



iSimangaliso
Wetland Park



PUSHING BACK POVERTY
THROUGH CONSERVATION & ECOTOURISM

ANNUAL REPORT 2022/2023





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PART A: GENERAL INFORMATION

LEGAL FORM OF ENTERPRISE
 Established by Regulation 1193 of 24 November 2000, under the World Heritage Convention Act 49 of 1999. The iSimangaliso Wetland Park Authority is a Schedule 3A Public Entity.

NATURE OF BUSINESS
 The iSimangaliso Authority's business is to conserve the iSimangaliso Wetland Park and to create jobs and benefits for communities living in and adjacent to the Park through optimal tourism-based development. iSimangaliso is, therefore, in the business of conservation, local economic development, and tourism.

NAME: iSimangaliso Wetland Park Authority

REGISTRATION NUMBERS
 The iSimangaliso Wetland Park Authority is a Public Entity established in terms of the National Environmental Management: Biodiversity Act of 2004 (No. 10 of 2004)

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EXTERNAL AUDITOR: Auditor-General of South Africa

BANK: First National Bank

LIST OF ACRONYMS AND ABBREVIATIONS

AFS	Annual Financial Statements	IT	Information Technology
AG	Auditor-General	KZN	KwaZulu-Natal
APP	Annual performance plan	MLRA	Marine Living Resources Act, 1998 (Act 18 of 1998)
APO	Annual plan of operation	MoU	Memorandum of understanding
ARC	Audit Risk Committee	MPA	Marine Protected Area
BEE	Black economic empowerment	MTEF	Medium-Term Expenditure Framework
B-BBEE	Broad-based black economic empowerment	MTSF	Medium-Term Strategic Framework
CCMA	Commission for Conciliation, Mediation and Arbitration	NDLTF	The National Lottery Distribution Trust Fund
CEO	Chief Executive Officer	NDP	National Development Plan
CFO	Chief Financial Officer	NGO	Non-Governmental Organisation
CPI	Consumer price index	NPO	Non-Profit Organisation
DAFF	Department of Forestry and Fisheries	PAA	National Environmental Management: Protected Areas Act, 2003 (Act 57 of 2003)
DEA	Department of Environmental Affairs	PARK	iSimangaliso Wetland Park
DEFF	Department of Environment, Forestry and Fisheries	PFMA	Public Finance Management Act, 1999 (Act 1 of 1999)
DTI	Department of Trade and Industry	PPE	Personal Protective Equipment
DWS	Department of Water and Sanitation	PR	Public Relations
EAP	Economically Active Population	RAMSAR	Convention on Wetlands of International Importance Especially as Water Fowl Habitat 1971
EIA	Environmental Impact Assessment	RLCC	Regional Land Claims Commission
EZEMVELO	Ezemvelo KZN Wildlife	SAPS	South African Police Service
FY	Financial Year	SCM	Supply chain management
GDP	Gross Domestic Product	SEC	Social Ethics Committee
GEF	Global Environment Facility	SEED	Socio-Economic Environment Development
HR	Human Resources	SMME	Small, medium and micro-enterprise
IDP	Integrated Development Plan	TFCA	Trans-frontier conservation area
ISA	International Standards on Auditing	UNESCO	United Nations Educational, Scientific, and Cultural Organization
IMP	Integrated Management Plan	VUCA	Volatility, uncertainty, complexity, ambiguity
iSimangaliso	iSimangaliso Wetland Park Authority	WHCA	World Heritage Convention Act 1999, (Act No 1 of 1999)





MESSAGE FROM THE MINISTER OF FORESTRY, FISHERIES, AND THE ENVIRONMENT

Ms BARBARA CREECY, MP Minister of Forestry, Fisheries and the Environment

It is a pleasure to present to you the iSimangaliso Wetland Park Annual Report for the 2022/23 financial year. In the past year the Park made significant strides in its relationship with adjacent communities and in implementing corrective measures related to the management of the St Lucia Estuary.

The Panel of Experts appointed in 2021 to review the Scientific Basis for Breaching of the Mouth of Lake St Lucia Estuary made a number of recommendations related to the future management of the Park. Among these was a review of the existing management plan and the development of a new Estuarine Management Plan. It had also recommended that concerns related to the backflooding of the farmlands linked to the river system be addressed.

The review of the existing management plan is being undertaken and will recognise estuary dependent economic activities and the inter-dependency between the wetlands, forests, wildlife, the marine ecosystem and tourism, and livelihoods dependent on fishing and other forms of bioprospecting. The Estuary management plan is also being developed to ensure all future decisions related to conservation management are science-based.

Also among the Panel's recommendations was the commitment in 2022 that St Lucia Lake, which is protected and managed by the iSimangaliso Wetland Park Authority, would no longer be managed as an isolated system.

Regular discussions have been held with community members and their representatives, and farmers with the aim of improving the relationship between the Park and its immediate stakeholders. Through these meetings concerns related to backflooding are being addressed. Among regular meetings with fishing cooperatives are those with the local Thembe community in the Kosi Bay area.

Last year Government allocated R340 million to iSimangaliso for infrastructure projects, including road construction, the finalisation of an office block, new staff quarters for field rangers and the development of new lodges in the Park as part of its commercialisation drive.

This funding was linked to job creation given the fact that iSimangaliso is situated in one of the country's most economically depressed areas. The Groen Sebenza programme created 2 000 jobs for local youth in the 2022/23 financial year, as well as the creation of 600 full-time equivalent jobs in various fields, of which 55% were women and 59% youth. Through the Park's training of SMMEs under the Rural Enterprise Programme the first 35 participants were selected in the 2022/23 financial year. The majority of participants, who live in uMkhanyakude District municipality, attended training sessions at Sodwana and St Lucia. Since 2019 the Park has employed 1 588 people through the Expanded Public Works Programme's initiatives to clear alien vegetation and perform other environment-related duties. Through the use of the 311 SMMEs 4 733 jobs have been created. Of these 2 484 were opportunities for young people, 2 221 for women and 60 for people living with disabilities.

iSimangaliso's mission is to protect, preserve and present its World Heritage values for current and future generations while benefiting communities living in and adjacent to the Park by facilitating optimal tourism and related development. This mission statement dovetails Government's programme of improving people's lives including the lives of the people living in rural communities.

The Park's devotion to community upliftment is also evident from its involvement in the development of 39 food gardens in adjacent communities and the creation of 3 500 jobs from its arts and culture program.

As part of a commercialisation drive, tourist accommodation is being built at Chatter's Creek. This includes chalets and camping facilities. New off-the-grid accommodation for rangers has also been built, while the educational centre has been upgraded and boardwalks have been constructed to improve access to the estuary and surrounding wetlands. Thirty kilometres of road and 20km of fence have also been maintained.

Nationally the DFFE has supported programmes such as the Stewardship programme, the Biodiversity Economy and sustainable use programmes linked to the wildlife economy, bioprospecting projects, environmental and oceans economy programmes, and the implementation of the ecosystems approaches that promote biodiversity conservation while contributing to improving the livelihood of communities.

As the outgoing Board led by Prof AT Nzama bows out after rendering successful work, I wish to welcome the new Board of iSimangaliso led by Inkosi Tembe the former deputy chair, the term of office commenced in April 2023 and will run until the end of the financial year in 2026. I wish them well as they take over this huge responsibility of exercising an oversight function over iSimangaliso. I am optimistic that the Board will work well with iSimangaliso management team and various stakeholders in further pushing back the frontiers of poverty through conservation and ecotourism.

Ms Barbara Creecy, MP
Minister of Forestry, Fisheries and the Environment



FOREWORD BY THE CHAIRPERSON

Inkosi M. Tembe, Chairperson iSimangaliso Wetland Park Authority Board

On behalf of the Board, it is a great honour to me to express our sincere gratitude to the Minister of the Forestry, Fisheries, and the Environment Ms Barbara Creecy who has given us the opportunity to serve the public as the new Board of iSimangaliso Wetland Park Authority. Our term of office came into effect as from the 1st of April 2023 and will run for the period of three years. We are happy that we are part of iSimangaliso family.

I would also like to express my gratitude to the previous Board led by Professor A.T. Nzama who's stewardship led to iSimangaliso obtaining a clean audit opinion from the Auditor General for the 2022-2023 financial year, leaving the Entity in a good state of governance. As we take over the baton, we wish to pledge our commitment to build on the solid foundation laid by our predecessors. We count on the rich diversity of skills from men and woman appointed to serve on this new Board working together with the skilled management team that has managed to achieve 100% on the Annual Performance Planned targets for three years consecutively.

Looking at the road ahead, it is very much clear that we must hit the ground running and propel iSimangaliso towards ensuring that the implementation of biodiversity economy becomes today's reality. The stride taken by the Entity in denting and pushing back poverty levels is heart-warming.

As the new Board we are committed to ensuring that iSimangaliso deepens its effort and energy towards the implementation of the Commercialisation Strategy. Of particular interest will be to ensure that local communities do benefit from the opportunities presented by this strategic direction of the Entity whilst practising good governance in the process. This principle is underpinned by the mission statement of the Entity which highlights benefitting of communities living in and adjacent to the Park as part of the critical undertaking of the Entity.

The involvement of various Stakeholders is another focus area the Board intends to pay a closer attention to. As the Board we are encouraged to see that iSimangaliso has committed in its APP to meet with stakeholders such as the Traditional Authorities, and interest groups such as fishing cooperatives etc, whom without their involvement successful conservation and tourism would be void.

On behalf of the Board, I wish to once again congratulate the management and staff of iSimangaliso led by the CEO for obtaining a Clean Audit opinion from the Auditor General South Africa.

Inkosi M. Tembe
Chairperson, iSimangaliso Wetland Park Authority Board



CHIEF EXECUTIVE OFFICER'S OVERVIEW

Mr S. Bukhosi, Chief Executive Officer

iSimangaliso Wetland Park Authority adopted a three-pronged five-year strategy, it is in its fifth year of implementation now. The three focal areas of the strategy are Conservation, Eco-tourism, and Stakeholders/ Parentships. The implementation of this strategy needed a completely new management approach with integrity, insightfulness, and inclusivity.

Our forbearers laid a solid foundation that we are building on, including their role in the inscription of iSimangaliso as South Africa's first World Heritage Site in 1999.

iSimangaliso is surrounded by impoverished communities from the neighbouring districts with high levels of poverty, unemployment, and inequality. As iSimangaliso we asked ourselves what we can do to change people's lives, we decided that we will become a catalyst in changing people's lives in these districts engulfed by poverty. The three-pronged strategy was in response to addressing these three challenges.

iSimangaliso Wetland Park is not only about the preservation and conservation of our World Heritage Site, but it is also an important catalyst for economic development through eco-tourism. About R349,4 million have been spent toward creating job opportunities and SMME's mainly from the impoverished communities. 2484 young people benefited from these opportunities.

The implementation of the commercialisation strategy will go a long way in creating opportunities and bring about transforming. The communities will now own businesses such as open game drive vehicles, boats, trails etc.

The discussions about taking over of tourism facilities which are being run by Ezemvelo KZN Wildlife have been finalised, and now the entity will be moving to the implementation stage. Taking over the facilities will improve iSimangaliso's revenue from the revenue that will be generated from these facilities.

Government's MTEF allocation to iSimangaliso has grown from R38 million at inception to R84m for the year ended March 2023. Government has also approved funding for infrastructure investment for the forthcoming MTEF period. There is a clear trend of increases in the MTEF allocation year-on-year. iSimangaliso has maintained a positive cash flow over the years and managed its expenses in such a manner that it has not had any cash deficits in its history. Creditors are paid consistently within 30 days, except where there are queries on accounts or other reasons for withholding payment such as retentions on construction contracts. iSimangaliso has no loans and has no requirement for same to finance its operations.

iSimangaliso has a good track record with respect to retention of key staff. Key critical positions have been filled during the year. The internship programme employed 200 people; this programme has brought hope to unemployed young people.

iSimangaliso is encouraged by the Clean Audit opinion received from the Auditor General, it reaffirms our unwavering commitment to good governance. Our commitment to delivering on the business strategy has been confirmed by our ability to achieve yet again 100% on all the Annual Performance Plan Targets making it three consecutive financial years.

I wish to express my gratitude to all hard-working iSimangaliso staff, the Board, for the harmonious relationship and playing a crucial role in ensuring good governance, culminating to the outstanding performance of the iSimangaliso Wetland Park Authority.

Mr Sibusiso Bukhosini
Chief Executive Officer, iSimangaliso Wetland Park Authority

BOARD MEMBERS



INKOSI M. TEMBE
BOARD CHAIRPERSON



Ms T. SOSIBO
DEPUTY CHAIRPERSON



Mr G. NAIR
BOARD MEMBER



Prof. P. SMALL
BOARD MEMBER



Mr B. MHLONGO
BOARD MEMBER



Mr S. NKOSI
SHAREHOLDER
REPRESENTATIVE



Mr B. NGOBENI
BOARD MEMBER



Ms S. NGCOBO
BOARD MEMBER



Ms N. MLAMBO
BOARD MEMBER

STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

To the best of my knowledge and belief, I confirm the following:

All information and amounts disclosed in the Annual Report are consistent with the AFS Audited by ISIQU ACCOUNTANTS.

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 National Treasury.

The AFS (Part E) have been prepared in accordance with the GRAP standards applicable to the Public Entity.

The Accounting Authority is responsible for the preparation of the AFS and for the judgements made in this information.

The Accounting Authority is responsible for establishing and implementing a system of internal control, which 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 financial affairs of the Public Entity for the financial year ended 31 March 2023.

Yours Faithfully

Chief Executive Officer,
Sibusiso Bukhosini

Chairperson of the iSimangaliso Authority Board,
Inkosi M.I Tembe

STRATEGIC OVERVIEW

OUR VISION

A renowned World Heritage Park where conservation, sustainable tourism and benefit-sharing prevails.

OUR MISSION

iSimangaliso's mission is to protect, preserve and present its World Heritage values for current and future generations while benefitting communities living in and adjacent to the Park by facilitating optimal tourism and related development.

OUR VALUES

iSimangaliso subscribes to the Batho Pele Principles. In addition, below are our core values: Integrity; Honesty; Transparency; Accountability; Performance; and Professionalism



ABOUT THE iSIMANGALISO WETLAND PARK

iSimangaliso Wetland Park's Timeless Symphony of Nature and Heritage

If you are looking for peace and tranquillity, iSimangaliso Wetland Park is the place for you. This breath-taking haven of natural marvels is nestled along the Zululand coast in KwaZulu-Natal, South Africa, filled with awe-inspiring landscapes that awaits discerning travellers. Formerly renowned as the Greater St. Lucia Wetlands Park, this treasure trove of ecological wonder sprawls gracefully from Maphelane in the south of St Lucia to Kosi Bay in the north at the boarder separating South Africa and Mozambique, an expansive stretch of over 220 kilometres of pristine coastline. This veritable Eden, graced by the divine touch of Mother Nature, is a harmonious blend of diverse ecosystems and captivating destinations, standing as an iridescent emblem of conservation, community empowerment, and an enchanting portal to the world of the wild.

The iSimangaliso Wetland Park, a living testament to earth's resplendent diversity of life, unfolds like a bewitching tapestry of nature's finest achievements. From the majestic Ubombo mountains that pierce the heavens to the serene allure of grasslands, forests that whisper ancient tales, wetlands teeming with life, mangrove sanctuaries, and age-old dunes sculpted by the hands of time, this park is nature's living kaleidoscope. Within its embrace, eight interlocking ecosystems beckon and ten distinct destinations enthrall, each a gateway to the heart of the untamed.

Venturing through this Edenic landscape, travellers are whisked away on an odyssey of discovery – a sojourn through the realms of Maphelane's mysteries, the ethereal expanse of Lake St. Lucia, the paradisaal shores of Cape Vidal, the mystical allure of Charters Creek, the captivating secrets of False Bay, the mesmerizing haven of Sodwana Bay, the untamed sanctuary of uMkhuze, the tranquil haven of Lake Sibaya, the enigmatic allure of the Coastal Forest, and the unspoiled grace of Kosi Bay. At every juncture, an exotic tableau of wildlife reveals itself. The iSimangaliso Wetland Park is an orchestra where the call of the wild, led by 129 terrestrial and aquatic mammals including the revered Black and White Rhinoceros, the dignified Elephants, the enigmatic Buffalos, the elusive Leopards, the fabled Wild Dog, and the commanding Lion plays out in splendid harmony.

With Its Sea, Surf And Sun, Sodwana Bay Is a Sprawling Open-air, All-year-round Activity Destination.

Sodwana Bay is one of the top ten dive destinations in the world. The coral reefs contain over 1,200 species of fish as well as a variety of underwater seascapes and marine flora and fauna. It is also home to the Coelacanth which was discovered in the deep Jesser Canyon offshore from Sodwana Bay in 2000.

Throughout the year, pods of bottlenose dolphins routinely patrol up and down the coast, just beyond the breakers. Southern right and humpback whales visit our shores between June and November every year. They migrate from their icy feeding grounds off Antarctica to breed in the warmer Indian Ocean and then return south with their adolescent calves.

A Journey Through Time: A Tapestry Woven with Historical Threads

The annals of time unfurl within the iSimangaliso Wetland Park, where echoes of centuries past whisper on the wind. Stretching back to the Later Stone Age and echoing through the corridors of the Iron Age, evidence of human habitation leaves its mark, a testament to the enduring relationship between man and nature. Arab traders and European pioneers, their footprints indelibly imprinted on the sands of time, are mere chapters in the tale of this landscape. Vasco da Gama's fateful encounter with these shores in 1497 set the stage for a symphony of interactions – a harmonious interplay between explorers, traders, hunters, and missionaries that wove the intricate tapestry of culture and history that adorns the region.

Conservation's roots took hold in 1895 with the establishment of the initial reserve, giving birth to the Hluhluwe-iMfolozi region – South Africa's venerable conservation cornerstone. The apex of this journey unfurled in 1999, when the park was crowned South Africa's inaugural World Heritage Site. An auspicious moment graced by the presence of the venerated Nelson Mandela, a global icon of justice and unity, marked the park's rise to global recognition. The rebirth of the park as iSimangaliso in 2007, a name suffused with the essence of 'miracle and wonder,' encapsulated the very soul of this treasure trove.

A Symphony of Conservation and Empowerment: Nature's Stewards at Work

The iSimangaliso Wetland Park's achievements stand as a symphony of dedication to conservation and the upliftment of local communities. A seamless fusion of lands under a united management plan, a metamorphosis from incompatible land uses into 15,000 hectares of vibrant conservation, and the fortification of 230 kilometres of formidable Big Five fencing, are but crescendos in the symphony of ecosystem preservation.

The park's journey has been enriched by the reintroduction of game species – tsessebe, oribi, elephants, wild dogs, cheetahs, and the regal white and black rhinos – an ode to the harmonious balance that thrives within its boundaries. A symphony of improved road networks and refined water systems create a harmonious symphony of accessibility, all while enhancing the melodic dance of the visitor's experience.

The iSimangaliso Wetland Park's economic cadence rings loud, with revenue from commercial endeavours soaring over 200% since the authority's inception. Land claims settled over 75% of the park's expanse, their harmonious tune carried by co-management agreements, embodying the true spirit of collaborative conservation.

The iSimangaliso Wetland Park's devotion to community upliftment sings through various initiatives. From 39 food gardens that blossom as cradles of local growth to an SMME support program nurturing dreams into reality, the symphony of prosperity plays on. Traditional arts find their harmony within the craft program, a harmonious duet that preserves heritage while empowering livelihoods. The culture and arts program, a chorus of 3,500 jobs, paints a vibrant picture of hope and prosperity.

A Spectrum of Experiences: An Overture to Wonders

Journeying through the iSimangaliso Wetland Park is akin to embarking on a voyage through the annals of time, a rendezvous with nature's bounty and human endeavour. A paradise for avian aficionados, the park hosts about 530 bird species, a melodious symphony that awakens the senses. Witnessing the nesting season of Leatherback and Loggerhead turtles is an exclusive privilege woven into the fabric of this coastal sanctuary. And beyond the famous Big Five, the Big Seven beckons – an assembly that boasts the Southern right whale and the awe-inspiring Great white shark.

Elegance and opulence unite in the haven of luxury that is Kosi Forest Lodge and Thonga Beach Lodge. Here, immersion in nature is synonymous with indulgence, an oasis where the comfort of modernity coalesces with the raw poetry of the wild. These lodges, nestled in nature's embrace, offer a springboard to explore a realm where black and white rhinos flourish in grandeur, and each day unravels a new verse in the symphony of life.

Guardians of Heritage: A Prelude to Posterity

The iSimangaliso Wetland Park stands as a testament to the potent melody of conservation, community harmony, and sustainable tourism. Its influence spreads far beyond its verdant borders, touching the lives of locals and wanderers alike. This sanctuary's accolades as South Africa's second-largest protected area and its distinction as the nation's oldest UNESCO World Heritage Site reverberate through time, resounding as a paean to preservation.

This Eden's terrain, graced by mountains, bushveld, palm groves, dunes sculpted by the ages, grasslands that sway in the breeze, and coastal forests that whisper forgotten tales, cradles a menagerie of life. Here, 129 terrestrial and aquatic mammals, 525 avian envoys, 128 reptilian wanderers, 50 amphibian troubadours, 991 marine marvels, and 48 freshwater dancers waltz in harmony. Nelson Mandela aptly encapsulated iSimangaliso's resplendent diversity as a realm where the ancient rhinoceros shares space with the colossal elephant, where the prehistoric coelacanth converses with the titanic whale – a chorus of life that strikes at the heart of wonder.



An Expedition into Splendour: Unveiling Nature's Treasury

For those who seek to dance to the rhythm of nature's heartbeat, the iSimangaliso Wetland Park beckons, an irresistible call to adventure. This symphony of biodiversity, graced by the ethereal presence of the Big Five and the enigmatic Big Seven, offers a symposium of unparalleled wildlife spectacles. Yet, it's not merely the creatures that enchant visitors; the coastal grandeur, an artistry painted by the hands of nature, stands as an equal protagonist in this majestic tale.

The journey to this verdant utopia is as enchanting as the destination itself. With daily flights knitting Johannesburg to Richards Bay, access is but a breath away.

Alternatively, the thoroughfare from major South African cities to Durban serves as another avenue. Tour operators present the chance for guided forays into iSimangaliso, ensuring exploration wrapped in comfort. And for the intrepid, self-drive expeditions are a beckoning possibility, an epic tale of adventure and discovery – yet for areas north of Mkhuze section of the Park and east of the N2, a 4x4 vehicle is the chariot of choice.

In the hallowed embrace of the iSimangaliso Wetland Park, nature's symphony comes alive, a timeless opus played upon a canvas where each ecosystem is a note, and each creature, a lyric. It's a place where history harmonizes with the present, where communities and conservation compose a ballad of progress, and where visitors, enthralled by the panorama of life, become part of this unfolding saga. As the world turns, and the echoes of footsteps linger on ancient paths, iSimangaliso stands as a crescendo of reverence – a sanctuary where the chorus of nature's harmonies remains eternal.





LEGISLATIVE AND OTHER MANDATES

LEGISLATIVE MANDATES

The World Heritage Convention Act 1999 (WHCA) sets out the objectives of iSimangaliso. These objectives, which have been set out below, have been incorporated into iSimangaliso's mission, namely:

- To protect, conserve and present the Park
- To empower historically disadvantaged adjacent communities
- To promote and facilitate optimal tourism and related development in the Park

The management of the iSimangaliso Wetland Park is further subject to the National Environmental Management Act, 1998 (Act 107 of 1998), the National Water Act, 1998 (Act 36 of 1998), the National Forests Act, 1998 (Act 84 of 1998), the National Heritage Resources Act, 1999 (Act 25 of 1999), the KwaZulu-Natal Heritage Act, 2008 (Act 4 of 2008), the National Environmental Management: Waste Act, 2008 (Act 59 of 2008) and the National Environmental Management: Integrated Coastal Management Act, 2008 (Act 24 of 2008). In addition, the iSimangaliso Wetland Park Authority takes note of, supports, and, where applicable, aligns its activities with national initiatives such as the National Biodiversity Strategic Action Plan, the National Biodiversity Framework and the National Protected Area Expansion Strategy.

ORGANISATIONAL STRUCTURE

ACCOUNTING AUTHORITY / BOARD





PART B

PERFORMANCE INFORMATION

PROGRAMME 1: CORPORATE SUPPORT SERVICES

PROGRAMME 1: CORPORATE SUPPORT SERVICES

PURPOSE

The purpose of the Corporate Support Services Programme is to provide effective and efficient corporate support services (human resources, financial management, information technology, strategic management, research, and communications), which enable us to execute our mandate.

PROGRAMME DESCRIPTION

The Corporate Support Services programme is implemented by two units – Finance and Support Services.

The Finance Unit is responsible for financial management, ensuring that iSimangaliso's operations are properly funded and cost-effectively managed while maintaining an appropriate system of internal control and reporting of accounting, management and statutory information. The unit creates and maintains PFMA-compliant financial management systems, including SCM; ensures good governance, risk management and control processes; and reduces audit findings, resulting in an unqualified audit report. It is also responsible for B-BBEE compliance monitoring and reporting.

The Support Services Unit is responsible for the management of information technology, office management, human resources, strategic planning and reporting, communications and PR, as well as research coordination, policy and planning. These services provide support to the Organisation in a range of areas that are required by the Organisation to implement its mandate.



Programme I: Corporate Support Services								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Compliance with legislation, effective financial management and key risks mitigated to minimize potential adverse consequences	Clean audit opinion	Clean audit opinion	Unqualified audit opinion	Clean audit opinion	Clean audit opinion	Clean audit opinion	Not applicable	Not applicable
	Expenditure of the allocated budget	95%	107%	102%	95%	95,85%	0,84%	N/A
Compliance with legislation, effective financial management and key risks mitigated to minimize potential adverse consequences	Trade Creditor payment	Average number of days: Trade creditor payment	5 days	18 days	30 days	9 days	Not applicable	Not applicable
Compliance with legislation, effective financial management and key risks mitigated to minimize potential adverse consequences	Trade Debtor collection	Average number of days: Trade Debtor collection	37 days	15 days	60 days	35 days	Not applicable	Not applicable
Compliance with legislation, effective financial management and key risks mitigated to minimize potential adverse consequences	Implementation of the procurement plan	100% Implementation of the procurement plan	100%	100%	100%	100%	Not applicable	Not applicable
Increased contribution of the Entity to socio-economic transformation and empowerment of previously disadvantaged community (Black, women owned and township/rural based enterprise)	BBBEE spend on majority black owned suppliers as a percentage of qualifying expenditure	80% BBBEE spend on majority black owned suppliers as a percentage of qualifying expenditure	91%	98%	80%	92%	8%	The target was exceeded due to additional funding.
An adequately skilled and capacitated workforce which is transformed and representative of South Africa race and gender demographics	Workplace Skills Plan submitted to SETA within prescribed time frame	Workplace Skills Plan submitted to SETA within prescribed time frame	Workplace Skills Plan submitted to SETA within prescribed time frame	Workplace Skills Plan submitted to SETA within prescribed time frame	Workplace Skills Plan submitted to SETA within prescribed time frame	Not applicable	Not applicable	Not applicable

Programme I: Corporate Support Services								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
An adequately skilled and capacitated workforce which is transformed and representative of South Africa' race and gender demographics	Employee performance contracts	Employee performance contracts	100% of performance contracts concluded	100% of performance contracts concluded	100% of performance contracts concluded	Not applicable	Not applicable	Not applicable
An adequately skilled and capacitated workforce which is transformed and representative of South Africa' race and gender demographics	Occupation Health and Safety assessment / inspection	Number of Occupation Health and Safety assessment / inspection conducted and recommendations implemented	1 annual assessment conducted and recommendations implemented	1 annual assessment conducted and recommendations implemented	1 annual assessment conducted and recommendations implemented	Not applicable	Not applicable	Not applicable
Effective information communication and technology systems which are supportive of the organizations core business and mandate	ICT governance framework reviewed and approved	ICT governance framework reviewed and approved	Submit to board for approval	ICT governance framework approved.	ICT governance framework approved.	Not applicable	Not applicable	Not applicable
A world renowned World Heritage Park	Newsflashes & Press Releases	Number of Newsflashes & Press Releases released	16	22	20	23	3	Target overachieved with three (3) newsflashes or press releases due to additional events which happened within the Park.

SUMMARY OF ACHIEVEMENTS

As part of building a strong long term relationship with different media houses, iSimangaliso hosted Journalists from various media houses on a 5 days Park visit tour with the purpose of interacting with them in a manner that entertain and educate them about the Park, and also expose media about commercialization and investment happening in the Park.





PART B

PERFORMANCE INFORMATION PROGRAMME 2: BIODIVERSITY CONSERVATION

PROGRAMME 2: BIODIVERSITY CONSERVATION

PURPOSE

The purpose of the Biodiversity Conservation Programme is to manage the development and implementation of biodiversity and conservation strategies, which enable the Park to maintain World Heritage values in a manner that facilitates sustainable development.

PROGRAMME DESCRIPTION

This programme is managed by the Biodiversity Conservation Unit of the iSimangaliso Authority. The primary functions of the unit are to determine conservation policy and ensure that the day-to-day conservation management activities are undertaken in accordance with the Integrated Management Plan for the Park, as well as the Conservation Operational Plan.

As part of its biodiversity conservation function, iSimangaliso implements a Land and Coast Care Programme (including alien plant control), fire management and controlled burns on the Western Shores of the Park, cleaning and maintaining day-visitor facilities and access roads, commenting on buffer zone applications, conservation compliance actions, and employment of environmental monitor access control. The effectiveness of compliance interventions is dependent on high levels of service delivery from Ezemvelo KZN Wildlife as well as strong working relationships with the SAPS, provincial and local government, and the judiciary. In addition, iSimangaliso issues watching briefs to support prosecutors with criminal cases and takes civil action, where necessary.

Currently, day-to-day conservation management is outsourced to Ezemvelo KZN Wildlife. Ezemvelo receives its funding for this function directly from the provincial government but is facing resource constraints. This plan positions iSimangaliso to take over the day-to-day conservation function and tourism management from Ezemvelo KZN Wildlife.



Programme 2: Biodiversity Conservation								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Biodiversity threats mitigated and park world heritage site maintained	Green Energy Programme Strategy developed and approved	Green Energy Programme Strategy implemented as per action plan	Not applicable	Green Energy Programme Strategy developed and approved	Green Energy Programme Strategy implemented as per action plan	Not applicable	Not applicable	Not applicable
Biodiversity threats mitigated and park world heritage site maintained	Unauthorized land encroachment strategy developed and approved	Unauthorized land encroachment strategy implemented as per action plan	Not applicable	Not applicable	Unauthorized land encroachment strategy developed and approved	Unauthorized land encroachment strategy implemented as per action plan	Not applicable	Not applicable
Biodiversity threats mitigated and park world heritage site maintained	Unauthorized land encroachment strategy developed and approved	Unauthorized land encroachment strategy implemented as per action plan	Not applicable	Estuary monitoring programme implemented	Biodiversity monitoring programme implemented as per action plan.	Not applicable	Not applicable	Not applicable
Biodiversity threats mitigated and park world heritage site maintained	Meetings between KwaZulu Natal Nature Conservation Board (Ezemvelo KZN Wildlife) and iSimangaliso Wetland Park Authority	Number of meetings between KwaZulu Natal Nature Conservation Board (Ezemvelo KZN Wildlife) and iSimangaliso Wetland Park Authority	5 meetings per annum	4 meetings per annum	4 meetings	4 meetings	Not applicable	Not applicable

Programme 2: Biodiversity Conservation								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Biodiversity threats mitigated and park world heritage site maintained	Environmental audits	Number of environmental audits conduct	12	13	12	13	1	There was an environmental compelling need to attend to the unplanned additional environmental audit.
Biodiversity threats mitigated and park world heritage site maintained	Environmental monitors deployed in the Park	Number of environmental monitors deployed in the Park	130	120	130	130	Not applicable	Not applicable
Biodiversity threats mitigated and park world heritage site maintained	Hectares of invasive alien plants treated	Number of hectares of invasive alien plants treated	56 956,05 ha	64 843.17 ha	75 000 ha	113 302.67 ha	38 302,67 ha	The target was exceeded due to additional grant funding received.
Biodiversity threats mitigated and park world heritage site maintained	Cubic meters of earthworks in wetland rehabilitation project	Number of cubic meters of earthworks in wetland rehabilitation project	320 km	320 km	320 km	Not applicable	Not applicable	Not applicable
Biodiversity threats mitigated and park world heritage site maintained	Applications for developments in the buffer zone commented on and feedback provided within prescribed time frame	Percentage of applications for developments in the buffer zone commented on and feedback provided within prescribed time frame	100%	100%	100%	Not applicable	Not applicable	Not applicable

Programme 2: Biodiversity Conservation								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Biodiversity threats mitigated and park world heritage site maintained	Identified unauthorized developments/ activities	Percentage of identified unauthorized developments/ activities actioned legally	100%	100%	100%	Not applicable	Not applicable	Not applicable
Biodiversity threats mitigated and park world heritage site maintained	Number of hectares burnt in controlled burning programme	1250 ha per annum	1250 ha per annum	1250 ha per annum	1250 ha per annum	Not applicable	Not applicable	Not applicable

SUMMARY OF ACHIEVEMENTS

CLEANING AND GREENING PROJECT

iSimangaliso created 300 job opportunities for people from communities that are neighbouring the Park. This comes after the Department of Forestry, Fisheries and the Environment (DFFE) mandated iSimangaliso Wetland Park to rollout this project in three local municipalities in KwaZulu Natal. The DFFE has realized that more efforts are needed if the environment is to be protected from pollution and has conceptualized a national Municipal Cleaning and Greening Programme.

Through this project, iSimangaliso has created employment to 186 Women and 180 Youth amongst the 300 people (100 people in each municipality) iSimangaliso is leading this project implementation at uMhlabuyalingana local Municipality, Big 5 Hlabisa local Municipality (project is implemented in Hluhluwe) and uMtubatuba local Municipality through its appointed service providers. iSimangaliso engaged with Municipalities, Amakhosi and other community leaders to assist in identifying families and focus areas that are engulfed by poverty in each municipality.



LAKE ST. LUCIA ESTUARY

iSimangaliso Wetland Park Authority hold meetings quarterly with Stakeholders to discuss and give updates on the implementation of the recommendations of the experts panel that was appointed by the Minister to review the decision taken by iSimangaliso to breach the mouth of lake St. Lucia. iSimangaliso Wetland Park Authority has made a huge progress in trying to resolve the issues of the St. Lucia estuarine system. These meetings are a platform for all stakeholders to sit around the table and engage with a common purpose in mind. Communities and affected parties also acknowledge iSimangaliso for involving them and giving them a chance to participate in resolving this complex matter. Communities and the affected parties believe that with the implemented activities, it shows that iSimangaliso is trying its level best to resolve the issues regarding the St. Lucia Estuarine system, and they hope the issue of the estuary system will be resolved soon.



uTSHWAYELO (FISH KRAALS)

The local Thonga (the Tembe community) have a rich and fascinating history. Kosi Bay is famed for the traditional, woven fish traps and palisade kraals used by the community for well over 700 years – a skill passed down from generation to generation. The palisade fish kraals consist of a guide fence that curves in towards a fish trap, allowing fish easy entry but no escape. The traps are designed for small fish to escape, so there's no major impact on the thriving fish population.





PART B

PERFORMANCE INFORMATION: PROGRAMME 3: TOURISM AND BUSINESS DEVELOPMENT

PROGRAMME 3: TOURISM AND BUSINESS DEVELOPMENT

PURPOSE

The purpose of the programme is to undertake research, develop and implement tourism development initiatives aimed at positioning the Park as a destination of choice.

PROGRAMME DESCRIPTION

This programme is managed by iSimangaliso's Tourism and Business Development Unit. The programme strategy includes the improvement of existing public access facilities, awarding tourism accommodation concessions to private parties with community equity, and the development and maintenance of day-visitor facilities. The primary functions of the unit are to (a) identify revenue generation opportunities for the Park that are consistent with the parameters set out in the Park's IMP and afford economic benefits to claimants and local communities; (b) implement the Tourism Development Programme for the Park; and (c) market and promote the Park as a destination of choice. Due to resource constraints, certain tourism facilities managed by Ezemvelo KZN Wildlife are in a poor state. Those tourism and business functions currently undertaken by Ezemvelo will be handed over to iSimangaliso, and refurbishment of these facilities will take place. Not only will this lead to an increase in revenue but will also result in increased opportunities for participation of local communities in the programmes. Value chain linkages will be made to create further inclusive opportunities for local community-based businesses. There are currently 54 activity licences in the Park, which will be reviewed to ensure empowerment of historically-disadvantaged businesses.



Programme 3: Tourism and Business Development								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
A world renowned World Heritage Park	Kilometres of roads maintained	Number of kilometres of roads maintained	Not applicable	Not applicable	30 KM	30 KM	Not applicable	Not applicable
	Kilometres of fence maintained	Number of kilometres of fence maintained	Not applicable	Not applicable	20 KM	20 KM	Not applicable	Not applicable
	Percentage of Ezemvelo KZN Wildlife managed tourism infrastructure upgraded	50 %	Not applicable	57 %	Not Applicable	Not applicable	Not applicable	Not applicable
	Tourism and commercialisation strategy implemented	Tourism and commercialisation strategy implemented as per action plan	Tourism and commercialisation strategy implemented	40 %	40 %	Tourism and commercialisation strategy implemented as per the action plan	Not applicable	Not applicable
	Collaterals as marketing tools developed	Number of collaterals developed as marketing tools	3	11	3	5	Not applicable	Not applicable

Programme 3: Tourism and Business Development								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
A world renowned World Heritage Park	Digital engagements for tourism trade conducted	Number of digital engagements for tourism trade conducted	6	6	3	5	2	Two (2) additional digital engagements of fat bikes were organized by the third party and trans versing in the Park to Bonamanzi Game Reserve.
	Special events to promote the Park as a destination of choice conducted	Number of special events to promote the Park as a destination of choice conducted	6	6	3	6	2	Opportunistic special events were used to market the Park and to encourage investors to submit commercialisation proposals
	Editorials published/ broadcasted	6 Number of Editorials published/ broadcasted	20	19	6	9	3	The entity was approached by editorial companies to publish stories and undertake broadcasting about iSimangaliso hence the deviation.

Programme 3: Tourism and Business Development								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
A world renowned World Heritage Park	Media Junkets hosted	Number of Media Junkets hosted	Not applicable	5	4	8	4	The two (2) extra media junkets were organised by a third party and iSimangaliso was invited to participate.
	Social Media posts done across three platforms (Facebook, Twitter, Instagram)	500	568	533	500	518	18	More social media posts were done to encourage visitors to visit the Park as part of marketing efforts.
	Non-paying entries to the Park	Number of non-paying entries to the Park	132 032	126 577	96 000	249 855	153 855	More non-paying guests accepted our invitation to visit the Park for educational purposes.

Programme 3: Tourism and Business Development								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
A world renowned World Heritage Park	Paying visitor entries	Number of paying visitor entries	161 876	216 683	180 000	261 019	81 019	The entity increased the marketing efforts to market the Park in order to recover from visitor booking cancellations which were experienced in the middle of the year when the KZN Province experienced severe floods.
	Revenue to the Park	Revenue to the Park	R11 317 442,87	R 33,343,210	R56 320 532	R56 799 940	R479 408	The reason for overachievement was the influx of visitors to the Park
	Park astate maintenance plan implemented	Park astate maintenance plan Implemented as per action plan	100% implementation of Park estate maintenance plan	100% implementation of Park estate maintenance plan	Park estate maintenance plan	Park estate maintenance plan	Not applicable	Not applicable

SUMMARY OF ACHIEVEMENTS

TOURISM TRAVEL INDABA

For the very first time being nominated, iSimangaliso Wetland Park scooped the Platinum Award in the Green Stands Exhibitors Awards small stand category on the Africa Travel Indaba (ATI) event. The award honours innovation, freshness, professionalism, use of natural resources and product knowledge amongst others. This year the award also honoured those tourism businesses and organisations that have advanced tourism during a time of unprecedented technological and industry change. The winning of this award comes after iSimangaliso joined hundreds of tourism exhibitors at the Africa's Travel Indaba 2023 which was hosted in Durban.



COMMERCIALISATION

Commercialization seeks to generate revenue for the Park while addressing the fair presentation and distribution of the tourism investment opportunities that have always been perceived to have been benefiting the few. The investment summit was an opportunity for iSimangaliso to showcase its Biological wealth and ignite interest. The reasons behind choosing the Public Private Partnership (PPP) process it's because it's a regulatory framework for public entities.

SUMMARY OF ACHIEVEMENTS





PART B

PERFORMANCE INFORMATION: PROGRAMME 4: SOCIO-ECONOMIC, ENVIRONMENT AND DEVELOPMENT

PROGRAMME 4: SOCIO-ECONOMIC, ENVIRONMENT AND DEVELOPMENT (SEED)

PURPOSE

The purpose of the programme is to facilitate the development and implementation of socio-economic programmes for the benefit of local communities.

PROGRAMME DESCRIPTION

The work undertaken within the Socio-Economic, Environment and Development (SEED) Programme is integrated into the work of the Tourism and Business Development, Biodiversity Conservation, and all other support services within the organization. SEED is directly responsible for the rolling out of training and development programmes, job creation and equity participation in tourism development among other things. Its primary function is to improve access to job and income-generation opportunities for previously disadvantaged individuals and communities who live in and adjacent the Park, including land claimant groups. The programme includes (a) job creation through land and coast care programmes and infrastructure programmes; (b) training and capacity building for people and community-based contractors employed by the Park; (c) development programmes for rural enterprises and entrepreneurs, craft producers and artists; (d) a higher education access programme that provides tertiary education support programme; (e) environmental education and awareness programmes; and (f) the procurement of goods and services from businesses owned by previously disadvantaged individuals. In addition, the Directorate facilitates issuing of licenses and concessions to the previously disadvantaged groups and individuals through ensuring that the organization ringfence certain opportunities which all specify minimum ownership targets for local communities. This programme is aligned to the Department of Forestry, Fisheries and the Environment's Biodiversity Economy and People and Park's programmes, where biodiversity conservation and natural assets are equitably and sustainably used to contribute to socio-economic development of local communities.



Programme 4: Socio-Economic Environment Development								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Improved socio-economic benefits and condition of communities around the park	Meetings with fishing cooperatives held	Number of meetings with fishing cooperatives held	Not applicable	Not applicable	4	4	Not applicable	Not applicable
	People and Parks meetings attended	Number of People and Parks meetings attended	Not applicable	6	4	4	Not applicable	Not applicable
	Amakhosi forum meeting attended	Number of amakhosi forum meeting attended	Not applicable	25	4	4	Not applicable	Not applicable
	Traditional council meetings attended	Number of traditional council meetings attended	Not applicable	Not applicable	24	24	Not applicable	Not applicable
	Land claims & co-management meetings undertaken	Number of Land claims & co-management meetings undertaken	Not applicable	10	8	8	Not applicable	Not applicable
	Municipalities and Ward council meetings attended.	Number of Municipalities and Ward council meetings attended.	Not applicable	12	12	12	Not applicable	Not applicable
	Other community groups across the Park attended to	Number of other community groups across the Park attended to	Not applicable	72	68	72	4	Additional requests of meetings had to be attended to address critical stakeholder engagement matters.

Programme 4: Socio-Economic Environment Development								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Improved socio-economic benefits and condition of communities around the park	Stakeholder engagement strategy implementation evaluated	Stakeholder engagement strategy implementation evaluated	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
	Community beneficiation scheme developed and approved	Community beneficiation scheme developed and approved	Not applicable	Community beneficiation scheme developed and approved	Not applicable	Not applicable	Not applicable	Not applicable
	Percentage of female beneficiaries Supported	Percentage of female beneficiaries Supported	Not applicable	196%	55%	55%	Not applicable	Not applicable
	Percentage of Youth beneficiaries supported	Percentage of Youth beneficiaries supported	Not Applicable	161%	30%	59%	Not applicable	Not applicable
	Job Creation	Number of full-time equivalent jobs	343	561	550	600	50	More jobs were created due to additional funding received.
	Accredited training conducted	Number of beneficiaries who successfully completed accredited training (NQF)	877	1322	1250	1276	26	More beneficiaries were trained due additional funding received.

Programme 4: Socio-Economic Environment Development								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Improved socio-economic benefits and condition of communities around the park	Non-accredited training conducted	Number of beneficiaries who successfully completed non-accredited training	1273	1569	1400	1430	30	More beneficiaries were trained due additional funding received.
	Skills development	Number of people participating in skills development programmes (Infrastructure, Tourism, life guides and environmental monitors)	285	286	200	305	105	The upward adjustment in grant funding allocation resulted in more training days being allocated for the skills development programme.
	Rural Development	Number of people participating in rural enterprise programme (business services, training, mentoring, guiding and grants)	114	118	100	118	18	More people participated in the rural enterprise programme.
	New first years receiving bursaries and supported	New first years receiving bursaries and supported	83%	95%	10	10	Not applicable	Not applicable
	Percentage of bursary students who pass their registered modules yearly.	Percentage of bursary students who pass their registered modules yearly.	Not applicable	Not applicable	72%	92%		Bursary students exceeded the pass rate.

Programme 4: Socio-Economic Environment Development								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Improved socio-economic benefits and condition of communities around the park	Schools visited by Simangaliso and partners for environmental awareness	Number of Schools visited by iSimangaliso and partners for environmental awareness	30	35	50	65	5	More schools requested to be visited by iSimangaliso Wetland Park Authority.
	Environmental awareness activities implemented participating in environmental awareness activities	Number of youth (rhino) ambassadors participating in environmental awareness activities	27	63	50	66	16	More youth (rhino) ambassadors participated in environmental awareness activities.
	Participation by leadership structures in conservation awareness	Number of leadership structures participating in conservation awareness	1	2	2	2	Not applicable	Not applicable
	25% of stakeholder relations survey recommendations implemented	25% of stakeholder relations survey recommendations implemented	Not Applicable	25% of stakeholder relations survey recommendations implemented	Not applicable	Not applicable	Not applicable	Not applicable
	Key environmental calendar days celebrated	Number of events celebrating key environmental calendar days (e.g., heritage, Wetland).	1	2	2	3	1	Three (3) environmental calendar days were celebrated due to an invitation from our strategic partner.

Programme 4: Socio-Economic Environment Development

Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Improved stakeholder relations	Number of Groen Sebenza interns deployed.	Number of Groen Sebenza interns deployed.	Not applicable	Not applicable	200	200	Not applicable	Not applicable

SUMMARY OF ACHIEVEMENTS

SMALL SCALE FISHERS

iSimangaliso Wetland Park Authority hosted quarterly meetings with small-scale fisheries. The purpose of these meetings were to table discussions on issues affecting farmers living in and adjacent to the Park, revising the regulations of fishing and the do's and don'ts as stipulated by the legislation.



TERTIARY EDUCATION PROGRAMME

iSimangaliso Wetland Park visit schools to do career guidance to matric learners and also conduct the Environmental Education with the aim of giving learners an insight about careers within the iSimangaliso Wetland Park. Since its inception in 2010, iSimangaliso Wetland Park Authority offers a package of support to help young people from communities around iSimangaliso Wetland Park to access tertiary Education in the field of conservation and tourism and other related courses.

Learners are given an insight to the background of iSimangaliso Wetland Park and its role towards biodiversity conservation. Learners are also taught about nature conservation threats caused by humans and how these can affect not only biodiversity but the negative effect it can have upon the socio-economic development. The environmental threats include gill netting, poaching, honey harvesting, and littering/ pollution.



SMME SUPPORT PROGRAMME

iSimangaliso Wetland Park Authority is training small businesses and entrepreneurs from communities neighbouring the Park under the Rural Enterprise Programme which offers a package of support that assist aspiring and existing entrepreneurs from uMkhanyakude District with business skills, incubation, and grant support. iSimangaliso has completed the process of selecting the first 35 participants for 2022/23 financial year. The majority of participants are residing in uMkhanyakude District municipality.

The Rural Enterprise Programme was initiated in 2008 to empower local businesses and entrepreneurs within the tourism conservation space. To date the programme has evolved and has assisted 430 enterprises with business skills development, capacity building, and grant funding. In March 2023 all the 35 participants were inducted to the programme, outlining the benefits of the programme. Training sessions were held both at Sodwana area and St Lucia to accommodate all participants.



SUMMARY OF ACHIEVEMENTS

ENVIRONMENTAL EDUCATION

In celebration of Environmental days, iSimangaliso Wetland Park through its Environmental Education Program take learners from community schools that are neighboring the Park to visit iSimangaliso Wetland Park with an aim of educating them about the importance of nature conservation and keeping the environment clean. Some of the celebrated days include Environmental Month, African World Heritage Day, World Water Day, Wetlands Day. This is one of the ways iSimangaliso is putting its mission in action which is to protect, preserve and present its World Heritage values for current and future generations while benefiting communities living in and adjacent to the park by facilitating optimal tourism and related development.



ENKOVUKENI HUB

The community of eNkokukeni use to cross the lake and travel a long distance to Manguzi town just to have computer and internet access to create basic things like CV's, apply for further learning and employment, do assignments, print documents, and do copies. With this Hub up and running, all these community challenges are now over, community members no longer have to spend R60 to go to Manguzi town just to have computer and internet access. This hub provides them with access to all these services and more without having to travel long distance.

eNkokukeni hub accommodates all age groups as it also provides access to sewing machines and skills training to elderly women of this community. These women are making an income and support their families by sewing clothes, uniforms, traditional attires, graduation gowns, and wedding gowns. The construction of eNkokukeni resource hub facility assisted in employing contractors from the community and they were given skills training in their field of work and helped them make a living using their skills. Youth from eNkokukeni community has been appointed to be fulltime workers at eNkokukeni Resource Hub.



- iSimangaliso Wetland Park Authority has launched its rural enterprises programme to empower small businesses and entrepreneurs within uMkhanyakude District. The aim of the programme is to support small businesses with skills and finance so that they can contribute to job creation. The rural enterprise programme was initiated in 2008 to empower local businesses and entrepreneurs within the tourism conservation space. To date the programme has evolved and has assisted 430 enterprises with business skills development, capacity building, and grant financing. As much as iSimangaliso wishes to assist every community member with employment, or give every business an opportunity within the park, this is impossible. A programme of this nature goes a long way in capacitating businesses to grow and be enabled to seek opportunities elsewhere.

- iSimangaliso Wetland Park is giving assistance to the youth from communities neighbouring the Park by rolling out its programme known as the Tertiary Education Support Programme. This programme provides academic support to access tertiary education in the fields of study related to conservation, tourism, and development. Such programmes allow iSimangaliso to strengthen relationships with neighbouring communities. This programme is one of the key programmes that enables iSimangaliso to change the prevalent narrative about uMkhanyakude district of being known as a poverty node. iSimangaliso wants to ensure youth from this area is trained and equipped with the necessary skills in conservation and tourism related fields. Since its inception in 2010, This programme has supported 157 youth from local communities to access tertiary education and provided psycho-social support to students to ensure students adapt to city life and pass their registered modules. 139 beneficiaries have graduated and more than 60% of them are currently employed; 25% being employed by iSimangaliso.

PUSHING BACK POVERTY, THE STORY IN NUMBERS

STATS ON SMMEs & JOB OPPORTUNITIES CREATED FOR THE IMPOVERISHED

Item #	Project Name	Benefited SMMEs	Job opportunities created	Number of job opportunities for youth created	Number of job opportunities for Women created	Number of job opportunities for Disabled people created	Value
1	Park Construction Projects	38	304	165	148	0	R37,4 Million
2	EPWP	99	1588	611	869	47	R60,2 Million
3	Working for Programmes Guards	5	194	95	33	0	R23,6 Million
4	Environmental Monitors	N/A	130	117	58	1	R1,7 Million
5	Infrastructure Maintenance	31	402	265	213	0	R100 Million
6	Presidential Stimulus	19	608	386	314	0	R73 Million
7	Fence Maintenance	59	637	43	52	0	R4,4 Million
8	Wild Ocean Yes Programme	N/A	132	132	57	0	R5,7 Million
9	People & Parks Youth Champs	N/A	168	168	107	5	R1,7 Million
10	Tourism Monitors	N/A	170	170	114	1	R8,4 Million
11	Groen Sebenza	N/A	200	166	128	3	R20 Million
12	Municipality Cleaning & Greening	3	300	166	128	3	R13,3 Million
Total		311	4733	2484 (52%)	2221 (46%)	60 (1,27%)	R349,4 Million





PART C

GOVERNANCE

THE ACCOUNTING AUTHORITY/BOARD INTRODUCTION

The Importance and Purpose of the Board

1. The Board of iSimangaliso is the governing body of iSimangaliso, with absolute responsibility for the performance of iSimangaliso and is fully accountable for the performance of iSimangaliso.
2. Governance principles regarding the role and responsibility of the iSimangaliso Board are contained in the PFMA, WHCA, NEMPAA, the Regulations and this agreement.
3. The mission of the Board is to fulfil the mandate of iSimangaliso in accordance with the strategic objectives of the government, while achieving its commercial objectives.
4. The Board is responsible for the corporate governance of iSimangaliso and has two main functions, namely, determining iSimangaliso's strategic direction and controlling iSimangaliso.

Board's Responsibilities and Accountability for the Public Entity's Performance and Strategic Direction

The Board is responsible to, inter alia:

1. Develop a five-year strategy aligned to Government priorities, reflective of its national role
2. Develop an APP that is aligned to the strategic plan
3. Develop a formal charter that clearly outlines the role and responsibilities of the Board and of the members, including formal delegations to the executive management
4. Ensure that iSimangaliso has and maintains a system of internal audit under the control and direction of an audit committee complying with and operating in accordance with regulations and instructions prescribed in terms of the PFMA

5. Ensure that the executive management cultivates a culture of ethical conduct and sets the values of the Organisation and that iSimangaliso operates ethically
6. Ensure that iSimangaliso has effective, efficient, and transparent systems of operational, risk management and financial internal controls
7. Ensure that iSimangaliso has and maintains an appropriate procurement and provisioning system that is fair, equitable, transparent, competitive and cost-effective
8. Ensure that all applicable BEE legislative frameworks and requirements are complied with
9. Ensure that iSimangaliso has and maintains a system for accurately evaluating all major capital projects prior to a final decision on the project
10. Ensure that the executive management implements iSimangaliso's strategy as established from time to time
11. Ensure the succession and approval of executive appointments
12. Adopt a structured and intensive performance management system for the CEO and executive management. Incentives should be strictly aligned to performance
13. Address the adequacy of retirement and healthcare benefits and the funding thereof
14. Uphold the Batho Pele principles of government and support the vision of a developmental state to improve service delivery and access to services
15. Provide information or a report on the activities of iSimangaliso in line with the communication strategy
16. Adopt guidelines for stakeholder communication so that it is clear, relevant, timely, honest and accessible to stakeholders
17. Disclose its stakeholder dealings in its Annual Report

The Role of the Board

1. The Board constitutes the fundamental base of corporate governance in iSimangaliso. Accordingly, iSimangaliso must be headed and controlled by an effective and efficient Board, comprising executive and non-executive directors, of whom the majority must be non-executive directors in order to ensure independence and objectivity in decision-making.
2. The Board of iSimangaliso has responsibility for the performance of the Entity and is accountable for such performance. As a result, the Board should give strategic direction to iSimangaliso and ensure that an effective succession plan is in place and adhered to for all directors and key executives. The Board does not appoint the CEO but runs the interviews and recommends to the Minister three suitable candidates. The Minister, in concurrence with the Cabinet, appoints the CEO.
3. The Board must retain full and effective control over iSimangaliso and monitor management in implementing Board decisions, plans and strategies.
4. The Board must ensure that iSimangaliso has and maintains a system of internal audit under the control and direction of an audit committee, complying with and operating in accordance with regulations and instructions prescribed in terms of the Act, regulations and the PFMA (as amended).
5. The Board must ensure that iSimangaliso is fully aware of and complies with applicable laws, regulations, government policies and codes of business practice and communicates with its shareholder and relevant stakeholders openly and promptly with substance prevailing over form.

6. All Board members should ensure that they have unrestricted access to accurate, relevant and timely information from iSimangaliso. Directors are required to act on a fully informed basis, in good faith, with diligence, skill and care and in the best interest of iSimangaliso, while taking account of the interests of the shareholder and other stakeholders, including employees, funders, creditors, customers, suppliers and local communities. To this end, the Board must monitor the process of disclosure and communication and exercise objective judgement on the affairs of iSimangaliso, independent of management. In so doing, each individual member of the Board must keep confidential all confidential matters of iSimangaliso.

7. The Board must ensure that executive management prepares a risk report, which must be submitted to the Board at its meetings not less than four times per year.

8. Without derogating from its fiduciary duties, the Board must ensure that the shareholder's performance objectives are achieved and that this can be measured in terms of the performance of iSimangaliso. In addition, the Board must ensure that iSimangaliso prepares annual budgets against which its performance can be monitored.

9. The Board has developed a clear definition of the levels of materiality or sensitivity in order to determine the scope of delegation of authority and ensure that it reserves specific powers and authority for itself. Delegated authority must be in writing and evaluated on a regular basis.

10. Annually, within five months of the financial year end, the CEO, on behalf of the Board, must submit a report to the shareholder on the activities of the Entity for the year, together with the audited AFS and the Auditor-General's report thereon. The AFS must include a report by the Directors and a full disclosure of all directors and key management's remuneration in respect of the Entity.

11. The Board must always maintain the highest standard of integrity, responsibility and accountability and ensure that it finds a fair balance between conforming to corporate governance principles and the performance of iSimangaliso.

BOARD CHARTER

Provide commentary on the Board's charter and comment on the progress made on complying with the charter. The current Board Charter was adopted on 27 March 2020 and in line with the Board Charter, the Board established three Board committees: the Audit and Risk Committee, Conservation and Tourism Committee and the Human Resources, Social and Ethics Committee. The Board also held the required number of ordinary meetings, thus ensuring that management was held accountable on a quarterly basis. The quality reports submitted to the Board has improved and the effectiveness of meetings is upheld at all times.

A Board member induction was held and training on governance was also conducted by the Institute of Directors South Africa (IODSA). The Board tour was also successfully hosted and it was meant to complement the Board induction and also ensure that Board members understand the Park intimately. A risk management workshop was also held, and it allowed both management and the Board to align strategic risks of the Entity and create a risk management template.

In line with the Board Charter, the Board upheld high levels of ethics and during the period under review, no Board member was found to have a conflict of interest not properly declared nor to have breached the ethics code. Finally, the Board also reported to the stakeholders on a quarterly basis as required and the Annual Report was submitted on time and in accordance with legislation.

COMPOSITION OF THE OUTGOING BOARD

NAME	DESIGNATION (IN TERMS OF THE PUBLIC ENTITY BOARD STRUCTURE)	DATE APPOINTED	DATE RESIGNED	QUALIFICATIONS	AREA OF EXPERTISE	BOARD DIRECTORSHIPS (LIST OF ENTITIES)	OTHER COMMITTEES OR TASK TEAMS (E.G. AUDIT COMMITTEE / MINISTERIAL TASK TEAM)	NO. OF MEETINGS ATTENDED
Prof. Antonia Thandi Nzama	Chairperson	March 2020		1. PhD (Geography) – Southern Illinois University, USA (specialising in Geography, and Tourism) 2. MSc (Environmental Management) – Southern Illinois University, USA 3. MA (Geography) – University of Zululand 4. MEd – University of Free State 5. BEd – University of Zululand 6. BA Hons (Geography) – University of Zululand 7. BPaed (Geography, Biology and Education) – University of Zululand 8. Secondary Teacher's Diploma (Biology and Geography) – University of Zululand	Academia		National Portfolio Committee on Environment, Forest and Fisheries	6
Inkosi Mabhudu Israel Tembe	Deputy Chairperson	March 2020		1. Computer Studies – Hartfield Business College 2. Leadership and Good Governance Certificate – UKZN	Traditional Leadership		1. Audit and Risk Committee 2. Human Resources, Social and Ethics Committee	6
Mr Leon Lankalebalela		March 2020		1. B. Comp (Accounting) – UNISA 2. B. Comp Hons – UNISA 3. Management Diploma - SIMA	Finance		1. Audit and Risk Committee 2. Human Resources, Social and Ethics Committee	6
Prof. Christopher Peter Small		March 2020		1. BSc in Zoology and Advanced Biology – University of Witwatersrand 2. BSc Hons in Ecology – Potchefstroom University for Christian Higher Education 3. Master's in business leadership – UNISA	Conservation		1. Conservation and Tourism Committee	6

COMPOSITION OF THE OUTGOING BOARD

NAME	DESIGNATION (IN TERMS OF THE PUBLIC ENTITY BOARD STRUCTURE)	DATE APPOINTED	DATE RESIGNED	QUALIFICATIONS	AREA OF EXPERTISE	BOARD DIRECTORSHIPS (LIST OF ENTITIES)	OTHER COMMITTEES OR TASK TEAMS (E.G. AUDIT COMMITTEE / MINISTERIAL TASK TEAM)	NO. OF MEETINGS ATTENDED
Mr Gonasagren Ganesh Nair		March 2020		<ol style="list-style-type: none"> 1. Basic Training Course for Environmental Enforcement – University of Pretoria 2. Basic Training Course for Environmental Inspection – University of Pretoria 3. Introductory Course in Marine Protected Area management – Nelson Mandela Metropolitan 4. EMI Docket Management Course – Environmental Affairs 5. Introductory Course in Management of Estuaries in South Africa – Water Research Commission 	Conservation		Conservation and Tourism Committee	6
Ms Nomagcisa Cawe		March 2020		<ol style="list-style-type: none"> 1. BA Humanities – University of Botswana and Swaziland 2. LLB – University of Natal 3. LLM Property Law – University of . Witwatersrand 	Legal		<ol style="list-style-type: none"> 1. Conservation and Tourism Committee 2. Human Resources, Social and Ethics Committee 	6
Ms Letlhogonolo Tungamirai		March 2020		<ol style="list-style-type: none"> 1. IT Programming Diploma – CTU Training Solutions 2. Master Network Engineering Diploma – Torque IT 3. Management Advancement Programme – Wits Business School 4. Postgraduate Diploma in Management – Wits Business School 5. Master of Business Administration (MBA) – Wits Business School 	Management		<ol style="list-style-type: none"> 1. Conservation and Tourism Committee 2. Human Resources, Social and Ethics Committee 	5

COMPOSITION OF THE NEW BOARD

NAME	DESIGNATION (IN TERMS OF THE PUBLIC ENTITY BOARD STRUCTURE)	DATE APPOINTED	DATE RESIGNED	QUALIFICATIONS	AREA OF EXPERTISE	BOARD DIRECTORSHIPS (LIST OF ENTITIES)	OTHER COMMITTEES OR TASK TEAMS (E.G. AUDIT COMMITTEE / MINISTERIAL TASK TEAM)	NO. OF MEETINGS ATTENDED
Inkosi Mabhudu Israel Tembe	Chairperson	01 March 2023		<ol style="list-style-type: none"> 1. Computer Studies – Hartfield Business College 2. Leadership and Good Governance Certificate - UKZN 	Traditional Leadership		National Portfolio Committee on Environment, Forest and Fisheries	
Ms Memory Thulile Sosibo	Deputy Chairperson	01 March 2023		<ol style="list-style-type: none"> 1. Bachelor of Laws (LLB) UNISA 	Legal		<ol style="list-style-type: none"> 1. Audit and Risk Committee 2. Human Resources, Social and Ethics Committee 	
Prof Christopher Peter Small	Board member	01 March 2023		<ol style="list-style-type: none"> 1. BSc in Zoology and Advanced Biology - University of Witwatersrand 2. BSc Hons in Ecology – Potchefstroom University for Christian Higher Education 3. Master's in business leadership – UNISA 	Conservation		<ol style="list-style-type: none"> 1. Conservation, Tourism and Special Projects Committee 	
Mr Gonasagren Ganesh Nair	Board member	01 March 2023		<ol style="list-style-type: none"> 1. Basic Training Course for Environmental Enforcement – University of Pretoria 2. Basic Training Course for Environmental Inspection – University of Pretoria 3. Introductory Course in Marine Protected Area management – Nelson Mandela Metropolitan 4. EMI Docket Management Course – Environmental Affairs 5. Introductory Course in Management of Estuaries in South Africa – Water Research Commission 	Conservation		<ol style="list-style-type: none"> 1. Conservation, Tourism and Special Projects Committee 2. Human Resources, Social and Ethics Committee 	

COMPOSITION OF THE NEW BOARD

NAME	DESIGNATION (IN TERMS OF THE PUBLIC ENTITY BOARD STRUCTURE)	DATE APPOINTED	DATE RESIGNED	QUALIFICATIONS	AREA OF EXPERTISE	BOARD DIRECTORSHIPS (LIST OF ENTITIES)	OTHER COMMITTEES OR TASK TEAMS (E.G. AUDIT COMMITTEE / MINISTERIAL TASK TEAM)	NO. OF MEETINGS ATTENDED
Ms Sibisiwe Maureen Ngcobo	Board Member	01 March 2023		<ol style="list-style-type: none"> 1. Master of Social Science (Policy and Development) Degree - University of Natal 2. Degree in Home Economics (Development and Extension) – University of Zululand 3. Secondary Teachers' Diploma – Indumiso College of Education 	Management		<ol style="list-style-type: none"> 1. Human Recourses, Social and Ethics Committee 	
Mr Boy Daniel Ngobeni	Board Member	01 March 2023		<ol style="list-style-type: none"> 1. B Admin – University of Limpopo 2. B Admin Hons - University of Limpopo 3. Advanced OD - UNISA 4. Masters in Leadership Performance – University of Johannesburg 5. Masters in Public Management – Regenesys School of Management 	Management		<ol style="list-style-type: none"> 1. Conservation, Tourism and Special Projects Committee 2. Human Recourses, Social and Ethics Committee 	
Ms Nombuso Mlambo		01 March 2023		<ol style="list-style-type: none"> 1. Bachelor of Business Administration – CIDA City Campus 			<ol style="list-style-type: none"> 1. Conservation, Tourism and Special Projects Committee 2. Human Recourses, Social and Ethics Committee 	

COMPOSITION OF THE NEW BOARD

NAME	DESIGNATION (IN TERMS OF THE PUBLIC ENTITY BOARD STRUCTURE)	DATE APPOINTED	DATE RESIGNED	QUALIFICATIONS	AREA OF EXPERTISE	BOARD DIRECTORSHIPS (LIST OF ENTITIES)	OTHER COMMITTEES OR TASK TEAMS (E.G. AUDIT COMMITTEE / MINISTERIAL TASK TEAM)	NO. OF MEETINGS ATTENDED
Mr Bongani Mzwakhe Mhlongo	Board member	01 March 2023		<ol style="list-style-type: none"> 1. Masters in Public Administration – University of KwaZulu Natal 2. Certificate in Public Finance – University of Western Cape 3. Financial Diploma – Damelin Management School 4. Certificate in Commercial Property Practitioner – University of Pretoria 5. Small Business Management Certificate – Intec College 6. Bachelor of Commerce – University of Natal 7. National Technical Certificate – Swinton College 8. Supervisory Safety Training Course - NOSA 	Finance		<ol style="list-style-type: none"> 1. Audit and Risk Committee 2. Human Resource, Social and Ethics Committee 	

COMMITTEES

Committee	Qualifications	Name of members	Date Appointed
Audit and Risk Committee	1. B. Comp Honors (UNISA) 2. Certificate in Accountancy (Postgraduate) 3. ND: Cost and Management Accounting	Ms Nonhlanhla Mzimela (Chairperson)	01 August 2020 – 31 July 2023
	1. Masters in Public Administration – University of KwaZulu Natal 2. Certificate in Public Finance – University of Western Cape 3. Financial Diploma – Damelin Management School 4. Certificate in Commercial Property Practitioner – University of Pretoria 5. Small Business Management Certificate – Intec College 6. Bachelor of Commerce – University of Natal 7. National Technical Certificate – Swinton College 8. Supervisory Safety Training Course - NOSA	Mr Bongani Mzwakhe Mhlongo	01 April 2023 – 31 March 2026
	1. Bachelor of Laws (LLB) UNISA	Ms Memory Thulile Sosibo	01 April 2023 – 31 March 2026
	1. B Com Accounting (Fort Hare University) 2. Post Graduate Diploma in Accounting (Fort Hare University) 3. Chartered Accountant (SA)	Mr Mxolisi Sikhosana	18 June 2020 – 30 June 2023
	1. ND: Cost and Management Accounting (Mangosuthu University of Technology) 2. B Tech: Cost and Management Accounting (DUT) 3. Programme in Management Development for Municipal Finance Certificate (WITS) 4. Project Management Certificates (Varsity College) 5. Post Grad Diploma: Development Finance in Africa (University of Stellenbosch)	Ms Zama Soji	18 June 2020 – 30 June 2023
	Human Resources, Social and Ethics Committee	1. Master of Social Science (Policy and Development) Degree - University of Natal 2. Degree in Home Economics (Development and Extension) – University of Zululand 3. Secondary Teachers' Diploma – Indumiso College of Education	Ms Sibusisiwe Maureen Ngcobo (Chairperson)
1. Basic Training Course for Environmental Enforcement – University of Pretoria 2. Introductory Course in Marine Protected Area management – Nelson Mandela Metropolitan University 3. Integrated Coastal management Training Course		Mr Gonasagren Ganesh Nair	01 April 2023 – 31 March 2026

COMMITTEES

Committee	Qualifications	Name of members	Date Appointed
Human Resources, Social and Ethics Committee	1. B Admin – University of Limpopo 2. B Admin Hons - University of Limpopo 3. Advanced OD - UNISA 4. Masters in Leadership Performance – University of Johannesburg 5. Masters in Public Management – Regenesys School of Management	Mr Boy Daniel Ngobeni	01 April 2023 – 31 March 2026
	1. Bachelor of Business Administration – CIDA City Campus	Ms Nombuso Mlambo	01 April 2023 – 31 March 2026
	1. Masters in Public Administration – University of KwaZulu Natal 2. Certificate in Public Finance – University of Western Cape 3. Financial Diploma – Damelin Management School 4. Certificate in Commercial Property Practitioner – University of Pretoria 5. Small Business Management Certificate – Intec College 6. Bachelor of Commerce – University of Natal 7. National Technical Certificate – Swinton College 8. Supervisory Safety Training Course - NOSA	Mr Bongani Mzwakhe Mhlongo	01 April 2023 – 31 March 2026
	Human Resources, Social and Ethics Committee	1. Basic Training Course for Environmental Enforcement – University of Pretoria 2. Introductory Course in Marine Protected Area management – Nelson Mandela Metropolitan University 3. Integrated Coastal management Training Course	Mr Gonasagren Nair (Chairperson)
1. Master of Social Science (Policy and Development) Degree - University of Natal 2. Degree in Home Economics (Development and Extension) – University of Zululand 3. Secondary Teachers' Diploma – Indumiso College of Education		Ms Sibusisiwe Maureen Ngcobo (Chairperson)	01 April 2023 – 31 March 2026
1. Basic Training Course for Environmental Enforcement – University of Pretoria 2. Introductory Course in Marine Protected Area management – Nelson Mandela Metropolitan University 3. Integrated Coastal management Training Course		1. BSc in Zoology and Advanced Biology - University of Witwatersrand 2. BSc Hons in Ecology – Potchefstroom University for Christian Higher Education 3. Master's in business leadership – UNISA	01 April 2023 – 31 March 2026

COMMITTEES

Committee	Qualifications	Name of members	Date Appointed
Human Resources, Social and Ethics Committee	1. Bachelor of Business Administration (CIDA City Campus) 2. BCom Financial Management (UNISA)	Ms Nombuso Mlambo	01 April 2023 – 31 March 2026
	1. Bachelor of Laws (LLB) UNISA	Ms Memory Thulile Sosibo	01 April 2023 – 31 March 2026
	1. B Admin – University of Limpopo 2. B Admin Hons - University of Limpopo 3. Advanced OD - UNISA 4. Masters in Leadership Performance – University of Johannesburg 5. Masters in Public Management – Regenesys School of Management	Mr Boy Daniel Ngobeni	01 April 2023 – 31 March 2026

CORPORATE GOVERNANCE

Corporate governance is accorded high priority by the Authority. Its Board and staff are required to conduct themselves with integrity and in the best interests of the Organisation.

The Authority's Board believes that the Organisation has applied and complied with Treasury regulations and the principles of corporate governance in the public sector as well as the applicable management guidelines set down by UNESCO.

The organisational arrangements and systems that have been put in place to ensure good corporate governance embrace the inclusion of non-executive members on the Board, the use of audit, executive and tender committees, as well as independent (outsourced) internal audits. Detailed financial policies and procedures make it clear that corporate governance and financial control are the responsibilities of every staff member in the Organisation.

The Authority has received unqualified audit opinions for each year of operation.

GOVERNING BODIES

AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2022

The Audit Committee concurs and accepts the conclusions of the external auditor on the AFS and is of the opinion that the audited AFS be accepted and read together with the report of the auditor.



Ms N.Q. Mzimela
Chairperson of the Audit Committee
iSimangaliso Wetland Park Authority

AUDIT RISK COMMITTEE

The ARC is responsible for overseeing audit and risk functions, internal controls and the financial reporting process. The committee consists of several independent non-executive members who possess the necessary expertise and qualifications. Other members include the Deputy Chairperson of the Board as well as one other Board member.

INTERNAL AUDIT

The internal audit function provides an independent, objective appraisal and evaluation of the risk management processes, internal controls and governance processes, and identifies corrective actions and enhancements to these.

The internal audit function is outsourced. These audits are carried out in accordance with a three-year rolling plan that is updated annually and is based on the risks identified in the risk management process.

RISK MANAGEMENT

The policy on risk management embraces all significant risks that might undermine the Authority's achievement of its business objectives. In addition to regular reports by the executive, the Accounting Authority and the Board also receive assurance from the internal auditors and ARC on risk and internal control.

The Accounting Authority, the Board and the ARC are of the opinion that appropriate risk management policies and practices are in place, and that adequate systems and expertise are applied to achieve compliance with those policies and procedures. Mechanisms for managing risk include, where appropriate, the transfer of risk to third parties (for example, through public-private partnerships), the maintenance of an appropriate mix of self-insurance and commercial insurance for risks that the Organisation retains, internal controls, and business continuity planning, among others.

ENVIRONMENTAL MANAGEMENT

The Authority abides primarily by the National Environmental Management Act: Protected Areas Act, and the World Heritage Convention Act as key legislation. The day-to-day wildlife and biodiversity management is carried out by Ezemvelo KZN Wildlife in accordance with a management agreement between it and the Authority, pursuant to the regulations under the World Heritage Convention Act.

The Authority's environmental programmes conform to international best practice and are in line with the Park's inscription as a World Heritage Site, which was based on its outstanding ecological beauty and biodiversity.

SOCIAL MANAGEMENT

The Authority has adopted Government's B-BBEE policies and has implemented a system based on dti's Codes of Good Practice and, where appropriate, on the Tourism Charter. Prospective tourism enterprises in the Park are appraised in terms of a BEE scorecard and include local communities as mandatory equity partners in their operations and as preferred service providers in their procurement plans. The Park also implements special community development programmes. Further, contractors for infrastructure and maintenance contracts are required to comply with 30% of the contract value being sub-contracted to local black SMMEs.

SOCIAL AND ENVIRONMENTAL RISK

iSimangaliso is situated in an area beset with high levels of unemployment and poverty, and people living in and around the Park see it as a source of economic benefit, both directly in the form of employment, and indirectly through the use of its natural resources for income generation.

To manage this reality, the Authority implements special community development programmes in areas such as craft production, interpretation of culture, tourism training, art, life skills, HIV/AIDS awareness and entrepreneurship. It also sources people from neighbouring communities in the execution of its construction and land rehabilitation programmes and provides alternatives to unsustainable practices that impact negatively on the ecology.

The Authority actively participates in crime prevention forums in the area. At a macro level, the Authority monitors the impact of climate change on the natural resources in the Park. It has also raised funds for monitoring the hydrology of Lake St Lucia.

COMMUNICATIONS

The Authority maintains a policy of open communication with its stakeholders on matters of interest and concern. Every effort is made to ensure that the information furnished to stakeholders conforms to the criteria of openness, substance over form, relevance, clarity, effectiveness, transparency and objectivity.

The Authority publishes regular newsflashes in the form of electronic information sheets, which keep stakeholders apprised of developments. It also maintains a website. Quarterly progress reports on performance and the annual report are uploaded onto the website. Public consultations and meetings are held to keep community groups, environmental NGOs, relevant public institutions and private parties informed about iSimangaliso, the challenges and opportunities it faces and the activities it undertakes. Regular meetings are held with land claimants and traditional councils. The Authority participates in several intergovernmental committees and forums.

SAFETY

The Authority abides by occupational health and safety laws and regulations. Staff and contractors working in the Park are trained on how to deal with dangerous game and how to use and dispose of toxic chemicals, especially in the Park's alien vegetation clearing programme. They are also contractually obliged to conform to these prescripts.

INFORMATION AND COMMUNICATIONS TECHNOLOGY (ICT)

The Authority's Strategic Planning Framework guides the Strategic ICT Plan within the Authority, which, in turn, provides an ICT roadmap to ensure that ICT investment is aligned with the business strategy. Future core business applications identified include financial management, document management, content management and a MIS system.

Due to the current structure and size of the Organisation, the Authority has outsourced most of the ICT functions. The broad ICT services rendered and supported through the entire Organisation cover areas such as desktop and server management, network administration and maintenance, email and internet management as well as website management.

ORGANISATIONAL STRUCTURE

The Authority has five operating units:

- Socio-economic and Environment Development
- Biodiversity Conservation
- Tourism and Business Development
- Corporate Support Services and Finance

The Socio-economic and Environment Development Unit is responsible for developing and implementing sustainable development strategies, local economic development and implementing training programmes for communities. Furthermore, it is responsible for stakeholder engagement and management.

The Biodiversity Conservation Unit establishes conservation policy and oversees estate management and the implementation of conservation aspects of a management agreement with Ezemvelo KZN Wildlife.

The Tourism and Business Development Unit handles tourism and related development, while Support Services coordinates policy planning and research, communications, human resources, and IT functions, among others. The staffing of new positions in the revised units is ongoing.

The Finance Unit is responsible for SCM and financial management.

All units are required to develop and implement BEE strategies pertaining to their functional areas.

A joint management committee, representing the Authority and Ezemvelo KZN Wildlife, addresses Park management matters.

REMUNERATION

The Authority is a total-cost-to-company employer. It is not subject to Public Service scales and remunerates its employees in accordance with the prevailing dictates of the market. Remuneration for Board members and Board committees is regulated by directives from National Treasury. Disclosure of remuneration to managers, as required by Treasury, is made in note 29 to the AFS.





PART D

HUMAN RESOURCE MANAGEMENT

HUMAN RESOURCES MANAGEMENT

I. HUMAN RESOURCES OVERVIEW

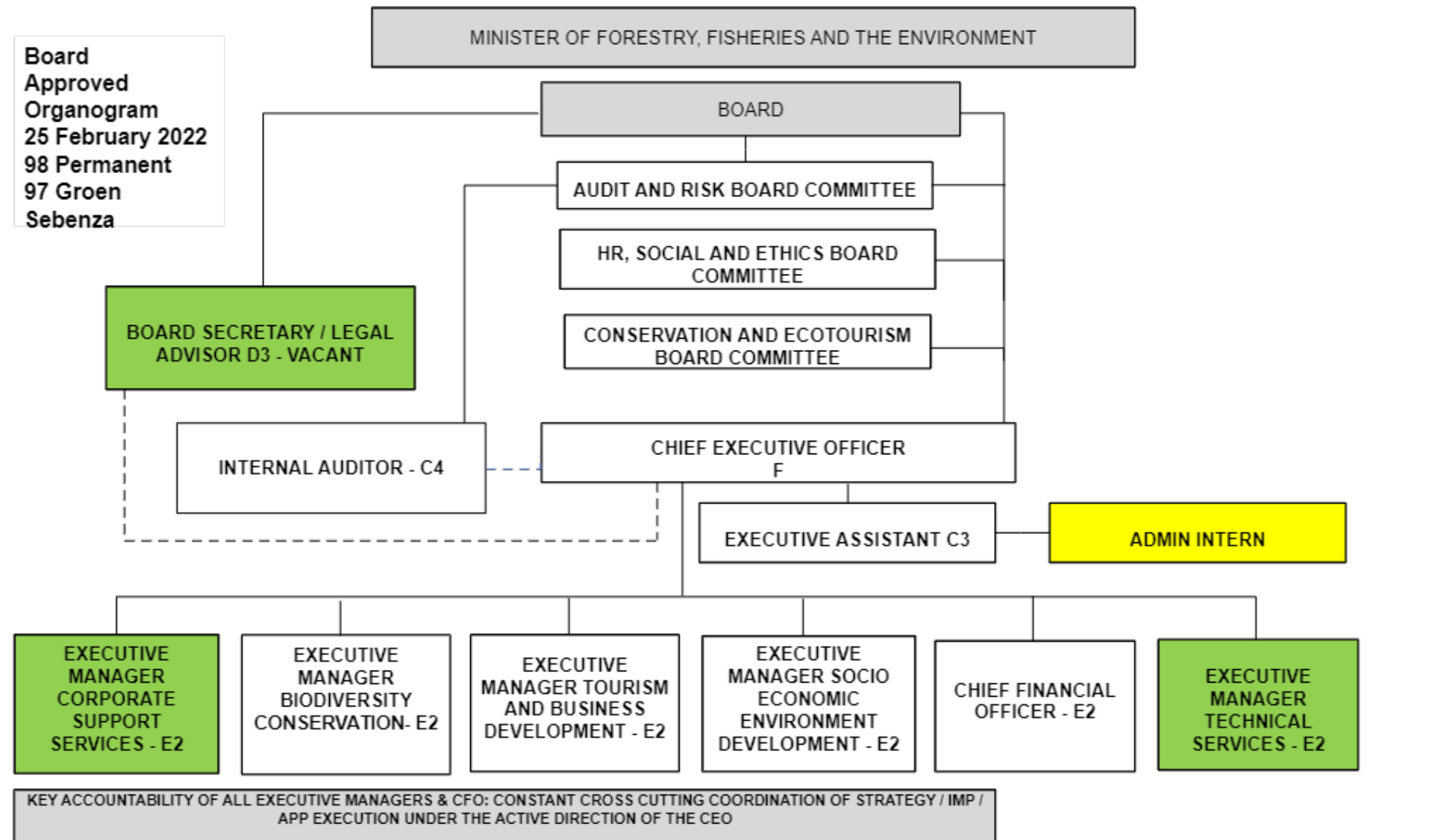
Human Resources Department at iSimangaliso falls under Program one (1): Corporate Support Services. HR Department provides efficient and effective Human resources management functions that support the achievement of the Authority's strategic objectives.

The HR Department has primary responsibility of managing, assisting, and handling all employees related matters including functions such as policy administration, recruitment and selection process, benefits administration, employment and labour laws, new employee orientation, training and development, labour relations, personnel records retention, wage and salary administration, employee wellness program and occupational health and safety. HR works closely with various departments to support and respond to their needs.

2. BOARD APPROVED STAFF ESTABLISHMENT / ORGANOGRAM

The board approved structure consists of 98 permanent positions. Out of the 98 positions, 51 positions are vacant, and 47 positions are permanently filled. Out of 51 vacant positions 48 are unfunded and 3 are funded and will be filled during the financial year 2022/23. The following is a macro structure of the Entity.





10 positions in the "Macro" structure + 1 Groen Sebenza Intern

WORKFORCE PROFILE AS OF 31 MARCH 2023

The table below represents the number of employees in different occupational levels in terms of job grade and gender and race. As of 31 March 2023, there were 382 employees in overall total. 52 permanently employed in different occupational levels and 330 temporary employees. The temporary employees are made up of 130 Environmental Monitors, Environmental Monitors and 200 Groen Sebenza Interns.

Occupational Levels	Job Grade	MALE				FEMALE				FOREIGN NATIONALS		TOTAL
		A	C	I	W	A	C	I	W	MALE	FEMALE	
Top management	F1	1	0	0	0	0	0	0	0	0	0	1
Senior management	E2	4	0	0	0	1	0	0	0	0	0	5
Professionally qualified and experienced specialists and mid-management	D4	0	1	0	0	0	0	0	0	0	0	1
	D3	1	0	0	0	3	0	0	0	0	0	4
	D2	6	0	0	2	5	0	0	0	1	1	14
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	C2	2	0	0	0	0	0	0	0	0	0	2
	C4	5	0	0	0	6	0	0	0	0	0	11
	C3	6	0	0	0	4	0	0	0	0	0	10
	C2	0	0	0	0	2	0	0	0	0	0	2
	C1	0	0	0	0	0	0	0	0	0	0	0
Semi-skilled and discretionary decision making	B4	0	0	0	0	2	0	0	0	0	0	2
	B2	0	0	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	A1	0	0	0	0	0	0	0	0	0	0	0
TOTAL PERMANENT		25	1	0	2	23	0	0	0	1	0	52
Temporary employees		139	0	0	0	191	0	0	0	0	0	330
Total		164	1	0	2	214	0	0	0	1	0	382
EAP Provincial		45.7%	0.7%	5.2%	2.4%	40.4%	0.8%	3.2%	1.6%			
		48.08%	1.92%	0	3.85%	44.23%	0%	0%	0%	0%	0	100%

3.1. ENVIRONMENTAL MONITORS PROGRAMME

Environmental Monitors were employed to curb poaching and guard against biodiversity loss within the park. Their duties involve patrolling, that is, security services, anti-poaching, monitoring, and environmental education. The Programme is funded by the National Department of Forestry, Fisheries, and the Environment.

3.2 GROEN SEBENZA INTERNSHIP PROGRAMME

The Groen Sebenza Internship Programme is funded by the National Department of Forestry, Fisheries and Environment as part of the Job Creation. The main objective of the programme is to train and mentor matriculants and graduates through host Institutions amongst which iSimangaliso is included. The Programme aims to bring young South Africans from previously disadvantaged backgrounds and together with experienced biodiversity professionals to learn, grow and eventually gain the competence and confidence to embark on rewarding and meaningful careers prioritizing careers in Biodiversity, strengthening its iSimangaliso relationships with communities neighbouring the park.

As of 31 March 2023, there were 200 Groen Sebenza Interns. The Interns are placed at iSimangaliso and various iSimangaliso Stakeholders such as Ezemvelo KZN Wildlife, Msinsi Holdings, COGTA, Amakhosi and Municipalities within the park.

HANDING OVER OF GROEN SEBENZA INTERNS AT MSINSI HOLDING



4. STATUTORY REQUIREMENTS

The Entity complied with legislation in terms of the submission of reports and payments that are required to be made. There were no fines and penalties received. The table demonstrates the reports and legislation complied with.

Name of the Report	Where was it submitted to?	Legislative Requirement
Employment Equity Report	Department of Labour	Employment Equity Act, 55 of 1998
Workplace Skills Plan 2022/23	SETA	Skills Development Act, 97 of 1998
Return of earnings, Declaration of earnings to determine the amount payable by employer to the Compensation Fund	Department of Labour	Compensation for Occupational injuries and Diseases Act, No 130 of 1993
EMP201 Monthly Employer PAYE, SDL and UIF Declaration	SARS	Skills Development Levy Act 6 of 1999
EMP501 PAYE, SDL and UIF Declaration Mid-Year and Annual	SARS	Unemployment Insurance Fund Act 63 of 2001 Income Tax Act 28 of 1997

5. APPOINTMENT OF EMPLOYEES

Twenty-six (26) employees were employed during the financial year 2022/23. The table below demonstrates the occupational level, job title, numbers in terms of gender and the status of the position.

Occupational Level	Job Title	Job Grade	Female	Male	Status of the Position
Senior Management	Executive Manager, Technical Services	E2		1	Fixed Term Contract
Professionally qualified and experienced specialists and mid-management	Ecologist	D4		1	Fixed Term Contract
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	Research Technician	C4		1	Fixed Term Contract
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	Land Care Contract Managers	C4	2	1	Fixed Term Contract

Occupational Level	Job Title	Job Grade	Female	Male	Status of the Position
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	Strategic Support Officer	C3	1		Permanent
Temporary Employees	Groen Sebenza Interns	-	12	7	Fixed Term Contract

6. TERMINATIONS

Twenty-one (21) employees exited the Entity during the financial year 2022/23. The table below demonstrates the occupational level, job title, numbers in terms of gender and the reason for living.

19 Interns resigned due to them getting job opportunities with other institutions and with iSimangaliso as well. 4 of these Interns who exited the programme have been employed by iSimangaliso, 1 permanent and 3 in a 5-year fixed term contract.

Occupational Level	Job Title	Job Grade	Female	Male	Reason for Leaving
Professionally qualified and experienced specialists and mid-management	Information Technology Manager	D2	1		Resignation
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	Rhino Monitor	D2		1	Contract Expired
Temporary Employees	Groen Sebenza Interns		12	7	Resignation

7. TRAINING AND DEVELOPMENT

iSimangaliso trained its employees on different training and development programs during the financial year 2022/23. Bursaries were offered to staff for their educational opportunities with tertiary institutions



7.1 WORKPLACE SKILLS PLAN

Workplace Skills Plan was developed and submitted to SETA on 29th April 2022. The WSP consisted of the Annual Training Report for the training and development report that occurred during the financial year 2021/22 and the training and development needs for the financial year 2022/23. Through the implementation of the WSP the Entity managed to receive 20% Mandatory Grant of the 1% Levy paid during the financial year 2021/22.

7.2 ANNUAL TRAINING REPORT 2022/23

The following table represent the 2022/23 learning interventions attended, occupational levels, number of employees trained and the benefits of the learning interventions towards the Entity and the employee.

NAME OF COURSE / WORKSHOP	OCCUPATIONAL LEVELS	NUMBER OF STAFF ATTENDED	TRAINING BENEFITS
Pitman Model and Website Information System Water Resources Course	Skilled technical and academically qualified worker and Groen Sebenza Intern	2	The Pitman Model predict 20-to-50-year floods. This will enable iSimangaliso Wetland Park to know how much water we are getting and how much water we are losing. iSimangaliso will be able to develop climate change Adaptation and Mitigation strategies. The duration of the training was two days (basic introduction to the model). Training specific to wetlands, estuaries and lakes is required for iSimangaliso to use the model.
Gender Based Violence (GBV)	All iSimangaliso female employees based at the Dredger Harbour (all occupational levels)	46	Employees learnt basic life skills such as enhanced communication, conflict management, and problem-solving skills.
Code of good practice on the prevention and elimination of harassment in the workplace	Professionally qualified and experienced specialists and mid-management	1	Understanding of the different types of harassment and its prevention, the previous CCMA cases on harassment were discussed. The knowledge gained will be applied should such cases come up
Green Energy Workshop	All iSimangaliso employees at all occupational levels	83	iSimangaliso employees out of this workshop took the following steps: <ul style="list-style-type: none"> • Minimize harm we do on an environment. • Preserve the planet and its natural systems and resources. • Reduce Pollution • Conserve Energy • Print Less – Think Before You Print • Save paper – print back-to-back. • Save Paper -Minimise Physical copies and filing – Save on Server • Use natural light during the day – lift blinds and switch off unnecessary light/s
Bid Committee Training	Bid committees members	24	Learners will understand the bidding process undertaken during the procurement process. The Entity will comply with all the processes during the bidding processes.

NAME OF COURSE / WORKSHOP	OCCUPATIONAL LEVELS	NUMBER OF STAFF ATTENDED	TRAINING BENEFITS
Performance Management	Skilled technical and academically qualified worker and Groen Sebenza Intern	30	Attendees will understand the performance management system processes and how it is managed
Conflict Management	Skilled technical and academically qualified worker and Groen Sebenza Interns	35	Attendees will be able to resolve issues / conflicts in the workplace.
GRAP Standard Training	Professionally qualified and experienced specialists and mid-management Skilled technical and academically qualified worker and Groen Sebenza Interns	08	Understanding the GRAP Standards within Finance
HR Policies and Procedures Workshop	Senior Manager, Skilled technical and academically qualified worker, and Groen Sebenza Interns	10	Compliance with the policies and procedures of the organisation upon joining the entity.
Professional Business writing	Groen Sebenza Interns	10	Ability to write the business letters / memos and reports
Risk Management	Groen Sebenza Interns	11	Ability to identify and manage the risks within the Entity and to be able to develop plans on how minimise those risks.
Risk Management Workshop	Senior Managers, professionally qualified and experienced specialists, and mid-management Skilled technical and academically qualified worker and Groen Sebenza Interns	22	Ability to identify and manage the risks within the Entity and to be able to develop plans on how minimise those risks
Personal Finance Management Training	Skilled technical and academically qualified worker and Groen Sebenza Interns	10	Attendees will understand the Finance management systems and how to manage finances
Microsoft Excel Workshop	Skilled technical and academically qualified worker and Groen Sebenza Interns	11	Understanding the usage of Excel
CaseWare Workshop	Senior Managers, professionally qualified and experienced specialists, and mid-management Skilled technical and academically qualified worker and Groen Sebenza Interns	14	

NAME OF COURSE / WORKSHOP	OCCUPATIONAL LEVELS	NUMBER OF STAFF ATTENDED	TRAINING BENEFITS
Microsoft PowerPoint Workshop	Groen Sebenza Intern	9	Understanding the basic method in how to use PowerPoint, attendees will be able to prepare advance PowerPoint presentation.
Microsoft Word Workshop	Groen Sebenza Intern	10	Ability to understand basic computer component and to have knowledge of Microsoft office. Attendees will also be trained about report writing
Public Private Partnership Training Workshop	Groen Sebenza Intern	07	Attendees will gain knowledge in how to comply with public Private partnership policies and procedures.

8. GENDER BASED VIOLENCE (GBV) AND OTHER CHALLENGES AFFECTING WOMEN

The Chief Executive Officer of iSimangaliso invited all women working for iSimangaliso at a GBV Seminar held on 25th August 2022. The CEO emphasized that it is imperative that women are appreciated and hailed as pillars of every Society. Specialists Doctors attended the seminar to address and provide guidance on various issues affecting women. The main topics were on challenges affecting women, mental health issues and treatment of mental disorders and prevention, balancing career & child rearing for women and skill lessons, acne, skin rashes and discoloration or pigmentation.



9. BURSARIES AWARDED TO iSIMANGALISO EMPLOYEES.

iSimangaliso awarded bursaries to its five (5) employees during the financial year 2022/23. One of the qualifying criteria for bursaries include studying a course that is directly relevant to iSimangaliso's mandate. Employees who qualified for bursaries signed a legally binding agreement between the employer and the employee. The following table represent the job title of the employee who received the bursary, gender, department, the field of study, the costing, duration of study and the status.

Job Title	Gender	Department	Field of Study	Funding Requirements	Duration of Study	Status
Supply Chain Manager	Male	Finance	Master of Business Administration	R59 900,00	2 Years – part time	Passed modules and has registered for the 2 nd year
Supply Chain Officer	Male	Finance	Higher Certificate in Supply Chain Management	R20 970,00	1 Year	Passed
Executive Assistant	Female	Biodiversity Conservation	Post Graduate Diploma in Project Management	R48 350,00	1 Year	Passed
Finance Officer	Male	Finance	Post Graduate Diploma in Project Management	R48 350,00	1 Year	Passed
Land Care Contract Manager	Male	Biodiversity Conservation	Bachelor of Administration in Human Settlements Management	R7 260,00	3rd Year	Passed

10. PERFORMANCE MANAGEMENT

The performance agreement and accompanying work plan were signed by all employees with their immediate Supervisors during the financial year 2022/23. Half yearly performance assessments were conducted. These are used to assess whether the Employees met the performance expectations applicable to their jobs. Pay progression got implemented during the financial year 2022/23 as employees met their job performance standards and expectations.

11. POLICIES AND PROCEDURES

HR, Finance, IT, Communication and Strategy policies and procedures were reviewed, communicated to all employees, and approved by the Board on 30th March 2022. The implementation date was 1st April 2022. This was to ensure that the Entity is run efficiently and that there is consistency, fairness, and compliance with labour laws. The Entity wanted to ensure that employees know what is acceptable and tolerated. These policies and procedures reflect the Entity's values, making it a better environment for all employees.

12. EMPLOYEE RELATIONS

12.1 DISCIPLINARY HEARING

There were two disciplinary hearings during the period. In terms of iSimangaliso Wetland Park Authority Disciplinary Code and Procedure, the two employees allegedly committed an offence, gross negligence by disregarding the Supply Chain Management processes, thus, subjecting the Entity to fruitless and wasteful expenditure.

Occupational Level	Gender	Race	No. of employees	Disciplinary Charges	Sanction
Senior Management	Male	African	01	Gross Negligence	Final Written Warning.
Professionally qualified	Female	African	01	Gross Negligence	Final Written Warning.

13. EMPLOYEE HEALTH AND WELLNESS PROGRAMME

Employee Assistance is offered to Employees on life challenges they face. Several referrals occurred during the period to Psychologists, Social Workers, Dept Counsellors. Confidentiality is maintained in all Employee related challenges

14. CEO MR. SE BUKHOSINI'S STAFF BRIEFING

The staff meetings are held quarterly. During these meeting the CEO get an opportunity to provide updates on iSimangaliso Wetland Park Authority strategic issues. that affect iSimangaliso were presented to staff by the CEO. The items covered were on Commercialization, Entity's budget, Auditor General Report, Employee Benefits and Update on the infrastructure development. Staff always appreciate an opportunity to communicate with the CEO and to know what is happening within the Entity.

15. OCCUPATIONAL HEALTH AND SAFETY IN THE WORKPLACE

Health and safety are paramount in the workplace, and regular inspections are crucial to ensure that employees are working in a secure and safe environment. Health and safety inspections are a systematic examination of a workplace to identify any potential hazards or risks to the health and safety of employees. Health and Safety representatives at iSimangaliso conducted these inspections during the financial year 2022/23. These involved a thorough examination of potential hazards in the workplace, including all equipment, facilities, and working practices. The aim of the inspection was to identify any potential risks and to take steps to mitigate or eliminate them. The report with recommendations were made. Most of the recommendations got implemented by 31st March 2023.



PART E:

FINANCIAL INFORMATION

AUDIT REPORT

iSimangaliso Wetland Park
Authority 2022-2023



Report of the auditor-general to Parliament on the iSimangaliso Wetland Park Authority

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the iSimangaliso Wetland Park Authority set out on pages xx to xx, which comprise the statement of financial position as at 31 March 2023, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amount 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 iSimangaliso Wetland Park Authority as at 31 March 2023, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management, 1999 (Act No. 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.

Emphasis of matters

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

Restatement of corresponding figures

7. As disclosed in note 33 and 34 to the financial statements, the corresponding figures for 31 March 2022 were restated as a result of an error in the financial statements of the entity at, and for the year ended, 31 March 2023.

Uncertainty relating to future outcome of exceptional litigation

8. As disclosed in note 28, the entity is a defendant in a fire-claim lawsuit. The entity has referred the claim to its legal counsel. The ultimate outcome of the matter cannot presently be determined and no provision for any liability that may result has been made in the financial statements.

Responsibilities of the accounting authority for the financial statements

9. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the SA 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.

10. 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

11. 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.
12. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

13. 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 against predetermined objectives for selected programme presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.

14. I selected programme 2: biodiversity conservation presented in pages x to of the annual performance report for the year ended 31 March 2023 for auditing. I selected a programme that measure the public entity's performance on its primary mandated functions and that is of significant national, community or public interest.

15. I evaluated the reported performance information for the selected programme 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.

16. 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
 - the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and that I can confirm the methods and processes to be used for measuring achievements
 - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
 - the indicators and targets reported on in the annual performance report are the same as what was committed to in the approved initial or revised planning documents
 - the reported performance information is presented in the annual performance report in the prescribed manner
 - there are adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

17. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance conclusion.
18. I did not identify any material findings on the reported performance information of programme 2: biodiversity conservation.

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. The other information referred to does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.

24. My opinion on the financial statements, the report on the audit of the annual performance report and the report on 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 programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
26. If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact. I have nothing to report in this regard.

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.

Other reports

29. I draw attention to the following engagements conducted by various parties. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

30. The internal audit unit performed a forensic investigation into the allegations of fraud in respect of a service provider. The investigation was concluded on 24 May 2022 and resulted in some employees being given written warnings.

Auditor - General

Pietermaritzburg

31 July 2023



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 programme 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 to 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

The selected legislative requirements are as follows:

Legislation	Selections or Regulations
Public Finance Management Act No.1 of 1999 (PFMA)	Section 51(1)(a)(iv); 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii) Section 53(4) Section 55(1)(a); 55(1)(b); 55(1)(c)(i); Section 56(1); 56(2); Section 57(b);
Treasury Regulations for departments, trading entities, constitutional institutions and public entities (TR)	Regulation 8.2.1; 8.2.2 Regulation 16A3.1; 16A 3.2; 16A 3.2(a); 16A 6.1; 16A6.2(a) & (b); 16A6.2(e); 16A 6.3(a); 16A 6.3(a)(i); 16A 6.3(b); 16A 6.3(c); 16A6.3(d); 16A 6.3(e); 16A 6.4; 16A 6.5; 16A 6.6; 16A8.2 (1) and (2); 16A 8.3; 16A8.3(d); 16A 8.4; 16A9; 16A9.1 16A9.1(b)(ii); 16A9.1(c); 16A 9.1(d); 16A 9.1(e); 16A9.1(f); 16A9.2; 16A 9.2(a)(ii); 16A9.2(a)(ii) Regulation 30.1.1; 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1 Regulation 31.1.2(c) Regulation 33.1.1; 33.1.3
Public service regulation	Public service regulation 13(c);18; 18 (1) and (2);
PRECCA	Section 29; 34(1)
CIDB Act	Section 18(1)
CIDB Regulations	CIDB regulation 17; 25(1); 25 (5) & 25(7A)
PPPFA	Section 1(i); 2.1(a); 2.1(b); 2.1(f)
PPR 2017	Paragraph 4.1; 4.2 Paragraph 5.1; 5.3; 5.6; 5.7 Paragraph 6.1; 6.2; 6.3; 6.5; 6.6; 6.8 Paragraph 7.1; 7.2; 7.3; 7.5; 7.6; 7.8 Paragraph 8.2; 8.5 Paragraph 9.1; 9.2 Paragraph 10.1; 10.2 Paragraph 11.1; 11.2 Paragraph 12.1 and 12.2

Legislation	Selections or Regulations
PPR 2022	Paragraph 3.1 Paragraph 4.1; 4.2; 4.3; 4.4 Paragraph 5.1; 5.2; 5.3; 5.4
PFMA SCM Instruction no. 09 of 2022/2023	Paragraph 3.1; 3.3 (b); 3.3 (c); 3.3 (e); 3.6
National Treasury Instruction No.1 of 2015/16	Paragraph 3.1; 4.1; 4.2
NT SCM Instruction Note 03 2021/22	Paragraph 4.1; 4.2 (b); 4.3; 4.4 (a); 4.4(c); 4.4(d); 4.6 Paragraph 5.4 Paragraph 7.2; 7.6
NT SCM Instruction 4A of 2016/17	Paragraph 6
NT SCM Instruction Note 03 2019/20	Paragraph 5.5.1(vi); 5.5.1(x)
NT SCM Instruction Note 11 2020/21	Paragraph 3.1; Paragraph 3.4(a); 3.4(b) Paragraph 3.9 Paragraph 6.1; 6.2; 6.7
NT SCM Instruction note 2 of 2021/22	Paragraph 3.2.1; 3.2.2; 3.2.4(a); 3.4.2(b); 3.3.1; Paragraph 4.1
PFMA SCM Instruction 04 of 2022/23	Paragraph 4(1) Paragraph 4(2) Paragraph 4(4)
Practice Note 5 of 2009/10	Paragraph 3.3
PFMA SCM instruction 08 of 2022/23	Paragraph 3.2 Paragraph 4.3.2; 4.3.3
Competition Act	Section 4(1)(b)(ii)
NT instruction note 4 of 2015/16	Paragraph 3.4
NT instruction 3 of 2019/20 - Annexure A	Section 5.5.1 (iv) and (x)
Second amendment of NTI 05 of 2020/21	Paragraph 4.8; 4.9 ; 5.1 ; 5.3
Erratum NTI 5 of 202/21	Paragraph 1
Erratum NTI 5 of 202/21	Paragraph 2
Practice note 7 of 2009/10	Paragraph 4.1.2

Legislation	Selections or Regulations
Practice note 11 of 2008/9	Paragraph 3.1 Paragraph 3.1 (b)
NT instruction note 1 of 2021/22	Paragraph 4.1
Public Service Act	Section 30 (1)
Employment of Educators Act	Section 33 (1)



iSimangaliso Wetland Park Authority

Annual Financial Statements for the
Year ended 31 March 2023



iSimangaliso Wetland Park Authority

Annual Financial Statements for the year ended 31 March 2023

General Information

Country of incorporation and domicile	South Africa
Legal form of entity	Established by Regulation 1193 of 24 November 2000, under the World Heritage Convention Act 49 of 1999. The iSimangaliso Wetland Park Authority is a Schedule 3A Public Entity.
Nature of business and principal activities	The iSimangaliso Authority's business is to conserve the iSimangaliso Wetland Park and to create jobs and benefits for communities living in and adjacent to the Park through optimal tourism-based development. iSimangaliso is therefore in the business of conservation, local economic development and tourism.
Directors	<i>Non-Executive</i> Inkosi Ml Tembe (Chairperson) Ms T Sosibo (Deputy Chairperson) Mr B Mhlongo Ms N Mlambo Mr G.G Nair Ms S Ngcobo Mr B Ngobeni Prof C.P Small <i>Officials</i> Mr S Nkosi - Department of Forestry, Fisheries and the Environment (DFFE) <i>Executive</i> Mr S.E Bukhosini (CEO)
Business address	The Dredger Harbour, St Lucia Private Bag X05, St Lucia St Lucia 3936
Bankers	First National Bank
Auditors	Auditor-General South Africa Registered Auditors
Chief Financial officer	Mrs SQ Mntambo
Contact number	+27 35 590 1633
Email address and Website	info@isimangaliso.com https://isimangaliso.com

iSimangaliso Wetland Park Authority

Annual Financial Statements for the year ended 31 March 2023

Index

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

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DFFE	Department of Forestry, Fisheries and the Environment
GRAP	Generally Recognised Accounting Practice
NIHSS	National Institute for the Humanities and Social Sciences
PFMA	Public Finance Management Act
PPP	Public Private Partnership

Board's 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 Authority 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 are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related information.

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 Authority and place considerable importance on maintaining a strong control environment. To enable the members to meet these responsibilities, the board 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 Authority and all employees are required to maintain the highest ethical standards in ensuring the Authority's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Authority is on identifying, assessing, managing and monitoring all known forms of risk across the Authority. While operating risk cannot be fully eliminated, the Authority 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 Authority's cash flow forecast for the year to 31 March 2024 and, in the light of this review and the current financial position, they are satisfied that the Authority has or has access to adequate resources to continue in operational existence for the foreseeable future.

The Authority is dependent on the Department of Forestry, Fisheries and the Environment for continued funding of operations. The annual financial statements are prepared on the basis that the Authority is a going concern and that the government, through Department of Forestry, Fisheries and the Environment has neither the intention nor the need to liquidate or curtail materially the scale of the Authority.

The annual financial statements set out on page 4 to 62, which have been prepared on the going concern basis, were approved by the board on 28 May 2023 and were signed on its behalf by:



Inkosi Ml Tembe (Chairperson)
Accounting Authority

Statement of Financial Position as at 31 March 2023

Figures in Rand	Note(s)	2023	2022 Restated*
Assets			
Non-Current Assets			
Property, plant and equipment	3	715 956 824	651 591 779
Investment property	4	136 364 336	116 318 489
Intangible assets	5	1 265 716	1 611 913
		853 586 876	769 522 181
Current Assets			
Inventories	6	219 515	280 741
Receivables from exchange transactions	7	1 697 663	4 327 800
Receivables from non-exchange transactions	8	1 315 000	29 200 000
VAT receivable	9	18 009 612	110 490 944
Cash and cash equivalents	10	202 901 622	62 810 842
		224 143 412	207 110 327
Total Assets		1 077 730 288	976 632 508
Liabilities			
Current Liabilities			
Trade and other payables	11	59 503 716	34 170 251
Unspent conditional grants	12	151 222 724	82 796 069
		210 726 440	116 966 320
Total Liabilities		210 726 440	116 966 320
Net Assets		867 003 848	859 666 188
Accumulated surplus		867 003 848	859 666 187

iSimangaliso Wetland Park Authority

Annual Financial Statements for the year ended 31 March 2023

Statement of Financial Performance

Figures in Rand	Note(s)	2023	2022 Restated*
Revenue			
Revenue from exchange transactions			
Park revenue	13	19 708 739	17 267 741
Personnel costs recoveries/fees		17 193 608	5 801 677
Management fees		8 459 908	3 990 611
Administration fees		8 819 801	4 857 776
Interest income	14	3 453 105	299 003
Other income	15	797 394	1 147 691
Total revenue from exchange transactions		58 432 555	33 364 499
Revenue from non-exchange transactions			
Transfer revenue			
Grants and subsidies	16	343 150 724	277 305 209
Total revenue		401 583 279	310 669 708
Expenditure			
Personnel costs	17	(63 810 821)	(43 484 078)
Project costs	18	(62 301 932)	(61 432 954)
Co-management agreement payments		(1 268 509)	(1 143 000)
Professional, consulting and legal fees	19	(59 027 914)	(20 251 587)
Depreciation, amortisation and impairment	20	(56 195 098)	(42 786 622)
Lease rentals on operating lease	21	(1 294 614)	(79 911)
Debt impairment		(85 113)	(792 010)
Contracted services	22	(96 278 094)	(109 700 386)
Loss on disposal and write off of assets	23	(10 415 643)	(6 014 753)
Other operating expenses	24	(43 567 880)	(23 673 763)
Total expenditure		(394 245 618)	(309 359 064)
Surplus for the year		7 337 661	1 310 644

iSimangaliso Wetland Park Authority

Annual Financial Statements for the year ended 31 March 2023

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Opening balance as previously reported	851 421 190	851 421 190
Adjustments (Refer to note 33)		
Correction of errors	6 934 353	6 934 353
Balance at 01 April 2021 as restated	858 355 543	858 355 543
Changes in net assets		
Surplus for the year	1 310 644	1 310 644
Total changes	1 310 644	1 310 644
Restated* Balance at 01 April 2022	859 666 187	859 666 187
Changes in net assets		
Loss for the year	7 337 661	7 337 661
Total changes	7 337 661	7 337 661
Balance at 31 March 2023	867 003 848	867 003 848

Cash Flow Statement

Figures in Rand	Note(s)	2023	2022 Restated*
Cash flows from operating activities			
Receipts			
Park revenue		20 110 449	16 891 577
Grants	16	473 935 695	275 487 307
Interest income	14	3 453 105	211 898
VAT from prior year		95 192 934	-
Other income		501 227	511 285
		593 193 410	293 102 158
Payments			
Personnel costs		(64 377 716)	(42 515 541)
Suppliers		(258 421 811)	(230 811 049)
		(322 799 527)	(273 326 590)
Net cash flows from operating activities	26	270 393 883	(19 775 568)
Cash flows from investing activities			
Purchase of property, plant and equipment		(106 290 654)	(55 015 546)
Purchase of investment property		(23 181 379)	(28 246 150)
Purchase of other intangible assets	5	(831 070)	-
Net cash flows from investing activities		(130 303 103)	(83 261 696)
Net increase/(decrease) in cash and cash equivalents		(140 090 780)	(63 486 128)
Cash and cash equivalents at the beginning of the year		62 810 842	126 296 970
Cash and cash equivalents at the end of the year	10	202 901 622	62 810 842

Statement of Comparison of Budget and Actual Amount

Budget on Accrual Basis						
Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Park revenue	18 063 997	-	18 063 997	19 708 739	1 644 742	BC1
Management and Administration fees and personnel cost recovery	53 008 735	-	53 008 735	34 473 317	(18 535 418)	BC2
Interest revenue	936 000	-	936 000	3 453 105	2 517 105	BC3
Other income	-	-	-	797 394	797 394	BC4
Total revenue from exchange transactions	72 008 732	-	72 008 732	58 432 555	(13 576 177)	
Revenue from non-exchange transactions						
Government grants & subsidies	304 130 265	50 000 000	354 130 265	343 150 724	(10 979 541)	Bc5
VAT Refunds - in reserves	-	68 299 809	68 299 809	-	(68 299 809)	BC6
Total revenue from non-exchange transactions	304 130 265	118 299 809	422 430 074	343 150 724	(79 279 350)	
Total revenue	376 138 997	118 299 809	494 438 806	401 583 279	(92 855 527)	
Expenditure						
Project costs	(97 066 593)	(31 821 320)	(128 887 913)	(126 343 803)	2 544 110	BC7
Depreciation, amortisation and write off of assets	(37 025 017)	(7 427 609)	(44 452 626)	(66 610 740)	(22 158 114)	BC8
Personnel costs	(51 484 557)	(991 479)	(50 493 078)	(49 296 842)	(1 196 236)	BC9
Maintenance & repairs	(50 448 865)	(13 392 061)	(37 056 804)	(26 723 455)	(10 333 349)	BC10
Co-management agreement payments	(1 800 000)	-	(1 800 000)	(1 268 509)	531 491	BC11
Consultants, contractors & special services	(15 119 090)	(44 113 884)	(59 232 974)	(59 027 914)	205 060	BC12
Board Expenses	(2 830 261)	-	(2 830 261)	(2 241 351)	588 910	BC13
Training and development	(5 305 700)	-	(5 305 700)	(3 752 651)	1 553 049	BC14
Security	(20 400 000)	4 352 222	(24 752 222)	(24 521 307)	230 915	BC15

Statement of Comparison of Budget and Actual Amount

Budget on Cash Basis						
Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Other expenses	(18 406 391)	(17 078 572)	(35 484 963)	(34 459 046)	1 025 917	BC16
Total expenditure	(299 886 474)	(90 410 067)	(390 296 541)	(394 245 618)	(3 949 077)	
Surplus for the year of operating	76 252 523	27 889 742	104 142 265	7 337 661	(96 804 604)	
Capital expenditure	(76 252 523)	(27 889 742)	(104 142 265)	(150 675 436)	(46 533 171)	BC17
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	-	-	-	(143 337 775)	(143 337 775)	
Reconciliation Basis difference						
Capital expenditure				150 675 436		
Actual Amount in the Statement of Financial Performance				7 337 661		

Refer to note 41 for detailed reasons between budget and actual amounts.

Accounting Policies

I. Presentation of Annual Financial Statements

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.

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

The Cash Flow Statement is prepared using the direct method.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

These accounting policies are consistent with the previous period.

I.1 Presentation currency

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

I.2 Going concern assumption

These annual financial statements have been prepared based on the expectation that the Authority will continue to operate as a going concern for at least the next 12 months. The Authority's continuing operations are reliant on the ongoing financial support of government which, amongst other things, implies that government will continue to provide iSimangaliso with adequate grants.

I.3 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:

Impairment testing

The Authority reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets.

Useful lives of non-current assets

The Authority depreciates its property, plant & equipment and investment property, and amortises its intangible assets over the estimated useful lives of the assets, taking into account the residual values of the assets at the end of their useful lives. The life of the asset is determined with due regard to asset accounting and is determined when the assets are available for use.

The estimation of residual values of assets is based on management's judgement as to whether the assets will be sold or used to the end of their useful lives, and in what condition they will be at that time.

The useful lives of assets are based on management's estimation. Management considers the impact of technology, availability of capital funding, service requirements and required return on assets in order to determine the optimum useful life expectation, where appropriate.

Budget Information

Deviations between budget and actual amounts are regarded as material differences when there is a deviation of 15% or more. All material differences are explained in Annexure A to the Annual Financial Statements.

I.4 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 Authority; and
- the cost of the item can be measured reliably.

Accounting Policies

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 asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

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, it's deemed cost is the carrying amount of the asset(s) given up.

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

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 Authority 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.

The iSimangaliso Wetland Park is approximately 358 000ha in extent. The land is unregistered state land with the exception of the section north of Sodwana Bay (approx. 17% of the Park) which belongs to the Ingonyama Trust Board and some 2 hectares abutting St Lucia which belongs to the Mtubatuba Municipality. In terms of GRAP 17, the land is not valued as there is no willing-buyer-willing-seller and the value cannot be reliably measured. The use-right is accounted for in terms of GRAP23, and considered a good-in-kind. GRAP23 requires that goods-in-kind be reflected as assets at fair value where these can be reliably measured. It is not possible to reliably measure this and therefore a value is not ascribed to the land. Furthermore, a number of restrictions are placed on the land under inter alia the World Heritage Convention Act. The land can only be used for conservation and it cannot be sold, leased, or encumbered in any way.

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	Average useful life
Buildings & structures	Straight line	10 to 30 years
Roads & bridges	Straight line	20 years
Fences	Straight line	15 years
Reservoirs & boreholes	Straight line	10 to 15 years
Transport assets	Straight line	5 to 12 years
Computer equipment	Straight line	3 to 5 years
Office equipment	Straight line	3 to 10 years
Furniture & fittings	Straight line	10 to 20 years
Operating equipment	Straight line	2 to 20 years

Accounting Policies

1.4 Property, plant and equipment (continued)

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 Authority. 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 Authority assesses at each reporting date whether there is any indication that the Authority 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 Authority 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 Authority separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 3).

1.5 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

Authority holds investment property in order to generate fees. It grants use-rights to third parties through private public partnership (PPP) agreements. Typically these PPPs transfer operational and business risk to the third party. The third party is required to insure and maintain the underlying assets and pay a PPP fee to the Authority for the use-rights.

With the exception of two properties, the properties are all managed by Ezemvelo KZN Wildlife, directly or through subcontractors. The Authority does not charge Ezemvelo KZN Wildlife a PPP fee.

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the Authority, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Cost model

Investment property is carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided to write down the cost, less estimated residual value by equal installments over the useful life of the property, which is taken to be 30 years.

Transfers to and from investment property are made when there is a change in use. Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

Accounting Policies

1.5 Investment property (continued)

Cost model

Investment property is carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided to write down the cost, less estimated residual value by equal installments over the useful life of the property, which is taken to be 30 years.

Gains or losses arising from the retirement or disposal of investment property is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of retirement or disposal.

The Authority discloses relevant information relating to assets under construction or development, in the notes to the annual financial statements (see note 4).

1.6 Intangible assets

An asset is identifiable if it either:

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

The Authority 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.

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

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Website	Straight line	3 to 15 years
Computer Software	Straight line	2 to 15 years

Intangible assets are derecognised:

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

The gain or loss arising from the derecognition of intangible assets is included in surplus or deficit when the asset is derecognised.

1.7 Living and non-living resources

The iSimangaliso Authority is responsible for managing a wide range of fauna, flora, geological structures and unique scenery. Since the iSimangaliso Authority does not control conditions affecting the progeny or quantity of any species, and since its main line of business does not include trade in these assets, it does not account for any living and non-living resources.

1.8 Heritage assets

The iSimangaliso Wetland Park was the first South African World Heritage Site to be listed by UNESCO. The Park was listed on the basis of its superlative natural beauty, biodiversity and threatened species and ecological processes. The Park is 358 534 hectares including 5 ecosystems, viz marine, coastal dune, lake, swamps, and dry savannah woodlands, thickets and sand forest. The Park also includes 4 RAMSAR sites. The Authority does not attach a value to its Heritage Assets as there is no active market and the value cannot be measured reliably.

1.9 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

Accounting Policies

1.9 Financial Instruments (continued)

A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to:
 - receive cash or another financial asset from another entity; or
 - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the 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
Cash and cash equivalents	Financial asset measured at amortised cost
<ul style="list-style-type: none"> • Cash and cash equivalents comprise cash on hand and deposits in the Authority's name with First National Bank. 	
Receivables	Financial asset measured at amortised cost
<ul style="list-style-type: none"> • Receivables include trade debtors, prepayments, employee debtors, project advances, deposits and conditional grants. The receivables, other than deposits, are short-term in nature. Deposits are discounted only in instances where the effect is material 	
VAT receivable	Financial asset measured at amortised cost

Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

The entity recognises financial assets using trade date accounting.

Financial liabilities are recognised when the transaction is entered into. The Authority's financial liabilities comprise trade creditors, accrued expenses, amounts owing to donors, project advances, accruals, retentions, amounts owing to SARS and non-interest-bearing deposits from concessionaires and licensees. Amounts owing to donors comprise interest earned on grant funding for which permission must be obtained for disbursement on the related project costs, whereupon the amounts are transferred to conditional grants.

Initial measurement of financial assets and financial liabilities

The entity measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at amortised cost.
- Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Gains and losses

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Impairment and uncollectibility of financial assets

The entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Accounting Policies

Derecognition

Financial assets

The entity derecognises financial assets using trade date accounting. The entity derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
 - derecognise the asset; and
 - recognise separately any rights and obligations created or retained in the transfer.

Financial liabilities

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

Presentation

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when the entity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity does not offset the transferred asset and the associated liability.

I.10 Leases

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

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.

I.11 Inventories

Inventories are held for the delivery of services and includes items such as chemicals for alien plant clearing and land rehabilitation, stationery and promotional (merchandising) materials.

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the Authority.

Accounting Policies

I.12 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.

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.

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.

Designation

At initial recognition, the Authority 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 a Authority's objective of using the asset.

The Authority 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.

Identification

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

The Authority 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 Authority estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the Authority also tests 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 Authority 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.

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 Authority 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.

Accounting Policies

Reversal of an impairment loss

The Authority 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 Authority 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.

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.

Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

1.13 Revenue from non-exchange transactions

Non-exchange transactions are defined as transactions where the Authority receives value from another Authority without directly giving approximately equal value in exchange.

Measurement

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

Government grants

Government grants are recognised as revenue when:

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

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

Restrictions on government grants may result in such revenue being recognised on a time proportion basis. Where there is no restriction on the period, such revenue is recognised on receipt or when the Act becomes effective, whichever is earlier.

When government remit grants on a re-imbusement basis, revenue is recognised when the qualifying expense has been incurred and to the extent that any other restrictions have been complied with.

Other grants and donations

Other grants and donations are recognised as revenue when:

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

If goods in-kind are received without conditions attached, revenue is recognised immediately. If conditions are attached, a liability is recognised, which is reduced and revenue recognised as the conditions are satisfied.

Accounting Policies

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.

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 Authority;
- 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.

- Park revenue

Park revenue comprises inter alia:

- **Gate-entrance fees.** The Authority charges gate entrance fees per person entering the gate.
- **Activities:** This includes inter alia revenue from events, filming and permits. The Authority has agreements with private parties to access the park for tourism activities for which monthly fee is charged. The Authority earn further revenue from adhoc events and filming activities within the park.
- **Concession Fee:** These are fees for tourism operations operated for gain by private parties within the Park. Private companies are allowed to operate within the park, whereby they can occupy tourism accommodation for rental to visitors and the authority enters agreement with private companies to pay a fee.

- **Levies charged at gates:** The Authority charges levies per each person entering the park and management allocates the fees received towards community building activities at their discretion.

Park revenue from gate entrance and levies is recognised when when visitors access the park and is paid for in cash upon entry. Park revenue from commercial activities and concession fee is due at the end of the month following which activities are performed. Invoices are raised in respect of such fees during the last week of performing activities in cases where there is a regular monthly charge and in advance of an ad hoc activity.

- Management and Administration fees

Management and administration fees from the management of projects are recognised on a pro-rata basis over the specific period in which the project is implemented. Management fees range from 4% to 7% whereas administration fees range from 3% to 6% of expenditure incurred on each grants.

- Personnel costs recoveries/fees

The Authority is also entitled to claim personnel costs recovery fees from grants. The fees claimed range from 5% to 10% of expenditure incurred on each grants.

1.15 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

1.16 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, 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.

Leave pay, medical aid and study loans are provided for as follows:

Accounting Policies

- Leave Pay

The Authority provides for estimated leave pay in full, based on the total days' leave accruing to employees at their respective total cost of employment.

- Medical Aid

Medical aid is mandatory for all staff and is included in the total cost of employment.

-Study Loans

The Authority provides study loans to staff. These are converted to grants on successful completion of each year of study and provided that the staff member concerned does not resign within a year of completion of the particular year of study.

- Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

All permanent employees are advised to register for pension fund used by the authority. The authority carries no obligation for movements in funds and therefore no post employment payments may be made by iSimangaliso Wetland Park Authority.

1.17 Expenditure

Expenses are decreases in economic benefits or service potential during the reporting period in the form of outflows or consumption of assets or incurrence of liabilities that result in decreases in net assets.

Where an outflow of economic benefits does not result in future benefits, it is disclosed as fruitless and wasteful expenditure. The point at which an expense is recognised is dependent on the nature of the transaction or other event that gives rise to the expense. Where future economic benefits are consumed immediately or soon after acquisition, for example, contracted expenditure, projects costs and other operating expenses, the expense is recognised in the reporting period in which the acquisition of the future economic benefit occurs. Where future economic benefits are expected to be consumed over several reporting periods e.g. non-current assets, expenses (depreciation) is allocated systematically to the reporting period during which the future economic benefits are expected to be consumed; where expenditure produces no future economic benefits e.g. fines paid, an expense is recognised immediately; and where a liability is incurred without the recognition of an asset an expense is recognised simultaneously with the recognition of the liability.

Generally, expenses are accounted for on an accrual basis at fair value. Under the accrual basis of accounting expenses are recognised when incurred usually when goods are received or services are consumed. This may not be when the goods or services are actually paid for. 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.

Major expenses include:

- **Project costs-** major operating expenditure incurred in implementing projects that are funded by grants;
- **Contracted services-** included are costs incurred on long-term contract basis and major categories are repair and maintain assets by external parties, security services, gate operating costs, cleaning and IT services;
- **Professional fees-** all expenses related to professional services rendered to the Authority;
- Losses on the disposal of non-current assets are reported separately from expenses in the Statement of Financial Performance; and
- Other operating expenses which constitute several expense items which are not individually significant.

Provisions are recognised when:

- the Authority 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 Authority 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.

Accounting Policies

1.17 Expenditure (continued)

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.

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

- 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.

A contingent liability is:

(a) a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the entity; or

(b) a present obligation that arises from past events but is not recognised because:

- (i) it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
- (ii) the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised, but are disclosed in note 29 unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

1.19 Commitments

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

The commitments disclosed in the disclosure note are the differences between expenditure to date and expenditure contracted for as at the reporting date. Material contracts entered into after the reporting date but prior to approval of the financial statements will be disclosed under subsequent events.

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, and

- Contracts should relate to something other than the routine, steady, state business of the Authority – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.20 Comparative figures

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

1.21 Fruitless and wasteful expenditure

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

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.

1.22 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, including -

- (a) PFMA; or
- (b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- (c) any provincial legislation providing for procurement procedures in that provincial government; or
- (d) Provincial instructions issued in terms of section 76 of the PFMA; or
- (e) internal policies of the public entity; or
- (f) any applicable legislation.

National Treasury practice note no. 4 of 2008/2009 which was issued in terms of sections 76(1) to 76(4) of the PFMA requires the following (effective from 1 April 2008):

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register.



Accounting Policies

1.22 Irregular expenditure (continued)

In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned.

If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/ expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

1.23 Segment reporting

The iSimangaliso Authority's mandate is to conserve the World Heritage values and in so doing provide eco-systems goods and services, tourism and transformation opportunities. While there are separate units in the organisation responsible for aspects of this service, management relies and uses the financial information of the business as a whole to assess performance and make decisions concerning inter alia the allocation of resources. Consequently, for purposes of GRAP 18 the businesses are considered to have one segment. There is therefore no requirement for additional notes to the financial statements in this regard. The iSimangaliso Authority operates in one geographic area viz., northern KwaZulu-Natal, in the proclaimed iSimangaliso Wetland Park. It does not distinguish between the various sections of the iSimangaliso Wetland Park in its reporting for decision making purposes.

1.24 Budget information

Entities 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 Authority shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

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

The approved budget covers the fiscal period from 2022/04/01 to 2023/03/31.

The annual financial statements and the budget are all on accruals basis, however the budget statement includes capital expenditure and therefore a reconciliation between the statement of financial performance and the budget have been included in the annual financial statements.

Deviations between budget and actual amounts are regarded as material differences when there is a deviation of 15% or more. All material differences are explained in Annexure A to the Annual Financial Statements.

Comparative information is not required.

1.25 Related parties

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

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

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

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

Accounting Policies

1.25 Related parties (continued)

The Authority 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 Authority to have adopted if dealing with that individual Authority or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting Authority's legal mandate.

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

1.26 Taxation

Income Tax

No provision is made for income tax as the Authority is exempt from income tax as per section 10(1)(cN) of the Act of Income Tax Act, read together with definition of Public Authority.

Value-Added Tax (VAT)

The Authority accounts for VAT on accrual basis and VAT returns are due on a monthly basis.

1.27 Risk management

The Authority transfers risk to third parties in instances where use-rights are conferred on these parties. It imposes an obligation on all such third parties to adequately insure buildings and structures allocated for their use. The remaining risk, which the Authority carries itself, is within Authority's ability to manage.

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

The Authority 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

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2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The Authority has not applied the following standards and interpretations, which have been published and are mandatory for the Authority's accounting periods beginning on or after 01 April 2022 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
<ul style="list-style-type: none"> GRAP 104 (amended): Financial Instruments Guideline: Guideline on Accounting for Landfill Sites Guideline: Guideline on the Application of Materiality to Financial Statements 	01 April 2025 01 April 2025 Effective date to be determined	Unlikely there will be a material impact Unlikely there will be a material impact Unlikely there will be a material impact

Notes to the Annual Financial Statements

Figures in Rand

3. Property, plant and equipment

	2023			2022		
	Cost	Accumulated depreciation and accumulated impairment	Carrying value	Cost	Accumulated depreciation and accumulated impairment	Carrying value
Buildings and structures	280 615 726	(74 863 011)	205 752 715	257 429 662	(56 916 566)	200 513 096
Roads and bridges	523 574 843	(116 579 631)	406 995 212	483 975 413	(133 248 062)	350 727 351
Fences	103 130 551	(24 448 569)	78 681 982	99 222 330	(21 267 462)	77 954 868
Reservoirs and boreholes	22 020 103	(10 084 588)	11 935 515	18 784 346	(8 845 797)	9 938 549
Transport assets	6 270 802	(3 537 188)	2 733 614	5 393 220	(2 806 023)	2 587 197
Computer equipment	3 046 230	(1 987 172)	1 059 058	2 992 548	(1 551 137)	1 441 411
Office equipment	446 965	(253 625)	193 340	393 926	(210 637)	183 289
Furniture and fittings	2 024 893	(883 087)	1 141 806	1 151 148	(719 175)	431 973
Operating equipment	10 518 929	(3 055 347)	7 463 582	10 618 127	(2 804 082)	7 814 045
Total	951 649 042	(235 692 218)	715 956 824	879 960 720	(228 368 941)	651 591 779

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions through purchase	Additions through construction	Write off	Depreciation	Impairment Loss	Closing Balance
Buildings and structures	200 513 096	-	23 224 548	(20 527)	(6 909 123)	(11 055 279)	205 752 715
Roads and bridges	350 727 351	-	87 630 364	(8 101 258)	(22 354 625)	(906 620)	406 995 212
Fences	77 954 868	-	8 754 664	(1 427 794)	(6 599 756)	-	78 681 982
Reservoirs and boreholes	9 938 549	-	3 235 757	-	(1 238 791)	-	11 935 515
Transport assets	2 587 197	877 582	-	-	(731 165)	-	2 733 614
Computer equipment	1 441 411	70 687	-	(8)	(453 032)	-	1 059 058
Office equipment	183 289	53 039	-	-	(42 988)	-	193 340
Furniture and fittings	431 973	873 745	-	-	(163 912)	-	1 141 806
Operating equipment	7 814 045	418 481	-	(16)	(768 928)	-	7 463 582
Total	651 591 779	2 293 534	122 845 333	(9 549 603)	(39 262 320)	(11 961 899)	715 956 824

Notes to the Annual Financial Statements

Figures in Rand

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions through purchase	Additions through construction	Write off	Depreciation	Closing Balance
Buildings and structures	198 912 057	-	9 540 096	(1 234 935)	(6 704 122)	200 513 096
Roads and bridges	348 382 947	-	24 570 005	(408 201)	(21 817 400)	350 727 351
Fences	75 409 095	-	10 006 007	(1 157 922)	(6 302 312)	77 954 868
Reservoirs and boreholes	11 188 155	-	1 405 732	(1 436 487)	(1 218 851)	9 938 549
Transport assets	1 152 630	1 870 816	-	-	(436 249)	2 587 197
Computer equipment	1 533 724	310 548	-	(1 198)	(401 663)	1 441 411
Office equipment	199 420	16 020	-	-	(32 151)	183 289
Furniture and fixtures	501 790	-	-	-	(69 817)	431 973
Operating equipment	6 792 143	115 000	1 682 741	(21)	(775 818)	7 814 045
	644 071 961	2 312 384	47 204 581	(4 238 764)	(37 758 383)	651 591 779

Reconciliation of Work-in-Progress 2023

	Buildings and structures	Roads and bridges	Fences	Reservoirs and boreholes	Operating equipment	Total
Opening balance	51 546 441	16 370 988	-	-	2 951 645	70 869 074
Additions/capital expenditure	23 224 548	87 630 364	8 754 664	3 235 757	-	122 845 333
Transferred to completed items	(142 351)	(16 955 063)	(282 634)	-	-	(17 380 048)
Impairment	(11 055 279)	(906 620)	-	-	-	(11 961 899)
	63 573 359	86 139 669	8 472 030	3 235 757	2 951 645	164 372 460

Reconciliation of Work-in-Progress 2022

	Buildings and structures	Roads and bridges	Fences	Reservoirs and boreholes	Operating Equipment	Total
Opening balance	52 042 715	38 442 106	-	4 661 436	3 710 194	98 856 451
Additions/capital expenditure	9 534 308	24 570 004	10 006 007	1 405 732	1 682 742	47 198 793
Transferred to completed items	(9 716 004)	(46 641 122)	(10 006 007)	(4 765 588)	(2 441 291)	(73 570 012)
Expenditure written off	(314 578)	-	-	(1 301 580)	-	(1 616 158)
	51 546 441	16 370 988	-	-	2 951 645	70 869 074

Notes to the Annual Financial Statements

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3. Property, plant and equipment (continued)

Carrying value of property, plant and equipment that is taking a significantly longer period of time to complete than expected:

Park signage The project has been on halt due to urgent need to prioritise road construction before road signs can be distributed across the park. The project is expected to resume as soon as road construction in completed.	2 951 645	2 951 645
Maphelane road construction The project was delayed by flooding in the area, the contractor was terminated by mutual agreement and the scope of the project was changed and construction has already started.	4 725 929	1 204 879
	7 677 574	4 156 524

Notes to the Annual Financial Statements

3. Property, plant and equipment (continued)

Expenditure incurred to repair and maintain property, plant and equipment

Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance under contracted services is as follows:		
Funded from internal operations		
Buildings and structures	2 392 912	25 193 215
Fences	13 352 752	32 550 188
Reservoirs and boreholes	6 253 885	3 615 052
Roads and Bridges	4 647 920	2 075 818
Transport assets	46 637	35 545
Equipment	29 349	8 754
	26 723 455	63 478 572

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

4. Investment property

	2023			2022		
	Cost	Accumulated depreciation and accumulated impairment	Carrying value	Cost	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	206 107 778	(69 743 442)	136 364 336	182 406 307	(66 087 818)	116 318 489

Notes to the Annual Financial Statements

Figures in Rand

4. Investment property (continued)

Reconciliation of investment property - 2023	Opening balance	Additions	Impairment	Write Off	Depreciation	Closing balance
Bhangazi tourist accommodation	-	2 093 817	-	-	-	2 093 817
Cape Vidal tourist accommodation	21 012 962	-	-	(149 897)	(1 223 255)	19 639 810
Charters Creek tourist accommodation	46 774 161	22 294 627	-	(140 149)	(495 386)	68 433 253
Eastern Shores hiking trails facility	818 619	-	-	-	(49 839)	768 780
False Bay tourist accommodation	325 053	-	-	-	(32 202)	292 851
Kosi Bay tourist accommodation	1 158 357	-	-	(96 301)	(114 795)	947 261
Mabibi tourist accommodation	2 922 643	-	-	-	(237 218)	2 685 425
Manzengwenya tourist accommodation	4 059 298	-	-	-	(253 527)	3 805 771
Maphelane tourist accommodation	1 502 530	-	-	-	(148 903)	1 353 627
Sodwana Bay tourist accommodation	25 073 699	1 067 055	-	(90 847)	(1 207 298)	24 842 609
St Lucia Estuary camp sites	3 431 841	-	-	-	(244 872)	3 186 969
uMkhuze tourist accommodation	9 239 330	-	-	(388 354)	(536 808)	8 314 168
	116 318 493	25 455 499	-	(865 548)	(4 544 103)	136 364 341

Reconciliation of investment property - 2022	Opening balance	Additions	Write off	Depreciation	Closing balance
Cape Vidal tourist accommodation	22 236 217	-	-	(1 223 255)	21 012 962
Charters Creek tourist accommodation	27 648 278	19 801 448	(163 933)	(511 632)	46 774 161
Eastern Shores hiking trails facility	868 458	-	-	(49 839)	818 619
False Bay tourist accommodation	357 255	-	-	(32 202)	325 053
Fanies Island tourist accommodation	453 186	-	(412 772)	(40 414)	-
Kosi Bay tourist accommodation	1 273 152	-	-	(114 795)	1 158 357
Mabibi tourist accommodation	3 159 861	-	-	(237 218)	2 922 643
Manzengwenya tourist accommodation	4 312 825	-	-	(253 527)	4 059 298
Maphelane tourist accommodation	1 651 433	-	-	(148 903)	1 502 530
Rocktail Bay tourist accommodation	639 568	-	(583 484)	(56 084)	-
Sodwana Bay tourist accommodation	20 310 386	6 205 589	(213 791)	(1 228 485)	25 073 699
St Lucia Estuary camp sites	3 676 713	-	-	(244 872)	3 431 841
uMkhuze tourist accommodation	10 180 977	-	(389 716)	(551 931)	9 239 330
	96 768 309	26 007 037	(1 763 696)	(4 693 157)	116 318 493

Notes to the Annual Financial Statements

4. Investment property (continued)

Reconciliation of Investment property under construction 2023	Bhangazi Tourism accommodation	Charters Creek	Sodwana Bay tourist accommodation	Total
Opening balance	-	34 358 555	11 027 122	45 385 677
Additions/capital expenditure	2 093 817	22 294 627	1 067 055	25 455 499
	2 093 817	56 653 182	12 094 177	70 841 176

Reconciliation of Investment property under construction 2022	Charters Creek	Sodwana Bay tourist accommodation	Total
Opening balance	14 557 107	4 821 533	19 378 640
Additions/capital expenditure	19 801 448	6 205 589	26 007 037
	34 358 555	11 027 122	45 385 677

Investment property under construction

Carrying value of investment property under construction is R70,841,176 (Prior year R45,385,677) and is included under Bhangazi tourism accommodation Charters Creek tourist accommodation and Sodwana Bay.

New investment property under development

- The Lokotway Heritage site (Bhangazi tourism accommodation): This is being developed in conjunction with the Bhangazi Land Claims Trust. The total costs of this project is expected to be in the region of R 35million. Funding to start the project was received from the Department of Forestry, Fisheries and the Environment for the community equity.
- Charters Creek Sites: Construction of phase 1 is complete and phase 2 is currently in progress. Phase 1 comprises of camp site and phase 2 a tourism lodge.
- Sodwana Bay Market: Construction of the projects started during the current year and funding was received from the Department of Forestry, Fisheries and the Environment.

Restrictions on realisability of investment property

Property cannot be alienated without the permission of the Minister of Department of Forestry, Fisheries and the Environment.

There are no contractual obligations to purchase investment property.

Notes to the Annual Financial Statements

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4. Investment property (continued)

Investment property in the process of being constructed or developed

Carrying value of Investment property that is taking a significantly longer period of time to complete than expected

Sodwana marker construction	12 094 176	11 027 122
The project was delayed by non-performance of the service provider. The service provider was terminated during the current year and construction is expected to continue in 2023/24 financial year.		
	12 094 176	11 027 122

5. Intangible assets

	2023			2022		
	Cost	Accumulated amortisation and accumulated impairment	Carrying value	Cost	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	1 487 663	(820 304)	667 359	1 575 779	(712 222)	863 557
Website and App	750 000	(151 643)	598 357	750 000	(1 644)	748 356
Total	2 237 663	(971 947)	1 265 716	2 325 779	(713 866)	1 611 913

Reconciliation of intangible assets - 2023

	Opening balance	Additions	Amortisation	Write off	Closing Balance
Computer software	863 557	81 070	(276 776)	(492)	667 359
Website and App	748 356	-	(149 999)	-	598 357
	1 611 913	81 070	(426 775)	(492)	1 265 716

Reconciliation of intangible assets - 2022

	Opening balance	Additions	Amortisation	Write Off	Closing Balance
Computer software	1 191 103	-	(327 544)	(2)	863 557
Website and App	18 181	750 000	(7 537)	(12 288)	748 356
	1 209 284	750 000	(335 081)	(12 290)	1 611 913

iSimangaliso Wetland Park Authority

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Figures in Rand	2023	2022
6. Inventories		
Chemicals, protective clothing and consumables	98 451	23 586
Promotional materials	84 992	178 103
Stationery	36 072	79 052
	219 515	280 741

Inventories recognised as an expense during the year

1 653 088 422 555

Stationary inventory recognised as an expense is included as part of printing, stationary and other consumables under other operating expenses.

Inventory pledged as security

No inventory was pledged as security.

7. Receivables from exchange transactions

Trade debtors	942 176	1 495 634
Employee debtors	90 765	57 701
Prepaid expenses	414 404	2 520 734
Project advances and study loans to staff	96 062	106 118
Deposits	154 256	147 613
	1 697 663	4 327 800
Trade receivables consists as follows:		
Gross trade receivables	1 819 299	2 287 644
less allowance for impairment	(877 123)	(792 010)
	942 176	1 495 634

Trade and other receivables impaired

As of 31 March 2023, trade and other receivables of R 932 987 (2022: R 1 434 075) were impaired and provided for. The amount of the provision was R (877 123) as of 31 March 2023 (2022: R (792 010)).

Reconciliation of provision for impairment of trade and other receivables

Opening balance	792 010	-
Provision for impairment	85 113	792 010
	877 123	792 010

iSimangaliso Wetland Park Authority

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Notes to the Annual Financial Statements

Figures in Rand	2023	2022
8. Receivables from non-exchange transactions		
Grants and subsidies	1 315 000	29 200 000
Grants receivable comprises of:		
Fencing grant	-	27 000 000
Working for Wetlands	1 315 000	-
Oceans and coast	-	2 200 000
	1 315 000	29 200 000

Refer to note 16 for detailed grants reconciliation

9. VAT receivable

VAT

18 009 612 110 490 944

VAT returns are due monthly on accrual basis.

10. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank accounts - operational	66 534 515	16 658 799
Bank accounts - conditional grants	133 483 627	43 350 642
Bank accounts - other	2 881 871	2 795 682
Petty cash	1 609	5 719
	202 901 622	62 810 842

Cash and cash equivalents pledged as collateral

There is no cash and cash equivalents pledged as security by the Authority.

iSimangaliso Wetland Park Authority

Annual Financial Statements for the year ended 31 March 2023

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10. Cash and cash equivalents (continued)

The entity had the following bank accounts

Account number / description	31 March 2023	31 March 2022	31 March 2021	31 March 2023	31 March 2022	31 March 2021
Operational accounts	Bank statement balances			Cash book balances		
FNB - GSLWPA - No 1 (Main) Cheque account 62032964472	1 266 173	8 281 692	7 788 765	1 266 173	8 281 692	7 788 765
FNB - GSLWPA - Gates Revenue Cheque account 62133210906	163 732	7 768 107	2 603 296	163 732	7 768 107	2 603 296
FNB - GSLWVPA - Call Account Call account 62165119910	65 080 369	584 349	569 146	65 080 369	584 349	569 146
FNB - Project Advances Cheque account 62189967783	24 241	24 650	25 567	24 241	24 650	25 567
	Bank statement balances			Cash book balances		
Conditional grants						
FNB - IP Equip & Facilities - No 4 Cheque account 62488499982	21 206 860	429 565	13 749 511	21 206 860	429 565	13 749 511
FNB - IP Infrastructure 15/18 Cheque account 62607825596	65 801 225	196 857	196 274	65 801 225	196 857	196 274
FNB - Coast Care Project Cheque account 62238909123	129 889	1 089 005	1 869 287	129 889	1 089 005	1 869 287
FNB - Tourism Upgrade Cheque account 62243875856	29 307	29 559	37 245 964	29 307	29 559	37 245 964
FNB-W 4W-No 6 Cheque account 62057125629	4 248 897	3 053 420	10 312	4 248 897	3 053 420	10 312
FNB- IP Infrastructure 12/15 Cheque account 62376442267	4 735 332	21 260	22 207	4 735 332	21 260	22 207
FNB - IP Infrastructure 18/21 Cheque account 62790912333	2 795 691	5 543 034	18 105 860	5 543 034	5 543 034	18 105 860
FNB - Working for Wetlands Cheque account 62307553819	36 988	400 806	18 109	400 806	400 806	18 109
FNB - IP Equipment & Facilities 17/18 Cheque account 62711073750	8 578 426	219 487	1 215 533	219 487	219 487	1 215 533
FNB - Infrastructure - Special Projects Cheque account 62790914389	3 458 581	289 157	23 737 013	3 458 581	289 157	23 737 013
FNB - Environmental Monitors Project Cheque account 62812070671	6 853 679	11 649 112	2 662 622	6 853 679	11 649 112	2 662 622
FNB - Environmental Monitors Host Cheque account 62814398063	1 508 846	1 690 329	1 677 525	1 508 846	1 690 329	1 677 525
FNB - Presidential Grant Cheque account 62875106017	13 922 740	18 284 092	6 142 858	13 922 740	18 284 092	6 142 858
FNB - Lotto Funding Cheque account 62298571483	169 998	443 284	1 558 486	169 998	443 284	1 558 486
FNB - Tourism Guides Cheque account 62669001209	7 168	11 675	12 709	7 168	11 675	12 709

iSimangaliso Wetland Park Authority

Annual Financial Statements for the year ended 31 March 2023

Notes to the Annual Financial Statements

10. Cash and cash equivalents (continued)

The entity had the following bank accounts

Account number / description	31 March 2023	31 March 2022	31 March 2021	31 March 2023	31 March 2022	31 March 2021
Operational accounts	Bank statement balances			Cash book balances		
FNB - Levies/Bonds Cheque account 62376455723	2 314 051	2 243 573	6 408 026	2 314 051	2 243 573	6 408 026
FNB - Rare Endangered Species Fund Cheque account 62718358618	397 512	544 795	667 547	397 512	544 795	667 547
FNB - Mfusi Trust Call account 62229462255	170 308	7 314	7 124	170 308	7 314	7 124
Petty cash						
Cash on hand	-	-	-	4	3 005	3 002
FNB - Petty Cash Cheque account 62189745775	1 605	2 715	227	1 605	2 715	227
Total	202 901 618	62 807 837	126 293 968	202 901 622	62 810 842	126 296 970

Figures in Rand

11. Trade and other payables

Trade payables	26 333 033	11 850 645
Accrued expenses	2 891 702	642 893
Accrued leave pay	4 064 985	3 263 519
Employee related deductions	4 066 658	1 775 019
Amounts owing to donors	5 150 722	326 584
Retentions	19 100 451	14 270 453
Deposits on staff housing	42 626	42 626
Concessionaires' performance bonds	1 363 750	1 861 781
Advance income	-	66 635
Other deposits	149 789	70 096
Total	59 503 716	34 170 251

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
12. Unspent conditional grants and receipts		
Unspent conditional grants comprises of:		
Unspent conditional grants		
IP Equipment & Facilities	-	25 307
NIHSS Humanities Hub	501 071	501 071
Working for Water	4 857 004	-
Oceans and Cost	4 335 077	2 639 524
Corridor Lubombo	2 922	2 922
GEF7	3 434 834	-
Tourism Infrastructure	12 604	25 580 962
Lotto Art, Craft & Environment Programme	168 266	169 451
Municipal and Greening programme	4 594 297	-
People & Parks	67 315 918	-
Biodiversity Infrastructure	8 300 000	-
Working for Wetlands	1 012 979	367 755
Peace Parks Foundation	63 055	63 055
Working for the Coast and dunes clearance	5 130 773	9 323 299
Tourism Guides	6 507	7 683
IP Infrastructure	30 117 053	10 706 409
IP Value Added Industries	128 989	128 989
Environmental Monitors	4 585 625	4 972 995
Environmental Monitors Host	1 285 944	1 177 212
Additional allocation- Infrastructure	58 492	58 492
Presidential Stimulus	-	10 000 000
Groen Sebenza Internship	14 413 614	16 173 243
Maintenance of game fence	897 700	897 700
	151 222 724	82 796 069

Notes to the Annual Financial Statements

Figures in Rand	2022	2021
12. Unspent conditional grants and receipts (continued)		
Movement during the year		
Balance at the beginning of the year	82 796 069	70 614 037
Opening grants receivable	(29 200 000)	(550 000)
Additions during the Period	432 635 695	191 475 610
Grant income recognition during the year	(301 850 723)	(193 293 514)
Management fees	(8 459 908)	(3 990 611)
Administration fees	(8 819 801)	(4 857 776)
Personnel cost fees	(17 193 608)	(5 801 677)
Grants receivable at year end	1 315 000	29 200 000
Balance at the end of the year	151 222 724	82 796 069
The nature and extent of grants recognised in the annual financial statements and the source thereof are disclosed under the reconciliation of government grants.		
Refer to note 16 for reconciliation of grants and subsidies.		
All amounts received are invested in a ring-fenced investment until utilised.		
13. Park Revenue		
Gate entrance fees	11 751 894	10 025 697
Concession Fee	1 980 231	1 613 673
Activities and permit fees	4 793 716	4 560 668
Levies charged at gates	1 182 898	1 067 703
	19 708 739	17 267 741
14. Interest income		
Interest income comprises of:		
Bank	3 366 038	211 989
Prepaid accounts and staff debtors	87 067	87 014
	3 453 105	299 003
Interest income from bank is interest earned by the Authority on operational bank accounts. All interest earned on bank balances for conditional grants is recognised as a liability under payables as amounts owing to donors.		

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
15. Other income		
Sundry income	797 394	1 147 691
The amount included in Sundry income is as follows:		
Rental income	427 355	434 687
Sale of maps at gates	36 886	62 173
VAT recovery	-	159 149
Retention prescribed	-	419 556
Sundry cash income	70 050	72 126
Sundry non-cash income	263 103	-
	797 394	1 147 691

16. Grants and subsidies

Operating grants	2023	2022
Unconditional grants #	41 300 000	84 011 697
Operation Pakisa Youth Training	-	273 400
Working for Water	70 953 789	28 904 730
Oceans and Cost	2 904 447	2 631 949
Lotto Art, Craft & Environment Programme	1 185	1 126 092
Presidential Stimulus	-	6 584 334
Groen Sebenza Internship	18 852 777	3 169 821
Municipal and Greening programme	8 705 703	-
Working for Wetlands	2 972 947	1 650 054
Working for the Coast and dunes clearance	5 742 527	6 876 701
Tourism Guides	1 176	1 140
Environmental Monitors	365 525	26 012 447
Environmental Monitors Host	8 189 942	7 934 286
	159 990 018	169 176 651

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
16. Grants and subsidies (continued)		
Capital grants		
IP Equipment & Facilities	25 307	616 236
Maintenance of game fence	-	36 102 300
Additional allocation- Infrastructure	-	330 956
People & Parks	5 854 854	-
Tourism Infrastructure	22 233 507	22 677 739
IP Infrastructure	155 047 038	36 155 889
IP Value Added Industries	-	12 245 438
	183 160 706	108 128 558
	343 150 724	277 305 209

Grants receipts

Grants receipts during the year are as follows:

Conditional grants received	432 635 695	191 475 610
Unconditional grants received #	41 300 000	83 499 000
	473 935 695	274 974 610

In the prior year, the Authority was authorised to utilise interest accumulated on unspent grants from DFFE (Amounts owing to donors). The total interest recognised as revenue and included under unconditional grants is R512, 697.

Reconciliation of conditional grants movements:

IP Equipment & Facilities

Balance unspent at beginning of year	25 307	745 915
Conditions met - transferred to grant revenue	(25 307)	(616 236)
Conditions met - transferred to management fees	-	(42 977)
Conditions met - transferred to administration fees	-	(18 419)
Conditions met - transferred to personnel costs recoveries	-	(42 976)
	-	25 307

The grant is funded by Department of Forestry, Fisheries and the Environment.

Purpose of grant:

Marketing/branding materials & equipment. Facilities and boundary upgrade (electrified game fencing); Furnishing of meet & greet; purchase of field vehicles and anti-poaching equipment, and office equipment.

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
16. Grants and subsidies (continued)		
NIHSS Humanities Hub		
Balance unspent at beginning of year	501 071	501 071
Conditions still to be met - remain liabilities (see note 12). The grant is funded by National Institute of Human and Social Science.		
<i>Purpose of grant:</i>		
Social science funding to implement a social hub to foster a spirit of collaborative knowledge production and dissemination amongst communities, civil society and different academic disciplines.		
Working for Water		
Current-year receipts	80 000 000	34 437 000
Transfer from presidential grant	10 000 000	-
Conditions met - transferred to grant revenue	(70 953 789)	(28 904 730)
Conditions met - transferred to management fees	(4 966 222)	(2 022 922)
Conditions met - transferred to administration fees	(2 128 381)	(866 968)
Conditions met - transferred to personnel costs recoveries	(7 094 604)	(2 642 380)
	4 857 004	-

The grant is funded by Department of Forestry, Fisheries and the Environment.

Purpose of grant:

Restoration of iSimangaliso land, through the empowerment of neighbouring communities, by clearing invasive alien plants.

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
16. Grants and subsidies (continued)		
Oceans and Cost		
Balance unspent at beginning of year	2 639 524	3 071 473
Grants receivable opening balance	(2 200 000)	(550 000)
Current-year receipts	6 800 000	550 000
Conditions met - transferred to revenue	(2 904 447)	(2 631 949)
Grants receivable (Note 8)	-	2 200 000
	4 335 077	2 639 524
Conditions still to be met - remain liabilities (see note 12). The grant is funded by Department of Forestry, Fisheries and the Environment.		
<i>Purpose of grant:</i>		
To manage the marine protected area.		
Corridor Lubombo		
Balance unspent at beginning of year	2 922	2 922
Conditions still to be met - remain liabilities (see note 12). The project is funded by Department of Forestry, Fisheries and the Environment.		
<i>Purpose of grant:</i>		
Lubombo route development and marketing.		

iSimangaliso Wetland Park Authority

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Notes to the Annual Financial Statements

Figures in Rand	2023	2022
16. Grants and subsidies (continued)		
Tourism Infrastructure		
Balance unspent at beginning of year	25 580 962	31 660 190
Current-year receipts	-	20 000 000
Conditions met - transferred to grants revenue	(22 233 508)	(22 677 739)
Conditions met - transferred to management fee	(1 556 263)	(1 587 361)
Conditions met - transferred to administration fee	(666 970)	(680 299)
Conditions met - transferred to personnel costs recoveries	(1 111 617)	(1 133 829)
	<u>12 604</u>	<u>25 580 962</u>

Conditions still to be met - remain liabilities (see note 12).

The grant is funded by Department of Forestry, Fisheries and the Environment.

Purpose of grant:

Infrastructure Development Programme for Charters Creek upgrade

Lotto Art, Craft & Environment Programme

Balance unspent at beginning of year	169 451	1 295 543
Conditions met - transferred to revenue	(1 185)	(1 126 092)
	<u>168 266</u>	<u>169 451</u>

Conditions still to be met - remain liabilities (see note 12).

The Authority was awarded a grant by the National Lotteries Board for Youth Environmental Education, Art Skills and Craft Skills. The contract commenced on 15 July 2010. Since inception of the project, expenditure totalling R7,127,943 (since 2011/12 to 2020/21: R6,001,851) has been spent.

Purpose of grant:

Youth Environmental education, Art skills & Economic Development Programme and craft programme.

iSimangaliso Wetland Park Authority

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Notes to the Annual Financial Statements

Figures in Rand	2023	2022
16. Grants and subsidies (continued)		
Municipal and greening programme		
Current-year receipts	13 300 000	-
Conditions met - transferred to revenue	(8 705 703)	-
	<u>4 594 297</u>	-
Conditions still to be met - remain liabilities (see note 12).		
The project is funded by Department of Forestry, Fisheries and the Environment.		
Purpose of grant:		
Cleaning of municipal areas surrounding the park.		
People and Parks		
Current-year receipts	74 049 000	-
Conditions met - transferred to revenue	(5 854 853)	-
Conditions met - transferred to management fee	(409 840)	-
Conditions met - transferred to administration fee	(175 646)	-
Conditions met - transferred to personnel costs recoveries	(292 743)	-
	<u>67 315 918</u>	-
Conditions still to be met - remain liabilities (see note 12).		
The project is funded by Department of Forestry, Fisheries and the Environment.		
Purpose of grant:		
Construction of roads and other Infrastructure within the park.		

iSimangaliso Wetland Park Authority

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Notes to the Annual Financial Statements

Figures in Rand	2023	2022
16. Grants and subsidies (continued)		
Biodiversity Infrastructure		
Current-year receipts	8 300 000	-
Conditions still to be met - remain liabilities (see note 12). The grant is funded by Department of Environment, Forestry and Fisheries Affairs.		
Purpose of grant: Infrastructure Development Programme for field ranger camps. The project is funded by Peace Parks Foundation.		
Working for Wetlands		
Balance unspent at beginning of year	367 755	80 122
Current-year receipts	2 630 000	2 199 000
Conditions met - transferred to grant revenue	(2 972 946)	(1 650 054)
Conditions met - transferred to management fee	(207 983)	(115 381)
Conditions met - transferred to administration fee	(118 847)	(65 932)
Grants receivable at year end (Note 8)	1 315 000	-
	1 012 979	367 755
Conditions still to be met - remain liabilities (see note 12). The grant is funded by Department of Forestry, Fisheries and the Environment.		
Purpose of grant: Restore functioning of degraded wetlands system.		
Peace Parks Foundation		
Balance unspent at beginning of year	63 055	63 055
Conditions still to be met - remain liabilities (see note 12). The project is funded by Peace Parks Foundation.		
Purpose of grant: Special scientific research studies for the Transfrontier Conservation with Mozambique		

iSimangaliso Wetland Park Authority

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Notes to the Annual Financial Statements

Figures in Rand	2023	2022
16. Grants and subsidies (continued)		
Working for the Coast and dunes clearance		
Balance unspent at beginning of year	9 323 299	-
Current-year receipts	1 550 000	16 200 000
Conditions met - transferred to grants revenue	(5 742 526)	(6 876 701)
	5 130 773	9 323 299
The grant is funded by Department of Forestry, Fisheries and the Environment.		
Purpose of grant: Coast clean-up, maintenance of ablution blocks, maintenance of boardwalk, jetties and viewing decks and monitoring of beach.		
Tourism Guides		
Balance unspent at beginning of year	7 683	8 823
Conditions met - transferred to grants revenue	(1 176)	(1 140)
	6 507	7 683
Conditions still to be met - remain liabilities (see note 12). The project is funded by Department of Tourism.		
Purpose of grant: To develop the capacity of tourist guides to enhance the overall visitor experience provided at the iSimangaliso Wetland Park.		
IP Infrastructure		
Balance unspent at beginning of year	10 706 409	11 949 349
Current-year receipts	186 861 000	37 805 000
Conditions met - transferred to revenue	(155 047 038)	(36 155 889)
Conditions met - transferred to administration fee	(4 651 244)	(1 084 519)
Conditions met - transferred to personnel costs recoveries	(7 752 074)	(1 807 532)
	30 117 053	10 706 409
Conditions still to be met - remain liabilities (see note 12). The grant is funded by Department of Forestry, Fisheries and the Environment.		
Purpose of grant: Charters Creek tourism development, office building, roads, fence and building maintenance and signage.		

iSimangaliso Wetland Park Authority

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Notes to the Annual Financial Statements

Figures in Rand	2023	2022
16. Grants and subsidies (continued)		
IP Value Added Industries		
Balance unspent at beginning of year	128 989	12 374 427
Conditions met - transferred to revenue	-	(12 245 438)
	128 989	128 989
Current-year receipts		
Conditions still to be met - remain liabilities (see note 12).		
The grant is funded by Department of Forestry, Fisheries and the Environment.		
Purpose of grant:		
Roads rehabilitation, housing, field ranger camp, libraries and ablution at schools using value add materials and development of craft market.		
Environmental Monitors project		
Balance unspent at beginning of year	4 972 995	-
Current-year receipts	-	32 546 072
Conditions met - transferred to revenue	(365 525)	(26 012 447)
Conditions met - transferred to administration fee	(21 845)	(1 560 630)
	4 585 625	4 972 995
Conditions still to be met - remain liabilities, see note 12.		
The grant is funded by Department of Forestry, Fisheries and the Environment.		
Purpose of grant:		
To fund the environmental monitors		
Environmental Monitors Host		
Balance unspent at beginning of year	1 177 212	1 587 487
Current-year receipts	8 790 000	8 000 000
Conditions met - transferred to revenue	(8 189 942)	(7 934 286)
Conditions met - transferred to administration fee	(491 326)	(475 989)
	1 285 944	1 177 212

Conditions still to be met - remain liabilities (see note 12).

The grant is funded by Department of Forestry, Fisheries and the Environment.

Purpose of grant:

To fund the environmental monitors.

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Notes to the Annual Financial Statements

Figures in Rand	2023	2022
16. Grants and subsidies (continued)		
Additional allocation- Infrastructure		
Balance unspent at beginning of year	58 492	415 925
Conditions met - transferred to revenue	-	(330 956)
Conditions met - transferred to personnel costs recoveries	-	(16 548)
Conditions met - transferred to administration fee	-	(9 929)
	58 492	58 492
Conditions still to be met - remain liabilities (see note 12).		
The grant is funded by Department of Forestry, Fisheries and the Environment.		
Purpose of grant:		
Infrastructure refurbishment and coast care.		
Operation Pakisa Youth Training		
Balance unspent at beginning of year	-	273 400
Conditions met - transferred to revenue	-	(273 400)
	-	-
Conditions still to be met - remain liabilities (see note 12).		
The grant is funded by Department of Forestry, Fisheries and the Environment.		
Purpose of grant:		
To assist in youth training.		

The grant is funded by Department of Forestry, Fisheries and the Environment.

Purpose of grant:

To assist in youth training.

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
16. Grants and subsidies (continued)		
Presidential Stimulus		
Balance unspent at beginning of year	10 000 000	6 584 335
Current-year receipts	-	10 000 000
Conditions met - transferred to revenue	-	(6 584 335)
Transfer to working for water	(10 000 000)	
	<u>-</u>	<u>10 000 000</u>

Conditions still to be met - remain liabilities (see note 12).

The grant is funded by Department of Forestry, Fisheries and the Environment.

Purpose of grant

To maintain infrastructure assets within the park.

Groen Sebenza grant

Balance unspent at beginning of year	16 173 243	-
Current-year receipts	19 920 861	19 818 538
Conditions met - transferred to revenue	(18 852 777)	(3 169 821)
Conditions met - transferred to management fee	(1 319 600)	(221 888)
Conditions met - transferred to administration fee	(565 543)	(157 484)
Conditions met - transferred to personnel costs recoveries	(942 570)	(96 102)
	<u>14 413 614</u>	<u>16 173 243</u>

Conditions still to be met - remain liabilities (see note 12).

The grant is funded by Department of Forestry, Fisheries and the Environment.

Purpose of grant

To provide learnership training and employment opportunities to youth (youth empowerment).

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
16. Grants and subsidies (continued)		
Maintenance of game fence		
Balance unspent at beginning of year	897 700	-
Current-year receipts	-	10 000 000
Conditions met - transferred to revenue	-	(36 102 300)
Grants receivable as at 31 March 2022 (Note 8)	-	27 000 000
	<u>897 700</u>	<u>897 700</u>

Conditions still to be met - remain liabilities (see note 12).

The grant is funded by Department of Forestry, Fisheries and the Environment.

Purpose of grant

To maintain fence infrastructure surrounding and within the park.

17. Personnel costs

Basic salary- Permanent employees	33 432 426	28 244 234
Basic salary- Environmental monitors	7 309 632	7 708 822
Basic salary- Groen Sebenza Interns	14 230 154	1 010 456
Travel, housing, cellphone allowance and reimbursements	3 923 510	3 250 023
Medical aid - company contributions	1 316 340	1 095 728
Pension and provident fund contributions	1 371 143	1 254 187
Skills development levy	574 747	388 986
UIF	318 910	173 326
Leave expense	857 264	156 019
Workmen's compensation	476 695	202 297
	<u>63 810 821</u>	<u>43 484 078</u>

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
18. Project Costs		
Project Costs Comprises:		
- Chemicals, materials & equipment hire and uniforms	6 264 412	3 968 168
- Marine compliance monitoring	2 904 447	1 747 500
- Coast care cleaning	50 557 721	52 283 658
- Recruitment, induction and accommodation	2 243 962	2 002 674
- Transport and equipment hire	331 390	1 430 954
	62 301 932	61 432 954
19. Professional, consulting and legal fees		
Professional and consulting	48 212 786	19 939 233
Legal fees	10 815 128	312 354
	59 027 914	20 251 587
20. Depreciation, amortisation and impairment		
Depreciation, amortisation and impairment comprises:		
- Depreciation on property, plant & equipment	39 262 312	37 758 384
- Depreciation on Investment property	4 544 103	4 693 156
- Amortisation on Intangible assets	426 775	335 081
- Impairment on property, plant & equipment	11 961 899	-
	56 195 098	42 786 621
21. Lease rentals on operating lease		
Premises		
Contractual amounts	1 179 055	-
Equipment		
Contractual amounts	115 559	79 911
	1 294 614	79 911

Refer to note 27 for detailed disclosure of lease terms.

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
22. Contracted services		
Contracted services comprises of:		
Repairs and maintenance to assets: Refer to note 3	26 723 455	63 478 572
Cleaning services signage and visitors facilities	25 188 031	12 156 972
Gate management and access control costs	8 636 043	11 258 353
Security	35 409 571	22 757 142
Website Hosting	320 994	49 347
	96 278 094	109 700 386
23. Loss on disposal and write off of fixed assets		
Loss on disposal and write off of fixed assets comprises:		
- Property, plant & equipment	9 549 603	4 238 765
- Investment property	865 548	1 763 697
- Intangible assets	492	12 290
	10 415 643	6 014 752

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
24. Other Operating Expenses		
Advertising and publicity	1 351 890	367 629
Audit fees - internal	4 111 946	2 874 556
Auditors remuneration	1 554 243	1 408 095
Bank charges	252 450	220 952
Board expenses	2 241 351	1 419 662
Covid 19 materials	-	106 825
Computer expenses	2 056	64 844
Donations	-	2 480 000
Electricity, water, sewer and rates	1 065 585	702 041
Payroll processing	6 134	28 287
Fines and penalties	164 567	-
Insurance	261 326	178 417
License fees and Information Technology Expenses	1 270 552	663 699
Marketing and promotion	323 417	627 449
Recruitment costs	10 465	2 265
Postage and courier	4 294	-
Printing, stationary and inventory consumed	1 076 235	573 991
Minor assets and other expenses	22 947	19 468
Staff refreshments, consumables, fuel and cleaning	1 584 352	164 265
Telephone, fax and internet expenses	839 770	822 143
Employee training, wellness and bursaries	3 752 651	1 863 240
Project training and development and community programmes	13 451 598	6 838 576
Travel, accomodation and catering expenses	7 486 609	1 290 778
Workshops & meetings	2 733 442	956 581
	43 567 880	23 673 763
25. Auditors' remuneration		
Fees	1 554 243	1 408 095

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
26. Cash generated from operations		
Surplus	7 337 661	1 310 644
Adjustments for:		
Depreciation and amortisation	56 195 098	42 786 622
Loss on disposal of assets	10 415 643	6 014 753
Debt impairment	85 113	792 010
Performance bond prescribed	(263 103)	-
Retention forfeiture	-	(419 556)
Changes in working capital:		
Inventories	61 226	6 033
Receivables from exchange transactions*	2 545 023	(264 393)
Other receivables from non-exchange transactions	27 885 000	(28 650 000)
Trade and other payables *	5 224 235	2 718 210
VAT	92 481 332	(16 700 787)
Unspent conditional grants and receipts	68 426 655	12 182 032
	270 393 883	19 775 568
27. Commitments		
Authorised capital expenditure		
Approved and contracted for		
• Fences	9 390 911	-
• Roads	84 010 198	7 633 457
• Investment property	3 234 699	19 255 635
• Water infrastructure upgrade	25 380 644	-
Total capital commitments	122 016 452	26 889 092
Total capital commitments		
Total approved and contracted for	122 016 452	26 889 092
Authorised capital expenditure		

*Only movement in operating payables and receivables were adjusted in working capital. All payables receivables (prepayments) relating to acquisition of assets were adjusted under cash paid to acquire assets.

The commitment expenditure relates to infrastructure contracts that have been entered into with suppliers. These contracts will be financed through project grants already received and allocated for future years as per allocation letter from DFFE.

iSimangaliso Wetland Park Authority

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27. Commitments (continued)

Operating leases - as lessee (expense)

- **Rental of photocopier machines:** The contracts in respect of photocopiers commenced in December 2021 and expires in 23 November 2024. No contingent rent is payable.
- **Rental of park home buildings:** The contract is for an initial period of 24 months commencing in July 2022 and expires end of June 2024. Rental is fixed at R127 020 per month and may continue on month to month after expiry at 8% annual increase.
- **Rental of laptops for interns:** The contract is for an initial period of 24 months commencing in June 2022 and expires end of May 2024. Rental is fixed at R217 120,94 per month. Contingent rent is payable for insurance and data usage.

The future rental commitments for all the 3 operating leases are:

Minimum lease payments	2023	2022
Payable during next financial year	4 229 107	99 416
Payable 2 to 3 years after reporting date	881 579	165 694
	<u>5 110 686</u>	<u>265 110</u>

28. Contingencies

The Authority had the following contingent liabilities:

	2023	2022
Construction contract	12 038 123	12 038 123
Fire Claim	35 067 037	35 067 037
	<u>47 105 160</u>	<u>47 105 160</u>

Land claims

A number of land claims have been settled on land controlled by the Authority in respect of which co-management agreements have been concluded. The agreements do not permit occupation or use of Park assets and there are no recurring fixed financial obligations for iSimangaliso.

Construction contract

Sanyati, a construction company that is contracted to iSimangaliso, was liquidated in July 2012. The Authority took the view that it would not recover any monies due to it by Sanyati and wrote the amounts in question off in previous years. Subsequently, Sanyati's liquidator raised a claim for work measured post liquidation, and disputed penalties levied by the Authority against Sanyati for non-achievement of labour targets. The liquidator's claim has, however, not been pursued and, in the Authority's view, may have become prescribed. Nonetheless,

the Sanyati liquidator called for the issue of a final account and a final payment certificate, indicating that its claim might not, in fact, have prescribed. In the circumstances, the Authority considers it prudent to treat a potential claim from the liquidator as a contingent liability.

Fire Claim

The Western Shores section of iSimangaliso has incorporated forestry land belonging to Siyaqubeka (SQF) by agreement. In August 2012, two fires broke out in park and forestry areas. SQF issued summons in 2015 for damages to its Dukuduku and Nyalazi plantations initially in the amounts of R705,188 and R14,342,237 respectively. After March 2015, SQF amended its pleadings and increased the claim to R3,056,150 for Dukuduku and R32,010,887 for Nyalazi. The matter has been referred to counsel. The Authority has been advised that claims involving contributory negligence may run for up to 5 years. The amount of the claim is reflected as a contingent liability.

iSimangaliso Wetland Park Authority

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Figures in Rand	2023	2022
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29. Related parties

Relationships	
Parent department	Department of Forestry, Fisheries and the Environment (DFFE)
Other entities controlled by DFFE	- South African National Parks - South African National Biodiversity Institute (SANBI) - South African Weather Services - Marine Living Resources Fund

Identity of related parties

The Authority's parent department is the Department of Forestry, Fisheries and the Environment (DFFE). The entities under the control of the DFFE are South African Biodiversity Institute, South African National Parks, South African Weather Services and Marine Living Resources Fund. The Authority receives an annual allocation from DFFE, which it uses to finance its operations. From time to time it also receives additional grants from the Expanded Public Works Programme (EPWP) managed by DFFE.

Related party balances

Approved allocation of funding with related parties

	2023	2022
DFFE-Operations for the next financial year	39 651 000	41 300 000
Infrastructure & equipment for the next financial year	89 645 000	95 861 000
EPWP programs and presidential stimulus	188 987 000	215 583 000

Related party transactions

Transfers from related party

DFFE-Grants received	473 935 695	274 974 610
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Key management information

Class	Description	Number
Non-executive board members	All independent	8
Executive board members	CEO	1
Executive management	Departmental heads	5

Key management-related activities

No loans or payments were made to management of iSimangaliso Wetland Park Authority during the year, nor were any material transactions entered into with them.

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
29. Related Parties (continued)		
Remuneration of management		
Board members		
	Meeting attendance fees and Reimbursements	Total
Non-Executive Directors		
Mr Ml Tembe (Chairperson)	305 230	305 230
Ms T Sosibo (Deputy Chair)	23 352	23 352
Mr B Mhlongo (appointed 1 March 2023)	21 789	21 789
Ms N Mlambo (appointed 1 March 2023)	18 120	18 120
Mr GG Nair	187 847	187 847
Ms S Ngcobo (appointed 1 March 2023)	11 932	11 932
Mr B Ngobeni (appointed 1 March 2023)	10 792	10 792
Prof CP Small	128 823	128 823
Mrs N Cave (term ended 28 February 2023)	151 713	151 713
Mr L Lankalebalele (term ended 28 February 2023)	200 183	200 183
Mrs L Noge-Tungamirai (term ended 28 February 2023)	155 601	155 601
Prof A T Nzama (term ended 28 February 2023)	304 099	304 099
	1 519 481	1 519 481
2022		
	Meeting attendance fees	Total
Non-Executive Directors		
Prof A T Nzama (Chairperson)	254 748	254 748
Inkosi Ml Tembe (Deputy Chair)	207 934	207 934
Mrs N Cave	125 167	125 167
Mr L Lankalebalele	124 517	124 517
Mr GG Nair	107 260	107 260
Mrs L Noge-Tungamirai	121 336	121 336
Prof CP Small	84 462	84 462
	1 025 424	1 025 424

Remuneration paid to non-executive board member is included in board expense in the Statement of Financial Performance.

Notes to the Annual Financial Statements

Figures in Rand	2023	2022				
29. Related parties (continued)						
Remuneration paid to non-executive board member is included in board expense in the Statement of Financial Performance.						
Executive Directors and Senior management						
2023	Basic salary	Allowances & Reimbursive expenses	Medical Aid	Provident Fund/ Retirement annuity	Other statutory contributions	Total
Name						
Chief Executive Officer	2 115 742	36 595	67 198	94 515	23 407	2 337 457
Chief Financial Officer	1 494 553	124 424	62 115	69 194	18 016	1 768 302
Executive Manager Biodiversity	1 576 637	184 955	51 845	-	19 446	1 832 883
Executive Manager SEED	1 326 553	340 075	48 331	66 674	17 814	1 799 447
Executive Manager Tourism	1 266 553	443 186	53 649	65 774	17 692	1 846 854
Executive Manager Technical (9 months)	830 771	384 806	-	45 560	12 668	1 273 805
	8 610 809	1 514 041	283 138	341 717	109 043	10 858 748
2022	Basic salary	Allowances & Reimbursive expenses	Medical Aid	Provident Fund/ Retirement annuity	Other statutory contributions	Total
Name						
Chief Executive Officer	1 910 849	71 093	63 082	91 862	21 416	2 158 302
Chief Financial Officer	1 341 903	120 475	34 394	68 445	16 147	1 581 364
Executive Manager Biodiversity	1 446 348	143 684	39 644	-	17 794	1 647 470
Executive Manager SEED	1 167 020	437 723	43 688	67 946	16 254	1 732 631
Executive Manager Tourism	1 113 903	432 495	50 449	68 445	16 179	1 681 471
	6 980 023	1 205 470	231 257	296 698	87 790	8 801 238

Remuneration paid to executive directors is included in personnel costs in the Statement of Financial Performance.

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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30. Heritage assets

The iSimangaliso Wetland Park is 1 314 539 hectares in extent. The five major ecosystems found in iSimangaliso provide habitat for a significant diversity of African biota. These ecosystems are:

- The marine ecosystem, characterised by a warm sea, the southernmost extension of coral reefs in Africa, submarine canyons and long sandy beaches
- The coastal dune system, consisting of linear dunes up to 180m in height, sub-tropical forests, grassy plains and wetlands
- Lake systems, consisting of two estuarine-linked lakes (St Lucia and Kosi) and four large freshwater lakes
- The uMkhuze and iMfolozi swamps, with swamp forest, extensive reed and papyrus wetlands
- The inland western shores, with ancient shoreline terraces and dry savannah woodland.

This diversity provides important habitats for a large number of species, including those that are rare, threatened or endemic. The species' lists for iSimangaliso are the most extensive in the region, and population sizes of most species are viable. Of the over 6,500 plant and animal species known to occur in the Park, populations of those with conservation importance include 11 species that are endemic to the Park, 56 species endemic to KwaZulu-Natal, and 108 species endemic to South Africa. 467 Species are listed as threatened in South Africa. In the past, little was known about the status and viability of many rare, threatened and endemic species in the Park, particularly the lower vertebrate and invertebrate species. But studies on a number of these species are currently underway.

The Park is situated on the southernmost extremity of the Mozambique coastal plain and, as a result, hosts numerous species not found elsewhere in South Africa. This adds to the value and importance of this unique area from a South African speciesconservation perspective. The presence of some of these species north of our borders, cannot detract from the importance of conserving the South African populations, as very little information is generally available on their conservation status and distribution in other parts of southern and central Africa. iSimangaliso is clearly a critical habitat for a range of species from Africa's marine, wetland and savannah environments.

iSimangaliso also has four Ramsar sites*, an accreditation that recognises the ecological significance of those sites', their function as wetlands and their importance as resources of economic, cultural, scientific and recreational value. The sites are:

- St Lucia Lake System: on the coast, between the iMfolozi Swamps from south of the iMfolozi River to the uMkhuze River in the north. The site was designated on 2 October 1986 (Ramsar Site # 345)
- Turtle Beaches/Coral Reefs of Tongaland: on the coast, stretching from just south of Cape Vidal northwards to the border of Mozambique. The site was designated on 2 October 1986 (Ramsar Site # 344)
- Kosi Bay Lake System: on the coast south of Mozambique on the Maputaland Coastal Plain. The site was designated on 28 June 1991 (Ramsar Site #527);
- Lake Sibaya: on the coast, north of the Cape Vidal Reserve and South of Sodwana Bay. The site was designated on 28 June 1991 (Ramsar Site # 528).

The remarkable ecological diversity and significance of iSimangaliso is, therefore, unique, not only on the African continent, but also from a global perspective. For example, available information suggests that no other locality in the world harbours such a wide range of wetland types in a single protected area. Of the 32 marine/coastal and inland natural-wetland forms recognised by the Ramsar Convention, no fewer than 23 of these forms occur within the Park.

The financial value of the Park's heritage assets cannot be reliably measured as there is no active market.

*A Ramsar site is a wetland protected under the 1971 Ramsar Convention on Wetlands of International Importance.

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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31. Public Private Partnership

Rich Rewards (Pty) Ltd and Mabibi Development Company (T/A Thonga Beach)

The authority has a public private partnership agreement for periods of 30 years with the following two entities:

- 1) Rich Rewards (Pty) Ltd
- 2) Mabibi Development Company (T/A Thonga Beach)

The agreement was entered to allow private entities to operate and help improve tourism activities within the area.

Both companies have the right to access to designated area within the park. The agreement allows them to control all activities around the designated area. These entities can erect buildings at camp sites from which they can provide accommodation and camping activities to their visitors. They are further allowed access to drive with their visitors within the park.

The authority's contribution is limited to granting of concession contract, and giving reasonable assistance in the form of advice in dealing with the relevant Authorities. The authority reserves the right of ownership of the designated area and PPP's may not pledge any land nor assets erected against any borrowings for the duration of the agreement. No financial assistance is provided to the Concessionaire.

All immovable assets constructed by the concessionaire shall be transferred to the Authority at the end of the agreement at no cost.

Concession Fees

Concessionaire agrees to pay the authority concession fee as determined in the agreement. Both entities pay a basic concession fee monthly (subject to increase annually as per agreement).

Concessionaires shall pay additional concession fee should the basic concession fee be less than calculated concession fee. Calculated concession fee is based on percentage of revenue generated by the concessionaire annually.

The authority is further entitled to receive performance bond as security on inception of the agreement.

There was no breach of contract by either party during the reporting period.

Concession fees

Concession fees for the year	1 980 231	1 613 673
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Notes to the Annual Financial Statements

Figures in Rand

2023

2022

32. Change in estimate

Property, plant and equipment

The useful life of property, plant and equipment was revised in the current year after management noted that some assets have more useful life than originally estimated. The effect of this revision has reduced depreciation charges for the current period by R 180 472 and increased aggregate depreciation charges for future by the same amount.

33. Comparative Figures

During the year, expenses for payroll processing, employee training and recruitment were reclassified from personnel costs to other operating expenses. This was in line with GRAP 1 to ensure that only employee costs are presented as personnel costs. Further, employee training and bursary costs of R 1 426 437 were reclassified from projects training and were disclosed separately within other operating costs.

2022	As previously reported	Re-Classification	Restated Balance before prior period error adjustment
Personnel costs	43 951 433	(467 355)	43 484 078
Other operating costs	23 206 408	467 355	23 673 763
	<u>67 157 841</u>	<u>-</u>	<u>67 157 841</u>

Notes to the Annual Financial Statements

Figures in Rand

2023

2022

34. Prior period errors

Error 1

During the year, VAT input that was not correctly adjusted for in prior years was resubmitted and the adjustment was made to accumulated surplus.

Park revenue from prior year was incorrectly understated due to a debtor that was not billed in prior year. The total adjustments on park activities was R6 000 excluding VAT.

Invoices totalling R6 333,30 (incl VAT) for insurance relating to 2021 financial year were not raised on the system. Further, insurance refunds of R16 736,50 (Inc VAT) was incorrectly credited to the supplier account instead of expense reimbursement.

An invoice amounting to R1 076,52 (incl VAT) for employee verification) relating to 2021 financial year was not raised on the system although it was paid.

The correction of the errors results in adjustments as follows:

Statement of financial position

Increase in VAT receivable	-	6 899 514
Increase in receivables from exchange transactions	-	6 900
Decrease in trade and other payables	-	9 327
Increase in opening Accumulated Surplus	-	(6 909 741)

Statement of financial performance

Increase in park revenue	-	(6 000)
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Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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34. Prior period errors (continued)

Error 2

Prepayments for CaseWare support and accumulated surplus in prior years were understated by R24 612 due to payment that was fully expensed. The service provider refunded the prepayment in the current financial year.

Employee debtors of R57 701 were incorrectly classified as trade debtors in prior year. The full amount was reclassified within debtors from exchange transactions.

Some allowances for travel and cellphone were incorrectly disclosed under basic salaries under personnel costs in note 17. The error was corrected by reallocating a total of R2 105 958 from basic salaries to allowances. The error has no impact on total employee costs presented in the statement of financial performance.

The correction of the errors results in adjustments as follows:

Statement of financial position

Increase in receivables from exchange transactions	-	24 612
Increase in accumulated surplus	-	(24 612)
	<u>-</u>	<u>-</u>

35. Prior-year adjustments

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior-year adjustments:

Statement of financial position: Extract

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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35. Prior-year adjustments (continued)

2022	As previously reported	Correction of error	Restated
Receivables from non-exchange transactions	8 4 296 287	31 513	4 327 800
VAT receivable	9 103 591 430	6 899 514	110 490 944
Trade and other payables	11 (34 179 578)	9 327	(34 170 251)
Accumulated Surplus	(852 725 834)	(6 940 353)	(859 666 187)
	<u>(779 017 695)</u>	<u>1</u>	<u>(779 017 694)</u>

Statement of financial performance: Extract

2022	As previously reported	Correction of error	Re-classification	Restated
Parks revenue	13 17 261 741	6 000	-	17 267 741
Personnel Costs	17 (43 951 433)	-	467 355	(43 484 078)
Project costs	18 (61 432 954)	-	-	(61 432 954)
Other operating expenses	24 (23 206 408)	-	(467 355)	(23 673 763)
Net adjustments	(111 329 054)	6 000	-	(111 323 054)

Cash flow statement: Extract

2022	As previously reported	Correction of error	Restated
Cash flow from operating activities			
Park revenue	16 834 777	56 800	16 891 577
Other income	496 860	14 425	511 285
Personnel costs	(42 997 280)	481 739	(42 515 541)
Cash paid to suppliers	(230 258 085)	(552 965)	(230 811 050)
	<u>(255 923 728)</u>	<u>(1)</u>	<u>(255 923 729)</u>

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
36. Risk management		
Liquidity risk		
The Authority's risk to liquidity is a result of the funds available to cover future commitments. The Authority manages liquidity risk through an ongoing review of future commitments.		
The table below shows the Authority's financial liabilities at the statement of financial position date. The amounts disclosed in the table are the undiscounted cash flows as all liabilities are due within 12 months and the impact of discounting is not significant.		
Statement of financial position: Extract		
Financial instrument		
Trade and other payables	59 503 716	34 170 251
Unspent conditional grants	151 222 724	82 796 069
	210 726 440	116 966 320

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, receivables from exchange transactions and receivables from non-exchange transactions. The Authority only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board.

Cash at bank is held with one of the major banks in South Africa.

These assets are not hedged for credit risk, with the exception of Trade debtors included within receivables from exchange transactions. All operators within the park are required to deposit Concessionaires' performance bonds that are held as security by the Authority. These are included as part of trade and other payables.

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
35. Risk management (continued)		
Financial assets exposed to credit risk at year end were as follows:		
Financial instrument		
Receivables from exchange transactions	1 697 663	4 327 800
Receivables from non exchange transactions	1 315 000	29 200 000
Cash and cash equivalents	202 901 622	62 810 842
VAT receivable	18 009 612	110 490 944
Debtors past due		
> 120 days	1 089 007	1 319 983
> 90 days	44 636	117 787
> 60 days	100 566	-
> 30 days	103 037	403 824
	1 337 246	1 841 594

Included in debtors past due are government debtors totalling R282,908(Prior year R310,066). The risk associated with government debtors is considered low. Government debt owing for more than 120 days of R154,219 (Prior year R181,376) is in respect of utilities payable by Ezemvelo KZN Wildlife.

Other risks

Interest rate risk

Surplus cash earns interest and the rate is exposed to fluctuations in the Repo rate. However, as the Authority has no significant interest-bearing assets, the Authority's income and operating cash flows are substantially independent of changes in market interest rates. Hence the risk is considered low as deposits are held with major South African bank. The Authority does not invest in equity instruments.

37. Going concern

As at 31 March 2023, the Authority had accumulated surplus of R 867 003 848 and total assets exceeded total liabilities by R867 003 848.

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 Authority to continue as a going concern is dependent on a number of factors. The most significant of these is that the government will continue to procure funding for the ongoing operations for the Authority. Note to related part transactions provides grant allocated by the government to fund the future operations of the entity.

iSimangaliso Wetland Park Authority

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Notes to the Annual Financial Statements

Figures in Rand	2023	2022
38. Fruitless and wasteful expenditure		
Opening balance	7 854 860	7 977 222
Fruitless and wasteful expenditure incurred in current year	164 567	-
Less: Amounts written off and awaiting condonment	-	(122 362)
	8 019 427	7 854 860

Current year fruitless expenditure of R164 567 relates to SARS penalties for late payment of employees tax in December 2022. Prior year fruitless expenditure of R7,854,860 related to overpricing by suppliers on work performed.

39. Irregular expenditure

Opening balance	41 240 986	90 133 679
Add: Irregular Expenditure - incurred during the year	-	41 240 986
Less: Amounts written off and awaiting condonment	(41 240 986)	(90 133 679)
	-	41 240 986

Breakdown of irregular expenditure incurred during the year

Suppliers who did not meet the pre-qualifying evaluation criteria	-	14 970 577
Construction work procured from suppliers not registered with Construction Industry Development Board (CIDB)	-	26 270 409
	-	41 240 986

40. Events after the reporting date

The Authority was not aware of any material events that may have occurred between 31 March 2023 and the date when the annual financial statements were authorised.

iSimangaliso Wetland Park Authority

Annual Financial Statements for the year ended 31 March 2023

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
41. Budget differences		
Changes from the approved budget to the final budget		
The changes between the approved and final budget are a consequence of changes in organisational plans and predictions for the year and to incorporate of new funding that was allocated to the authority during the year.		

Material differences between budget and budget and actual amounts

BC1 - Park revenue – The Authority achieved more than the budget by 9% due to slightly more visitors than expected.

BC2 - Management and administration fees and personnel costs recoveries – The Authority performed less than budget and only achieved 65% due to slow start in capital projects. Most contractors were appointed very late during the year.

BC3 - Interest income – The Authority earned more interest than budgeted due to very good cashflow position from the beginning of the year; VAT receivable from SARS for the past 5 years was all received early and the entity was able to invest the proceeds and earn more interest income.

BC4 - Other income – The Authority received more other income than budgeted.

BC5 - Grants – The Authority performed marginally less than budget, achieving 97% of the target due to slow start in capital projects. Most contractors were appointed very late during the year.

BC6 - VAT Refunds in reserves – The entity erroneously budgeted for VAT refunds.

BC7 - Project costs – The Authority spent marginally lower than budget on personnel costs. The variance of 2% is reasonable and acceptable cost saving.

BC8 - Depreciation and amortization and loss on disposal of assets – Actual expenditure more than budget due to write off mainly of infrastructure that was demolished and work in progress abandoned.

Bc9 - Personnel costs – The Authority spent marginally lower than budget on personnel costs. The variance of 2% is reasonable and acceptable cost saving.

BC10 - Maintenance & repairs – The Authority spent 72% which is lower than budget. Less repairs were required during the year than budgeted.

Bc11 - Co-management expense – Co-management expenses are only 70% of budget. The Authority over budgeted for co-management fees which should be only 8% of park revenue from gates shared with communities, excluding levies.

BC12 - Consultants, contractors & special services – Actual expenses were within budget, with a cost saving of 0,35%.

BC13 - Board expenses – The authority had less spending by 21% on board expense than budgeted due to less special board meetings and events during the year.

BC14 - Training and development – The authority had less training than budgeted and saved 29% of the budget.

BC15 - Security – Actual expenses were within budget, with a cost saving of 1%.

BC16 - Other expenses – Actual expenditure is marginally lower than budget and an acceptable cost saving of 3%.

BC17 - Capital expenditure – The authority under budgeted for capital expenditure and spent more than budget by 45%. The authority still had some unspent conditional capital grants from prior years and these were overlooked in the budget.





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