposit	1 015	–	–	1 015
Investment in associates	–	4 866	–	4 866
Receivables from exchange transactions	8 715	–	–	8 715
Receivables from non-exchange transactions	6 000	–	–	6 000
Cash and cash equivalents	36 809	–	–	36 809
	<b>57 045</b>	<b>4 866</b>	<b>–</b>	<b>61 911</b>
<b>Liabilities</b>				
Finance lease obligation	–	–	389	389
Trade and other payables from exchange transactions	–	–	55 997	55 997
	<b>–</b>	<b>–</b>	<b>56 386</b>	<b>56 386</b>

## 14. Financial Instruments (continued)

The primary risks associated with the financial instruments held by the NYDA are credit, liquidity, market, interest rate and portfolio risk

### Credit risk

One of the NYDA's core business activities was to invest in small and medium enterprises. Consequently, the Agency was exposed to credit risk, which refers to the risk that loans made to third parties will not be repaid. The objective of credit risk management was to minimise financial losses that might arise as a result of third parties failing to discharge their obligations. The credit risk at the investment stage of any potential investment was researched and assessed by means of a due diligence process, whereby the entrepreneur was evaluated, the viability of the enterprise was considered, and various other indications were established and verified. In addition, the NYDA implemented a credit policy which assisted in managing credit risk. It comprised the following key elements:

- Approval process
- Cash flow-based lending methodology
- Attaching protective covenants to funding arrangements
- Collections policy and procedures
- Delinquency management
- Monitoring
- Mentorship.

There were no changes in the exposure, or the policy used to manage credit risk.

### Maximum exposure

During the period that the NYDA has exposure to a borrower or investee company, the Agency conducts an ongoing evaluation of the business and does not provide loans to any single entity in excess of R5 million. The NYDA places its cash reserves, which are in the form of cash and cash equivalents, and rental deposits, with the South African Reserve Bank and local financial institutions which have a minimum rating of AAA. Loans are advanced to individuals, small and medium enterprises, and co-operatives located in rural areas.

Investments in associates include investments in small and medium enterprises located in rural areas, as well as funds invested by local financial institutions, which have a minimum rating of AAA. Changes in credit exposure and the maximum credit exposure for all financial assets are detailed in the table below:

### Loans receivable from exchange transactions

	2017 R'000	2016 R'000
Small and medium enterprises	31	43
Micro-loans, direct lending and intermediaries	–	4 462
Co-operatives	–	–
	<b>31</b>	<b>4 405</b>
<b>General</b>		
Rental deposits	3 806	1 015
Investment in associates	5 127	4 866
Receivables from exchange transactions	8 678	8 715
Receivables from non-exchange transactions	11 262	6 000
Cash and cash equivalents	46 866	36 809
	<b>75 739</b>	<b>57 405</b>
	<b>75 770</b>	<b>61 910</b>

## 14. Financial Instruments (continued)

**Collateral and other credit enhancement on loans receivable**

The nature of the NYDA's target market is black youth who have not accumulated assets which are significant, in relation to the loans advanced to them. Therefore, the value of tangible security offered is not adequate. For loans less than R100 000, a third party stands as surety and co-principal debtor for a portion (10 to 50 percent) of the loan. The surety provider must be in salaried employment with no record of defaulting on loans. During the year under review, the NYDA did not take possession of any collateral in respect of loans. No collateral is being held for other classes of financial assets. The NYDA does not take possession of collateral for use in its own operations.

	Neither past due, nor impaired R'000	Value in arrears for 1-30 days R'000	Value in arrears for 31-60 days R'000	Value in arrears for 61-90 days R'000	Value in arrears for >90 days R'000	Total R'000
<b>2017</b>						
<b>Assets</b>						
Loans and receivables from exchange transactions	-	-	-	-	-	-
Short-term portion of loans and receivables from exchange transactions	-	-	-	-	31	31
Rental deposit	3 806	-	-	-	-	3 806
Investment in associates	5 127	-	-	-	-	5 127
Receivables from exchange transactions	-	-	7 978	-	-	8 678
Receivables from non-exchange transactions	-	11 262	-	-	-	11 262
Cash and cash equivalents	46 866	-	-	-	-	46 866
	<b>55 799</b>	<b>11 262</b>	<b>7 978</b>	<b>-</b>	<b>31</b>	<b>75 770</b>

	Neither past due, nor impaired R'000	Value in arrears for 1-30 days R'000	Value in arrears for 31-60 days R'000	Value in arrears for 61-90 days R'000	Value in arrears for >90 days R'000	Total R'000
<b>2016</b>						
Loans and receivables from exchange transactions	-	-	-	4 506	-	4 506
Short-term portion of loans and receivables from exchange transactions	-	-	-	-	-	-
Rental deposit	1 015	-	-	-	-	1 015
Investment in associates	4 866	-	-	-	-	4 866
Receivables from exchange transactions	-	-	8 715	-	-	8 715
Receivables from non-exchange transactions	-	6 000	-	-	-	6 000
Cash and cash equivalents	36 809	-	-	-	-	36 809
	<b>42 960</b>	<b>6 000</b>	<b>8 715</b>	<b>4 506</b>	<b>-</b>	<b>61 911</b>

## 14. Financial Instruments (continued)

### Loans past due but not impaired (loans renegotiated)

During the year under review, no loans were renegotiated.

### Liquidity risk

Liquidity risk refers to the risk that the NYDA will not be able to meet its funding commitments and other financial obligations, as and when they fall due. The funding provided to small and medium enterprises is usually characterised by fixed maturities of up to five years, scheduled repayments and a limited moratorium on capital repayments and interest. One of the cornerstones of the lending practice adopted is consideration of the certainty of cash flows, and the ability of the borrower to absorb and service debt. The NYDA has adopted a conservative cash-flow management policy to manage the risk of investment made in instruments which are not readily realisable, in order to keep a healthy liquidity position.

The NYDA has the following mechanisms in place to ensure that it has the funds available to meet its commitments:

- A strategic plan and a three-year budget are prepared and approved by the Board of Directors, prior to the start of the financial year.
- At half-year, the NYDA conducts a revision of its annual budget and reassesses its liquidity needs. In addition, an application for recapitalisation is made to its Executive Authority and National Treasury.
- On a quarterly basis, the strategic plan and budget are reviewed by a committee comprised of divisional heads, the Chief Financial Officer and the Chief Executive Officer.
- Once a commitment has been made, the NYDA keeps record of all gross commitments, drawn-down commitments or cancelled commitments and undrawn commitments.
- A distinction is made between encumbered and unencumbered cash resources of the NYDA.
- Three-year projections of cash flow, undrawn commitments brought forward, new commitments, cancelled commitments and undrawn commitments carried forward are prepared.
- Disbursements on commitments are made in several tranches, based on individual project needs.

### Expected maturity dates: financial liabilities

The NYDA's short-term liabilities are mainly comprised of debts arising in the ordinary course of business, and commitments to making grants for the implementation of National Youth Service and Skills Development projects. Debts arising in the ordinary course of business are normally settled over a period of not more than two months from the date of invoice.

Grant commitments are usually made over a period of 12 to 18 months and finance leases over a period of 31 to 36 months.

### Expected maturity dates: financial assets

The NYDA's financial assets are comprised of mainly cash in current accounts with local financial institutions and loans due from small businesses. Except for loans due from small businesses and restricted cash, other financial assets are very liquid and not subject to any notice periods for draw down.

The NYDA's exposure to illiquid assets is comprised of investments in unlisted entities and restricted cash flows. This accounts for less than 7% of the carrying value of financial assets.

The NYDA manages its liquidity risk by placing funds in short-term, highly liquid investments and ensuring that the maturities of financial assets match those of its financial liabilities.

The balance of the loans receivable, outstanding as at 31 March 2017, is scheduled to be repaid as follows:

	2017 R'000	2016 R'000
<b>Maturity period</b>		
Due within 12 months	31	4 319
Due thereafter	–	197
<b>Total Value of Loans</b>	<b>31</b>	<b>4 506</b>

## 14. Financial Instruments (continued)

	Due immediately or within 1 month R'000	Due later than 1 month, but not later than 12 months R'000	Due later than 12 months R'000	Total R'000
<b>2017</b>				
Receivables from exchange transactions	7 978	–	–	7 978
Receivables from non-exchange transactions	–	11 262	–	11 262
Rental deposit	–	–	3 806	3 806
Cash and cash equivalents	46 686	–	–	46 866
<b>Total Current Assets</b>	<b>54 664</b>	<b>11 262</b>	<b>3 806</b>	<b>69 612</b>
Finance lease obligation	–	(179)	(47)	227
Trade and other payable from exchange transactions	–	(69 800)	–	69 800
<b>Total Current Liabilities</b>	<b>–</b>	<b>(69 979)</b>	<b>–</b>	<b>70 027</b>
<b>Net Liquidity of Continuing Operations</b>	<b>54 544</b>	<b>(58 717)</b>	<b>3 759</b>	<b>(415)</b>

	Due immediately or within 1 month R'000	Due later than 1 month, but not later than 12 months R'000	Due later than 12 months R'000	Total R'000
<b>2016</b>				
Receivables from exchange transactions	–	8 715	–	8 715
Receivables from non-exchange transactions	6 000	–	–	6 000
Rental deposit	–	–	1 015	1 015
Cash and cash equivalents	36 809	–	–	36 809
<b>Total Current Assets</b>	<b>42 809</b>	<b>8 715</b>	<b>1 015</b>	<b>52 539</b>
Finance lease obligation	–	(163)	(226)	(389)
Trade and other payable from exchange transactions	–	(55 997)	–	(55 997)
<b>Total Current Liabilities</b>	<b>–</b>	<b>(56 160)</b>	<b>(226)</b>	<b>(56 386)</b>
<b>Net Liquidity of Continuing Operations</b>	<b>42 809</b>	<b>(47 445)</b>	<b>789</b>	<b>(3 847)</b>

**Market risk**

Market risk is defined as the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, and includes currency risk, interest rate risk and other price risk (which are factors other than currency and interest rate risk that may influence fair value of the financial asset). The entity is primarily exposed to interest rate risk. Its objective is to ensure that it minimises losses of interest income, as a result of utilising cash which attracts interest at a variable rate, to invest in other financial assets bearing interest at a fixed rate. Hence, not all its loans granted are variable rate loans.

The NYDA is not directly exposed to currency risk, as it does not enter into foreign currency transactions.

There have been no changes in the exposure, or the policy used to manage market risk.

**Interest rate risk**

Changes in interest rates will affect the revenue stream of the NYDA, as most of the financial assets' returns are linked to the prime rate.

## 14. Financial Instruments (continued)

### Sensitivity analysis

As at 31 March 2016, if interest rates had been 100 basis points higher, with all other variables held constant, interest income would have increased by about R469 000 (2016: R1.5 million). Consequently, income and accumulated reserves would have increased accordingly. If interest rates had been 100 basis points lower, with all other variables held constant, interest income would have decreased by about R469 000 (2016: R1.5 million). Consequently, income and accumulated reserves would have decreased accordingly.

The change would have occurred because of variable rate interest which NYDA earns from its financial assets, which include cash and loans.

	2017 R'000	2016 R'000
The NYDA's exposure to interest rate risk is as follows:		
Small and medium enterprises	31	42
Micro-loans, direct lending and intermediaries	–	4 464
Cash and cash equivalent	46 686	36 809
	<b>46 897</b>	<b>41 315</b>

### Fair Value

Fair value hierarchy of financial assets at fair value through surplus or deficit

The NYDA measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making measurement:

Level 1: Quoted market prices (unadjusted) in active markets for identical assets

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the financial assets, either directly (as prices) or indirectly (derived from prices)

Level 3: Inputs which are not based on observable market data.

#### Investment in associates

Level 1	–	–
Level 2	–	–
Level 3	5 127	4 866
	<b>5 127</b>	<b>4 866</b>
<b>Gains and losses on investment in associates</b>		
Level 1	–	–
Level 2	–	–
Level 3	261	108
	<b>261</b>	<b>108</b>

Investment in associates is measured using the discounted cash-flow method and net asset value method, which are not based on the observable market data. No transfers between fair value hierarchy levels took place during the current year. The carrying amounts of financial assets and liabilities approximate their fair value.

### Portfolio risk

Portfolio risk arises as a result of loans and advances being concentrated in any particular industry, location or stage of development. The risk is managed through the steering committee, which sets limits of exposure to the various industries. The portfolio allocation is reviewed on a quarterly basis, at meetings of the steering committee.

The NYDA recognises that it may face the risk of overexposing itself in certain situations and considers the following in determining concentration:

- Overconcentration of loans to a particular industry
- Overconcentration of loans to businesses controlled by common shareholders or grants to a single service provider
- Overconcentration of funding in illiquid equity investments.

# ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

	2017 R'000	2016 R'000
<b>14. Financial Instruments (continued)</b>		
<b>Industry</b>		
Building and Construction	20%	20%
Health	10%	10%
Manufacturing	4%	4%
Printing	1%	1%
Retail	18%	18%
Services	18%	18%
Transport	6%	6%
Hospitality and Leisure	23%	23%
	<b>100%</b>	<b>100%</b>
<b>Capital Management</b>		
<p>The NYDA considers the annual government grant it receives as its capital, and obtains its capital by making annual applications to the National Treasury. The funds which are received are held in money market instruments with local financial institutions which have a minimum AAA rating.</p> <p>The NYDA has a formalised budgeting and forecasting process in place, which allows for monitoring, on a monthly basis, of the cash reserves and commitments of the Agency. It maintains cash on demand to meet forecasted monthly cash outflows, with the residual being maintained on call accounts. The NYDA conducts rolling forecasts to anticipate its cash requirements for meeting operating expenses, capital expenditure and draw down requests, in respect of commitments made regarding grants and loans. The NYDA tracks loan and grant approvals, commitments and undrawn commitments on a continuous basis, in order to provide a basis for anticipating capital calls.</p> <p>The NYDA makes commitments from its existing capital base, notwithstanding that it has an expectation that the National Treasury will recapitalise the NYDA on an annual basis. The NYDA continuously keeps record of reserves which are encumbered and restricted, in order to avoid deficits arising from the over-commitment of funds.</p>		
<b>15. Interest Income</b>		
Cash and cash equivalent	3 447	2 526
Loans receivable – impaired	5 474	12 122
Loans receivable – not impaired	–	750
	<b>8 921</b>	<b>15 398</b>
<b>16. Other Income</b>		
Front-end fees	57	89
Other income	575	2 814
Bad debt and legal fee recovery	194	–
Recovery from fraudulent payments	696	–
	<b>1 522</b>	<b>2 903</b>
<b>17. Fair Value Adjustments</b>		
Fair value adjusted to designated investments in associates	261	33
	<b>261</b>	<b>33</b>



	2017 R'000	2016 R'000
<b>18. Auditors' Remuneration</b>		
External audit fees	5 164	5 249
Internal audit fees	1 455	801
	<b>6 619</b>	<b>6 050</b>
<b>19. Depreciation and Amortisation</b>		
<b>Depreciation</b>		
Depreciation — computer equipment	1 698	2 060
Depreciation — office equipment	508	983
Depreciation — furniture	627	694
Depreciation — leasehold Improvements	798	676
Depreciation — motor vehicles	–	–
	<b>3 631</b>	<b>4 413</b>
Less: Attributable to project disbursements	(1 635)	(1 727)
<b>Total Depreciation</b>	<b>1 996</b>	<b>2 686</b>
<b>Amortisation</b>		
Intangible assets	1 381	1 320
Less: Attributable to project disbursements	(124)	(219)
<b>Amortisation of Intangible Assets</b>	<b>1 257</b>	<b>1 101</b>
<b>20. Employee-related Costs</b>		
Salaries and allowance	133 568	156 138
Provident fund: defined contribution	7 834	9 000
Termination benefits	–	44 477
Internship programme	1 174	–
<b>Total Employee Costs</b>	<b>142 576</b>	<b>209 615</b>
Attributable to project disbursements	(104 991)	(136 204)

The NYDA, in partnership with the Services Sector and Education Training Authority (SETA), conducted a one-year internship programme for young graduates employed throughout the Agency. The Services SETA contribution to the programme is reflected in note 23, donor-funding disbursements.

# ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

	2017 R'000	2016 R'000
<b>21. Impairment of Assets</b>		
Small and medium enterprises	2 077	5 628
Micro-loans, direct lending and intermediaries	682	694
Co-operatives	596	590
	<b>3 355</b>	<b>6 912</b>
Equipment impairment	133	284
Intangibles impairment	-	-
	<b>3 488</b>	<b>7 196</b>
<b>Reversal of impairment</b>		
Small and medium enterprises	-	(59 934)
Micro-loans, direct lending and intermediaries	-	(61 424)
Co-operatives	-	(186)
	-	<b>(121 544)</b>
Trade and receivables	<b>(917)</b>	
	<b>(917)</b>	<b>121 544</b>
<b>Write-off of assets</b>		
Loans receivable from exchange transactions	2 644	121 139
Equipment written off	-	35
Intangibles written off	-	-
Trade and other receivables written off	913	-
	<b>3 557</b>	<b>121 174</b>
<b>22. Operating Lease</b>		
Building	23 453	21 551
Less: Attributable to project disbursements	(10 422)	(10 138)
	<b>13 031</b>	<b>11 413</b>
<b>Future minimum rentals under non-cancellable operating leases within one year</b>	14 273	8 313
<b>After one year, but not more than five years</b>	54 010	5 716

The leases relate to the buildings occupied by the NYDA. The average terms vary from 3-5 years and the escalation rates range from 8-10%. Although there are renewal options up to a period of two years, there is no option to purchase.

	2017 R'000	2016 R'000
<b>23. Donor-funding Disbursements</b>		
The respective donor-funding disbursements are as follows:		
MERSETA	–	35
Services SETA Internship programme	5 299	–
The Young Patriots programme	3 788	–
Flemish government	914	1 005
Independent Development Trust	18 437	17 204
Industrial Development Corporation	–	7 350
	<b>28 438</b>	<b>25 594</b>
<b>24. Grant Disbursements</b>		
The respective disbursements are as follows:		
Grant disbursement – co-operatives	3 349	2 026
Grant disbursement – individuals	22 622	24 253
Grant disbursement – special projects	4 515	3 695
	<b>30 486</b>	<b>29 974</b>
<b>25. Project Disbursements</b>		
The respective disbursements are as follows:		
Programme Design, Delivery and Development	176 398	104 907
Economic Development	25 905	24 493
Corporate Partnerships and International Relations	4 720	13 339
Communication and Corporate Affairs	–	2 363
National Youth Service and Skills Development	23 033	85 555
Research and Policy	10 457	13 910
Executive Directors' Projects	5 750	11 866
<b>Total Project Disbursements</b>	<b>246 263</b>	<b>256 433</b>

# ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

	2017 R'000	2016 R'000
<b>26. Net Cash Flows from Operating Activities</b>		
Deficit	6 320	(24 681)
<b>Adjustments for:</b>		
Loss on sale of assets and liabilities	(40)	(45)
Fair value adjustments	(261)	(108)
Interest income	(8 922)	(6 560)
Interest received	3 447	–
Write-off of assets	3 557	121 140
Impairment loss	3 488	
Reversal of impairment loss	(917)	(114 349)
Movements in provisions	(4 385)	(201)
Depreciation and amortisation	5 012	5 738
<b>Changes in working capital:</b>		
Increase/(decrease) in receivables from exchange transactions	1 922	(4 089)
Increase/(decrease) in other receivables from non-exchange transactions	(5 262)	4 093
Increase in deferred expenses	2 843	–
Increase/(decrease) in trade and other payables	13 803	(10 023)
Increase/(decrease) in rental deposit	(2 788)	243
Increase/(decrease) in deferred income	2 680	21 468
Net movement in loans receivable	–	(1 621)
	<b>20 497</b>	<b>(34 588)</b>

## 27. Directors' Emoluments

2017	Short-term employee benefits R'000	Bonus R'000	Expense allowance R'000	Defined contribution plan R'000	Total R'000	
<b>Board of Directors</b>						
Chairperson of the TAA – Dr Ntsiki Tshayinga Mashiya	–	–	–	–	–	
Deputy Chairperson of the TAA – Mr Pieter Pretorius	–	–	–	–	–	
Member of the TAA – Mr Clayton Peters	–	–	–	–	–	
Chief Executive Officer – Mr Khathu Ramukumba	1 801	329	192	171	2 493	
<b>Executive Directors</b>						
Chief Financial Officer – Mr Waseem Carrim	1 372	206	48	81	1 707	
Ms N Mphahlele	1 084	189	58	140	1 471	
Ms A Motsoahae	1 164	76	7	68	1 315	
Ms J Tshoke	1 050	153	90	167	1 460	
Ms N Mabuza (Contract terminated: 30 June 2016)	260	–	–	39	299	
Mr L Mboyi (Appointed: 1 March 2017)	96	–	–	6	102	
	<b>6 827</b>	<b>953</b>	<b>395</b>	<b>672</b>	<b>8 847</b>	
2016	Short-term employee benefits R'000	Bonus R'000	Expense allowance R'000	Defined contribution plan R'000	Termination benefit R'000	Total R'000
<b>Board of Directors</b>						
Chairperson of the Board – Mr Yershen Pillay (term expired 22 March 2016)	987	–	140	57	–	1 184
Deputy Chairperson of the Board – Mr Kenny Morolong (term expired 22 March 2016)	1 010	–	85	48	–	1 143
Member of the Board – Ms Maropene Ramokgopa (term expired 22 March 2016)	465	–	–	–	–	465
Member of the Board – Ms Ayanda Makaula (term expired 22 March 2016)	465	–	–	–	–	465
Member of the Board – Ms Zandile Majozi (term expired 22 March 2016)	465	–	–	–	–	465
Member of the Board – Mr Mothupi Modiba (term expired 22 March 2016)	468	–	–	–	–	468
Member of the Board – Ms Nyalleng Potloane (term expired 22 March 2016)	429	–	–	–	–	429
Chief Executive Officer – Mr Khathu Ramukumba	1 622	366	66	169	–	2 233
<b>Executive Managers and Directors</b>						
Chief Financial Officer – Mr Waseem Carrim	1 034	95	51	67	–	1 247
<b>Executive Managers and Directors</b>						
Ms N Mphahlele	795	243	44	187	–	1 269
Ms A Motsoahae	607	–	2	40	–	649
Ms J Tshoke	811	–	88	165	–	1 064
Ms N Mabuza	483	–	3	91	–	577
Mr M Ntlangeni (VSP – 31 August 2015)	427	187	21	26	1 071	1 732
Mr D Van Vuuren (VSP – 31 August 2015)	392	234	66	29	1 033	1 754
Mr D Smith (VSP – 31 August 2015)	454	177	3	25	1 061	1 720
Ms Linda Dlova (VSP – 31 August 2015)	477	200	14	29	823	1 543
Mr L Matibane (Settlement – 31 October 2015)	661	95	2	31	1 108	1 897
	<b>12 052</b>	<b>1 597</b>	<b>585</b>	<b>964</b>	<b>5 096</b>	<b>20 294</b>

# ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

## 28. Related Parties

Type	Related parties	% Share-holding	Nature of transaction	Disbursements in 2017	Terms and conditions
Joint Ventures	1. Jointly controlled assets with FNB Leverage Finance	33%	The NYDA invested R36 million with a commitment to invest R80 million	Nil (2016: Nil)	FNB will provide funding to SMEs and remit collections to the NYDA as and when received
	2. Jointly controlled asset with Massmart Holdings Limited	50%	The NYDA and Massmart contributed R1 million each to provide funding to entrepreneurs for franchises costing less than R150 000	Nil (2016: Nil)	The NYDA will provide funding to entrepreneurs and remit collections to Massmart as and when received
	3. Jointly controlled asset with MTN	57%	The NYDA and MTN contributed R2 million and R1.5 million, respectively, to provide funding to entrepreneurs for franchises costing less than R30 000	Nil (2016: Nil)	The NYDA will provide funding to entrepreneurs and remit collections to MTN as and when received
	4. Youth Development Institute of South Africa (University of Jhb)		The NYDA contributed R4 million in seed capital while the University of Jhb contributed the infrastructure		YDISA will conduct high-quality research in respect of youth development
Associates	1. Franchise Fund (en commandité partnership between the NYDA and business partners)	80%	The NYDA invested R100 million in the Franchise Fund to assist young black entrepreneurs with starting franchises		Franchise Fund will provide funding for franchises to SMEs and remit collections to the NYDA
	2. Chicken Kwasa (Pty) Ltd	26%	The NYDA granted a loan to Chicken Kwasa (Pty) Ltd for an approved amount of R175 million		The interest rate on this loan is prime less 2%. Participation fees are charged at the greater of 1,25% of actual gross monthly revenue or R9 100 per month. The loan period is from March 2005 to 2010
	3. Vynide Investments	10%	The NYDA granted a loan to Vynide Investments for an approved amount of R3 million		The interest rate on this loan is prime plus 2%. Participation fees are not charged. The loan period is from November 2007 to December 2012

### Advances to directors and key management

A Lungisa	N/A	Advances to be repaid		
M Mashinini		Advances to be repaid		

	Loan balance before impairment	Liability balance	Interest income	Administration fees	Other expense	Other income	Impairment of loans
	Nil (2016: Nil)	Nil (2016: Nil)	Nil (2016: Nil)	Nil (2016: Nil)	Nil (2016: Nil)	Nil (2016: Nil)	Nil (2016: Nil)
	R582 (2016: R679)	Nil (2016: Nil)	Nil (2016: Nil)	Nil (2016: Nil)	Nil (2016: Nil)	Nil (2016: Nil)	Nil (2016: Nil)
	Nil (2016: Nil)	Nil (2016: Nil)	Nil (2016: Nil)	Nil (2016: Nil)	Nil (2016: Nil)	Nil (2016: Nil)	Nil (2016: Nil)
	Nil (2016: Nil)	Nil (2016: Nil)	Nil (2016: Nil)	Nil (2016: Nil)	R2 404 (2016)	Nil (2016: Nil)	Nil (2016: Nil)
	R5 127 (2016: R4 866)	Nil (2016: Nil)	Nil (2016: Nil)	Nil (2016: Nil)	Nil (2016: Nil)	R261 (2016: R108)	Nil (2016: Nil)
	R2 136 (2016: R2 100)	Nil (2016: Nil)	Nil (2016: R57 000)	Nil (2016: Nil)	Nil (2016: Nil)	Nil (2016: Nil)	R2 100 (2016: R2 100)
	R4 650 (2016: R3 700)	Nil (2016: Nil)	R950 (2016: R372)	Nil (2016: Nil)	Nil (2016: Nil)	Nil (2016: Nil)	R4 650 (2016: R3 700)
	R460 (2016: R460)						R460 (2016: R460)
	R23 (2016: R23)						R23 (2016: R23)

# ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

	2017 R'000	2016 R'000
<b>29. Commitments</b>		
Capital commitments	2 553	1 147
	<b>2 553</b>	<b>1 147</b>

The capital commitment refers to the purchase of furniture and office equipment for the new Head Office of the Agency, which was committed to prior to 31 March 2017, but delivered and installed after financial year end.

## 30. Contingent Liability and Assets

### Contingent liability

A contingent liability is an existing condition or situation involving uncertainty as to possible loss to an organisation, which will ultimately be resolved when one or more future events occur, or fail to occur. A contingent liability is recognised by the NYDA when that uncertainty is ultimately resolved, if one or more future events occur, not wholly within the Agency's control, or fails to occur. Resolution of the uncertainty may confirm the loss or the incurrence of a liability.

The NYDA has the following contingent liabilities which meet the definition as provided above:

- **Employee settlements:** The NYDA has a contingent liability regarding an employee settlement, in which an employee is claiming the balance of contract when the employee opted for a voluntary settlement package. The possible obligation is R1.9 million. The NYDA also has an employee who is claiming unfair dismissal which amounts to R1.2 million.
- **Vouchers:** Voucher contingent liabilities amounting to R5.3 million (R2.3 million) whereby vouchers have been issued, but not redeemed by young people.
- **Contractual matters:** A voucher service provider is claiming R2.6 million in damages for breach of contract. A travel service provider is claiming R270 000 in disputed invoices.

## 31. Fruitless and Wasteful Expenditure

Opening balance	5 378	5 374
Travel penalties	–	4
Interest paid	1	–
Staff loans	480	–
	<b>5 859</b>	<b>5 378</b>

Management implemented consequences management in respect of individuals found accountable for incurring fruitless and wasteful expenditure. This included requiring that the funds be paid back to the Agency. The amount of R480 000 owing by the former Chairperson of the NYDA, Mr Andile Lungisa, was transferred to the fruitless and wasteful expenditure note, as the amount had been outstanding for more than three financial years with no reasonable prospect of it being recovered. The Agency will continue to pursue the claim against Mr Lungisa through legal means.

## 32. Irregular Expenditure

Opening balance	280 333	280 259
Irregular expenditure incurred	600	265
Irregular expenditure condoned	–	(191)
	<b>280 933</b>	<b>280 333</b>

Irregular expenditure incurred during the current financial year resulted from non-compliance with the PFMA, Preferential Procurement Policy Framework Act and National Treasury Regulation, in respect of Supply Chain Management prescripts.

The Agency took the necessary action against individuals who contributed to the incurrence of irregular expenditure by enforcing disciplinary action in the form of financial penalties.



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### 33. Budget Against Actual Expenditure

The reasons for variances in budget against actual expenditure were the following:

**Interest income:** The budget took into account only interest that could be collected in cash, while the financial statements account for interest which is recognised, but subsequently impaired.

**Fair value adjustments:** The sale of the Franchise Fund took slightly longer than expected and investment income was earned from it.

**Other income:** The insurance payout in respect of the fraud matter incorporated forensic costs incurred in the previous financial year. Bad debts which were previously written off were recovered.

**Donor-funded income and expenditure:** The NYDA received slightly lower than expected, due to the later than envisaged implementation of the Expanded Public Works Programme, which commenced in July instead of May.

**Communications and public relations:** The communications and public relations costs were higher than expected, as a result of the transfer by the Department of Arts and Culture of certain functions of the Youth Day event to the NYDA. These costs had not been budgeted for originally.

**Employee costs:** Adjustments in the leave pay provision, termination provision and the lower than provided for performance bonus distribution reduced the employee costs for the financial year.

**Depreciation, amortisation and write-off:** These items are non-cash in nature and are not budgeted for.

**Project disbursements:** Minor projects did not meet the financial year-end deadline for submission.

**Capital expenditure:** The increase was due to the tenant installation allowance granted by the landlord at the new Head Office premises.

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NATIONAL YOUTH DEVELOPMENT AGENCY

**OUR YOUTH. OUR FUTURE.**

**National Youth Development Agency**  
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