

umthombo

Youth Development+ Foundation

Incorporating the FOM Scholarship Scheme

Annual Report 2009-10





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From the Founder's Pen

In 2010 Friends of Mosvold Scholarship Scheme (FOM SS) changed its name to Umthombo Youth Development Foundation. Umthombo is a spring with water overflowing from it. In Africa water brings life, hope, possibilities and enables potential to be developed. The FOM SS has grown WAY beyond training health care professionals for the needs of Mosvold Hospital. The new name is inclusive of all the hospitals where we work and captures something of what FOM SS has tried to achieve in bringing hope, enabling potential to be achieved, and, through the graduates working in local hospitals, providing services which bring life. The FOM SS has grown into something so much bigger than could have been imagined in 1998 – 110 students are currently being supported, 73 graduates have come through the programme, a FOM alumni has been formed, where graduates are taking responsibility for their own professional development and are giving input to the Umthombo Trustees via the Chairperson of the Alumni who is appointed as a Trustee.

In this year of the 2010 World Cup there is much to celebrate. On 4 December 2010 at Mosvold Hospital, the Provincial Minister of Health, Dr. S. Dhlomo, will join us as we celebrate with graduates, their families and health care providers all that has been achieved. "Without dreams there is no need to work, without work there is no need to dream." Let us continue to dream, and work, so that great things can be achieved in this amazing country of ours.

Well done to Gavin, Dumisani, Nontokozo, graduates and students who have achieved beyond our expectations.



Andrew Ross
Founder and Trustee



Director's Report

The past year has been very exciting. A number of new things happened, including the organizations name change from the Friends of Mosvold Scholarship Scheme to Umthombo Youth Development Foundation. The name change was a highly significant change for the organization, indicating a new chapter with a bigger vision as the programme was spread into new areas and hospitals.

A name change is significant – but it can be scary and intimidating for those who were part of the history as it redefines who one is. In this case, however, the name change is a sign of success, since the Scheme designed to address a problem at Mosvold hospital, not only has had success at Mosvold hospital but has successfully spread to the other four hospitals in the Umkhanyakude district as well as 2 hospitals in the Zululand district and one in the Uthungulu

district. The bigger vision, entails using this highly successful model to supply many more health care professionals to more rural hospitals by investing in the local rural youth. The concept of investing in the local youth to address the shortage of qualified health staff at rural hospitals, is innovative, and the basis on which this programme is based.

The new name, I believe is highly appropriate to the essence of this programme, as Umthombo is the *isiZulu* word for a well or spring. We are all aware that a well or spring gives and sustains life – in the same way this programme gives rural youth an opportunity of a health science education and qualification which sustains not only them but the broader community as they receive the healthcare benefits. I am happy to report that the new name has been well accepted by all stakeholders.

In 2009, we started working with 3 additional rural hospitals, namely Benedictine, Nkonjeni and Nkandla hospitals, by sharing the vision of the programme with the hospital management. The management immediately got excited about the potential of addressing the shortages of staff, which they continually face, through the investment in the local youth. Within months a working group was established, and an Open Day was held at each hospital, in order to make the learners at local schools aware of the opportunity to study a health science degree. I am happy to report that these hospitals were able to find students who had been accepted at University to study a health science degree! Benedictine hospital chose 6 students for support this year; Nkonjeni chose 3 and Nkandla chose 4– this is an amazing feat and indicates to us that there are many more rural youth with the potential and an interest to become the future health care workers in South Africa.

A key aspect to our programmes success is the mentoring support we provide to students. Since our student numbers are increasing annually, it is impossible for one person to provide quality mentoring to all our students. Thus we have implemented a network of mentors this year – well qualified and experienced people situated at, or close to the universities, who are able to meet with our students on a monthly basis and provide the necessary support needed. Dumisani Gumede, the programme's full time Student Mentor, coordinates this programme. More details are provided later in this report.

We are excited that 73 graduates have been produced thus far and that they are all having a significant impact in their work places. One of the strengths of this programme is that it does not focus only on training one health science discipline, but rather a wide range of health sciences. Thus the 73 graduates cover 14 different health science disciplines! Certain health science disciplines are being introduced to our rural hospitals for the first time, thus offering rural communities services they never previously had, or had to travel long distances for.

An exciting initiative over the past year has been the establishment of the Friends of Mosvold Alumni body. It is a forum for the FOM Alumni to share information among themselves as well as coordinate the Alumni's support of the Scheme, such as providing mentoring support to students and marketing of the Scheme; as well as assisting Alumni with their own professional and career path development. The power of this forum is that it is run by Alumni for the benefit of the Alumni. The Umthombo Youth Development Foundation office provides the necessary administrative and financial support.

Finally, we are privileged this year to be supporting 110 young people from 8 different hospitals to become healthcare professionals. This is amazing for a number of reasons including:

1. no one ever thought that there were rural youth who had the ability to get into University, and if there were, they would be few and far between, and they most certainly would not succeed. We have shown that this is not true, since our pass rate has been consistently over 80%.

2. that we have obtained the financial support for 110 youth to receive an all expenses paid University education (on condition that they work back when they qualify)

We are grateful to those who share our vision and have provided the financial support needed. Your commitment has enabled us to concentrate on finding good and deserving students to support. The reward of your commitment will be seen in years to come, when the majority of health care workers at rural hospitals are local people, and rural communities are benefiting from good quality healthcare.

To those who had the vision of starting such a programme, we salute you!

I trust that our vision will excite you and you will partner with us to support more students in order to address the unacceptably high shortages of qualified staff at rural hospitals.

Yours sincerely



Gavin MacGregor

The Future

Our vision is to address the high shortages of qualified healthcare staff at rural hospitals in order for quality health services to be available to the rural communities.

Our investment in local youth to achieve this objective is based on the fact that we believe that rural youth can succeed at University of given the necessary support, and when qualified they are more likely to serve their communities than professionals from outside the area.

In this regard,

- We believe that there are many more rural youth with the potential and interest to become qualified healthcare professionals and thus **we seek to support more students** each year in order to decrease the unacceptably high vacancy rates at rural hospitals.
- We plan to **continue expanding our programme to other rural hospitals** that face the same problems of a lack of qualified staff. Our expansion to three rural hospitals (Benedictine, Nkonjeni and Nkandla) last year, has already borne fruit in that they selected students for support this year.



What do we do?

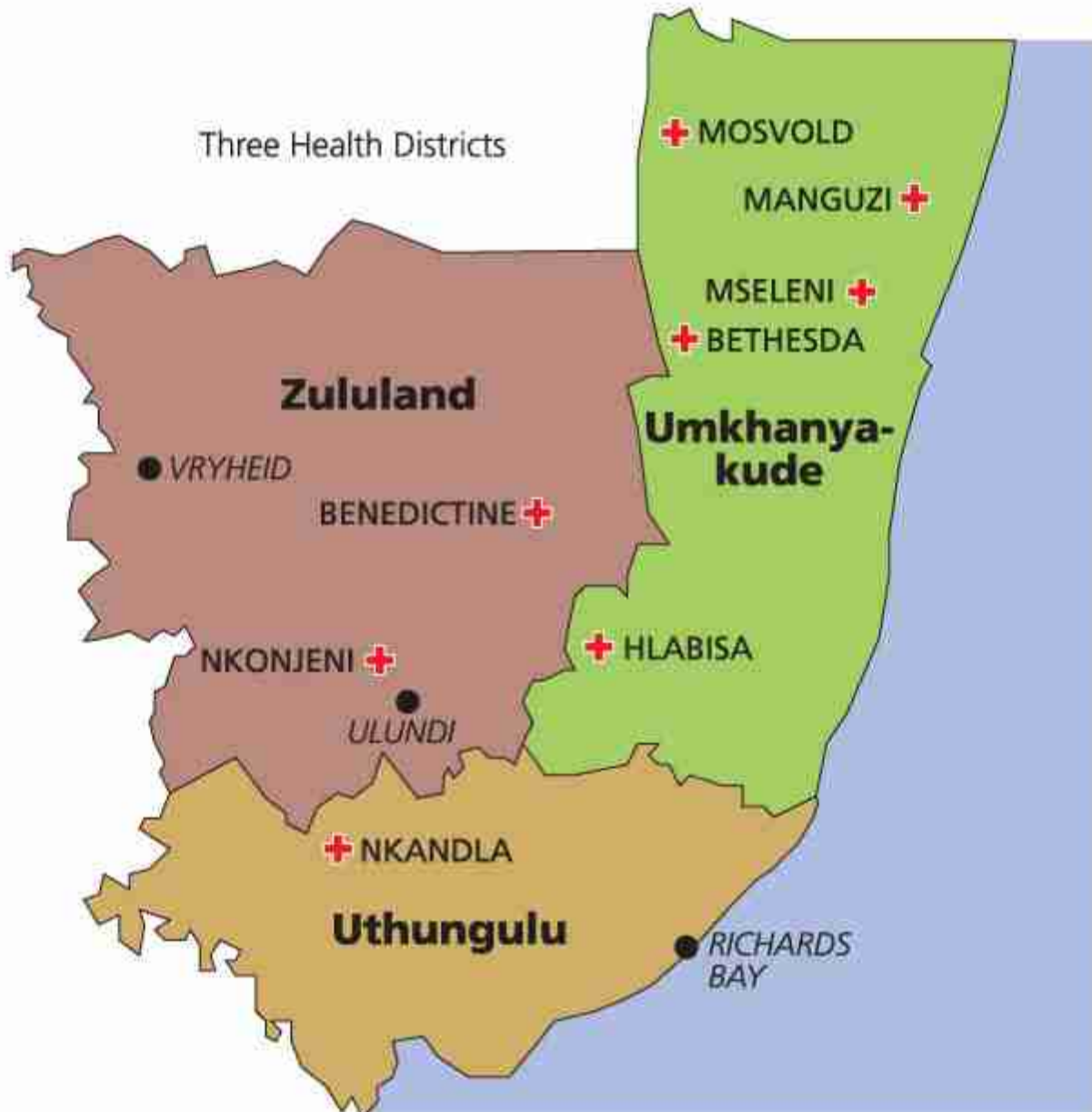
Health professionals are more likely to choose to work in a rural area if that is where they come from, or if they are exposed to the realities of rural health during their training.

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

The Scheme was established in 1998, under the name of the Friends of Mosvold Scholarship Scheme, to address the chronic shortage of professional health care staff at Mosvold hospital as well as the other four hospitals in the Umkhanyakude district. Rural hospitals find it difficult to recruit and retain health care professionals for a number of reasons, including: their distance from urban areas; the lack of support in rural hospitals, the perceived lack of career opportunities; difficult working conditions, limited job opportunities

for spouses and quality education for their children. This shortage is exacerbated by the general shortage of qualified healthcare workers in the public sector.

Research, however, has shown that health professionals are more likely to choose to work in a rural area if that is where they come from, or if they are exposed to the realities of rural health during their training. Based on these facts, and the belief that rural students can succeed at university if provided with the necessary support, the Umthombo Youth Development Foundation was established to identify local youth who have an interest and the potential to become health care providers, and who, on graduation, would commit to working at one of the 8 hospitals we are currently working with on a year for year work back basis.



Why do we do it?

Rural hospitals face critical shortages of qualified healthcare staff, in some cases vacancy rates are as high as 50-60%, whilst at the same time the surrounding communities have high disease burdens.

For example, the five hospitals in the Umkhanyakude district, namely Mosvold; Manguzi; Mseleni; Hlabisa and Bethesda, and their associated clinics provide health care to over 550 000 indigent people living in the district, which is situated in northern KwaZulu-Natal bordering on Swaziland and Mozambique. Most of the inhabitants do not have access to electricity or piped water, and live in scattered homesteads, eking out a living by subsistence farming supplemented by income from old age pensions, disability grants and wages from migrant labour. Unemployment is high, whilst job opportunities are scarce and the population is generally poorly skilled. Infrastructure like communication and transport is poorly developed whilst schools are overcrowded and under resourced leading to a generally poor standard of education. In some schools certain important subjects are simply not taught to learners for lack of qualified staff and related resources like text books, laboratories and equipment. In most schools the medium of instruction is *isiZulu*, whilst all tertiary education is in English.

Malaria, Tuberculosis, and HIV/Aids are examples of the major health problems affecting these rural communities, whilst inadequate sanitation and poor hygiene lead to health problems such as gastroenteritis; malnutrition and parasitic infestations.

As mentioned, despite the huge need in these communities for healthcare, most of the hospitals in the district have unacceptably high vacancy rates of qualified staff.

Over the years these hospitals have functioned by recruiting Doctors from overseas. This serves as a short term solution with the majority of foreign Doctors staying between 8 - 12 months. Although these Doctors provide an essential service, they often lack the experience needed in a rural hospital where disease burdens are high and varied. In addition, this initiative does not address the shortages of staff other than Doctors, who are critical in providing primary health care services at rural hospitals and their associated clinics. Unfortunately, even with this initiative in place, vacancy rates of critical positions are still unacceptably high. The investment in the training and development of local youth, to become the future health care workers, is thus essential to address these shortages in the long term and may be considered a more sustainable solution.

How can you help?

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

- 1) Commit to making a financial contribution towards a student's University fees.
- 2) Use your influence in your circle of friends and business associates to encourage them to support the Umthombo Youth Development Foundation. Tell them what impresses you about the programme and why they should also support the Foundation.
- 3) Share business contacts with the Director of Umthombo Youth Development Foundation for fundraising purposes.
- 4) Encourage businesses to make donations, which are tax deductible.
- 5) Initiate fundraising ideas to raise money to support students.
- 6) Share information about the programme with your Facebook contacts and become a Facebook Fan of Umthombo Youth

Development Foundation!

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

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

Visit our website www.umthomboyouth.org.za to remain updated and to get involved.

Together, we can change a young person's life forever!

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

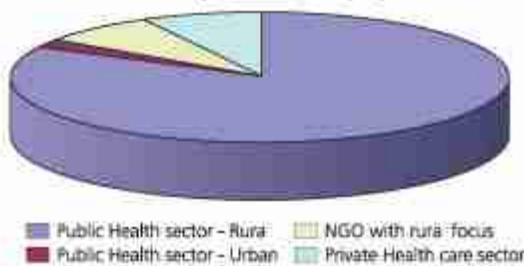
The Umthombo Youth Development Foundation offers a solution

How successful are we?

Since the inception of this programme in 1999, the Umthombo Youth Development Foundation has **produced 73 graduates** in 14 different health science disciplines (see Table: Graduates by Profession later in the report).

Significantly, 82% of these graduates are working in a rural public health facility such as a hospital or clinic, 67% of those are currently working at one of the five hospitals in the Umkhanyakude district. 8% are working for health related non governmental organisations in rural areas, whilst 8% have moved into the private healthcare sector. Only 2% are working in the urban public health sector as opposed to the rural health sector. This confirms that the investment in rural youth does have a positive effect on the staffing of public health care facilities.

Graduates by sector of employment



In addition, over the past 4 years the pass rate of our students at University has exceeded 80%. This is truly remarkable when one considers the poor schooling these young people were exposed to, and the fact that the national pass rate at South African universities is significantly lower.

In 2009, the programme was successfully replicated in 3 additional hospitals – Benedictine; Nkonjeni and Nkandla hospitals who chose students for support in 2010.

The approach of investing in the local youth to become the future health care providers within their communities is seen as a more **sustainable solution** (albeit long term) since:

- Local youth, when qualified, are more likely to remain in the area since they have family attachments and commitments
- they are able to communicate with patients in their mother tongue aiding in understanding and treating the problem
- they are known by the community and held in high esteem (meeting ones need for recognition)
- many youth with potential exist
- rural youth are being offered opportunities which were never available before
- Rural youth have something to work hard at school for i.e. their motivation is improved
- Graduates of the programme are positive role models for the rural youth to emulate



Presenting Umthombo Youth Development Foundation to prospective students at Open Days.

Highlights of 2009

- In 2009, we supported 83 students - 68 received full financial support whilst 15, who had provincial bursaries, received partial financial support from us - we paid for their holiday work, provided mentoring support, and covered their costs of attending the annual year end Imbizo
- Of the 83 students supported in 2009, 84% passed. Of the 12 who failed, 10 will be repeating whilst two have been excluded from University. The 84% pass rate is an incredible achievement especially when considering the poor schooling students received
- 14 students graduated at the end of 2009 – 6 as medical doctors; 3 as social workers, 2 as optometrists, 1 as a radiographer, 1 psychologist and one biomedical technologist. Eight weeks later 4 more students graduated as doctors! This is the largest group of graduates we have had so far and by far the most doctors produced!
- Mentoring support has been provided by Dumisani Gumede to all students. Mentoring entails monthly contact with students through telephone, sms or email communication and at least two face to face visits with students at University. Mentoring support addresses both academic and personal issues thus ensuring students are able to receive the assistance they need
- We started working with Benedictine, Nkonjeni and Nkandla hospitals to assist them to start such a programme at their hospital. This entailed meeting with the entire hospital management of each hospital to share the vision of the programme with them and clearly define what needs to happen in order for the programme to be established at their hospital. These meetings led to the establishment of a Hospital Working Group at each hospital who were trained by us. We assisted each hospital to have an Open Day where local learners were invited to visit the hospital to learn more about a career in health sciences. Youth who met the criteria were encouraged to apply for a scholarship
- Through our work with the above hospitals they were able to select local students who had been accepted to study a health science degree in 2010. Benedictine selected 6 students, Nkonjeni selected 3 students and Nkandla selected 4 students – a remarkable achievement in their first year of establishing the programme
- Open days were conducted at 7 of the 8 hospitals in the district by the Hospital Working Groups – these are held to allow learners in the area to become aware of and exposed to careers in the health sciences
- School outreaches were conducted by FOM graduates to a number

This is the largest group of graduates we have had so far and by far the most doctors produced!

of schools in the district to motivate learners to work hard and consider a career in health sciences

- We have continued to work closely with the Hospital Management of each of the hospitals in the Umkhanyakude district, as well as the 3 new hospitals listed above, to ensure that students doing compulsory holiday work are mentored and exposed to the realities of hospital life. In addition we have worked with Hospital Management in ensuring their support of the programme and in assisting the graduates to get posts and to integrate into the hospital
- We have worked with the KwaZulu-Natal Department of Health to increase cooperation and obtain their support of this initiative as well as secure posts for our graduates:
 - We had the opportunity to meet with the KZN MEC for Health, Dr S Dhlomo in October 2009, who is very supportive of our work
 - A significant step in the sustainability of the programme was the establishment of the Friends of Mosvold Alumni (FOMA) body.

An initial meeting was held in July to discuss the concept, which was widely accepted by the graduates. A steering committee was established to develop the constitution and associated documents for acceptance by the members in December at the annual gathering. This was when FOMA was formally established. Read more about FOMA later in this report

- The students currently being supported are studying across 14 health science disciplines namely, medicine, physiotherapy, occupational therapy, pharmacy, dietetics, medical technology, social work, optometry, dental therapy, dentistry, speech therapy, nursing, radiology, and psychology
- Three FOM graduates received financial support towards the cost of their post graduate studies and numerous graduates received financial support to attend short courses to update and improve their skills in line with their work
- In December last year, we held a Life Skills Imbizo in Richards Bay with all the students and graduates of the programme. Relevant topics such as HIV/AIDS, financial management, study skills, and motivation were discussed. The Imbizo also allowed interaction between students and FOM graduates – strengthening the “family”
- The Alumni organised their own programme, inviting experts to present on the following topics: Leadership Development; Investment and Financial Management; and Scientific report writing

How are students selected for a scholarship?

To be eligible for a scholarship, students need to:

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

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

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

The Benefits of the Umthombo Youth Development Foundation

The programmes benefits are not only limited to providing financial support to needy students but include:

1. Providing an incentive for local learners to work hard to achieve the grades that are needed to be accepted to study a health science degree at University. No such opportunities ever existed in rural areas.
2. Providing a beacon of hope for local learners and stimulating local youth development by highlighting that it is possible to come from a deep rural area such as Ingwavuma and become a health professional!
3. Providing positive role models for the rural youth to look up to and emulate.
4. It proves that rural students have the potential to succeed at university, if provided with the appropriate support, since the pass rate over the past four years has been over 80% - well above the national average.
5. Stimulating community development, through community participation in the selection of scholarship participants, outreaches by the students in the community and serving their community when qualified.
6. Providing comprehensive financial support to students thus removing the financial barriers that would prevent students with potential from going to University.
7. Providing comprehensive and accessible mentoring support for students to deal with academic, social and/or personal issues, thus ensuring that they have every opportunity to succeed in their studies.
8. Training young people in careers which will give them a job for life, as they are scarce and important skills that will always be in demand.
9. Graduates of the programme become mentors of the current students; and therefore, are able to provide appropriate and effective support – this is also a key step to the sustainability of the programme.
10. The graduates, who are role models, are involved in encouraging and motivating school children about dreaming about a better future.
11. It has shown that graduates will return to work in the district where they come from.
12. By investing in local people to address a local problem the solution becomes sustainable since the graduates are more likely to stay and build their careers in the local hospital.
13. Providing work place mentoring for newly qualified graduates to assist in the transition from university life to working in a hospital.
14. Improving the quality of health care delivery through the provision of qualified healthcare workers, who understand the language and the culture of the local community and are committed to make a difference (I am helping my community!).
15. In honouring their work back contracts, graduates will work at their local rural hospital for at least 4 years – providing stability in the workforce and essential skills to rural communities.
16. Offers one of the most sustainable solutions for the long-term supply of professional health care staff for rural hospitals.
17. It is replicable. It is a long-term model for staffing rural hospitals in South Africa, since if it can work in one of the most rural districts, then it can work anywhere in South Africa.
18. It is a local solution to an international problem.
19. It is a scholarship programme that offers much more than just money. It intervenes throughout the process - from before students are selected until after they have graduated and fulfilled their contractual obligations and even thereafter.
20. Breaks the spiral of rural poverty as youth become qualified healthcare workers, obtaining work and serving their communities, whilst inspiring others to do the same.



Nonhanhla Champion, Nontobeko Khumalo, Nompilo Xulu, Pamela Zungu and Archwell Hlabisa graduate as doctors.

Students

Our selection of students for support in 2010 was highly successful. 44 new students were selected bringing the total number of students being supported this year to 110!

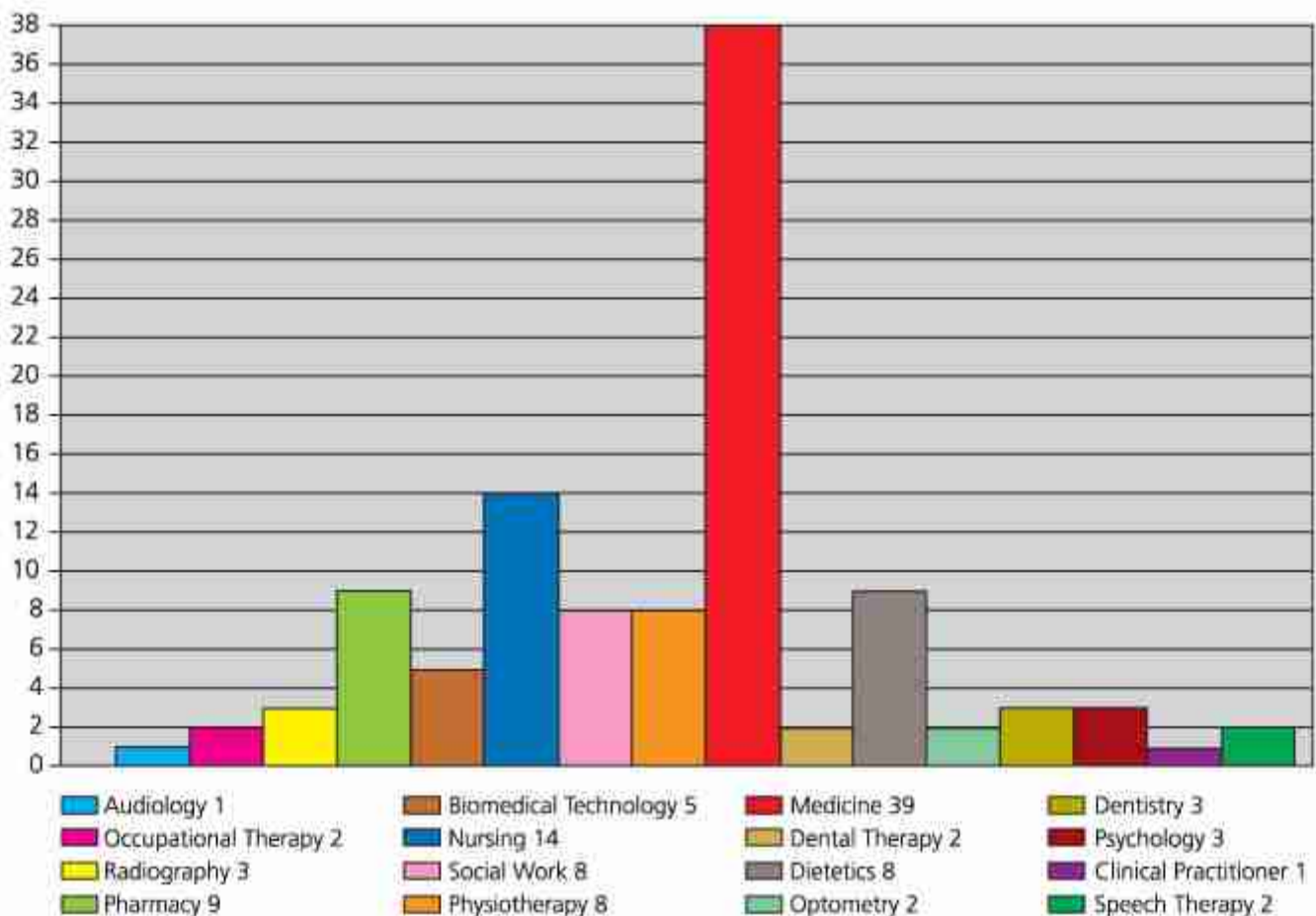
The increased number of applicants can be attributed to our outreach activities to schools surrounding the hospitals and in the general community. For the first time we partnered with a local community radio station, to market this opportunity to youth that were eligible to apply.

The table below shows the health science disciplines being studied by the current students:

It is exciting to see that the majority of students (39) are studying medicine! Since the majority of them are in third year or higher, this indicates that they are succeeding! A number of years ago, no one would have believed it possible that youth from Ingwavuma could go to university, let alone study to become a doctor – this is a major achievement!

It is also important to note the broad range of health science disciplines being supported. The different disciplines are important in providing comprehensive healthcare.

Students by Discipline (n=110)



Mentoring Support

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

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

However, with the large numbers of students we are supporting, and the fact that the students are studying at a number of different academic institutions, we have implemented a network of student mentors this year. These mentors are people who are based within close proximity of the various academic institutions, and have skills

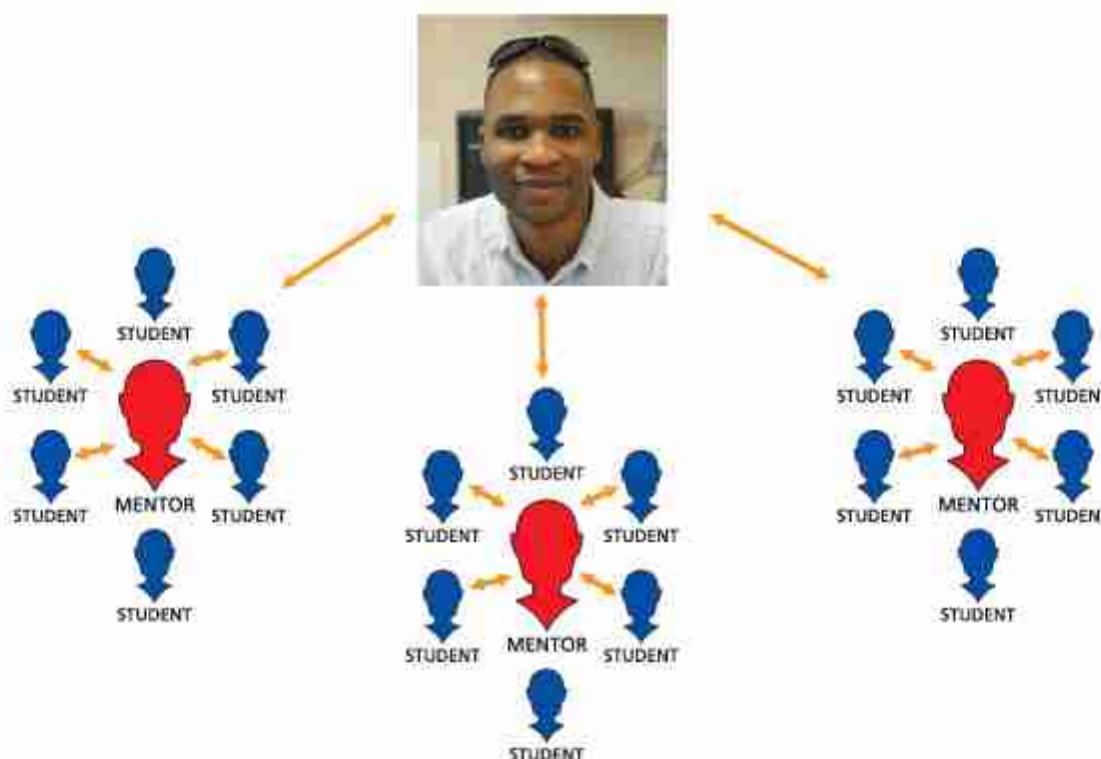
and experience, in motivating and supporting students. Through this initiative students are able to have a monthly face to face meeting with their mentor and obtain the support they need. Each mentor, submits a monthly report on each student to Dumisani in order for him to remain aware of the progress of every student and provide support where needed. Currently we have 10 such mentors, two of whom are graduates of the programme.

4) they need to remain in contact with their mentor and be accountable.

Holiday Work

All students who are being supported by the Umthombo Youth Development Foundation, including the Provincial Bursary students that we support, do at least four weeks compulsory holiday work.

Umthombo Student Mentor



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

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

In summary our expectations are made very clear to each student: 1) they need to pass; 2) they need to go back to their community to work when they qualify; 3) they need to make good choices so that they do squander the opportunity they have been given,

at their local hospital each year for which we pay a stipend. The purpose is to allow them to interact with hospital staff and get a sense that "this is their hospital", as well as get an idea of our vision for the provision of quality health services to rural communities. This exposure also assists students to gain valuable practical experience which assists them at University. In addition, during their holiday work students participate in outreach activities in local communities – interacting with learners and encouraging them to work hard, dream about a better future, know their HIV status and choose healthy lifestyles.

Financial Support

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

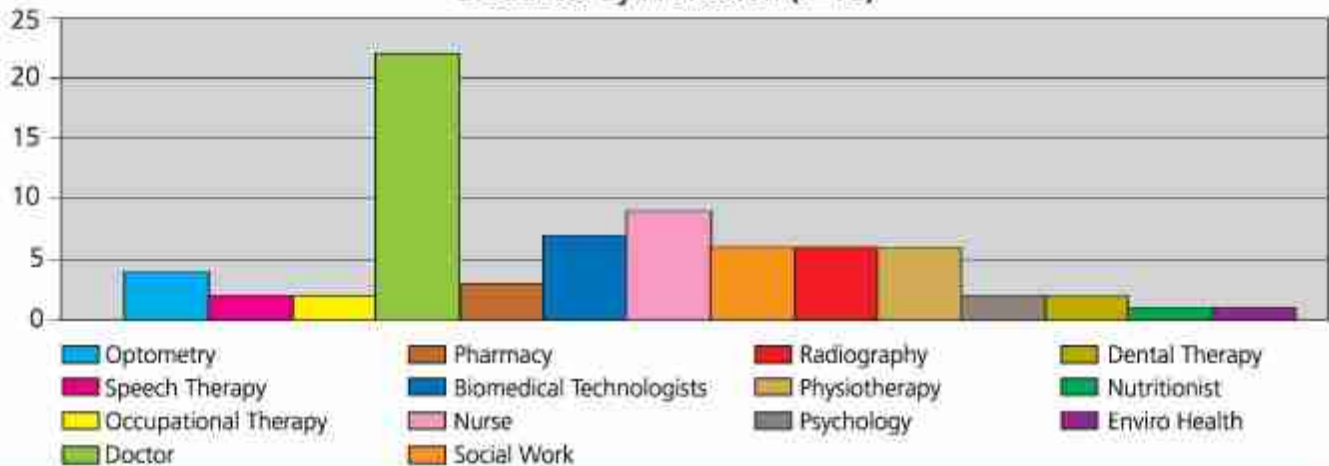
- Full tuition including accommodation in residence
- A monthly food allowance
- A book allowance paid twice a year
- Payment for holiday work
- Any other essential expense as required as part of the curriculum (eg. Minor equipment, compulsory excursions etc.)

The Alumni (FOM Graduates)

Since the inception of this programme in 1999, the Umthombo Youth Development Foundation has produced 73 graduates in 14 different health science disciplines (see table below):

- Opportunities exist for networking and sharing of information between the Alumni, which could be managed and coordinated through this body

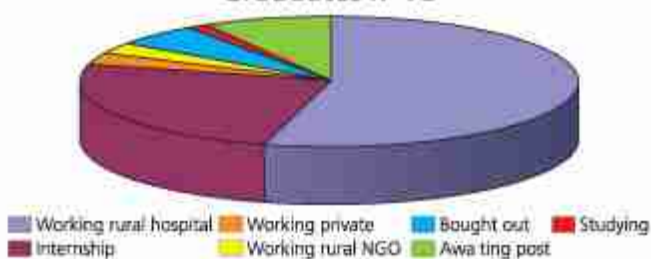
Graduates by Profession (n=73)



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

A breakdown of where these graduates are currently working, clearly shows that the majority of these graduates are working at a rural hospital, as can be seen in pie chart below:

Graduates n=73



A total of 4 graduates out of the 73 have bought themselves out to pursue opportunities that were not available in the district, whilst 6 graduates have been unable to obtain a post within a rural hospital in the Umkhanyakude district of KwaZulu-Natal, due to financial constraints being experienced by the KZN Department of Health. 18 are currently busy with their internship training. The majority of our graduates have a three to five year work commitment at one of the hospitals in the district.

Friends of Mosvold Alumni (FOMA)

Since the number of graduates produced is increasing annually and the current number (73) is significant, the idea of establishing an Alumni body was discussed by the majority of graduates in July 2009. It was felt that there were numerous benefits to establishing such a body. These benefits include:

- Alumni can manage their own affairs – they can determine what their needs are and look to address those in the best possible way
- The involvement of the graduates in the Scholarship Scheme can be better co-ordinated. Graduates can commit to supporting the Scheme in various ways based on their time and work commitments

- The professional development needs of the graduates could be determined and addressed in this forum. A number of graduates are currently busy with, or have expressed an interest in pursuing post graduate studies, or have an interest in improving their skills through relevant short courses
- The Alumni could become a body that expresses opinion on behalf of its members

The July 2009 meeting led to the establishment of a Interim Committee which were tasked with compiling a constitution and other associated documents for presentation to the Alumni at a meeting on 13 December 2009. The constitution and the establishment of the Friends of Mosvold Alumni (FOMA) was formally accepted by the members on 13 December 2009. An Executive Committee was elected to replace the interim Committee.

Members of the Executive Committee are:

| | |
|-------------------------|---|
| Zotha Myeni | Chairperson |
| Dr Thembelihle Phakathi | Vice Chairperson |
| Mthokozisi Gumede | General Secretary |
| Nkosinathi Ndimande | Deputy Secretary General |
| Makhosi Zwane | Treasurer General |
| Thulani Shandu | Additional Member |
| Zodwa Menyuka | Additional Member |
| Gavin MacGregor- | <i>Ex officio</i> Organisation Representative |

Members of the Interim Committee were:

| | |
|-----------------------|---|
| Sphamandla Mngomezulu | Chairperson |
| Dr Phindile Gina | Vice Chairperson |
| France Nxumalo | General Secretary |
| Richard Gumede | Deputy Secretary General |
| John Mkhumbuzi | Treasurer General |
| Nkosinathi Ndimande | Additional Member |
| Thuliswe Nxumalo | Additional Member |
| Gavin MacGregor- | <i>Ex officio</i> Organisation Representative |

FOM Alumni

| <i>Name</i> | <i>Profession</i> | <i>Currently working at</i> |
|--|---|---|
| Graduated 2002 | | |
| Nkosingiphile Nyawo Sibusiso Thwala | Biomedical Technologist Pharmacist | Jozini District Office Deceased |
| Graduated 2003 | | |
| Dumisani Gumede Snenhlanhla Gumede Samkelisiwe Mamba John Mkhumbuzi Theminkosi Ngubane Sithembile Nyawo France Nxumalo | Physiotherapist Physiotherapist Radiographer Dental Therapist Radiographer Nurse Optometrist | Student Mentor UYDF, Mtubatuba Mosvold Hospital Dumbe Satellite Clinic, Paul Pietersburg Non Profit Organisation, Ixopo Manguzi Hospital Mosvold Hospital Internal Centre for Eye Care Education, Durban |
| Graduated 2004 | | |
| Derrick Hlophe Lillian Mabuza Moses Mkhabela Zotha Myeni | Occupational Therapist Speech Therapist Environmental Health Biomedical Technologist | Studying medicine at UKZN Private practice, Empangeni Jozini District Office Hlabisa Hospital |
| Graduated 2005 | | |
| Richard Gumede Zodwa Menyuka Hazel Mkhwanazi Sibongeleni Mngomezulu Nelly Mthembu Nkosinathi Ndimande Thulisiwe Nxumalo Happiness Nyawo | Social Worker Nurse Optometrist Nurse Pharmacist Nutritionist Physiotherapist Radiographer | Mosvold Hospital Mosvold Hospital Private Mosvold Hospital Mosvold Hospital Seeking a post Vryheid Hospital Private |
| Graduated 2006 | | |
| Phila Gina Phindile Gina Mthokozisi Gumede Lungile Hobe Nonkuthalo Mbhamali Ntombifuthi Mngomezulu Themba Mngomezulu Zachariah Myeni Sicelo Nxumalo Thulani Shandu Makhosazana Zwane Thembehle Phakathi | Biomedical Technologist Doctor Social Worker Doctor Biomedical Technologist Radiographer Physiotherapist Nurse Nurse Dental Therapist Physiotherapist Doctor | Hlabisa Hospital Manguzi Hospital Mseleni Hospital Mseleni Hospital Private Ceza Hospital Mosvold Hospital Mosvold Hospital Mosvold Hospital Manguzi Hospital Church of Scotland Hospital Mosvold Hospital |
| Graduated 2007 | | |
| Mfundo Mathenjwa Nozipho Myeni Wiseman Nene Ntokozo Fakude | Doctor Radiographer Physiotherapist Pharmacist | Bethesda Hospital Private – no post Private – no post Mosvold Hospital |

| <i>Name</i> | <i>Profession</i> | <i>Currently working at</i> |
|----------------------|------------------------|-----------------------------|
| Phindile Ndlovu | Nurse | Mosvold Hospital |
| Ntokozo Mantengu | Occupational Therapist | Fort Beaufort Hospital |
| Petronella Manukuza | Doctor | Lower Umfolozi Hospital |
| Ntombikayise Ngubane | Nurse | Johannesburg Hospital |
| Bongumusa Mngomezulu | Nurse | Hlabisa Hospital |
| Noxolo Ntsele | Doctor | Hlabisa Hospital |
| Patrick Ngwenya | Doctor | Hlabisa Hospital |
| Nhlakanipho Mangeni | Doctor | Bethesda Hospital |
| Nobuhle Mpanza | Social Worker | Mosvold Hospital |

Graduated 2008

| | | |
|--------------------|-------------------------|-------------------|
| Sifiso Buthelezi | Doctor | Internship |
| Zipho Zwane | Doctor | Internship |
| Celenkosini Sibiya | Speech Therapist | Mosvold Hospital |
| Norman Thabethe | Biomedical Technologist | Bethesda Hospital |
| Mlungisi Khanyile | Doctor | Internship |
| Lindiwe Khumalo | Doctor | Internship |
| Brian Mahaye | Nurse | Mosvold Hospital |

Graduated 2009

| | | |
|------------------------|-------------------------|--------------------------------|
| Cynthia Tembe | Biomedical Technologist | Internship Addington Hospital |
| Siphamandla Mngomezulu | Psychologist | Hlabisa Hospital |
| Phumzile Biyela | Social Worker | Seeking a post |
| Philokuhle Buthelezi | Doctor | Internship |
| Nonhlanhla Gumede | Doctor | Internship |
| Nontobeko Khumalo | Doctor | Internship |
| Ncamisile Mafuleka | Radiographer | Mosvold Hospital |
| Sicelo Mafuleka | Optometrist | Vryheid Hospital |
| Simangele Mathenjwa | Psychologist | Internship Fort Napier Complex |
| Nonsikelelo Mazibuko | Biomedical Technologist | Internship Albert Luthuli |
| Velemseni Mdletshe | Doctor | Internship |
| Bheki Mendlula | Optometrist | Hlabisa Hospital |
| Gug'elihle Mkhulisi | Doctor | Internship |
| Noxolo Mngomezulu | Social Worker | Epilepsy Foundation, Ingwavuma |
| Nompilo Xulu | Doctor | Internship |
| Nokuthula Zikhali | Social Worker | Seeking a post |
| Nhlanhla Champion | Doctor | Internship |
| Archwell Hlabisa | Doctor | Internship |
| Pamela Zungu | Doctor | Internship |
| Phumla Dladia | Doctor | Internship |



Graduates at the 2009 Imbizo.

Trustees



The Trustees of the Umthombo Youth Foundation are:

- Mr Z V Gama
- Mr A J Mavimbela
- Mrs E Nsimbini
- Matron N D Ntsele
- Dr A Ross (Founder)

Organisational Values

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

Partners

In achieving the objectives, the Umthombo Youth Development Foundation works with a number of partners:

• **Department of Health:**

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

• **Department of Education:**

Cooperation with schools in the area and Universities where our students are enrolled. We have worked closely with the Centre for Rural Health at the University of KwaZulu-Natal in establishing our programme at Benedictine, Nkonjeni and Nkandla Hospitals.

• **Umkhanyakude Community:**

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

Funding Organisations

Anglo American Chairman's Fund
AngloGold Ashanti
Aspen Pharmacare
Carl & Emily Fuchs Foundation
Discovery Health
Edgar Droste Trust
Gartone Press
Gladys Niven Trust

Joseph Rowntree Charitable Trust
Lily & Ernst Hausmann Bursary Trust
Oppenheimer Memorial Trust
RB Hagart Trust
Rotary Club Empangeni
Swiss South Africa Cooperation Initiative (SSACI)

Stanley & Marion Bergman Family Charitable Fund
The Atlantic Philanthropies
The ELMA Foundation
The Haggie Charitable Trust
The Norman Wevell Trust
The Robert Niven Trust

Individual Donors

Brian Whittaker
June Dorrington
Wendy Clarke

Dr Andrew Ross
Mrs Glenys Ross

Dr Zandi Rosochacki
Richard Holden

History

The Friends of Mosvold (FOM) Trust was established in 1995 to facilitate health development in the Umkhanyakude District. Over the years the trust raised money for Mosvold Hospital to: purchase vehicles, improve accommodation, provide fencing for residential clinics, develop a HIV/AIDS education programme, and implement a large scale sanitation programme. In 1998, based on the need to find a solution to the long-term problem of a lack of qualified staff at the hospitals in the district, and the belief that youth from the area – in spite of many financial, social and educational obstacles – had the potential to become healthcare professionals, the trust decided to establish a scholarship scheme. It was felt that rural youth, on qualifying, would return to serve their community after graduating.

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

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

The first four students supported were: France Nxumalo (now a qualified optometrist); Dumisani Gumede (a qualified physiotherapist); Nkosingqiphile Nyawo (a qualified biomedical technologist) and Sibusiso Thwala (a pharmacist who is unfortunately deceased).

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

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

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

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

They came to the conclusion that either:

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

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

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

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

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

Umthombo Youth Development Foundation
Formerly Friends of Mosvold Trust
(Registration number IT1856/95)

Annual Financial Statements for the year ended 28 February 2010

GENERAL INFORMATION

| | |
|---------------------------------------|---|
| Country of incorporation and domicile | South Africa |
| Nature of trust | The purpose of the trust is to improve and extend health and health related services to rural communities in South Africa. |
| Trustees | Zakhele Vasco Gama Abner Jabulani Mavimbela Nompandolo Doris Ntsele Andrew John Ross Elda Samukelisiwe Nsimbini |
| Registered office | 3 Shongweni Road Hillcrest 3650 |
| Business address | 3 Shongweni Road Hillcrest 3650 |
| Postal address | Postnet Suite 10328 Private Bag X7005 Hillcrest 3650 |
| Bankers | Standard Bank of SA Limited |
| Auditors | Victor Fernandes & Co Chartered Accountants (S.A.) Registered Auditors |
| Trust registration number | IT1856/95 |

INDEX

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

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| Trustees' Report | 4 |
| Statement of Financial Position | 5 |
| Statement of Comprehensive Income | 5 |
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| <i>The following supplementary information does not form part of the annual financial statements and is unaudited:</i> | |
| Statement of Financial Performance | 10 |

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

Report of the Independent Auditors

To the trustees of Umthombo Youth Development Foundation

We have audited the accompanying annual financial statements of Umthombo Youth Development Foundation, which comprise the trustees' report, the statement of financial position as at 28 February 2010, the statement of comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 4 to 9.

Trustees' Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

Basis for Qualified Opinion

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

Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of the trust as of 28 February 2010, and of its financial performance and its cash flows for the year then ended in accordance with the South African Statement of Generally Accepted Accounting Practice for Small and Medium-sized Entities, and in the manner required by the Companies Act of South Africa.

Supplementary Information

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



Victor Fernandes & Co
Registered Auditors

Per: VMR Fernandes

31 May 2010
Suite 4, Kloof Country House
20 Village Road
Kloof
3610

Trustees' Responsibilities and Approval

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

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

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

The trustees are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The trustees have reviewed the trust's cash flow forecast for the year to 28 February 2011 and, in the light of this review and the current financial position, they are satisfied that the trust has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the trust's annual financial statements. The annual financial statements have been examined by the trust's external auditors and their report is presented on page 2.

The annual financial statements set out on pages 4 to 9, which have been prepared on the going concern basis, were approved by the board on 31 May 2010 and were signed on its behalf by:



Trustee



Trustee

Trustees' Report

The trustees submit their report for the year ended 28 February 2010.

1. The trust

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

The name of the trust was changed from Friends of Mosvold Trust to Umthombo Youth Development Foundation on 7 January 2010.

2. Review of activities

Main business and operations

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

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

3. Events after the reporting period

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

4. Commitment for the funding of the students in 2011

The foundation has committed to assist 110 students in the forthcoming year and it is estimated the cost of this will not be less than R5,200,000.

5. Trustees

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

| Name |
|----------------------------|
| Zakhele Vasco Gama |
| Abner Jabulani Mavimbela |
| Nompendulo Doris Ntsele |
| Andrew John Ross |
| Elda Samukelisiwe Nsimbini |

6. Auditors

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

Statement of Financial Position

| Figures in Rand | Note (s) | 2010 | 2009 |
|-------------------------------------|----------|------------------|------------------|
| Assets | | | |
| Non-Current Assets | | | |
| Property, plant and equipment | 2 | 148,462 | 126,203 |
| Current Assets | | | |
| Receivables and Prepayments | 3 | 86,532 | 114,580 |
| Cash and cash equivalents | 4 | 8,356,307 | 6,313,901 |
| | | 8,442,839 | 6,428,481 |
| Total Assets | | 8,591,301 | 6,554,684 |
| Equity and Liabilities | | | |
| Equity | | | |
| Trust Capital | 5 | 8,496,729 | 6,498,023 |
| Liabilities | | | |
| Current Liabilities | | | |
| Trade and other payables | 6 | 59,492 | 21,900 |
| Provision for unpaid leave | | 35,080 | 34,761 |
| | | 94,572 | 56,661 |
| Total Equity and Liabilities | | 8,591,301 | 6,554,684 |

Statement of Comprehensive Income

| Figures in Rand | Note (s) | 2010 | 2009 |
|--|----------|------------------|------------------|
| Revenue | 9 | 7,322,409 | 5,656,250 |
| Operating expenses (see page 15) | | (5,749,168) | (3,300,639) |
| Operating surplus | 7 | 1,573,241 | 2,355,611 |
| Investment revenue | | 425,461 | 430,132 |
| Surplus before taxation | | 1,998,702 | 2,785,743 |
| Taxation | 8 | - | - |
| Surplus for the year | | 1,998,702 | 2,785,743 |
| Other comprehensive income | | - | - |
| Total comprehensive income for the year | | 1,998,702 | 2,785,743 |

Statement of Cash Flows

| Figures in Rand | Note (s) | 2010 | 2009 |
|---|----------|------------------|------------------|
| Cash flows from operating activities | | | |
| Cash generated from operations | 12 | 1,681,969 | 2,354,337 |
| Interest income | | 425,461 | 430,132 |
| Net cash from operating activities | | 2,107,430 | 2,784,469 |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | 2 | (65,024) | (138,420) |
| Total cash movement for the year | | 2,042,406 | 2,646,049 |
| Cash at the beginning of the year | | 6,313,901 | 3,667,852 |
| Total cash at end of the year | 4 | 8,356,307 | 6,313,901 |

Accounting Policies

1. Presentation of Annual Financial Statements

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

These accounting policies are consistent with the previous period.

1.1 Property, plant and equipment

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

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

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

| <i>Item</i> | <i>Average useful life</i> |
|------------------------|----------------------------|
| Furniture and fixtures | 6 years |
| Motor vehicles | 5 years |
| Office equipment | 3 years |
| Computer equipment | 3 years |

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

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

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

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

1.2 Receivables and Prepayments

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

1.3 Cash and cash equivalents

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

1.4 Trade payables

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

1.5 Provisions and contingencies

Provisions are recognised when:

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

1.6 Revenue

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

Interest income is recognised when it is accrued.

1.7 Financial risk management

Foreign exchange risk

The trust is not exposed to foreign exchange risk as no foreign

currency transactions are entered into.

Interest rate risk

As the trust has no significant interest-bearing assets, except for cash and cash equivalents, the trust's income and operating cash flows are substantially independent of changes in market interest rates. As the trust has no interest-bearing borrowings, it is not exposed to any interest rate risks.

Credit risk

The trust has no significant concentrations of credit risk, as receivables comprise mainly of prepayments and deposits. At the year-end, cash transactions are limited to high credit quality financial institutions.

Liquidity risk

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

Fair value estimations

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

currency transactions are entered into.

Interest rate risk

As the trust has no significant interest-bearing assets, except for cash and cash equivalents, the trust's income and operating cash flows are substantially independent of changes in market interest rates. As the trust has no interest-bearing borrowings, it is not exposed to any interest rate risks.

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

Fair value estimations

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

| Figures in Rand | 2010 | 2009 |
|-----------------|------|------|
|-----------------|------|------|

7. Operating profit

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

| | | |
|---|-----------|-----------|
| Depreciation on property, plant and equipment | 42,765 | 12,218 |
| Employee costs | 1,040,061 | 672,064 |
| Scholarship Scheme | 3,780,599 | 2,219,006 |
| Audit fees - current year | 43,373 | - |
| Audit fees - underprovision prior year | - | 4,980 |
| Other services | - | 2,234 |

8. Taxation

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

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

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

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

9. Donations and grants received

| | | |
|--|------------------|------------------|
| Anglo American Chairman's Fund | 250,000 | - |
| AngloGold Ashanti Ltd | 220,000 | 230,000 |
| Aspen Pharmacare | 120,000 | 100,000 |
| The Atlantic Philanthropies | 2,250,000 | 2,800,000 |
| Discovery Health | 390,000 | 330,000 |
| The ELMA Foundation | 2,000,000 | - |
| The Joseph Rowntree Charitable Trust | 130,000 | 130,000 |
| The Lily & Ernest Hausman Trust | 150,000 | 345,000 |
| The Oppenheimer Memorial Trust | 555,000 | 460,000 |
| Swiss South African Cooperative Initiative (SSACI) | 750,000 | 400,000 |
| Other donations and grants, being under R100 000 | 507,409 | 861,250 |
| | 7,322,409 | 5,656,250 |

10. Auditor's remuneration

| | | |
|------|--------|-------|
| Fees | 43,373 | 7,214 |
|------|--------|-------|

11. Commitment for the funding of the students in 2011

The foundation has committed to assist 110 students in the forth coming year and it is estimated the cost of this will not be less than R5,200,000.

12. Cash generated from operations

| | | |
|------------------------------------|------------------|------------------|
| Surplus before taxation | 1,998,702 | 2,785,743 |
| Adjustments for: | | |
| Depreciation and amortisation | 42,765 | 12,218 |
| Interest received | (425,461) | (430,132) |
| Movements in provisions | 322 | 34,759 |
| Changes in working capital: | | |
| Receivables and Prepayments | 28,049 | (43,682) |
| Trade and other payables | 37,592 | (4,569) |
| | 1,681,969 | 2,354,337 |

Statement of Financial Performance

| Figures in Rand | Notes | 2010 | 2009 |
|--|-------|--------------------|--------------------|
| Revenue | | | |
| Donations and grants received | | 7,322,409 | 5,656,250 |
| Other income | | | |
| Interest | | 425,461 | 430,132 |
| Operating expenses | | | |
| Accounting fees | | (74,884) | (29,640) |
| Administration and management fees | | (5,337) | (28,488) |
| Advertising | | (33,186) | - |
| Auditors remuneration | 10 | (43,373) | (7,214) |
| Bank charges | | (22,660) | (15,212) |
| Computer expenses | | (4,784) | - |
| Depreciation, amortisation and impairments | | (42,765) | (12,218) |
| Employee costs | | (1,040,061) | (672,064) |
| Equipment donated | | (260,540) | - |
| Internet connection | | (735) | (2,270) |
| Legal expenses | | (764) | - |
| Motor vehicle expenses | | (40,236) | (5,616) |
| Other expenses | | (7,972) | - |
| Printing and stationery | | (10,451) | (22,784) |
| Provision for doubtful debts | | - | (50,000) |
| Repairs and maintenance | | (4,689) | (18,717) |
| Scholarship Scheme | | (4,023,334) | (2,219,006) |
| Telephone and fax | | (50,083) | (16,948) |
| Travel - local | | (83,314) | (200,462) |
| | | (5,749,168) | (3,300,639) |
| Surplus for the year | | 1,998,702 | 2,785,743 |

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

Registration Details

The Umthombo Youth Development Foundation is a registered

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

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