

ANNUAL REPORT 2024 | 2025

CONTENTS

PART A GENERAL INFORMATION	2
1. General Information.....	3
2. Abbreviations	4
3. Foreword by the Chairperson.....	5
4. Chief Executive Officer's Overview.....	6
5. Confirmation of Accuracy of the Annual Report.....	7
6. Strategic overview.....	8
PART B PERFORMANCE INFORMATION	10
1. Auditor's Report: Predetermined Objectives.....	11
2. Overview of Performance.....	11
PART C GOVERNANCE	28
1. Introduction	29
2. Executive Authority	29
3. NEMISA Board of Directors Composition and Oversight	29
4. Organisational Ethics.....	29
5. Responsible Corporate Citizen	30
6. Board Committees.....	34
7. Report of the Social, Ethics, and Transformation Committee	37
8. Audit Committee Report	41
PART D HUMAN RESOURCE MANAGEMENT.....	45
Introduction.....	46
Human Resources Oversight Statistics.....	48
PART E PFMA COMPLIANCE REPORT	52
Information on Irregular, Fruitless and Wasteful, Unauthorised Expenditure and Material Losses	53
Information on Late and/or Non-payment of Suppliers	56
Information on Supply Chain Management	56
PART F FINANCIAL INFORMATION	57
Board of Directors' Responsibilities and Approval.....	58
Audit Committee Report	59
Board of Directors Report	60
Company Secretary's Certification	61
Report of the Auditor-General.....	62
Chief Financial Officer's Overview	67
Statement of Financial Position.....	70
Statement of Financial Performance	71
Statement of Changes in Net Assets	72
Cash Flow Statement.....	73
Statement of Comparison of Budget and Actual Amounts	74
Accounting Policies.....	76
Notes to the Annual Financial Statements.....	90



PART A
GENERAL INFORMATION

1. GENERAL INFORMATION

CHAIRPERSON OF THE BOARD Mr Lionel Adendorf

REGISTERED OFFICE ADDRESS 26 Canary Street
Auckland Park
Johannesburg
2006

TELEPHONE NUMBER +27 11 484 0583

EMAIL ADDRESS info@nemisa.co.za

WEBSITE ADDRESS www.nemisa.co.za

AUDITORS Auditor-General South Africa

BANKERS Standard Bank

COMPANY SECRETARY Ms Prudence Swarts

2. ABBREVIATIONS

AGSA	Auditor-General of South Africa
APP	Annual Performance Plan
CEO	Chief Executive Officer
DCDT	Department of Communications and Digital Technologies
DPME	Department of Planning, Monitoring, and Evaluation
EER	Employment Equity Report
EXCO	Executive Committee
IMD	International Institute for Management Development
MDDA	Media Development and Diversity Agency
M&E	Monitoring and Evaluation
MTDP	Medium Term Development Plan
MTSF	Medium-Term Strategic Framework
MSME	Micro, Small and Medium Enterprises
NEMISA	National Electronic Media Institute of South Africa
NT	National Treasury
PC4IR	Presidential Commission on Fourth Industrial Revolution
PFMA	Public Finance Management Act
SDG	Sustainable Development Goal
SMART	Specific, Measurable, Achievable, Realistic, and Time-bound
SMME	Small, Medium, and Micro-Enterprise
SONA	State of the Nation Address
SOP	Standard Operating Procedure
UNDP	United Nations Development Programme
USAASA	Universal Service Agency of South Africa
VUT	Vaal University of Technology
WEF	World Economic Forum
WSIS	World Summit of Information Society
WSP	Work Skills Plan



3. FOREWORD BY THE CHAIRPERSON

MR LIONEL ADENDORF

The 2024/25 financial year marked the final year of NEMISA's five-year 2020-2025 Strategic Plan. This was a significant year, as it consolidated efforts to close the period on a high note. It was also the year in which a new Board was appointed in October 2024. The transition from the previous Board to the new was seamless, characterised by a coordinated process led by the Shareholder and a successful handover from the outgoing Board.

The successful transition enabled NEMISA to continue implementing its plans for the year, expanding partnerships and implementing the strategy on organisational transformation.

In keeping up with the dynamic nature of the creative media and information and communication technology (ICT) industries, NEMISA reviewed its existing courses to ensure they remain relevant and up to date. Furthermore, NEMISA continued expanding its partnerships, driven by the belief that it is through collaboration that the Institute can best achieve its objectives.

While existing partnerships with CoLabs and those with organisations such as SITA, PSETA, BANKSETA, the British High Commission, GIZ, Amazon Web Services, CISCO, Microsoft and Google South Africa were maintained, more focus was placed on strengthening relationships with TVET colleges. NEMISA also worked closely with several districts and local municipalities to expand its programmes.

The highlight of the year under review was NEMISA's achievement of 100% of its APP targets and the attainment of an unqualified audit with no material findings (clean audit)-the third consecutive year this has been achieved.

NEMISA's governance system and policies were reviewed as required, and compliance with the laws was closely monitored, with a strong emphasis on promoting ethical conduct.

Through its vast network of partnerships, NEMISA continues to strategically position itself to support the development of

a collaborative training ecosystem, one that reaches as many people as possible and provides the support learners need, rather than positioning itself as a competitor to existing training providers.

The environment analysis indicates a significant demand for the skills development programmes offered by NEMISA in South Africa. It is also recognised that there are many interested stakeholders, including but not limited to communities, government entities, industry and SMMEs.

In the 2024/25 financial year, NEMISA continued to work towards building capacity to deliver on large-scale programmes. The organisation is growing rapidly to ensure that both the public and private sector beneficiaries are equipped with the much-needed skills to take South Africa to greater heights across all spheres of media and digital technology. However, more work remains in securing financial and other resources to enable expanded delivery.

I would like to express NEMISA's gratitude to the Honourable Minister of Communications and Digital Technologies, Mr Solly Malatsi; his Deputy Minister, Mr Mondli Gungubele; and the entire Department of Communications and Digital Technologies (DCDT) team for the support and leadership provided to NEMISA, including their visionary approach to expanding digital skills to South Africans in a revolutionary manner.

The Board, management and staff are appreciated for their outstanding contributions to NEMISA's achievements in the year under review. Special appreciation goes to our valued partners and learners affiliated with the Institute.



Mr Lionel Adendorf

Chairperson of the Board

Date: 29 August 2025



4. CHIEF EXECUTIVE OFFICER'S OVERVIEW

MR TREVOR RAMMITLWA

On behalf of NEMISA, I am pleased to present the 2024/25 Annual Report and to report on the performance against the mandate given to the Institute to deliver digital and creative media skills for the financial year under review.

NEMISA's 2024/25 APP-Programme 3, in particular, aimed to substantially increase its digital skills delivery in line with the five-year targets articulated in the 2020-2025 Strategic Plan.

The operating environment during the year required NEMISA to continue strengthening its operational capacity and implement improvements in its operating model to support the expansion of its training programmes. During this period, NEMISA implemented its revised organisational structure and enhanced its delivery mechanisms, including online, blended and in-person learning modalities. Building on progress made in the previous year, efforts continued to scale up the adoption of NEMISA's digital learning platforms.

The increase in youth unemployment, along with the growing need for digital reskilling and upskilling, demanded that the quality of programmes be maintained and their responsiveness to South Africa's growth and digital transformation objectives be prioritised. NEMISA recognises that its performance during the year under review continues to reflect its standing as a high-performing organisation, while also acknowledging that more work remains in the journey to equip the youth, women, people with disabilities, unions and MSMEs with the skills needed to thrive in the digital economy.

For the year under review, NEMISA achieved 100% of its APP targets, coupled with a clean audit. The organisation also met all the governance requirements set by the shareholder and remained committed to risk management as a performance enabler. NEMISA management would like to extend its sincere gratitude to the Honourable Minister, the Deputy Minister and the DCDT staff for their unwavering support during the year; to the NEMISA Board of Directors for the leadership and steadfast guidance; and to the NEMISA management team and staff for their dedication and commitment in growing the Institute into a high-performing organisation.

Mr Trevor Rammitlwa

Chief Executive Officer

Date: 29 August 2025

5. CONFIRMATION OF ACCURACY OF THE ANNUAL REPORT

To the best of our knowledge and belief, we confirm the following:

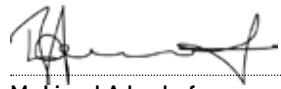
- All information and amounts disclosed in the annual report are consistent with the Annual Financial Statements (AFS) audited by the Auditor General.
- The Annual Report is complete, accurate, and free from any omissions.
- The Annual Report has been prepared in accordance with the guidelines on the Annual Report as issued by the National Treasury.
- The AFS (Part F) has been prepared in accordance with the Generally Recognised Accounting Practice (GRAP) standards applicable to the public entity.
- The Accounting Authority is responsible for preparing the AFS and the judgements made in this information.

The Accounting Authority is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information, and the AFS.

The external auditors are engaged to express an independent opinion on the AFS.

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information, and the entity's financial affairs for the financial year ended 31 March 2025.

Yours faithfully



Mr Lionel Adendorf

Chairperson of the Board

Date: 29 August 2025



Mr Trevor Rammitlwa

Chief Executive Officer

Date: 29 August 2025

6. STRATEGIC OVERVIEW

LEGISLATIVE AND POLICY MANDATE

The National Electronic Media Institute of South Africa (NEMISA) was established as a non-profit institute for education in terms of the Companies Act (1973) and is listed as a schedule 3A public entity in terms of the Public Finance Management Act (1999). Board:

Below are some of the national policies recognising the need for the development of digital skills in South Africa, from which the mandate of the NEMISA is derived:

- National Development Plan 2030
- National Skills Development Plan
- National Digital and Future Skills Strategy
- 2014 SA Connect Broadband Policy
- 2016 National Integrated ICT Policy White Paper

- White Paper on Post-School Education and Training
- National Human Resources Development Strategy
- National Digital Skills Partnership

VISION

A leader as a provider of digital and creative media skills.

MISSION

To catalyse national digital skills for meaningful use of technologies in order to improve the quality of life of all people in South Africa.



IMPACT STATEMENT

Accelerated use of digital technologies to improve quality of life.

OUTCOMES

OUTCOME 1	Transformed organisation
OUTCOME 2	Increased digitally proficient individuals
OUTCOME 3	Improved applied research & innovation outcomes
OUTCOME 4	Aggregated digital skills programmes

VALUES AND VALUES STATEMENTS

AGILITY	NEMISA upholds a principle of flexibility, adapting to accelerating changes without losing our identity.
COLLABORATION	We believe in the power of working across multiple organisations, individuals, and constituencies in order to co-create ideas and innovations that will improve our human capital through partnerships that work. We espouse values of inter-programme collaboration to create a united workforce capable of sustaining the organisation throughout the volatility, uncertainty, complexity and ambiguity (VUCA) of the modern world, with communication as a key enabler.
INTEGRITY	NEMISA strives to be the epitome of honesty through sound, moral, and ethical principles that all employees will uphold in our dealings with various stakeholders.
PROFESSIONALISM	In everything we do, we strive to maintain a professional etiquette when dealing with our stakeholders.
COMMITMENT TO EXCELLENCE	We are committed to excellence, to always providing value to our customers, partners, and stakeholders. We set and achieve ambitious goals, pursue high expectations, innovate by trying new ways of doing things, and model a positive example.



PART B
PERFORMANCE
INFORMATION

1. AUDITOR'S REPORT ON PREDETERMINED OBJECTIVES

The AGSA/auditor currently performs the necessary audit procedures on the performance information. The report on the performance against predetermined objectives is included under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the auditor's report.

Refer to paragraph 14, as well as paragraph 18, of the Auditors Report on page 63 as published in Part F: Financial Information.

2. OVERVIEW OF PERFORMANCE

SERVICE DELIVERY ENVIRONMENT

In line with its mandate, NEMISA operates in the creative media and digital technology industries, and the overarching thrust in these industries is communications. To be strategically positioned to succeed in the delivery of its mandate, it is pertinent that a situation analysis be undertaken.

The creative media industry is central to the rapidly evolving interconnected world, as it enables various mediums and channels to reach audiences. Audio and visual mediums of communication remain key drivers of the industry, and what has rapidly changed is the improvement in the quality, speed, and access to content produced by the industry and the democratisation of content development itself. Technology, globalisation, and increasing social diversity have played a significant role in advancing the industry. Through technological advancements such as the game-changing introduction of the internet, the creative media industry has evolved rapidly, including the introduction of a multiplicity of channels such as social media and streaming services in recent years. The creative media industry, therefore, requires new skills as it evolves.

The ICT industry is also rapidly changing and disrupting not only itself but also other industries. Digital technologies, in particular, continue to advance and bring with them economic opportunities and challenges that force many countries to adapt and position themselves to take advantage of these technological developments. With South Africa's policy firmly recognising the need to position the country in the advent of technological changes and be among the leading countries in innovation and preparing the citizens to be part of the evolution, the provision of digital skills at different

levels of competencies is critical. The convergence of digital technologies makes it even more urgent to focus on the development of appropriate digital skills and ensure that these skills are continually developed

2024/25 EXTERNAL ENVIRONMENT ANALYSIS

CREATIVE MEDIA INDUSTRY

Creative industries offer a vehicle for South African stories, entertainment, and cultures to be told in multichannel digital broadcasting, contributing to building national identity and social cohesion and providing insight into South Africa's place on the continent of Africa over time. The creative media industry plays an important role in informing, educating, and entertaining the population about both in-country and international developments and stories. The availability of digital tools has revolutionised the industry by giving rise to sophisticated ways of content generation and real-time content sharing, leading to an excessive generation of data and insights in the process, including the ever-increasing availability of information and choices.

Some of the key trends observed in the creative media industry include:

- Accelerated use of digital platforms and social networking sites to broadcast or share information. This has exponentially increased the speed with which news and information travel, calling for broadcasters and those working in news agencies to operate in a fast-paced environment.



- Streaming services have also increased and created opportunities for consumers or information users to access productions anytime and anywhere. People can choose when and what information they want to consume. A good example is the increasing use of over-the-top (OTT) platforms for broadcasting information.
- The massive increase in podcasting creates many opportunities for people who can produce personal and/or organisational content.
- User-generated content has also turned traditional content production methods upside down. The users themselves generate content and use digital platforms to share it. This has not only increased content in an unprecedented way but has also shaken the old business models of broadcasters. Digital transformation has empowered listeners and viewers to demand direct participation in what is curated and produced.

The end of analogue transmission will have a significant impact on broadcasters, including community radio and television stations in South Africa, as they will need to change some of their infrastructure and undergo training to keep up with the developments in the sector.

The radio and TV frequency spectrum freed up through the digital migration process – often referred to as the 'digital dividend' – has the potential not only to provide new and improved broadcasting services but also to enable additional ICT services traditionally not offered in the broadcasting frequency band. These include mobile telephony, wireless broadband, and the dedicated delivery of government information and services.

This shift is being driven by a resolution of the International Telecommunications Union (ITU), which mandates that countries in Region 1 (including Europe, Russia, Africa, the Middle East, and the Islamic Republic of Iran) migrate their broadcasting services from analogue to digital.

The transition from analogue systems is expected to result in higher-quality transmissions and lower barriers for new entrants into the industry. It is also anticipated to improve access to radio and television in areas where delivery has historically been challenging.

Content generation and management in the creative media space are emerging as key drivers of activity and are increasingly seen as products that can be exchanged and monetised. The traditional reliance on advertising as the primary revenue stream is changing.

PricewaterhouseCoopers (PwC), in its 2018-2022 Media and Entertainment Industry Outlook Report, states that companies in this industry face increasing pressure to diversify their offerings and increase revenue streams. In this context, media and entertainment institutions are no longer limiting their reach to regional audiences but are instead seeking ways to engage wider audiences. As a result, both local and foreign entities are competing within the same markets.

According to PwC's report, the boundaries are becoming increasingly blurred, with non-traditional broadcasters and non-creative media institutions entering the space. For example, some radio stations are now operating within non-media settings such as the retail industry.

INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) INDUSTRY

NEMISA seeks to achieve its vision and mission in an environment where:

Technology affects all areas of life: Digital technologies affect access and effective use in social, business, education, and government, as well as information pertaining to all aspects of life.

Technology addresses national challenges: Digital technologies have become fundamental to approaches for addressing socio-economic equity, development, and sustainability—particularly in tackling the challenges of poverty and inequality and building an inclusive economy. Establishing a capable and developmental state has partly become dependent on society across the full socio-economic spectrum appropriating modern ICTs.

Digital skills are fundamental to the ICT ecosystem: ICTs do not stand alone; they exist within an ecosystem where the ability to use the technologies effectively is as important as the infrastructure and services themselves. ICT infrastructure plays an integral part in technological advances. Therefore, the Fourth Industrial Revolution (4IR) Commission is recommending that the government invest in making South Africa a hyper-scaled data owner.

Digital skills enable inclusion: By developing and enhancing digital skills, all South Africans will be able to participate more equitably in a society increasingly dominated by modern ICTs. This is particularly relevant for groups at risk of socio-economic exclusion, including the previously disadvantaged, the elderly, the unemployed, people in rural areas, youth, and women.

Artificial intelligence (AI) has become central to the ecosystem of new technologies that are fuelling the adoption of new ways to deliver services and products. AI is enabling technology to automate certain functions that humans would traditionally perform. This has changed how the interface between humans and technology works, thus bringing about implications for the future of work, including changes in the types of skills required at entry, intermediate, and advanced levels.

Data has also become a critical enabler of the new digital technologies, as it serves as an input into the technologies with the capability to analyse the same data and produce actions or outputs that lead to the performance of the targeted functions. The risks associated with data management have also added to the challenges of data loss due to malicious or criminal activities. Regulation of data management, including personal data, has become critical. It is to this effect that DCDT published the Data and Cloud Policy in 2020, while the POPI Act was put into effect in July 2021. The need for general awareness and technical skills in data analysis is imperative to harness the opportunities that data can bring through digital technologies.

Cybersecurity, both at the technical and user levels, has become critically important. While modern technologies bring opportunities, the risk of misuse and abuse of these technologies presents a real threat to South Africa and its citizens. To fortify the country, all citizens, including children and older people, need to be capacitated to combat cyberattacks and cybercrime. Technically, both the public and private sectors require well-established cybersecurity skills to manage cybersecurity strategies and prevent attacks from happening.

The Digital and Future Skills Strategy, published by the DCDT in August 2020, highlights how vital digital skills are to South Africa's human capacity growth path. The strategy identified eight strategic levers in response to digital skills requirements for the general citizenry, digital skills for industry, and high-end digital skills to drive innovations that can benefit the country's economy.

Digital skills for the general citizenry include foundational competencies needed to prepare citizens to use digital tools in their daily lives. These foundational digital skills also help establish a base from which individuals can grow their capacity and eventually progress to entry-level, intermediate, and advanced skills.

South Africa's economic recovery is also dependent on the reskilling and upskilling of citizens, and SMMEs in particular, with digital skills. In this way, digital skills are an enabler for advancing the country's economy.

Digital technologies are more evident in various industries in South Africa and globally. Both the private and public sectors are either being disrupted or taking advantage of these technologies to become leaders in their offerings to customers. Places of work and businesses are undertaking digital transformation to reposition themselves, thus leading to rapid changes in various industries. Relevant industry-specific skills are therefore highlighted in the Digital and Future Skills Strategy as important to develop, including reskilling the workforce.

South Africa is facing many challenges, such as high levels of unemployment, especially among the youth, and poverty. The digital divide evident in the country is a function of the many years of exclusion of most of the population from economic opportunities and the provision of relevant skills. The existing digital divide is coupled with a lack of infrastructure and connectivity in many parts of South Africa, especially rural areas and townships.

DIGITAL SKILLS, DIVIDE, AND INCLUSION

For South Africa to further improve its ranking in the digital economy, it is crucial that its citizens acquire the digital skills they need to fully participate in the digital economy. We live in an increasingly online world, while a significant part of the population remains digitally excluded. A large number of adults have never used the internet. As such, they are missing the opportunities the digital world offers, whether through a lack of connectivity, digital skills, or motivation. NEMISA has

a critical role to play in minimising the digital divide between those who have been able to embrace the digital world and those who have not.

For those lacking basic digital capability, the reasons for this exclusion are often complex. Research suggests that there are five key barriers, and more than one may affect individuals at any one time:

- **Access:** unavailability of access to the internet and cell phone networks.
- **Skills:** the ability to connect to and use the internet and online services.
- **Confidence:** fear of crime, lack of trust, or not knowing where to start online.
- **Motivation:** understanding why using the internet is relevant and helpful.
- **Affordability:** the cost of data in South Africa is too high for most citizens.

In response to the above environment and challenges faced by the country, NEMISA, as South Africa's key digital skills institute, will endeavour to support as many citizens of this country as possible to develop the skills they need to participate in the digital economy and assist businesses in harnessing the productivity benefits of digital transformation. As jobs and whole industries are disrupted by digital transformation, we need to ensure those affected have the support they need to adapt. We must also enable people in every part of society, irrespective of age, gender, physical ability, ethnicity, health conditions, or socio-economic status, to access the opportunities of the internet. If we do not, our citizens, businesses, and public services cannot take full advantage of the transformational benefits of the digital revolution. And if we manage, it will benefit society too.

ORGANISATIONAL STRUCTURE

To execute its Strategic Plan for the 2020-2025 term, NEMISA undertook a review of its organisational structure. The new organisational structure is intended to position NEMISA for the future. Furthermore, to be recognised as a national catalytic organisation for the development of digital skills in South Africa, serving both the government and the general public. The following strategic enablers are required by NEMISA:

- Adequate technological infrastructure
- Effective organisational structure and capacity development
- Quality training curriculum and course content
- Research and innovation
- An effective learning framework
- Effective marketing of NEMISA offerings
- Multi-sector collaborations and partnership development
- Monitoring and evaluation

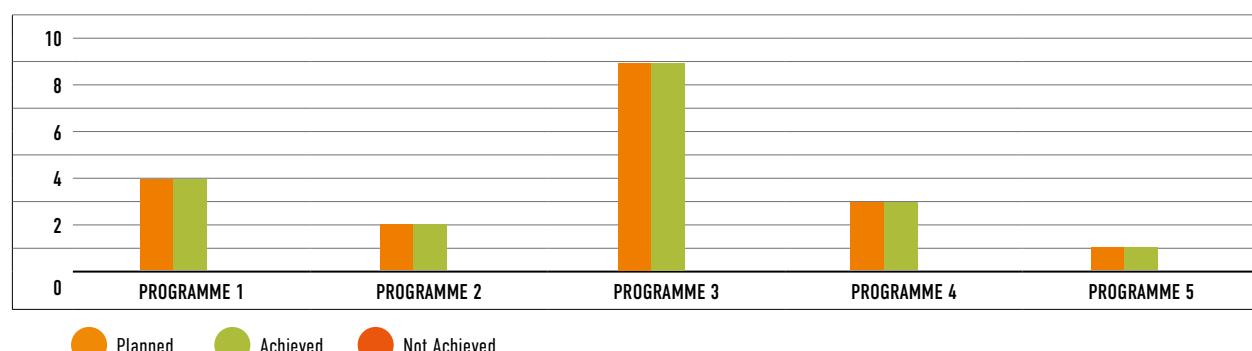
BOARD AND EXECUTIVE MANAGEMENT STRUCTURE



SUMMARY OF NEMISA'S PERFORMANCE

NEMISA had 19 planned targets for the year, all of which have been achieved. This translates to an overall achievement of 100%. The graph below depicts the entity's achieved annual targets against the planned.

OVERALL PERFORMANCE PER PROGRAMME



PROGRAMME 1: ADMINISTRATION

Programme Purpose: To provide support to the overall management of the Institute to ensure organisational efficiency, effectiveness, and sound financial management.

No	Outcome	Output	Output Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Annual Target 2024/25	Actual Achievement 2024/25	Deviation from planned target to Actual Achievement for 2024/25	Comment on deviation
1.1.1	Digitally transformed and well-governed organisation	Business management.	Implemented employee satisfaction survey recommendations.	-	63.7% employee satisfaction rating.	Implementation of recommendations from the employee satisfaction survey report.	Implemented the recommendations from the Employee Satisfaction Survey.	N/A	N/A
1.1.2		Corporate governance excellence.	Number of material repetitive audit findings from external audit.	Unqualified audit outcome with no material findings (Clean Audit).	0 repetitive audit findings	0 material repetitive audit findings from external audit.	The audit was concluded with 0 material repetitive audit findings.	N/A	N/A
1.1.3		Corporate governance excellence.	Number of Board evaluations conducted.	-	1	1 Board evaluation conducted.	1 Board evaluation conducted.	N/A	N/A
1.1.4		Technology management.	Percentage network uptime.	-	99.6%	98%	99.95%	N/A	N/A

PROGRAMME 2: MULTI-STAKEHOLDER COLLABORATION

Programme Purpose: To build a substantive, formalised multi-stakeholder collaborative network involving partners across government, business, state-owned entities (SOEs), global development partners, and agencies, through bilateral agreements, continental and international partners, community, organised labour, and education institutions (universities, TVET colleges, schools, and public and private providers) that will contribute to building a digitally skilled society.

No	Outcome	Output	Output Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Annual Target 2024/25	Actual Achievement 2024/25	Deviation from planned target to Actual Achievement for 2024/25	Comment on deviation
2.1	Expanded digital skills delivery model.	Collaborations and partnerships established.	Number of new collaboration agreements signed.	5 MoAs	13 MoAs	5 MoAs	6	More opportunities to collaborate.	N/A
2.2		Collaborations and partnerships maintained.	Number of consolidated partnership performance reports produced.	4	4	4	4	N/A	N/A

PROGRAMME 3: e-ASTUTENESS DEVELOPMENT

Programme Purpose: To provide digital skills training interventions to leverage existing ICT education and training expertise in order to better align and meet the digital skills targets set out in the MTSF and the NDP.

No	Outcome	Output	Output Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Annual Target 2024/25	Actual Achievement 2024/25	Deviation from planned target to Actual Achievement for 2024/25	Comment on deviation
3.1	Digitally skilled citizens.	Train learners with a focus on creative media studies.	Number of learners trained in creative media through short courses.	506	1 036	650	780	130	The training attracted more learners than anticipated, which enabled the overachievement of the target.
3.2		Train learners with a focus on creative media studies.	Number of learners trained in creative media through learnerships.	74	180	100	104	4	The training attracted more learners than Anticipated, which enabled the overachievement of the target.
3.3		Learning programmes to be revised and aligned to industry.	Number of training programmes reviewed.	Five learning programmes reviewed.	2	2	2	N/A	N/A
3.4			Number of new training programmes developed.	Two learning programmes developed.	5	5	5	N/A	N/A
3.5		Train learners with a focus on creative media studies.	Number of learners trained in digital literacy.	63 437	88 718	60 000	60 070	70	The training attracted more learners than anticipated, which enabled the overachievement of the target.
3.6		Train and capacitate SMMEs.	Number of SMMEs trained in digital entrepreneurship.	-	16 613	12 000	12 001	1	The training attracted more learners than anticipated, which enabled the overachievement of the target.
3.7		Train learners with a focus on emerging digital technologies	Number of learners trained in Digital Technologies.	3 829	3 159	2 000	3 551	1 551	The online training enabled NEMISA to accommodate a broader range of participants.
3.8		Train and capacitate learners with technical ICT skills.	Number of learners trained in ICT training programmes.	149	269	200	337	137	The high demand for training drew in more participants than expected, resulting in the target being surpassed.
3.9		Develop learning content to supplement and support the rollout of online digital skills programmes.	Number of new learning content produced for the LMS.	-	Four (4) content productions completed.	4	4	N/A	N/A

PROGRAMME 4: KNOWLEDGE FOR INNOVATION

Programme Purpose: To identify appropriate, and often innovative, ways to address systemic problems, inefficiencies and other weaknesses in achieving learning success.

No	Outcome	Output	Output Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Annual Target 2024/25	Actual Achievement 2024/25	Deviation from planned target to Actual Achievement for 2024/25	Comment on deviation
4.1	Improved applied research and innovation outcomes.	Research and innovation engagements.	Number of NEMISA innovation datathons reviewed.	-	1 Datathon hosted.	1	1	None	N/A
4.2		Research and innovation engagements.	Number of NEMISA colloquiums reviewed.	-	-	1	1	None	N/A
4.3		Research agenda implemented.	Number research reports that support decision-making.	-	-	2	2	None	N/A

PROGRAMME 5: AGGREGATION FOR FRAMEWORK

Programme Purpose: To build a substantive, formalised, multi-stakeholder collaborative network involving partners across government, business, state-owned entities (SOEs), global development partners, and agencies through bilateral agreements, continental and international partners, communities, organised labour, and education institutions (universities, TVET colleges, schools, and public and private providers.) that will contribute to building a digitally skilled society.

In contributing towards NEMISA's desired impact of the "meaningful use of digital technologies to improve quality of life", the programme delivers against the following outcome, as reflected in the Strategic Plan.

No	Outcome	Output	Output Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Annual Target 2024/25	Actual Achievement 2024/25	Deviation from planned target to Actual Achievement for 2024/25	Comment on deviation
5.1	Aggregated digital skills programmes.	Approved Monitoring and Evaluation Framework implemented.	Number of Monitoring and Evaluation reports provided.	The Monitoring and Evaluation Framework was implemented, and an impact assessment report was developed.	The Monitoring and Evaluation Framework was implemented, and an impact assessment report was developed.	4	4	None	N/A

CREATIVE MEDIA TRAINING REPORT

The creative media training programme offerings are designed to prepare beneficiaries to become functional employees while also fostering entrepreneurship and promoting success among learners. NEMISA has a dedicated unit focused on creative media learning programmes. It is well-positioned to meet the rapidly expanding needs of the industry by providing learners with the conceptual, strategic, and practical skill sets needed to meet future challenges.

During the 2024/2025 financial year, a total of 104 beneficiaries were trained through a one-year learnership, using NEMISA's accredited training qualifications by the Media, Information and Communication Technologies Sector Education and Training Authority (MICTSETA). Through this unit, NEMISA offered learnerships in Radio Production, Film and Television, Interactive Media, Animation and Graphic Design.

The Institute also offered short Skills Programmes in Digital Photography, Digital Literacy, and Digital Storytelling using a Mobile Device. Additionally, workshops were held in Drawing, Live Streaming, Video Editing, Newsroom Skills, Podcasting and Radio for newcomers—reaching just over 785 beneficiaries in 2024/2025.

The courses generated high levels of interest among learners, particularly through social media platforms, career exhibitions, and various outreach initiatives that NEMISA undertook. In order to reach more beneficiaries, NEMISA extended the delivery of training to multiple provinces, including the Eastern Cape, Free State, Gauteng, KwaZulu-Natal, Limpopo and Northern Cape, through both learnerships and short-skills programmes.

The achievements of the Creative Media Unit would not have been possible without the invaluable support, partnerships and collaboration of various community centres, community media outlets, NGOs, and other stakeholders across the country, all of whom played a critical role in the delivery of training.

The Multimedia Production House (MMPH) intern cohort successfully delivered various client projects aligned with bringing the MMPH business plan while gaining work-based experience. Content development was also undertaken to complement the LMS with new programmes. Furthermore, the MMPH unit oversaw the development and commercialisation of an Over-the-top (OTT) media service, CoCreataz, during the 2024/25 financial year. This project seeks to diversify the media landscape for creative media practitioners.



PARTNERSHIPS REPORT



NEMISA, through its provincial CoLabs hosted at local universities, played a vital role in delivering various training programmes across the country during the 2024/25 financial year. These CoLabs are:

- Western Cape CoLab – University of the Western Cape
- Eastern Cape CoLab – Walter Sisulu University
- KwaZulu-Natal CoLab – Durban University of Technology
- Mpumalanga CoLab – University of Mpumalanga
- Limpopo CoLab - University of Limpopo
- Northern Cape and Southern Gauteng CoLab – Vaal University of Technology
- North West CoLab – University of North West
- Free State CoLab – Central University of Technology

The CoLabs, through their engagement with local and provincial stakeholders and their existing networks across academia, business, government, and civil society, managed to deliver on NEMISA's training mandate under challenging circumstances.

Central to their training activities, the CoLabs focus on digital literacy, which remains a key deliverable for NEMISA. In addition to conducting digital literacy training within communities, the highlight for CoLabs in the year 2024/25 was the delivery of the cell phone repair programme and emerging technologies training. The CoLabs utilised NEMISA's LMS and Microsoft, AWS and CISCO courses to deliver training in digital technologies, including AI, Machine Learning, Cloud Computing, the IoT, Software Development, Data Science and Analytics.

Partnerships with entities such as the British High Commission, GIZ, Microsoft and Google South Africa supported NEMISA in achieving its objectives for the year. In collaboration with STEMpower Inc., NEMISA was able to launch four STEM Centres in South Africa with specialised learning facilities that offer hands-on engineering lab experience, with advanced virtual computer labs equipped with 30 desktop access screens and a variety of electronics lab equipment.

NEMISA also worked closely with several district and local municipalities to expand its programmes. Through a vast network of partnerships, NEMISA is strategically positioned to shape the development of a collaborative training ecosystem.

DIGITAL LEARNING

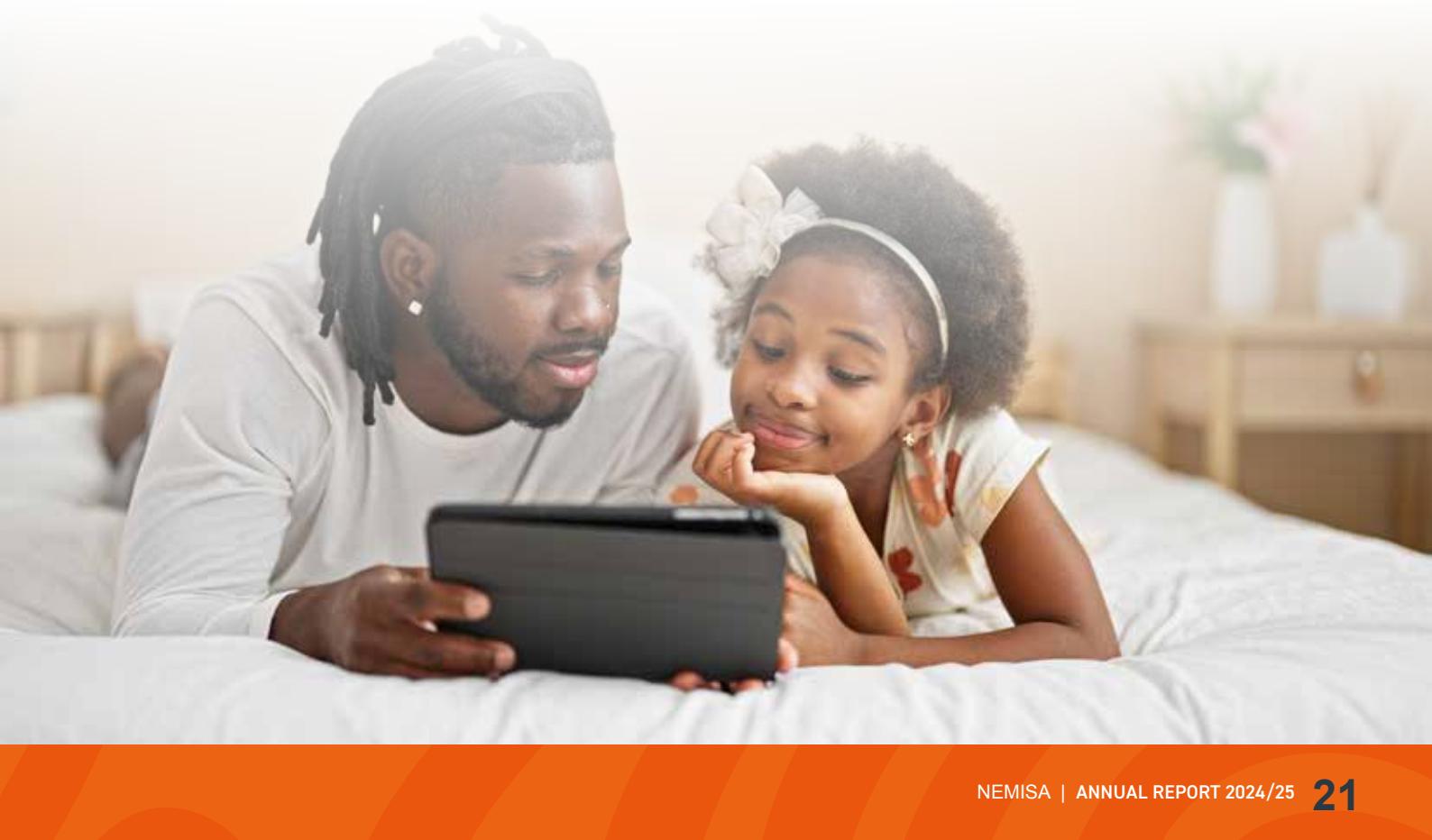
In 2024/25, NEMISA's Digital Learning Unit made remarkable progress in scaling digital empowerment across South Africa. Through targeted outreach and the launch of new training modules, the unit addressed pressing skill gaps and worked towards creating new pathways for youth and underserved communities. Strategic partnerships with GIZ, Microsoft, Google, CISCO and academic institutions supported both content development and capacity building, while the refinement of NEMISA's branding boosted visibility and user engagement across digital platforms.

The redesigned Digital Skills Platform welcomed over 65 048 new learners and saw monthly engagement surpass 180 000 visits. Accredited courses aligned with the MICT SETA and industry-certified courses added credibility to the learning experience. Nine new modules in AI are now nationally available. Learners from all nine provinces accessed tailored programmes, including hybrid workshops and locally facilitated digital literacy sessions. A women-focused initiative, developed in collaboration with GIZ, was developed and will be used to bridge gender gaps in technology.

The Digital Learning Unit has demonstrated exceptional performance throughout the 2024/25 financial year, adapting to the evolving digital education landscape with agility and innovation. The commitment to enhancing digital learning

experiences has yielded significant improvements in user engagement and satisfaction. The following are some of the 2024/25 financial year highlights for Digital Learning at NEMISA:

- The unit has expanded the course library significantly, ensuring that NEMISA reaches its annual Emerging Technologies training target;
- Working with strategic partners, including leading OEMs such as Microsoft, Cisco, Amazon Web Services, HP, and others, has enriched NEMISA's learning content and expanded its reach, as well as provided additional interdisciplinary subjects that attract a diverse learner demographic;
- In addition, NEMISA Digital Learning unit has developed in excess of five new courses that are specifically designed for the South African market;
- Continuous improvements to the user interface have led to a reduction in user-reported issues, thus enhancing overall satisfaction and
- Robust security measures have been put in place to protect NEMISA and its online student community from the growing concerns around cybersecurity. Regular patching and updates have been maintained, ensuring a data-safe culture.



YA-RONA REPORT



The YA Rona Programme is positioned as more than a digital ambassadors programme. It's a catalyst for digital transformation at the community level. The project aims to empower rural and township communities through a train-the-trainer model for digital literacy, empowering ambassadors with digital literacy skills to bridge the digital divide within their own communities.

In 2024/2025, one hundred and seven ambassadors were recruited from district municipalities and TVET colleges. These young people completed an induction and orientation component of the programme to equip them with soft skills, community development skills and facilitation skills as a way to prepare them for training communities. Their training included the technical aspects of the course they delivered.

Key components of the YA Rona Programme's success were:

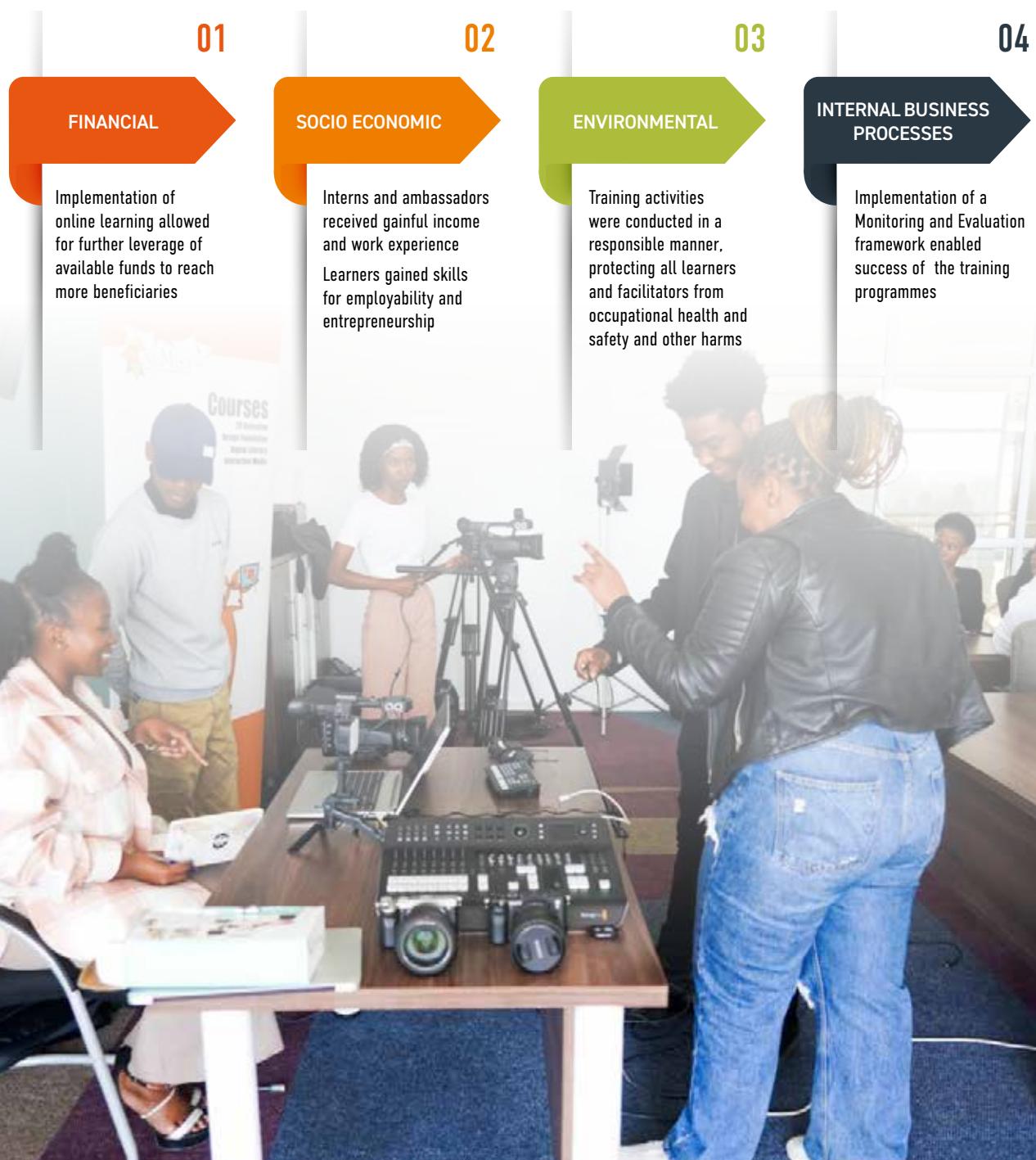
- **Ambassador selection:** Identifying and appointing motivated individuals with strong community skills and ties. They worked in partnership with local organisations, NGOs, community centres, libraries, schools, TVET colleges and CET colleges.
- **Community outreach:** The ambassadors were able to carry out awareness campaigns to promote digital literacy training and recruit participants by leveraging community networks and partnerships.

IMPACT ASSESSMENT ON NEMISA TRAINING PROGRAMMES

NEMISA's training programmes are guided by a drive towards an inclusive society where all citizens possess the necessary digital competencies to embrace and benefit from the opportunities brought about by emerging technologies. In pursuit of this, NEMISA, along with a spectrum of partners and stakeholders, sought to make the desired impact economically and socially. Achieving equitable digital inclusion, including the

scaling of interventions against the national digital inclusion agenda to ensure meaningful outcomes for beneficiaries and stakeholders, remained a priority.

NEMISA will conduct an impact assessment study at the end of the 2025/26 financial year on its selected 2024/25 programmes in line with the diagram below:



The assessment of digital skills interventions plays a significant role in aligning the intervention activities with their objectives and envisaged impact. The process involves a structured, critical analysis and reflection, with the aim of enhancing the interventions for improved outcomes. The impact assessment, therefore, reflects on the cumulative outcomes of digital skills training interventions, guided by an M&E framework. This framework is aligned with NEMISA's vision, mandate, mission, and strategic objectives.

The impact assessment is supported by a Theory of Change – a comprehensive description of how and why the intervention is expected to achieve the intended objectives (Department of Planning, Monitoring and Evaluation, 2021). The Theory of Change model typically reflects key programme building blocks,

namely, inputs, activities, outputs, outcomes, and impact, and the measurement indicators specifically aligned to the objectives of the training intervention. *Outcomes* refer to the expected (and unexpected) changes resulting from intervention activities, assessed in the short term and/or the medium to long term. *Impact* entails broader and longer-term changes for training beneficiaries.

A high-level results chain depicts these key concepts within the context of NEMISA training interventions. Conducting a valid impact assessment requires the programme to be completed, allowing time prior to the evaluation to identify and assess medium- to long-term changes in behaviour and/or socio-economic conditions.

NEMISA TRAINING INTERVENTIONS RESULTS CHAIN



STAKEHOLDER ENGAGEMENTS AND ACTIVITIES



During the year under review, the Marketing Unit intensified its stakeholder engagement, advocacy, and awareness efforts to promote access to digital skills training for youth across all provinces.

Key engagements included partnerships with municipalities such as Matatiele Local Municipality, where vlogging training was delivered, and Amathole Local Municipality, which hosted cell phone repair training. The Gauteng Department of e-Government was also engaged for participation in the Youth Tech Expo.

The unit collaborated with the private sector, notably with Google, to provide cybersecurity training to young people. Partnerships with higher education institutions such as Nelson Mandela University (NMU) and Tshwane University of Technology (TUT) enabled the delivery of webinars on data science, digital skills, and STEM awareness, particularly focusing on encouraging girls to pursue careers in science, technology, engineering, and mathematics.

The Marketing Unit also participated in several hackathons in partnership with organisations such as Geekulcha, the Innovation Hub, and Empiras Global Academy, supporting innovation and digital creativity among youth.

To expand its reach and ensure visibility, the organisation maintained an active presence on social media platforms including, Facebook, X (formerly Twitter), and Instagram, with notable growth in follower engagement over the reporting period.

In addition, the unit conducted radio interviews to raise awareness and promote the programmes offered through both the online learning platform and face-to-face creative media training. These interviews also showcased the impactful work being done by our CoLabs based at universities across the country.

Furthermore, NEMISA actively participated in exhibitions and outreach programmes as part of its strategy to connect with communities, raise awareness of available training opportunities, and strengthen partnerships with key stakeholders.

LINKING PERFORMANCE WITH BUDGETS

The table below depicts expenditure relative to the budget for the reporting period under review and the previous financial year, for the programme and sub-programmes.

Programme/Activity/Objective	2023/24			2024/25		
	Budget R'000	Actual Expenditure R'000	(Over)/Under expenditure R'000	Budget R'000	Actual Expenditure R'000	(Over)/Under expenditure R'000
Programme 1	52 783	54 660	-1 877	43 261	42 015	1 246
Programme 2	0	0	0	0	0	0
Programme 3	53 474	118 789	-65 315	53 680	63 099	-9 419
Programme 4	2 995	2 995	0	20	12	8
Programme 5	301	221	80	0	0	0
Total expenses:	109 553	176 665	-67 112	96 961	105 126	-8 165



PROGRAMME 1: ADMINISTRATION

This programme provided essential support to ensure organisational efficiency, governance compliance, and effective financial management. Actual expenditure for FY 2024/25 was **R42 million** against a budget of **R43 million**, resulting in an underspend of **R1.2 million**. Savings arose mainly from delayed recruitment and lower utilisation of external professional services, partially offset by IT infrastructure costs.

Performance achievements were fully met under this programme as per the APP, including improved corporate governance practices, implementation of employee satisfaction survey recommendations, zero material repeat audit findings, and network uptime exceeding the 98% target (achieved: 99.95%).

Despite the overspending, this programme significantly surpassed planned performance outputs, contributing towards NEMISA's strategic goal of empowering individuals through digital skills for employment and entrepreneurship.

Strategies to strengthen future performance and expenditure alignment:

- Implement earlier submission and approval timelines for funding proposals.
- Use phased rollout for training programmes based on confirmed funding.
- Develop contingency plans to fund critical interventions if external funding responses are delayed.
- Enhance monitoring and reporting of training costs per learner to avoid late-year expenditure spikes.

PROGRAMME 3: E-ASTUTENESS DEVELOPMENT

Programme 3 achieved **all planned targets**, with overachievement in learner training numbers due to high demand and supplementary grant funding. Actual expenditure was **R63 million**, exceeding the approved budget of **R53 million** by **R9.4 million (17.5%)**. The overspending was primarily driven by significant increases in:

- Learners trained in **Creative Media** (target: 650; achieved: 780), **Digital Literacy** (target: 60 000; achieved: 60 070), **SMME Digital Entrepreneurship** (target: 12 000; achieved: 12 001), **Digital Technologies** (target: 2 000; achieved: 3 551), and **Technical ICT Programmes** (target: 200; achieved: 337).
- Supplementary grant funding was received, which enabled expanded training activities.
- Higher-than-planned participation in online learning initiatives that broadened learner access.

OVERALL FINANCIAL AND PERFORMANCE LINKAGE

Total actual expenditure for FY 2024/25 was **R105 million**, compared to a budget of **R96.9 million**, resulting in an **overspend of R8 million (8%)**. The overspend was mainly attributable to:

- Significant increases in training delivery under Programme 3, driven by high learner demand and supplementary grants.
- Unbudgeted operational expenses, including water and electricity charges from SABC.
- Impairment of receivables related to the BANKSETA funding.

Overall, **NEMISA achieved 100% of its planned 19 annual targets**, with several indicators overachieved due to higher-than-anticipated learner participation. The expenditure, though exceeding initial allocations, was aligned with enhanced performance outputs, reinforcing NEMISA's mandate of driving digital skills development nationally.



PART C
GOVERNANCE

1. INTRODUCTION

The National Electronic Media Institute of South Africa (NEMISA) remains committed to sound governance practices that ensure transparency, accountability, and strategic oversight. The 2024/25 financial year marked a period of consolidation and enhancement of governance structures to support the Institute's expanding digital skills development mandate.

2. EXECUTIVE AUTHORITY

The Department of Communications and Digital Technologies (DCDT) Minister is the sole shareholder representative of the Government of the Republic of South Africa. The shareholder is tasked with providing oversight of NEMISA. The Parties (Minister of Communications and Digital Technologies and the NEMISA Board) enter into a Governance Agreement on an appropriate governance framework to ensure coordination in their oversight efforts to support the attainment of NEMISA's mandate.

The Governance Agreement is concluded to enhance accountability for the affairs and business performance of NEMISA (which prescribes, *inter alia*, the documentation of the mandated key performance measures and indicators to be attained by NEMISA as agreed between the Board and the Minister, as well as to regulate the relationship between the Minister and the NEMISA Board).

3. NEMISA BOARD OF DIRECTORS COMPOSITION AND OVERSIGHT

The NEMISA Board of Directors (hereafter referred to as "the Board") subscribes to a unitary Board structure with a balance of Executive and Non-Executive Directors. As per the Memorandum of Incorporation (MoI) provisions, the Board consists of not less than five (5) Directors, the majority of whom are Non-Executive Directors. The Chief Executive Officer occupies a seat on the Board as an *ex officio* member as contemplated in section 66(4)(a)(ii) of the Companies Act.

The majority of the Directors are Non-Executive Directors, who are appointed as outlined in section 66(4)(a)(i) of the Companies Act by the Department of Communications and Digital Technologies (DCDT) Minister.

As appointed by the Minister of Communications and Digital Technologies, the Board continued to provide strategic direction and oversight. During the period under review,

there was a transition from the previous Board, whose term ended on 24 October 2024, to the new Board appointed from 25 October 2024 for a three-year term. The composition of the Board remained diverse and inclusive, with members bringing expertise in education, ICT, finance, and public administration.

An annual evaluation of the Board's performance was conducted in October 2024, and the outcomes report was shared with the DCDT. This practice is aligned with the requirement in the Governance Agreement with the Minister and Principle 9 of the King IV Report, which recommends a formal evaluation of the Board, its committees, and individual members at least every two years to ensure continued improvement in their performance and effectiveness.

The Board's scope of authority, responsibility, composition, and functioning are contained in the Board Charter. Each Board Committee has a terms of reference approved by the Board and reviewed annually by the relevant Committee and the Board. The Board and each Committee have defined work plans, which are regularly reviewed and updated as necessary, ensuring that the Board's work is appropriately spread across the scheduled Board and Committee meetings. The Board reviews and approves NEMISA's Delegations of Authority Framework, which is approved by the Minister, as required by the NEMISA MoI.

4. ORGANISATIONAL ETHICS

NEMISA subscribes to high ethical standards of business practice. The Board cultivates an ethical and transparent culture. A set of values, various documented policies and a code of conduct approved by the Board require all employees to adhere to ethical business practices in their relationships with one another, the shareholder, service providers and other stakeholders; to display integrity, mutual respect and openness; and affords them the opportunity to challenge others who are not adhering to these values.

NEMISA policies also set standards relating to the ethical risks faced by the organisation, such as the acceptance of gifts from third parties and declarations of potential conflicts of interest. The Social, Ethics and Transformation Committee receives a report from the Risk and Compliance Unit detailing employee declarations of gifts received from third parties. All employees undergo compulsory awareness sessions, including understanding the code of conduct and policies and procedures that promote an ethical culture. The Board is responsible for ensuring that NEMISA's ethical norms and policies are appropriate and are enforced, a responsibility that it discharges through the Social, Ethics and Transformation

Committee. The Committee is responsible for monitoring ethics practices and providing regular updates to the Board on ethical matters.

Staff are encouraged to report suspected fraudulent or unethical behaviour via a toll-free whistle-blower line managed by an independent external service provider and can do so anonymously. Awareness of this facility is created through presentations during staff sessions. Breaches in ethics and NEMISA policies ordinarily follow a formal disciplinary process, and the related action plans and outcomes are reviewed and discussed at the relevant Committee meetings during the year.

5. RESPONSIBLE CORPORATE CITIZEN

NEMISA continues demonstrating its commitment to making a sustainable contribution to South African citizens. The Board, through the Social, Ethics and Transformation Committee, sets the direction and embeds the culture of the organisation relating to its corporate citizenship role. It provides strategic direction to the organisation, monitors non-financial aspects,

and ensures that it acts responsibly towards stakeholders with legitimate interests in its affairs. The CEO is ultimately responsible for executing the organisation's activities concerning its corporate citizenship, which is reviewed and monitored by the Board through the Social, Ethics and Transformation Committee.

The Human Resources, Remuneration and Nominations Committee considered the organisation's succession plan and development of employees, recognition of the important role that its employees play in the organisation and executing NEMISA's mandate. Fair remuneration, employee health and safety, and the development of employees are all acknowledgements of the dignity and worth of the NEMISA employees.

The Board has directed the Audit and Risk Committee to monitor and report on compliance with applicable laws and regulations. The Social, Ethics and Transformation Committee also carries some responsibilities in this regard. Legislative and regulatory compliance is monitored by the Risk and Compliance Unit, which reports to the two Committees.

MEMBERS OF THE BOARD



Mr Lionel Adendorf
Chairperson



Mr William Trevor Rammitlwa
Chief Executive Officer



Ms Nomonde Hlatshane



Ms Clarinda Simpson



Mr Faizal Docrat



Mr Rathish Seepersad



Prof Mpho Primus



Mr Peter Lentswane

COMPOSITION OF THE BOARD

Name	Designation (In terms of the Public entity Board structure)	Date appointed	Qualifications	Area of expertise	Other Commitments or task teams e.g. Audit Comm
Mr Lionel Adendorf	<ul style="list-style-type: none"> Chairperson of the Board Independent Non-Executive Director 	25 October 2024	<ul style="list-style-type: none"> B.Tech in Journalism National Diploma in Journalism Certificate in Multimedia Management Certificate in Multi-Cultural Leadership Foundation 	<ul style="list-style-type: none"> Regulation and Policymaking Ethics Corporate Governance Business Integrity Management 	<ul style="list-style-type: none"> Programme and Academic Committee Social, Ethics and Transformation Committee
Ms Nomonde Hlatshane	Independent Non-Executive Director	25 October 2024	<ul style="list-style-type: none"> BA UED BA Honours M.A Developmental Studies Certificate in Project Management Certificate in Public Relations Certificate in Data Analysis for Management 	<ul style="list-style-type: none"> Public Health Education and Skills Development Labour Market Intelligence Local Government Economic Development 	<ul style="list-style-type: none"> Human Resources, Remuneration and Nominations Committee Programme and Academic Committee
Ms Clarinda Simpson	Independent Non-Executive Director	25 October 2024	<ul style="list-style-type: none"> Chartered Accountant CA (SA) Post Graduate Diploma in Auditing Certificate Theory Accounting (CTA) Bachelor of Accounting Science Honours Bachelor of Accounting Science Certificate – Leadership and Change Management Executive Post Graduate Certificate – Supply Chain Bid Committees 	<ul style="list-style-type: none"> Financial Reporting Financial Management Auditing Risk Management Compliance Management Information Communication Technology (ICT) Ethics Corporate Governance Human Resources Management 	<ul style="list-style-type: none"> Chairperson of Audit and Risk Committee Human Resources, Remuneration and Nomination Committee
Mr Faizal Docrat	Independent Non-Executive Director	25 October 2024	<ul style="list-style-type: none"> Master of Business Administration Management Advancement Program (MAP34) Chartered Director – CD (SA) Certified Information Security Manager (CISM) Certified Information Systems Auditor (CISM) Certified in the Governance of Enterprise Information Technology (CGEIT) Total Quality Management CRM-prac Certificate from IRMSA 	<ul style="list-style-type: none"> Governance ICT Control Combined Assurance Risk and Compliance Audit IT Assurance and Risk Management 	<ul style="list-style-type: none"> Audit and Risk Committee Social, Ethics and Transformation Committee
Mr Rathish Seepersad	Independent Non-Executive Director	25 October 2024	<ul style="list-style-type: none"> B Admin Honours B Admin PGCE Bachelor of Arts Honours B Com Honours in Psychology Completing dissertation towards M Com 	<ul style="list-style-type: none"> HR Management Psychometric Assessments HR Audits, Compliance & Risk Organisational Development and Design Talent & Succession Learning and Development Recruitment Labour Relations HR Metrics & Digitisation in HR 	<ul style="list-style-type: none"> Chairperson of Human Resources, Remuneration and Nominations Committee Programme and Academic Committee
Prof Mpho Primus	Independent Non-Executive Director	25 October 2024	<ul style="list-style-type: none"> PhD in Computer Science MSc in Computer Science BSc. Hons. Computer Science BSc in Computer Science 	<ul style="list-style-type: none"> Technopreneurship and Venture Mentoring Human Language Technologies (HLT) and Natural Language Processing (NLP) Artificial Intelligence for Development (AI4D) Digital Transformation and ICT Governance Emerging Technologies Skills Development and Curriculum Design 	<ul style="list-style-type: none"> Chairperson of Programme and Academic Committee Social, Ethics and Transformation Committee

Name	Designation (In terms of the Public entity Board structure)	Date appointed	Qualifications	Area of expertise	Other Commitments or task teams e.g. Audit Comm
Mr Peter Lentswane	• Independent Non-Executive Director	25 October 2024	<ul style="list-style-type: none"> Bachelor of Administration BAdmin Honours in Development Studies Master of Development Studies Bachelor of Laws PhD Development Studies (In-progress) 	<ul style="list-style-type: none"> Social Impact Investing Social Impact Assessment Research Stakeholder Engagement and Management Stakeholder Relations Employee Relations and Management Grievance Management and Conflict Resolution General Legal Advisory Services 	<ul style="list-style-type: none"> Human Resources, Remuneration and Nominations Committee Social, Ethics and Transformation Committee
Mr Trevor Rammitwa (CEO)	• Executive Director	01 October 2020	<ul style="list-style-type: none"> University Diploma in Education BA Degree, Psychology & Education MBL Degree PhD in Management (In-progress) Executive and Management & Coaching Certificate Executive Development Programme Certificate Digital Transformation Certificate 	<ul style="list-style-type: none"> Skills Development Human Resources Project Management Quality Management Research Financial Management Supply Chain Management Auditing Strategy Development 	<ul style="list-style-type: none"> Human Resources, Remuneration and Nominations Committee Programme and Academic Committee Social, Ethics and Transformation Committee Audit and Risk Committee

6. BOARD COMMITTEES

6.1 AUDIT AND RISK COMMITTEE

The Committee provides the Board with a structured, systematic oversight and assurance on the status, functionality, and adequacy of NEMISA's audit, finance, risk and compliance management, performance information, Information and Communication Technology (ICT), and overall internal control practices.

The Committee provides the Board with prompt and constructive reports on its findings, particularly when issues that could present a material risk for NEMISA are identified. The Committee's roles and responsibilities are governed by the relevant provisions of the PFMA, the Treasury Regulations, the Companies Act, the Companies Regulations (2011) as read with NEMISA's MOI and these Terms of Reference and relevant provisions of the Public Audit Act, No. 25 of 2004

6.2 HUMAN RESOURCES, REMUNERATION AND NOMINATIONS COMMITTEE

The Committee is constituted to assist the Board with its oversight and management of the remuneration and human resources philosophy and policies of NEMISA. The critical focus for the Committee for the period under review was the implementation of the revised organisational structure to ensure a fair process.

6.3 PROGRAMME AND ACADEMIC COMMITTEE

The Programme and Academic Committee assists the Board in respect to matters related to the development, implementation, and monitoring of NEMISA's programmes (Creative media and digital skills programmes), related projects, stakeholder management, and funding in accordance with the vision, mission, and core values of NEMISA. The Committee also recommends to the Board key partnerships that NEMISA enters into collaboration with.

6.4 SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE

The Social, Ethics and Transformation Committee is a statutory Committee prescribed by Regulation 43 of the Companies Act No.71 of 2008 (read in conjunction with Regulation 43 of the Companies Regulations, 2011).

The role ascribed to the Committee by King IV is that of oversight and reporting on organisational ethics, responsible corporate citizenship, sustainable development, and stakeholder relationships. The nature of delegation is benchmarked against the Companies Act, corporate governance principles, codes, and best practices.

7. ATTENDANCE FOR THE 2024/25 FINANCIAL YEAR MEETINGS

The term of the previous Board ended on 24 October 2024, and the new Board was appointed by the Minister from 24 October 2024 for a three-year term.

Board Meetings: Previous Board

MEMBER	ORDINARY BOARD				SPECIAL BOARD			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Molebogeng Leshabane (Chairperson)	2	2	0	-	-	1	-	-
Tobeka Buswana	2	2	2	-	1	1	-	-
Nomonde Hlatsheneni	2	2	2	-	1	1	-	-
Melvyn Lubega	1	1	1	-	-	1	-	-
Nyaradzai Samushonga	2	2	2	-	1	1	-	-
Lionel Adendorf	2	2	2	-	1	1	-	-
Trevor Rammitlwa (CEO)	2	2	2	-	1	1	-	-
Zack Le Guma (Independent ARC Chairperson)	2	2	2	-	1	1	-	-

Board Meetings: New Board

MEMBER	ORDINARY BOARD				SPECIAL BOARD			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Lionel Adendorf (Chairperson)	-	-	1	1	-	-	1	-
Nomonde Hlatshani	-	-	1	1	-	-	1	-
Faizal Docrat	-	-	1	-	-	-	1	-
Rathish Seepersad	-	-	1	1	-	-	1	-
Clarinda Simpson	-	-	1	1	-	-	1	-
Mpho Primus	-	-	1	1	-	-	1	-

Total no of ordinary meetings: 8

Total no of special meetings: 3

BOARD COMMITTEES

The Audit and Risk Committee ("ARC"): Previous ARC

MEMBER	ORDINARY ARC				SPECIAL ARC			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Zack Le Guma (Independent Chairperson)	1	2	1	-	1	1	-	-
Melvyn Lubega	1	2	1	-	1	-	-	-
Lionel Adendorf	1	2	1	-	1	1	-	-
Nomonde Hlatshani	1	2	1	-	1	1	-	-
Nyaradzai Samushonga	1	2	1	-	-	1	-	-

The Audit and Risk Committee: New ARC

MEMBER	ORDINARY ARC				SPECIAL ARC			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Clarinda Simpson (Chairperson)	-	-	-	3	-	-	1	-
Faizal Docrat	-	-	-	2	-	-	1	-
Rathish Seepersad (co-opted)	-	-	-	3	-	-	1	-

Total no of ordinary meetings: 7

Total no of special meetings: 3

The Human Resources, Remuneration and Nominations Committee ("HRRNC"): Previous HRRNC

MEMBER	ORDINARY HRRNC				SPECIAL HRRNC			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Nomonde Hlatshani (Chairperson)	1	1	1	-	2	2	1	-
Molebogeng Leshabane	1	-	-	-	2	1	-	-
Tobeka Buswana	1	1	1	-	2	2	1	-
Lionel Adendorf	1	1	1	-	2	2	1	-
Trevor Rammitwa (CEO)	1	1	1	-	2	2	1	-

The Human Resources, Remuneration and Nominations Committee ("HRRNC"): New HRRNC

MEMBER	ORDINARY HRRNC				SPECIAL HRRNC			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Rathish Seepersad (Chairperson)	-	-	-	1	-	-	1	-
Nomonde Hlatshani	-	-	-	1	-	-	1	-
Peter Lentswane	-	-	-	1	-	-	1	-
Clarinda Simpson	-	-	-	1	-	-	1	-
Trevor Rammitwa	-	-	-	1	-	-	1	-

Total no of ordinary meetings: 4

Total no of special meetings: 6

The Programme and Academic Committee (“PAAC”): Previous PAAC

MEMBER	ORDINARY PAAC				SPECIAL PAAC			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Molebogeng Leshabane	1	1	-	-	-	-	-	-
Tobeka Buswana	1	1	1	-	-	-	1	-
Melvyn Lubega	1	1	-	-	-	-	-	-
Nyaradzai Samushonga	1	-	1	-	-	-	-	-
Nomonde Hlatshane	-	-	1	-	-	-	1	-
Trevor Rammitlwa (CEO)	1	1	1	-	-	-	1	-

The Programme and Academic Committee (“PAAC”): New PAAC

MEMBER	ORDINARY PAAC				SPECIAL PAAC			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Mpho Primus	-	-	-	1	-	-	-	-
Lionel Adendorf	-	-	-	1	-	-	-	-
Nomonde Hlatshane	-	-	-	1	-	-	-	-
Rathish Seepersad	-	-	-	1	-	-	-	-
Trevor Rammitlwa (CEO)	-	-	-	1	-	-	-	-

Total no of ordinary meetings: 4

Total no of special meetings: 1

Social, Ethics and Transformation Committee (“SETCOM”): Previous SETCOM

MEMBER	ORDINARY SETCOM				SPECIAL SETCOM			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Lionel Adendorf	1	1	1	-	-	-	-	-
Tobeka Buswana	1	1	1	-	-	-	-	-
Melvyn Lubega	1	1	-	-	-	-	-	-
Nyaradzai Samushonga	1	1	1	-	-	-	-	-
Trevor Rammitlwa	1	1	1	-	-	-	-	-

Social, Ethics and Transformation Committee (“SETCOM”): New SETCOM

NEW BOARD	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Faizal Docrat	-	-	-	1	-	-	-	-
Lionel Adendorf	-	-	-	1	-	-	-	-
Peter Lentswane	-	-	-	1	-	-	-	-
Mpho Primus	-	-	-	1	-	-	-	-
Trevor Rammitlwa	-	-	-	1	-	-	-	-

Total no of ordinary meetings: 4



7. REPORT OF THE SOCIAL, ETHICS, AND TRANSFORMATION COMMITTEE

REMUNERATION OF BOARD MEMBERS

The NEMISA MoI makes provision that Non-Executive Directors, in their capacity as such, shall be entitled to such remuneration as authorised by the Minister of Communications and Digital Technologies. This is done while taking into consideration the prescriptions and guidelines issued by the Minister for Public Service and Administration and the National Treasury, as well as the size and complexity of the company's business.

Further information on Directors' remuneration appears on pages 101 to 102.

COMPANY SECRETARIAL FUNCTION

Directors have unrestricted access to the advice and services of the Company Secretary, as well as the secretariat department. They are also entitled to obtain independent professional advice at NEMISA's expense, should they deem this necessary. The Company Secretary, together with other assurance functions, monitors NEMISA's compliance with the requirements of the PFMA, Companies Act, and other relevant legislation.

COMPLIANCE MANAGEMENT

NEMISA is committed to good corporate governance and ethical conduct. The Compliance Management Policy and Compliance Management Framework were developed and approved by the Board to promote a consistent approach to compliance management and ensure that appropriate compliance risk controls are implemented.

The Compliance Management Framework provides the basis for developing and maintaining a coordinated set of activities to ensure that NEMISA complies with obligations required by various legislation, regulations, standards and policies.

Annual compliance management training was conducted for management and staff to foster a compliance-aware culture. The Board also approved the procurement of a Governance, Risk and Compliance System (GRC) to automate the governance, risk and compliance processes. Annual compliance training and awareness programmes were conducted to educate employees on their compliance responsibilities and to reinforce a compliance-aware culture across the organisation.

INTERNAL CONTROLS

NEMISA has established policies, standards, processes, structures and practices that provide a robust internal control environment across the Institution. This control environment sets the tone for the Institution and defines its corporate culture.

COMPLIANCE WITH LAWS, RULES, CODES AND STANDARDS

As a public entity, it is of utmost importance that NEMISA adheres to sound governance principles. To this end, regular assessments are conducted against the PFMA and King IV™ to identify any deficiencies, with corrective measures implemented as necessary.

FRAUD AND CORRUPTION

The NEMISA Board is steadfast in upholding high ethical and moral standards, ensuring adherence to good governance, integrity, transparency, and honesty. The Social and Ethics Committee (SETCOM) plays a key role in overseeing the fraud prevention and awareness programme, promoting ethical behaviour and supporting overall fraud risk governance.

Through these robust fraud risk management strategies, NEMISA is committed to detecting, preventing, and addressing fraudulent activities, thereby maintaining the organisation's integrity and trustworthiness.

Key Achievements and Efforts:

- **Annual Fraud Risk Assessment:** Conducted to proactively identify and mitigate potential fraud risks.
- **Independent Hotline Reporting Mechanism:** A hotline is maintained to provide an anonymous and secure channel for reporting fraudulent activities.
- **Fraud Prevention and Awareness Implementation Plan:** Approved, implemented, and monitored to promote a fraud-aware culture across the organisation.
- **100% Compliance with Annual Declarations of Interest:** Ensuring transparency and accountability within the organisation.
- **Quarterly Fraud Risk Monitoring:** Regular monitoring to detect and address any emerging fraud risks.
- **Regular Fraud Awareness and Ethics Training:** Conducted for employees to promote vigilance and instil a culture of fraud prevention.
- **Independent Whistle-Blowing Contract:** Enhances detection mechanisms and encourages reporting, safeguarding NEMISA's financial integrity and reputation.

These efforts reflect NEMISA's dedication to maintaining a high standard of ethical conduct and providing a secure and transparent environment for all stakeholders.

RISK MANAGEMENT

The NEMISA Board of Directors has played a crucial role in overseeing the risk management function, setting risk appetite and tolerance, and ensuring compliance with regulations. The Risk Management Framework (RMF) has been successfully implemented and aligns with national standards and best practices, leading to proactive risk management throughout the organisation. During the 2024/25 financial year, the organisation proactively managed risks across various units, leading to a more resilient organisational risk culture.

Regular risk assessments and evaluations were conducted, including the implementation of risk monitoring and reporting mechanisms to ensure timely response to emerging risks through the Executive Risk Management Committee (ERMCO), Executive Committee (EXCO), ARC and the Board. These mechanisms resulted in the identification of emerging risks and the development of strategies to address them effectively. The last risk maturity assessment indicated a 72% improvement,

positioning NEMISA at a "Manage/Mature" level on the Risk Management Maturity Continuum. NEMISA has maintained continuous improvement of the risk management framework since then. The 2024/25 financial year Risk Management Plan (RMP) was approved and focuses on continuous improvement and integration of risk management into decision-making processes to enhance organisational resilience.

BUSINESS CONTINUITY MANAGEMENT

The Board has approved the Business Continuity Policy and Framework and associated recovery plans (Business Continuity Plan, Disaster Recovery Plan, Emergency Response Plan, Crisis and Incident Management Plan, Crisis Communication Plan, and Strike Management Plan) to minimise disruption during crises or disasters. NEMISA has embarked on the review of these Business Continuity Management Systems (BCMS) and plans in line with best practices, standards and guidelines to ensure operational resilience during disruptions, ensuring that the plans remain relevant, responsive and effective in minimising downtime and impact on critical business functions.

The annual Business Continuity Management awareness training was conducted for all staff during Quarter 4. A successful Emergency Response Plan evacuation drill was conducted with key internal and external stakeholders (evacuating all staff, students and visitors within five minutes).

MINIMISING CONFLICT OF INTEREST

Board members are required to declare their interests prior to the commencement of each meeting, annually and whenever there is a change in their status of interests. All employees are required to complete their declarations of interest.

CODE OF CONDUCT

NEMISA is committed to high ethical standards and good governance and outlines the core values of commitment to excellence, agility, integrity, respect, collaboration and fairness – supported by principles of mutual trust and professionalism. The Board has approved the Code of Conduct and Ethics Policy on 30 October 2024.

The Code of Conduct and Ethics Policy reaffirms the organisation's commitment to high ethical standards and good governance. The policy aims to:

- Promote Ethical Conduct: Commit NEMISA and its employees to the highest standards of ethical behaviour.
- Create a Positive Environment: Foster a conducive and cooperative work environment and enhance the organisation's reputation.
- Clarify Rules of Conduct: Formalise and clarify the expected behaviour of all employees, guiding good conduct and discipline.
- Provide Behavioural Guidelines: Offer guidelines for employees to understand what is right and acceptable in the workplace, even without constant supervision.

By adhering to this Code, NEMISA ensures a culture of mutual respect, tolerance, excellence, and high performance, contributing to a healthy working relationship among all parties.

HEALTH, SAFETY AND ENVIRONMENTAL MANAGEMENT

Occupational Health and Safety (OHS) compliance is a critical component of workplace management that directly impacts the well-being of both students and employees. Non-compliance can lead to serious risks and consequences. NEMISA remains firmly committed to maintaining a high standard of compliance in line with the Occupational Health and Safety Act, 85 of 1993, and its associated regulations, including the Ergonomics Regulations of 2019.

During the year under review, the Institute continued to implement its Safety, Health and Environmental (SHE) plans, focusing on enhancing OHS performance. Key activities included implementing critical safety measures, compliance initiatives, and structured monitoring systems. As a result, no major incidents or fatalities occurred that required escalation to the Department of Employment and Labour.

Risk assessments and scheduled evacuation drills were successfully conducted, with active participation from key stakeholders, including Gauteng Emergency Services, Johannesburg Fire Department, Johannesburg Disaster Management, and the South African Police Services. Furthermore, designated OHS representatives participated in the SHE programme throughout the reporting period, ensuring constant alignment with legislative standards and institutional goals.

However, the implementation of the ergonomics programme will be undertaken once the Institute has adequate financial resources available, in accordance with the requirements set out in the Ergonomics Regulation.

SOCIAL RESPONSIBILITY

IMPACT SUMMARY

The Corporate Social Investment Programme supported a series of impactful initiatives and focused on student upliftment, community support, inclusion, and environmental responsibility. The following CSI initiatives, which contributed to the UN Sustainable Development Goals (SDGs), were implemented during the period under review:

MURAL PAINTING INITIATIVE – TRANSFORMING CLASSROOMS

This is a student-led project to create vibrant murals in classrooms, aimed at improving the learning environment and promoting student creativity and pride.

- **Impact:** Improved student engagement, ownership, and enhanced classroom spaces.
- **SDG 4: Quality Education** – Improves the learning environment and supports student-led educational enhancement.





WHEELCHAIR DONATION THROUGH RECYCLING

This is a collaborative effort with the Waste Management Committee to collect plastic bottle caps and bread tags. Recycled items are converted into funds to purchase wheelchairs for those in need.

- Impact: Support for individuals with mobility challenges while promoting environmental sustainability.
- SDG 3: Good Health and Well-being – By providing wheelchairs, the project enhances the quality of life and mobility for beneficiaries.
- SDG 12: Responsible Consumption and Production – The initiative encourages sustainable waste management through recycling.

SHOE DONATIONS FOR FIRE-AFFECTED FAMILY

CSI responded to a family tragedy by donating shoes to siblings of a student affected by a fire, allowing them to return to school with dignity.

- Impact: Provided immediate relief and supported continued school attendance.
- SDG 1: No Poverty – Offers support during emergencies to reduce vulnerability.
- SDG 4: Quality Education – Enables continued access to education during a crisis.

STUDENT SOCCER FUNDRAISING INITIATIVE

The CSI Committee supported a student-led initiative to raise funds for a soccer challenge, which encouraged collaboration between students and staff.

- Impact: Promoted leadership, unity, and healthy activity.
- SDG 3: Good Health and Well-being – Encourages physical activity and mental well-being through sport.
- SDG 10: Reduced Inequalities – Fosters student inclusion and participation in extracurricular opportunities.

CASUAL DAY – DISABILITY AWARENESS AND INCLUSION

Staff participated in the National Casual Day campaign to raise awareness and funds for persons with disabilities.

- Impact: Promoted inclusion and support for disability access and advocacy.
- SDG 10: Reduced Inequalities – Supports the rights and inclusion of persons with disabilities.
- SDG 8: Decent Work and Economic Growth – Contributes to building inclusive work and learning environments.

The CSI Committee remains committed to supporting initiatives that uplift communities, foster inclusiveness, and contribute to achieving the Sustainable Development Goals.



8. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2025.

MANDATE AND TERMS OF REFERENCE

The Audit and Risk Committee (the "Committee") is an independent statutory committee that is formed in compliance with Treasury Regulation 27.1, section 51(1)(a)(ii) of the Public Finance Management Act, 1999 (PFMA), and the good governance guidelines outlined in the King IV Report on Corporate Governance for South Africa.

According to its approved terms of reference, the Committee's duties include:

- Oversee the efficacy and sufficiency of governance procedures, risk management, and internal control systems.
- Oversee and monitor the plans and reports of the internal audit function.
- Provide advice to the Accounting Authority on financial oversight and reporting matters.

- Review the quality and integrity of both financial and non-financial reporting.
- Monitor compliance with applicable laws, regulations, and policies.
- Ensure that management, internal and external auditors, and other assurance providers have effective liaison.

Throughout the reporting period, the Committee has carried out its duties as specified in King IV, the Treasury Regulations, and the PFMA.

EXECUTION OF FUNCTIONS

The Audit and Risk Committee consists of the members listed hereunder and meets at least four times per annum as per its approved terms of reference. All Audit and Risk Committee members are independent non-executive members who meet the predetermined skill, competency, and experience requirements.

NAME	QUALIFICATIONS	PERIOD SERVED
Mr Zack Le Guma	CA(SA); MBA	31 March 2023 – 25 October 2024
Mr Lionel Adendorf	B.Tech (Journalism); Multimedia Management; Multimedia Leadership	31 March 2023 – 25 October 2024
Mr Melvyn Lubega	BBusSci. Actuarial Science Hons; MSc – Education, Learning and Technology; Masters Public Policy	31 March 2023 – 25 October 2024
Ms Nomonde Hlatsheneni	BA Honours; MA Development Studies; Data Analysis, Project Management	31 March 2023 – 25 October 2024
Ms Clarinda Simpson	Post Graduate Diploma in Audit, CTA, BCom in Accounting Science; Certificate in Leadership and Change Management, Post Graduate Certificate in SCM; CA(SA);	26 October 2024 – 31 March 2025
Mr Faizel Doocrat	MAP34; MBA	26 October 2024 – 31 March 2025
Mr Rathish Seepersad (co-opted)	PGCE; Honours B Admin; Honours BCom; Honours Psychology	26 October 2024 – 31 March 2025

The following persons were invitees to the Audit and Risk Committee meetings:

- Chief Executive Officer (Mr Trevor Rammitlwa)
- Acting Chief Financial Officer (Ms Kimberly Matlosa)
- A representative from Shareholder (Mr Sidney Mongala – Director: Risk Management, Department of Communications and Digital Technologies)
- Internal Auditors (SNG Grant Thornton) – contract ended on 30 November 2024
- Internal Auditors (Khulagro) – contract started on 01 February 2025
- External Auditors (The Auditor-General of South Africa)
- Company Secretary (Ms Prudence Swarts)
- Risk and Compliance Specialist (Ms Motladi Mabunda)

Other managers are invited to meetings to provide the Committee with greater insight into specific issues. The Chairperson has frequent contact with the management team to discuss matters directly.

Summary of main activities the Audit and Risk Committee undertook during the financial year under review.

Amongst other activities, the following key responsibilities were performed by the committee:

- Approved the strategic and coverage plans of Internal Audit.
- Nominated for re-appointment as auditor, the Auditor General of South Africa (AGSA), who, in our opinion, is independent of the entity.
- Determined the fees to be paid to AGSA as disclosed in Note 16.
- Reviewed and recommended the Audit Strategy of the Auditor General of South Africa (AGSA) and their audit report to the entity for the financial year ended 31 March 2025.
- Reviewed and updated the Audit and Risk Committee Terms of Reference.
- Assisted the Board in reviewing and updating policies.
- Reviewed the in-year management reporting relating to financial, risk, and performance management.
- Approved the Internal Audit Plan, discussed reports, and made relevant recommendations to the Board.
- Reviewed the improvements implemented by Management to address control weaknesses reported by the AGSA.
- Considered NEMISA's quarterly and annual performance reports.

THE AUDIT AND RISK COMMITTEE (“ARC”)

The Committee held 10 meetings during the period. Attendance at the meeting is shown in the table below:

MEMBER	AUDIT AND RISK COMMITTEE				SPECIAL AUDIT AND RISK COMMITTEE				ATTENDANCE
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Mr Zack Le Guma	1	2	1	-	1	1	-	-	6/10
Mr Melvyn Lubega	1	2	1	-	1	-	-	-	5/10
Mr Lionel Adendorf	1	2	1	-	1	1	-	-	6/10
Ms Nomonde Hlatshane	1	2	1	-	1	1	-	-	6/10
Ms Nyari Samushonga	1	2	1	-	-	1	-	-	5/10

NEW BOARD	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	ATTENDANCE
Ms Clarinda Simpson	-	-	-	3	-	-	1	-	4/10
Mr Faizal Docrat	-	-	-	2	-	-	1	-	3/10
Mr Rathish Seepersad (co-opted)	-	-	-	3	-	-	1	-	4/10

THE EFFECTIVENESS OF INTERNAL CONTROLS

The Committee evaluated the efficacy of internal controls throughout the 2024/25 financial year by reviewing reports from Internal Audit, the Auditor-General of South Africa (AGSA), and Management. During the period under review, the AGSA issued an unqualified audit opinion with no material findings on the financial statements and reported no significant deficiencies in internal control. This outcome reflects the adequacy and effectiveness of the internal control environment, particularly in the areas of:

- Financial reporting controls.
- Performance information systems and processes.
- Compliance with key legislative requirements

Further confirming that controls were generally adequate and that no high-risk control flaws were revealed by Internal Audit's through assurance evaluations, risk assessments, and compliance monitoring. Management put corrective actions in place where areas needed improvement.

RISK MANAGEMENT, FRAUD AND CORRUPTION

Risk management is a key component of the organisational strategy and requires integrating risk management into the NEMISA strategy and operations to ensure long-term value and sustainability.

During the 2024/25 financial year, the Committee considered the following:

- Management presented the quarterly progress reports on the 2024/25 Fraud Prevention and Awareness Plan for the Committee to provide oversight on the activities outlined in the plan.
- The strategic and operational risk assessments are conducted annually, aligned with the organisation's strategic objectives, to identify and manage significant risks. During the period under review, the Committee considered the strategic risks identified for the 2025/26 financial year.
- The Committee considered quarterly progress reports on Risk Management and Risk Mitigation Actions, which provided a comprehensive overview of NEMISA's risk management progress, highlighting the implementation of risk mitigation actions and demonstrating the effectiveness of the risk management framework. The

reports aimed to equip Management, the Committee, and the Board with timely and relevant risk information, enabling informed decision-making and supporting strategic oversight. By presenting a clear picture of the organisation's risk landscape, the report facilitates the ability to make risk-aware decisions, allocate resources effectively, and ultimately drive NEMISA's success in achieving its strategic objectives.

- NEMISA is subscribed to the services of Whistle Blowers (Pty) Ltd to manage the reported cases of alleged fraud and corruption. The Committee was furnished with quarterly reports on Whistle-blowing Hotline Activities to provide oversight on whistleblowing matters.

ICT GOVERNANCE

As part of its responsibilities to provide oversight on ICT governance, the Committee held an ICT Environment and Policies Workshop. The purpose of the workshop, which was part of the induction of the Committee, was for the Committee to be apprised of the NEMISA's ICT landscape and ecosystem. The Committee was provided with an overview of the ICT environment and was taken through the ICT Strategy and Policies, which were due for review.

The Committee considered the following ICT-related documents during the 2024/25 financial year:

- 2025–2029 Cyber Security Strategy, which aims to respond to the evolving technological landscape, increasing cyber threats, the need for strong security controls, risk mitigation, compliance with regulations, and the protection of information and digital assets. The strategy aims to enhance threat detection and response, reduce risk exposure, ensure compliance with laws and standards, improve operational processes, strengthen data protection, foster a security-aware culture, and enhance incident response capabilities.
- 2024/25 Cyber Incident Response Plan to effectively address potential cyber threats and incidents. It also outlined a structured and comprehensive approach to incident response, including establishing a Cyber Incident Response Team (CIRT), defining incident reporting processes, preserving digital evidence, categorising incidents based on severity, and involving various stakeholders with specific responsibilities. These efforts reflect NEMISA's proactive stance on maintaining cybersecurity and ensuring the integrity of its systems and data.

- The Committee considered the quarterly ICT Environment Reports to provide oversight on NEMISA's ICT risk management practices, cybersecurity initiatives, and strategic alignment with organisational goals. The reports included the ICT Annual Operational Plan for 2024/25, detailing strategic objectives, ongoing tasks, milestones, and ICT projects. Additionally, it discusses ICT governance structure, practices, achievements, challenges, and action plans to enhance ICT within the organisation.

EVALUATION OF ANNUAL FINANCIAL STATEMENTS

The Committee has:

- Reviewed the key accounting policies, projections, and disclosures in the Annual Financial Statements for the financial year ending 31 March 2025.
- Considered the AGSA's audit opinion and findings, it was noted that the financial statements accurately presented the entity's cash flows, performance, and financial status in all material ways in compliance with the PFMA and GRAP Standards.
- Noted that before the financial statements were finalised, all significant misstatements found during the audit were corrected.
- Confirmed that the entity had accurate accounting records and procedures and that the Annual Financial Statements accurately depicted the entity's financial performance and operations.

PLAN FOR THE 2025/26 FINANCIAL YEAR

In the 2025/26 Financial year, the Committee will continue to strengthen oversight by:

- Improving ICT Governance and Cybersecurity through ensuring internal controls keep pace with evolving technology risks.
- Enhancing Risk Management oversight by ensuring the risk register is comprehensive, regularly updated, and aligned with strategic objectives.
- Monitoring Implementation of AGSA and Internal Audit Recommendations by tracking the quarterly progress report on Internal and External Audit Action Plans
- Encouraging collaboration between external assurance providers, compliance, risk management, and internal audit.
- Maintaining adherence to Treasury Regulations, the PFMA, and other relevant legislation.

CONCLUSION

The Audit and Risk Committee is confident that the organisation upheld strong internal control, risk management, and governance practices during the reviewed year and is still dedicated to ongoing development in the upcoming financial year.



Ms Clarinda Simpson

Audit and Risk Committee Chairperson



PART D

HUMAN RESOURCE MANAGEMENT

INTRODUCTION

SET HR PRIORITIES FOR THE YEAR UNDER REVIEW AND THE IMPACT OF THESE PRIORITIES:

To support NEMISA in delivering on its key initiatives, the Human Resources Unit ensured the continued availability of key staff as well as capacitating staff in various human development areas.

The HR priorities for the year under review and their impact were as follows:

WORKFORCE PLANNING FRAMEWORK AND KEY STRATEGIES TO ATTRACT AND RECRUIT A SKILLED AND CAPABLE WORKFORCE:

The filling of key positions in the new organisational structure of the Institute has begun, albeit at a slow pace. The staff complement of 35 was augmented by additional staff in contract positions as well as a number of interns. This approach enabled NEMISA to deliver on its mandate, notwithstanding the slow pace of filling positions in the organisational structure, in the midst of budget constraints.

In addition to the development and approval of many key policies, the approval of the Retention and Succession Planning Policy and Plans outlines a comprehensive approach to retaining talented employees and ensuring leadership continuity. The policy has established a framework for retaining talented employees and planning for succession within NEMISA. It also aims to ensure continuity in key positions, support employee development, and maintain a motivated, skilled, and equity-based workforce. NEMISA also ensured that it was guided by its Recruitment and Selection Policy as well as its Remuneration and Benefits Policy.

EMPLOYEE PERFORMANCE MANAGEMENT FRAMEWORK:

Notwithstanding budgetary constraints, to compensate staff for outstanding performance, NEMISA continued to implement its approved Performance Management Framework and Policy. The measurement of staff against specific competencies to support the implementation of needs-based individual development plans continued to enhance the capacity-building initiatives of NEMISA.

EMPLOYEE WELLNESS PROGRAMMES:

NEMISA's Employee Wellness Policy was reviewed and approved by the Board in January 2025. In rolling out the policy to all staff, emphasis was placed on activities that contribute to the physical, emotional and psychological well-being of employees, including educational awareness, behavioural and lifestyle changes, and supportive environments. These initiatives have been implemented through dedicated in-house sessions by staff and external specialists, as well as NEMISA's external wellness service provider. The provisions in NEMISA's Hybrid Work Policy continue to be implemented through flexible work practices that allow employees to work both remotely and through in-office attendance in support of strengthening a work-life balance approach.

In addition to the above, NEMISA participated in an awards and sports day event organised by its shareholder, the Department of Communications and Digital Technologies.

POLICY DEVELOPMENT:

The following policies were reviewed and approved during the year under review:

- Employee Remuneration and Benefits Policy
- Leave Policy
- Employment Equity Policy
- Grievance Policy
- Skills Development Policy
- Retention and Succession Planning Policy
- Employee Wellness Policy

HIGHLIGHT ACHIEVEMENTS:

During the year under review, a new Human Resources Strategy was developed. The strategy is aligned with the new Strategic Plan of NEMISA and is designed to enhance the implementation of the Talent Management Strategy through initiatives such as retention and succession plans, an exit strategy, and a new Employment Equity Plan, which was approved by the Board. Further, HR tools were developed, entailing service delivery improvement initiatives and knowledge transfer programmes, some of which have been implemented within the Human Resources Unit.

The approval of the implementation of the organisational structure enabled management to complete 90% of permanent staff placements.

The Board also approved a new Employment Equity Plan, together with the Workplace Skills Plan, Annual Training Report, and many HR policies as indicated above. The recruitment process for the filling of the long-outstanding CFO vacancy has been concluded, and the new CFO is expected to commence duty during the new financial year.

In addition to the above, a Change and People Management Programme was developed in consultation with all staff. The programme acutely supports the creation of a high-performing culture at NEMISA, and implementation has commenced with a focus on the following change areas:

- Creating a Culture of Competence
- Fostering an Ethical and Values-driven Culture
- Creating a Safety and Security Aware Culture
- Fostering a Risk and Compliance Culture

To improve and enhance staff engagement at NEMISA, "power hour" was introduced and has become NEMISA's main staff engagement initiative. More than 20 power hour sessions were held on Fridays from 09h00 to 10h00 during the financial year under review. The power hour sessions focused on the implementation of the aforementioned Change and People Management Programme.

Further to the above, HR complied with submissions for all legislative requirements, such as its Workplace Skills Plan, Annual Training Report, Compensation of Occupational Injuries and Diseases, and Employment Equity Report.

CHALLENGES FACED BY THE PUBLIC ENTITY:

The budget constraints faced by NEMISA had a direct and serious impact on the HR function. In particular, the filling of vacant positions as well as skills development initiatives were seriously hampered. This had a knock-on effect on the morale of staff, which remains low as a result of the slow implementation of the organisational structure. This, notwithstanding, is likely to be improved in the new financial year as the organisational structure is planned to be populated, should financial constraints ease.

FUTURE HR PLANS/GOALS:

The implementation of the Human Resources Strategy will receive priority during the coming financial years. The HR tools, which were developed during the year under review, will be implemented during the next financial year in support of a changing and high-performance culture at NEMISA. In addition, the HR policies that were approved during the year under review will be implemented rigorously to support human capital enhancements at NEMISA, and further policy reviews are to be concluded during the new financial year.

It is expected that the vacant positions in the new organisational structure would be filled, should funding become available.



HUMAN RESOURCES OVERSIGHT STATISTICS

PERSONNEL COST BY PROGRAMME/ACTIVITY/OBJECTIVE

Programme/activity/objective	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel exp. as a % of total exp. (R'000)	No. of employees	Average personnel cost per employee (R'000)
Administration	105 126	35 057	33%	49	716

PERSONNEL COST BY SALARY BAND

Level	Personnel Expenditure (R'000)	% of personnel exp. to total personnel cost (R'000)	No. of employees	Average personnel cost per employee (R'000)
Top Management	3 477	10%	2	1 739
Senior Management	1 252	4%	1	1 252
Professional qualified	8 187	23%	8	1 023
Skilled	20 045	57%	32	626
Semi-skilled	2 095	6%	6	349
Unskilled	0	0	0	0
TOTAL	35 057	100%	49	716

PERFORMANCE REWARDS

Programme/activity/objective	Performance Rewards (R'000)	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost (R'000)
Top Management	0	0	0%
Senior Management	0	0	0%
Professional qualified	0	0	0%
Skilled	0	0	0%
Semi-skilled	0	0	0%
Unskilled	0	0	0%
TOTAL	0	0	0%

TRAINING COSTS

Programme//activity/objective	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost (%)	No. of employees trained (#)	Avg training cost per employee (R'000)
Study Assistance	35 057	24	0%	6	4
Short-term Training	35 057	1 279	4%	44	29
Continuous Programme Development/ Professional body Membership	35 057	12	0%	4	3
Conferences/ Workshops	35 057	0	0	0	0

EMPLOYMENT AND VACANCIES

Programme/activity/objective	2022/2023 No. of Employees (#)	2023/24 Approved Posts (#)	2023/24 No. of Employees (#)	2023/24 Vacancies (#)	% of vacancies (%)
Total	42	48	35	13	27

Level	2022/2023 No. of Employees (#)	2023/24 Approved Posts (#)	2023/24 No. of Employees (#)	2023/24 Vacancies (#)	% of vacancies (%)
Top Management	1	3	1	2	67
Senior Management	2	2	1	1	33
Professional qualified	11	7	8	-1	-14
Skilled	20	28	19	9	32
Semi-skilled	8	8	6	2	25
Unskilled	0	0	0	0	0
TOTAL	42	48	35	13	27

- Advancements have been made to fill the vacancies at the senior level. The Executive Manager for Corporate Services commenced duty in June 2024, and the interviews for the filling of the vacant positions of CFO, the Chief Digital Officer, and the Executive Manager for Skills Development have been concluded. Other management positions have been identified for advertising early in the new financial year, with the filling of some positions earmarked for deferment pending budget availability.
- NEMISA continues to work at filling vacancies. Most vacancies have remained unfilled since the approval of the organisational structure in July 2023. Where required based on short-term operational requirements, NEMISA continues to implement interim measures to address the challenges of filling positions through skills development, acting arrangements, and the employment of short-term contract staff and interns to alleviate capacity constraints.
- The implementation of the approved Retention and Succession Planning Policy and Plans, and the HR tools mentioned above, will greatly enhance NEMISA's efforts to successfully attract and retain staff.

EMPLOYMENT CHANGES

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	1	1	1	1
Senior Management	2	1	2	1
Professional qualified	11	0	3	8
Skilled	20	3	4	19
Semi-skilled	8	0	2	6
Unskilled	0	0	0	0
TOTAL	42	5	12	35

REASONS FOR STAFF LEAVING

Reason	Number	% of total no. of staff leaving
Death	0	0
Resignation	6	14
Dismissal	1	2
Retirement	2	5
Ill health	0	0
Expiry of contract	3	7
Other	0	0
Total	12	29

The above indicates 12 terminations; however, five appointments were made during the reporting period. As indicated in the table above, there were various reasons for terminations. Some of the vacancies have been filled, whilst others were at the interview stage. As reported above, NEMISA continues to address the challenges of filling positions through skills development, acting arrangements, and the employment of short-term contract staff and interns to alleviate capacity constraints. This, notwithstanding, is due to budget constraints.

LABOUR RELATIONS: MISCONDUCT AND DISCIPLINARY ACTION

Nature of disciplinary Action	Number
Verbal warning	0
Written warning	1
Final written warning	0
Dismissal	1
Total	2

EQUITY TARGET AND EMPLOYMENT EQUITY STATUS

Level	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	2	0	0	0	0	0	0
Senior Management	0	2	0	0	0	0	0	0
Professional qualified	1	4	1	1	1	1	0	0
Skilled	7	5	0	2	0	0	1	1
Semi-skilled	1	2	0	0	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
Total	10	15	1	3	1	1	1	1

Level	FEMALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	1	0	0	0	0	0	0
Senior Management	1	3	0	0	0	0	0	1
Professional qualified	5	10	1	1	0	0	0	0
Skilled	8	4	1	1	0	0	1	2
Semi-skilled	3	3	1	1	0	0	1	1
Unskilled	0	0	0	0	0	0	0	0
Total	17	21	3	3	0	0	2	4

Level	PEOPLE LIVING WITH DISABILITIES				
	African		Coloured		
	Current	Target	Current	Target	
Top Management	0	0	0	0	0
Senior Management	0	0	0	0	0
Professional qualified	0	0	0	0	0
Skilled	0	1	0	0	1
Semi-skilled	0	0	0	0	0
Unskilled	0	0	0	0	0
Total	0	1	0	0	1

In order to address the variances, NEMISA's Board approved a new Employment Equity Plan (EEP) for the period 2024-2029. The EEP details the approaches that NEMISA will employ to meet its EE targets. Regarding the employment of people living with disabilities, NEMISA will encourage such individuals to apply for vacancies.



PART E

PFMA COMPLIANCE REPORT

INFORMATION ON IRREGULAR, FRUITLESS AND WASTEFUL, UNAUTHORISED EXPENDITURE AND MATERIAL LOSSES

RECONCILIATION OF IRREGULAR EXPENDITURE

A) RECONCILIATION OF IRREGULAR EXPENDITURE

Description	2024/2025 R	2023/2024 R
Opening balance	R11 319 234,00	R10 570 709,00
Add: Irregular expenditure confirmed	R848 741,00	R748 525,00
Less: Irregular expenditure condoned	R0,00	R0,00
Less: Irregular expenditure not condoned and removed	R0,00	R0,00
Less: Irregular expenditure recoverable	R0,00	R0,00
Less: Irregular expenditure not recovered and written off	R0,00	R0,00
Closing balance	R12 167 975,00	R11 319 234,00

RECONCILING NOTES TO THE FINANCIAL STATEMENTS

Description	2024/2025 R	2023/2024 R
Irregular expenditure that was under assessment in 2023/24	R-	R-
Irregular expenditure that relates to 2023/24 and identified in 2024/25	R-	R550 500,00
Irregular expenditure for the current year	R848 741,00	R198 025,00
Total	R848 741,00	R748 525,00

B) DETAILS OF CURRENT AND PREVIOUS YEAR IRREGULAR EXPENDITURE (UNDER ASSESSMENT, DETERMINATION, AND INVESTIGATION)

Description	2024/2025 R	2023/2024 R
Irregular expenditure under determination	-	-
Irregular expenditure under investigation	-	R-
Irregular expenditure under investigation	R848 741,00	R748 525,00
Total	R848 741,00	R748 525,00

CONTRACT EXCEEDED 15% VARIATION [2025] [IRREGULAR EXPENDITURE]

This relates to expenditure incurred under an IT contract (R242,441) and rental contract (R66,000) that exceeded the 15% variation threshold without the required approval, in contravention of National Treasury guidelines. Management is currently investigating the matter. As at the reporting date, no disciplinary action has been taken.

INTEREST NOT DECLARED DURING SCM PROCESSES

This relates to irregular expenditure (R1 438 000) identified by the auditors through the assistance of Computer Assisted Audit Techniques (CAATs). It was established that an employee had an undisclosed potential interest in a supplier, as the employee and the supplier's director are business partners or associates.

Payments made to this supplier from FY2022 to FY2025 (R347 200, R550 500, R540 300) have therefore been classified as irregular expenditure.

C) DETAILS OF CURRENT AND PREVIOUS YEAR IRREGULAR EXPENDITURE CONDONED.

Description	2024/2025 R	2023/2024 R
Irregular expenditure condoned	0	0
Total	0	0

The board approved the condonation of irregular expenditure relating to the prior years of R10 223 509 in the 2024/2025 financial year. The condonation request was submitted to National Treasury and National Treasury was still processing the condonation as at year end.

D) DETAILS OF CURRENT AND PREVIOUS YEAR IRREGULAR EXPENDITURE REMOVED - (NOT CONDONED)

Description	2024/2025 R	2023/2024 R
Irregular expenditure NOT condoned and removed	0	0
Total	0	0

E) DETAILS OF CURRENT AND PREVIOUS YEAR IRREGULAR EXPENDITURE RECOVERED

Description	2024/2025 R	2023/2024 R
Irregular expenditure recovered	0	0
Total	0	0

F) DETAILS OF CURRENT AND PREVIOUS YEAR IRREGULAR EXPENDITURE WRITTEN OFF (IRRECOVERABLE)

Description	2024/2025 R	2023/2024 R
Irregular expenditure written off	0	0
Total	0	0

G) DETAILS OF CURRENT AND PREVIOUS YEAR DISCIPLINARY OR CRIMINAL STEPS TAKEN AS A RESULT OF IRREGULAR EXPENDITURE)

Description	2024/2025 R	2023/2024 R
None	0	0
Total	0	0

FRUITLESS AND WASTEFUL EXPENDITURE

A) RECONCILIATION OF FRUITLESS AND WASTEFUL EXPENDITURE

Description	2024/2025 R	2023/2024 R
Opening balance	1 641 716	1 560 200
Add: Fruitless and wasteful expenditure confirmed	3 000	81 516
Less: Fruitless and wasteful expenditure written off	-	-
Less: Fruitless and wasteful expenditure recoverable	-6 624	-
Closing balance	1 638 092	1 641 716

Fruitless and wasteful expenditure relates to double rental payment from prior years. This has been referred to legal services to recover the double rental payment

Incident Student Stipends [2025] [Fruitless and wasteful expenditure] A stipend was erroneously paid to a student who subsequently withdrew from the NEMISA programme. The expenditure is considered fruitless as no services were rendered. Management is investigating the incident and assessing the recoverability of the amount. As at the reporting date, no amount has been recovered, and no disciplinary action has been taken.

Fruitless and wasteful expenditure (R6 624) relating to board remuneration was recovered

RECONCILING NOTES

Description	2024/2025 R	2023/2024 R
Fruitless and wasteful expenditure that was under assessment in 2023/2024	-	-
Fruitless and wasteful expenditure that relates to 2023/2024 and identified in 2024/2025	-	-
Fruitless and wasteful expenditure for the current year	3 000	81 516
Total	3 000	81 516

B) DETAILS OF CURRENT AND PREVIOUS YEAR MATERIAL LOSSES THROUGH CRIMINAL CONDUCT

Material losses through criminal conduct	2024/2025 R	2023/2024 R
Theft	0	0
Other material losses	0	0
Less: Recovered	0	0
Less: Not recovered and written off	0	0
Total	0	0

C) DETAILS OF OTHER MATERIAL LOSSES

Nature of other material losses	2024/2025 R	2023/2024 R
None	0	0
Total	0	0

D) OTHER MATERIAL LOSSES RECOVERED.

Nature of losses	2024/2025 R	2023/2024 R
None	0	0
Total	0	0

E) OTHER MATERIAL LOSSES WRITTEN OFF

Nature of losses	2024/2025 R	2023/2024 R
None	0	0
Total	0	0

INFORMATION ON LATE AND/OR NON-PAYMENT OF SUPPLIERS

Material losses through criminal conduct	Number of invoices	Consolidated Value R
Valid invoices received	1083	R68 481
Invoices paid within 30 days or agreed period	815	R53 962
Invoices paid after 30 days or agreed period	193	R 8 276
Invoices older than 30 days or agreed period (unpaid and without dispute)	75	R 6 243
Invoices older than 30 days or agreed period (unpaid and in dispute)		

INFORMATION ON SUPPLY CHAIN MANAGEMENT

I. PROCUREMENT BY OTHER MEANS

Project Description	Name of supplier	Type of Procurement by other means	Contract Number	Value of contract R
None				

There was no procurement that was made by other means.

II. CONTRACT VARIATIONS AND EXPANSIONS

Project Description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s	Value of current contract expansion or variation
None						



PART F
FINANCIAL INFORMATION

BOARD OF DIRECTORS' RESPONSIBILITIES AND APPROVAL

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

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

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

The members acknowledge that they are ultimately responsible for the system of internal financial control established by the entity and place considerable importance on maintaining a strong control environment. To enable the members to meet these responsibilities, the members sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the entity and all employees are required to maintain the highest ethical standards in ensuring the entity's business is conducted in a manner that is, in all reasonable circumstances is above reproach. The focus of risk management in the entity is on identifying, assessing,

managing and monitoring all known forms of risk across the entity. While operating risk cannot be fully eliminated, the entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The members are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied 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 deficit.

The members have reviewed the entity's cash flow forecast for the year to 31 March 2026 and, in the light of this review and the current financial position, they are satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

The entity is wholly dependent on the government for continued funding of operations. The annual financial statements are prepared on the basis that the entity is a going concern and that the entity has neither the intention nor the need to liquidate or curtail materially the scale of the entity.

The audited annual financial statements set out on pages 70 to 106, which have been prepared on the going concern basis, were approved by the board of members on 31 July 2025 and were signed on its behalf by:



Mr. L Adendorf
Board Chairperson

AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2025.

AUDIT AND RISK COMMITTEE MEMBERS AND ATTENDANCE

The Audit and Risk Committee consists of the members listed hereunder and should meet at least 4 times per annum as per its approved terms of reference. During the current year, 8 meetings were held.

Name of member	Number of meetings attended
Mr. Z Le Guma (Chairperson)	6 - Term ended 24 October 2024
Ms. N Hlatshane	6 - Term ended 24 October 2024
Ms. DN Samushonga	5 - Term ended 24 October 2024
Mr. M Lubega	5 - Term ended 24 October 2024
Mr. L Adendorf	6 - Term ended 24 October 2024
Ms. C Simpson	2
Mr. F Doerat	1
Mr. R Seepersad (co-opted)	2

AUDIT AND RISK COMMITTEE RESPONSIBILITY

The Audit and Risk 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 Audit and Risk Committee reviewed the quality of in year management and quarterly reports submitted in terms of the PFMA and the Division of Revenue Act.

EVALUATION OF ANNUAL FINANCIAL STATEMENTS

The Audit and Risk Committee has:

- reviewed and discussed the unaudited annual financial statements to be included in the annual report, with the Auditor-General and the board of members;
- reviewed changes in accounting policies and practices;
- reviewed the entities compliance with legal and regulatory provisions;
- reviewed significant adjustments resulting from the audit.

INTERNAL AUDIT

The audit committee is satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the entity and its audits.


 Ms. C Simpson

Chairperson of the Audit and Risk Committee

BOARD OF DIRECTORS REPORT

The members present their report for the year ended 31 March 2025.

1. GOING CONCERN

We draw attention to the fact that as at 31 March 2025, the entity had an accumulated surplus (deficit) of R 6,194,567 and that the entity's total assets exceeded its liabilities by R 6,194,567.

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

2. SUBSEQUENT EVENTS

The members are not aware of any matter or circumstance arising that would materially affect the financial statements for the year ended 31 March 2025.

3. BOARD OF MEMBERS

The members of the entity during the year and to the date of this report are as follows:

Name	Changes
Mr. L Adendorf	Appointed, 25 October 2024
Mr. M Lubega	Term ended, 24 October 2024
Mr. Z Le Guma	Term ended, 24 October 2024
Ms. DN Samushonga	Term ended, 24 October 2024
Ms. M Leshabane	Term ended, 24 October 2024
Ms. N Hlatshani	Appointed, 25 October 2024
Ms. T Buswana	Term ended, 24 October 2024
Mr. F Docrat	Appointed, 25 October 2024
Mr. P Lentswane	Appointed, 25 October 2024
Mr. R Seepersad	Appointed, 25 October 2024
Ms. C Simpson	Appointed, 25 October 2024
Prof. M Primus	Appointed, 25 October 2024

The audited annual financial statements set out on page 70 to 106, which have been prepared on the going concern basis, were approved by the board of members on 31 July 2025 and were signed on its behalf by:



Mr. L Adendorf
Board Chairperson

COMPANY SECRETARY'S CERTIFICATION

DECLARATION BY THE COMPANY SECRETARY IN RESPECT OF SECTION 88(2)(E) OF THE COMPANIES ACT

In my opinion as Company Secretary, I hereby confirm, in terms of the Companies Act 71 of 2008, for the year ended 31 March 2025, that the company has lodged with the Commissioner of Companies all such returns as are required of a public company in terms of this Act and that all such returns are true, correct and up to date.



Ms. Prudence Swarts
Company Secretary

REPORT OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE NATIONAL ELECTRONIC MEDIA INSTITUTE OF SOUTH AFRICA

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

1. I have audited the financial statements of the National Electronic Media Institute of South Africa set out on pages 70 to 106, which comprise the statement of financial position as at 31 March 2025, statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget information with actual information for the year then ended, as well as 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 Electronic Media Institute of South Africa as at 31 March 2025 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice Standards (Standards of GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

BASIS FOR OPINION

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general 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' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) as well as other 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.

RESPONSIBILITIES OF THE ACCOUNTING AUTHORITY FOR THE FINANCIAL STATEMENTS

6. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the PFMA; and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations or has no realistic alternative but to do so.

RESPONSIBILITIES OF THE AUDITOR-GENERAL FOR THE AUDIT OF THE FINANCIAL STATEMENTS

8. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located on page 65, forms part of my auditor's report.

REPORT ON THE ANNUAL PERFORMANCE REPORT

10. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.
11. I selected the following material performance indicators related to e-Astuteness development presented in the annual performance report for the year ended 31 March 2025. I selected those indicators that measure the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.
 - Number of learners trained in creative media through short courses
 - Number of learners trained in creative media through learnerships
 - Number of learners trained in digital literacy
 - Number of SMMEs trained in digital entrepreneurship
 - Number of learners trained in digital technologies
 - Number of learners trained in technical ICT training programmes
12. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.
13. I performed procedures to test whether:
 - the indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives
 - all the indicators relevant for measuring the public entity's performance against its primary mandated and prioritised functions and planned objectives are included
14. I performed the procedures to report material findings only, and not to express an assurance opinion or conclusion.
15. I did not identify any material findings on the reported performance information for the selected indicators.
16. I draw attention to the matter below.

ACHIEVEMENT OF PLANNED TARGETS

17. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or under- achievements.

MATERIAL MISSTATEMENTS

18. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for e-Astuteness development. Management subsequently corrected all the misstatements, and I did not include any material findings in this report.

REPORT ON COMPLIANCE WITH LEGISLATION

19. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the public entity's compliance with legislation.
20. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
21. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
22. I did not identify any material non-compliance with the selected legislative requirements.

OTHER INFORMATION IN THE ANNUAL REPORT

23. The accounting authority is responsible for the other information included in the annual report which includes the directors' report, the audit committee's report and the company secretary's certificate, as required by the Companies Act of South Africa. The other information referred to does not include the financial statements, the auditor's report and those selected material indicators in the scoped-in programme presented in the annual performance report that have been specifically reported on in this auditor's report.
24. My opinion on the financial statements and my reports on the audit of the annual performance report and compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

25. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected material indicators in the scoped-in programme presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
26. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

INTERNAL CONTROL DEFICIENCIES

27. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
28. I did not identify any significant deficiencies in internal control.

Auditor - General

Pretoria

30 July 2025



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

ANNEXURE TO THE AUDITOR'S REPORT

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

PROFESSIONAL JUDGEMENT AND PROFESSIONAL SCEPTICISM

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected material performance indicators and on the public entity's compliance with selected requirements in key legislation.

FINANCIAL STATEMENTS

In addition to my responsibility for the audit of the financial statements as described in this 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

- conclude on the appropriateness of the 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 relating to events or conditions that may cast significant doubt on the ability of the public entity 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 my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a public entity to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

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.

I also provide the accounting authority with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

COMPLIANCE WITH LEGISLATION – SELECTED LEGISLATIVE REQUIREMENTS

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999	Sections 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii); 53(4); 54(2)(c); 54(2)(d); 55(1)(a); 55(1)(b); 55(1)(c)(i); 56; 57(b); 66(3)(c); 66(5)
Treasury Regulations, 2005	Regulations 16A3.2; 16A3.2(a); 16A6.1; 16A6.2(a); 16A6.2(b); 16A6.3(a); 16A6.3(a); 16A6.3(b); 16A6.3(c); 16A6.3(e); 16A6.4; 16A6.5; 16A6.6; 16A7.1; 16A7.3; 16A7.6; 16A8.3; 16A8.4; 16A9.1(b)(ii); 16A9.1(d); 16A9.1(e); 16A9.1(f); 16A9.2; 16A9.2(a)(ii); 30.1.1; 31.1.2(c); 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1; 31.2.1; 31.2.5; 31.2.7(a); 31.3.3; 32.1.1(a); 32.1.1(b); 32.1.1(c); 33.1.1; 33.1.3
Companies Act 71 of 2008	Sections 45(2); 45(3)(a)(ii); 45(3)(b)(i); 45(3)(b)(ii); 45(4); 46(1)(a); 46(1)(b); 46(1)(c); 112(2)(a); 129(7)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulations 17; 25(7A)
National Treasury Instruction No. 5 of 2020/21	Paragraphs 4.8; 4.9; 5.3
Second Amendment National Treasury Instruction No. 5 of 2020/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 2020/21	Paragraph 2
National Treasury Instruction No. 1 of 2021/22	Paragraph 4.1
National Treasury Instruction No. 4 of 2015/16	Paragraph 3.4
National Treasury SCM Instruction No. 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction No. 03 of 2021/22	Paragraphs 4.1; 4.2(b); 4.3; 4.4; 4.4(a); 4.17; 7.2; 7.6
National Treasury SCM Instruction No. 11 of 2020/21	Paragraphs 3.4(a); 3.4(b); 3.9
National Treasury SCM Instruction No. 2 of 2021/22	Paragraphs 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
National Treasury Practice Note 5 of 2009/10	Paragraph 3.3
National Treasury Practice Note 7 of 2009/10	Paragraph 4.1.2
Preferential Procurement Policy Framework Act 5 of 2000	Sections 1; 2.1(a); 2.1(f)
Preferential Procurement Regulations, 2022	Regulations 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulations, 2017	Regulations 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; 6.6; 6.8; 7.1; 7.2; 7.3; 7.6; 7.8; 8.2; 8.5; 9.1; 10.1; 10.2; 11.1; 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

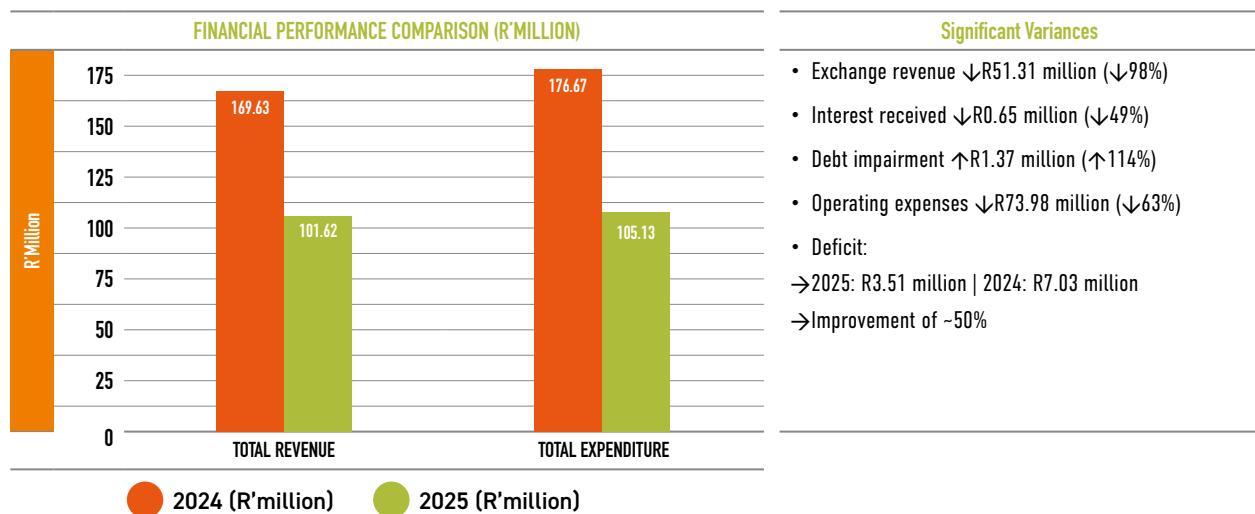


CHIEF FINANCIAL OFFICER'S OVERVIEW

It is with great pleasure that I present the financial performance of NEMISA for the 2024/25 financial year. It has been a challenging financial year in terms of financial performance; however, the results reflect resilience and hard work at NEMISA.

FINANCIAL PERFORMANCE COMPARISON (R 'MILLION)

NEMISA performed relatively well given the financial constraints it faces. The reduction in both revenue and expenditure is primarily due to the project that NEMISA undertook for BankSeta in the previous year, which was limited only to that financial year. Revenue for the 2024/25 financial year amounted to R101.62 million, representing a 40% decrease, while expenditure reduced by 41% to R105.13 million. NEMISA incurred a deficit of R3.51 million for the year ended 31 March 2025.

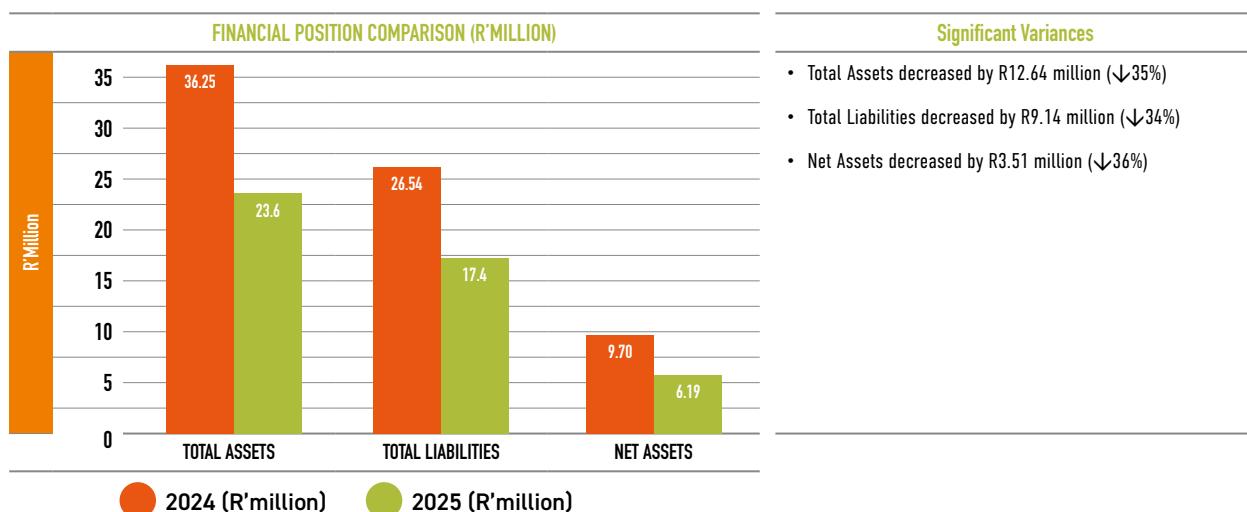


1. Exchange revenue -Prior year included Bank Seta project and not repeated in 2025
2. Interest received \rightarrow The decline is attributable to lower average cash balances during the year and lower interest rates on the call account compared to the prior year.
3. Debt impairment \rightarrow Largely due to Bank SETA receivable impairment (R2.57m).
4. Operating expenses \rightarrow Reflects a sharp reduction in training project activity, which is related to the conclusion of the BankSeta project, which contributed heavily to operating costs in FY2023/24

“NEMISA performed relatively well given the financial constraints it faces. The reduction in both revenue and expenditure is primarily due to the project that NEMISA undertook for Bankseta in the previous year, which was limited only to that financial year.”

FINANCIAL POSITION COMPARISON (R 'MILLION)

NEMISA maintained a strong balance sheet notwithstanding a decrease of 36% in NET ASSETS to R6.19 million. The entity's solvency and current ratios are well within the acceptable norms, with assets exceeding liabilities by 26%.

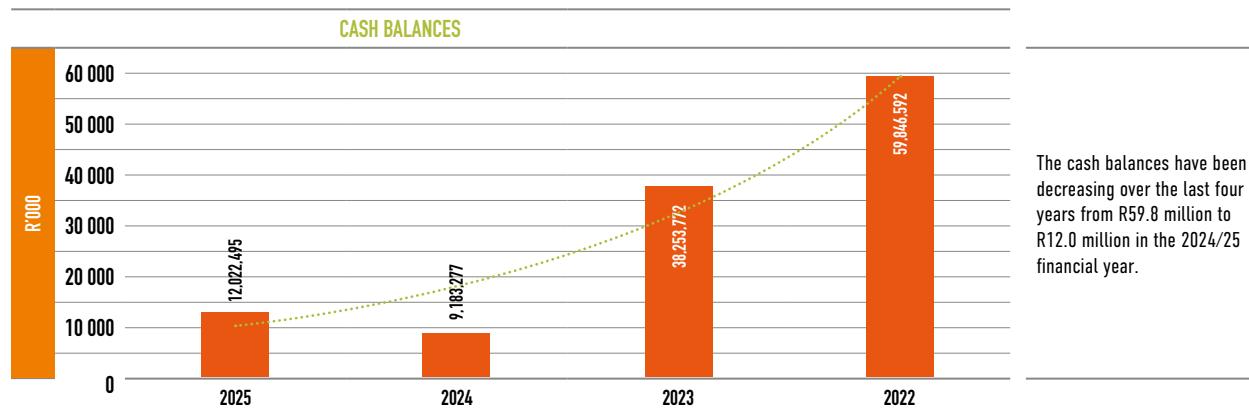


MATERIAL VARIANCES (OVER 20%) – FINANCIAL POSITION

	2025 R	2024 R	Variance	% Change
Receivables from exchange	85,110	16,759,986	↓R16,674,876	↓99%
Unspent Conditional Grants	5,418,000	7,000,000	↓R1,582,000	↓23%
Cash and Cash Equivalents	12,022,495	9,183,277	↓R2,839,218	↓31%

1. Receivables from exchange - Largely due to the settlement of outstanding balances during the year
2. Unspent Conditional Grants - Recognition of conditional grant income based on deliverables met
3. Cash & Cash Equivalents- in efforts to improve liquidity, concerns identified in Q4

CASH FLOW STATEMENT ANALYSIS



COMPLIANCE WITH LAWS AND REGULATIONS

In the year under review, there was one instance of irregular expenditure identified during the audit relating to non-disclosure of interest by one of our employees. The amount of expenditure on this item for the last three financial years was R1.4 million and has been adjusted on the final audited annual financial statements. Total irregular expenditure, including opening balances, amounts to R12.2 million, of which R10.6 million is awaiting condonation approval from the National Treasury. Fruitless and wasteful expenditure for the current year amounted to R3000 relating to student stipend payment made for a student who withdrew from the programme. The total fruitless and wasteful expenditure amounted to R1.6 million, including opening balances.

AUDIT OPINION

The entity has received an unqualified audit opinion with no material findings for the last three financial years.

APPRECIATION

I owe a debt of gratitude to the Minister, Deputy Minister and Director General of the Department of Communications and Digital Technologies for their leadership and guidance throughout the financial year. A special word of appreciation is due to the Board of NEMISA and its Committees, the Chief Executive Officer, the Executive and staff for their hard work and resilience in delivering this performance.

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2025

	NOTE(S)	2025 R	2024 R
ASSETS			
CURRENT ASSETS			
Receivables from exchange transactions	3	85,110	16,759,986
Prepayments	4	378,793	384,055
Cash and cash equivalents	5	12,022,495	9,183,277
		12,486,398	26,327,318
NON-CURRENT ASSETS			
Property, plant and equipment	6	10,444,966	9,248,484
Intangible assets	7	665,204	665,204
		11,110,170	9,913,688
Total Assets		23,596,568	36,241,006
LIABILITIES			
CURRENT LIABILITIES			
Payables from exchange transactions	8	9,952,716	17,364,554
Unspent conditional grants and receipts	9	5,418,000	7,000,000
Long service awards	26	47,124	56,979
Operating lease liability	29	1,715,401	1,842,540
		17,133,241	26,264,073
NON-CURRENT LIABILITIES			
Long service awards	26	268,760	276,717
Total Liabilities		17,402,001	26,540,790
Net Assets		6,194,567	9,700,216
Accumulated surplus		6,194,567	9,700,216
Total Net Assets		6,194,567	9,700,216

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2025

	NOTE(S)	2025 R	2024 R
REVENUE			
Exchange revenue	10	656,931	51,962,000
Non-exchange revenue	10	100,249,647	116,155,385
Interest received	11	682,217	1,336,089
Other income	12	31,467	178,044
Total revenue		101,620,262	169,631,518
EXPENDITURE			
Employee related costs	13	(31,155,990)	(30,538,384)
Directors' emoluments	23	(5,367,902)	(5,120,196)
Audit fees		(2,217,266)	(2,093,238)
IT expenses	15	(4,340,412)	(3,545,188)
Cleaning		(657,103)	(690,472)
Consulting	16	(3,658,779)	(4,740,742)
Repairs and maintenance	14	(411,952)	(705,913)
Depreciation and impairment loss	6	(3,223,566)	(2,426,093)
Debt Impairment	3	(2,571,900)	(1,203,772)
Lease rentals on operating lease	17	(7,750,349)	(7,750,349)
Loss on disposal of assets	6	(28,649)	(129,980)
Operating Expenses	18	(43,742,043)	(117,720,898)
Total expenditure		(105,125,911)	(176,665,225)
Surplus (deficit) for the year		(3,505,649)	(7,033,707)

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED 31 MARCH 2025

	ACCUMULATED SURPLUS / DEFICIT R	TOTAL NET ASSETS R
Balance at 01 April 2023	16,733,923	16,733,923
<i>Adjustments</i>		
Deficit for the year	(7,033,707)	(7,033,707)
Total changes	(7,033,707)	(7,033,707)
Balance at 01 April 2024	9,700,216	9,700,216
<i>Changes in net assets</i>		
Deficit for the year	(3,505,649)	(3,505,649)
Total changes	(3,505,649)	(3,505,649)
Balance at 31 March 2025	6,194,567	6,194,567

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2025

	NOTE(S)	2025 R	2024 R
CASH FLOWS FROM OPERATING ACTIVITIES			
RECEIPTS			
Other receipts		14,786,658	40,806,354
Grants		98,667,647	107,731,640
Interest income		682,217	1,336,089
		114,136,522	149,874,083
PAYMENTS			
Employee costs		(35,106,711)	(33,824,606)
Suppliers		(71,741,895)	(138,502,072)
		(106,848,606)	(172,326,678)
Net cash flows from operating activities	19	7,287,916	(22,452,595)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	6	(4,448,698)	(6,617,901)
		2,839,218	(29,070,496)
Net increase/(decrease) in cash and cash equivalents		9,183,277	38,253,772
Cash and cash equivalents at the beginning of the year			
Cash and cash equivalents at the end of the year	5	12,022,495	9,183,276

Cash flows from operating activities are presented using the direct method. There were no cash flows from financing activities during the reporting period.

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

FOR THE YEAR ENDED 31 MARCH 2025

	APPROVED BUDGET R	ADJUSTMENTS R	FINAL BUDGET R	ACTUAL AMOUNTS ON COMPARABLE BASIS R	DIFFERENCE BETWEEN FINAL BUDGET AND ACTUAL R	REFERENCE
STATEMENT OF FINANCIAL PERFORMANCE						
REVENUE						
REVENUE FROM EXCHANGE TRANSACTIONS						
Rendering of services	-	-	-	656,931	656,931	1
Other income	-	-	-	31,467	31,467	1
Interest received	-	-	-	682,217	682,217	1
Total revenue from exchange transactions	-	-	-	1,370,615	1,370,615	
REVENUE FROM NON-EXCHANGE TRANSACTIONS						
Non-exchange revenue	96,961,000	-	96,961,000	100,249,647	3,288,647	2
Total revenue	96,961,000	-	96,961,000	101,620,262	4,659,262	
EXPENDITURE						
Employee related costs	(31,166,428)	-	(31,166,428)	(31,155,990)	10,438	
Directors emoluments	(5,380,112)	-	(5,380,112)	(5,367,902)	12,210	
Audit fees	(2,217,266)	-	(2,217,266)	(2,217,266)	-	
IT expenses	(4,526,005)	-	(4,526,005)	(4,340,412)	185,593	
Cleaning	(657,105)	-	(657,105)	(657,103)	2	
Consulting	(3,620,848)	-	(3,620,848)	(3,658,779)	(37,931)	
Repairs and maintenance	(430,110)	-	(430,110)	(411,952)	18,158	
Depreciation and impairment loss	-	-	-	(3,223,566)	(3,223,566)	3
Debt Impairment	-	-	-	(2,571,900)	(2,571,900)	4
Lease rentals on operating lease	(7,877,488)	-	(7,877,488)	(7,750,349)	127,139	
Operating Expenses	(41,085,638)	-	(41,085,638)	(43,742,043)	(2,656,405)	5
Total expenditure	(96,961,000)	-	(96,961,000)	(105,097,262)	(8,136,262)	
Operating deficit	-	-	-	(3,477,000)	(3,477,000)	
Loss on disposal of assets	-	-	-	(28,649)	(28,649)	
Deficit before taxation	-	-	-	(3,505,649)	(3,505,649)	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	-	-	-	(3,505,649)	(3,505,649)	

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31 MARCH 2025 (CONTINUED)

Material variances are defined as instances where actual expenditure exceeds the final approved budget by more than R969,610 (which represents 1% of the total approved expenditure budget of R96,961,000). These variances are disclosed and explained in the variance commentary. Variances below this threshold are considered immaterial and are not explained unless they meet qualitative materiality criteria

1. The actual total revenue from exchange transactions exceeded the budget by 100%, primarily due to unbudgeted income from services rendered on the OTT platform, interest earned on surplus funds held at the Reserve Bank, and insurance claim recoveries.
2. The actual non-exchange revenue exceeded the budget by 3%, mainly due to additional grant funding received from the British High Commission and the recognition of unspent conditional grant funding for the Cell Phone Repair Training Programme.
3. Depreciation not budgeted separately; calculated at year-end based on asset register.
4. Impairment losses exceeded the budget by 100% as no amount was initially budgeted; these are recognised based on year-end assessments of the recoverability of receivables
5. The 6% over-expenditure is attributed to unbudgeted water and electricity charges levied by the SABC, as well as the utilisation of unspent grant funding from the DCDT and British High Commission for learner training activities.

ACCOUNTING POLICIES

1. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

1.1 BASIS OF PREPARATION

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

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand. The level of rounding is the nearest Rand.

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

These accounting policies are consistent with the previous period.

1.2 PRESENTATION CURRENCY

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

1.3 GOING CONCERN ASSUMPTION

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

1.4 MATERIALITY

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

The entity does not retrospectively adjust the accounting of past items (or group of items) that were previously assessed as immaterial, unless an error occurred.

1.5 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include: Other significant judgements, sources of estimation uncertainty and/or relating information, have been disclosed in the relating notes

LONG SERVICE AWARDS

Liabilities were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 1.11&26 -Long service awards.

OTHER LONG-TERM EMPLOYEE BENEFITS

The present value of the Long Service Award obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of Long service obligations.

The entity determines the appropriate discount rate at the end of each year using the prime interest rate. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the entity considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related Long service liability.

ALLOWANCE FOR DOUBTFUL DEBTS

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition. If there is no future cash flow expected the present value of estimated future cash flows is Rnil.

MATERIALITY

Applying materiality is pervasive to the preparation of financial statements. Materiality is a key consideration in deciding how to apply the Standards of GRAP when preparing the financial statements. Information is material if its omission or misstatement has the potential to influence the decisions of users or affect the discharge of accountability by the entity.

Applying materiality in the preparation of annual financial statements requires the entity to make key assessments and decisions. Key assessments and decisions made in considering materiality, are as follows:

- Identification of users and their information needs
- Assessing information based on nature and size, by developing qualitative considerations and quantitative thresholds
- Application of materiality in preparing the financial statements:
 - Developing accounting policies
 - Deciding what information to disclose
 - Deciding how to present information
 - Assessing omissions, misstatements and errors

The assessments and decisions are considered throughout the financial reporting cycle, and not only when annual financial statements are prepared.

1.6 PROPERTY, PLANT AND EQUIPMENT

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

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

- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost of the item can be measured reliably. Property, plant and equipment is initially measured at cost.

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

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

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

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

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

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

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

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

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

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

Item	Depreciation method	Useful lives
Buildings	Straight-line	47
Furniture and fixtures	Straight-line	9 - 22
Motor vehicles	Straight-line	13
Office equipment	Straight-line	9 - 38

Item	Depreciation method	Useful lives
Computer equipment	Straight-line	3 - 34
Canteen equipment	Straight-line	14
Television equipment	Straight-line	3 - 39
Radio equipment	Straight-line	6 - 48

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

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

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the entity. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The entity assesses at each reporting date whether there is any indication that the entity expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the entity revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

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

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

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

The entity separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 6).

1.7 INTANGIBLE ASSETS

An asset is identifiable if it either:

- 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.

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

An intangible asset is recognised when:

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

The entity assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

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

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

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

1.8 FINANCIAL INSTRUMENTS

NEMISA has various types of financial instruments and those can be broadly categorised as either financial assets or financial liabilities.

A financial asset is any asset that is cash or contractual right to receive cash. The entity has the following types of financial assets as reflected on the face of the Statement of Financial Position or in the notes thereto:

- Receivables from exchange transactions
- Cash and cash equivalent
- Rental deposit

A financial liability is a contractual obligation to deliver cash or another financial asset to another entity. The entity has the following types of financial liabilities as reflected on the face of the Statement of Financial Position or in the notes thereto:

- Payables from exchange transactions
- Non-exchange revenue liability

MEASUREMENT

Financial liabilities and financial assets are recognised and measured in accordance with GRAP104.45-56 Financial instruments are amortised cost are initially measured at fair value and subsequently measured at amortised cost.

IMPAIRMENT OF FINANCIAL ASSETS

Financial assets are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence of impairment of Financial Assets. If there is such evidence the recoverable amount is estimate and an impairment loss is recognised in accordance with GRAP104

Initially, Receivables from exchange transactions are valued at fair value, and subsequently carried at amortised cost using the effective interest rate method. An estimate is made for doubtful debt based on past default experience of all outstanding amounts at year-end. Bad debts are written off the year in which they are identified as irrecoverable. Amounts receivable within 12 months from the date of reporting are classified as current

A provision of impairment is the difference between the asset's carrying amount and the present value of estimate future cash flow, discounted at the effective interest rate.

Receivables from exchange transactions are states at cost less provision for impairment. The provision is made in accordance with GRAP 104.61-63 whereby the recoverability of Receivable is assessed collectively after grouping the assets in financial assets with similar credit risks characteristics.

The carrying amount of the financial asset is reduced through the use of an allowance account. When receivables from exchange is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the Statement of Financial Performance.

- a residual interest of another entity

CLASSIFICATION

The entity has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Receivables from exchange transactions	Financial asset measured at amortised cost
Cash and cash equivalent	Financial asset measured at amortised cost
Rental deposit	Financial asset measured at amortised cost

The entity has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Payables from exchange transactions	Financial liability measured at amortised cost
Non-exchange revenue liability	Financial liability measured at amortised cost

1.9 LEASES

OPERATING LEASES - LESSEE

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability. This treatment is in accordance with GRAP 13 and National Treasury accounting guidelines on leases.

No contingent rent is payable under the entity's operating lease agreements. Lease incentives, such as rent-free periods granted by the lessor, are recognised as part of the total lease expense over the lease term on a straight-line basis

Escalating lease payments, including those with fixed annual increases, are also straight-lined over the lease term in accordance with GRAP 13.

The resulting operating lease liability represents an accounting adjustment reflecting the cumulative difference between actual lease payments and the straight-lined lease expense. This balance does not represent a contractual obligation to the lessor, it is recognised in the accounting records in accordance with GRAP 13. In consultation with National Treasury guidance, and to enhance transparency, the entity has elected to present this balance on the face of the Statement of Financial Position.

Management has applied judgement in classifying lease agreements based on the substance of the arrangement and determined that these contracts meet the definition of operating leases under GRAP 13.

1.10 IMPAIRMENT OF NON-CASH-GENERATING ASSETS

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

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

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use. Useful life is either:

- the period of time over which an asset is expected to be used by the entity; or
- the number of production or similar units expected to be obtained from the asset by the entity.

DESIGNATION

At initial recognition, the entity designates an asset as non-cash-generating, or an asset or cash-generating unit as cash-generating. The designation is made on the basis of an entity's objective of using the asset.

The entity designates an asset or a cash-generating unit as cash-generating when:

- its objective is to use the asset or a cash-generating unit in a manner that generates a commercial return; such that
- the asset or cash-generating unit will generate positive cash flows, from continuing use and its ultimate disposal, that are expected to be significantly higher than the cost of the asset.

The entity designates an asset as non-cash-generating when its objective is not to use the asset to generate a commercial return but to deliver services.

An asset used with the objective of generating a commercial return and service delivery, is designated either as a cash-generating asset or non-cash-generating asset based on whether the entity expects to use that asset to generate a commercial return. When it is not clear whether the objective is to use the asset to generate a commercial return, the entity designates the asset as a non-cash-generating asset and applies this accounting policy, rather than the accounting policy on Impairment of Non-cash-generating assets.

IDENTIFICATION

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

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

Irrespective of whether there is any indication of impairment, the entity also tests a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

VALUE IN USE

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

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

DEPRECIATED REPLACEMENT COST APPROACH

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

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

RECOGNITION AND MEASUREMENT

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

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the entity recognises a liability only to the extent that is a requirement in the Standards of GRAP.

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

REVERSAL OF AN IMPAIRMENT LOSS

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

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

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

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

1.11 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), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of surplus sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

OTHER LONG-TERM EMPLOYEE BENEFITS

NEMISA provides for long service awards. Management estimates the value of NEMISA's obligation in this regard at each reporting date. Refer to Note 26.

1.12 PROVISIONS AND CONTINGENCIES

Provisions are recognised when:

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

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

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

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

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

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

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

A provision is used only for expenditures for which the provision was originally recognised. Provisions are not recognised for future operating surplus (deficit).

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

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 22.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Where a fee is received by the entity for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date. Where a fee is charged and the entity considers that an outflow of economic resources is probable, an entity recognises the obligation at the higher of:

- the amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and
- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

1.13 COMMITMENTS

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

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts, valid and approved purchase order has been issued or signed appointment letter or contract acceptance is in place); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.14 REVENUE FROM EXCHANGE TRANSACTIONS

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.

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

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

MEASUREMENT

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

RENDERING OF SERVICES

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight-line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by services performed to date as per the verification report .

1.15 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.

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

RECOGNITION

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

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

MEASUREMENT

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

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

Interest is recognised using the effective interest rate method for financial instruments. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

1.16 INVESTMENT INCOME

Investment income is recognised in the period it is earned with the relevant bank institution.

1.17 COMPARATIVE FIGURES

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

1.18 FRUITLESS AND WASTEFUL EXPENDITURE

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

Fruitless and wasteful expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

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

Fruitless and wasteful expenditure is recorded in the financial statements when a transaction is recognised as expenditure in the Statement of Financial Performance in accordance with GRAP.

Processes to prevent and investigate fruitless and wasteful expenditure, and to determine responsibility, are implemented in line with the Public Finance Management Act (PFMA), specifically sections 38(1)(c)(ii) and 38(1)(h)(iii).

A separate register is kept and maintained for historical fruitless and wasteful expenditure incurred in previous reporting periods.

Refer to note for details of fruitless and wasteful expenditure

1.19 IRREGULAR EXPENDITURE

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

Irregular expenditure is recorded in the financial statements when a transaction is recognised as expenditure in the Statement of Financial Performance in accordance with GRAP.

Processes to prevent irregular expenditure are implemented in line with the PFMA sections 38(1)(c)(ii), ensuring that internal controls are in place to promote compliance and accountability.

In accordance with PFMA section 38(1)(g), all identified irregular expenditure is reported promptly to the Accounting Officer, who ensures the matter is investigated and the nature, cause, and accountability are determined.

A register of irregular expenditure is maintained to track status and resolution actions.

1.20 BUDGET INFORMATION

Entity are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by entity shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

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

The approved budget covers the fiscal period from 01/04/2024 to 31/03/2025.

The budget for the economic entity includes all the entities approved budgets under its control.

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

Comparative information is not required.

1.21 RELATED PARTIES

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

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

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

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

The entity is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the entity to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the entity is exempt from the disclosures in accordance with the above, the entity discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

The entity operates in an economic sector currently dominated by entities directly or indirectly owned 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 are considered to be related parties. The entity operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government.

1.22 EVENTS AFTER REPORTING DATE

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

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

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

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. NEW STANDARDS AND INTERPRETATIONS

2.1 STANDARDS AND INTERPRETATIONS ISSUED, BUT NOT YET EFFECTIVE

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2025 or later periods:

STANDARD/ INTERPRETATION	EFFECTIVE DATE: YEARS BEGINNING ON OR AFTER	EXPECTED IMPACT
GRAP 2023 Improvements to the Standards of GRAP 2023	Not yet determined	Unlikely there will be a material impact
GRAP 1 (amended): Presentation of Financial Statements (Going Concern)	Not yet determined	Unlikely there will be a material impact
GRAP 104 (as revised): Financial Instruments	01 April 2025	Unlikely there will be a material impact

3. RECEIVABLES FROM EXCHANGE TRANSACTIONS	2025 R	2024 R
Trade debtors	2,657,011	16,759,987
Allowance for impairment	(3,775,673)	(1,203,773)
Deposits	1,203,772	1,203,772
	85,110	16,759,986

TRADE AND OTHER RECEIVABLES IMPAIRED

As of 31 March 2025, trade and other receivables of 2,657,011 (2024: 16,759,987).

The amount of the provision was 2571900 - as of 31 March 2025 (2024: 1,230,772).

The ageing of these receivables is as follows:

0 to 3 months	85,110	16,759,987
Over 6 months	2,571,900	1,230,772

RECONCILIATION OF PROVISION FOR IMPAIRMENT OF TRADE AND OTHER RECEIVABLES

Opening balance	(1,230,772)	-
Provision for impairment	(2,571,900)	(1,230,772)
	(3,802,672)	(1,230,772)

In the 2024/25 financial year, an impairment loss of R2,571,250.00 was recognised against a receivable from BANK SETA after the funder confirmed that outstanding amounts would not be paid due to late submission of required documentation.

Additionally, an amount of R650.00 relating to an unrecovered petty cash advance issued to a former employee was impaired.

In the 2023/24 financial year, an impairment loss of R1,203,771.00 was recognised against a rental deposit. The lease agreement required that the remaining deposit, after refurbishment deductions, be refunded within 90 days of lease termination, which occurred on 31 May 2022. As no payment was received and this constitutes a breach of contract. The matter has been referred to NEMISA's legal panel, and Board approval is pending to initiate recovery proceedings.

4. PREPAYMENTS

The prepaid expense relates to annual software licenses, R378,793 (2024: R384,055).

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

Bank balances	1,793,091	2,636,090
Corporation for public deposits	10,229,404	6,547,187
	12,022,495	9,183,277

6. PROPERTY, PLANT AND EQUIPMENT

	2025			2024		
	COST / VALUATION R	ACCUMULATED DEPRECIATION AND ACCUMULATED IMPAIRMENT R	CARRYING VALUE R	ACCUMULATED DEPRECIATION AND ACCUMULATED IMPAIRMENT R		
				COST / VALUATION R	ACCUMULATED DEPRECIATION AND ACCUMULATED IMPAIRMENT R	CARRYING VALUE R
Building	189,396	(144,329)	45,067	189,396	(142,788)	46,608
Furniture and fixtures	209,378	(104,063)	105,315	209,378	(95,796)	113,582
Motor vehicles	529,550	(445,689)	83,861	529,550	(432,579)	96,971
Office equipment	1,832,231	(536,231)	1,296,000	1,832,231	(409,975)	1,422,256
Computer equipment	14,946,447	(8,904,245)	6,042,202	10,559,364	(6,576,218)	3,983,146
Canteen	26,961	(14,990)	11,971	26,961	(13,493)	13,468
Television equipment	4,608,020	(2,740,185)	1,867,835	4,608,020	(2,247,368)	2,360,652
Radio equipment	2,542,799	(1,550,084)	992,715	2,551,542	(1,339,741)	1,211,801
Total	24,884,782	(14,439,816)	10,444,966	20,506,442	(11,257,958)	9,248,484

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT - 2025

	OPENING BALANCE R	ADDITIONS R	DISPOSALS R	DEPRECIATION R	IMPAIRMENT LOSS R	TOTAL R
Building	46,608	-	-	(1,541)	-	45,067
Furniture and fixtures	113,582	-	-	(8,267)	-	105,315
Office equipment	1,422,256	-	-	(102,407)	(23,849)	1,296,000
Computer equipment	3,983,146	4,448,698	(28,285)	(2,343,072)	(18,285)	6,042,202
Canteen	13,468	-	-	(1,497)	-	11,971
Television equipment	2,360,652	-	-	(492,817)	-	1,867,835
Radio equipment	1,211,801	-	(364)	(218,722)	-	992,715
Motor vehicles	96,971	-	-	(13,110)	-	83,861
	9,248,484	4,448,698	(28,649)	(3,181,433)	(42,134)	10,444,966

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT - 2024

Building	51,269	-	-	(4,661)	-	46,608
Furniture and fixtures	123,416	-	-	(9,834)	-	113,582
Office equipment	444,880	1,096,000	(793)	(105,581)	(12,250)	1,422,256
Computer equipment	2,709,465	2,813,041	(81,849)	(1,456,539)	(972)	3,983,146
Canteen	16,161	-	-	(2,693)	-	13,468
Television equipment	982,097	1,963,360	(35,974)	(529,255)	(19,576)	2,360,652
Radio equipment	723,608	745,500	(11,364)	(245,943)	-	1,211,801
Motor vehicles	135,760	-	-	(38,789)	-	96,971
	5,186,656	6,617,901	(129,980)	(2,393,295)	(32,798)	9,248,484

OTHER INFORMATION

A register containing all assets is available for inspection at the registered office of the entity.

No assets were pledged as security during the year, nor were there any restrictions on any of the assets.

7. INTANGIBLE ASSETS

	2025			2024		
	COST R	ACCUMULATED AMORTISATION AND ACCUMULATED IMPAIRMENT R	CARRYING VALUE R	COST R	ACCUMULATED AMORTISATION AND ACCUMULATED IMPAIRMENT R	CARRYING VALUE R
Website development	188,000	-	188,000	188,000	-	188,000
OTT (over-the-top) platform	477,204	-	477,204	477,204	-	477,204
Total	665,204	-	665,204	665,204	-	665,204

RECONCILIATION OF INTANGIBLE ASSETS - 2025	OPENING BALANCE R	TOTAL R
Website development	188 000	188 000
OTT (over-the-top) platform	477 204	477 204
665 204	665 204	

RECONCILIATION OF INTANGIBLE ASSETS - 2024	OPENING BALANCE R	TOTAL R
Website development	188 000	188 000
OTT (over-the-top) platform	477 204	477 204
665 204	665 204	

OTHER INFORMATION

Intangible assets with indefinite lives The intangible asset was tested for impairment and no impairment required: No assets were pledged as security during the year, nor were there any restrictions on any of the asset

	2025 R	2024 R
Website development	188,000	188,000
OTT (over-the-top) platform	477,204	477,204

The useful lives of NEMISA website suite and OTT (over-the-top) platform are considered indefinite. There are no restrictive conditions attached to these software applications. These applications can therefore continue indefinitely. Based on this, indefinite useful lives have been assigned to intangible assets.

8. PAYABLES FROM EXCHANGE TRANSACTIONS	2025 R	2024 R
Account payables	4,411,463	3,309,477
Accured 13th cheque	170,336	176,885
Accured leave pay	1,534,424	1,817,698
Other accruals	3,836,493	12,060,494
	9,952,716	17,364,554

9. UNSPENT CONDITIONAL GRANTS AND RECEIPTS

UNSPENT CONDITIONAL GRANTS AND RECEIPTS COMPRISSES OF:

UNSPENT CONDITIONAL GRANTS AND RECEIPTS

DCDT/BHC funds transfer-Community Radio	5,418,000	7,000,000
---	-----------	-----------

MOVEMENT DURING THE YEAR

Balance at the beginning of the year	7,000,000	76,062
Additions during the year	1,494,397	7,000,000
Income recognition during the year	(3,076,397)	(76,062)
	5,418,000	7,000,000

An amount of R7 million was received from the Department of Communications and Digital Technologies (DCDT) at the end of the 2024 financial year to fund the Cell Phone Repair Training Programme. During the 2025 financial year, R1,582,000 was recognised as non-exchange revenue based on the achievement of programme deliverables. The remaining balance has been deferred and will be recognised as income upon completion of the outstanding deliverables.

In addition, an amount of R1.49 million was received from the British High Commission (BHC) for the same programme. These funds were fully utilised during the financial year and recognised as non-exchange revenue in accordance with the fulfilment of the grant conditions.

10. REVENUE

Exchange revenue (Rendering of services)	656,931	51,962,000
Interest income	682,217	1,336,089
Non-Exchange revenue	100,249,647	116,155,385

THE AMOUNT INCLUDED IN REVENUE ARISING FROM EXCHANGES OF GOODS OR SERVICES ARE AS FOLLOWS:

Exchange revenue (Rendering of services)	656,931	51,962,000
Interest income	682,217	1,336,089
	1,339,148	53,298,089

THE AMOUNT INCLUDED IN REVENUE ARISING FROM NON-EXCHANGE TRANSACTIONS IS AS FOLLOWS:

TRANSFER REVENUE		
Non-Exchange revenue (Appropriation income)	98,543,000	113,775,683
Conditional grant	1,706,647	2,379,702
	100,249,647	116,155,385

	2025 R	2024 R
11. INTEREST RECEIVED		
INTEREST REVENUE		

Bank

682,217

1,336,089

The amount included in interest revenue arising from interest received from the Corporation for public deposits (CPD) investment amounted to R682,217 (2024: R1,336,089).

12. OTHER INCOME		
Other income	31,467	178,044

Other income relates to debt recovered from employee and proceeds received from insurance.

13. EMPLOYEE RELATED COSTS		
Basic	31,403,596	27,725,730
Bonus	-	2,837,940
Increase/ (decrease) in leave pay accrual	(229,794)	(179,421)
Long-service awards	(17,812)	154,135
	31,155,990	30,538,384

14. REPAIRS AND MAINTENANCE		
Repairs and maintenance - Office building	411,952	594,079
Repairs and maintenance - Computer equipment	-	111,834
	411,952	705,913

15. IT EXPENSES		
IT Expenses (2025: R4,340,412; 2024: R3,545,188) include consulting fees, internet services, IT infrastructure, and equipment rentals supporting operations. The line item was previously disclosed as "Network Expenses" and has been renamed for clarity.		

16. CONSULTING		
Audit fees - Internal	710,109	1,042,969
Consulting and professional fees	2,948,670	3,697,773
	3,658,779	4,740,742

17. LEASE RENTALS ON OPERATING LEASE	2025	2024
	R	R
PREMISES		
Lease rentals on operating lease	7,750,349	7,358,237

NEMISA entered into lease agreement with the SABC for a period of five years (01/07/2022 -30/06/2027)

18. OPERATING EXPENSES

DIRECT EXPENDITURE	2025	2024
	R	R
Digital Skills roll out expenses	16,242,968	31,949,123
In-house training: Student accommodation	-	74,903
In-house training: Student stationery and printing costs	148,641	900,176
In-house training: Student training and examination costs	13,049,824	53,399,892
In-house training: Student stipends	5,556,983	10,783,810
In-house training: Project expenses	2,912,397	2,912,397
OVERHEAD EXPENDITURE		
Property rates & taxes	1,828,368	94,776
Bank charges	188,990	286,541
Insurance	508,417	845,296
Business development/marketing/communication	462,514	443,332
Printing and stationery	1,995	77,114
Software expenses	1,371,519	1,123,986
Staff welfare	936,804	1,737,607
Transportation costs	97,921	190,542
Travel and accommodation costs: Staff and Board	316,375	2,175,326
Other overhead costs	118,327	270,843
	43,742,043	117,720,898

19. CASH GENERATED FROM (USED IN) OPERATIONS

Deficit	2025	2024
	R	R
Adjustments for:		
Depreciation	3,223,566	2,426,093
Loss on disposal of assets	28,649	129,980
Impairment deficit	2,571,900	1,203,772
Movements in Long service liability	(17,812)	44,134
Operating lease liabilities	(127,139)	247,978
Operating lease liabilities	(127,139)	247,978
Changes in working capital:		
Receivables from exchange transactions	14,102,976	(11,333,690)
Prepayments	5,262	155,599
Payables from exchange transactions	(7,411,837)	130,991
Unspent conditional grants and receipts	(1,582,000)	6,923,938
Non-exchange revenue liability	-	(15,347,683)
	7,287,916	(22,452,595)

20. FINANCIAL INSTRUMENTS DISCLOSURE

CATEGORIES OF FINANCIAL INSTRUMENTS

2025 FINANCIAL ASSETS	AT AMORTISED COST R	TOTAL R
Trade and other receivables from exchange transactions	85,110	85,110
Cash and cash equivalents	12,022,495	12,022,495
	12,107,605	12,107,605

FINANCIAL LIABILITIES

Trade and other payables from exchange transactions 8,247,956 8,247,956

2024

FINANCIAL ASSETS	COST R	TOTAL R
Trade and other receivables from exchange transactions	16,759,986	16,759,986
Cash and cash equivalents	9,183,277	9,183,277
	25,943,263	25,943,263

FINANCIAL LIABILITIES

Trade and other payables from exchange transactions 15,369,971 15,369,971

21 COMMITMENTS

AUTHORISED CAPITAL EXPENDITURE

ALREADY CONTRACTED FOR BUT NOT PROVIDED FOR

• Property, plant and equipment	-	3 788 627
---------------------------------	---	-----------

NOT YET CONTRACTED FOR AND AUTHORISED BY MEMBERS

• Property, plant and equipment	-	2 859 200
---------------------------------	---	-----------

TOTAL CAPITAL COMMITMENTS

Already contracted for but not provided for	-	3,788,627
Not yet contracted for and authorised by members	-	2,859,200
	-	6,647,827

21. COMMITMENTS (CONTINUED)	2024 R	2023 R
AUTHORISED OPERATIONAL EXPENDITURE		
ALREADY CONTRACTED FOR BUT NOT PROVIDED FOR		
Internal audit service	-	572,968
Cleaning service	425,736	1,082,839
Corporate services	742,903	4,506,593
IT service	1,503,737	4,344,476
Digital change maker programme - YaRona	-	143,244
	2,672,376	10,650,120
NOT YET CONTRACTED FOR AND AUTHORISED BY MEMBERS		
Short tem insurance	3,505,445	-
Internal Audit	2,810,716	-
Learner management system -cloud service	4,610,856	-
	10,927,017	-
TOTAL OPERATIONAL COMMITMENTS		
Already contracted for but not provided for	2,672,376	10,650,120
Not yet contracted for and authorised by members	10,927,017	-
	13,599,393	10,650,120
TOTAL COMMITMENTS		
Authorised capital expenditure	-	6,647,827
Authorised operational expenditure	13,599,393	10,650,120
	13,599,393	17,297,947
This committed expenditure relates to operation expenditure and facilities.		
OPERATING LEASES - AS LESSEE (EXPENSE)		
Minimum lease payments due		
- within one year	7,750,349	7,750,349
- in second to fifth year inclusive	9,687,936	17,438,285
	17,438,285	25,188,634
Operating lease payments represent rentals payable by the entity for its office properties. Leases are negotiated for an average term of five years and rentals are fixed for one year. Annual escalation of 5% from 1 July 2023 to 30 June 2027. No contingent rent is payable.		
RENTAL EXPENSES RELATING TO OPERATING LEASES		
Minimum lease payments	7,750,349	7,750,349

22. CONTINGENCIES

CONTINGENT ASSETS

1. LEGAL RECOVERY OF RENTAL DEPOSIT

A contingent asset has been identified relating to a rental deposit of R1,352,082.00, originally paid in December 2010. In accordance with the lease agreement, deducted refurbishment costs at the end of the lease term to restore the premises to its original condition, resulting in a revised deposit balance of R1,203,771.00. Interest accrued on this deposit from 1 December 2010 to 31 March 2025 has been conservatively estimated at R1,070,532.62, based on average 32-day call rates. The total potential recovery as at year-end amounts to R2,274,303.62

legal opinion obtained in January 2025 confirms that the deposit remains legally recoverable, including accrued interest. However, at the reporting date, no legal proceedings had commenced. As the inflow of economic benefits is probable but not virtually certain, the amount has been disclosed as a contingent asset.

2. INSURANCE CLAIMS,

NEMISA submitted insurance claims for the theft and accidental damage of electronic equipment during the financial year. The total recoverable amount confirmed by the insurance broker as at 31 March 2025 was R33,752.74, related to a stolen iPad.

Further claims for a damaged monitor, projector, and additional iPad are probable, but the recoverable amounts remain to be finalised pending damage reports and quotations. These items have also been disclosed as contingent assets, as the inflow of economic benefits is considered probable at year-end.

23. RELATED PARTIES

RELATIONSHIPS

Members	Refer to members' report note 3
Executive Authority	Ministry of Communications and Digital Technologies
Functional controlling department	DCDT
Fellow controlled departments	GCIS
Fellow DCDT-controlled entities	SABC
Fellow national government-controlled entities	BankSeta, PSETA, MICT SETA
Members of key management	Mr.T Rammitlwa (CEO) Mr.C Gardner (Executive Manager - Corporate Services)

By virtue of the fact that NEMISA is a national public entity, and controlled by national government, any other controlled entity of the national government is a related party. All transactions with such entities are at arm's length, and on normal terms.

The nature of transactions and outstanding balances with entities within the Communications and Digital Technologies portfolio falls within the mandated areas of NEMISA and were concluded on normal operating terms. These include: Lease agreements with SABC, OTT platform service contracts with GCIS, Conditional training grants from MICT SETA and digital skills training rollout for PSETA, BANKSETA, Parliamentary grant and project-specific contract income from DCDT

23. RELATED PARTIES (CONTINUED)

RELATED PARTY BALANCES	2025	2024
	R	R
UNSPENT CONDITIONAL GRANT		
DCDT contract income	(5,418,000)	(7,000,000)

An additional R7,000,000 was received on 28 March 2024, prior to year-end, as a conditional grant for an ICT training programme in cell phone repairs. The full amount was recorded in FY2023/24 under unspent conditional grants received. As at 31 March 2024, R5,418,000 of this grant remained unspent and is disclosed as a liability.

AMOUNTS INCLUDED IN TRADE RECEIVABLE (TRADE PAYABLE) REGARDING RELATED PARTIES

Bank Seta	2,571,250	16,755,750
SABC	(1,265,796)	-
GCIS	85,000	-

The transaction entered into with Bank Seta relates to training for Digital literacy training, Entrepreneurship programme and specialised digital technologies training. NEMISA is a training institute and training activities fall under its normal business activities. The balance are included in trade receivables in the Statement of Financial position.

The transaction with SABC relates to utility charges (water and electricity) under the existing lease agreement for NEMISA's office premises. The amount is included in trade payables and reflects the portion invoiced but not yet settled at year-end.

The outstanding balances are unsecured, interest-free, and are expected to be settled in cash. No guarantees have been received. An impairment has been recorded against the amount owed by Bank SETA.

COMMITMENTS WITH RELATED PARTIES

SABC	17,438,285	25,188,634
------	------------	------------

NEMISA entered into lease arrangement for office building with the SABC for a period of five years. Refer to note 19.

PROVISION FOR DOUBTFUL DEBTS RELATED TO OUTSTANDING BALANCES WITH RELATED PARTIES

Bank Seta	(2,571,250)	-
-----------	-------------	---

EXPENSES RECOGNISED IN RESPECT OF BAD OR DOUBTFUL DEBTS

Bank Seta	2,571,250	-
-----------	-----------	---

RELATED PARTY TRANSACTIONS**NON-EXCHANGE REVENUE**

Parliamentary grant and DCDT contract income	98,543,000	98,500,000
--	------------	------------

During the financial year, NEMISA recognised R98,543,000 in non-exchange revenue from the Department of Communications and Digital Technologies (DCDT), comprising R96,961,000 as the parliamentary grant received and recognised in FY2024/25, and R1,582,000 from a conditional grant received in March 2024 and recognised in the current year upon satisfaction of performance obligations related to the ICT cell phone repair training programme.

23. RELATED PARTIES (CONTINUED)

The transactions with PSETA, MICT SETA, the South African Broadcasting Corporation (SABC), and the Government Communication and Information System (GCIS) relate to training activities, conditional grants, lease arrangements, and OTT platform services, respectively. These transactions are included in revenue and expenditure where applicable. All were concluded through standard application or contractual processes available to eligible institutions, with no preferential treatment. The transactions occurred in the normal course of operations and under terms and conditions no more or less favourable than those with unrelated parties.

COMPENSATION TO MEMBERS AND OTHER	2025	2024
	R	R
Non-executive board members	1,735,889	2,006,245
Executive management	3,652,941	3,150,476
Senior managers	1,513,000	1,232,580
	6,901,830	6,389,301

KEY MANAGEMENT INFORMATION

CLASS	DESCRIPTION	NUMBER
Non-executive board members	Board members	7
Executive board members	CEO	1
Executive management	CFO	1
Senior manager	Head of Units	2

REMUNERATION OF MANAGEMENT

MANAGEMENT CLASS: BOARD MEMBERS 2025	BOARD MEMBERS FEES R	TRAVEL EXPENSE R	CELL PHONE AND DATA ALLOWANCE R	TOTAL R
Ms. M Leshabane ***	170,216	-	5,950	176,166
Ms. N Hlatshani	277,665	-	10,200	287,865
Mr. L Adendorf	329,496	17,397	10,200	357,093
Mr. M Lubega ***	109,560	-	5,950	115,510
Ms. T Buswana ***	192,984	-	5,950	198,934
Mr. Z Guma ***	166,584	-	5,950	172,534
Ms. DN Samushonga ***	133,848	-	5,950	139,798
Mr. P Lentswane	40,392	3,053	4,250	47,695
Prof. MI Primus	42,504	152	4,250	46,906
Mr. RR Seepersad	71,016	94	4,250	75,360
Ms. CE Simpson	73,128	132	4,250	77,510
Mr. F Docrat	36,168	99	4,250	40,517
	1,643,561	20,927	71,400	1,735,888

23. RELATED PARTIES (CONTINUED)

BOARD MEMBERS 2024	TRAVEL REIMBURSEMENTS R	CELL PHONE AND DATA ALLOWANCE R	OTHER BENEFITS RECEIVED R	TOTAL R
Ms. M Leshabane	376,851	3,304	10,200	390,355
Ms. N Hlatshane	325,248	146	10,200	335,594
Mr. L Adendorf	275,616	568	10,200	286,384
Mr. M Lubega	179,520	503	10,200	190,223
Ms. T Buswana *	466,752	4,144	10,200	481,096
Ms. DN Samushonga **	6,600	-	850	7,450
Mr. Z Le Guma	300,960	3,983	10,200	315,143
	1,931,547	12,648	62,050	2,006,245

Ms Buswana is the Programme and Academic Committee (PAAC) Chairperson, which deals with the core business of NEMISA. In addition to her duties as a Board member, she was required to attend site visits and engage with stakeholders in her capacity as the PAAC Chairperson.

** Ms. DN Samushonga appointed 1 December 2023.

*** The tenure of the previous NEMISA Board of Directors ended on 24 October 2024. A new Board was appointed by the Executive Authority on 25 October 2024.

MANAGEMENT CLASS: EXECUTIVE MANAGEMENT 2025	BASIC SALARY R	ACTING ALLOWANCES R	CELL PHONE AND DATA ALLOWANCES R	TOTAL R
Mr. T Rammitlwa (CEO)	2,038,888	-	33,000	2,071,888
Mr. C Gardner (EM:CS)	1,387,927	-	17,500	1,405,427
Ms. K Matlosa (ACFO)	-	168,626	7,000	175,626
	3,426,815	168,626	57,500	3,652,941

2024	BASIC SALARY R	BONUSES AND PERFORMANCE RELATED PAYMENTS R	TRAVEL EXPENSE R	CELL PHONE AND DATA ALLOWANCES R	TOTAL R
Mr. T Rammitlwa (CEO)	1,844,172	231,183	18,038	33,000	2,126,393
Mr. M Chowan (CFO)	997,725	-	5,839	20,519	1,024,083
	2,841,897	231,183	23,877	53,519	3,150,476

Mr. M Chowan (CFO) appointed 1 June 2023 and resigned 31 January 2024;

Mr. C Gardner (Executive manager - Corporate Services :EM:CS) appointed 1 June 2024;

Ms. K Matlosa (acting CFO) 1 April 2024 - 30 June 2024 and 2 August 2024 - 31 October 2024

SENIOR MANAGERS 2025	BASIC SALARY R	ACTING ALLOWANCES R	CELL PHONE AND DATA ALLOWANCES R	TOTAL R
Ms. P Swarts (CoSec)	1,231,029	-	21,000	1,252,029
Mr. R. Molukanele (Acting Head of Training)	-	242,971	18,000	260,971
	1,231,029	242,971	39,000	1,513,000

23. RELATED PARTIES (CONTINUED)

SENIOR MANAGERS 2024	BASIC SALARY R	ACTING ALLOWANCES R	CELL PHONE AND DATA ALLOWANCES R	TOTAL R
Ms. F Valla (CoSec)	330,449	-	1,750	332,199
Ms. P Swarts (CoSec)	276,346	-	5,250	281,596
Ms. B Mfaku (Acting CoSec)	-	145,238	8,000	153,238
Ms. B. M. Ramantsi (Head of Training)	290,297	-	4,469	294,766
Mr. R. Molukanele (Acting Head of Training)	-	170,781	-	170,781
	897,092	316,019	19,469	1,232,580

Ms. F Valla(CoSec) fixed term contract ended 20 April 2023; Ms. P Swart (CoSec) appointed 1 January 2024; Ms. B Mfaku (Acting CoSec) 1 May 2023 - 31 December 2023; Mr. R. Molukanele (Acting Head of Training) 19 June 2023 - 31 March 2025

24. GOING CONCERN

We draw attention to the fact that at 31 March 2025, the entity had an accumulated surplus (deficit) of R 6,194,567 and that the entity's total assets exceed its liabilities by R 6,194,567.

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

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

25. RISK MANAGEMENT

FINANCIAL RISK MANAGEMENT

The Accounting Authority has overall responsibility for the establishment and oversight of the entity's risk management framework. Due to the largely non-trading nature of activities and how they are financed, NEMISA is not exposed to the degree of financial risk faced by business entities. Financial Instruments play a much more limited role in creating or changing risks that would be typical of listed companies to which the IAS's mainly apply. Generally, Financial Assets and Liabilities are generated by day-operational activities and are not held to manage the entity's risks in undertaking its activities.

The Finance unit monitors and manages the financial risks relating to the operations through internal policies and procedures. These risks include interest rate risk, credit risk, and liquidity risk. The internal auditors review compliance with policies and procedures continuously and annually by external auditors. The entity does not enter or trade financial instruments for speculative purposes.

LIQUIDITY RISK

Prudent liquidity risk management implies maintaining sufficient cash.

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

Cash flow forecasts are prepared and submitted to the Department of Communications & Digital Technologies at the beginning of each financial year to determine the frequency of the drawdown for the appropriation income.

The amounts disclosed in financial liabilities are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

25. RISK MANAGEMENT (CONTINUED)

CREDIT RISK

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

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

FINANCIAL INSTRUMENT	2025 R	2024 R
Cash and cash equivalents	12,022,495	9,183,277
Receivables from exchange transactions	85,110	16,759,986

MARKET RISK

INTEREST RATE RISK

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

NEMISA's exposure to interest rate risk at year end relates to cash and cash equivalents. NEMISA places cash reserves which are in the form of cash and cash equivalents with the South African Reserve Bank. At 31 March 2025, NEMISA had significant cash in the Corporation Public Deposit account which earns interest at rates linked to the prime rate.

26. LONG SERVICE AWARDS

RECONCILIATION OF LIABILITY - 2025	OPENING BALANCE R	MOVEMENT DURING THE YEAR R	TOTAL R
Employee benefit cost	333,696	(17,812)	315,884

RECONCILIATION OF LIABILITY - 2024

	2025 R	2024 R
Non-current liabilities	268,760	276,717
Current liabilities	47,124	56,979
	315,884	333,696

NEMISA provides long service awards. Management estimates the value of NEMISA's obligations in this regard at each reporting date. These estimates take account of the existing policies and contractual obligations and the likelihood of employees remaining in service to receive the benefits. The prime lending rates used for FY2025 11% and FY2024 11.75%

24. CHANGE IN ESTIMATE

PROPERTY, PLANT AND EQUIPMENT

During the financial year, the useful lives of specific assets have been reassessed to reflect the actual pattern of service potential that NEMISA estimated could still be derived from these assets. In the current period management has revised their estimate, please refer Note 1.6 Average useful lives. The effect of this revision has increased the depreciation charges for the current and future periods by R 352,289

ASSET CLASS	DEPRECIATION BEFORE REVIEW R	DEPRECIATION AFTER REVIEW R	USEFUL LIFE REVIEW EFFECT R
Building	1,540	(1,540)	-
Furniture and fixtures	8,267	(8,267)	-
Motor vehicles	13,109	(13,109)	-
Office equipment	98,289	(102,407)	4,118
Computer equipment	2,339,560	(2,343,072)	3,512
Canteen	1,497	(1,497)	-
Television equipment	485,673	(492,817)	7,144
Radio equipment	218,723	(218,723)	-
	3,166,658	(3,181,432)	14,774

28. COMPARATIVE FIGURES

Certain comparative figures for the year ended 31 March 2024 have been reclassified to enhance the consistency and presentation of expenditure. These changes include the renaming of line items to better reflect the nature of the expenses, and the reallocation of specific cost elements. "Network Expenses" was renamed to "IT Expenses" to more accurately describe technology-related services. Cleaning costs were separated from outsourced professional fees, and COID and security-related costs, previously included under Consulting and Professional Fees, were reclassified under Operating Expenses as part of other overheads costs. These changes had no impact on the previously reported surplus or deficit.

EXPENDITURE	AS PREVIOUSLY REPORTED R	RE-CLASSIFICATION R	RECLASSIFICATION IMPACT R
Network Expenses	3,545,188	(3,545,188)	-
Professional fees outsourced services	781,678	(690,472)	91,206
Consulting	4,815,409	(4,740,742)	74,667
Operating Expenses	117,555,025	(117,720,898)	(165,873)
	126,697,300	(126,697,300)	-

29. OPERATING LEASE LIABILITY

NEMISA entered into a five-year operating lease agreement with the South African Broadcasting Corporation (SABC), effective 1 July 2022 to 30 June 2027, with a 5% annual escalation and a rent-free period from 1 July to 31 August 2022.

Lease payments are recognised on a straight-line basis over the lease term. The difference between actual payments and the straight-lined expense is recognised as an operating lease liability.

As at 31 March 2025, the resulting straight-lining adjustment amounted to R1,715,401 (2024: R1,842,540). This represents a timing difference and not a contractual liability, and will reverse over the lease term.

30. IRREGULAR AND FRUITLESS AND WASTEFUL EXPENDITURE

	2025 R	2024 R
Irregular expenditure	848,741	748,525
Fruitless and wasteful expenditure	3,000	81,516
Closing balance	851,741	830,041

CRIMINAL OR DISCIPLINARY STEPS TAKEN AS A RESULT OF LOSSES, IRREGULAR AND FRUITLESS AND WASTEFUL EXPENDITURE**INCIDENT STUDENT STIPENDS [2025] [FRUITLESS AND WASTEFUL EXPENDITURE]**

A stipend was erroneously paid to a student who subsequently withdrew from the NEMISA programme. The expenditure is considered fruitless as no services were rendered. Management is investigating the incident and assessing the recoverability of the amount. As at the reporting date, no amount has been recovered, and no disciplinary action has been taken.

INTEREST NOT DECLARED DURING SCM PROCESSES [2025] [IRREGULAR EXPENDITURE]

Irregular expenditure amounting to R1,438,000 was identified by the auditors through Computer Assisted Audit Techniques (CAATs). It was established that an employee had an undisclosed potential interest in a supplier, as the employee and the supplier's director are business partners or associates. Payments made to this supplier from FY2022 to FY2025 (R347,200;R550,500;R540,300) have therefore been classified as irregular expenditure.

CONTRACT EXCEEDED 15% VARIATION [2025] [IRREGULAR EXPENDITURE]

This relates to expenditure incurred under an IT contract (R242,441) and rental contract (R66,000) that exceeded the 15% variation threshold without the required approval, in contravention of National Treasury guidelines. Management is currently investigating the matter. As at the reporting date, no disciplinary action has been taken.

NOTES

NOTES

**26 Canary Street
Auckland Park
Johannesburg
2193
South Africa**

info@nemisa.co.za

RP331/2025
ISBN: 978-1-83491-240-0

www.nemisa.co.za