



# PRESENTATION ON USAASA & USAF ANNUAL REPORTS OF 2020/21 FINANCIAL YEAR

PORTFOLIO COMMITTEE ON COMMUNICATIONS (PCC)

11 NOVEMBER 2021



**USAASA**

Universal Service and Access Agency of South Africa



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# AUDITED USAASA PERFORMANCE INFORMATION

2020/2021 FY

**Key vacant positions filled in an organisation structure** : Executive Manager Operations appointed on a fixed term contract of 12 months and Interim Chief Financial Officer seconded by DCDDT

**The Enterprise Risk Maturity Level Established** : The risk maturity level was determined to be at level 3 (43%) for Q4, compared to level 2 (32%) in Q2, by year-end

**Geographic Information Mapping System (GIS) Mapping Capability** : Approved Universal Service and Access Geographic Information Mapping Capability Plan

### **Establishment of the Project Management Office to manage the Broadcasting Digital Migration Rollout**

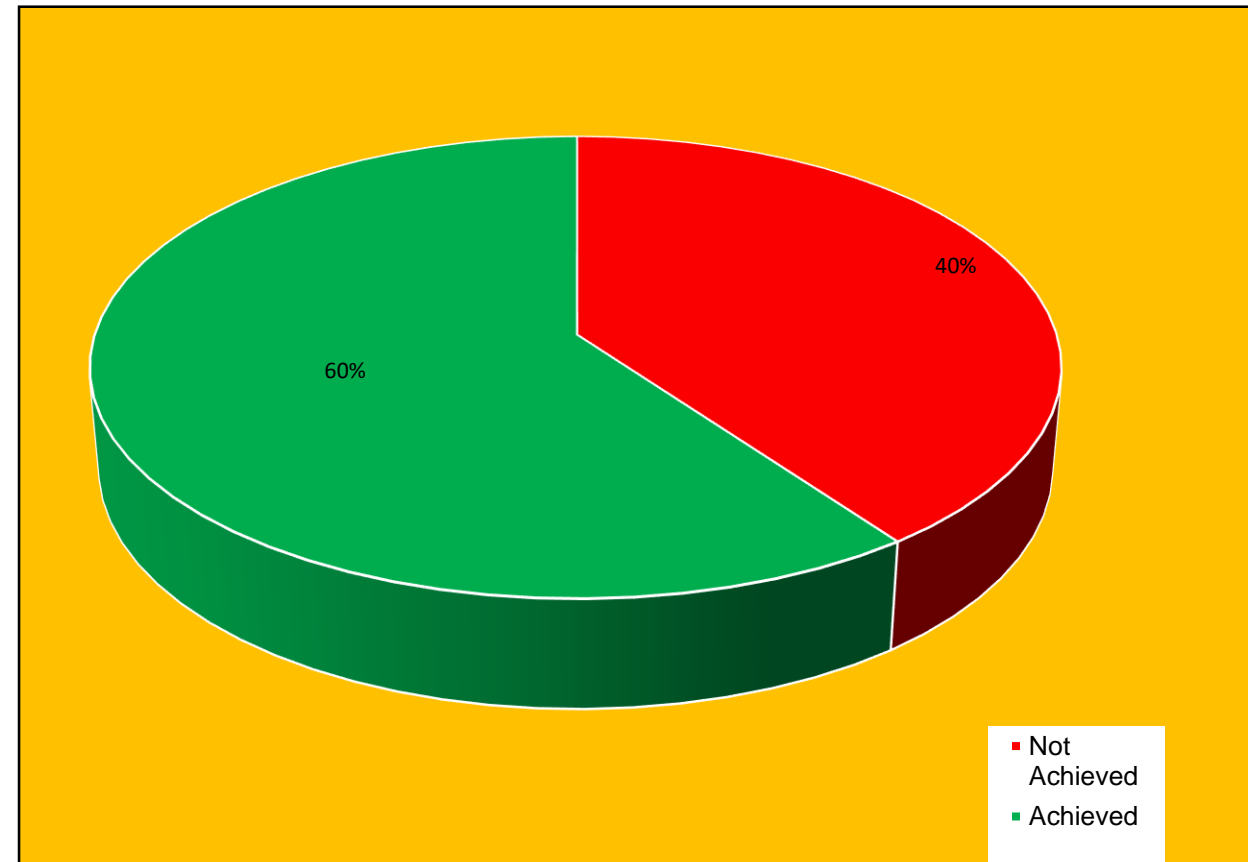
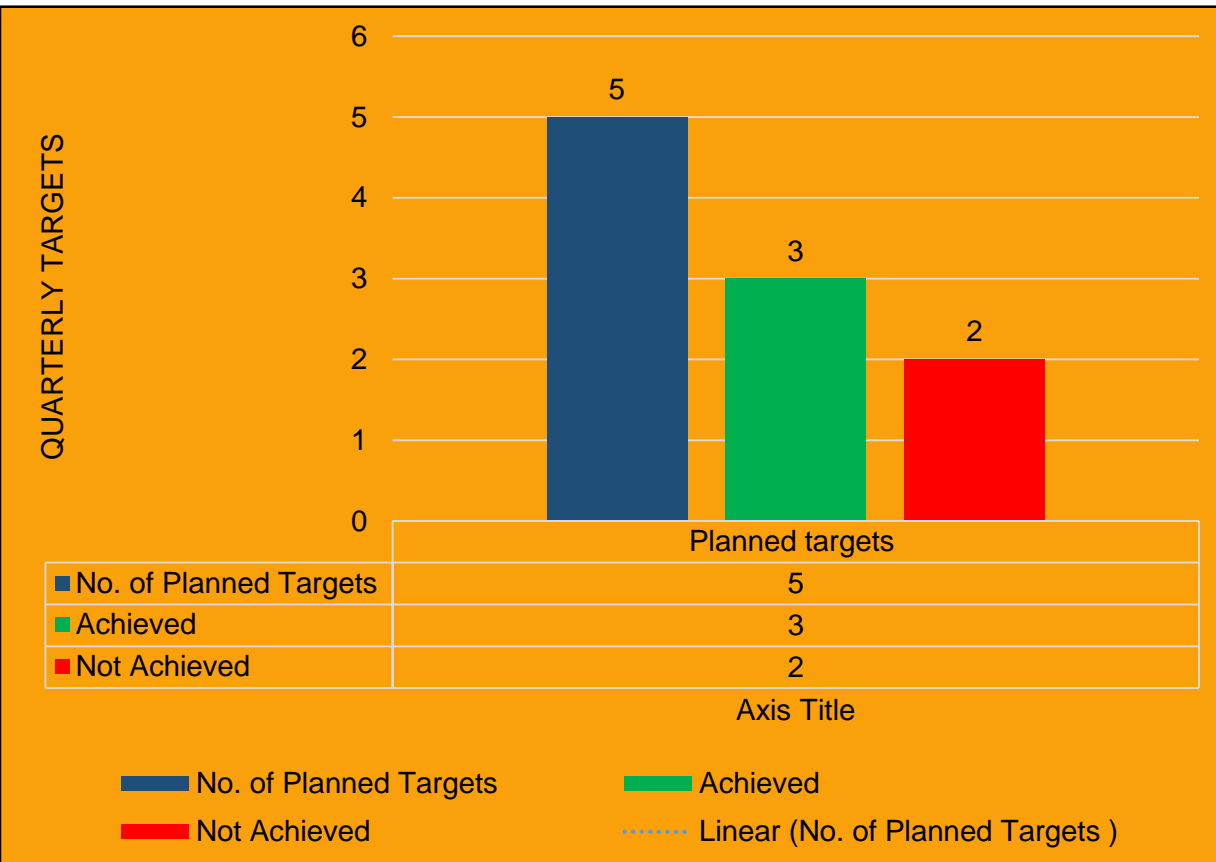
- The appointment of Sentech to install Set-Top-Boxes to qualifying households took place.
- The revised PMO structure was approved by the Minister which included 37 District Coordinators and the Senior Manager BDM.
- The capacitation of the revised PMO structure did not take place by end of the financial year.

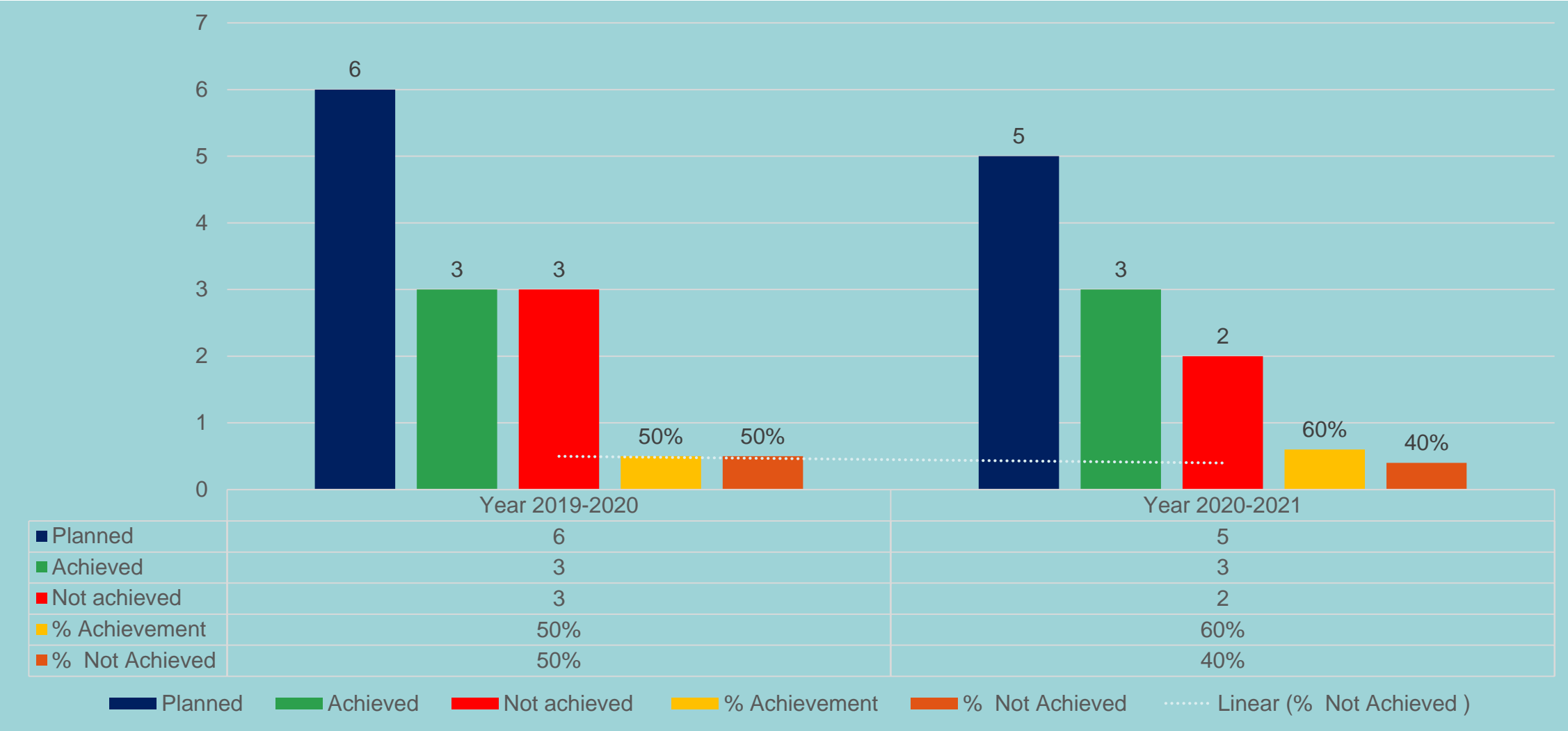
### **Partnership with Organ(s) of State to provide Broadband Connectivity**

- The National Treasury authorised participation in a Transversal Contract on Communication Services with Telkom SA SOC Limited.
- The final appointment process did not materialise as the Transversal Contract was not in line with the products and services required by USAASA as the Procuring Organ of State.

## SUMMARY OF USAASA ANNUAL PERFORMANCE

The below graphs depict the Agency's achieved annual targets against the planned annual targets in the 2020/21 approved USAASA Annual Performance Plan. Three (3) of the Five (5) planned targets were achieved, being 60% of the total planned targets, and Two (2) of the Five (5) planned targets were not achieved, being 40% of the total annual planned targets.





## USAASA ANNUAL PERFORMANCE INFORMATION 2020/21

### Reporting Against the Revised Annual Performance Plan

#### Key Vacant Positions Filled in Organisational Structure

Programme / Sub-programme:								
Outcome	Output	Output indicator	Audited actual performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021	Deviation from Planned Target to Actual Achievement 2020/2021	Reasons for Deviations
A well-governed and high-performance organisation and Fund delivering on its mandate	Capacitate the organisation	Key vacant positions in the organisational structure filled	-	-	Two critical vacant positions in the organisational structure filled	Achieved The Executive Manager for Operations and the Interim Chief Financial seconded by DCDT were appointed to fill in the two critical vacant positions in the approved organisational structure	Not applicable	Not applicable

## Reporting Against the Revised Annual Performance Plan

### Programme / Sub-programme:

Outcome	Output	Output indicator	Audited actual performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021	Deviation from Planned Target to Actual Achievement 2020/2021	Reasons for Deviations
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### Enterprise Risk Maturity Level Established

A well-governed and high-performance organisation and Fund delivering on its mandate	Improved risk management services	USAASA enterprise risk maturity level	-	-	Enterprise risk maturity assessment conducted to establish a baseline	<b>Achieved</b> Enterprise risk maturity assessment was conducted to establish baseline  The risk maturity level was determined to be at level 3 (43%) for Q4, compared to level 2 (32%) in Q2, by year-end	Not applicable	Not applicable
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## USAASA ANNUAL PERFORMANCE INFORMATION 2020/21

### Reporting Against the Revised Annual Performance Plan

#### Project Management Office to Manage BDM Roll Out

Programme / Sub-programme:								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021	Deviation from Planned Target to Actual Achievement 2020/2021	Reasons for Deviations
An optimised delivery system to support the achievement of the mandate	Project Management Office to manage STB installations	Appointment of the Project Management Office	-	-	PMO service and personnel capacitation	<p style="color: red; margin: 0;"><b>Not achieved</b></p> <p>The appointment of Sentech took place, but the capacitation of personnel in the Project Management Office did not take place as planned</p>	<p>Management only prioritised the appointment of Sentech.</p> <p>The prioritisation of the approval of district coordinators on the organisational structure to enable the function of proactive registrations and monitoring the installations on the ground to take place through appointments</p>	Lack of adequate management oversight in prioritising the implementation of the target output indicators resulted in the non-execution of the establishment of the PMO service and personnel capacitation by year-end

## USAASA ANNUAL PERFORMANCE INFORMATION 2020/21

### Reporting Against the Revised Annual Performance Plan

#### Partnership with Organ(s) of State to Provide Broadband Connectivity

##### Programme / Sub-programme:

Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021	Deviation from Planned Target to Actual Achievement 2020/2021	Reasons for Deviations
An optimised delivery system to support the achievement of the mandate	Partnership with organ(s) of state to provide and to monitor broadband connectivity	Approved partnership with organ(s) of state to provide and to monitor broadband connectivity	-	-	Appointment of organ(s) of state to manage broadband connectivity	<p><b>Not achieved</b></p> <p>The service provider was not appointed to manage broadband connectivity as planned</p> <p>The appointment was made through an authorised deviation by National Treasury on a transversal contract for essential communication services</p>	Lack of proper management oversight to track the delivery of the planned target and alignment with National Treasury prescripts on supply chain management processes by making use of the applicable guidelines for participation in transversal term contracts facilitated by National Treasury	Management failure to prioritise the target as planned and also not aligning the National Treasury deviation from approval of the guide to participation in transversal term contracts facilitated by National Treasury

## USAASA ANNUAL PERFORMANCE INFORMATION 2020/21

### Reporting against the Revised Annual Performance Plan

#### Geographic Information System (GIS) Mapping Capability

Programme / Sub-programme:								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021	Deviation from Planned Target to Actual Achievement 2020/2021	Reasons for Deviations
A respected thought leader in universal access and universal service	Sector insights and analytics	Progress towards development of capability of universal access and universal service geographic information mapping functionality	-	-	Universal access and universal service geographic information mapping capability plan approved	Achieved EXCO approved universal access and universal service capability plan	Not applicable	Not applicable



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# USAASA AUDITED FINANCIAL STATEMENTS

2020/2021 FY

# Audited USAASA Annual Financial Statements 2020/2021

## Statement of Financial Position as at 31 March 2021

	Note(s)	2021 R'000	2020 R'000
<b>Assets</b>			
<b>Current Assets</b>			
Receivables from exchange transactions	4	2 568	1 868
Cash and cash equivalents	5	229 626	34 355
		<b>232 194</b>	<b>36 223</b>
<b>Non-Current Assets</b>			
Property & Equipment	2	360	596
Intangible Assets	3	3	29
		<b>363</b>	<b>625</b>
<b>Total Assets</b>		<b>232 557</b>	<b>36 848</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	6	10 454	11 943
Provisions	7	3 499	5 850
		<b>13 953</b>	<b>17 793</b>
<b>Total Liabilities</b>		<b>13 953</b>	<b>17 793</b>
<b>Net Assets</b>		<b>218 604</b>	<b>19 055</b>
<b>Accumulated surplus / (deficit)</b>		<b>218 604</b>	<b>19 055</b>

# Audited USAASA Annual Financial Statements 2020/2021

## Statement of Financial Performance as at 31 March 2021

	Note(s)	2021 R'000	2020 R'000
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Recoveries		36	514
Interest received - investment		3 981	1 931
		<b>4 017</b>	<b>2 445</b>
<b>Revenue from non-exchange transactions</b>			
<b>Transfer Revenue</b>			
Government grants & subsidies		261 385	82 949
		<b>261 385</b>	<b>82 949</b>
<b>Total Revenue</b>	8	<b>265 402</b>	<b>85 394</b>
<b>Expenditure</b>			
Employee related cost	9	(50 517)	(48 821)
Legal fees		(535)	(297)
Depreciation and amortisation		(295)	(16 252)
Finance costs		(722)	(283)
Lease rentals on operating lease		(4 887)	(5 517)
General expenses	10	(8 897)	(20 415)
<b>Total Expenditure</b>		<b>(65 853)</b>	<b>(91 585)</b>
<b>Surplus/(Deficit) the year</b>		<b>199 549</b>	<b>(6 191)</b>

# Audited USAASA Annual Financial Statements 2020/2021

## Statement of Changes in Net Assets as at 31 March 2021

	Accumulated Surplus R'000	Total Net Assets R'000
<b>Balance as at 1 April 2019</b>	<b>25 246</b>	<b>25 246</b>
Changes in net assets		
Surplus/(Deficit) for the period	(6 732)	(6 732)
Total changes	(6 732)	(6 732)
Opening balance as previously reported	18 514	18 514
Adjustments		
Prior year adjustments	541	541
<b>Balance as at 1 April 2020 as reinstated</b>	<b>19 055</b>	<b>19 055</b>
Changes in net assets		
Surplus / (Deficit) for the period	199 549	199 549
Total Changes	199 549	199 549
<b>Balance as at 31 March 2021</b>	<b>218 604</b>	<b>218 604</b>

# Audited USAASA Annual Financial Statements 2020/2021

## Statement of Changes in Net Assets as at 31 March 2021

	Accumulated Surplus R'000	Total Net Assets R'000
<b>Balance as at 1 April 2019</b>	<b>25 246</b>	<b>25 246</b>
Changes in net assets		
Surplus/(Deficit) for the period	(6 732)	(6 732)
Total changes	(6 732)	(6 732)
Opening balance as previously reported	18 514	18 514
Adjustments		
Prior year adjustments	541	541
<b>Balance as at 1 April 2020 as reinstated</b>	<b>19 055</b>	<b>19 055</b>
Changes in net assets		
Surplus / (Deficit) for the period	199 549	199 549
Total Changes	199 549	199 549
<b>Balance as at 31 March 2021</b>	<b>218 604</b>	<b>218 604</b>



# Audited USAASA Annual Financial Statements 2020/2021

## Statement of Comparison of Budgets and Actual Amounts as at 31 March 2021

	Approved Budget R'000	Adjustments R'000	Final Budget R'000	Actual Amounts on Comparable Basis R'000	Difference Between Final Budget and Actual R'000	Reference
<b>Revenue</b>						
<b>Revenue from exchange transactions</b>						
Recoveries	-	-	-	36	36	Recoveries from former employees
Interest received -investment	800	-	<b>800</b>	3 981	3 181	Interest income earned from short-term investment - Call Account
<b>Revenue from non-exchange transactions</b>						
<b>Transfer revenue</b>						
Government grants & subsidies	264 881	14 404	<b>279 285</b>	261 385	(17 900)	Reduction in the baseline in respect of compensation of employees amounting to R3,496M. Approval has been received to retain an amount of R17,9M for 2019/20. The mentioned amount will be utilised for funding the replacement of tools of trade and partially funding legal fees.
<b>Total Revenue</b>	<b>265 681</b>	<b>14 404</b>	<b>280 085</b>	<b>265 402</b>	<b>(14 683)</b>	
<b>Expenditure</b>						
Personnel	(58 171)	3 496	<b>(54 675)</b>	(50 517)	4 158	Savings is due to vacancies.
Legal fees	(1 333)	(14 900)	<b>(16 233)</b>	(535)	15 698	Current litigations could not be concluded and continue into the new financial year. It is projected that cases will be finalised in the 2021/22 financial year. R14,9M of the approved retained funds is allocated to legal fees.

# Audited USAASA Annual Financial Statements 2020/2021

## Statement of Comparison of Budgets and Actual Amounts as at 31 March 2021

	Approved Budget R'000	Adjustments R'000	Final Budget R'000	Actual Amounts on Comparable Basis R'000	Difference Between Final Budget and Actual R'000	Reference
Depreciation & amortisation	-	-	-	(295)	(295)	Non-cash item not budgeted for
Finance cost	-	-	-	(722)	(722)	Unanticipated cost
Lease rentals on operating lease	(5 302)	-	<b>(5 302)</b>	(4 887)	415	Savings due to cancellation of SAPO office rent.
General expenses	(200 875)	(3 000)	<b>(203 875)</b>	(8 897)	194 978	Big saving due to the distribution cost for SAPO for BDM Warehousing R178M not utilised this year. R3M of the approved retained surplus is allocated to general expenses.
<b>Total Expenditure</b>	<b>(265 681)</b>	<b>(14 404)</b>	<b>(280 085)</b>	<b>(65 853)</b>	<b>214 232</b>	
<b>Surplus/(Deficit) for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>199 549</b>	<b>199 549</b>	
<b>Actual Amount on comparable Basis as presented in the Budget and Actual Comparative Statement</b>						



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# AUDITED USAF PERFORMANCE INFORMATION

2020/2021 FY

## **BDM PHASE 1: Installation of 860 000 set-top-boxes**

- 12 872 set-top-boxes were installed however, only 830 units installed met the signed SLA standard.
- The DTT installation rate of R370 offered by the Agency is un-attractive to installers resulting in them prioritizing other installation offers provided by other industry partners, hence slow installation rate.
- Shortage of accredited and competent installers in priority provinces further contributed to the low installation rate.

## **BDM Phase 2: Voucher system Implementation Plan to rollout the voucher system finalised**

- The draft implementation plan to rollout the electronic voucher system was finalized, although not sanctioned as required in terms of the initial APP

## **BDM Phase 2: 278 011 subsidised digital television installations coordinated in identified provinces**

- The target was not achieved due to the non-responsiveness of the bid. .

## Broadband Connectivity Rollout :

300 sites in King Sabata Dalindyebo, Mhlontlo, Ingquza Hill and Port St Johns Local Municipalities (OR Tambo District Municipality)

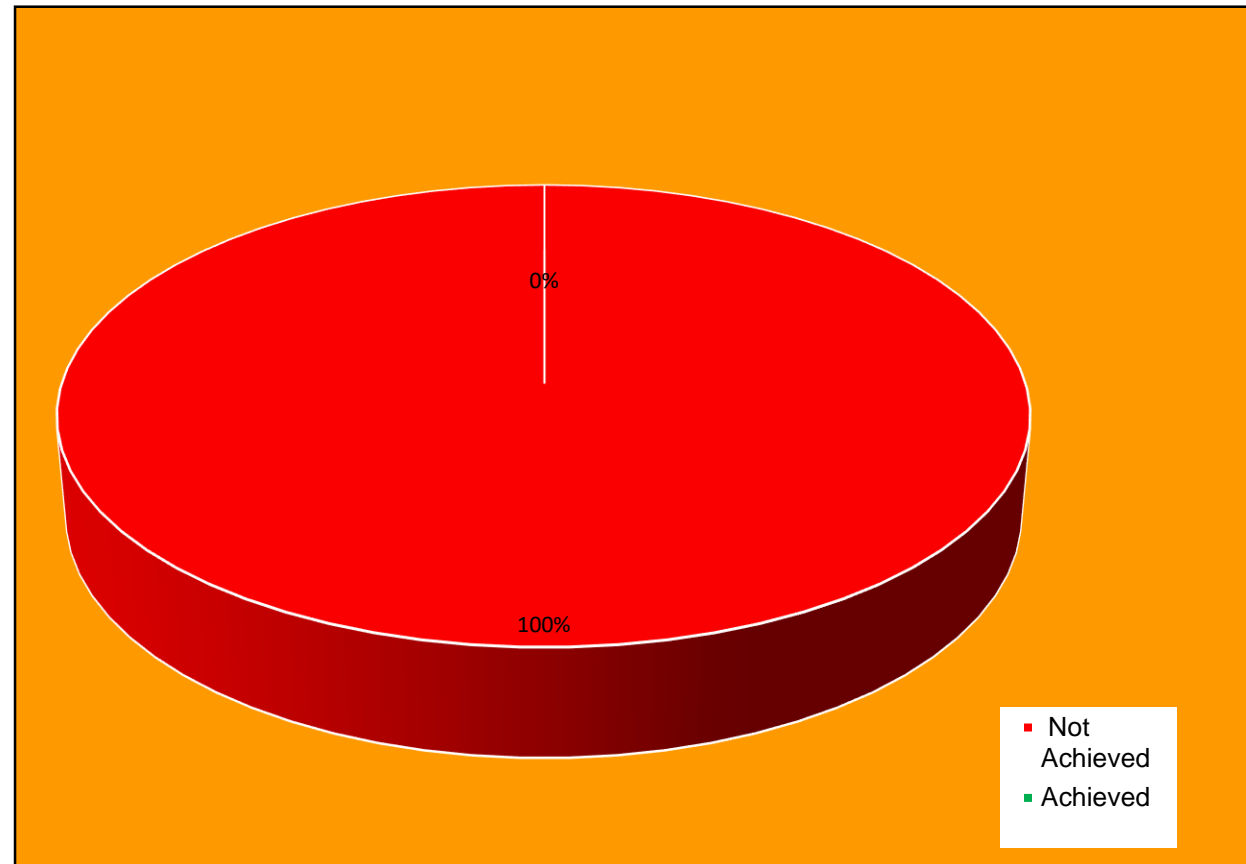
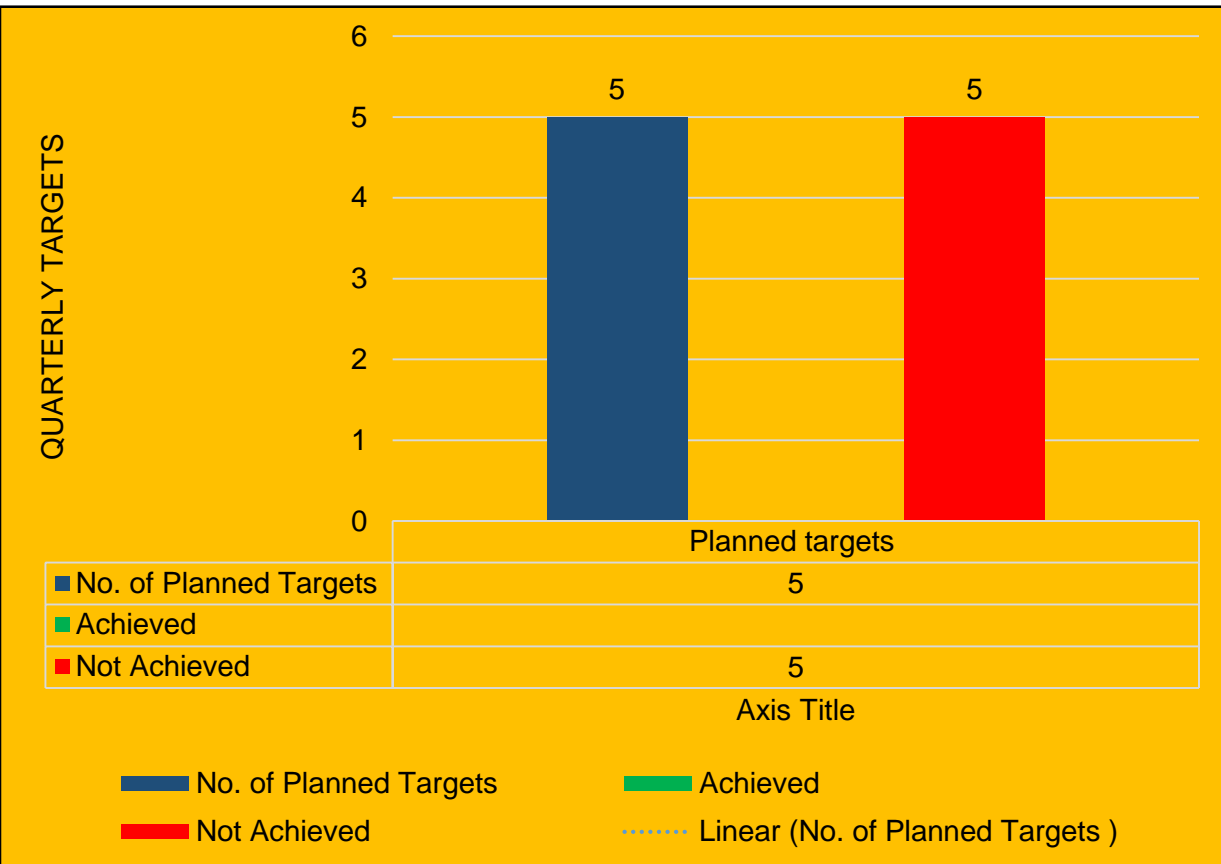
- The target was not achieved due to the misalignment of the Master Service Agreement to the drafted SLA, as well as both parties not reaching an agreement
- The budget rollover request has been sent to National Treasury for retention of funds following the conclusion of the audit process.

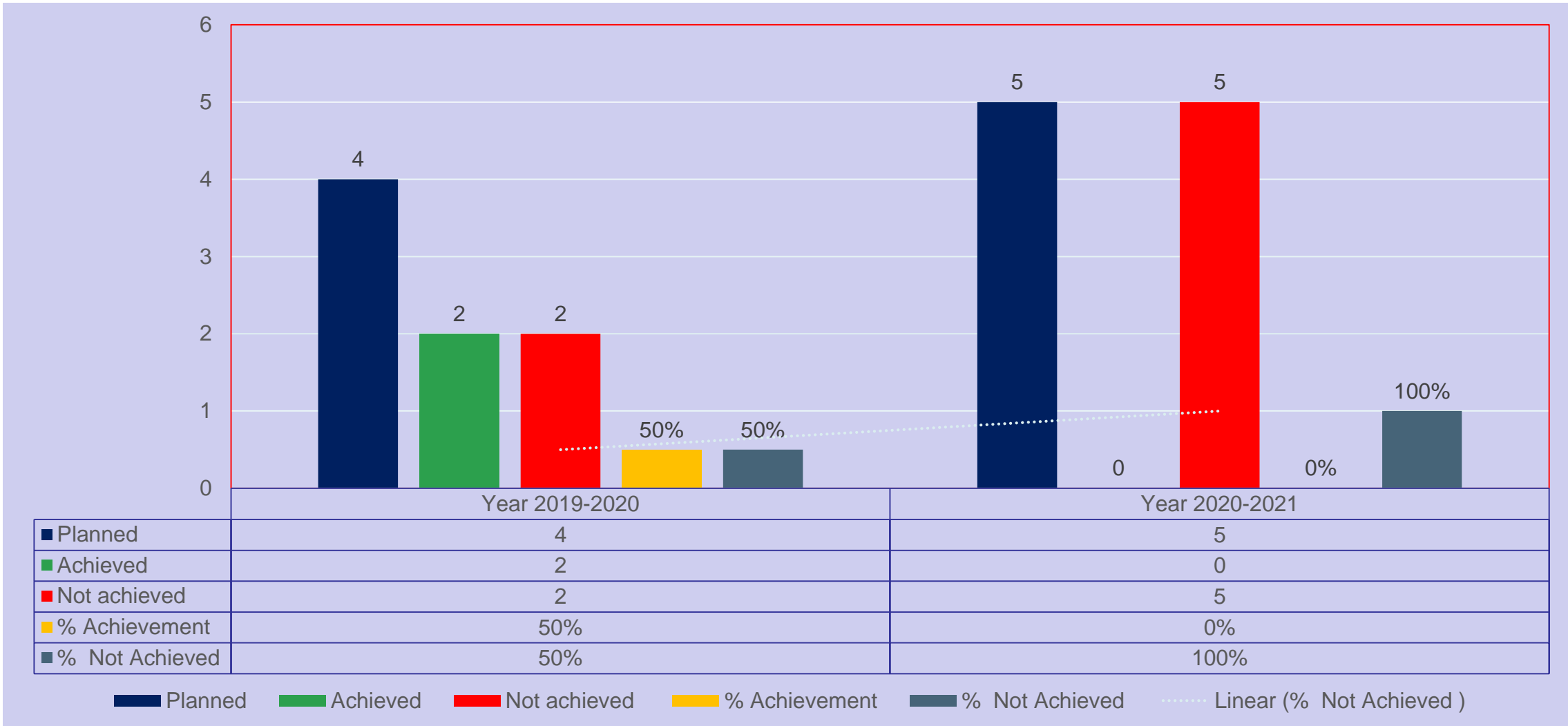
**Broadband Connectivity Monitoring:**  
212 sites connected in prior years at Nyandeni Local Municipality (OR Tambo District Municipality)

- The revision of the broadband connectivity model needed a different end to end sustainable service and the impacted on the contract renewal process.
- The commissioned open review process on service offering by the service provider resulted on the contract not being renewed.

## SUMMARY OF USAF ANNUAL PERFORMANCE

The below graphs depict the Fund's achieved annual targets against the planned annual targets in the 2020/21 approved USAF Annual Performance Plan. None of the Five (5) planned targets was achieved, resulting in 100% non-achievement for the financial year. None of the five planned targets was achieved, resulting in 100% non-achievement for the financial year.





# USAF ANNUAL PERFORMANCE INFORMATION 2020/21

## Reporting Against the Revised Annual Performance Plan

### Broadcasting Digital Migration: Phase 1 - Installation Of 860 000 Set-Top Boxes

Programme / Sub-programme:								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021	Deviation from Planned Target to Actual Achievement 2020/2021	Reasons for Deviations
Broadened access to broadcast digital services by a qualifying Households	Current inventory of set-top box kits installed at qualifying households	Number of set-top box kits installed at qualifying households	209 689 (509 073)	4 387	Installation of 860 000 subsidised set-top-box kits at qualifying households	Not achieved A total of 12 872 installations were done by year-end	The number of set-top-box kits installed as at 31 March 2021 is 12 872 units.	<p>DTT installation rate of R250 unfavourable to installers leading to low motivation and poor uptake by installers. The low levels of competent, skilled and accredited local installers also contributed towards the installation daily run rate</p> <p>Shortage of accredited local installers in priority provinces attributed to poor installation run rate</p> <p>Limitation on the logistics distribution, SAPO storage outlets and allocation of installers</p>



# USAF ANNUAL PERFORMANCE INFORMATION 2020/21

## Reporting Against the Initial Annual Performance Plan

### Broadcasting Digital Migration: Phase 2 – Voucher System

#### Programme / Sub-programme:

Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021 until Date of Re-tabling	Deviation from Planned Target to Actual Achievement 2020/2021	Reasons for Deviations	Reasons for Revisions to the Outputs / Output Indicators / Annual Targets
Broadened access to broadcast digital services by qualifying households	Qualifying households migrated to digital terrestrial television	Number of vouchers issued to qualifying households for subsidised digital television installation	-	-	Implementation plan to roll out the voucher system finalised	<b>Not achieved</b> The draft implementation plan on the roll out of the voucher system was developed as planned and submitted to DCDT	The draft implementation plan on the roll out of the voucher system was presented to the DCDT by Q2 (2020-21) as planned, however, the actual approval of the final implementation plan did not take place	The management shift of focus from the actual development of the implementation plan to roll out the voucher system and actual issuance of the voucher from Q3 finally resulted in the implementation plan being presented in Q4 (2020-21)	The clarity on the performance indicator on voucher implementation and budget adjustments resulted in reduced allocation from R578, 721,000 to R500,421,000, resulting in R78,300,000 in BDM budget reduction in the financial year of 2020-2021. This resulted in the revision from 321 512 to 278 017 qualifying households, which necessitated a revision on the annual targets according to the downward revision

# USAF ANNUAL PERFORMANCE INFORMATION 2020/21

## Reporting Against the Revised Annual Performance Plan

### Broadcasting Digital Migration: Phase 2 – Voucher System

#### Programme / Sub-programme:

Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021	Deviation from Planned Target to Actual Achievement 2020/2021	Reasons for Deviations
Broadened access to broadcast digital services by qualifying households	Qualifying households migrated to digital terrestrial television	Number of qualifying households migrated to digital terrestrial television through a voucher system	-	-	278 011 subsidised digital television installations coordinated and in three provinces.	Not achieved There was no voucher issuance.	Management failure to exercise proper oversight to ensure that the approved terms of reference are within the current standards and requirements set by South Bureau of Standards (SABS) to secure the appointment of the suppliers / manufacturers to distribute digital television devices at retail level is in place by end of Q2 as planned	The bid no-responsiveness owing to the approved terms of reference used to solicit bid proposal resulted in management failure to secure the establishment of a panel of suppliers / manufacturers for the distribution of digital television devices at a retail level by Q2 (2020-21) to enable the voucher distribution in qualifying households

# USAF ANNUAL PERFORMANCE INFORMATION 2020/21

## Reporting Against the Revised Annual Performance Plan

### Broadband Connectivity Roll Out

#### Programme / Sub-programme:

Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021	Deviation from Planned Target to Actual Achievement 2020/2021	Reasons for Deviations
Increased access to broadband in underserved areas	Broadband internet connectivity to new broadband-connected sites in four municipal areas	Number of sites with broadband internet connectivity to new sites in identified local municipal areas	200	0	Provision of broadband internet connectivity services to 300 sites	Not achieved The was no provision of broadband internet connectivity services to 300 sites as planned by year-end	The actual approval of the Service Level Agreement of the preferred service provider did not materialise resulting in no sites deployed in Ingquza Hill and Port St Johns by year-end	Management failure to prioritise the alignment of the terms of reference to the transversal terms and conditions resulted in the appointment process being nullified by year-end to circumvent irregularities in the supply chain management component

# USAF ANNUAL PERFORMANCE INFORMATION 2020/21

## Reporting Against the Revised Annual Performance Plan

### Broadband Connectivity Monitoring

Programme / Sub-programme:								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021	Deviation from Planned Target to Actual Achievement 2020/2021	Reasons for Deviations
Increased access to broadband in underserved areas	Broadband internet connectivity at sites with an existing broadband connection	Percentage of internet connectivity provided at all time at sites with existing broadband ensured	23%	89,10%	80% of internet connectivity provided at all time at sites with existing broadband	Not achieved There was 0% recorded connectivity ensured at all times at sites with existing broadband by year-end	The expiry of the subsidy connectivity contracts resulted in no connectivity measured to determine the percentage connectivity to sites by year-end	The 2-year subsidy connectivity agreement came to an end on 31 October 2020, which resulted in zero connectivity agreements entered into in the prior years and zero sites to measure for connectivity



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# USAF AUDITED FINANCIAL STATEMENTS

2020/2021 FY

# Audited USAF Annual Financial Statements 2020/2021

## Statement of Financial Position as at 31 March 2021

	Note(s)	2021 R'000	2020 R'000
<b>Assets</b>			
<b>Current Assets</b>			
Inventories	2	882 590	883 339
Receivables from exchange transactions	3	20 898	21 610
Cash and cash equivalents	4	1 691 682	1 104 401
		<b>2 595 170</b>	<b>2 009 350</b>
<b>Total Assets</b>		<b>2 595 170</b>	<b>2 009 350</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Payables from exchange transactions	6	19 425	34 326
Provisions	5	46 695	25 000
		<b>66 120</b>	<b>59 326</b>
<b>Total Liabilities</b>		<b>66 120</b>	<b>59 326</b>
<b>Net Assets</b>		<b>2 529 050</b>	<b>1 950 024</b>
<b>Accumulated surplus / (deficit)</b>		<b>2 529 050</b>	<b>1 950 024</b>

The accounting policies on pages 8 to 20 and the notes on pages 21 to 27 form an integral part of the financial statements. An open review was performed by USAASA to confirm existence of inventory. SAPO and USAASA have agreed to appoint an independent forensic investigator to confirm existence of inventory.

Ellies Industries the contracted supplier for DTH Satellite Dishes went into liquidation in April 2021 whilst warehousing (number) DTH Satellite dishes and accessories in an unpacked format on behalf of USAASA. Ellies Industries were paid in full for their order. USAASA needs to remove their unpacked inventory before the end of June 2021 thus imposing a risk that USAASA will incur additional costs for the packaging and removal of the stock from the Ellies warehouse.

# Audited USAF Annual Financial Statements 2020/2021

## Statement of Financial Performance as at 31 March 2021

	Note(s)	2021 R'000	2020 R'000
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Interest received - investment	8	39 153	75 456
<b>Revenue from non-exchange transactions</b>			
<b>Transfer Revenue</b>			
Government grants & subsidies	9	563 507	63 622
<b>Total Revenue</b>	7	<b>602 660</b>	<b>139 078</b>
<b>Expenditure</b>			
Broadcasting Digital Migration Project (BDM)	12	(29 487)	(38 470)
Broadband project	13	(60)	(14 802)
Audit Fees	11	(1 235)	(1 095)
Administrative Expenses	10	(2)	(4)
<b>Total Expenditure</b>		<b>(30 784)</b>	<b>(54 371)</b>
<b>Surplus/(Deficit) the year</b>		<b>571 876</b>	<b>84 707</b>

# Audited USAF Annual Financial Statements 2020/2021

## Statement of Changes in Net Assets as at 31 March 2021

	Accumulated Surplus R'000	Total Net Assets R'000
Opening balance as previously reported	1 849 608	1 849 608
Adjustments		
Prior Year adjustments	16 015	16 015
<b>Balance as at 1 April 2019 as reinstated*</b>	<b>1 865 623</b>	<b>1 865 623</b>
Changes in net assets		
Surplus / (Deficit) for the period	98 161	98 161
Total changes	98 161	98 161
Opening balance as previously reported	1 963 784	1 963 784
Adjustments		
Adjustment of prior year expenses	(6 610)	(6 610)
<b>Balance as at 1 April 2020 as reinstated*</b>	<b>1 957 174</b>	<b>1 957 174</b>
Changes in net assets		
Surplus / (Deficit) for the period	571 876	571 876
Total Changes	571 876	571 876
<b>Balance as at 31 March 2021</b>	<b>2 529 050</b>	<b>2 529 050</b>



# Audited USAF Annual Financial Statements 2020/2021

## Statement of Comparison of Budgets and Actual Amounts at 31 March 2021

	Approved Budget R'000	Adjustments R'000	Final Budget R'000	Actual Amounts on Comparable Basis R'000	Difference Between Final Budget and Actual R'000	Reference
<b>Statement of Financial Performance</b>						
<b>Revenue</b>						
<b>Revenue from exchange transactions</b>						
Interest received	100 000	-	<b>100 000</b>	39 153	(60 847)	Interest income earned from short-term investment - Call Account
<b>Revenue from non-exchange transactions</b>						
<b>Transfer revenue</b>						
Government grants & subsidies	641 807	988 700	<b>1 630 507</b>	563 507	(1 067 000)	R78,3 million was a reduction in the baseline of USAF in the 2020/21 financial year. Reduction was in relation to the BDM Project. Approval was granted to retain saving of 2019/20 of R1,067 billion which will be utilised towards BDM.
<b>Total Revenue</b>	<b>741 807</b>	<b>988 700</b>	<b>1 730 507</b>	<b>602 660</b>	<b>(1 127 847)</b>	
<b>Expenditure</b>						
Digital Terrestrial Television	(578 721)	(988 700)	<b>(1 567 421)</b>	(29 487)	<b>1 537 934</b>	The implementation of the BDM Project Phase 2 had been delayed. Implementation will commence in the 2021/22 financial year.

# Audited USAF Annual Financial Statements 2020/2021

## Statement of Comparison of Budgets and Actual Amounts at 31 March 2021

	Approved Budget R'000	Adjustments R'000	Final Budget R'000	Actual Amounts on Comparable Basis R'000	Difference Between Final Budget and Actual R'000	Reference
<b>Statement of Financial Performance <i>contd.</i></b>						
Broadband	(158 934)	-	<b>(158 934)</b>	(60)	<b>158 874</b>	Expenditure will take place in the next financial year.
Audit fees	(4 127)	-	<b>(4 127)</b>	(1 235)	<b>2 892</b>	Audit fees incurred during the year mainly for 2019/20 audit process.
Administrative expenses	(25)	-	<b>(25)</b>	(2)	<b>23</b>	Bank charges incurred during the year have decreased.
<b>Total Expenditure</b>	<b>(741 807)</b>	<b>(988 700)</b>	<b>(1 730 507)</b>	<b>(30 784)</b>	<b>1 699 723</b>	
<b>Deficit from operations</b>	-	-	-	<b>571 876</b>	<b>571 876</b>	
<b>Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement</b>	-	-	-	<b>571 876</b>	<b>571 876</b>	



USAASA

Universal Service and Access Agency of South Africa

*Enkosi*

*Thank You*

*Rea Leboha*

