



Annual Report

2019/20

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E Z E M V E L O
K Z N W I L D L I F E

Conservation, Partnerships & Ecotourism



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PART 1:

OVERVIEW

FEATURES

- Ezemvelo's mandate is derived from the KwaZulu-Natal Nature Conservation Management Act (Act No.9 of 1997), which is to direct the management of nature conservation within the Province including protected areas (PAs). This includes the development and promotion of ecotourism facilities within the PAs.
- Ezemvelo manages more than 120 PAs which are terrestrial, coastal and marine reserves.
- Ezemvelo, as a state-owned entity, remains committed to deliver on the priorities of Government which include job creation. This is achieved by the organisation either entering into partnerships or implementing programmes that enable job creation. These programmes are also aligned to further conservation efforts.
- Community development has been high on Ezemvelo's agenda as conservation must create tangible benefits to people, especially for those who reside in the buffer zones i.e. adjacent to PAs.
- Management plans continue to be implemented by Ezemvelo to stabilise key species, many of which have been considered vulnerable or were once on the brink of extinction. Examples of such species include vultures, white and black rhino, loggerhead turtles and wattled cranes.
- Ezemvelo is entrusted with the responsibility for managing the uKhahlamba Drakensberg Park World Heritage Site as well as performing conservation and ecotourism activities within the iSimangaliso Wetlands Park World Heritage Site. The organisation also manages a number of Ramsar sites (wetlands of international importance), such as Ndumo Game Reserve, Kosi Bay and Lake Sibaya.
- Ezemvelo is considered to be one of the leading conservation authorities in South Africa by its peers.
- Ezemvelo is forging a distinctive identity in the field of Community Conservation as part of its integrated approach to enable job creation as well as environmentally sensitive land use activities.
- Ezemvelo is cognisant that conservation is a land use in direct competition with other land uses.

APPROVAL OF THE ANNUAL REPORT

Ezemvelo is committed to integrated reporting and disclosure. This will be enhanced in subsequent years to enable stakeholders to make an informed assessment of our ability to deliver services in a sustainable manner.

SCOPE AND BOUNDARY OF THIS REPORT

The Annual Report covers the performance, financial and non-financial, of Ezemvelo for the year ended 31 March 2020. The entity operates in the Province of KwaZulu-Natal within the Republic of South Africa.

Our financial reporting complies with Generally Recognised Accounting Practice (GRAP). Management has also considered the draft guidelines on integrated reporting provided by the Integrated Reporting Committee of South Africa.

ASSURANCE

Assurance of this Annual Integrated Report is provided by the accounting authority and management of Ezemvelo. The Auditor-General has provided external assurance on the financial and non-financial performance reports and the report appears on page 51-54

APPROVAL OF THE ANNUAL INTEGRATED REPORT

The accounting authority acknowledges its responsibility to ensure the integrity of the Annual Integrated Report. The members of the accounting authority are satisfied with the content and have approved this Annual Integrated Report.



Mr Ntsikelelo Dlulane
Acting CEO of Ezemvelo



CORPORATE PROFILE AND ACTIVITIES

BRIEF HISTORY

The history of Ezemvelo is a source of considerable pride for all associated with it. This organisation has been at the forefront of South Africa's conservation effort for many decades and its reputation has a strong international standing as well. The success of Ezemvelo can be attributed to a pioneering history as well as an ongoing adherence to strategies and plans that are in line with international best practice.

VISION

"To be a world renowned leader in the field of biodiversity conservation"

MISSION

"To ensure effective conservation and sustainable use of KwaZulu-Natal's biodiversity in collaboration with stakeholders for the benefit of present and future generations"

CORE VALUES

- **Passion** – We shall be passionate in what we do
- **Respect** – We shall perform our duties in a professional, ethical manner
- **Trust** – We shall act transparently with integrity and honesty in all we do
- **Innovation** – We shall embrace a culture of learning, adaptation and creativity at all times
- **Excellence** – We shall strive to apply best practices to achieve the highest quality and standards at all times

AIMS OF EZEMVELO

Ezemvelo, in terms of the KZN Nature Conservation Management Act 9 of 1997, is mandated to:

- a) Direct the management of
 - i. nature conservation within the province;
 - ii. protected areas; and
 - iii. the development and promotion of ecotourism facilities within the protected areas.
- b) Ensure the proper efficient and effective management of the Conservation Service.





E Z E M V E L O
K Z N W I L D L I F E

Conservation, Partnerships & Ecotourism



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PART 2:

EXECUTIVE REPORTS

FOREWORD BY THE MEC

During the year under review – 2019/2020, Ezemvelo KZN Wildlife had more than 740,130 total visitors. This is a decrease of 5.3% (equivalent to 41,778) when compared to the year before.

This figure is made of 581,585 in day-visitors, which is a decrease of 10.9% (equivalent to 71,347) Year-on-Year. We have also recorded 158,545 in overnight-visitors which is an increase of 22.9% (equivalent to 29,569) Year-on-Year.

Critically, Ezemvelo visitor profile for the same reporting period is:

- 83.4% South African
- 16.5% Internationals and
- 0.1% SADC citizens.

For the international market:

- The German citizens were the highest with 9,948 (274.1% increase),
- Followed by the French with 8,532 (300.8% increase);
- The Dutch at 2,924 (47.0% increase);
- The British at 2,451 (193.5% increase);
- The Belgians at 1,649 (47.1% increase) and
- The Americans at 1,314 (86.6% increase) visitors.

Ezemvelo manages more than 114 protected areas and close to 42 facilities that provide accommodation to 6500 people per night.

We continue to receive thousands of telephone calls from tourists from different parts of the province, the country and the globe. We continue to assure nature lovers and the public at large of unparalleled experience of the wildlife and eco-tourism. Our greatest gift from God is that this province boasts two World Heritage Sites, game parks and vast land with breath-taking landscape.

Hluhluwe-iMfolozi Park (HiP), situated in KwaZulu-Natal, is often referred to as the 'birthplace of rhino' as it was this area where the southern white rhino was saved from the brink of extinction, over half a century ago. We commend game rangers and all other categories of staff who was working a pause and preservation of Rhino population and the wildlife in general.

One of the achievements of the year under review is the installation of infrared trap cameras linked directly to the Parks Operational Centre at HiP. These cameras using artificial intelligence (AI) identify people and send an immediate alert to the Operations Centre who then rapidly alerts and activates the relevant Reaction Units and associated resources.

We recall that on the night of 06 March this year, an infrared camera detected three-armed poaching suspects, and automatically alerted the Operations Centre, providing number of persons, grid reference and direction of the incursion. The Reaction Unit was immediately briefed and dispatched. The suspects were located in the area and challenged. The Reaction Unit members who came under immediate threat defended themselves which resulted in the two suspects



HON. NOMUSA DUBE-NCUBE, MPL

Executive Authority: Member of Provincial Legislature
MEC for Economic Development, Tourism and
Environmental Affairs

being mortally wounded. The technology contributed to the reduction of rhino poaching to only 133 rhinos poached during the year under review. Working with our partners, Ezemvelo staff will continue with the implementation of these technologies to ensure that critical support is provided to our Operations Team.

Figures have shown that money earned in the illicit animal trade is more than 10 billion US Dollars. Such illegal activities have resulted in the loss of biodiversity and destruction of the ecosystem. Despite these alarming figures, we wish to commend communities that are working with us to fight rhino poaching. During the year under review, the entity ensured improved relations between the communities outside our protected areas and the KZN Wildlife.

In areas like Ngolotshe near Hlabisa, the supplied basic needs like water as the community was scared of fetching water following the escape of lions from Hluhluwe iMfolozi Park. We remain grateful about the role played by local traditional leadership in resolving such issues. We shall continue to ensure that the existence of protected areas adjacent to our communities produces some benefits to the local communities.

In conclusion, we wish to indicate that we are finalizing the rationalization of Ezemvelo and Sharks Board. The entities have continued to function as separate entities whilst we further assess the need to for integration.

I wish to pay tribute to the former board members, Acting CEO, executive management and all categories of staff.

MS NOMUSA DUBE-NCUBE, MPL

**MEC: KwaZulu-Natal Department of Economic
Development, Tourism and Environmental Affairs**



BOARD CHAIRPERSON'S FOREWORD 2019/20 FINANCIAL YEAR

As the conservation agency within KwaZulu-Natal, Ezemvelo KZN Wildlife (Ezemvelo) has an obligation to conserve the biodiversity assets with the intention of leaving a positive environmental and societal footprint, not just for a lifetime, but for future generations to also be able to enjoy the fruit of today's labour. Having been bestowed with the role of Board Chairman, it brings me great pleasure to present the KwaZulu-Natal Nature Conservation Board Annual Report for the 2019/20 financial year. Once again, Ezemvelo has been able to achieve the status of an Unqualified Audit opinion from the Auditor-General.

The year under review marked the second of the three-year term of office of the current Board that commenced on the 1st of July 2018. The Board bid farewell to Mr Wilfred Ngubane, who had served as the Audit and Risk Committee Chairperson for a full term, as well as to former Board member Mr Ian Ewing, to whom I pay tribute following his resignation from the Board. As an expression of my wholehearted gratitude and appreciation, I take this opportunity to acknowledge both colleagues for their contribution towards the governance of the entity. Mr Wilfred Ngubane has since been succeeded by Mr Njabulo Mchunu, who had served as a member of Ezemvelo's Audit and Risk Committee.

While the mandate of the entity is conferred upon us by law, our very existence forms a foundation for the protection and conservation of the province's biodiversity. A healthy and natural environment is vital for the well-being of mankind, and as such, the Board commanded its oversight obligation in line with the strategic direction it had set out in the Annual Performance Plan for the 2019/20 financial year, which also marked the final year of the 2015-2020 strategic cycle. The Board is cognizant of the challenging organisational environment encapsulated by limited resources, yet appreciates the fact that it should be able to differentiate its corporate governance oversight role, as guided by the King IV Report, from the day-to-day management of the entity.

Amidst the current global and South African economic climate, the entity faced a spectrum of serious challenges that included continual financial constraints, a threatened rhino species population arising from the insatiable demand for rhino horn, deteriorating tourism infrastructure, and the risk



MR NTSIKELELO DLULANE
Acting CEO of Ezemvelo

exposure associated with the Covid-19 pandemic. These trials have contributed to the entity being highly reliant on the annual state subsidy. This government investment has enabled the entity to carry out its statutory obligation to protect and conserve the province's natural heritage, however, only to a certain extent as the percentage subsidy has not kept abreast with the incremental financial challenges it faced, mainly the ever-increasing compensation of employees aligned to the labour-intensive nature of the entity.

Unfortunately, the end of the 2019/20 financial year was characterised by the arrival of the Covid-19 pandemic into South Africa, with the entity concluding the financial year on a note of uncertainty following the closure of resort facilities. This caused an abrupt halt in income-generating activities thanks to the national state of disaster declared under Government Notice No.313 of 15 March 2020 under section 27(1) of the Disaster Management Act, 2002 (Act No. 57 of 2020). This warranted a change in how Ezemvelo conducts its daily operations, thus signalling a new dawn of business unusual practices.

The rhinoceros, as a worldwide critically endangered species driven to near extinction in South Africa, remains a casualty of the challenges faced by Ezemvelo. The province, although still holding a significant population within a suitable habitat for this vulnerable species' survival, affords it an appropriate level of protection while fighting the threat of poaching. Despite statistical analysis continuing to reveal a declining trend of black and white rhino mortality, it is critical to mention that the fight against poaching is not lost as we continue to implement various interventions, technology being a prime asset in the escalating conflict. Ezemvelo pays tribute to the multi-faceted entourage of stakeholders in the fight against rhino poaching. We are adamant that overcoming this scourge is a fight in which we must prevail.



In the face of such enormous challenges, Ezemvelo continues to command great respect for protected area management inside and outside protected areas. However, this is not without its own trials. Several incidents demanded the attention of the Board, arising from neighbouring community concerns subsequent to escaped animals from our nature reserves into an adjacent community. In conjunction with management, the Board demonstrated its support in the conflict-resolution engagements. Ezemvelo's response necessitated capturing wildlife that had escaped from the park, fencing upgrades, and improved, effective communication with the community.

On a more positive note, I am proud to announce that in terms of local community beneficiation, Ezemvelo has been a catalyst in the delivery of 8923 work opportunities for local community members, including women and youth. This was another concern that had been relayed by the community. Being in close proximity to communities neighbouring protected areas, Ezemvelo serves as the face of government, thus it continually strives to contribute towards social responsibility.

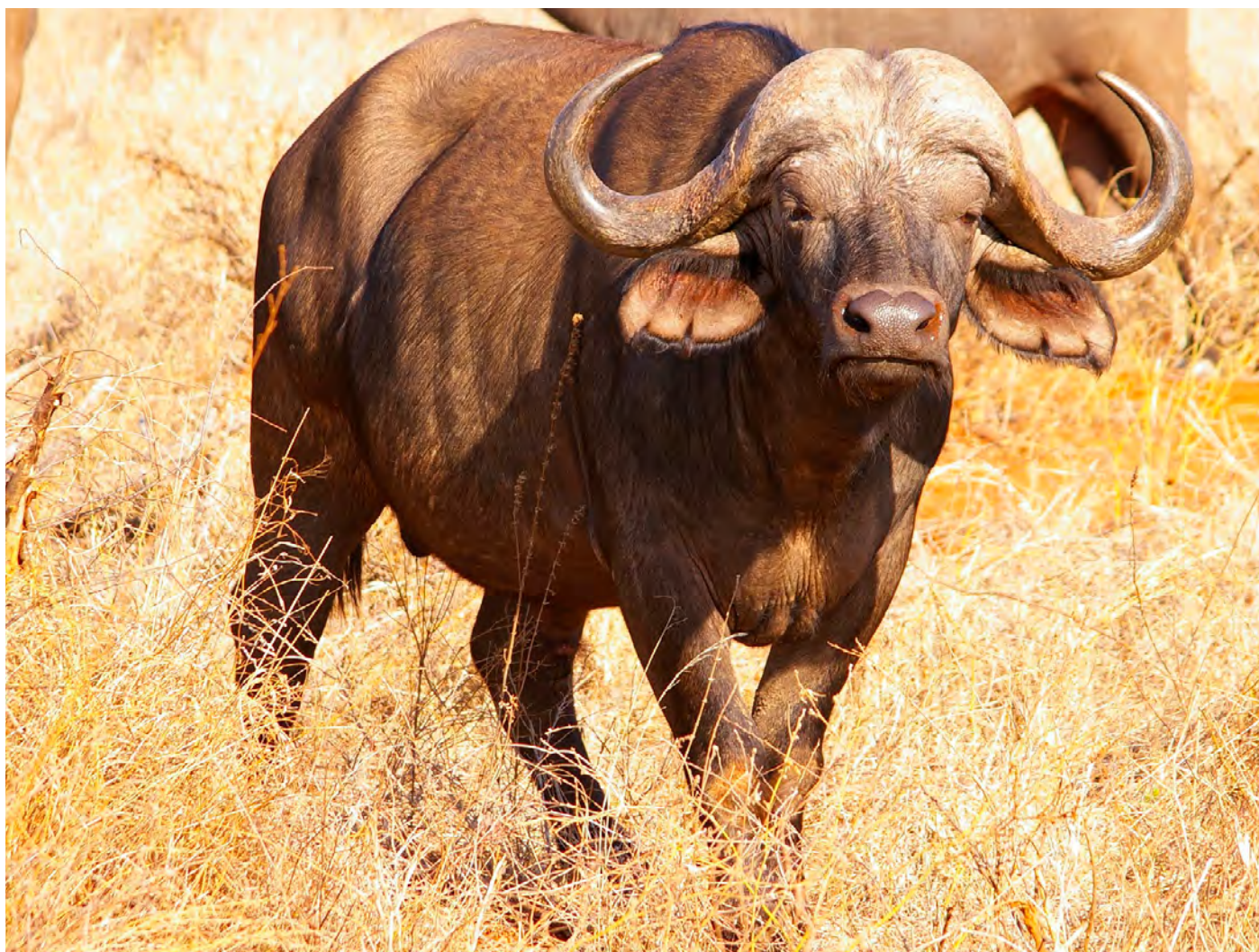
The Board is aware that the Chief Executive Officer position is still vacant, and I would like to emphasise that efforts are being undertaken to fill this critical position. I would like to acknowledge the current Acting Chief Executive Officer Mr Ntsikelelo Dlulane, who has been carrying out this critical function with unwavering leadership, commitment and dedication.

On behalf of the Board, I would like to acknowledge the continued support from the Honourable Mrs Nomusa Dube-Ncube, our political head and MEC for the Department of Economic Development, Tourism and Environmental Affairs. I also wish to convey, unreservedly, our sincere gratitude to provincial government and salute the members of the Portfolio Committee on Environmental Affairs for their continued generous and persistent support for conservation in the province. It is important to acknowledge Mr S Mshengu who, during the 2019/20 financial year, was appointed Chairperson of the Portfolio Committee on Environmental Affairs.

Within the broader picture, I remain comforted that Ezemvelo, branded as the jewel of the province arising from the finest examples of natural beauty, will continue to thrive bearing in mind that all effort is now geared towards adaptation and recovery. We continue to embrace the notion that biodiversity conservation is life, and although tried through the test of time, we cannot deprive present and future generations of the various wonders of the province of KZN.



Mr Ntsikelelo Dlulane
Acting CEO of Ezemvelo



BOARD MEMBERS

THE FOLLOWING INDIVIDUALS ARE MEMBERS OF THE BOARD



DR WILLIAM MNGOMA
Chairperson



MS. SEENG PAT LEBENYA
Deputy Chairperson



MR. SIPHO MTOLO



MS. DIANA HOORZUK



MR. SIHLE NDLOVU



MR. VUSI MVELASE



MR. ROBERT HASWELL



MR. IAIN CAMPBELL EWING



MS. SNEGUGU NCUBE



MR. THULISA NDELELA



MS. THANDEKA NTSHANGASE



**INKOSI BONGINKOSI SHILO
MTHEMBU**



MEMBERS OF THE BOARD

DR WILLIAM MNGOMA (CHAIRPERSON)

Dr Mngoma was appointed to the KwaZulu-Natal Nature Conservation Board in 2018, and previously served on the Board as the Shareholder Representative. He obtained his Doctor of Philosophy (PhD) in Public Administration in 2008 from the University of KwaZulu-Natal. The title of his study was Environment and Development: The case study of KwaZulu-Natal. His Master's Degree in Environmental Education was obtained between 2001 and 2003, and his Master's Degree in Geography from 1995-1998.

Previous leadership positions: Board Member of the South African Association for Marine Biological Research from July 2014 until retirement in June 2017. Dr Mngoma was the project steering committee member for Sacude Sluse (Southern African Consortium of Universities for Development and Environment: Sustainable Land Use) focusing on the Masters and Doctoral Degree Programme. He represented the former Universities of Natal and Durban Westville. He was appointed as a member of the International Geographical Union from 2002 until 2008.

He is a former task team member developing a national qualification for environmental impact assessment (SAQA process), is passionate about community development and was instrumental in establishing community gardens and projects aimed at fighting hunger and clothing needy children in Ward 16 (known as Dr W. Mngoma ward) of uThukela District. Between 2006-2012 he was appointed into a five member team looking at the creation of a single national Registration Body for Environmental Assessment Practitioners and Reviewers. In 2017 he received a Lifetime Conservation Achiever award from WESSA, which recognised him as one of the 90 remarkable individuals who have made a lifetime contribution to environmental conservation in South Africa. In 2018 he was a part time lecturer in the Social Sciences Education Department at the University of Zululand.

MS SEENG PAT LEBENYA (DEPUTY CHAIRPERSON)

Ms Lebenya is serving her second term on the Board, and was nominated to represent the Provincial Tourism Authority. She holds a Diploma in Business Management, and is a former Member of Parliament in the National Assembly.

MS DIANA HOORZUK

Ms Diana Hoorzuk was appointed to the KwaZulu-Natal Nature Conservation Board in 2018. She is Director of Ashton Windsor - a managing consultancy established in 2009. She has wide experience in community engagement and is Vice Chair of the Aids Healthcare Foundation (USA), the largest

HIV NGO operating worldwide, with clients in more than 33 countries, including Swaziland, Rwanda, Uganda, Europe and Asia.

She is employed by Oxygen, a project management company that has had as one of its clients Public Works, since 2016. Previous leadership positions include being a former member of African National Congress PEC, Business Women's Association, and a councillor in the City of Durban (eThekweni Municipality) as well as Deputy Chair of Mangosuthu University of Technology for 15 years.

MR THULISA NDLELA

Mr Ndlela is Chairperson of the Board's Finance and Governance Committee. He holds a BA degree (Legal Studies) and a BSc. Hon (International Relations). He held the position of Programme Officer, Operations Division for the African Centre for the Constructive Resolution of Disputes (2013-2016). He serves as a member of the Invest Durban, an advisory executive committee advising the city of eThekweni on matters of investment. He also serves as a member of the Prince Mshiyeni Memorial Hospital Board. He currently leads the Ayigobi Group of Companies which operates within the maritime sector.

MR VUSI MVELASE

Mr Mvelase is Chairperson of the Board's Commercial Services Committee. He holds a Diploma in Mass Communication and a Diploma in Marketing, Management and Finance. He is currently the Director of Vusi Mvelase & Associates CC., a communications consultancy, and Vusi Mvelase & Associates CC. Construction Co., and Chairman of Kukhanyakwezwe Social Development Initiatives NPO. Mr Mvelase also holds a postgraduate Dip-Business Management and is currently doing his MBA.

MR SIPHO MTOLO

Mr Mtolo is the Chairperson of the Operations and Community Affairs Committee. He is a former member of the South African Defence Force and Umkhonto Wesizwe. He is currently a businessman involved in construction.

INKOSI BONGINKOSI SHILO MTHEMBU

Inkosi Mthembu was officially bestowed as Inkosi of the Somopho area in 2008, the traditional council area on the outskirts of Empangeni. Previously, he worked for various companies in the financial sector from 2001-2007. He is a Member of the KwaZulu-Natal Provincial House of Traditional Leaders, and Deputy Chairperson of King Cetshwayo District Local House of Traditional Leaders. He also serves in the district and local municipalities of uMhlathuze. He is the Director of Nselweni Bush Camp and was nominated by the House of Traditional Leaders to serve on the KwaZulu-Natal Nature Conservation Board in June 2017.



MR SIHLE NDLOVU

Mr Sihle Ndlovu holds an MBA, an Advanced Diploma in Management Accountant (CIMA), a national Diploma in Cost and Management Accounting (CMA); and a post-graduate Diploma in Accounting and Finance among other qualifications. He is a professional Accountant with the South African Institute of Professional Accountants as well as an international Accountant and a member of Chartered Institute of Management Accountant (CIMA) UK. He is doing his final year Doctoral in Business Administration (DBA) degree at University of KwaZulu-Natal. In 2015 he was voted the Young Farmer of the year in South Africa and won an award with the MTN Foundation. His areas of expertise cover a range of fields including Financial Management, Credit and Investment Management, Agriculture, Planning (Budget and Forecasts), Strategy Formulation and management, Performance management as well as Social Ethics. He serves on numerous boards like the KZN Agriculture Union, Joburg Market, Advisory Council Agriparks (uMgungundlovu Region) amongst others. He is the Chairman of Inzalo Group of Companies and of the Board of Built Environment Support Group. He is also non-executive Director of BFG Retail LTD.

MR ROBERT HASWELL

Alderman Rob Haswell has an MSc in Geography, and was a senior lecturer at the University of KwaZulu-Natal before joining local government. He was a member of parliament and both a Mayor and Municipal Manager of Msunduzi municipality. He played a role in the proclamation of the St Lucia Wetland Park and nature reserves within Pietermaritzburg. In his retirement he remains active in various development issues and projects.

MS SNEGUGU NCUBE

Ms Snegugu Ncube was appointed to the Board in July 2018. She holds a B.Com Accounting and B.Com Honours, Management Accounting, from the University of KwaZulu-Natal. Leadership roles include being a member of the SALGA KZN Technical Finance Reference group since 2014, and Chairperson of Dr Nkosazana Dlamini Zuma Municipality Audit and Performance Audit Committee.

She is the former Secretary General of the Albert Luthuli Professionals Forum (2014/15), with extensive experience

in governance and financial management, having held key managerial positions in local government. These include Supply Chain Manager and Deputy Director-Internal Audit within the Ulundi Municipality, and former CFO of uMuziwabantu Municipality, Acting Municipal Manager and CFO of Ingwe Municipality as well as the Director-Expenditure for the KwaDukuza Municipality. She is currently Chief Financial Officer of Umgungundlovu District Municipality and is enrolled for a Masters in Commerce in Development Finance at the University of Cape Town

MS THANDEKA NTSHANGASE

Ms Thandeka Ntshangase was appointed to the Board in July 2019. She is employed by Logico Logistics as the Strategy & Supply Chain Director. She holds a B.Com in Economics and Supply Chain Management, which she obtained in 2010 from the University of KwaZulu-Natal. Other qualifications include certificates in Leadership Development (Common Purpose: Africa Venture Programme); Massmart Management Programme (GIBS, University of Pretoria). She is currently doing an MBA with the Business School-Netherlands. She is a registered member of the Institute of Directors Southern Africa.

MR IAIN CAMPBELL EWING

Mr Iain Campbell Ewing studied marketing and thereafter law, before joining Ewing Trust Company in 2001. After joining the asset management business, he completed a Certificate in financial planning. Mr Ewing worked in Hlabisa, in northern KwaZulu-Natal, from 1996 to 1999 on a social upliftment and development project, as well as along the periphery of the Hluhluwe iMfolozi Game Reserve, to create sustainability through community involvement. This was part of a project under the Ian Player Magqubu Ntombela Foundation, of which Mr Ewing is Chairman.

He is the Director of Ewing Trust Company, Ewing Executive Services, Mandleve and Armour Trust Company (New Zealand) and is a trustee of a number of numerous family, will, investment and charitable Trusts (both locally and internationally). They include the Ian Player Magqubu Ntombela Foundation, the Wilderness Leadership School, Kathleen Hastie Charitable Trust and Awesome SA, among many others. He has served on the Board of Ezemvelo KZN Wildlife since his appointment in June 2018.



INDEPENDENT AUDIT COMMITTEE



**MR. BHEKABANTU
WILFRED NGUBANE**



**MR. NJABULO
FREEMAN MCHUNU**



MS. SNEGUGU NCUBE



MR. THULISA NDLELA



MS. NATHI MHLONGO



MR. SANDILE DLONGOLO

INDEPENDENT AUDIT COMMITTEE

MR. BHEKABANTU WILFRED NGUBANE

Mr. Bhekabantu Wilfred Ngubane has been an independent Audit and Risk Committee member since January 2013, and has been the Chairman since the 1st of December 2014. He is a partner, and the CEO of Ngubane & Co. Chartered Accountants. He was appointed for his extensive knowledge of the business sector. He holds a BCompt (Unisa), DipAcc (UDW) and he is an accomplished Chartered Accountant (SA). He has served on various Audit Committees and various Boards in the past. Mr. Ngubane's term as the member of an Independent Audit Committee ended on 31 August 2019.

MR. NJABULO FREEMAN MCHUNU

Mr. Njabulo Freeman Mchunu was appointed as an independent member of the Audit and Risk Committee on the 1st of November 2014. He is a Director in a consulting company and has extensive experience in the private and public sector, due to his previous positions in Accounting and Auditing. He also serves on various other Audit Committees. He holds a B.Com (UKZN) and is a Chartered Accountant. He has served his articles with the Office of the Auditor-General in Durban.

MS. NATHI MHLONGO

Nathi Mhlongo is the Managing Director at KeyDimensions Risk & Advisory Services (Pty) Ltd. KRS specialises in Enterprise Risk Management, Internal Audits and Training. Nathi previously served in the public sector management space for over 25 years as Chief Risk Officer, Executive Manager: Internal Audit, Process Manager (Expenditure), a Deputy Director (Municipal Finance) and Senior Educator. She has served as Chairperson of Committees at a Provincial Government Department, District and Local Municipalities, as well as Public Entities. Nathi is an Associate member of the Institute of Risk Management South Africa (IRMSA) and Chairperson of KZN IRMSA Sub-Committee. She delivered papers at various national and local conferences and workshops in Finance and Risk Management. Nathi has an MBA, BComm; Diploma in Secondary Education; and Course in Public Entities Accounting and Auditing. Nathi resigned as a member of the Independent Audit Committee on 27 February 2020.

MR. SANDILE DLONGOLO

Mr. Sandile Dlongolo is a Director at Senzakwenzeke Consulting Group (SG) (Pty) Ltd. SG specialises in New Venture Creation, ICT Audit and SMME Development and Business Re-Engineering. Sandile is a BCom Accounting professional with Internal, External and ICT Audit experience gained from various public and private sector reviews. He is a member of the South African Institute of Business Accountants and COBIT5 Foundation certified through APMG.



CHIEF EXECUTIVE OFFICER'S REPORT

CONSERVATION FOR LIFE

Looking back over the past couple of months, I can categorically state that Ezemvelo KZN Wildlife is a resilient organisation that stands firm to its core, i.e. promoting the concept of "Conservation for Life" relentlessly. Despite the turbulent environment, the entity continues to strengthen the three pillars on which it operates, namely: conservation, ecotourism and partnerships.

It is important to note that the 2019/20 financial year marked the end of the 2015-2020 strategic cycle. While the last couple of years have brought about many changes, Ezemvelo responded by strategically adjusting its strategic imperatives. Aligned to the three pillars, the strategic focus areas entailed enhancing the state of biodiversity in the province of KwaZulu-Natal (KZN), increasing the entity's own revenue-generation capabilities, improving stakeholder satisfaction and cultivating a culture of good corporate governance.

ENHANCING THE STATE OF BIODIVERSITY

After many years, it appears that our anti-poaching efforts have started yielding results. A 15% reduction in rhino poaching has been recorded for the year under review, compared with the previous year. While we acknowledge these results and thank our allies, we also want to state that it is not the time to get complacent. Together with our partners such as the Peace Parks Foundation and the National Department of Environment Forestry and Fisheries, to name a few, we shall continue to develop and implement effective anti-poaching interventions.

With approximately 9.2% of KZN under the conservation umbrella, the year under review facilitated the declaration of land totalling 34,619 hectares as biodiversity stewardship sites, again with the support of various stakeholders. It is equally important to mention that more than 62% of the protected area network is being managed effectively. I want to thank the citizens of KZN since the province recorded a 93% compliance level with regards to biodiversity legislation. This may also be attributed to our persistent efforts in educating our stakeholders on the importance of our ecosystem goods and services through various programmes such as S'fundimvelo

It is also important to mention that our ability to comment on land use transformation applications has been negatively impacted due to lack of capacity, and this resulted in the entity taking a strategic decision to focus its effort within a two-kilometre radius of the protected areas. While we are struggling to meet demand from this angle, the entity managed to pro-



MR NTSIKELELO DLULANE
Acting CEO of Ezemvelo

cess and issue more than 92% of permit applications within the applicable timeframes, even as we grapple with business interruptions caused by the Covid-19 pandemic.

OWN REVENUE GENERATION

Understanding the prevailing economic climate, revenue generation was one of the focus areas. As of 2019/20, our own revenue, as compared to the subsidy the entity receives, is approximately 30% and the intention is to increase this significantly.

While Ezemvelo noted an increase of approximately 5.6% in terms of total visitors to parks compared with the previous year, the occupancy rate has dropped by 5%. Acknowledging the devastating impact of the Covid-19 pandemic, we also have to take note that the data indicates a trend whereby visitors are staying outside the park and coming in for day visits. Preliminary analysis attributes this trend mainly to our ageing infrastructure and the lack of maintenance.

One of the key projects that has been initiated is the commercialisation of assets. Pre-feasibility studies have been performed on selected facilities and with the assistance of Treasury, specialists' advisory services are being procured to enable the entity to move forward in a structured and compliant manner.

Another intervention project introduced is the review of operations at Hilltop, Mpila, Giant's Castle, Thendele and Midmar tourism facilities. The aim is for improvement at operational as well as strategic levels. From an operational perspective, work has begun on the ground. A complete review of standard operating procedures regarding housekeeping and maintenance has been mandated. This is currently in progress. The objective is to improve overall efficiencies while offering better service to visitors. With regards to the intervention at a strategic level, the positioning of these ecotourism facilities in the market is being studied. In order to compile any sort of informed long-term strategy, appropriate data is required, therefore, some internal processes and pro-



cedures, such as budgeting, are being renewed to produce such. The additional data will be consolidated and added to the existing pool for further application before taking a long-term position.

STAKEHOLDER SATISFACTION

With community beneficiation at the heart of the agenda, a total of 8923 work opportunities aligned to provincial poverty profile adjacent to the conservation estate were created and donor funding worth more than R34 million was paid directly to various local municipalities in the form of wages.

Aligned to the president's call about youth and in the words of Kofi Annan, "Have confidence in the young people, give them a chance, and they will surprise you", Ezemvelo recruited 65% of young people who participated in programmes such as Youth Environmental Services, National Environmental Monitors and the Invasive Alien Species Programme. I am proud to report that 487 young people participated in the Youth Environmental Services and National Environmental Monitors programmes. It is my wish that their involvement in these will propel them to further their careers in the conservation sector. These numbers are further bolstered when we consider that other young people were involved in the Invasive Alien Species Programme (IASP), which covered more than 29000 hectares.

I am particularly touched to note that a 20-member structure of the KZN Youth Forum was appointed to, among other things, provide conservation and capacity building to young people living adjacent to protected areas. The success of biodiversity conservation is in the hands of young people. Biodiversity conservation will not succeed if it fails to attract the youth, who are eager to take a baton forward from the current crop of conservationists. Ezemvelo will continue to introduce young people to various conservation efforts and initiatives.

YEAR IN REVIEW FROM AN ADMINISTRATION PERSPECTIVE

One of the strategic imperatives of the 2015-20 strategic cycle has been good governance and as such, I am happy to report that the entity has yet again achieved an unqualified audit report from the Auditor General for the year under review. This reinforces our determination and efforts to improve governance further and achieve a clean audit.

At the dawn of the fourth industrial revolution, the buzz word is adaptation. With that in mind, Ezemvelo KZN Wildlife introduced the function of business re-engineering. While the role is new, the notion is standard practice in many organisations that are progressive and wish to be more proactive and less reactive. Starting with grasping the concept of fourth industrial revolution, the attention quickly shifted to the ecotourism component of the entity to enhance revenue-generation efforts.

SOME WORDS OF APPRECIATION

Writing this report under the dark clouds of the Covid-19 pandemic, I would particularly like to acknowledge the guidance from the Board of Ezemvelo, which operates under the leadership of the honourable MEC for Economic Development, Tourism and Environmental Affairs Ms Nomusa Dube-Ncube.

In these trying moments, I see hope from the dedication that various stakeholders have demonstrated in assisting the organisation and in some instances, pointing out areas for improvement. I'm exceptionally proud of our staff, especially those who are working out there in tough conditions. Their resourcefulness and reliability in ensuring continued service delivery deserves to be commended.





**E Z E M V E L O
K Z N W I L D L I F E**

Conservation, Partnerships & Ecotourism



3

PART 3:

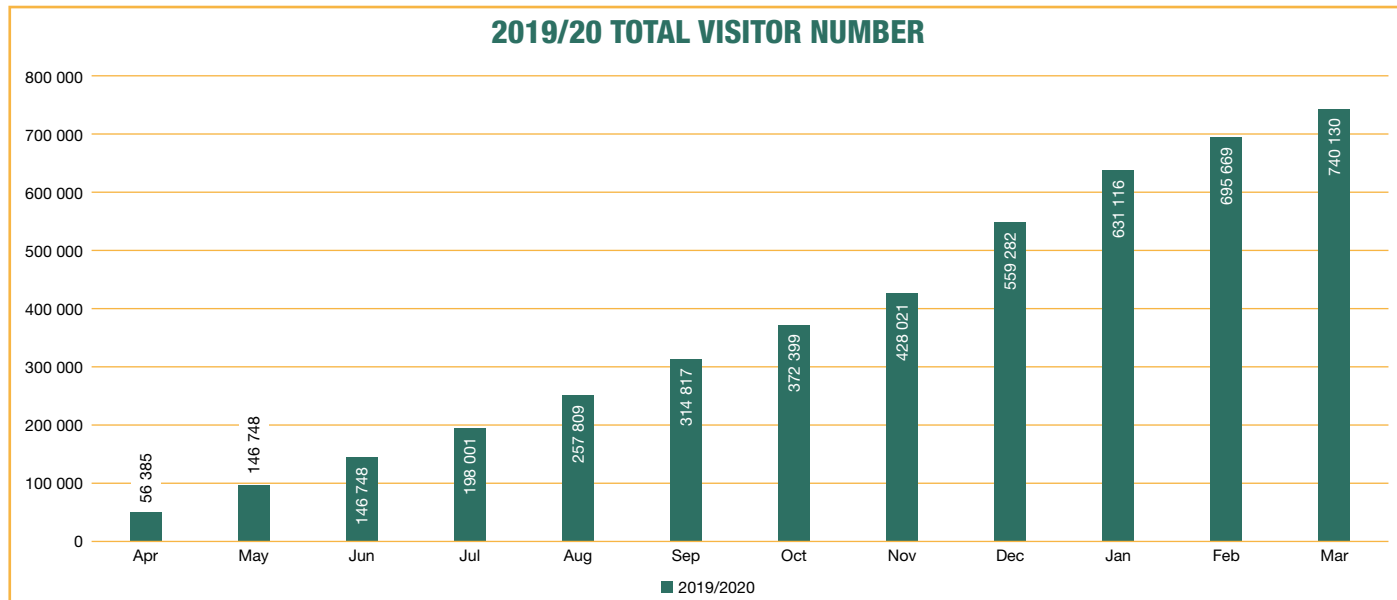
ACHIEVEMENTS AND CHALLENGES

3.1 OPERATIONS SERVICES

ECOTOURISM

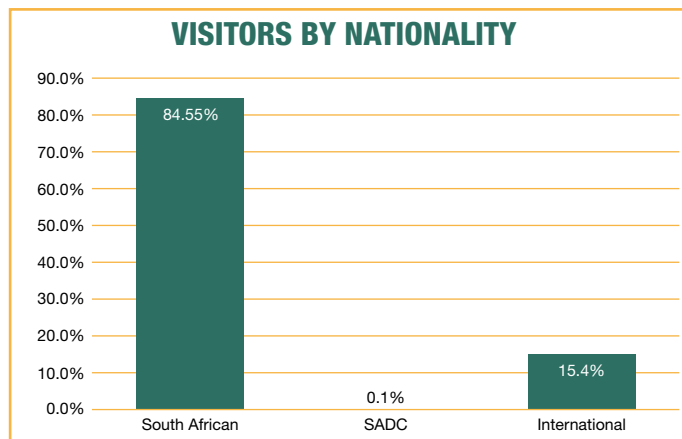
VISITOR NUMBERS

For the period under review, the total number of visitors to Ezemvelo resorts was 740 130. This is 10.1% (equivalent to 68,130) better than the planned annual target of 672 000. However this was -5.3% (equivalent to 41 778) less when compared to last year's performance of 781 908, as illustrated by the figure .



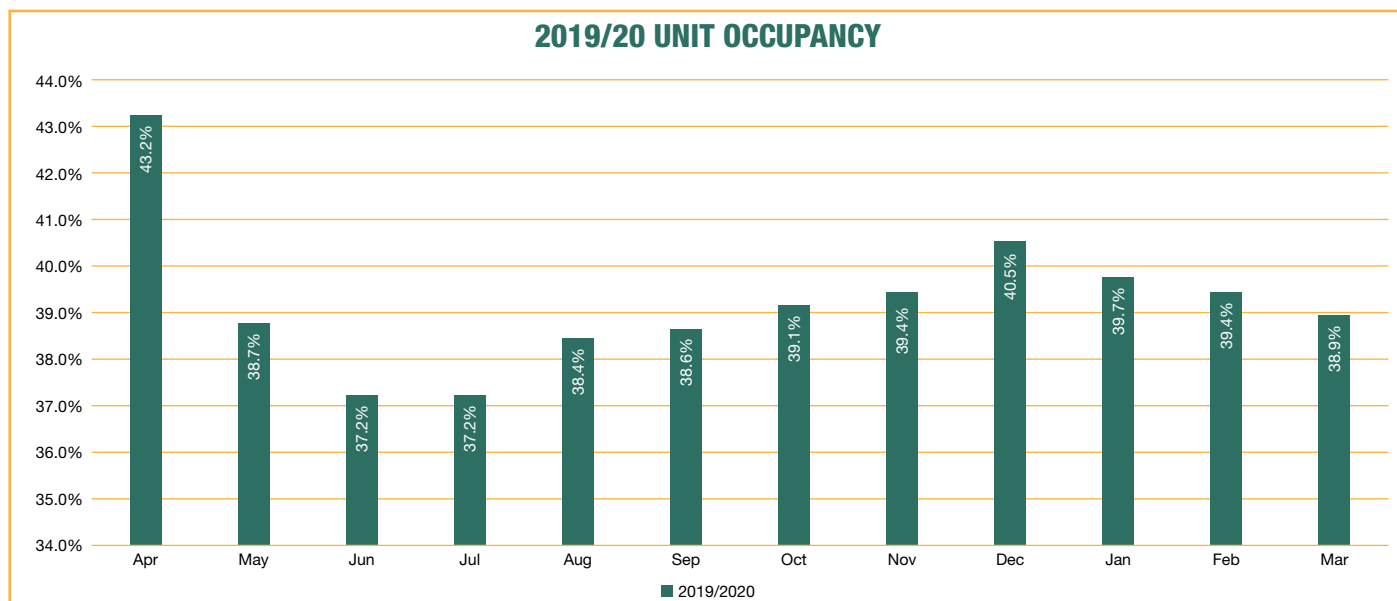
VISITORS BY COUNTRY OF ORIGIN

South Africans remain the majority of visitors, accounting for 84.5% (equivalent to 568 611) of the total visitors to Ezemvelo resorts for the period under review, while visitors from SADC and other international countries, accounted for 0.1% (equivalent to 457) and 15.4% (equivalent to 103 531) respectively, as illustrated by the figure below.



UNIT OCCUPANCY

For the period under review, the Ezemvelo average unit accommodation occupancy rate was 38.9%. This is 9.1 basis points less than the planned annual unit occupancy target of 48.0%.



ECOTOURISM PERFORMANCE

The impact of the Covid-19 pandemic has impacted the entire tourism market. As such, Ezemvelo ecotourism is not immune, thus making it challenging to plan ahead. Furthermore, our recent budget cuts, as well as rising inflationary and tax rates, have necessitated a relook into both our business model and operations of our resorts into the future. Although these will be on-going undertakings, they will be monitored and modified as the year progresses, based on individual performance of each resort and availability of funds. It is envisaged that the regulations will be improved to allow more tourism business to be undertaken. This will also enhance Ezemvelo ecotourism visitor numbers and revenue position in the future.

TOURISM INFRASTRUCTURAL UPGRADE

Through the funding received from the National Department of Tourism, plans have been put in place to upgrade and renovate some of our tourism facilities. This will include modernisation of Midmar chalets, fitting new and more durable roofing at some of the tourism facilities in the Maloti Drakensberg Mountains.

SALES AND MARKETING STRATEGY

As part of rolling out our Sales and Marketing Strategy, the Ezemvelo website has been redesigned to be more customer focused, while efforts to intensify social media strategy are also under way. Furthermore, in relation to the National Tourism Strategy, Ezemvelo will be enhancing its marketing efforts to promote local tourism.

PRICING STRATEGY

An internal ecotourism tariffs committee has revised its single-tier to two-tier pricing model to be implemented in all resorts, following more due diligence exercises to ensure fair pricing of our product. This is expected to improve our revenue generation going forward. While the main focus of the model will be based on the origin of visitors (i.e. RSA; SADC and international), seasonal pricing will also be considered based on the demand and supply of the product, to improve yielding.

FACILITIES STAR GRADING

While continuing with the process of grading some of the identified tourism facilities, next year's focus will be to put more emphasis on modernisation of our facilities in relation to recent criteria published by the Grading Council of South African (GCSA), and compliance with the universal access that will enhance our accommodation of people with disabilities.

EAST REGION

REVIEW OF 2019/20

The majority of protected area targets were met within the 2019/20 fiscal. District Effectiveness Assessments were conducted and although the district scored an acceptable +60%, more needs to be done in staff recruitment, training and re-skilling. District seems to be losing the much-needed experience and technical knowledge, and continuous specific training is also

scarce. Hospitality resorts have not performed well in terms of occupancy targets, due to ageing infrastructure and lack of funding to improve conditions and for maintenance.

During the past financial year there was an increase in illegal harvesting of medicinal plants. Environmental education is well promoted in schools adjacent to the Park, and practicals are conducted on CFR beaches around September, when local schools participate in an International Coastal Clean-up. Ezemvelo staff usually collect learners in adjacent schools to participate in this clean-up and to gain environmental awareness knowledge.

Two serious effluent spillages took place during the year due to malfunctioning sewerage plants belonging to eThekweni Municipality – Umgeni River estuary.

The year 2019/20 was not different from other years in the management of issues around the various communities. Among other things we were proud to have been yet again the contributing factor to the successful celebration of the District's annual Umthayi Marula Festival, which attracted almost 5 000 people in the province, hosted by Nkosi Tembe.

Human-wildlife conflict remains a challenge: during the year the District again witnessed several incidences, which were investigated, confirmed, and dealt with accordingly. Work on the Park's infrastructure, mainly buildings, has been largely successful.

CHALLENGES AND DEVELOPMENTS

All operations have essentially ground to a halt due to the complete lack of operational budget. Unless the situation miraculously improves, financial constraints and the number of vacant positions within the sub-region will remain a huge risk to the organisation as APP targets are not being achieved and both internal and external audits are highlighting this fact.

The main challenge at St Lucia is gillnetting in the lake. Low water levels in the lake limit compliance activities since patrol boats cannot reach certain areas where the gillnetting takes place. This normally happens at night and operating with an outboard motor in very shallow water becomes a serious challenge. Snaring was also a challenge this past financial year in the St Lucia area. The Park boundary is not fenced, so with the limited number of field rangers and law enforcement tools, poaching (including of crocodile and hippos) does happen but we use what we have to protect our assets for present and future generations. Boat patrols are mainly used in the Kosi Bay lake system and Lake Sibaya, mainly to monitor illegal gillnetting as well as to monitor the hippo and crocodile population. Challenges have ranged from serious wildlife crime in the form of rhino poaching, dangerous game exiting the Park and killing community domestic stock, alien plant infestations, poor infrastructure due to lack of maintenance, to boundary fence vandalising and theft.



- **OUTLOOK FOR 2020/21**

The year has started off with a national lockdown due to the Covid-19 virus. Strict adherence to regulations will be enforced among all stations and staff will assist with the prevention of spread of the virus. The region's operational budgets have been withdrawn, which will have extremely negative effects on productivity within PAs and Districts. A guaranteed and effective funding model needs to be introduced that talks to achievable deliverables rather than deliverables that talk to funds availability.

Continue improving our state of biodiversity conservation in the district through the implementation of available tools; continue improving our stakeholder relationship in the district through the assessment of current and future agreements and memorandum of understanding (MOA); improve the effectiveness of our protected areas by implementing the recommendations in the protected areas management plans; continue working tirelessly to avoid land invasion activities within our protected areas; primary goals identified for the HO group are water provision and tourism facilities. Continued work on the boundary fence, alien plant eradication and other important employment opportunity projects will depend largely on the availability of funding from NGOs and province.

HLUHLUWE IMFOLOZI PARK (HIP)



White Rhino bull at the iMfolozi Game Reserve

The Hluhluwe iMfolozi Park (HiP) has again faced a number of challenges during the year. These included serious wildlife crime in the form of rhino poaching; dangerous game exiting the Park and killing community domestic stock; alien plant infestations; poor infrastructure due to lack of maintenance, boundary fence vandalising, and theft.

Rhino poaching fortunately showed a slight drop. There were a number of strategic changes to dealing with illegal incursions, focusing on early detection. Management interventions included the strategic placement of camera traps on known poacher footpaths and gullies. Camera traps are linked to internet (wifi) and the resulting photographs are monitored by staff and duty officers at the Operations Control Centre (OCC) at iMfolozi Game Reserve.

Further, temporary dog kennels have been constructed at the OCC so that the K9 Unit can position themselves along with the Reaction Unit (RU) at the OCC. This has dramatically reduced the reaction time to incidents during daylight. Essentially a reaction team consisting of K9, RU and the helicopter are in close proximity and can be deployed to anywhere in the Park within 15 minutes.

The upgrade and installation of a small section (approximately 3km) of smart fence along the southern boundary of the iMfolozi Game Reserve has yielded amazing results and illegal incursions have stopped completely. This stretch of fence was chosen due to the frequent illegal incursions in the past. Unfortunately, due to poor wifi connectivity, the sensor aspect of the fence has not been operating as effectively as intended. Plans are in place to improve connectivity to further improve the effectiveness of the fence.

The issue of dangerous game exiting the Park was highlighted in July 2019 when a pride of lions in the western section escaped with the intention of killing community livestock. Unfortunately, the lions continued to exit the Park even after three attempts to return them to the Park. These exits attracted the attention of the MEC (EDTEA) who instructed Ezemvelo to resolve the problem as quickly as possible. Instructions included refurbishing the boundary fence along the entire Park perimeter.

This resulted in the employment of 308 seasonal workers in September 2019. Members from all 52 communities were employed and a further 24 community transport owners hired to transport workers from their homes to the various work sites throughout the Park.

The budget allocated to the refurbishment of the boundary fence project in 2019/20 was R8,2m.

Challenges have been experienced with the boundary fence refurbishment project. First, materials have taken more than 18 months to be delivered. Incorrect specification on materials delivered and community issues all contributed to severe delays with the programme. Electrics which are attached to the mainframe fence are extremely vulnerable to the elements and continuous maintenance and attention is required to ensure their effectiveness in the field.

The annual alien plant programme was initiated at the HiP in late 2019. The 32 teams focused on the Hluhluwe Game Reserve and follow-up programmes were undertaken. Work on the Park's infrastructure, mainly buildings, has been largely successful. All of the accommodation units including the 18 rondavels, the pool gazebo, Mthwazi Lodge and the Hilltop Reception facility, have been rethatched. In December 2019, only three units were offline due to their condition and these have since been upgraded and are back online. The Nyalazi Gate facility has been upgraded. Staff housing and all units at Mpila have been revamped and rethatched.

Domestic water, especially at the Hilltop Resort, was a major crisis during the 2019 winter months. The borehole on the Mansiya River dried up and water had to be transported into the Park, which was extremely expensive. The water infrastructure at Hilltop Resort is also old and major work



was necessary to upgrade the system. Further, three new boreholes were drilled in an effort to supplement the main Mansiya River supply during the dry months in the future.

Community conservation and human-wildlife conflict have taken an enormous amount of effort by the staff. The lion exits on the western boundary in July, August and September 2019 created all sorts of managerial problems. Unfortunately, the entire pride of lions was removed as a result of these exits and subsequent community stock losses.

Elephant exits were also fairly common during the year, however, management managed to control these incidents without too much damage. In general, the use of helicopters was the most successful and efficient way to control the elephant exits.

The Wild Dog population was vastly reduced and managed more precisely. These animals caused extensive damage to community stock, especially goats. The Park currently has a total population of 28 individual Wild Dogs and the packs have at least one animal collared so that their location can be established whenever there is a report of Wild Dogs in the community.

Numerous committees and sub-committees have been established and regular meetings held with management. The most common issues raised by communities were employment opportunities, human-wildlife conflict and the boundary fence. Unfortunately, two communities, namely Machibini and eSiyembeni on the eastern boundary, had a few elements within their ranks who created problems during the year. Theft of fencing materials and vandalism on the fence were experienced. There was intentional “go-slow” work and intimidation among the ranks and workers. These cases were reported to the Izinduna and ward councillors, but efforts were futile, and the problems persisted for most of the year.

In general, the community conservation effort put in by the staff was successful and most of the 52 communities on the

Park boundary were positive towards Park management. There are, however, always problems in that these communities are extremely remote and economic opportunities are not available, resulting in poor living conditions. Park management staff were involved in more than 150 community-related meetings during the year.

OUTLOOK FOR 2020/2021

Unfortunately, the year has begun with the Covid-19 lockdown.

Strict adherence to the restrictions will be enforced inside the Park.

The withdrawal of the operational budgets does not bode well for the year.

Management staff will continue to operate but with vastly reduced financial resources. At the time of writing this report, the financial future of the Park was unknown and this includes critical projects such as fence refurbishment, maintenance projects, and helicopter support for the fight against wildlife crime, especially rhino poaching.

On the commercial operations front, it is unlikely visitors will be permitted to stay in the accommodation units much before December 2020. At best, these will be local, and international visitors may take up to two years before returning to our Park and accommodation.

Management will continue to work on improving community relations with Park neighbours. Benefits and communication are critical to the success of this vitally important programme.

Continued work on the boundary fence, alien plant eradication and other important employment opportunity projects will depend largely on the availability of funding from NGOs and province.



GAME CAPTURE

CORPORATE OBJECTIVE 1: FINANCIALLY STABLE EZEMVELO (GAME SALES)

The game capture unit is responsible for undertaking the capture and delivery of all game allocated to game sales. In the 2019/20 season, 658 animals were delivered to buyers, realising a turnover of more than R1 565 000.00

GAME CAPTURE SERVICE DELIVERY

The game capture unit was responsible for the capture of 1537 animals.

TABLE ONE – TARGETS ACHIEVED AGAINST PLAN

| | TARGET | ACHIEVED | PERCENTAGE |
|------------------------|--------|----------|------------|
| Total animals captured | 1773 | 1537 | 86% |
| Capture mortalities | < 2% | 20 | 1.3% |
| Boma mortalities | < 2% | 8 | 1.9% |
| Transport mortalities | < 1% | 1 | 0.1% |

PRIORITY SPECIES MANAGEMENT

The following species were immobilised for the purposes of fitting tracking devices and identification notches.

| SPECIES | NUMBER |
|-------------|--------|
| Lion | 16 |
| Wild dog | 9 |
| Cheetah | 2 |
| Elephant | 15 |
| Black rhino | 21 |
| White rhino | 63 |

The unit was also successful in dehorning a total of six black rhino in support of the organisation's rhino horn demand reduction strategy.

CORPORATE RISK REGISTER – GAME DISEASES/ LOSS OF BIODIVERSITY

DISEASE MANAGEMENT

Bovine Tuberculosis

In July 2019 a total of 370 HiP buffalo from three herds were captured in a site located near the confluence of the black and white Imfolozi rivers. The prevalence varied from 8.3% to 14.8% and 39 (10.5%) buffalo were selected for further lethal testing at the Mpila abattoir. Post-mortem results indicated an overall prevalence of just more than 10%. These results show a marked reduction in prevalence, which in 2009, ranged between 20% to 40% in the same area.

A further 34 buffalo that were captured on the eastern shores of Isimangaliso Wetland Park were subjected to TB testing and two animals came back with suspicious results. Thorough post-mortems were done on the suspect buffalo but no macroscopic lesions were detected and no Btb cultured in the two laboratories that received samples.

The ongoing BTB control programme has the principal objective of limiting the prevalence of the disease in the HiP buffalo population, thereby reducing the risk of spillover into other species. No new herbivore spillover hosts have been identified since it was last diagnosed in kudu in 2003.

Risk: TB remains the most important disease threat for biodiversity conservation in the province. The increase in the number of positive cases throughout the Northern Zululand region is cause for concern. We anticipate that stricter quarantine measures may be applied by the Department of Veterinary Services in the future and that these stricter control measures could also be extended to rhino in both HiP and Mkhuze.

Brucellosis

Ongoing sampling of the buffalo in HiP and on the Eastern Shores confirms the absence of the disease. Brucellosis is, however, present in the communal cattle surrounding the Park.

Risk: Minimal impact on buffalo population performance. There are, however, zoonotic implications for staff handling infected material and additional constraints on the movement of buffalo out of protected areas.

Foot and Mouth Disease

A second outbreak of FMD in the Limpopo province has had a serious impact on game export quotas; however, there were no direct consequences on the movement of livestock and game within KZN.

Risk: Until such time as adequate control measures are implemented along the Mozambique border, the risk of another outbreak and subsequent spread to wildlife populations remains high.

Rabies

KZN is still experiencing large numbers of animal rabies. The threat of rabies affecting wildlife remains high and reserve staff have been requested to consider rabies when dealing with suspicious behaviour in wild animals.

Risk: While rabies has been traditionally successfully controlled through extensive vaccination of domestic dogs, the development of a jackal cycle is difficult to control and remains a concern.

FORENSIC POST-MORTEMS

A total of 109 rhino post-mortems were conducted on both private and state-owned land, which is 30 less than the previous year. The majority of these occurred in HiP, most of which were related to poaching incidents. The increase in veterinary capacity has ensured that each crime scene was timeously attended to without affecting other key veterinary functions.



TREATMENT OF FREE-RANGING GAME AND DOMESTIC STOCK

A total of 47 treatments were carried out on a variety of species during the year.

REVIEW OF 2019/20

The highlight of the year was the capture and translocation of 17 Black rhino to Liwonde National Park in Malawi in support of the Black Rhino Range Expansion Project (BRREP). This challenging operation included a number of “firsts”, one of which was the largest number of black rhino ever airfreighted in one flight.

Despite significant budget shortfalls, the unit was able to achieve an 86% success rate on planned targets. This was mainly due to the unit being able to recover direct operating costs from end users.

OUTLOOK FOR 2020/21

The outlook for 2020 is again expected to be a difficult one, with budget cuts becoming unsustainable.

The inability to recruit permanent staff into critical vacancies is one of the greatest risks facing the unit as this erodes capacity and reduces operational competence.

MALOTI-DRAKENSBERG TRANSFRONTIER PARK (MDTP)

The MDTP facilitated the development of the Community Management of Protected Areas Conservation Programme (COMPACT) Strategy for the transboundary Maloti-Drakensberg Park World Heritage Site (MDP WHS). This resulted in UNESCO providing grant funding of about US\$145,000.00 for the implementation of community projects in both Lesotho and South Africa.

The projects will be selected from the following potential areas: rangeland and livestock management; strengthening of governance and training; food security; water technology; community tourism and cultural heritage, among others. In an effort to meet the World Heritage Committee conditions for the extension of the World Heritage Site in 2013, the MDTP also facilitated the finalisation of the Joint Cultural Heritage Management Plan for the MDP WHS.

UKHAHLAMBA DRAKENSBERG PARK (THE REPUBLIC OF SOUTH AFRICA PART OF THE MALOTI-DRAKENSBERG PARK WORLD HERITAGE SITE)

The KwaZulu-Natal Nature Conservation Board (later referred to as the Board) is the appointed management authority of the uKhahlamba Drakensberg Park (the Republic of South Africa part of the Maloti-Drakensberg Park World Heritage site).

This report forms part of the KZN Nature Conservation Board's Annual Integrated Report 2019/2020. This section of the report is submitted in compliance with Section 42 of the World Heritage Convention Act (Act No. 29 of 1999). The management of the site is guided by the approved Integrated Management Plan (IMP). The Integrated Management Plan for uKhahlamba Drakensberg Park (UDP) is the primary and overarching management document for the World Heritage site. The IMP forms the framework within which the Park is managed.

All reports for the year under review indicate that this was not an easy year for the KwaZulu-Natal Nature Conservation Board. However, as an authority we feel that we have succeeded in meeting our obligations in terms of the convention, the operational guidelines and fulfilment of performance indicators for the World Heritage site.

The Park would also like to confirm that all procurement activities were conducted through the Board's Supply Chain Management systems: the Board did not acquire any land or rights in land by contract or otherwise.

The KwaZulu-Natal Conservation Board would like to express its profound and sincere appreciation for the unwavering support from the Acting Chief Executive Officer and his staff for their hard work, and also to the staff from the Department of Environmental Affairs for their support.

INTEGRATED MANAGEMENT PLAN IMPLEMENTATION

The IMP for UDP is the primary and overarching management document for the World Heritage site. It was developed in 2011 and approved by the Minister of Environmental Affairs in July 2013 for the period 2013 to 2018. The protected area's management objectives are operationalised and reflected through an Annual Plan of Operation (APO) in Table 1. The Board is committed to the implementation of this plan.

OUTLOOK 2019/20

To review the IMP and submit it to the Department of Environmental Affairs for the minister's approval.

LEGAL COMPLIANCE AND LAW ENFORCEMENT

The most prevalent illegal activities in the Park include arson, illegal entry and poaching, and cattle incursions. A number of illegal incidents in different categories were also recorded (Figure 1 and 2). A high number of illegal incidents occurred between June and September (includes arson, illegal entry and poaching). A total of 157 illegal incidents were recorded as opposed to 142 in the last financial year, which is slightly higher than previous years.

The most frequent illegal activities include arson, illegal entry, cattle incursions, prohibited activity, poaching, search and rescue (not an illegal incident), theft and damage to property. All stock that was seized was handed to the local Stock Theft Unit. A total of 23 search and rescue operations were reported.



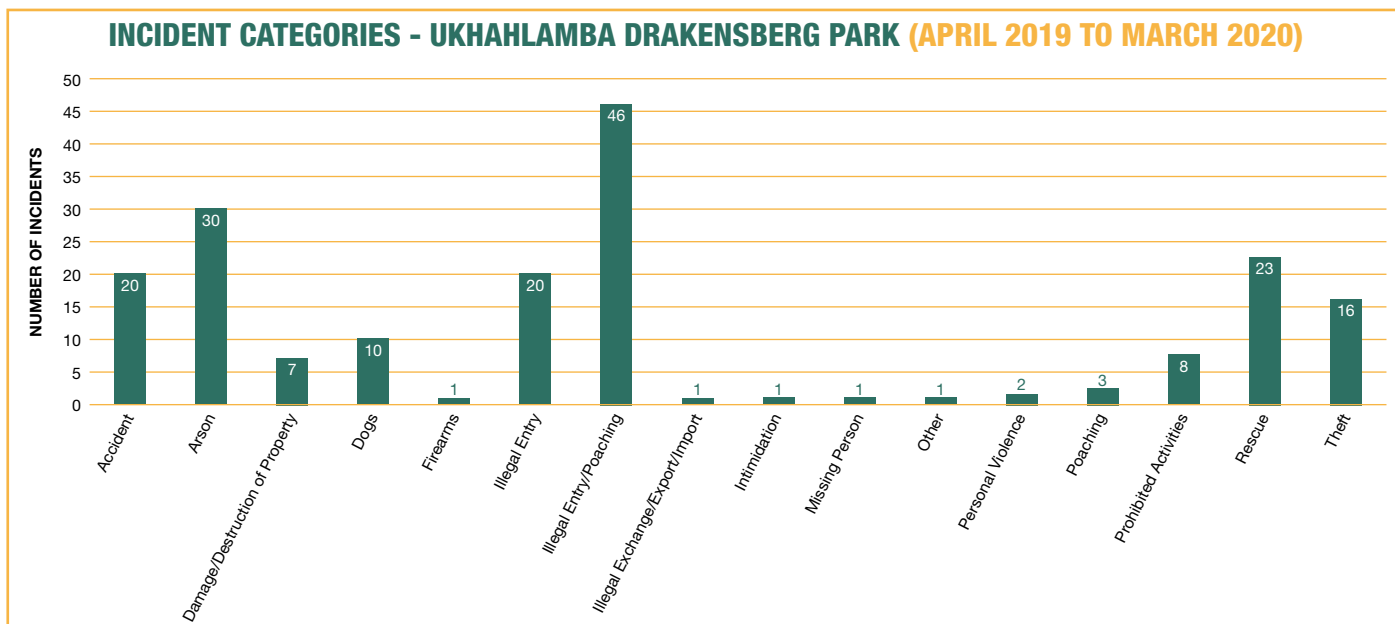


Figure 2: Number of incidents per category for the period April 2019 to March 2020.

STAKEHOLDER ENGAGEMENT

As part of the Board's commitment towards stakeholder engagement, several Neighbour Relations Liaison Forum meetings were held quarterly with Traditional Authorities, the Local Board, local and provincial authorities as well as interested and affected parties. Stakeholder engagement and consultation was undertaken as part of the development of the Community Management of Protected Areas for Conservation (COMPACT) programme in and around the property. This project was officially launched by UNESCO World Heritage Centre in March 2017. The project is now in a final stage of completion and has been submitted to UNESCO World Heritage Centre for approval. Regarding the IMP review, various stakeholders were engaged and consulted as part of the plan review process. The review process started in August 2017.

HONORARY OFFICERS

The Southern Drakensberg, Kamberg and Royal Natal Honorary Officer Groups fall under the supervision of the Conservation Manager Southern uKhahlamba Drakensberg Park, Officer-in-Charge Kamberg and Royal Natal. A combined report of their projects and activities has been compiled for the financial year 2019/20.

BUFFER ZONE PROTECTION AND REGIONAL MANAGEMENT

As an authority for the site, one of the major obligations is to establish a buffer zone around the World Heritage site. A buffer zone is defined as "an area surrounding the nominated property which has complementary legal and/or customary restrictions placed on its use and development to give an added layer of protection to the property". The Buffer Zone Policy aims to address issues of co-operative governance and norms and standards for the management of protected areas. The Draft Buffer Zone Policy was approved by Ezemvelo Board and submitted to the Department of Forestry, Fisheries and the Environment for further processing.

OUTLOOK (2020/2021)

The 2020/21 financial year goal is to meet the World Heritage Committee conditions regarding the Maloti-Drakensberg Park World Heritage site inscription, and submit the State of Conservation report timeously.

ECO-CULTURAL TOURISM

After stakeholder engagement and consultation process, a Sustainable Tourism Strategy (2016-2025) was submitted to UNESCO World Heritage Centre for consideration before final approval. The strategy was developed in close collaboration with Lesotho. The main purpose of the strategy is to develop heritage-based tourism based on the Outstanding Universal Value of the properties.

OUTLOOK (2020/2021)

The 2020/21 financial year goal is to finalise the Sustainable Tourism Strategy with UNESCO World Heritage Centre.

Corporate Objective 2: % of protected area network that meets the minimum management effectiveness standard of 67%.

CONSERVATION MANAGEMENT

The national minimum protected area management effectiveness required score is 67%. For the past few years the average management effectiveness score for the UDP has been set at 70%. The previous years of assessment showed a healthy increase over the Park's assessment in 2010/11, which was recorded at 64.3%. In 2011/12 the score was 72%, in 2012/13 it was 78%, the 2013/14 score was 75.16%, in 2014/15 it was 79.74%, the 2015/16 score was 57.38%, and in 2016/17 the score was 63.35%. The score for 2017/18 was 70.33%, an increase of 6.98% from the previous year's score. The METT score for 2018/19 is 67.22%, which is a decrease of 3.11% from the previous year's score. The score for 2019/20 is 68%, which is a bit higher than last year's. This decrease in the management effectiveness score could be attributed to the lack of staffing, insufficient budget for maintenance, and lack of budget for critical management functions (capital budget and in-



infrastructure maintenance). It is also important to note that the Management Effectiveness Tracking Tool (METT) was changed in 2015/16, hence a decrease in our management effectiveness score in that financial year.

OUTLOOK (2020/2021)

Freezing of posts and budget cuts made this financial year under review very challenging. Despite these challenges, we aim to maintain our management effectiveness score at 68% for the 2020/21 financial year.

Fire - is one of the most important ecosystem drivers requiring management to maintain the biodiversity of the UDP. Mandatory and strategic firebreaks were maintained as per statutory requirements. The application and management of fires aims to achieve the fire management objectives of each protected area making up the UDP. Through a process of adaptive management, the fire management strategies are evaluated and revised to ensure best fire practice for the World Heritage site.

OUTLOOK (2020/2021)

Unscheduled wild fires and freezing of posts made this financial year under review very challenging. The 2020/21 financial year goal is to continuously implement our Fire Management Plan and monitor results.

Invasive Alien Species - invasive and alien species have been identified globally as one of the most significant threats to biodiversity, second only to habitat destruction. Invasive alien plants are the biggest threat to South African protected areas. The authority has developed an Alien and Invasive Species Management Plan, which sets up objectives and targets for the Park. A total of R3 512 875 million to clear an area of 17 434ha was granted by the Department of Economic Development, Tourism and Environmental Affairs' Alien Invasive Species Programme. A total of 16 493-person days (employing 292 local community members) was achieved through this programme and significant progress has been made. Almost all work undertaken in the past 13 years has been from external job-creation funds.

OUTLOOK (2020/2021)

To ensure implementation of the Joint Alien and Invasive Species Management Plan.

Natural Resource Management – the authority has policies and guidelines to regulate natural resource utilisation inside the Park. Several monitoring programmes have been implemented to ensure sustainable resource utilisation.

Cultural Heritage Management – a Joint Cultural Heritage Management Plan is currently being consolidated with the Sehlabathebe National Park's plan. Routine cultural heritage sites monitoring is in place. However, it is critical to improve the authority's institutional capacity with regard to cultural heritage management.

OUTLOOK (2020/2021)

Currently the management authority lacks institutional capacity regarding cultural heritage management. We need to focus on sourcing funds to secure institutional capacity in cultural heritage management and finalise a Joint Cultural Heritage Management Plan.

Environmental Awareness Programme - an Environmental Awareness Plan is in place. The S'fundimvelo Environmental Education Programme is also implemented in neighbouring schools around the Park. This programme is aligned to the Grade 6 national curriculum syllabus. In the 2019/20 financial year, the S'fundimvelo Environmental Education Programme reached more than 1832 learners and 264 educators.

An extensive teacher environmental excursion programme was hosted by the Park. The three-day educators' environmental education excursion saw a total of 16 educators from eight schools under S'fundimvelo in Kosi Bay coming to study and learn about other biomes and different ecosystems within the uKhahlamba Drakensberg Park. uKhahlamba Drakensberg Park is also rich in history, which incorporates what the educators include in their annual curriculum.

OPERATIONAL MATTERS

The Park has a serious lack of resources, both human and financial, to effectively deal with the operations and infrastructure maintenance backlog. There is serious budget shortfall for hiking trails maintenance, boundary fencing, roads and tracks, which need URGENT attention for the Park to succeed in achieving its objectives. A significant amount of effort has been directed towards applying the best management principles; this has yielded good results in many instances. However, there is still a lot to be accomplished in the coming years.

OUTLOOK (2020/2021)

The current condition of our hiking trails, roads, fences and staff accommodation is disastrous. We need to URGENTLY secure funds to improve our infrastructure.

CONSERVATION MANAGEMENT: 2000/01 TO 2019/20

Expenditure on Conservation Management has increased from R14.6m to R69.5m over the past 19 years. The main contributing factor to this increase was the improvement of staff conditions of service over the period. Since the year 2000, not only have basic salaries been increased at a higher than inflation rate, but other benefits have been introduced, such as payment for overtime, standby allowances, night shift allowances, housing allowances and medical aid. However, a concern at present is that personnel-related expenses account for more than 80% of the total conservation management expenditure budget. This is significantly higher than generally accepted norms and this trend has been the experience since the start of this reporting period. This also indicates that the current conservation operating expenditure budget is under-funded.



3.2 CONSERVATION SERVICES

BIODIVERSITY ECONOMY & STEWARDSHIP PROGRAMME

A major risk to the programme is that management authorities have not been submitting their annual reports, and the programme relies heavily on NGO partners to facilitate projects. With only one Stewardship facilitator left, and an intern, the unit is heavily strained with the workload at the moment.

SITES TARGETED FOR 2019/2020 CYCLE.

Roelton (Conservation Outcomes)
 SpringGrove Dam offset - Glen Annie (Conservation Outcomes)
 Ukuwela (Conservation Outcomes)
 Bravo Zulu Properties (Conservation Outcomes)
 Central Umgeni Properties (Conservation Outcomes)
 Strathkop (Conservation Outcomes)
 KwaWula (Conservation Outcomes)
 Ncandu Private Forest and Grassland Reserve (Conservation Outcomes/WWF-SA)
 Spitzkop (Ezemvelo)
 Mun-Ya-Wana Conservancy (Phinda) (Conservation Outcomes / Ezemvelo)
 Lake Merthley (Ezemvelo)
 Nyamvubu (Wildlands/ Conservation Outcomes)
 Elandsberg Protected Environment (WWF-SA /Conservation Outcomes)

sonable benefits to communities through various compatible activities and tax rebates.

BABANANGO GAME RESERVE

PROJECT HIGHLIGHTS

The Babanango project held successful community Trust elections for the Emcakwini community, and Kenneth Buthelezi is the new chairperson of the Trust. Musa Mbatha remains the reserve manager for Babanango Game Reserve. Before their end of term in office, the previous trustees signed a memorandum of understanding (MOU) with the project's German private investor. The MOU was signed after a feasibility study was conducted to update the project business plan. Babanango Game Reserve signed a lease agreement with the Emcakwini Trust for approx. 15 600ha of land, for a period of 30 years (renewable). The Trust will receive R90 per guest as community levies, and 25% of the gross profit of the business.

The Babanango project was approached by the Kwangono community, expressing its interest in cooperating with 22 000ha of its land to the project through a lease agreement. The community signed the lease agreement with Babanango, however the fence line (boundary) has not yet been identified. Another community at Isibongweni, with 8900ha of land, is interested in joining the Babanango project and is currently defining its land boundary. The African Conservancy, through Babanango Game Reserve, has purchased Babanango Valley Lodge from John Ferna and took over

| STATUS | SITE NAME | MANAGEMENT AUTHORITY | CATEGORY | PROPERTY SIZE (HA) |
|------------------|----------------------------------|-------------------------------------|----------------|--------------------|
| Declared in 2019 | Ingwehumbe (Wingfield) | Botanical Society | Nature Reserve | 1,031 |
| | Clairwood Offset - Meycol | Conservation Outcomes | Nature Reserve | 74 |
| | Umgeni Valley | Conservation Outcomes | Nature Reserve | 657 |
| | Tillietudlem | Conservation Outcomes (BirdLife SA) | Nature Reserve | 1,487 |
| | Trewergie | Conservation Outcomes (BirdLife SA) | Nature Reserve | 470 |
| | Mun-Ya-Wana Conservancy (Phinda) | Conservation Outcomes / Ezemvelo | Nature Reserve | 28,600 |
| | uMsonti PNR (Normandien Farms) | EWT - Bradley | Nature Reserve | 2,300 |
| | Total land secured | | | |

Table 1 Sites declared in 2019, as Biodiversity Stewardship sites.

BIODIVERSITY ECONOMY PROJECTS

The BEI team is currently working on screening guidelines to source out project readiness for investors and other partnerships or funding for projects. A draft guideline on game donations for the BEI is also in progress, and a tourism plan is in the pipeline to assist with marketing biodiversity economy projects to potential investors. The Stewardship process remains the single most effective, reliable and credible foundation for Biodiversity Economy projects that want to keep their land in a near natural or pristine state to protect their investment by volunteering it as a protected area and thus increasing South Africa's protected area estate. This natural progressive step forward in making these areas operational and ensuring that the land is well managed will provide rea-

business in November 2018. Babanango also bought the Zulu Rock private game farm. Fencing the whole area (Emcakwini) will cost R3 million. About 55% of the property is fenced; in some areas the fencing was reported to have been damaged or vandalised during lockdown.

The Zulu Rock Game Reserve recently received animals purchased by the investor and will receive another game donation from Ezemvelo KZN Wildlife in the 2020/2021 cycle, as soon as their fence is complete and up to standard, and issues around ongoing land disputes are resolved. About 140 jobs have been created so far and the NRM project for clearing alien plants allowed for the employment of 40 seasonal workers. Babanango currently has about 120 permanent staff, and construction workers, bringing to 250 the total number of people working on site. They are busy appointing another 32.



Babanango is currently undergoing a biodiversity stewardship (BDS) process facilitated by Ezemvelo KZN Wildlife. The site was endorsed by the KZN BDS working group for nature reserve status. The application will then be sent for BDS approval through the MEC's office.

PROJECT CHALLENGES

- Babanango reported a shortage of skills in surrounding communities and would like to be assisted with skills development programmes.
- Babanango received a letter from the land claims commission saying that a land claim made by the former community Trust chairperson Eric Buthelezi and approved in 2003 was being contested. There was an unlawful directive to stop operations at Babanango and various interventions are currently being rolled out to remedy the situation.
- Babanango also reported that a triangular-shaped property belonging to the project overlaps the ECT community's property and that needs to be resolved before it causes conflict with the community.
- Babanango reported having challenges with electricity being out of their reach and were told by Eskom to look at alternative sources of power.
- Babanango is facing challenges from a handful of community members colluding with people in Babanango to take away their ancestral land, including graveyards. A letter implies Ezemvelo issued a permit for these individuals to establish a game reserve without consulting the community. This matter was escalated to the chairperson of committees and the MEC of the EDTEA. The new chairperson reported that the complainants were not the beneficiaries. They are just community members wanting to hinder the progress of the project.

PROJECT PLANS OR DEVELOPMENTS

- The project is helping to rebuild the Babanango Primary School administration block that was burnt.
- The project is planning to erect fencing on a couple of sites that will be used for grazing.
- The project is also making plans to establish a community-owned garden, and build a borehole to address the water scarcity problem.

UMFOLOZI BIG 5 GAME RESERVE PROJECT

PROJECT HIGHLIGHTS

- The Big 5 Game Reserve project has built two lodges, Mthembu and Biyela Lodges. An amount of R46.8 million was spent on infrastructure for Mthembu and about R52.7 million on Biyela. The lodges were reported to be 99% and 90% complete but had started operations with the first guests hosted in October 2018. The two communities with operational lodges were to elect new community trustees. The Big 5 was finalising

designs for Zulu Lodge with the hope of opening by January 2019. A total of 80 staff received hospitality training from college lectures and others were trained as chefs and field rangers. Barry Theunissen reported that 290 people were employed for construction, about 100 people were trained in hospitality services, and 100 are permanently employed. KwaMthethwa community members approached the Big 5 project with 1500ha of land they would like to add to the project, and they will soon be signing agreements with the community.

PROJECT CHALLENGES

- The Big 5 project applied for funds for infrastructure development through the EPIP programme at the Department of Environment Fisheries and Forestry. Due to delays in releasing the funds, private company Improdev loaned the community money to start putting up fencing with the hope that the loan would be settled once the DEFF released funds. But the funds for the EPIP programme cannot be used for anything other than infrastructure development, which makes it difficult for the DEFF to release the funds to the Big 5 project to settle the Improdev loan. A memorandum was sent to Treasury to motivate for the payment to be processed. The contract signed between the community trusts and Improdev states that R7 million of the R10 million loan was to be paid, as revenue is generated over time, and R3 million will be used to establish a community-owned garden.

PROJECT PLANS OR DEVELOPMENTS

- The Umfolozi Big 5 project plans to establish a community-owned garden, laundry facility and an arts and culture market at Empangeni.

EMAKHOSINI PROJECT

PROJECT HIGHLIGHTS

The project was based on Nguni cattle meat and hives. Emakhosini was looking at crossbreeding, where the community will bring their cattle to mate with their Nguni cattle to enhance the cattle's gene pool. They also wanted to open a heritage site because of the area's rich Zulu culture and heritage.

PROJECT CHALLENGES

- The Emakhosini project needed assistance with packaging their business idea to make it marketable to investors and also needed help with presenting the concept to the community for their support.
- The project has lots of community-based issues that have to be resolved first. The community does not support the project.
- The UBEN steering committee took a resolution to follow the proper channels of communication by engaging the community directly.



WEENEN BUSHMAN'S PROJECT

PROJECT HIGHLIGHTS

The project, presented by Mark Linely, has 6000ha of land to develop into a game reserve. There have been engagements with the community for almost two years and the community supports the project. The demarcated area is yet to be declared a protected area and will be leased on a short-term agreement to Improdev of Umfolozi Big 5. Revenue generated from the reserve will be shared according to the size of land each community has put into the project.

PROJECT CHALLENGES

- The area was reported to have a high rate of poaching.
- Facilitators have identified lodge sites on community-owned land but the community is not willing to sell the land. There is potential to build partnerships here.

PROJECT PLANS OR DEVELOPMENTS

- The project needs to fence the whole area.
- They intend to create employment opportunities for the community (e.g. game rangers) and to establish cattle grazing farms, because there are many subsistence farmers here.
- The project has applied for financial support through the EPIP programme at the DEFF.

LOZIBA PROJECT

A potential site was identified at Hlonyane, near the Black Umfolozi River, of about 35 000ha, with three communities expressing interest in the project. There is an unresolved land claim in the area and transfers have not taken place. There is tourism and hunting farm potential.

THULA-THULA / FUNDIMVELO PROJECT

The aim of this project is to secure 8000ha of (previously) agricultural land. There is a boundary where land owned by Thula-Thula and Fundimvelo intersects. Thula-Thula wants to partner with the Fundimvelo Trust and add 3000ha of land owned by Fundimvelo. This area will be developed into a business property.

The first phase involves drafting an integrated management plan for the Thula-Thula and Fundimvelo land. The second phase will be the establishment of a game management and an eco-tourism area to be managed by the Fundimvelo community. The profit from the joint venture will be split among five communities. This joint venture is currently applying to be a Stewardship area. Supporting documents, including agreements between the two parties and the beneficiation model, were requested.

KWASANGUYE PROJECT

The Kwasanguye Trust Board withdrew from attending UBEN meetings after raising complaints about the UBEN. Their grievances were taken to the MEC of EDTEAS for mediation. Several attempts have been made to arrange a meeting with the chairperson of the community trust, Nodu-

mo Nzuza, to resolve the trust/community issues and get them back on board, but there was no response from her. The UBEN steering committee has decided to put the project on hold for now to direct the energy and available resources to more responsive projects.

GOVERNMENT SUPPORT FOR BIODIVERSITY ECONOMY PROJECTS

TRAINING AND SKILLS DEVELOPMENT

- The DEFF called for applications for a KZN business management training session held in September 2019. All projects in the UBEN were informed about the opportunity.
- The DEFF offered women and youth in biodiversity a training opportunity in business management and game meat processing. This was for the benefit of CPAs and Trusts. The training took place at Hluhluwe Imfolozi Park in October 2019. All projects in the UBEN were informed about this opportunity.

GAME DONATIONS

In 2019/20, Ezemvelo allocated game to be donated to Babanango Game Reserve. Work is under way to deliver this game once challenges around land claim disputes have been resolved. The issue is being dealt with at the legislature with portfolio committee chairs from Agric level. The DEFF has confirmed that funds are available to capture and translocate the animals, but the biggest challenge is the three-quote procurement system DEFF wants to use, because it sidelines the in-house game capture team. Tembisa is currently working on a motivation to have the Ezemvelo Game Capture unit as the service provider for the game donations.

REGULATORY SERVICES

HUNTING & EXTENSION HIGHLIGHTS

The Hunting & Extension section manages the hunting industry in KZN, ensuring that it is regulated in accordance with national and provincial legislation as well as adherence to international treaties, norms and standards.

HUNTING VERIFICATIONS

During the 2019/2020 year, **748** professional hunts were verified to ensure norms and standards were met and compliance with legislation adhered to.

LICENCE RENEWALS & REGISTRATION OF NEW PROFESSIONAL HUNTERS

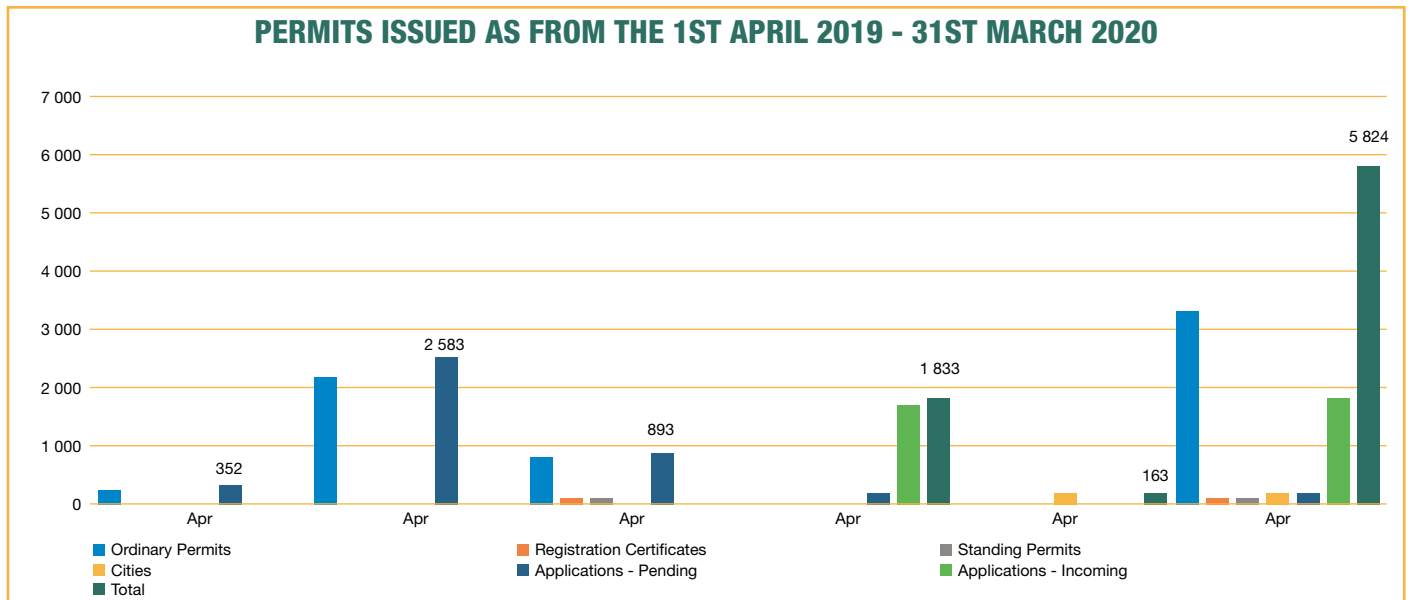
A total of **208** hunting outfits and professional hunters' licence renewals were assessed to ensure hunters met the minimum legislative requirements within KwaZulu-Natal. Altogether, **10** hunters passed the Nature Conservation Ordinance Law exam, which qualified them to register with Ezemvelo KZN Wildlife as professional hunters.



PERMITS

A total of **5824** permits were issued, while **1833** were unallocated, **1678** incomplete, **893** for Tops, **163** for CITES, and **155** pending applications (see the table below for permits issued as from the 1st April 2019 - 31st March 2020). Permits office staff were also very thin on the ground as one was on maternity leave and another absent due to ill health, so the workload piled up. The staff requested overtime payment but that was turned down by the Human Resources department. Nevertheless staff continued to work unpaid overtime. With the help of Rose Hamilton, Isambane was updated and it was easier to capture applications and issue permits.

tions Register for the IEM Division, and the permits database for the Professional Hunting and Permits Division; the upgrading of the Geospatial Meta-database and the Biodiversity Database; and ongoing support being provided for the Biodiversity Database, Animal Population Management Database (APMD), the Micro-Track Database (a register of microchips used in KZN) and the Compliance Database. All these updates/upgrades are being conducted within a larger planning framework, wherein it is expected that we will have significant database integration by the end of the current APP five-year planning cycle.



RETIREMENT OF PERMITS MANAGER

In May 2019 the permits manager retired after many years of service in the department. Currently administration clerks are temporarily rotating as acting permits manager until a permanent person is appointed. This is in line with the organisation's succession plan.

CHALLENGES

Challenges experienced with incomplete and pending applications are caused by incomplete information from applicants and the approval process by district conservation officers before issuing permits. Staff have been engaging with the State Information Technology Agency (SITA) regarding the development of an online system to address Ezemvelo KZN Wildlife's permit requirements. A draft business proposal and funding document has been developed.

BIODIVERSITY SPATIAL PLANNING AND INFORMATION MANAGEMENT

THE 2019/2020 FINANCIAL YEAR UNDER REVIEW

An often-overlooked foundation resource is the proper development and maintenance of the databases utilised by the broader Conservation Services (and others) to take into account changes in legislative and operational requirements, improve user accessibility, and address a multitude of technical issues resulting in software version upgrades. Key databases amended include the Development Applica-

From a data capture perspective, Ezemvelo has captured thousands of new plant and animal distribution records into its central Biodiversity Database. In addition, as part of an agreement signed last financial year, Ezemvelo has now transferred the entire Killick Herbarium (over 33000 specimens) to the BEWS Herbarium at the University of KwaZulu-Natal, Pietermaritzburg campus, as part of a 99-year loan. Although not yet complete, much effort has been put into improving the accuracy of the already captured information from the Killick Herbarium specimens for eventual incorporation into the South African national standard herbarium database platform – BRAHMS.

Apart from having provided GIS-related support services to several scientific divisions during the year, several key BSPI GIS coverages were also updated and made available. Key among these is the Biodiversity Land-Use coverage (a refinement of the Terrestrial Critical Biodiversity Area and Ecological Support Area Priority Area coverages), which has been specifically developed to inform the development of the SPLUMA Land-Use Schemes. This coverage was developed jointly with the KZN Department of Agriculture (KZN DARD) and reflects zones of high priority extensive rangeland and high priority biodiversity areas, the sustainable management of which requires the same management objectives (protection from extensive development, alien species control and proper fire management). Also updated is the formal Protected Area coverage, which now reflects all the newly proclaimed Protected Areas as gazetted during the 2019/2020 period.



CHALLENGES AND DEVELOPMENTS

Three key challenges were faced by the division over this period; a lack of manpower, constrained financial resources (relating specifically to software licensing), and a limited ability to adequately and effectively disseminate the products that have already been generated to the stakeholders needing them most. To try to address this, Ezemvelo applied for, and obtained, a Protected Area Management grant from ESRI, a significant developer in Global Information Systems (GIS). This grant provides Ezemvelo with a significant number of GIS software licences which facilitate both data collection as well as GIS analysis, effectively removing the costs of these licences for the next nine years. A second advantage is that it also provides an online presence, which will eventually enable more rapid and accurate data provision to all stakeholders, be they government or public. This approach, along with that being initiated by the IT Department (which is seeing the roll-out of online program services such as MS Office 365), will see a significant shift in how Ezemvelo manages data into the future.

On a more immediate front, to facilitate an improved understanding of how to incorporate the developed biodiversity spatial planning products into mainstream spatial planning tools, the BSPI Team has developed a QGIS (open source GIS software platform) based project, and the associated training, to key district staff to capacitate them with the legislation and help provide the tools to tackle challenges that might arise within their regions of operation.

THE OUTLOOK FOR 2020/2021

With the significant budget cuts experienced by governmental institutional bodies across the board, the focus of the division for 2020/21 will be internal, with a significant increase in effort being applied to policy review, database upgrades and internal data management. The receipt of the PAM Grant from ESRI should go a long way in aiding Ezemvelo in this goal.

A key focal development will be the revision of the provincial systematic conservation plan. In addition, the division will continue to support the high level strategic spatial planning instruments being developed by CoGTA (initiated in the 2019/2020 financial year); the Spatial Equity Project and the Provincial Strategic Development Framework. Work is also continuing on the development of the next edition of the newly released Environmental Outlook Report (due to be released in one to two years).

CONSERVATION PLANNING

ANTHROPOGENIC LAND USE CHANGE: A THREAT TO PROTECTED AREAS

Protected Areas cover only 9% of the province (below the IUCN and KZN Protected Area Expansion Target). All 70 Terrestrial State PAs, managed by Ezemvelo, are facing mounting land-use change threats and are increasingly becoming 'islands' as a result of development land transformation. Major threats include agriculture, urbanisation, mining, heavy industry and service infrastructure - roads, powerlines, water pipelines. Land-use change and anthropogenic impacts are not restricted to areas outside Protected Areas. Further-

more, encroachment by people into PAs is becoming more prevalent and of great concern.

Development applications abutting the province's world-renowned Hluhluwe-iMfolozi Park (HiP) have been a focus area for the IEM Unit (Figure 1). The advance of landscape change on to the HiP boundary is of concern in that it threatens the purpose and value of the park, as are visual and noise intrusions into the park; the potential to foreclose on protected area expansion plans and climate change resilience, as well as the creation of viable economies and niche markets made possible by the protected areas. This concern of Ezemvelo KZN Wildlife has been confirmed by several eminent hydrology specialists regarding the unfolding water crisis in Zululand that threatens the livelihoods of communities surrounding the HiP, HiP itself, and both the downstream communities and the iSimangaliso World Heritage Park. The magnitude of this crisis requires a multisectoral solution; ideally, that should be driven under the oversight of the premier.

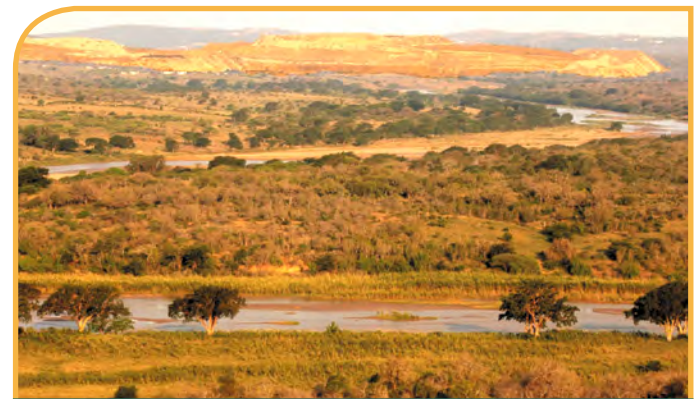
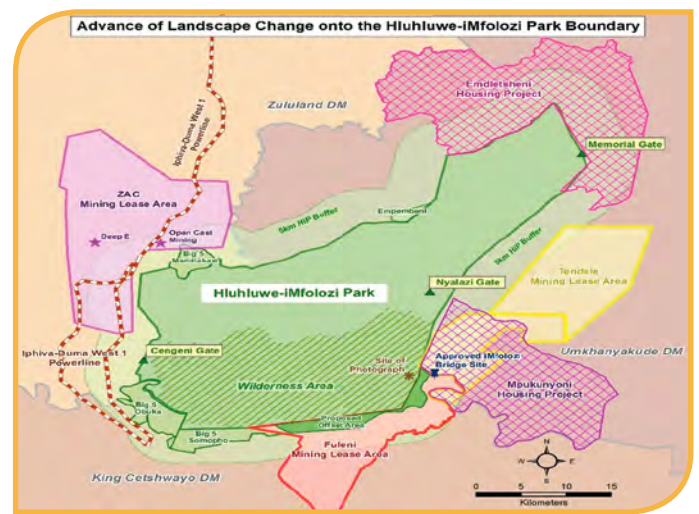


Figure 3 (a) Map of the land transformation and development around HiP, and (b) Tendele Mine photographed from iMfolozi

SERVICE DELIVERY PROJECTS MOVE FROM THREATS TO PROTECTED AREAS TO REALITY

Over the past years, increased numbers of linear developments such as roads, railways, pipelines, and powerlines have presented a significant threat to biodiversity and protected area integrity. All of these were service delivery projects, mostly being developed at municipal level and appearing to target protected areas, including state forests, as unused government land without the challenges associated with human settlements. In many instances, these develop-



ments are considered 'unauthorised' in that the defaulting municipality failed to comply with the necessary EIA requirements. Given that these are service delivery projects, mainly for rural and impoverished communities, and given the risk of 'needless and wasteful' use of public funds, substantial pressure is placed on EDTEA, Ezemvelo KZN Wildlife and other authorities to forego exercising the applicable punitive and corrective legislation. The overriding and pervading concern is the lack of appreciation by the municipalities, and particularly the officials therein, for the importance of (in some cases the municipality's) protected areas as well as compliance with environmental laws. In addition to the unmitigated impact on key natural areas, this trend places at risk, at least in the medium term, the province's efforts to ameliorate the negative impacts of climate change.



Figure 3: Unauthorised pipeline bulldozed through the Dlinza Forest Nature Reserve

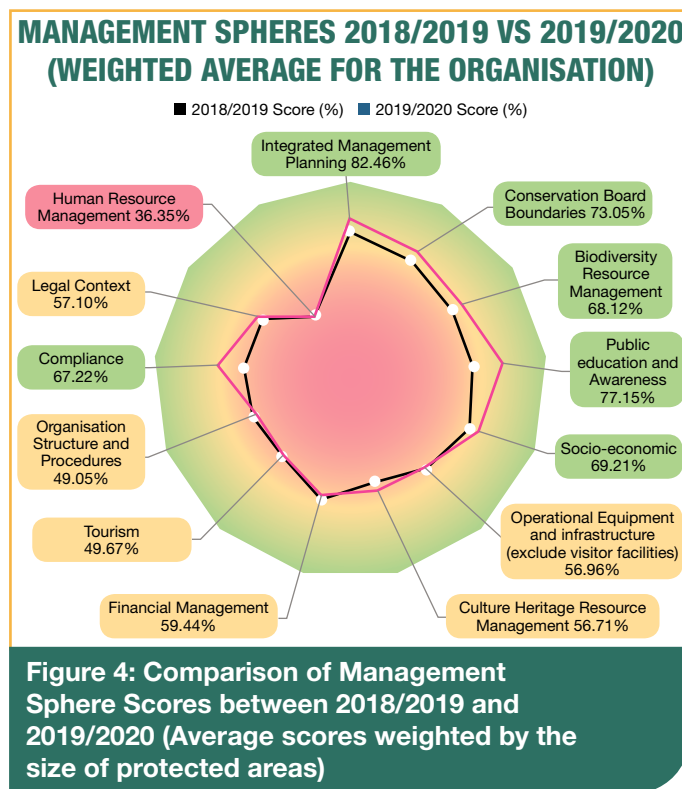
MANAGEMENT EFFECTIVENESS OF EZEMVELO PROTECTED AREAS

REVIEW OF 2019/2020:

Protected Area Management Effectiveness assessments were conducted using the Department of Environment, Forestry, and Fisheries (DEFF) METT-SA version 3a. It was Ezemvelo's fifth year of implementation of this specific protected area management effectiveness (PAME) tool. Although DEFF rolled out its online Web-based system, Ezemvelo continued to use the offline method. The percentage by the area that either met or exceeded the minimum standard of 67%

was 46.64%. The mean scores of the sites assessed were recorded at 48.65%, but considering the size of each protected area, the weighted mean was calculated at 62.37%. The latter gives a more accurate indication of the average management effectiveness spatially across the province.

When comparing the 2019/2020 effectiveness performance with the previous year's results (2018/2019), significant improvement has taken place in eight of the 13 spheres of management (Figure 1). While five of the spheres demonstrate some level of deterioration, the level of decline is low (between -1.25% and -2.30%). The Compliance sphere and the Public Education and Awareness sphere demonstrated the highest level of growth (13.05% and 14.72% respectively) for 2019/2020. The improvement in the Compliance sphere was primarily due to the gazetting of the protected area's internal rules, which contributed to the management effectiveness ratings of all sites. Furthermore, the improvement in the Public Education and Awareness sphere was due to the increase in the number of education, awareness, and interpretation programmes.



CHALLENGES AND DEVELOPMENTS:

One of the more critical challenges in conducting the management effectiveness assessments across all of Ezemvelo's protected areas is the lack of a dedicated staff member to facilitate the assessments. The 2019/2020 assessments were facilitated by employees acting in the post. This method is not best practice as there needs to be consistent understanding and interpretation of indicators between assessment years.

Dwindling budgets are proving to be a significant challenge, particularly concerning infrastructure, fleet, and equipment maintenance.



The withdrawal of services by the provincial cultural heritage authority AMAFA has placed additional strain on the organisation in terms of managing our cultural heritage resources.

OUTLOOK FOR 2020/2021:

Authorisation and funding to fill the Protected Area Management Effectiveness (PAME) post has been obtained, and senior management anticipates the completion of the recruitment process in 2020/2021.

With regard to improving management effectiveness scores, workshops will once again be conducted with the managers of those protected areas that scored 50% or more to identify potential areas for improvement so that the minimum standard of 67% can be achieved. Sites that are already attaining above 67% can try to improve further. Several projects have been initiated to enhance further the management effectiveness of protected areas as a collective.

LAND USE CHANGE APPLICATIONS ANALYSIS

REVIEW OF 2019/2020:

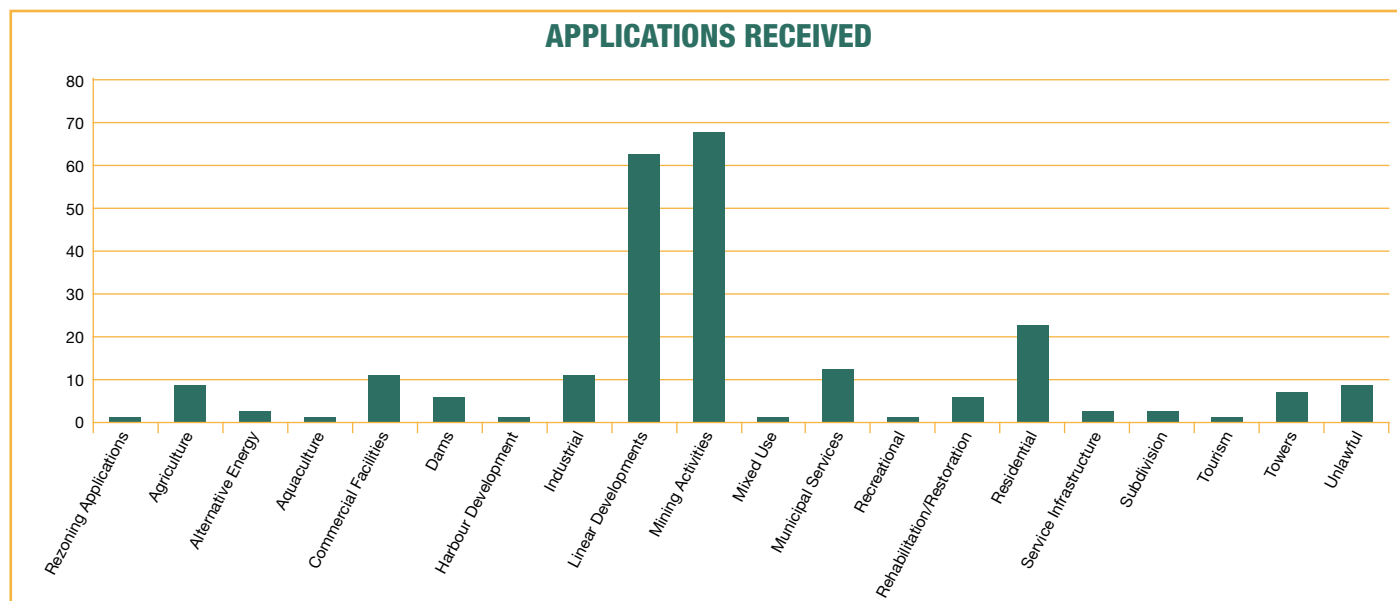
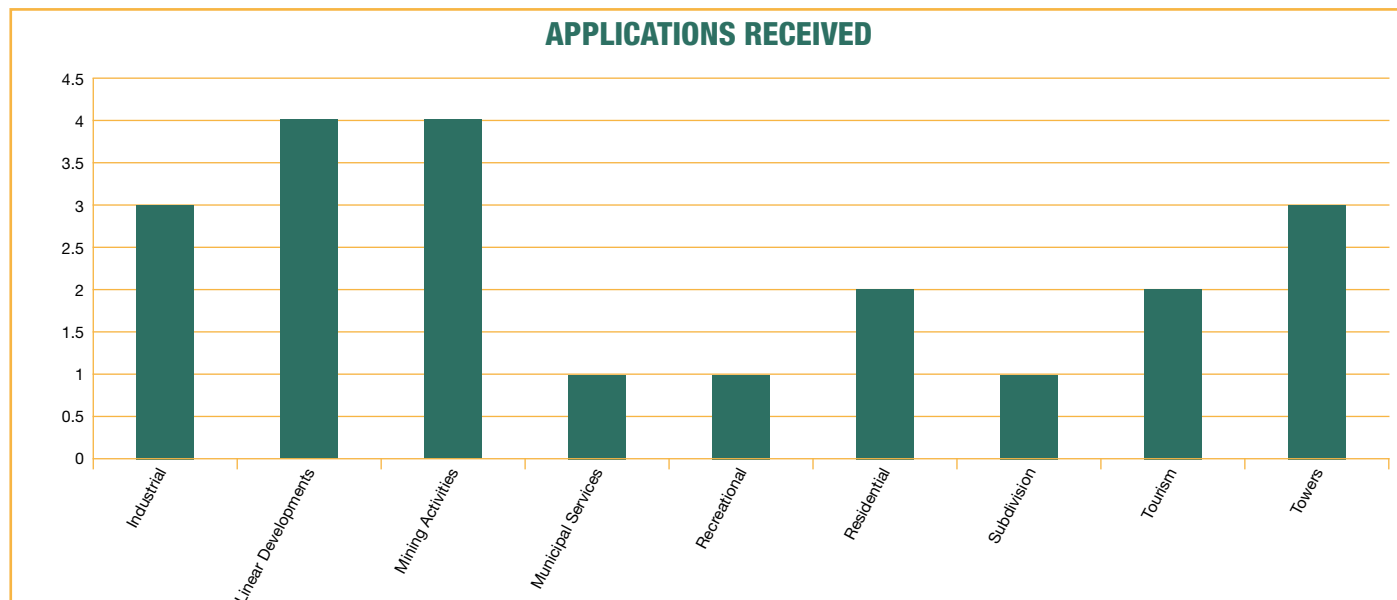
Twenty-one applications for land-use change were recorded within the 2km Zone of Influence (Zol) to Ezemvelo PAs, of a total of 237 applications received by the IEM unit for

comment. Of the applications within the Zol, linear developments and mining made up 20% each of the number of applications. Industrial and communication towers made up 14% each.

In contrast, mining made up almost 30% of applications received throughout the province for comment.

Thirteen comment letters were submitted during this reporting period for applications in the Zol, of which three were problematic applications, requiring a great deal of effort and resources. Of the comments submitted, almost 16% of applications had significant issues for potential impacts on threatened habitat.

Of the Environmental Authorisations (EAs) received, almost half were considered to have taken Ezemvelo's comments into consideration. A total of eight were either completely disregarding of Ezemvelo's comments or incorporated some other form of mitigation that might provide some alternative form of safeguard for biodiversity, which was not what had been recommended, but would partially satisfy the requirements to safeguard biodiversity in the province. A total of 45% of applications were not assessed by the IEM unit due to capacity constraints.



| DECISION REFLECTS COMMENTS | APPLICATIONS | |
|----------------------------|--------------|-----|
| No | 2 | 3% |
| Not Assessed | 26 | 45% |
| Partial | 3 | 5% |
| Yes | 27 | 47% |
| Total | 58 | |

COMMUNITY CONSERVATION

KWAZULU-NATAL YOUTH CONSERVATION PROGRAMME (KZNYCP)

Giving effect to outcomes of the 2014 IUCN World Parks Congress in Sydney, and inspiring a new generation of young conservation professionals, the Department of Environmental Affairs established a Youth in Conservation Programme under the ambit of the People and Parks programme. The purpose is to provide awareness and capacity-building around areas of biodiversity and conservation within protected areas in South Africa while ensuring enterprise development among young people neighbouring these areas. The implementation of the Youth in Conservation programme was successfully coordinated by Ezemvelo KZN Wildlife Community Conservation Unit under the management of Mrs Msimang (M: CC).

The KZN Youth Forum permanent structure of 20 members was formally elected on July 2018 during the Provincial People and Parks held at Ithala Game Reserve. Meetings are held back-to-back with the National People and Parks steering committee. Local, provincial and national level meetings are held every quarter.

In the last financial year 2019/20, Youth attended three workshops.

Ithala Workshop:



Fig 5: Ithala Workshop held on 21 August 2019 at Midmar Boardroom

Workshop Aim:

To empower Provincial Youth Structure on services offered by the stakeholders mentioned below: ultimately, the Provincial Youth was expected to organise the same workshop for their communities.

Stakeholders invited:

- Small Enterprise Development Agency (SEDA);
- Black Umbrellas (BU);
- National Youth Development Agency (NYDA);
- Department of Trade and Industry (DTI); and
- Ithala Bank

Wildlife Photography Workshop:



Figure 6: Youth attended wildlife photography workshop from 26-28 November 2019 at HIP

Workshop Aim:

To inspire youth to become storytellers that have an impact on conservation through photography and highlight alternative career paths or employment opportunities in the media industry.

Human Wildlife Conflict Theory Workshop:



Fig 6: Human Wildlife Conflict Theory Workshop held on 19 March 2020 at Impila- HIP.

Workshop Aim:

- Educate Youth on how to behave when confronted by wildlife, especially escaped animals from Ezemvelo reserves;
- Understand wildlife behaviour (learning about the animals they might encounter);
- Reporting stray wildlife.

PEOPLE AND PARKS

The Provincial People and Park programme is implemented by the Community Conservation Unit as part of the National Department of Environment, Forestry and Fisheries (DEFF) mandate. It has quarterly provincial meetings co-ordinated by Ezemvelo KZN Wildlife and quarterly national meetings co-ordinated by DEFF.



Provincially, the People and Parks Forum meetings provide an excellent platform for all structures under the Community Conservation Unit Programme to come together and discuss community conservation developments, share informative biodiversity and eco-tourism presentations, as well as formulate solutions around challenges affecting communities neighbouring Ezemvelo Protected Areas. The year 2019/20 has been a successful one, although the programme experienced budgetary constraints in hosting four forums. Three People and Parks provincial forums took place, at Ithala and Hluhluwe Imfolozi Park Game Reserve as alternating venues. The meetings were each held over two days, with community representatives, Youth and officials from various governments sectors.



Figure 7: People and Parks Provincial Forum at Ithala Ntshondwe Resort 20-21 February 2020.

LAND CLAIMS AND CO-MANAGEMENT

While land restitution is not an Ezemvelo KZN Wildlife mandate, but a Department of Rural Development and Land Reform (DRDLR) mandate nationally through the Chief Land Claims Commission (CLCC) and Regional Land Claims Commission (RLCC) provincially, Ezemvelo KZN Wildlife still works closely with the land claimants who are approved land restitutions in terms of Section 42D and the settlement agreement, in line with The Restitution Land Rights Act of 1994.

Ezemvelo KZN Wildlife facilitates the implementation of four co-management agreements through the co-management structures formed by Ezemvelo KZN Wildlife officials and the community representatives delegated by the Landowner Trustees. The Regional Land Claims Commission (RLCC) has settled eight land claims in terms of Section 42D to date. The total extent of settled but not transferred is 93 697.9096ha. The following claims are settled: in Ithala Game Reserve (Zulu and Buthelezi community), in Hluhluwe Imfolozi Park (Mlaba-Ximba, Okhukho, Hlabisa-Mpukunyoni); Ndu-mo Game Reserve (Mbangweni and Usuthu Gorge), Tem-be Elephant Park, and Vernon Crookes. Three claims have been researched and gazetted and but not settled, Impendle Nature Reserve (KwaDushu, Rest and Clayborn communities), Phongola Nature Reserve (Ntshangase community), and Lebombo Nature Reserve (Myeni-Nsinde). Once settled, Ezemvelo hopes to enter into co-management agreements with these new landowners. Community representatives felt that the beneficiation was not adequate and through various discussions with Ezemvelo heads, the current R250

000 co-management funds per co-management that had been given to Trustees to implement community upliftment projects over the years was raised to R375 000 per co-management. This was a big highlight of the year 2019/20, especially for the landowner trustees.

ECOLOGICAL ADVICE

SEA TURTLE MONITORING – 2019/2020 SEASON Review of the Leatherback and Loggerhead Nesting Season

The annual turtle monitoring was undertaken from 15th October 2019 to 15th March 2020 and covered the roughly 90km stretch of beach between the SA/Mozambique border and Sodwana Bay. Close to 40 community monitors were employed to collect the data.

Among the leatherback turtles, there were 383 emergences, with 370 of those resulting in a successful nesting event – a 97% nesting success rate. Of the 56 individuals identified, the majority (43) were remigrants, with only 13 new individuals recorded this season. Leatherback nesting this season was poor when compared with the past five seasons. For loggerheads, there were 6069 emergences with 3640 of them resulting in nesting events – a 60% nest success rate, which is excellent as this rate is normally around 55%. There were 733 distinct individuals identified, of which the bulk comprised new individuals (516) and the balance being remigrants (217).

Long-term trends were determined for the “Index Area” – the stretch of beach between Bhanga Nek and Kosi Mouth, where monitoring has been consistently applied for the entire duration of the programme. The loggerhead turtle population, after showing an increasing trend, has, since the 2013/14 season, shown a decline both in nests and emergences (tracks) recorded (Figure 1), the cause of which remains unknown. The past three seasons hint at a prospect of recovery and are cause for guarded optimism (Figure 1) as the trend indicates a year-on-year increase from 2016 to present. The population trend for nesting leatherback turtle emergences is illustrated in Figure 2. Emergences in the index area this season were higher than last season. The high variation between seasons for the duration of the programme indicates a stable nesting population overall that is decreasing in the short term (past six seasons). The low leatherback population numbers combined with this is very concerning.

CHALLENGES AND DEVELOPMENTS

Three loggerhead turtles were poached during this reporting season. Via our partnership with WILDOCEANS (of WildTrust), funding has been secured from the German-based Blue Action Fund (BAF) which procured two quad bikes to enable more frequent patrols to prevent poaching in future. The costs associated with the project are high, in the region of R998 000 annually, with the bulk being for the employment of 40 community members for five months. This provides employment in an area of high poverty. In the past year, Ezemvelo funding has been supplemented by funding from BAF via WILDOCEANS (of WildTrust).



Also, four green turtles were recorded nesting on the beaches at iSimangaliso.

OUTLOOK FOR 2020/21

Match funding for the next two years has been secured through a successful application to the Blue Action Fund by WILDOCEANS (of WildTrust), supported by Ezemvelo and iSimangaliso. The suspension of internal budgets will make preparation for the upcoming 2020/2021 season very challenging.

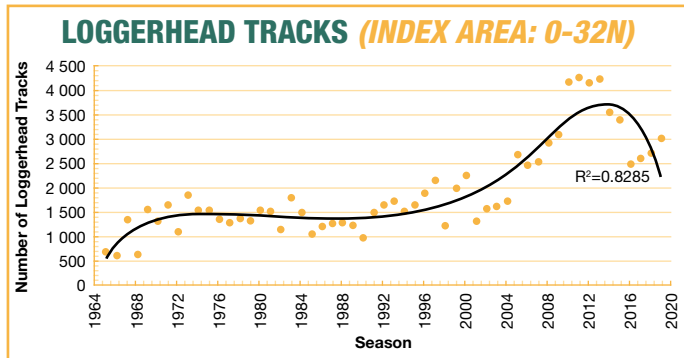


Figure 1: Loggerhead emergences in the Index Area

was the primary driver of the decline, although powerline collisions and collection for belief-based use are contributory factors. It may be necessary to initiate a reintroduction programme for White-headed Vultures. Research undertaken by Ezemvelo scientists has also highlighted that, if not carefully managed, elephants – through their impact on large trees – could become a significant threat to the ability of protected areas to act as refuges for vulture breeding (95% of all tree-nesting vultures breed in areas where elephants have now been reintroduced).

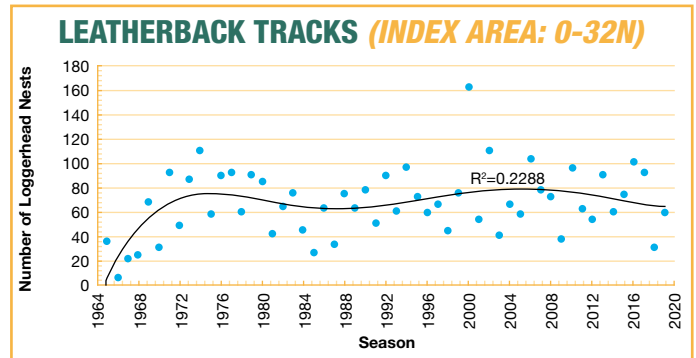


Figure 2: Leatherback emergences in the Index Area

VULTURES: GOOD AND BAD NEWS

Ezemvelo continues to actively work with a range of partners to conserve KwaZulu-Natal's endangered vultures. In addition to their iconic value as part of the tourism experience to KZN parks, vultures are nature's most important vertebrate scavengers but are also among the most threatened group of birds in the world.

Ezemvelo staff have always been at the forefront of vulture conservation activities in South Africa, leading many initiatives. In recognition of this, among others, Ezemvelo was appointed by the minister to drive the implementation and reporting on the Bearded Vulture Biodiversity Management Plan; is represented on the national Vulture Task Force and National Wildlife Poisoning Prevention Working Group; and chairs the national Lead Task Team (lead from bullet fragments in animal carcasses is a significant threat to vultures). In the past two years two Ezemvelo scientists, Brent Coverdale and Dr. Sonja Krüger, were invited to become part of an international collaboration on vulture conservation under the national Socio-Environmental Synthesis Centre (SESYNC) Pursuit Programme of the University of Maryland. The Pursuit brings together multiple disciplines of anthropology, communication, education, ecology, ethics, toxicology, criminology, biology, modelling, and sociology, to create a framework for greater collaboration and greater impact, and is producing tools aimed at creating the social change necessary to save vultures in Africa. Ezemvelo staff have authored or co-authored no less than 17 peer-reviewed publications on vultures in the past decade.

Unfortunately, despite all the work being done, vultures in KZN are in serious trouble. Bearded Vultures have declined to the level where captive breeding and supplementation of the wild population has now become necessary, and White-headed Vultures recently became extinct as a breeding species in the province. In both instances, poisoning

Technology continues to assist in conservation efforts, whether it be the use of genetics to help set conservation targets, fitting of tracking devices to understand movement patterns and where birds may be exposed to threats, or use of camera traps to record the presence and survival of tagged birds. Because of the multi-faceted nature of threats to vultures, Ezemvelo needs to form and maintain partnerships with other organisations, NGOs and research institutions. In these times of reduced Ezemvelo budgets, the financial and other support of these partners in the conservation of vultures is going to become even more critical.



Figure 8: Ezemvelo staff climb to a vulture nest to fit a monitoring tag to a chick



Peer-reviewed Publications – culture related in past 10 years

- Brink, C.W., Krüger, S. & Amar, A. 2020. The reintroduction of Bearded Vultures in South Africa: a feasibility analysis. *Ostrich* doi: 10.2989/00306525.2020.1753252.
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- Krüger, S.C., Simmons, R.E. & Amar, A. 2015. Anthropogenic activities influence the abandonment of Bearded Vulture *Gypaetus barbatus* territories in southern Africa. *The Condor* 117:94-107, doi: 10.1650/CONDOR-14-121.1.
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- Krüger, S.C. & Amar, A. 2017. Productivity of the declining Bearded Vulture *Gypaetus barbatus* population in southern Africa. *Ostrich* 88:2, 139-145, doi: 10.2989/00306525.2017.1350762
- Krüger, S.C. & Amar, A. 2018. Lead Exposure in the

Critically Endangered Bearded Vulture (*Gypaetus barbatus*) Population in Southern Africa. *Journal of Raptor Research* 52(4):491–499.

- Ogada, D. et al. 2015. Another continental vulture crisis: Africa's vultures collapsing toward extinction. *Conservation Letters* doi: 10.1111/conl.12182.
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EZEMVELO CONTRIBUTES TO THE INTELLECTUAL GROWTH AND DEVELOPMENT OF SOUTH AFRICA

Review of 2019/20

The relatively pristine ecosystems, often with long-term monitoring data and records of management interventions, in the network of protected areas managed by Ezemvelo, make these ideal and desirable sites to conduct biological research. In many cases these represent the last intact examples of ecosystems that used to be much more widespread. Ezemvelo sees one of the key values of protected areas as contributing to the intellectual growth of the country, and as such actively supports and makes protected areas available for research. Furthermore, applied management-orientated research helps to improve Ezemvelo's ability to manage biodiversity more effectively. Ezemvelo evaluates research proposals and assigns a research project coordinator for approved research, providing more support to projects with higher potential for information that will assist in effective management of biodiversity. Ezemvelo also provides a number of research facilities and accommodation in different protected areas that run on a cost-recovery basis. In the 2019-20 financial year 67 new research projects were initiated within the protected area network, of which 23 were at a PhD or Post-doctoral level (Table 1).

Table 1: Summary of projects registered

| PROJECT LEVEL | NUMBER |
|---------------------|-----------|
| Programme | 3 |
| PhD | 16 |
| Masters | 21 |
| Honours and BTech | 6 |
| Non-degree purposes | 14 |
| Post-doctoral | 7 |
| Total | 67 |

CHALLENGES AND DEVELOPMENTS

In protected areas with dangerous game, apart from Hluhluwe-iMfolozi Park, there are no field guards to accompany researchers during field work. We unfortunately also no longer have the luxury of law enforcement field rangers being able to assist, due to their current focus on anti-poaching. This situation has limited the number of projects and scope of



projects in such areas with dangerous game. Where feasible, data collection is restricted to public access areas or alongside roads, but this is not conducive to robust research. For high priority projects, firearms-trained scientific staff sometimes perform this guarding function, but this detracts from their normal research and monitoring responsibilities.

OUTLOOK FOR 2020/21

Ezemvelo will continue to promote and support research in our protected areas, and in so doing continue to contribute to the intellectual growth of the country.



3.3 HUMAN RESOURCES DIVISION

INTRODUCTION

The Ezemvelo human resources division is made up of various units, which focus on specific aspects of Human Resource Management. These include Organisational Development and performance management, Human Resource Development, Human Resource Operations, Employee Wellness, Talent Management and Employment Relations, and have been reported on separately.

REVIEW OF HR POLICIES AND PROCEDURES

The Human Resources division ensures HR policies are up to date by continuously reviewing them to ensure alignment to relevant legislation. This financial year was no different from the other years, as the department continued to review HR policies in the organisation which were approved by the Board. The following two policies and one procedure were approved, while others are under review: Employee Performance Management policy, Performance Management Standard Operating Procedure and Management of Incapacity. Policies under review are: The Quality Management

System (Training & Development), Recruitment and Selection policy, Appointments, Transfer and Promotions policy.

HR POLICY AND INDUCTION WORKSHOPS

Last financial year (2018/2019), workshops were conducted as an initiative to educate employees on HR policies and procedures. The workshops were also used to induct employees of Ezemvelo about the organisation, focusing on the organisation vision, mission, values, various components of the organisation and what each department is responsible for and its value proposition. During the period under review, additional workshops were conducted for those employees who could not attend in the previous financial year. A total of 239 employees attended and all levels of employees were represented. Once again the project was a success. The workshops were very interactive and were appreciated by the employees. The following policies were presented: Code of Ethics, Disciplinary Code & Procedures, Grievance Procedures, Leave Management policy, Incapacity Management policy, Transfer policy, Succession Management policy. The workshops are planned to take place at least once a year.

EZEMVELO CURRENT DEMOGRAPHICS

The current demographics of Ezemvelo's permanent staff for financial year 2019/2020 are depicted as follows:

| OCCUPATIONAL LEVEL | FEMALE | | | | | MALE | | | | | GRAND TOTAL |
|------------------------|------------|-----------|-----------|-----------|------------|-------------|-----------|-----------|----------|-------------|-------------|
| | BLACK | ASIAN | WHITE | COLOURED | TOTAL | BLACK | ASIAN | WHITE | COLOURED | TOTAL | |
| Top Management | | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Senior Management | 2 | 0 | 0 | 0 | 2 | 6 | 2 | 1 | 0 | 9 | 11 |
| Professionally Skilled | 34 | 4 | 14 | 2 | 54 | 62 | 7 | 34 | 1 | 104 | 158 |
| Skilled | 58 | 6 | 15 | 1 | 80 | 75 | 5 | 14 | 3 | 97 | 177 |
| Semi-Skilled | 248 | 15 | 10 | 7 | 280 | 868 | 4 | 1 | 2 | 875 | 1155 |
| Unskilled | 224 | 0 | 0 | 0 | 224 | 396 | 0 | 0 | 0 | 396 | 620 |
| TOTAL | 566 | 25 | 39 | 10 | 640 | 1407 | 18 | 50 | 6 | 1481 | 2121 |



TOTAL ENGAGEMENTS AND EXITS

A total of 6 permanent employees were engaged during this financial year. There was a loss of various skills to a total of 130 permanent employees who exited between April 2019 and March 2020, of this, a total of 76 employees exited the organisation due to retirement, 17 deceased, 18 resigned and 19 were dismissed, while eight other employees exited due to termination of contract.

ANNUAL COST OF LIVING

The annual cost of living adjustment was implemented in line with the Agreement signed at the Public Service Bargaining Chamber (PSBC). The Department of Public Service and Administration (DPSA) also determined the cost of living adjustment for Senior Management Service for the financial year 2019/2020, which was also implemented accordingly.

LONG SERVICE AWARDS

During February 2020, a total of 235 employees were awarded for their long service and 214 of them attended ceremonies that were held at seven venues across the organisation. These employees had served the organisation between 21 to 42 years and were awarded green bars, watches and certificates. For those employees who completed seven and 14 years of service, their certificates were to be handed at the regional offices by their respective managers.

EMPLOYEE CLIMATE & CULTURE SURVEY

To assess the climate and culture at Ezemvelo, and to determine a percentage of employees who find it conducive, the organisation appointed Kanyanjalo Consulting to conduct an employee survey. The survey was conducted in the latter part of the financial year and the report and its recommendations are yet to be tabled at EXCO for deliberation.

To save costs, the annual medical aid roadshows were conducted combined with site visits for the employee survey. The purpose of the medical aid roadshows is to update employees on the annual changes in medical aids and provide employees with an opportunity to effect changes in their medical aids.

HUMAN RESOURCE DEVELOPMENT

The Annual Training Report (ATR) for the Financial Year 2018/19 and Workplace Skills Plan (WSP) for the Financial Year 2019/20 were accepted and approved by the CATHSSETA which resulted in the organisation receiving the 20% Mandatory Grant of the 1% paid as a Skills Levy.

A total of 1769 employees were trained in the period under review in legal compliance only, as there was no budget to conduct any other kind of training. The amount of R599 291, 17 was spent on training as opposed to R1 096 889 which was spent last financial year.

As part of the organisation's contribution to job creation, skills development and alleviation of unemployment within the neighbouring communities and in the province, Ezemvelo was involved in a number of career exhibitions hosted across the province. Fifty youth were hosted under Ezemvelo's Internship Programme and 63 under the Work Integrated Learning Programme. These programmes assist youth to either gain the necessary work experience to make them more employable and or an opportunity to do the work required for them to meet the requirements to obtain their qualifications. From the figures above, 12 Conservation Work Integrated Learning (WIL) students' stipends were paid by the CATHSSETA through Discretionary Grant funding. Ezemvelo also hosted 18 TVET and five university students on behalf of the company called Gothamara.

CHALLENGES AND DEVELOPMENTS

Delivery of required training in the year under review was a major challenge due to budget cuts. The unit was unable to offer staff development training as well as rollout all required legal compliance training due to limited budget. The ageing infrastructure of the Training Centre is of great concern. Unfortunately, with the continued budget cuts very little maintenance work can be done. The organisation can accommodate a limited number of interns and WIL students due to limited accommodation on the stations.

OUTLOOK 2020/2021

To continue conducting training with the focus being on legal compliance training only, due to limited budget. Engagements with internal as well external stakeholders will be prioritized to supplement the training budget and provide much needed training. This will be done through implementing the Training Funding Model. To continue with the submission and implementation of the Workplace Skills Plan to ensure Ezemvelo receives a mandatory grant.

TALENT MANAGEMENT

Talent Management is about the organisation's efforts to recruit, hire, retain, and develop talent in the job market and in line with Ezemvelo's Employment Equity plans. The Employment Equity report was submitted to the Department of Labour on the 15th January 2020 in line with the deadline. In the financial year under review, the organisation experienced major losses with regards to skills, talent and institutional knowledge, whereby a total of 130 employees exited the organisation, while critical skills could not be replaced.

While a total of 85 vacancies were approved for filling, the moratorium issued by the Office of the Premier and the Department of Treasury in 2015/2016, on the filling of vacant positions, the shortfall in the provincial budget has had an impact on filling positions. Further cost cutting measures to freeze all vacant positions were introduced in the province. A further approval to fill 37 operation positions was received in November 2019. However, the recruitment process was halted due to budget constraints. During the year under review, the organisations vacancy rate is currently at 38%.



SEASONAL WORKERS

On an annual basis, the organisation employs people from the surrounding communities as seasonal workers to assist with the fire breaks and burning. Ezemvelo has the obligation to burn fire breaks as a managing authority for a number of protected areas. Fire management is a legal requirement which has to be adhered to and failure to manage these fires, could pose a risk to Ezemvelo's properties and those of neighbours, which could result in a huge liability for the organisation. The fire break project normally runs from February to October each year. Ezemvelo always conducts induction sessions for all workers to ensure legal requirements are met and ensures that correct Personal Protective Equipment (PPE) is provided.

To strengthen neighbour relations and to create job opportunity for the neighbouring communities, Ezemvelo ensures that work opportunities are created, and the recruitment of seasonal workers is only confined to the communities adjacent to the Park. On an annual basis, the project employs about 1000 fire season contract workers for nine months throughout the reserves. Over and above the seasonal workers for the fire breaks, Ezemvelo also employs seasonal workers from the neighbouring communities to provide accommodation service during peak seasons.

CHALLENGES

The authorisation process and moratorium on filling critical positions presented numerous organisational challenges for this financial year, mainly the management of human resources in terms of skills and talent, which had a major impact on the successful implementation of the Employment Equity targets.

OUTLOOK 2020/2021

Succession management efforts will be accelerated while facilitating the process of filling of vacant critical positions.

EMPLOYMENT RELATIONS

The Employment Relations unit is responsible for keeping labour peace, management of grievances, discipline, collective bargaining and dispute resolution. In addition to this, the unit is responsible for ensuring that the labour relations environment is stable and that conflict between management and employees is addressed and monitored timeously.

LABOUR COURT CASES

Three Labour Court cases relating to interdicting dismissals due to fraud were referred during this period. All three applications were dismissed with costs in favour of the employer. One Labour Court case relating to dismissal for bringing the organisation into disrepute and breach of employee's duty of good faith, was referred for a review. This matter is in sine dine.

CCMA CASES

During the year under review, a total of 16 cases were referred to the CCMA for arbitration of which three were finalised at the arbitration in favour of the Employer while three were finalised at the conciliation stage. One case was dis-

missed in limine in favour of the Employer while one of the cases was settled with a re-instatement and eight cases are ongoing in sine dine.

DISCIPLINARY HEARINGS

A total of 66 disciplinary inquiries were conducted during 2019/2020 financial year, of which 17 resulted in dismissals and nine issued with severe corrective measures coupled with a few unpaid months.

The following disciplinary cases were heard:

| NATURE OF MISCONDUCT | TOTAL NUMBER OF CASES |
|---|-----------------------|
| Abscondment | 3 |
| Insolence to supervisor | 1 |
| Neglect or improper performance of duties | 4 |
| Violation of privacy | 1 |
| Duty to care | 1 |
| Sexual harassment to fellow employee | 1 |
| Gross negligence in carrying out duties | 4 |
| Misappropriation/improper use of EKZNW property | 6 |
| Breach of employee's duty of good faith | 5 |
| Negligence | 3 |
| Disclosure of confidential information | 1 |
| Unauthorised consumption of intoxicating liquor while on duty | 1 |
| False evidence | 1 |
| Poor time keeping | 1 |
| Physical assault | 4 |
| Unauthorised/misuse use of EKZNW property | 1 |
| Unauthorised possession of firearms on EKZNW property | 1 |
| Willful or malicious damage to EKZNW property | 1 |
| Intimidation of employee | 2 |
| Insubordination | 1 |
| Gross wastage of EKZNW property | 3 |
| Leaving place of duty without authorisation | 1 |
| Driving EKZNW vehicle without authority | 1 |
| Dishonesty | 3 |
| Repeated refusal to carry out lawful instruction | 2 |
| Serious cases of poor workmanship | 1 |
| Bringing organisation into disrepute | 2 |
| Removal of material/property from EKZNW premises without permission | 1 |
| Theft | 3 |
| Using incorrect entrances/exits designated by EKZNW | 1 |
| Failing to report absence to EKZNW at earliest possible opportunity | 1 |
| Inciting employees / stakeholder to violence | 1 |
| Fighting | 1 |
| Deliberate violation of safety requirement | 1 |
| Behaviour, speech or actions likely to stir hostility | 1 |
| Total | 66 |



GRIEVANCES

A total of seven grievances were lodged during 2019/2020, of which four were resolved.

| NATURE OF GRIEVANCE | TOTAL | STATUS |
|--|-------|--------------|
| Poor supervisory skills | 3 | Resolved |
| Contravention of acting allowance policy | 1 | Not resolved |
| Position grade and remuneration | 1 | Not resolved |
| Transfer into a promotion position | 1 | Not resolved |
| Aggrieved for being counselled to correct behaviour in the workplace | 1 | Resolved |

COLLECTIVE BARGAINING

The organisation has a recognition agreement with two unions, namely HOSPERSA and NEHAWU. The organisation finalised negotiations on matters that were outstanding from the 2017/ 2018 demands presented by Organised Labour. The labour relations environment within the organisation was stable and manageable and all collective bargaining meetings successfully held. There were no labour-intensive demonstrations against the organisation although the financial position has not improved. The unit continued to review Employment Relations policies and procedures to ensure that they are in line with developments in legislation, more especially the Constitutional Court decision on precautionary suspensions.

CHALLENGES AND DEVELOPMENTS

There has been a huge increase in misconducts during 2019/2020, of which more than 50% were of a serious nature and had no opportunity for rehabilitation. Unfortunately, such employees' behaviour was alarming with serious concerns in one financial year. Due to budget cuts the finalisation of annual negotiations agreement took two years which poses a further challenge in the future bargaining season. Issues of mutual interest among the organisation and its social partners remain a concern for future bargaining objectives. Institutional meetings of the fourth quarter were affected by the Covid-19 national lockdown.

OUTLOOK 2020/ 2021

There was no labour-intensive demonstration against the organisation although the financial position has not improved. The unit will continue to review more Employment Relations policies and procedures to ensure they are in line with developments and the legislation. The Employment Relations unit will continue in building and maintaining labour peace in the organisation.

EMPLOYEE HEALTH AND WELLNESS

The Employee Health and Wellness unit is about the health and social aspects of employees' lives which are sometimes

extended to their families. Under this unit, there is a clinic facility with the services of an Occupational Medical Practitioner, operating in line with Occupational Health & Safety Act, 85 of 1993.

OCCUPATIONAL HEALTH

The Wellness Days were also conducted at 13 sites with good attendance. The World Aids Day was also commemorated on the 02/12/19 at St. Lucia attended by 190 employees.

Medical surveillance was conducted successfully, and a total of 2449 medicals were conducted for pre-employment. Such medicals are done in compliance with the Occupational Health & Safety Act, 85 of 1993. An increase in the number of medicals conducted was noted in line with the increase in numbers of projects.

Awareness creation sessions were conducted, the focus being financial literacy, substance abuse and Gender Based Violence (GBV). The Wellness unit joined hands with the communications department in response to the national outcry to create awareness on the GBV topic. External speakers were sourced to facilitate the sessions and these were well received by employees with good attendance. A few cases of GBV were reported but were managed internally. Wellness participated in the awareness session on Covid-19. No cases of infections are reported as at 30th within the organisation.

A total of 156 absenteeism cases were reported of which most were referred to hospitals for assessments and further interventions.

EMPLOYEE WELLNESS

A total of 194 counselling sessions were conducted, ranging from social problems, work related problems, marital problems, retirement counselling, financial counselling as well as substance abuse counselling. Some cases were referred to external service providers for further monitoring.

A total of 12 trauma debriefing sessions were conducted but none was referred to external service providers. These cases ranged from members involved in fatal shootings of poachers, attacks by animals and death on duty of fellow members. Two deaths on duty cases were recorded.

CHALLENGES

Gender Based Violence has been noted as surfacing and affecting employees. The high rate of absenteeism is of great concern as this has a negative impact on organisational performance. The non-filling of most vacancies has contributed to the deteriorating health conditions with high stress levels.

OUTLOOK 2020/2021

The Employee Health and Wellness unit will continue implementing wellness programmes in order to contribute to the healthy workforce.



3.4 PROJECTS AND PARTNERSHIPS

INTRODUCTION

This is a self-contained unit within Ezemvelo KwaZulu-Natal Wildlife. The aim of its establishment was to source and manage funding, implement special projects on behalf of external funders, and undertake projects to uplift the socio-economic status of communities bordering the Protected Areas. The unit is also responsible for implementing all social responsibility programmes.

ENVIRONMENT AND INFRASTRUCTURE PROGRAMME

This programme implements environmental and infrastructure projects that are externally funded. The projects are implemented through the EPWP model funded by departments such as DEA, NDT and the provincial EDTEA. In the year under review, the following projects were at implementation stage:

Environmental Monitors (EMs) – a project aimed at young people to do environmental monitoring and education, conservation activities like patrols, alien plant clearing and anti-poaching. The EMs have also been very helpful in resorts where there's a huge shortage of staff.

Youth Environmental Service (YES) – this programme engages young people to train them on environmental issues. They are taken to Protected Areas and communities to do community services like clean-ups, and education and participation in greening activities. Participants in the programme are paid a daily stipend.



Field Ranger Training



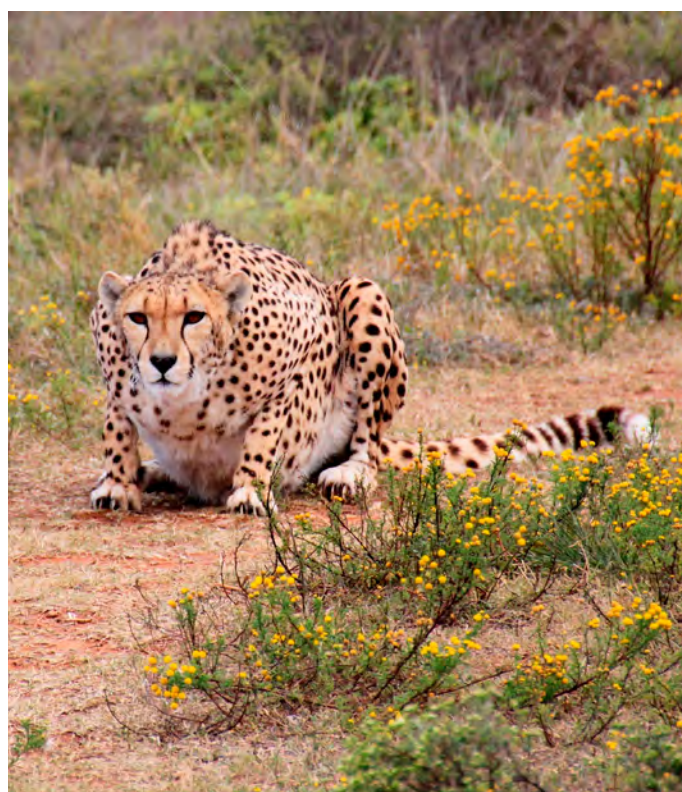
Clean-up Campaigns



Fence patrol



Monitoring



Busingatha Lodge – this is a construction project on behalf of the AmaZizi community. In the year under review four chalets, a manager’s house, a gatehouse, a boma and a restaurant were constructed.

Ongoye Forest Development – the project entails the construction of six chalets, staff accommodation, education centre and a restaurant. In the year under review, the six chalets reached practical completion stage. Construction is still ongoing on the other structures.



Staff Accommodation



Staff Accommodation



Staff Accommodation



Staff Accommodation

Ingodini Border Cave – the project entails construction of an office block with a visitor’s centre, a camping site with a kitchen and ablution facility, a revamp of the museum, a viewing deck, fencing of camping area and a pathway to the caves. The project is implemented on behalf of the Mngomezulu community. Part of the project is the establishment of a Community Conservation Area for the community.



Entrance gate facility



Viewing deck



MECHANICAL AND TRANSPORT

Control of KZN Wildlife Mechanical and Transport Operations: This includes procurement and disposal of vehicles and static plant, management of five mechanical workshops, administration and management of an 874-vehicle fleet, purchasing and repairs of two-way radios and repeaters.

ACHIEVEMENTS:

1. For the financial year 2019/20, Mechanical and Transport purchased one new replacement NCS vehicle and one motor vehicle allowance vehicle. Unfortunately due to budget constraints, the average age of the fleet will increase.
2. Closing of Reclamation Unit and redeployment of staff: The recommendations to close this unit were tabled at EXCO level and approved. Staff movement forms have been completed and the transfer took place 1 November 2019. Transfer of staff has been completed.

CHALLENGES:

1. Due to budget constraints and our slow procurement process, not all smaller items such as water trailers etc. could be purchased this year.
2. Asset disposal is still a challenge and no motor vehicles were sold on public auction this year

S'FUNDIMVELO ENVIRONMENTAL EDUCATION PROGRAMME

S'fundimvelo Environmental Education Programme aims to create awareness among learners and educators of the importance of biodiversity, the economic and other benefits; the cultural and historical significance; and the relevance to their own lives; to instil a sense of ownership of the natural and cultural resources and therefore to encourage learners to take practical responsibility for conserving their environment; to introduce educators to the guiding principles of environmental learning in line with the national curriculum, assisting them to integrate environmental themes into every learning area. S'fundimvelo has reached more than 10 000 learners and 1000 educators as participants in the 2019-2020 financial year.



The S'fundimvelo Environmental Education Programme attended the commemoration of Wetlands Day held at Sesikhona Primary School in Ladysmith. Learners and the community were taught about the importance of wetlands, and the event helped change attitudes and how people see and behave towards natural resources. About 500 learners, 100 community members and 30 educators participated.

DAY PARK VISITS

School visits.



School visits are essential and play a vital role in the implementation of environmental education and awareness. The visits also motivate schools to be green; give support where needed and strengthen relations between the schools and Ezemvelo KZN Wildlife Protected Areas. Awareness on hydraulic fracking was done, and World Environmental Day and Wetlands Day were commemorated. More than 100 schools were visited throughout the province.

INVASIVE ALIEN SPECIES PROGRAMME

| PROJECT NAME | PROJECT ACTIVITIES | NO OF JOB OPPORTUNITIES | TOTAL COST OF INVESTMENT | EXPENDITURE TO DATE | STATUS |
|----------------------------------|---|-------------------------|--------------------------|---------------------|--|
| Invasive Alien Species Programme | Clearing of Invasive Alien Species inside EKZNW Protected Areas and Selected Buffer Zones | 2357 | R 35 000 000.00 | R 35 970 164.60 | The year under review has seen great improvement in the programme's performance compared with the previous two financial years. After receiving the first payment tranche in July, plans were made to implement projects as soon as possible. Some were able to start at the end of July. Delays were experienced in the Hluhluwe-Imfolozi Park (HIP) and Ithala projects' implementation as issues of team field guides had to be resolved. After some of these were ironed out, teams could start clearing. The programme has been able to achieve and exceed all targets set for the 2019/2020 financial year. The main programme has achieved a total expenditure of R35 970 164.60. The total person-days achieved in the 2019/2020 financial year in the main project (139 340) were more than the planned person-days (100 646). Of the total person-days, 34 257 were training person days. Total hectares completed were 108 424.82; of the total 107 281 are follow-up and 892.10 initial hectares. A total of 2 357 people were employed in the programme in 10 district municipalities in the year under review. |
| Parthenium Project | Clearing of Parthenium on access routes, buffer zones and inside protected areas | 149 | R 5,000,000.00 | R 5 460 908.45 | A total of R5 460 908.45 was spent on the Parthenium project. For the Parthenium project 22 529 person-days, 10 132.96 hectares were completed and 149 people employed. |



3.5 INTERNAL AUDIT AND FORENSIC INVESTIGATION SERVICES

1. CURRENT SITUATION ANALYSIS

The Internal Audit and Forensic Investigation Services Division within Ezemvelo comprises two sub-units, namely the Audit Services and the Forensic Investigation Services.

A) AUDIT SERVICES

The Audit Services sub-unit continues to provide independent and objective assurance and consulting services in the areas of internal control, risk management and governance processes. To protect its independence as an assurance provider, the unit reports, functionally, to the Audit and Risk Committee, and operationally, to the Chief Executive Officer, in line with the IIA Standards. On an annual basis, the unit develops a risk-based Annual Audit Plan, which goes through an extensive consultative process with various stakeholders involved in the audit process for input, before its approval by the Audit and Risk Committee. As such, the sub-unit, through the approved 2019/20 annual audit plan, performed and reported on 14 internal audits, which covered various processes within the organisation.

On a continuous basis, the unit performed follow-up reviews to determine and report on the progress achieved in addressing the issues raised in both Auditor-Generals' Reports 2018/19 and various internal Audit Reports. On a quarterly basis, the sub-unit also appraised the Audit and Risk Committee on outcomes of the audits performed during the year, status of the dashboard and implementation of management action plans to address both internal and external audit findings, and the status/progress on the implementation of the audit plan.

B) FORENSIC INVESTIGATIONS SERVICES

The Forensic Investigation unit provides services relating to the investigation of fraud and corruption, reported through the existing Fraud Hotline and other platforms within the organisation. During 2019/20, 16 matters were on the active database for investigation. The following summary indicates how they were attended during the period:

- As at end of 2019/20, three matters were still under investigation;
- Seven cases were completed and reported on as at end 2019/20. From the seven completed cases, one case of fraud was proven by the investigation. In four cases, the allegations were unfounded. For one case, fraud was proven. For one case corruption was proven. For one case, negligence on the part of an employee caused financial loss to the organisation;

- Six cases were referred to management for action, as forensic investigations were not the appropriate avenue to resolve the matters. Throughout the year we also implemented a process wherein we followed up with management to ensure the aforementioned matters were resolved. By the end of 2019/20, all six matters were resolved.

We continued to implement the follow-up processes to determine and report on management's progress in implementing the recommendations, emanating from the completed investigation reports for 2019/20 and prior years. Seven matters were actively followed up during 2019/20 and management responded as follows:

- For one case, the former employee was ordered by the court to pay back the defrauded amount to Ezemvelo: for failure to honour the order, a suspended two-year jail sentence would be implemented. By March 2020, the former employee had paid the outstanding balance in full.
- For one case, management sought legal opinions wherein the implementation of recommendations for disciplinary action to be taken against affected employees was set aside.
- For one case, the employee who defrauded the organisation resigned before disciplinary action could be implemented.
- For one case, the employee who defrauded the organisation was found guilty and dismissed.
- For one case, the employee resigned during the investigation and the outcomes of the investigation confirmed a corrupt relationship with a service provider. A criminal case was recommended.
- For two cases, disciplinary action was pending as at end 2019/20.

During 2019/20, KZN Treasury completed two investigations relating to allegations against Ezemvelo employees. By the end of the financial year, Treasury had finalised both matters. For one case, the matter was closed due to loss of institutional memory in the form of transactional documentation, and for the other matter, the recommendations are still to be implemented by the Board.

2. CHALLENGES

Due to budget constraints, the Audit Services sub-unit is unable to implement specialised audits, such as the Information Technology (IT) and value-for-money audits, as specialised skills are required and the Unit is not capacitated. The Unit has not been able to access such skills from the open market due to lack of funding. In addition, access to technology-based audit tools to improve audit processes and coverage remains a hindrance. This challenge also extends to forensic tools that would improve the capabilities of the forensic investigations.



3. OUTLOOK FOR 2020/21

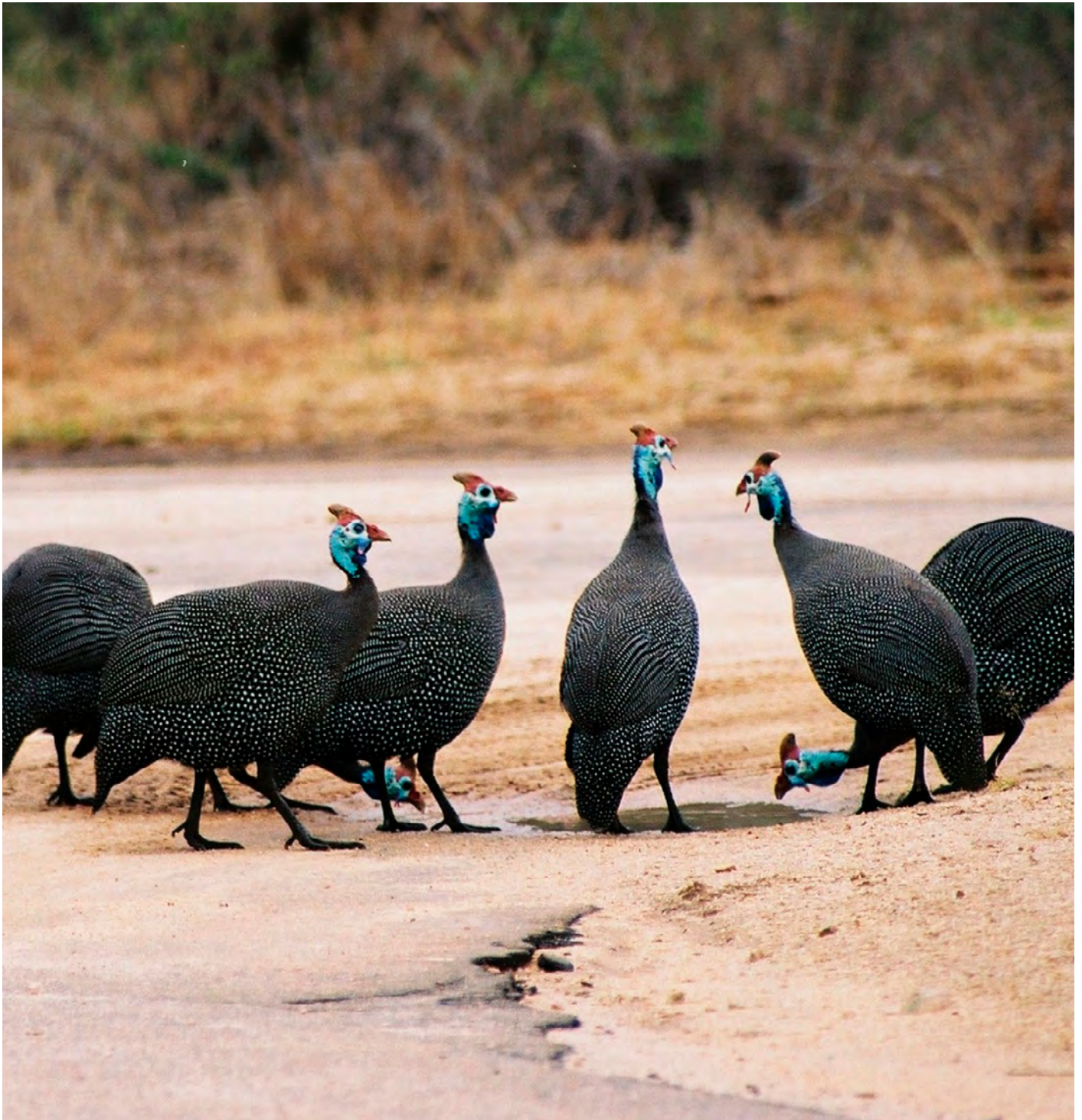
AUDIT SERVICES

The Audit Services Unit will continue to implement its mandate despite the current budget cuts which have a negative impact on its ability to access skills for specialised audits. The inability to access technology-based audit tools will remain a limitation in 2020/21.

Cost-effective ways to provide the internal staff with necessary training and exposure will be explored. The unit will continue to provide assurance services, covering the areas relating to internal controls, risk management and governance processes, in the form of full scope audits and through follow-ups, utilising the audit log.

FORENSIC INVESTIGATION SERVICES

The Forensic Investigation sub-unit will continue to conduct investigations as and when allegations are reported through the Hotline and other mechanisms. Furthermore, we will continue to implement the process of following up with management on progress in the implementation of recommendations emanating from the forensic investigation reports. The Board and Legislature will be kept abreast continually on the above to allow these stakeholders to perform their oversight responsibilities over governance issues and to ensure consequence management is implemented. The unit will still face the challenge of funding should a need arise for specialised skills to implement forensic investigations. The ability to access technology-based forensic investigation tools will remain a constraint in 2020/21.



3.6 CORPORATE AFFAIRS AND MARKETING

MARKETING

The South African ecotourism industry remains a highly competitive and constantly evolving business, competing with other African countries offering similar safari experiences. KwaZulu-Natal also has to compete with other provinces in the country, while customers are constantly looking for new adventures at an affordable price. Therefore, rivals are forever competing for every opportunity to increase their market share.

As part of our strategy, the marketing team participated in a number of national and local shows that included the Tourism Indaba as well as the WTM Africa held in Cape Town. A number of leads were established during these shows which have contributed to guest increases in some of our resorts.

Domestic marketing is still supporting our resorts more than international marketing. It is thus not surprising that most of our marketing initiatives were advertised in national media platforms like Equinox, Wild Magazine, WWW etc. Internationally we again used the publication called Suid Afrika which is published in Germany. Our pilot to advertise in various inflight magazines also resulted in good coverage for the organisation and exposed our brand to various potential customers.

The organisation also hosted various celebrities that included Miss Madagascar who visited Hluhluwe iMfolozi Park for two days. Her visit was made possible by a tourism company in Madagascar called Chismia Tours Madagascar.

During the year under review we also ran three specials that included the ever-popular Christmas in July for Giants' Castle and Didima Resorts. The promotion ran from January 2019 until March 2019 for those who were interested in spending time at these two resorts from 26-27 July with a chance to witness snow falling. Another popular special called Let Us

Do more Summer ran from 16 January until 19 March 2020.

CHALLENGES

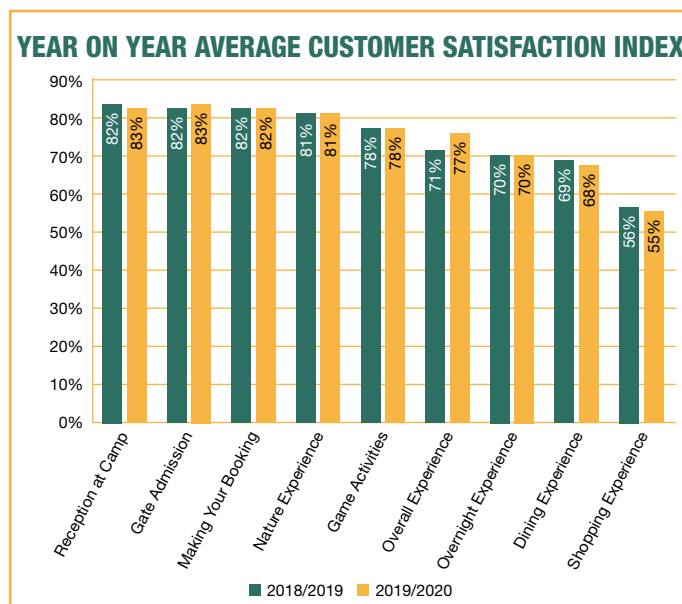
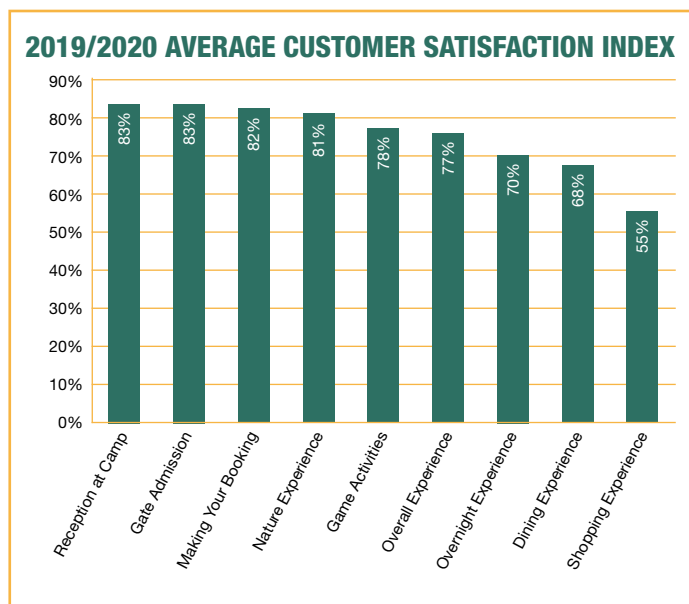
Currently the Marketing Manager position is vacant, and has been for a long time due to financial constraints. This has an impact on what the organisation would have achieved if it had an official solely focused on implementing marketing initiatives. The ever-shrinking advertising budget compels Ezemvelo to only focus on mainly through the line as well as below the line marketing initiatives. A number of people started cancelling bookings when lockdown was announced by the State President.

OUTLOOK

Trade exchange has been one of the affordable methods that has allowed the organisation to achieve more with limited resources. Our limited finances may force us to drop some exhibitions as well as publications that we have used in the past. Our focus for the upcoming financial year will be to target national and provincial media houses that will assist us to reach a wider market than we are currently doing. Covid-19 has affected all of our marketing avenues as a number of magazines have not been published during the lockdown period.

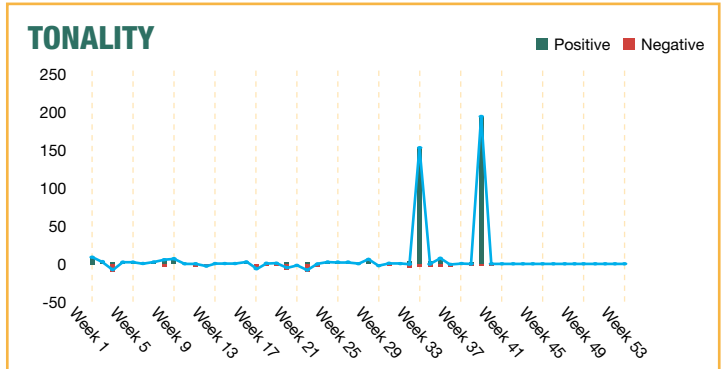
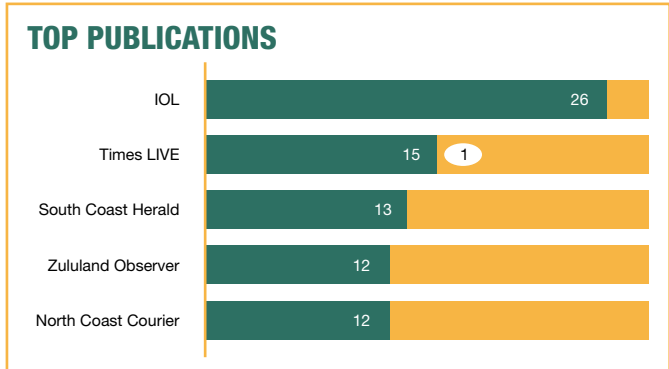
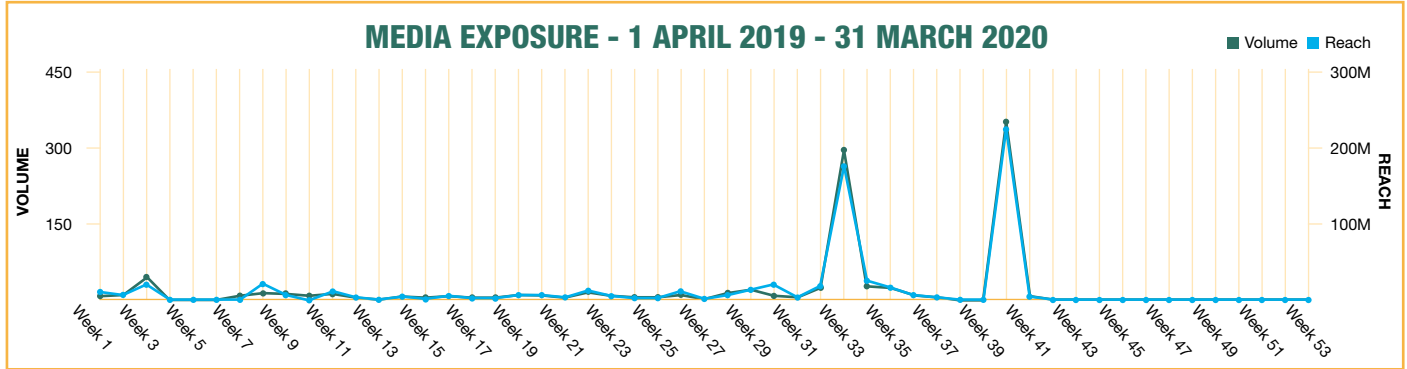
CUSTOMER FEEDBACK SYSTEM

During the year under review we reviewed the Customer Care Standard operating procedure (SoP) as we realised that some of the complaints raised by our guests were falling through the cracks. The SoP has contributed to encouraging our resorts to timeously respond and resolve issues raised by our guests. It is true that at times it is difficult to resolve certain issues promptly as they require a huge budget to resolve. When assessing our customer satisfaction index, it is clear there has been a minor improvement from the previous financial year. Our focus should be on improving our shopping experience by addressing the issues raised by our guests.



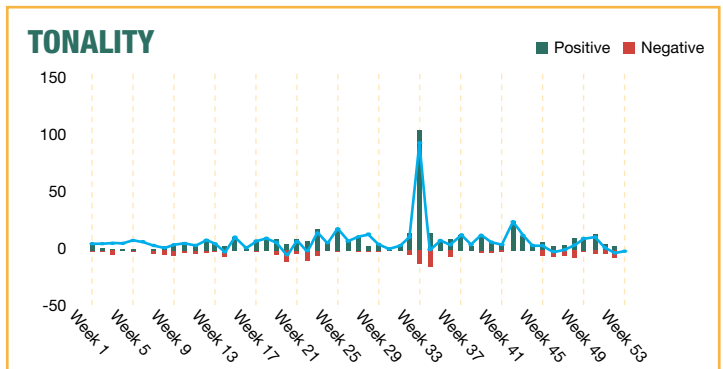
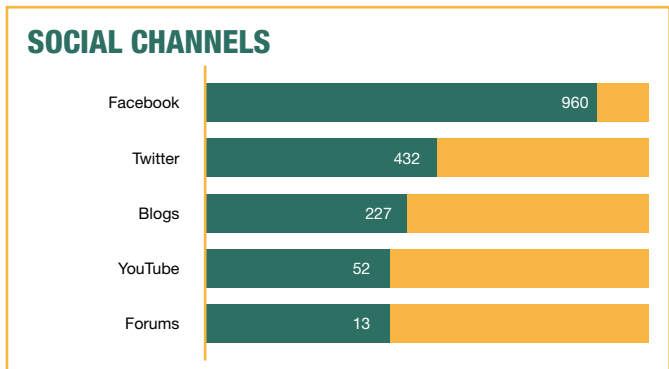
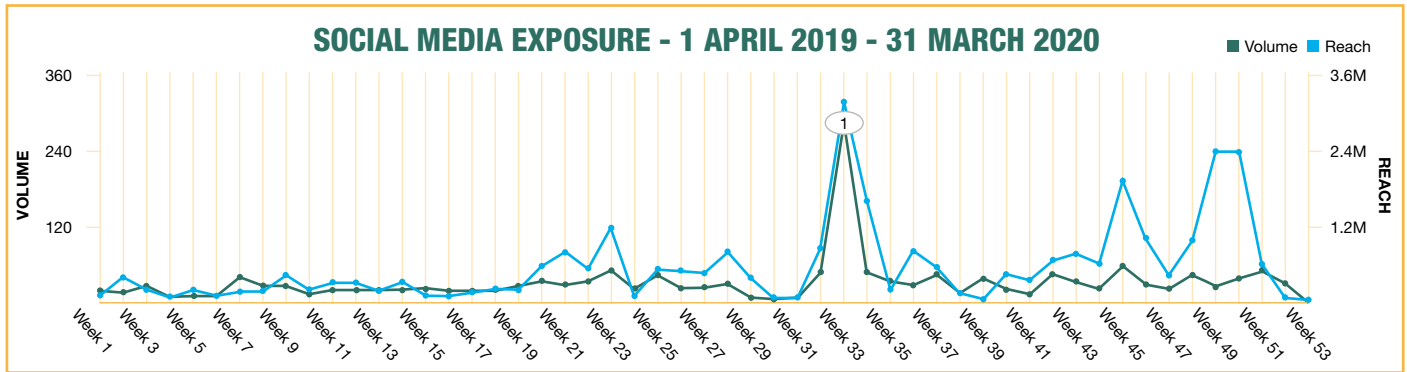
MEDIA MONITORING

EZEMVELO'S EXPOSURE INCREASED 17%



The media exposure that the organisation received during the year under review increased by 17% as per the graph below. Ezemvelo is grateful to media houses that continue to support us in our conservation efforts. The reason Ezemvelo received a higher number of positive articles during week 39 as indicated below was due to the relocation of black rhino to Malawi. The highest number of negative articles was during week 3 (19-25 April 2019). Most of these articles focused on illegal fishing observed during that period.

EZEMVELO'S SOCIAL EXPOSURE INCREASED 432%



Ezemvelo managed to reach 3.6 million people our social media interaction. Our social media exposure was mostly through Facebook (57%) and Twitter (26%) .





**E Z E M V E L O
K Z N W I L D L I F E**

Conservation, Partnerships & Ecotourism



4

PART 4:

CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

CONTENTS

The reports and statements set out below comprise the Audited Consolidated Annual Financial Statements presented to the provincial legislature:

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Report of the auditor-general to KwaZulu-Natal Provincial Legislature on KwaZulu-Natal Nature Conservation Board and its entity

Report on the audit of the consolidated and separate financial statements

Opinion

1. I have audited the consolidated and separate financial statements of the KwaZulu-Natal Nature Conservation Board and its entity (group) set out on pages 67 to 106, which comprise the consolidated and separate statement of financial position as at 31 March 2020, the consolidated and separate statement of financial performance, statement of changes in net assets, and cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the consolidated and separate financial statements, including a summary of significant accounting policies.
2. In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the group as at 31 March 2020, 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 Act of South Africa, 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 auditor-general's responsibilities for the audit of the consolidated and separate financial statements section of this auditor's report.
4. I am independent of the group in accordance with sections 290 and 291 of the Code of ethics for professional accountants and parts 1 and 3 of the International code of ethics for professional accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA codes) as well as the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Material uncertainty relating to going concern

6. I draw attention to the matter below. My opinion is not modified in respect of this matter.
7. I draw attention to note 28 to the consolidated and separate financial statements, which indicates how Covid-19 has affected the entity to date, and results in certain material uncertainties related to the future financial position, performance and cash flows of the KwaZulu-Natal Nature Conservation Board. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the entity's ability to continue as a going concern. Covid-19 had a material impact on the tourism income of the entity.

Emphasis of matters

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

Uncertainty relating to the future outcome of regulatory action

9. With reference to note 25 to the consolidated and separate financial statements, there is a lodgement against the state by land claimants in which the KwaZulu-Natal Nature Conservation Board has implicit right for the use of the land. There remains a significant uncertainty as to the identity of the new owners as the title deeds have not been finalised. The ultimate outcome of the matter could not be determined and no provision for any liability that may result was made in the consolidated and separate financial statements.

Subsequent events

10. I draw attention to note 29 to the consolidated and separate financial statements, which deals with the suspension of the entity's board after 31 March 2020, resulting in the acting Chief Executive Officer being appointed as the accounting authority.

Responsibilities of the accounting authority for the consolidated and separate financial statements

11. The accounting authority is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with 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 the consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.
12. In preparing the consolidated and separate financial statements, the accounting authority is responsible for assessing the group'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 group or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the consolidated and separate financial statements

13. My objectives are to obtain reasonable assurance about whether the consolidated and separate 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 consolidated and separate financial statements.
14. A further description of my responsibilities for the audit of the consolidated and separate financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

15. In accordance with the Public Audit Act of South Africa 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programme presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
16. My procedures address the usefulness and reliability of the reported performance information, which must be based on the approved performance planning documents of the entity. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the entity enabled service delivery. My procedures also do not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
17. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for programme 10 – conservation services presented in pages 65 - 66 of the annual performance report of the entity for the year ended 31 March 2020.
18. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
19. I did not identify any material findings on the usefulness and reliability of the reported performance information for conservation services.



Other matters

20. I draw attention to the matters below.

Achievement of planned targets

21. The annual performance report on pages 61 to 66 includes information on the achievement of planned targets for the year and explanations provided for the under and overachievement of a number of targets.

Adjustment of material misstatements

22. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of conservation services. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Report on the audit of compliance with legislation

Introduction and scope

23. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the entity's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

24. The material findings on compliance with specific matters in key legislation are as follows:

Annual financial statements

25. The annual financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records, as required by section 55(1) (a) and (b) of the PFMA. Material misstatements of capital commitments, employee related costs and cash flow statement identified by the auditors in the submitted financial statements were corrected and the supporting records were provided subsequently, resulting in the financial statements receiving an unqualified audit opinion.

Procurement and contract management

26. Some of the goods and services with a transaction value below R500 000 were procured without obtaining the required price quotations, as required by treasury regulation 16A6.1.

Consequence management

27. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred irregular expenditure as required by section 51(1)(e)(iii) of the PFMA because investigations were not performed.

Other information

28. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the consolidated and separate financial statements, the auditor's report and the selected programme presented in the annual performance report that have been specifically reported in this auditor's report.

29. My opinion on the consolidated and separate financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

30. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate 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. 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

31. I considered internal control relevant to my audit of the consolidated and separate financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.
32. The accounting authority did not adequately oversee the preparation of the annual performance report and compliance with legislation. In this regard, the accounting authority did not ensure that effective measures were taken to ensure credible financial and performance reporting and compliance with laws and regulations.
33. Management did not perform adequate monitoring and reviews to ensure credible financial and performance reports were prepared, which are supported and evidenced by sufficient source documents.

Other reports

34. I draw attention to the following engagements conducted by various parties which have, or could have, an impact on the matters reported in the group's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the consolidated and separate financial statements or my findings on the reported performance information or compliance with legislation.
35. A forensic investigation was instituted at the entity by the Member of Executive Committee for the Department of Economic Development, Tourism and Environmental Affairs after 31 March 2020; due to allegations of financial mismanagement and non-compliance with procurement processes. The investigation was still in progress at the date of this report.

Auditor General

27 October 2020



**AUDITOR - GENERAL
SOUTH AFRICA**

Auditing to build public confidence



Annexure – Auditor-general's responsibility for the audit

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

Financial statements

2. In addition to my responsibility for the audit of the consolidated and separate financial statements as described in this auditor's report, I also:
 - identify and assess the risks of material misstatement of the consolidated and separate 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 group's internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting authority
 - conclude on the appropriateness of the accounting authority's use of the going concern basis of accounting in the preparation of the consolidated and separate 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 KwaZulu-Natal Nature Conservation Board and its entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the consolidated and separate 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 group to cease operating as a going concern
 - evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and determine whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation
 - obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

Communication with those charged with governance

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



GENERAL INFORMATION

| | |
|--|--|
| Country of incorporation and domicile | South Africa |
| Nature of business and principal activities | Biodiversity Conservation, Ecotourism and Partnerships |
| Accounting Authority | Mr N Dlulane - Acting |
| Accounting Officer | Mr N Dlulane - Acting |
| Registered office | Queen Elizabeth Park No.1 Peter Brown Drive Montrose PIETERMARITZBURG 3201 |
| Postal address | P O Box 13053 CASCADES 3202 |
| Controlling entity | KwaZulu-Natal Department of Economic Development, Tourism and Environmental Affairs |
| Bankers | First National Bank - a division of FirstRand Bank Limited |
| Secretary | Ms I Khuzwayo |



ACCOUNTING AUTHORITY'S RESPONSIBILITIES AND APPROVAL

The acting Accounting Authority of the KwaZulu-Natal Nature Conservation Board, is responsible for the preparation and fair presentation of the Consolidated Financial Statements and performance information in accordance with the South African Standards of Generally Recognised Accounting Practice (GRAP) and in the manner required by the Public Finance Management Act, 1999. (Act No. 1 of 1999) (PFMA) and the KwaZulu-Natal Nature Conservation Act, 1997 (Act No. 9 of 1997).

Accordingly the acting Accounting Authority:

- has reviewed the Consolidated Annual Financial Statements and performance information of the entity,
- has a reasonable basis to concur that the Consolidated Annual Financial Statements and performance information are free from material misstatement and thus fairly present the financial position, the performance and cash flows of entity,
- is not aware of any material breakdown in the internal controls of the entity or any changes to such controls that may affect the effectiveness of the internal controls,
- has ensured that internal controls are established and maintained during the current year, and there is a functioning system of risk management,
- has ensured, in conjunction with the Audit and Risk Committee, that any significant breakdown in controls are addressed and where relevant are reported to Treasury and the Auditors,
- has ensured that the Consolidated Financial Statements are prepared by applying appropriate accounting policies in accordance with the South African Statements of Generally Recognised Accounting Practice (GRAP), and in a manner required by the PFMA,
- has ensured that accounting policies have been consistently applied per major class of transactions and balances and are supported by reasonable and prudent judgements and estimates,
- has ensured that any deviations from GRAP have been sufficiently disclosed in the notes to the Consolidated Financial Statements,
- has assessed the entity's ability to continue as a going concern and there is no reason to believe that the entity will not be a going concern in the year ahead.

The Auditor-General has audited the financial and non-financial performance and their report is presented as part of this report.

The Consolidated Financial Statements and performance information were approved by the acting Accounting Authority and signed on its behalf by:



Mr N Dlulane
Acting Accounting Authority

AUDIT AND RISK COMMITTEE REPORT

AUDIT AND RISK COMMITTEE MEMBERS AND ATTENDANCE

For the year under review the following people served on the Audit and Risk Committee, which is expected to meet at least four times per annum as per its approved charter. The Audit and Risk Committee met five times during the year.

| NAME OF MEMBER | NUMBER OF MEETINGS ATTENDED |
|--|-----------------------------|
| Mr NF Mchunu (Chairperson) (Term commenced 1 September 2019) | 5 |
| Mr BW Ngubane (Chairperson) (Term ended 31 August 2019) | 3 |
| Mr T Ndlela | 4 |
| Ms N Mhlongo (Resigned 29 February 2020) | 2 |
| Mr S Dlongolo | 5 |
| Ms SD Ncube Dlamini | 5 |

AUDIT AND RISK COMMITTEE RESPONSIBILITY

The committee has complied with its responsibilities as set out in the Audit and Risk Committee Charter. The entity has a fully functional Internal Audit Division. The Head of Internal Audit reports functionally to the Audit and Risk Committee and administratively to the Chief Executive Officer.

THE EFFECTIVENESS OF INTERNAL CONTROL

The entity monitors the effectiveness and efficiency of its internal control over financial and risk management through its Internal Audit unit. This Internal Audit unit reports to the entity's Audit and Risk Committee and the Board in compliance with the PFMA and the National Treasury Regulations. The entity also maintains a Risk Management Process which enables corrective action to be taken timeously.

EVALUATION OF CONSOLIDATED FINANCIAL STATEMENTS

The Audit and Risk committee has:

- reviewed the Consolidated Annual Financial Statements to be included in the annual report;
- reviewed the Management Report prepared by the Auditor-General of South Africa and management's response there-to and;
- reviewed the entity's compliance with legal and regulatory provisions;

The Audit and Risk committee concurs with the audit opinion of the Auditor-General of South Africa.



Mr NF Mchunu
Chairman of the Audit & Risk Committee



ACCOUNTING AUTHORITY'S REPORT

1. REVIEW OF ACTIVITIES

The group recorded a deficit of R 91,5 million (2019: deficit of R 49,8 million).

2. GOING CONCERN

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

The ability of the entity to continue as a going concern is dependent on a number of factors. The most significant of these is that the entity continues to receive funding for on-going operations from the relevant government authority. To this end the amounts voted by legislature to conservation within the Medium Term Expenditure Framework (MTEF) are expected to be received over the next three financial years ending 31 March 2021. Strategies and plans to improve the financial position of the organisation are continually being developed, implemented and monitored.

3. SUBSEQUENT EVENTS

The entity's board was suspended after 31 March 2020, resulting in the acting Chief Executive Officer being appointed by the MEC of Economic Development, Tourism and Environmental Affairs as the accounting authority in terms of Section 49 of the Public Finance Management Act No.1 of 1999.

4. EXECUTIVE COUNCIL DECISION

RATIONALISATION OF KWAZULU-NATAL PUBLIC ENTITIES

As reported previously, the rationalisation of public entities that fall under EDTEA is being supervised by a joint committee led by EDTEA HOD, comprising EDTEA representatives and the management team. In this regard, the 'Bather Protection' function of Sharks Board is to be incorporated under Ezemvelo conservation activities. The targeted date for finalisation of this process is March 2022.

COMMERCIALISATION OF ECOTOURISM FACILITIES

As part of the previously stated initiative to change the entity's operating model and outsource a significant portion of its ecotourist facilities and services to the private sector hospitality industry, expressions of interest have been received from various organisations. The next phase shall be an assessment of the viability of the proposals received, in consultation with officials from EDTEA and Provincial Treasury.



5. ACCOUNTING AUTHORITY

For the period under review the Board members and members of the Board committees were:

| NAME | NO. OF MEETINGS ATTENDED |
|---|--------------------------|
| Board - met 11 times during the year | |
| Dr LW Mngoma (Chairperson) | 11 |
| Ms SP Lebenya (Deputy Chairperson) | 9 |
| Mr T Ndlela | 8 |
| Mr SM Mtolo | 8 |
| Mr V Mvelase | 8 |
| Inkosi BS Mthembu | 6 |
| Mr R Haswell | 7 |
| Mr I Ewing | 7 |
| Ms SD Ncube Dlamini | 8 |
| Ms T Ntshangase | 8 |
| Mr SL Ndlovu | 8 |
| Ms D Hoorzuk | 7 |
| Operations and Community Affairs Committee - met 4 times during year | |
| Mr SM Mtolo (Chairperson) | 4 |
| Inkosi BS Mthembu | 3 |
| Mr I Ewing | 4 |
| Ms D Hoorzuk | 4 |
| Mr R Haswell | 4 |
| Finance and Governance Committee - met 5 times during the year | |
| Mr T Ndlela (Chairperson) | 5 |
| Ms SD Ncube Dlamini | 5 |
| Ms T Ntshangase | 5 |
| Mr R Haswell | 4 |
| Mr S Ndlovu | 4 |
| Human Resources and Remuneration Committee - met 5 times during the year | |
| Ms T Ntshangase (Chairperson) | 5 |
| Ms SP Lebenya | 5 |
| Mr V Mvelase | 5 |
| Mr I Ewing | 3 |
| Ms D Hoorzuk | 5 |
| Commercial Services Committee - met 4 times during the year | |
| Mr V Mvelase (Chairperson) | 4 |
| Mr SM Mtolo | 4 |
| Ms SP Lebenya | 4 |
| Mr S Ndlovu | 4 |
| Inkosi BS Mthembu | 1 |



EZEMVELO ANNUAL PERFORMANCE INFORMATION REPORT (2019/20)

| OUTPUT | KPI | PRIOR YEAR ACTUAL OUTPUT VALIDATED | CURRENT YEAR | | | | CHALLENGES, COMMENTS & ACHIEVEMENTS AGAINST PLANNED OUTPUTS |
|---|---|------------------------------------|---------------------------|----------------------------|-------------------------|---|---|
| | | | PLANNED OUTPUT AS PER APP | ACTUAL OUTPUT VALIDATED | DEVIATION / % DEVIATION | COMMENTS ON DEVIATION | |
| Programme 01: Administration | | | | | | | |
| Effective, efficient and economical governance Targeted procurement improved | Audit Opinion of the Auditor General (AG) with regards to financials and compliance | Unqualified Audit | Unqualified Audit | Unqualified audit achieved | 0 | N/A | Unqualified Audit (2018/19 financial year) |
| | % of (level 1-4) BBBEE companies contracted | 57% | 60% | 44% | -16 | Supplier data base is still under review and being updated. | Maintaining the SAP supplier data base was problematic. |
| Programme 02: Monitoring and Evaluation | | | | | | | |
| Efficient, effective and delivery centred organisation | Audit Opinion of the Auditor General (AG) for performance information | Unqualified Audit Opinion | Unqualified Audit | Unqualified audit achieved | 0 | N/A | Unqualified Audit (2018/19 financial year) |
| | Number of strategic communication events with key stakeholders | - | 10 | 10 | 0 | N/A | 10 Strategic communication events undertaken |
| Programme 03: Threatened Species Management | | | | | | | |
| Threatened species management | % mortality rate for black rhino species | 1,21% | 1% | 2% | -100 | Rhino Poaching has not abated | 10 black rhino were lost against the set threshold of 5 during the reporting period |
| | % mortality rate for white rhino species | 5,37% | 2% | 5% | -100 | | 117 white rhino were lost against the set threshold of 52 during the reporting period |



| OUTPUT | KPI | PRIOR YEAR ACTUAL OUTPUT VALIDATED | CURRENT YEAR | | | | CHALLENGES, COMMENTS & ACHIEVEMENTS AGAINST PLANNED OUTPUTS |
|--|---|------------------------------------|---------------------------|-------------------------|--|---|--|
| | | | PLANNED OUTPUT AS PER APP | ACTUAL OUTPUT VALIDATED | DEVIATION / % DEVIATION | COMMENTS ON DEVIATION | |
| Programme 04: Corporate Affairs and Marketing | | | | | | | |
| Informed Stakeholders | Ratio of negative to positive reports (media) | <1 | 0.28 | 0 | N/A | N/A | For the year under review, there was a total of 356 negative media reports against 1286 positive media reports. |
| | % decrease in customer complaints | - | Nil | -100 | Deliverable was not achieved | Deliverable will be carried over to the new financial year | Baseline to be set in the new financial year. |
| | Marketing strategy | - | Nil | -100 | Focus was put on the Top 5 resorts pending the finalisation of the Commercialization process | Commercialization process finalised | The onset of the pandemic has resulted in a rethink of the marketing focus areas. |
| Programme 05: Projects and Partnerships | | | | | | | |
| Local community beneficentiation | % of donor funding awarded to local communities | - | 54% | 4 | The desired result of this indicator is to perform higher than planned. | N/A | 54% (R 34,8 million) of the funding secured was paid directly to local communities in the form of wages. |
| | No. of work opportunities created aligned to provincial poverty profile adjacent to the conservation estate | 8 380 | 8 900 | 0 | N/A | N/A | Work opportunities achieved as planned |
| Programme 06: Commercial Services | | | | | | | |
| Maximize Ezemvelo's revenue generation | % of self-generated revenue against subsidy | 36.9% | 39.2% | -9 | Accommodation revenue below budget, hence, could not achieve target. | To reduce the cost of doing business and increase the occupancy rate. | Target was not achieved because of high running costs with declining returns. Covid-19 also contributed to the last quarter targets not being met. |



| OUTPUT | KPI | PRIOR YEAR ACTUAL OUTPUT VALIDATED | CURRENT YEAR | | | | | CHALLENGES, COMMENTS & ACHIEVEMENTS AGAINST PLANNED OUTPUTS |
|--|---|------------------------------------|---------------------------|-------------------------|-------------------------|--|--|--|
| | | | PLANNED OUTPUT AS PER APP | ACTUAL OUTPUT VALIDATED | DEVIATION / % DEVIATION | COMMENTS ON DEVIATION | PLANNED INTERVENTIONS | |
| Competitive public sector work environment | Programme 07: Human Resource Management | | | | | | | |
| | % of grievances attended to within applicable timeframes (internally) | 100% | >85% | 62.5% | -23 | Only 3 grievances were not attended to within the timeframes | A communique to the head of divisions was sent in this regard to ensure 100% adherence to procedure. | Continued monitoring of the procedure to ensure compliance. |
| | % of employees who finds the workplace conducive | No Baseline Set | Set Baseline | Baseline set | 0 | N/A | N/A | Culture and Climate survey report, assessed 10 dimensions to produce the baseline. |
| Competitive public sector work environment | Programme 08: Risk Management | | | | | | | |
| | % of critical vacancies filled | - | 40% | 59% | 0 | N/A | N/A | 144 of the 244 critical vacancies were filled during the financial year. |
| | % stations compliant with regards to health and safety | 50% | 85% | 0% | -100% | The non-compliance issues identified in the 68 sites audited were LP Gas installations, asbestos, as well as certificate of compliance for electrical installations. | As health and safety at the Protected Area level is assessed as part of management effectiveness, interventions to address the health and safety issues will be actioned as part of the Annual Operational Plan. | Resource constraints will determine the priority issues that would be addressed. |



| OUTPUT | KPI | PRIOR YEAR ACTUAL OUTPUT VALIDATED | CURRENT YEAR | | | | CHALLENGES, COMMENTS & ACHIEVEMENTS AGAINST PLANNED OUTPUTS | |
|---------------------------------------|--|------------------------------------|-----------------------------|-------------------------|-------------------------|---|--|--|
| | | | PLANNED OUTPUT AS PER APP | ACTUAL OUTPUT VALIDATED | DEVIATION / % DEVIATION | COMMENTS ON DEVIATION | | PLANNED INTERVENTIONS |
| Programme 09: Operations | | | | | | | | |
| Promote biodiversity Ecotourism | % Accommodation Occupancy Rate (Unit Occupancy) | 43.9% | 45% | 38.9% | -6 | The impact of the Covid-19 pandemic felt in the last quarter contributed to the under-achievement | Ezemvelo will engage with the National and Provincial Tourism department to explore possible avenues while the country is in lockdown. | The occupancy rate was calculated on the available inventory (excluding the units that are under maintenance). |
| | Service product offering report | - | 1 | 1 | 0 | N/A | N/A | The service product offering report has been completed as planned. |
| | Total No. of visitors to Ezemvelo Parks | 701 005 | 672 000 | 740 130 | 10% | The desired result of this indicator is to perform higher than planned. | N/A | The impact of the Covid-19 pandemic impacted the last quarter figures negatively, but a better than expected summer holiday figure cushioned the overall impact. |
| Conservation legislation compliance | No. of districts managed to the minimum compliance standard | - | 7 | 9 | 29 | The desired result of this indicator is to perform higher than planned. | N/A | All 11 Districts were assessed, 9 of the 11 Districts achieved over the minimum effectiveness standard set. |
| Mitigation of threats to biodiversity | % of hectares invaded by alien species within protected area network managed | Baseline set at 11% | 1% increase (from baseline) | 48.42% | 36% | The desired result of this indicator is to perform higher than planned. | N/A | A total condensed hectares of 29 735 was cleared which is above our intended target owing to the employment of additional workers from local communities in the clearing season. |



| OUTPUT | KPI | PRIOR YEAR ACTUAL OUTPUT VALIDATED | CURRENT YEAR | | | | | CHALLENGES, COMMENTS & ACHIEVEMENTS AGAINST PLANNED OUTPUTS |
|--|--|------------------------------------|---------------------------|-------------------------|-------------------------|--|---|---|
| | | | PLANNED OUTPUT AS PER APP | ACTUAL OUTPUT VALIDATED | DEVIATION / % DEVIATION | COMMENTS ON DEVIATION | PLANNED INTERVENTIONS | |
| Mitigation of threats to biodiversity | Biodiversity legislation compliance levels in the province | 95% | >90% | 93% | 3 | The desired result of this indicator is to perform higher than planned. | N/A | Target Achieved |
| Protected area management | % of protected area network that meet the minimum management effectiveness standard (67%) | 45% | 50% | 62.37% | 12 | The desired result of this indicator is to perform higher than planned. | N/A | Due to the Covid-19 pandemic it was not possible to assess all the sites hence the weighted mean based on the sites assessed was applied to the sites not assessed. |
| Programme 10: Conservation Services | | | | | | | | |
| Mitigation of threats to biodiversity | No. of biodiversity awareness activities conducted | 10 | 8 | 8 | 0 | N/A | N/A | Target Achieved. |
| Mitigation of threats to biodiversity | % of land use transformation applications received (with-in the 2km buffer zone of Ezemvelo protected areas) commented within legislative timeframes | 67% | 70% | 38% | -32% | Resource constraints resulted in not all applications being commented on within time-frames | The resource issue was raised with the Department. | A request has been made to the Department to assist with additional resources to mitigate the risk of not addressing applications in the province. |
| Mitigation of threats to biodiversity | % of permits issued within timeframes | 90% | 98% | 92% | -6 | Delays in processing permits in the last quarter due to the Covid-19 pandemic contributed to the slight under-achievement. | An assessment will be done to understand the areas that contributed to the under-achievement. | There was a Year on Year improvement, notwithstanding the effects of Covid-19 in the last quarter. |



INDICATORS THAT WERE DROPPED DURING THE MIDTERM REVIEW PROCESS

| STRATEGIC/ MEASURABLE OBJECTIVE | KPI | PRIOR YEAR ACTUAL OUTPUT VALIDATED | CURRENT YEAR | | | | CHALLENGES, COMMENTS & ACHIEVEMENTS AGAINST PLANNED OUTPUTS | |
|---|---|---|---|-------------------------------|----------------------------|---|--|---|
| | | | PLANNED OUTPUT AS PER APP (Q2) | ACTUAL OUTPUT VALIDATED | DEVIATION / % DEVIATION | COMMENTS ON DEVIATION | | PLANNED INTER- VENTIONS |
| Programme 10: Conservation Services | | | | | | | | |
| Mitigation of threats to biodi- versity | No. of district municipalities supported on Spatial Land Use Management Act (SPLU- MA) by skilled and competent District Conservation | 11 | 11(4) | 0 | -4 as of Q2 | The development of the supporting maps and asso- ciated documen- tation has been discussed and the pilot maps generated. We will be producing the distribution prod- ucts and dissemi- nating them in the third quarter to all districts | Unlike previous years, the nature of our planned support for this financial pe- riod will see all dis- tricts being serviced at the same time. | This indicator was dropped from the Annual Performance Plan at the Mid-Term review process. |
| Mitigation of threats to biodi- versity | % of Environmental Author- izations (EAs) that have the threats to biodiversity fully mitigated | 67% | 75% (75%) | 50% | -25% | One out of two EAs received with fully mitigated bio- diversity impact | To amend the indi- cator as Ezemvelo was not in control of its achievement. | This indicator was dropped from the Annual Performance Plan at the Mid-Term review process. |



CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2020

| FIGURES IN RAND THOUSAND | NOTE(S) | EKZNW | | CONSOLIDATION | |
|---|---------|----------------|---------------------|----------------|---------------------|
| | | MARCH 2020 | RESTATED MARCH 2019 | MARCH 2020 | RESTATED MARCH 2019 |
| Assets | | | | | |
| Current Assets | | | | | |
| Inventories | 9 | 16 291 | 15 792 | 16 291 | 15 792 |
| Trade and other receivables from exchange | 10 | 15 151 | 13 257 | 15 487 | 13 593 |
| Receivables from non exchange | 11 | 13 666 | 13 594 | 13 666 | 13 594 |
| Cash and cash equivalents | 12 | 146 124 | 230 099 | 147 199 | 231 115 |
| | | 191 232 | 272 742 | 192 643 | 274 094 |
| Non-Current Assets | | | | | |
| Property, plant and equipment | 5 | 714 485 | 721 246 | 714 485 | 721 246 |
| Intangible assets | 6 | 9 309 | 2 726 | 9 309 | 2 726 |
| | | 723 794 | 723 972 | 723 794 | 723 972 |
| Total Assets | | 915 026 | 996 714 | 916 437 | 998 066 |
| Liabilities | | | | | |
| Current Liabilities | | | | | |
| Trade and other payables | 16 | 77 039 | 91 523 | 77 544 | 91 802 |
| Deferred Income | 13 | 93 528 | 75 085 | 93 528 | 75 085 |
| Provisions | 14 | 82 010 | 73 625 | 82 014 | 73 629 |
| External projects | 15 | 36 038 | 33 088 | 36 038 | 33 088 |
| | | 288 615 | 273 321 | 289 124 | 273 604 |
| Non-Current Liabilities | | | | | |
| Provisions | 14 | 61 375 | 67 022 | 61 375 | 67 022 |
| Total Liabilities | | 349 990 | 340 343 | 350 499 | 340 626 |
| Net Assets | | 565 036 | 656 371 | 565 938 | 657 440 |
| Net Assets | | | | | |
| Accumulated surplus | | 565 036 | 656 371 | 565 938 | 657 440 |



CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE AS AT 31 MARCH 2020

| FIGURES IN RAND THOUSAND | NOTE(S) | EKZMW | | CONSOLIDATION | |
|-------------------------------|---------|------------------|---------------------|------------------|---------------------|
| | | MARCH 2020 | RESTATED MARCH 2019 | MARCH 2020 | RESTATED MARCH 2019 |
| Revenue | 16 | 927 138 | 944 785 | 927 138 | 944 905 |
| Other Income | 17 | 124 791 | 150 127 | 124 850 | 150 183 |
| Total Revenue | | 1 051 929 | 1 094 912 | 1 051 988 | 1 095 088 |
| Employee costs | 19 | (808 734) | (762 350) | (808 734) | (762 350) |
| Operating expenses | 18 | (328 543) | (376 843) | (328 769) | (376 861) |
| Operating deficit | | (85 348) | (44 281) | (85 515) | (44 123) |
| Interest | | (5 987) | (5 665) | (5 987) | (5 665) |
| Deficit for the period | | (91 335) | (49 946) | (91 502) | (49 788) |



CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS AS AT 31 MARCH 2020

| FIGURES IN RAND THOUSAND | NOTE(S) | ACCUMULATED RESERVES | TOTAL NET ASSETS |
|--|---------|----------------------|------------------|
| Balance at 31 March 2017 restated | | 708 136 | 708 136 |
| Deficit for the year | | (6 455) | (6 455) |
| | | 701 682 | 701 682 |
| Prior year adjustments | | 5 547 | 5 547 |
| Balance at 31 March 2018 restated | | 707 229 | 707 229 |
| Deficit for the year | | (37 162) | (37 162) |
| Balance at 31 March 2019 | | 670 066 | 670 066 |
| Prior year adjustments | 2 | (12 626) | (12 626) |
| Balance at 31 March 2019 restated | | 657 440 | 657 440 |
| Deficit for the year | | (91 502) | (91 502) |
| Balance at 31 March 2020 | | 565 938 | 565 938 |



CONSOLIDATED CASH FLOW STATEMENT AS AT 31 MARCH 2020

| FIGURES IN RAND THOUSAND | EKZNW | | CONSOLIDATION | |
|---|------------------|------------------|------------------|------------------|
| | 2020 | 2019 | 2020 | 2019 |
| Cash flows from operating activities | | | | |
| Receipts | | | | |
| Sale of goods and services | 213 709 | 288 152 | 213 709 | 288 152 |
| Transfers | 726 902 | 727 308 | 726 902 | 727 308 |
| Interest income | 6 634 | 11 897 | 6 693 | 11 953 |
| Other receipts - Non exchange revenue | 102 219 | 75 133 | 102 219 | 75 133 |
| | 1 049 464 | 1 102 490 | 1 049 523 | 1 102 546 |
| Payments | | | | |
| Employee costs | (808 734) | (762 350) | (808 734) | (762 350) |
| Suppliers | (267 726) | (320 411) | (267 726) | (320 411) |
| Finance Costs | (5 987) | (5 665) | (5 987) | (5 665) |
| | (1 082 447) | (1 088 426) | (1 082 447) | (1 088 426) |
| Net cash flows from operating activities | (32 983) | 14 064 | (32 924) | 14 119 |
| Cash flows from investing activities | | | | |
| Purchase of property plant and equipment | (53 940) | (62 161) | (53 942) | (62 161) |
| Purchase of intangible assets | 0 | (256) | 0 | (256) |
| Disposal of property, plant and equipment | 0 | 1 553 | 0 | 1 553 |
| Net cash flows from investing activities | (53 940) | (60 864) | (53 942) | (60 864) |
| Cash flows from financing activities | | | | |
| Net change to trust funds and external projects | 2 950 | (1 475) | 2 950 | (1 475) |
| Net cash flows from financing activities | 2 950 | (1 475) | 2 950 | (1 475) |
| Net increase / (decrease) in cash and cash equivalents | (83 973) | (48 275) | (83 916) | (48 220) |
| Cash and cash equivalents at the beginning of the year | 230 099 | 278 374 | 231 115 | 279 334 |
| Cash and cash equivalents at the end of the year | 146 126 | 230 099 | 147 199 | 231 115 |



CONSOLIDATED STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS AS AT 31 MARCH 2020

| BUDGET ON CASH BASIS | | | | | | |
|---|------------------|----------------|------------------|------------------------------------|--|-----------|
| FIGURES IN R AND THOUSAND | APPROVED BUDGET | ADJUSTMENTS | FINAL BUDGET | ACTUAL AMOUNTS ON COMPARABLE BASIS | DIFFERENCE BETWEEN FINAL BUDGET AND ACTUAL | REFERENCE |
| Income | | | | | | |
| Own Revenue | 273 935 | (1 457) | 272 478 | 220 344 | (52 134) | 1 |
| Provincial Subsidy | 718 502 | 8 400 | 726 902 | 726 902 | - | |
| Non-Exchange Revenue | 55 033 | 169 549 | 224 582 | 102 218 | (122 364) | 2 |
| | 1 047 470 | 176 492 | 1 223 962 | 1 049 464 | (174 498) | |
| Expenditure | | | | | | |
| Compensation of Employees | 862 187 | (51 926) | 810 261 | 808 734 | (1 527) | 3 |
| Goods and Services | 165 157 | 119 607 | 284 764 | 267 726 | (17 038) | 4 |
| Interest and Rent on land | 782 | 126 | 908 | 5 987 | 5 079 | |
| Transfers and subsidies | 4 737 | (50) | 4 687 | 6 055 | 1 368 | |
| Assets | 14 607 | 108 735 | 123 342 | 54 415 | (68 927) | 5 |
| Total expenditure | 1 047 470 | 176 492 | 1 223 962 | 1 142 917 | (81 045) | |
| Net Surplus | - | - | - | 93 453 | 93 453 | |
| Reconciliation to net deficit per the Statement of Financial Performance | | | | | | |
| Net Surplus | | | | (93 453) | | |
| Assets acquisitions | | | | 53 940 | | |
| Depreciation | | | | (50 431) | | |
| Sundry Differences | | | | (1 391) | | |
| Deficit for the year | | | | (91 335) | | |

1. Under performance in revenue generation / tourism income mainly due to the drop in overnight guests.
2. There was a delay with some of the budgeted donations during the year
3. Underspending due to vacant posts not being filled.
4. The underspending is due to slow spending on major projects. Some of these projects are currently in the SCM process whilst others are in progress.
5. The underspending is due to slow spending on major projects. Some of these projects are currently in the SCM process whilst others are in progress.



CONSOLIDATED ACCOUNTING POLICIES AS AT 31 MARCH 2020

1. PRESENTATION OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

The Consolidated 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 Consolidated Annual Financial Statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand. All figures have been rounded to the nearest Rand Thousand.

1.1 CONSOLIDATION

BASIS OF CONSOLIDATION

The Consolidated Annual Financial Statements incorporate the Consolidated Annual Financial Statements of the controlling entity and the controlled entity.

Control exists when the controlling entity has the power to govern the financial and operating policies of another entity so as to obtain benefits from its activities. An investment in an entity is accounted for in accordance with the Standards of GRAP 104 on Financial Instruments from the date that it ceases to be a controlled entity, unless it becomes an associate or a jointly controlled entity, in which case it is accounted for as such.

The Annual Financial Statements of the controlling entity and its controlled entities used in the preparation of the Consolidated Annual Financial Statements are prepared as of the same date.

Adjustments are made when necessary to the Consolidated Annual Financial Statements of the controlled entities to bring their accounting policies in line with those of the controlling entity.

All intra-entity transactions, balances, revenues and expenses are eliminated in full on consolidation.

1.2 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

In preparing the Consolidated Annual Financial Statements, management is required to make estimates and assumptions that affect the amounts represented in the Consolidated 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 Consolidated Annual Financial Statements. Significant judgements include the following:

IMPAIRMENT OF TRADE RECEIVABLES

The entity assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, management makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

POST RETIREMENT BENEFITS

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

DEPRECIATION AND AMORTISATION

Depreciation and amortisation recognised on property, plant and equipment and intangible assets are determined with reference to the useful lives of the underlying items. The useful lives of assets are based on management's estimation of an asset's condition, expected condition at the end of the period of use, its current use, expected future use and the entity's expectations about the availability of finance to replace the asset at the end of its useful life.



CONSOLIDATED ACCOUNTING POLICIES AS AT 31 MARCH 2020

The entity reviews the useful lives of all assets on a yearly basis. Management applies judgement in determining if these remain reasonable or need to be reassessed. If reassessment is required, this change is accounted for in the current and future periods and treated as a change in estimate.

ESTIMATES

Estimates are informed by historical experience, information currently available, management, assumptions, and other factors that are believed to be reasonable under the circumstances. These estimates are reviewed on a regular basis.

Changes in estimates that are not due to errors are processed in the period of the review and applied prospectively.

1.3 BIOLOGICAL ASSETS

The entity recognises biological assets or agricultural produce when, and only when:

- the entity controls the asset as a result of past events;
- it is probable that future economic benefits or service potential associated with the asset will flow to the entity; and
- the fair value or cost of the asset can be measured reliably.

The biological assets are not recognised in the statement of financial position, as the fair value or cost of the assets cannot be measured reliably. The status and trend of Biodiversity assets in the province is monitored from a broad (ecosystem) to fine (species) levels, through a number of programmes which are both formal and informal.

1.4 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 over more than one period.

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

- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost or fair value of the item can be measured reliably.

Property, plant and equipment are 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.

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

Subsequent to initial measurement property, plant and equipment excluding land are carried at cost less accumulated depreciation and any impairment losses.

Land is carried at cost and is not depreciated.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses. Property, plant and equipment is depreciated on the straight line basis over their estimated useful lives.

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

Item Average useful life

Buildings 20 to 100 years
Furniture and fixtures 1 to 30 years
Computer equipment 1 to 20 years
Dams, Reservoirs and Boreholes 15 to 35 years

Land Indefinite

Plant and machinery 1 to 20 years
Aircraft, Vehicles and Boats 3 to 70 years
Roads 5 to 50 years
Fencing 5 to 20 years

The useful lives of assets are re-assessed on a yearly basis and adjusted where required, however the above estimated useful lives are the accepted norm and in certain instances the assets would be fully depreciated as they are at the end of their useful lives but still be in use.



CONSOLIDATED ACCOUNTING POLICIES AS AT 31 MARCH 2020

These useful lives of assets are assessed yearly. Where the requirements of GRAP 17 were correctly applied in prior periods, but expectations changed during the year, then the adjustment will result in a change in accounting estimate (i.e. an adjustment to depreciation) and not an error. However, if the requirements of GRAP 17 were not correctly applied in prior periods, the adjustment results in an error in accordance with GRAP 3.

Adjustments are not made to assets that are not significant to the organisation's operations and service delivery objectives. If the assets are significant to the organisation's operations, service delivery objectives and are material, then appropriate adjustments will be made.

1.5 INTANGIBLE ASSETS

An intangible asset is identifiable if it either:

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

An intangible asset is recognised when:

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

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

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

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

| Item | Useful life |
|--------------------------|---------------|
| Computer software, other | 3 to 15 years |

1.6 HERITAGE ASSETS

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

Recognition

The entity recognises a heritage asset as an asset when it is probable that future economic benefits or service potential associated with the asset will flow to the entity, and the cost or fair value can be measured reliably.

Where the entity holds a heritage asset, but on initial recognition, it does not meet the recognition criteria because it cannot be reliably measured, information on such a heritage asset is disclosed in the note.

1.7 FINANCIAL INSTRUMENTS

Classification

Classification depends on the purpose for which the financial instruments were obtained/incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through surplus or deficit, which shall not be classified out of the fair value through surplus or deficit category.

The entity classifies financial assets and financial liabilities into the following categories:



CONSOLIDATED ACCOUNTING POLICIES AS AT 31 MARCH 2020

Trade and other receivables

Trade receivables are measured at initial recognition, at fair value and are subsequently measured at amortised cost. Appropriate allowances for estimated irrecoverable amounts are recognised in surplus or deficit when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the amount at initial recognition.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

1.8 LEASES

Leases of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Payments received and paid under operating leases are charged to the statement of financial performance over the period of the lease.

1.9 INVENTORIES

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.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

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

Inventories are measured at the lower of cost or net realisable value.

1.10 COMMITMENTS

Items are classified as commitments where the entity commits itself to future transactions that will normally result in the outflow of resources.

Commitments are not recognised in the statement of financial position, but are included in the notes in the following cases:

- approved and contracted commitments;
- where the expenditure has been approved and the contract has been awarded at the reporting date; and
- where disclosure is required by a specific standard of GRAP.

1.11 EVENTS AFTER THE REPORTING PERIOD

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

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



CONSOLIDATED ACCOUNTING POLICIES AS AT 31 MARCH 2020

The entity shall adjust the amounts recognised in its Consolidated Financial Statements by adjusting events after the reporting date. The entity shall not adjust the amounts recognised in its Consolidated Financial Statements by non-adjusting events after the reporting date.

1.12 IMPAIRMENT OF CASH-GENERATING ASSETS

Cash-generating assets are those assets held by the entity with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

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

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

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

Useful life is either:

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

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

An impairment loss is recognised immediately in surplus or deficit.

The recoverable amount is the higher of its fair value less costs to sell and its value in use.

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

1.13 IMPAIRMENT OF NON-CASH-GENERATING ASSETS

The entity assesses at each reporting date whether there is any indication that an asset may be impaired.

If any such indication exists, the entity estimates the recoverable service amount of the asset. If there is any indication that an asset may be impaired, the recoverable service amount is estimated for the individual asset. If it is not possible to estimate the recoverable service amount of the asset, the recoverable service amount of the cash-generating unit to which the asset belongs is determined.

The recoverable service amount is the higher of a non-cash generating asset's fair value less costs to sell and its value in use. The value in use for a non-cash generating asset is the present value of the asset's remaining service potential.

If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in surplus or deficit.

1.14 EMPLOYEE BENEFITS

Short-term employee benefits

The cost of short-term employee benefits is recognised in the period in which the service is rendered and is not discounted.



CONSOLIDATED ACCOUNTING POLICIES AS AT 31 MARCH 2020

Post Employment Benefits

Defined contribution and benefit plans

Payments to defined contribution and benefit plans are charged as an expense as they fall due. Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the entity's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

Other post retirement obligations

The entity provides post-retirement health care benefits upon retirement to some retirees. The entitlement to postretirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Independent qualified actuaries carry out valuations of these obligations. The entity also provides a gratuity and housing subsidy on retirement to certain employees. An annual charge to income is made to cover both these liabilities.

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability, the entity recognises actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Interest costs per the actuarial valuations are disclosed in the statement of performance.

1.15 PROVISIONS AND CONTINGENCIES

Provisions are recognised when:

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

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

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 25.

1.16 REVENUE FROM EXCHANGE TRANSACTIONS

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners. An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the entity has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue is recognised upon delivery/receipt of the products and customer acceptance.



CONSOLIDATED ACCOUNTING POLICIES AS AT 31 MARCH 2020

Rendering of services

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

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

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed. When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Revenue is recognised upon customer acceptance.

Interest

Revenue arising from the use by others of entity assets yielding interest is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity, and
- The amount of the revenue can be measured reliably.

Interest is recognised in surplus or deficit, using the effective interest rate method.

1.17 REVENUE FROM NON-EXCHANGE TRANSACTIONS

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

Transfers

The entity recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transfers received in respect of projects to which conditions are attached, are treated as liabilities (external projects/deferred income) and subsequently recognised as revenue in the periods that expenditure has been incurred, in accordance with the project business plans.

Transferred assets are measured at their fair value as at the date of acquisition.

Permits and Fines

Permits and fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

Where the entity collects fines in the capacity of an agent, the fine will not be revenue of the collecting entity.

Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.



CONSOLIDATED ACCOUNTING POLICIES AS AT 31 MARCH 2020

1.18 COMPARATIVE FIGURES

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year. Changes in accounting policies and fundamental errors are also restated in the prior year figures.

1.19 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.

All fruitless and wasteful expenditure identified is disclosed in the notes to the Consolidated Annual Financial Statements.

1.20 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 -

- this Act; or
- the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- any provincial legislation providing for procurement procedures in that provincial government.

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

All irregular expenditure identified is disclosed in the notes to the Consolidated Annual Financial Statements.

1.21 FINANCE COSTS

Finance costs are recognised as an expense in the period in which they are incurred.

1.22 BUDGET INFORMATION

The Budget is approved on a cash basis. The approved budget covers the period from 01 April 2019 to 31 March 2020. The budget and accounting bases differ. The Consolidated Financial Statements are prepared on the accrual basis whereas the budget is prepared on the cash basis.

1.23 RELATED PARTIES

The entity operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the national sphere of government are considered to be related parties.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

1.24 VALUE ADDED TAXATION (VAT)

The Revenue Laws Amended Act, 2003 (Act No. 45 of 2003) commenced on 22 December 2003. In terms of this Act, with effect from 1 April 2005, Ezemvelo KZN Wildlife, which is listed in Schedule 3C of the Public Finance Management Act, 1999 now falls within the definition of "public authority" as defined in section 1 of the VAT Act. Ezemvelo KZN Wildlife was consequently deregistered for VAT purposes.

1.25 TAXATION

No provision has been made for taxation, as the entity is exempt from income tax in terms of Section 10(1)(cA)(i) of the Income Tax Act, 1962 (Act No. 58 of 1962).



NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2020

| FIGURES IN RAND THOUSAND | EKZMW | | CONSOLIDATION | |
|--------------------------|---------------|---------------------------|---------------|---------------------------|
| | MARCH 2020 | RESTATED MARCH 2019 | MARCH 2020 | RESTATED MARCH 2019 |

2. PRIOR PERIOD ERRORS

The comparative figures have been amended to account for the prior period errors.

Below is a description of each individual prior period error indicating the total effect of the prior period errors on the amounts previously disclosed.

Statement of financial position

Trade and other receivables

| | | | | |
|---|---|---------------|---|---------------|
| Previously stated | - | 25 577 | - | 25 913 |
| Correction of provision of impairment error | - | 650 | - | 650 |
| Correction of debtor not raised | - | 624 | - | 624 |
| Correction of accrual not reversed | - | 1 187 | - | 1 187 |
| Correction of reversal of reclassification | - | (612) | - | (612) |
| Correction of accrual not raised | - | (575) | - | (575) |
| | - | 26 851 | - | 27 187 |

Property, plant and equipment (PPE)

| | | | | |
|----------------------------------|---|----------------|---|----------------|
| Previously stated | - | 732 506 | - | 732 506 |
| Correction of WIP Error | - | (9 524) | - | (9 524) |
| Correction of depreciation error | - | (1 735) | - | (1 735) |
| | - | 721 247 | - | 721 247 |

Trade Payables

| | | | | |
|--|---|---------------|---|---------------|
| Previously stated | - | 92 559 | - | 92 838 |
| Correction of accrual not raised | - | 613 | - | 613 |
| Correction of accrual not raised | - | 1 049 | - | 1 049 |
| Correction - Supplier error | - | (994) | - | (994) |
| Correction of reversal of reclassification | - | (612) | - | (612) |
| Correction of accrual not reversed | - | (1 091) | - | (1 091) |
| | - | 91 524 | - | 91 803 |

Deferred Income

| | | | | |
|-------------------------------------|---|---------------|---|---------------|
| Previously stated | - | 71 409 | - | 71 409 |
| Correction of Deferred income error | - | 3 676 | - | 3 676 |
| | - | 75 085 | - | 75 085 |



NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2020

| FIGURES IN RAND THOUSAND | EKZNW | | CONSOLIDATION | |
|--|------------|---------------------|---------------|---------------------|
| | MARCH 2020 | RESTATED MARCH 2019 | MARCH 2020 | RESTATED MARCH 2019 |
| Accumulated surplus | | | | |
| Previously stated | - | 668 997 | - | 670 066 |
| Operating expenses - Correction of accrual not raised | - | (1 662) | - | (1 662) |
| Other Income - Correction of provision of impairment error | - | 650 | - | 650 |
| Other Income - Correction of Deferred income error | - | (3 676) | - | (3 676) |
| Other Income - Correction of debtor not raised | - | 252 | - | 252 |
| Operating expenses - Correction of debtor not raised | - | 373 | - | 373 |
| Operating Expenses - Supplier error | - | 994 | - | 994 |
| Operating Expenses - Reclassification of Post Employment Medical Aid | - | 1 915 | - | 1 915 |
| Other Income - Reclassification of Post Employment Medical Aid | - | 4 591 | - | 4 591 |
| Operating Expenses - Reclassification of Post Employment Medical Aid | - | (841) | - | (841) |
| Finance costs - Reclassification of Post Employment Medical Aid | - | (5 665) | - | (5 665) |
| Operating expenses - Correction of WIP error | - | (9 525) | - | (9 525) |
| Operating expenses - Correction of accrual not reversed | - | 1 187 | - | 1 187 |
| Operating expenses - Correction of accrual not raised | - | (575) | - | (575) |
| Operating expenses - Correction of accrual not reversed | - | 1 091 | - | 1 091 |
| Operating expenses - Correction of depreciation error | - | (1 735) | - | (1 735) |
| | - | 656 371 | - | 657 440 |

Statement of Financial Performance

Other Income

| | | | | |
|---|---|----------------|---|----------------|
| Previously stated | - | 148 309 | - | 148 365 |
| Reclassification of Post Employment Medical aid | - | 4 591 | - | 4 591 |
| Correction of Deferred income error | - | (3 675) | - | (3 675) |
| Correction of debtor not raised | - | 252 | - | 252 |
| Correction of provision of impairment error | - | 650 | - | 650 |
| | - | 150 127 | - | 150 183 |

Operating Expenses

| | | | | |
|---|---|----------------|---|----------------|
| Previously stated | - | 365 058 | - | 365 076 |
| Correction of accrual not raised | - | 1 663 | - | 1 663 |
| Correction of debtor not raised | - | (372) | - | (372) |
| Correction - Supplier error | - | (994) | - | (994) |
| Reclassification of Post Employment Medical aid | - | 841 | - | 841 |
| Correction of WIP error | - | 9 524 | - | 9 524 |
| Correction of accrual not reversed | - | (1 187) | - | (1 187) |
| Correction of accrual not raised | - | 575 | - | 575 |
| Correction of depreciation error | - | 1 735 | - | 1 735 |
| | - | 376 843 | - | 376 861 |



NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2020

| FIGURES IN RAND THOUSAND | EKZNW | | CONSOLIDATION | |
|--------------------------|------------|---------------------|---------------|---------------------|
| | MARCH 2020 | RESTATED MARCH 2019 | MARCH 2020 | RESTATED MARCH 2019 |

Employee Costs

| | | | | |
|---|---|----------------|---|----------------|
| Previously stated | - | 765 356 | - | 765 356 |
| Reclassification of Post Employment Medical aid | - | (1 915) | - | (1 915) |
| Correction of accrual not raised | - | (1 091) | - | (1 091) |
| | - | 762 350 | - | 762 350 |

Finance Costs

| | | | | |
|--------------------------|---|--------------|---|--------------|
| Reclassification of PEMA | - | 5 665 | - | 5 665 |
| | - | 5 665 | - | 5 665 |

Notes to Consolidated Financial Statements

| OTHER INCOME | RESTATED 2019 | 2019 | DIFFERENCE |
|-----------------|----------------|----------------|--------------|
| Other Revenue | 10 106 | 9 456 | 650 |
| Gains valuation | 4 591 | - | 4 591 |
| Interest Income | 11 897 | 11 645 | 252 |
| Funder Revenue | 82 348 | 86 023 | (3 675) |
| | 108 942 | 107 124 | 1 818 |

Non-exchange expenditure was split by nature of expense resulting in a change to the prior year audited figures for operating expenses and employee costs.

| OPERATING EXPENSES | RESTATED 2019 | 2019 | DIFFERENCE |
|---------------------------------------|----------------|----------------|---------------|
| Administration and Management fees | 1 592 | 751 | 841 |
| Depreciation | 72 891 | 71 156 | 1 735 |
| Insurance | 9 464 | 8 850 | 614 |
| Sewerage and waste disposal | 145 | 307 | -162 |
| Electricity | 25 107 | 25 479 | -372 |
| Water | 1 215 | 2 048 | -833 |
| Consulting and Professional Fees | 18 555 | 17 506 | 1 049 |
| Travel | 3 153 | 4 340 | -1 187 |
| Community payments and other expenses | 4 186 | 3 611 | 575 |
| Loss on Disposal of assets | 11 694 | 2 169 | 9 525 |
| | 148 002 | 136 217 | 11 785 |

| EMPLOYEE COSTS | RESTATED 2019 | 2019 | DIFFERENCE |
|-------------------------------------|----------------|----------------|----------------|
| Medical aid - company contributions | 49 131 | 51 046 | (1 915) |
| Post retirement contributions | 66 205 | 67 296 | (1 091) |
| | 115 336 | 118 342 | (3 006) |

| FINANCE COSTS | RESTATED 2019 | 2019 | DIFFERENCE |
|---------------|---------------|----------|--------------|
| Interest | 5 665 | - | 5 665 |
| | 5 665 | - | 5 665 |



NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2020

Cash Flow

Cash Flow from operating activities

| RECEIPTS | RESTATED 2019 | 2019 | DIFFERENCE |
|---------------------------------------|------------------|----------------|------------|
| Sale of Goods and Services | 288 152 | 287 455 | 697 |
| Interest income | 11 987 | 11 645 | 342 |
| Other receipts - Non-exchange revenue | 75 133 | 75 538 | (405) |
| | 375 272 | 374 638 | 634 |

| PAYMENTS | RESTATED 2019 | 2019 | DIFFERENCE |
|----------------|------------------|------------------|-------------|
| Employee Costs | 762 350 | 765 356 | (3 006) |
| Suppliers | 320 409 | 323 095 | (2 686) |
| Finance costs | 5 665 | - | 5 665 |
| | 1 088 424 | 1 088 451 | (27) |

| CASH FLOWS FROM INVESTING ACTIVITIES | RESTATED 2019 | 2019 | DIFFERENCE |
|---|------------------|-------|------------|
| Disposal of property, plant and equipment | 1 553 | 2 122 | (569) |

3. NEW STANDARDS AND INTERPRETATIONS

3.1 STANDARDS AND INTERPRETATIONS ISSUED, BUT NOT YET EFFECTIVE

| STANDARD/ INTERPRETATION | EXPECTED IMPACT | EFFECTIVE DATE |
|---|---|------------------|
| GRAP 34 - Separate Consolidated Financial Statements | The impact on the financial results and disclosure is considered to be minimal when the Standard is adopted | 1 April 2020 |
| GRAP 35 - Consolidated Financial Statements | The impact on the financial results and disclosure is considered to be minimal when the Standard is adopted | 1 April 2020 |
| GRAP 36 - Investments in Associates and Joint Ventures | The impact on the financial results and disclosure is considered to be minimal when the Standard is adopted | 1 April 2020 |
| GRAP 37 - Joint Arrangements | The impact on the financial results and disclosure is considered to be minimal when the Standard is adopted | 1 April 2020 |
| GRAP 38 - Disclosure of Interests in Other Entities | The impact on the financial results and disclosure is considered to be minimal when the Standard is adopted | 1 April 2020 |
| GRAP 110 - Living and Non-living Resources | The impact on the financial results and disclosure is considered to be minimal when the Standard is adopted | 1 April 2020 |
| GRAP 104 - Financial instruments (Revised April 2019) | The impact on the financial results and disclosure is considered to be minimal when the Standard is adopted | To be determined |
| IGRAP 1 Applying the probability test on initial recognition revenue (amendments) | The impact on the financial results and disclosure is considered to be minimal when the Standard is adopted | 1 April 2020 |
| IGRAP 20 - Accounting for adjustments to revenue | The impact on the financial results and disclosure is considered to be minimal when the Standard is adopted | 1 April 2020 |
| Guideline The application of materiality to financial statements | The impact on the financial results and disclosure is considered to be minimal when the Standard is adopted | Voluntary* |



NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2020

4. BIOLOGICAL ASSETS

Fauna and Flora

The biological assets of the entity comprise a wide range of species of fauna and flora. These species are managed at a population level for conservation purposes and their removal, and subsequent disposal, is for ecological or species meta population management objectives rather than for a profit.

It is intrinsically challenging to determine the exact numbers of species of the various fauna and flora as we do not exercise direct physical control over their movements or behaviour. These species are subject to natural ecological processes such as drought or predation, which we have no control over. They are managed through various ecosystem and species level monitoring programmes which aim to monitor trends rather than specific numbers.

Therefore, for both fauna and flora, the estimation of the species numbers, as well as their values, cannot be reliably measured, and consequently we have not disclosed this information in the statement of financial position.



NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2020

5. PROPERTY, PLANT AND EQUIPMENT

| | MARCH 2020 | | MARCH 2019 | | | |
|--------------------------------|------------------|---|----------------|------------------|---|----------------|
| | COST / VALUATION | ACCUMULATED DEPRECIATION & ACCUMULATED IMPAIRMENT | CARRYING VALUE | COST / VALUATION | ACCUMULATED DEPRECIATION & ACCUMULATED IMPAIRMENT | CARRYING VALUE |
| Land | 6 365 | - | 6 365 | 6 365 | - | 6 365 |
| Buildings and Structures | 1 184 767 | (803 426) | 381 341 | 1 166 292 | (787 159) | 379 133 |
| Plant and machinery | 18 369 | (14 258) | 4 111 | 16 957 | (14 057) | 2 900 |
| Furniture, Tools and Equipment | 134 761 | (97 703) | 37 058 | 125 288 | (84 760) | 40 528 |
| Aircraft, Vehicles and boats | 185 728 | (125 854) | 59 874 | 184 182 | (117 162) | 67 020 |
| Computer Equipment | 28 148 | (21 841) | 6 307 | 26 513 | (19 569) | 6 944 |
| Roads | 247 133 | (115 419) | 131 714 | 221 066 | (105 555) | 115 511 |
| Dams, Reservoirs and Boreholes | 8 657 | (4 797) | 3 860 | 8 260 | (5 890) | 2 370 |
| Fencing | 104 268 | (32 498) | 71 770 | 91 346 | (28 031) | 63 315 |
| Work in progress | 12 085 | - | 12 085 | 37 160 | - | 37 160 |
| Total | 1 930 281 | (1 215 796) | 714 485 | 1 883 429 | (1 162 183) | 721 246 |

Reconciliation of property, plant and equipment - March 2020

| | OPENING BALANCE | ADDITIONS | DISPOSALS | TRANSFERS | WRITE UP - DEPRECIATION | DEPRECIATION | ACCUMULATED DEPRECIATION ON DISPOSALS | CLOSING BALANCE |
|------------------------------------|-----------------|---------------|----------------|-----------|-------------------------|-----------------|---------------------------------------|-----------------|
| Land | 6 365 | - | - | - | - | - | - | 6 365 |
| Buildings and Structures | 379 133 | 8 704 | (49) | 9 820 | - | (16 296) | 29 | 381 341 |
| Plant and Machinery | 2 900 | 1 562 | (150) | - | 2 079 | (2 416) | 136 | 4 111 |
| Furniture, Tools and Equipment | 40 528 | 10 055 | (803) | 222 | 4 467 | (18 121) | 710 | 37 058 |
| Aircraft, Motor Vehicles and Boats | 67 020 | 1 877 | (331) | - | 20 751 | (29 687) | 244 | 59 874 |
| Computer Equipment | 6 944 | 1 746 | (150) | 39 | 3 114 | (5 507) | 121 | 6 307 |
| Roads | 115 511 | 10 050 | - | 16 017 | 227 | (10 091) | - | 131 714 |
| Dams, Reservoirs and Boreholes | 2 370 | 397 | - | - | 1 592 | (499) | - | 3 860 |
| Fencing | 63 315 | 9 803 | (2 807) | 5 926 | 585 | (7 211) | 2 159 | 71 770 |
| Work in progress | 37 160 | 9 746 | (2 797) | (32 024) | - | - | - | 12 085 |
| Total | 721 246 | 53 940 | (7 087) | - | 32 815 | (89 828) | 3 399 | 714 485 |



NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2020



| | OPENING BALANCE | ADDITIONS | DISPOSALS | TRANSFERS | WRITE UP - DEPRECIATION | DEPRECIATION | ACCUMULATED DEPRECIATION ON DISPOSALS | CLOSING BALANCE |
|------------------------------------|-----------------|---------------|-----------------|-----------|-------------------------|-----------------|---------------------------------------|-----------------|
| Land | 6 365 | - | - | - | - | - | - | 6 365 |
| Buildings and Structures | 388 594 | 5 812 | (830) | 975 | - | (16 109) | 691 | 379 133 |
| Plant and Machinery | 5 722 | - | (99) | - | - | (2 801) | 78 | 2 900 |
| Furniture, Tools and Equipment | 47 730 | 7 058 | (1 409) | 645 | 1 849 | (16 614) | 1 269 | 40 528 |
| Aircraft, Motor Vehicles and Boats | 73 103 | 14 004 | (3 342) | - | 6 414 | (25 306) | 2 147 | 67 020 |
| Computer Equipment | 8 290 | 1 719 | (122) | - | 2 276 | (5 322) | 103 | 6 944 |
| Roads | 123 485 | 10 | - | - | - | (7 984) | - | 115 511 |
| Dams, Reservoirs and Boreholes | 2 871 | 186 | (3) | - | - | (685) | 1 | 2 370 |
| Fencing | 68 935 | 9 | - | 178 | - | (5 807) | - | 63 315 |
| Work in progress | 15 140 | 33 363 | (9 545) | (1 798) | - | - | - | 37 160 |
| Total | 740 235 | 62 161 | (15 350) | - | 10 539 | (80 628) | 4 289 | 721 246 |
| WIP BREAKDOWN | | | | | | | | |
| Buildings and structures | | | | | | 14 506 | 30 168 | 11 589 |
| Dams, Reservoirs and Boreholes | | | | | | 446 | 496 | 496 |
| Fencing | | | | | | 188 | 6 248 | - |
| Roads | | | | | | - | 248 | - |
| | | | | | | 15 140 | 37 160 | 12 085 |

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2020

| FIGURES IN RAND THOUSAND | EKZNW | | CONSOLIDATION | |
|--------------------------|------------|---------------------|---------------|---------------------|
| | MARCH 2020 | RESTATED MARCH 2019 | MARCH 2020 | RESTATED MARCH 2019 |

Repairs and Maintenance by Asset class

| | | | | |
|------------------------------------|---------------|---------------|---------------|---------------|
| Aircraft, Motor Vehicles and Boats | 9 570 | 7 953 | 9 570 | 7 953 |
| Buildings and Structures | 20 456 | 18 925 | 20 456 | 18 925 |
| Furniture, Tools and Equipment | 1 692 | 2 010 | 1 692 | 2 010 |
| Computer Equipment | 153 | 93 | 153 | 93 |
| Dams, Reservoirs and Boreholes | 348 | 458 | 348 | 458 |
| Fencing | 829 | 683 | 829 | 683 |
| Plant and Machinery | 304 | 156 | 304 | 156 |
| Roads | 1 357 | 372 | 1 357 | 372 |
| | 34 709 | 30 650 | 34 709 | 30 650 |

6. INTANGIBLE ASSETS

| | MARCH 2020 | | | MARCH 2019 | | |
|--|------------------|---|----------------|------------------|---|----------------|
| | COST / VALUATION | ACCUMULATED AMORTISATION AND ACCUMULATED IMPAIRMENT | CARRYING VALUE | COST / VALUATION | ACCUMULATED AMORTISATION AND ACCUMULATED IMPAIRMENT | CARRYING VALUE |

| | | | | | | |
|-------------------|--------|----------|-------|--------|----------|-------|
| Computer software | 21 334 | (12 025) | 9 309 | 21 334 | (18 608) | 2 726 |
|-------------------|--------|----------|-------|--------|----------|-------|

Reconciliation of intangible assets - March 2020

| | OPENING BALANCE | WRITE-UP AMORTISATION | AMORTISATION | CLOSING BALANCE |
|--|-----------------|-----------------------|--------------|-----------------|
|--|-----------------|-----------------------|--------------|-----------------|

| | | | | |
|-------------------|-------|-------|---------|-------|
| Computer software | 2 726 | 8 748 | (2 165) | 9 309 |
|-------------------|-------|-------|---------|-------|

Reconciliation of intangible assets - March 2019

| | OPENING BALANCE | ADDITIONS | DISPOSALS | AMORTISATION | TRANSFER - DEPRECIATION | CLOSING BALANCE |
|--|-----------------|-----------|-----------|--------------|-------------------------|-----------------|
|--|-----------------|-----------|-----------|--------------|-------------------------|-----------------|

| | | | | | | |
|-------------------|-------|-----|---------|---------|-------|-------|
| Computer software | 5 858 | 256 | (1 622) | (2 802) | 1 036 | 2 726 |
|-------------------|-------|-----|---------|---------|-------|-------|



NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2020

7. HERITAGE ASSETS

EKZNW is the management authority of the Ukhahlamba/Drakensberg Park World Heritage Site (UDPWHS) in terms of section 8 of the World Heritage Convention Act 49 of 1999 on behalf of the National Department of Environmental Affairs.

The 242 814 hectares UDPWHS is considered a Heritage Site due to the area's unique richness of the biological diversity, its endemic and endangered species, its natural beauty and its masterpieces of Bushman rock paintings.

- The rock art of the Ukhahlamba/Drakensberg is the largest and most concentrated group of rock paintings in Africa, south of the Sahara, and is outstanding both in quality and diversity of subject.
- The San people lived in the mountainous Ukhahlamba/Drakensberg area for more than four millennia, leaving behind them a corpus of outstanding rock art which throws much light on their way of life and their beliefs.
- The site has exceptional natural beauty with soaring basaltic buttresses, incisive dramatic cutbacks and golden sandstone ramparts. Rolling high altitude grasslands, the pristine steep-sided river valleys and rocky gorges also contribute to the beauty of the site. The site's diversity of habitats protects a high level of endemic and globally threatened species, especially of birds and plants.

Due to the nature of the above we could not establish a fair value/ deemed cost nor a replacement cost for these heritage assets acquired as the management authority.

8. EMPLOYEE BENEFIT OBLIGATIONS

Defined contribution plan

It is the policy of the entity to provide retirement benefits to all its employees. At 31 March 2020, there were 1893 (2019: 1985) employees on the Ezemvelo KZN Wildlife Provident Fund. Under this scheme, the entity is under no obligation to cover any unfunded benefits.

Defined benefit plan

In addition to the defined contribution plan, the entity has two defined benefit plans that are governed by the Pension Funds Act, 1956 (Act no. 24 of 1956). At 31 March 2020, there were 187 (2019: 199) employees on the Government Employee Pension Fund and 52 (2019: 59) employees on the Natal Parks Board Pension and Gratuity Pension Scheme.

Natal Parks Board Pension and Gratuity Pension Scheme

The Natal Parks Board Pension and Gratuity Pension Scheme, which is administered by Old Mutual, is a fully funded defined benefit plan governed by the Pension Funds Act. Only employees of the former Natal Parks Board belong to this scheme.

The latest available actuarial valuation of this scheme was at 30 June 2019. In the opinion of the actuary, the fund is in a sound financial position. The actuary reassessed the valuation to take account of changes which were likely to occur subsequent to 30 June 2019. Any shortfalls in benefit plans are the responsibility of the entity.

As at 30 June 2019 the actuarial value of the assets is equal to the value of the liabilities after allowing for the solvency reserve.

The most significant actuarial assumptions (performed using the Attained Age method) of the most recent valuation were:

- (a) A long-term inflation rate of 5% per annum has been assumed.
- (b) Long term interest rate of 9% per annum and a 7.5% per annum for solvency.
- (c) Long term salary increase assumption of 6% per annum.
- (d) Promotional salary increases are assumed to take place in accordance with rates set out in Annexure IV of the valuation.
- (e) Interest rate used to value the pension payable at retirement was set at 5.5% per annum. The difference between this rate and the investment return actually earned (assumed to be 9% per annum), represents a provision for pension increases in terms of the pension increase policy.
- (f) Withdrawals are assumed to take place in accordance with rates set out in Annexure IV of the valuation.



NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2020

- (g) Deaths before retirement are assumed to take place in accordance with rates set out in the Annexure IV of the valuation.
- (h) Deaths after retirement are assumed to take place in accordance with rates based on PA(90) males and females and adjusted based on actual experience of Old Mutual Annuity Portfolio.
- (i) All members will retire when attaining the normal retirement age and members over the retirement age are deemed to have retired on the valuation date.
- (j) All members will be married at retirement with husbands being 5 years older than wives.
- (k) A discount rate of 3% per annum has been used to quantify the value of deferred pension for the purposes of calculating the statutory minimum benefit.
- (l) All members will commute 1/3rd of their pensions.

| FIGURES IN RAND THOUSAND | EKZMW | | CONSOLIDATION | |
|--------------------------|------------|---------------------|---------------|---------------------|
| | MARCH 2020 | RESTATED MARCH 2019 | MARCH 2020 | RESTATED MARCH 2019 |

Assets

| | | | | |
|---|----------------|----------------|----------------|----------------|
| Expected return on plan assets - Market value of assets | 644 231 | 654 511 | 644 231 | 654 511 |
| Assets distributed on settlements - reserve account | - | - | - | - |
| | 644 231 | 654 511 | 644 231 | 654 511 |

Member Liabilities and contingencies reserve

| | | | | |
|--|----------------|----------------|----------------|----------------|
| Current service cost - past service liabilities in respect of active members | 122 039 | 139 149 | 122 039 | 139 149 |
| Past service cost - Pensioner liabilities | 514 776 | 504 012 | 514 776 | 504 012 |
| Contingency reserves | 7 416 | 10 988 | 7 416 | 10 988 |
| | 644 231 | 654 149 | 644 231 | 654 149 |

Government Employee Pension Fund

Former employees of the KwaZulu-Natal Directorate of Nature Conservation are members of the Government Employee Pension Fund governed by the Pension Funds Act 1956 (Act no.24 of 1956). This multi-employee state fund is a defined benefit plan. According to the actuarial valuation at 31 March 2018, the fund was 108.3% funded. The employer continues to allow employees on this fund to migrate to the Ezemvelo KZN Wildlife Provident Fund. This does not pose any financial risk to the organisation.

Post retirement medical aid plan

The Board commissioned an independent valuation, based on actuarial valuation principles, of the post retirement medical aid obligation. Actuarial valuations are conducted every three years. A valuation conducted by actuaries (Old Mutual Actuaries) in March 2020 reflected an estimated obligation of R 61 million as at 31 March 2020. This unfunded liability is being recognised as an expense over three years.

Post Retirement Medical Liability

| | | | | |
|--------------------------|---------------|---------------|---------------|---------------|
| Baseline opening balance | 67 022 | 65 107 | 67 022 | 65 107 |
| Interest Cost | 5 987 | 5 665 | 5 987 | 5 665 |
| Current Service Cost | 824 | 841 | 824 | 841 |
| Actuarial gain | (8 243) | - | (8 243) | - |
| Benefit Payment | (4 215) | (4 591) | (4 215) | (4 591) |
| | 61 375 | 67 022 | 61 375 | 67 022 |



NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2020

| FIGURES IN RAND THOUSAND | EKZNW | | CONSOLIDATION | |
|--------------------------|------------|---------------------|---------------|---------------------|
| | MARCH 2020 | RESTATED MARCH 2019 | MARCH 2020 | RESTATED MARCH 2019 |

The most significant actuarial assumptions are detailed in the table below:

Assumptions

| | | | | |
|--|--|--|--|--|
| (a) Discount rate | 11.4% | 8.9% | 11.4% | 8.9% |
| (b) Medical inflation | 8.6% | 7.8% | 8.6% | 7.8% |
| (c) Retirement age | 60 | 60 | 60 | 60 |
| (d) Proportion continuing membership at retirement | 100% | 100% | 100% | 100% |
| (e) Proportion of retiring members who are married | 90% | 90% | 90% | 90% |
| (f) Age of spouse | 3 years older than wives | 3 years older than wives | 3 years older than wives | 3 years older than wives |
| (g) Mortality of in-service members | In accordance with SA 85-90 (Light) ultimate table | In accordance with SA 85-90 (Light) ultimate table | In accordance with SA 85-90 (Light) ultimate table | In accordance with SA 85-90 (Light) ultimate table |
| (h) Mortality of continuation members | In accordance with PA (90) ultimate male and female tables | In accordance with PA (90) ultimate male and female tables | In accordance with PA (90) ultimate male and female tables | In accordance with PA (90) ultimate male and female tables |
| (i) Annual rate of withdrawal owing to resignation before retirement | According to scales below | According to scales below | According to scales below | According to scales below |

| ANNUAL RATE OF WITHDRAWAL - FROM AGE | MALE | FEMALE | MALE | FEMALE |
|--------------------------------------|------|--------|------|--------|
| 20 | 16% | 24% | 16% | 24% |
| 25 | 12% | 18% | 12% | 18% |
| 30 | 10% | 15% | 10% | 15% |
| 35 | 8% | 10% | 8% | 10% |
| 40 | 6% | 6% | 6% | 6% |
| 45 | 4% | 4% | 4% | 4% |
| 50 | 2% | 2% | 2% | 2% |
| 55+ | 0% | 0% | 0% | 0% |

A discount rate of 11.4% per year has been used to place a present value on future benefit payments. This is consistent with the GRAP 25 requirement that the discount rate used should be the long term government bond yield. The rate of 11.07% is the gross redemption yield on the R186 government bond as at 23 March 2020.

An expected long term rate of increase to the medical aid subsidy of 8.6% per year has been used to value the liabilities. The medical inflation assumption has been set as follows: The base inflation rate CPI has been set as the difference in the yields on the R186 and the inflation-linked R197 bond after deducting an inflation risk premium of 0.5%. In addition to this, a medical inflation premium of 1.0% has been added to obtain the medical inflation rate of 8.6%. This medical inflation premium makes allowance for affordability in the environment of lower real returns anticipated by the market.

It was assumed that employees will not have child dependants at retirement.

No mortality experience investigation for Ezemvelo KZN Wildlife has been conducted as the size of the membership is insufficient to justify such an investigation.

Sensitivity Analysis

The results are dependent on the assumptions used. The table below shows how the past service cost as at 31 March 2019 would be impacted by changes to these assumptions.



NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2020

| FIGURES IN RAND THOUSAND | EKZNW | | CONSOLIDATION | |
|--------------------------|------------|---------------------|---------------|---------------------|
| | MARCH 2020 | RESTATED MARCH 2019 | MARCH 2020 | RESTATED MARCH 2019 |

| IN-SERVICE AND CONTINUATION MEMBERS | ACCRUED SERVICE LIABILITIES AS AT 31.3.2020 (R MILLION) | % INCREASE | ACCRUED SERVICE LIABILITIES AS AT 31.3.2020 (R MILLION) | % INCREASE |
|-------------------------------------|---|------------|---|------------|
|-------------------------------------|---|------------|---|------------|

| | | | | |
|--|--------|-----|--------|-----|
| Assumptions as above | 61 375 | - | 61 375 | - |
| Discount rate - increases by 1% p.a. | 56 120 | (9) | 56 120 | (9) |
| Discount rate - reduces by 1% p.a. | 67 575 | 10 | 67 575 | 10 |
| Medical Inflation - increases by 1% p.a. | 67 561 | 10 | 67 561 | 10 |
| Medical Inflation - reduces by 1% p.a. | 56 054 | (9) | 56 054 | (9) |
| Retirement age - 60 | 68 098 | 11 | 68 098 | 11 |

The tables below show how the current service cost and interest cost for the year to 31 March 2021 would be impacted by changes to the assumptions:

| IN-SERVICE MEMBERS | CURRENT SERVICE COST 1.4.2020 - 31.3.2021 (R MILLION) | % INCREASE | CURRENT SERVICE COST 1.4.2020 - 31.3.2021 (R MILLION) | % INCREASE |
|--------------------|---|------------|---|------------|
|--------------------|---|------------|---|------------|

| | | | | |
|--|-------|------|-------|------|
| Assumptions as above | 0 545 | - | 0 545 | - |
| Discount rate - increases by 1% p.a. | 0 469 | (14) | 0 469 | (14) |
| Discount rate - reduces by 1% p.a. | 0 638 | 17 | 0 638 | 17 |
| Medical Inflation - increases by 1% p.a. | 0 644 | 18 | 0 644 | 18 |
| Medical Inflation - reduces by 1% p.a. | 0 463 | (15) | 0 463 | (15) |
| Retirement age - 60 | 0 494 | (9) | 0 494 | (9) |

| IN-SERVICE AND CONTINUATION MEMBERS | INTER-EST COST 1.4.2020 - 31.3.2021 (R MILLION) | % INCREASE | INTER-EST COST 1.4.2020 - 31.3.2021 (R MILLION) | % INCREASE |
|-------------------------------------|---|------------|---|------------|
|-------------------------------------|---|------------|---|------------|

| | | | | |
|--|-------|-----|-------|-----|
| Assumptions as above | 6 717 | - | 6 717 | - |
| Discount rate - increases by 1% p.a. | 6 654 | (1) | 6 654 | (1) |
| Discount rate - reduces by 1% p.a. | 6 772 | 1 | 6 772 | 1 |
| Medical Inflation - increases by 1% p.a. | 7 421 | 10 | 7 421 | 10 |
| Medical Inflation - reduces by 1% p.a. | 6 110 | (9) | 6 110 | (9) |
| Retirement age - 60 | 7 453 | 11 | 7 453 | 11 |



NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2020

| FIGURES IN RAND THOUSAND | EKZMW | | CONSOLIDATION | |
|--------------------------|------------|---------------------|---------------|---------------------|
| | MARCH 2020 | RESTATED MARCH 2019 | MARCH 2020 | RESTATED MARCH 2019 |

9. INVENTORIES

| | | | | |
|-------------------------------|---------------|---------------|---------------|---------------|
| Consumable stores | 7 167 | 6 436 | 7 167 | 6 436 |
| Other goods held for resale | 5 371 | 5 500 | 5 371 | 5 500 |
| Fuel (Diesel, Petrol and Gas) | 3 753 | 3 856 | 3 753 | 3 856 |
| | 16 291 | 15 792 | 16 291 | 15 792 |

| | | | | |
|--------------|--|--|-------|-----|
| Stock Losses | | | 1 317 | 789 |
|--------------|--|--|-------|-----|

10. TRADE AND OTHER RECEIVABLES

| | | | | |
|--|---------------|---------------|---------------|---------------|
| Trade receivables from exchange transactions | 11 948 | 10 380 | 11 948 | 10 380 |
| Deposits | 3 981 | 3 536 | 3 981 | 3 536 |
| Prepayments | 112 | 110 | 112 | 110 |
| Other receivables | | 17 | 336 | 353 |
| Less: Provision for impairment | (890) | (786) | (890) | (786) |
| | 15 151 | 13 257 | 15 487 | 13 593 |

Fair value of Trade and other receivables

Trade and other receivables have not been discounted in order to split the interest and capital portion as at the end of the current year. An adequate provision has been made for all the doubtful debts which reduced the relevant amount.

Ageing of trade receivables from exchange transactions

| | | | | |
|------------|---------------|---------------|---------------|---------------|
| Current | 8 554 | 6 587 | 8 554 | 6 587 |
| 30 days | 563 | 762 | 563 | 762 |
| 60 days | 333 | 281 | 333 | 281 |
| 90 days | 296 | 219 | 296 | 219 |
| 120 days | 38 | 269 | 38 | 269 |
| + 120 days | 2 164 | 2 262 | 2 164 | 2 262 |
| | 11 948 | 10 380 | 11 948 | 10 380 |

Reconciliation of provision for impairment of trade and other receivables

| | | | | |
|--------------------------|------------|------------|------------|------------|
| Opening balance | 786 | 1,435 | 786 | 1 435 |
| Recovery of impairment | - | (649) | - | (649) |
| Provision for impairment | 104 | - | 104 | - |
| | 890 | 786 | 890 | 786 |

The creation and release of provision for impaired receivables have been included in operating expenses in the statement of financial performance.



NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2020

| FIGURES IN RAND THOUSAND | EKZNW | | CONSOLIDATION | |
|--------------------------|------------|---------------------|---------------|---------------------|
| | MARCH 2020 | RESTATED MARCH 2019 | MARCH 2020 | RESTATED MARCH 2019 |

11. RECEIVABLES FROM NON-EXCHANGE

| | | | | |
|--|---------------|---------------|---------------|---------------|
| Receivables from non-exchange transactions | 15 342 | 15 270 | 15 342 | 15 270 |
| Less: Provision for impairment | (1 676) | (1 676) | (1 676) | (1 676) |
| | 13 666 | 13 594 | 13 666 | 13 594 |

Reconciliation of provision for impairment of trade and other receivables

| | | | | |
|---------|-------|-------|-------|-------|
| Balance | 1 676 | 1 676 | 1 676 | 1 676 |
|---------|-------|-------|-------|-------|

12. CASH AND CASH EQUIVALENTS

| | | | | |
|---------------------------------|----------------|----------------|----------------|----------------|
| Cash on hand | 1 148 | 1 036 | 1 269 | 1 157 |
| Bank balances | 87 782 | 61 047 | 87 782 | 61 047 |
| Short-term investments | 57 033 | 167 665 | 57 987 | 168 560 |
| Other cash and cash equivalents | 161 | 351 | 161 | 351 |
| | 146 124 | 230 099 | 147 199 | 231 115 |

A guarantee for R185 154 in favour of Eskom is held by First National Bank Limited.

13. DEFERRED INCOME

Unspent conditional grants and receipts comprises:

| | | | | |
|--------------------------------|---------------|---------------|---------------|---------------|
| Balance at beginning of period | 75 085 | 93 319 | 75 085 | 93 319 |
| Funds received | 94 663 | 67 860 | 94 663 | 67 860 |
| Disbursements | (69 067) | (85 109) | (69 067) | (85 109) |
| Transfer | (7 153) | (985) | (7 153) | (985) |
| | 93 528 | 75 085 | 93 528 | 75 085 |

| DONOR / GRANT NAME | PURPOSE | OPENING BALANCE | EXPENDITURE | INCOME | CLOSING BALANCE |
|--|----------------------------|-----------------|-------------|---------|-----------------|
| DAFF / Oceans & Coasts | Marine Conservation | (1 954) | - | - | (1 954) |
| DEA / Oceans & Coasts | Marine Conservation | (1 436) | 728 | - | (708) |
| DARD / Other | Fencing project | (186) | - | - | (186) |
| DEA-NRM / WFR | River Clearing | - | - | - | - |
| DEA-NRM / Payment for Eco-System Services | Donga Rehabilitation | - | 1 | (5) | (4) |
| EDTEA / Ingodini Border Cave Project | Infrastructure Development | (1 093) | 963 | (22) | (152) |
| DEA / Ongoye Forest Development | Infrastructure Development | (3 123) | 2 339 | 150 | (634) |
| DEA / Usuthu Tembi Futhi | Infrastructure Development | - | 45 | (56) | (11) |
| EDTEA / BHAMBATHA LODGE | Infrastructure Development | (7 250) | 1 301 | 2 542 | (3 407) |
| EDTEA / Invasive Alien Species Programme Co-Ordination | Alien Plant Clearing | (295) | 2 014 | (2 216) | (497) |



NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2020

| DONOR / GRANT NAME | PURPOSE | OPENING BALANCE | EXPENDITURE | INCOME | CLOSING BALANCE |
|---|---------------------------------|-----------------|-------------|----------|-----------------|
| EDTEA / Invasive Alien Species Programme Coast | Alien Plant Clearing | (401) | 7 857 | (8 289) | (833) |
| EDTEA / Invasive Alien Species Programme uKhahlamba | Alien Plant Clearing | (30) | 8 097 | (8 489) | (423) |
| EDTEA / Invasive Alien Species Programme Z/land | Alien Plant Clearing | (5 802) | 26 466 | (24 171) | (3 507) |
| DEA / Cathedral Peak Camp Sites | Infrastructure Development | - | - | - | - |
| EKZNW / Community Levy | Community Developments Projects | (2 373) | 3 173 | (1 662) | (862) |
| DEA,EKZNW,ECT / Maloti Drakensberg TFCA Phase 2 | Operations Management | (5 842) | 4 882 | (2 027) | (2 987) |
| DEA-NRM / APA | Alien Plant Clearing | - | - | - | - |
| WCT / Wildlands Conservation Trust | Operations Management | (714) | 3 | (28) | (740) |
| EKZNW / Project Management General(Closed Out Projects) | Operations Management | (2 617) | 45 | (16 341) | (18 913) |
| DARD / Agriculture Infrastructure | Infrastructure Development | - | 2 | (933) | (931) |
| DAFF / Small Scale and Fisheries | Marine and Coastal Management | - | - | (271) | (271) |
| EDTEA / NTSIKENI MAY LODGE | Operations Management | - | 21 | (49) | (28) |
| DEA / BUSINGATHA LODGE | Infrastructure Development | - | 2 939 | (6 639) | (3 700) |
| DEA / TEMBE NDUMO | Infrastructure Development | (209) | 21 | (145) | (333) |
| DEA / Phongolo Nature Reserve | Infrastructure Development | - | - | - | - |
| EKZNW / Omakhelwane | Operations Management | (89) | 1 | (19) | (107) |
| DEA / WFTC AMATIKU-LU RIVER - IMFOLOZI RIVER15/8 | Coastal Management | (100) | 27 | 73 | - |
| DEA-NRM / WORKING FOR WETLANDS | Wetlands Management | - | - | - | - |
| EDTEA / EAST3ROUTE LEGACY | Infrastructure Development | (11 983) | 505 | (125) | (11 603) |
| DEA / NDUMO LODGE UPGRADE | Infrastructure Development | (296) | 263 | (2 387) | (2 420) |
| EKZNW / NRM Administration | Operations Management | - | 78 | (275) | (197) |
| DEA / Youth Environmental Service | Mass Employment and Training | (1 626) | 6 359 | (15 058) | (10 325) |
| NDT / NDT Midmar Maintenance | Infrastructure Development | (15 887) | 320 | (612) | (16 179) |
| NDT / NDT Roof Upgrade | Infrastructure Development | (3 538) | 588 | (130) | (3 080) |



NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2020

| DONOR / GRANT NAME | PURPOSE | OPENING BALANCE | EXPENDITURE | INCOME | CLOSING BALANCE |
|---------------------------------|----------------------------|-----------------|---------------|-----------------|-----------------|
| NDT / NDT Giants Castle Upgrade | Infrastructure Development | (8 241) | 29 | (325) | (8 536) |
| | | (75 085) | 69 067 | (87 509) | (93 528) |

Conditional grants represent amounts from external sources (grants and funders) that will be utilised in the future against the respective projects.

14. PROVISIONS

Reconciliation of provisions - March 2020

| | OPENING BALANCE | ADDITIONS | UTILISED DURING THE YEAR | CLOSING BALANCE |
|-----------------------------|-----------------|---------------|--------------------------|-----------------|
| Leave Pay Provision | 70 626 | 12 824 | (4 453) | 78 997 |
| Contributory Pension | 1 298 | 5 312 | (5 298) | 1 312 |
| Post Retirement Medical Aid | 67 022 | | (5 647) | 61 375 |
| Emergency Rescue Provision | 1 701 | | | 1 701 |
| | 140 647 | 18 136 | (15 398) | 143 385 |
| Audit fees | 4 | 4 | (4) | 4 |
| | 140 651 | 18 140 | (15 402) | 143 389 |

Reconciliation of provisions - 2019

| | | | | |
|-----------------------------|----------------|---------------|----------------|----------------|
| Leave Pay Provision | 70 097 | 5 172 | (4 643) | 70 626 |
| Contributory Pension | 1 236 | 5 175 | (5 113) | 1 298 |
| Post Retirement Medical Aid | 65 107 | 1 915 | | 67 022 |
| Emergency Rescue Provision | 1 813 | | (112) | 1 701 |
| | 138 253 | 12 262 | (9 868) | 140 647 |
| Audit fees | 4 | 4 | (4) | 4 |
| | 138 257 | 12 266 | (9 872) | 140 651 |

| FIGURES IN RAND THOUSAND | EKZNW | | CONSOLIDATION | |
|--------------------------|----------------|---------------------|----------------|---------------------|
| | MARCH 2020 | RESTATED MARCH 2019 | MARCH 2020 | RESTATED MARCH 2019 |
| Non-current liabilities | 61 375 | 67 022 | 61 375 | 67 022 |
| Current liabilities | 82 014 | 73 629 | 82 014 | 73 629 |
| | 143 389 | 140 651 | 143 389 | 140 651 |

15. EXTERNAL PROJECTS

| | | | | |
|---|---------------|---------------|---------------|---------------|
| Special Projects | 11 557 | 11 965 | 11 557 | 11 965 |
| Community Levy | 15 527 | 14 674 | 15 527 | 14 674 |
| Community Facilities control account | 8 952 | 6 447 | 8 952 | 6 447 |
| Wildcard and commercial marine licenses | 2 | 2 | 2 | 2 |
| | 36 038 | 33 088 | 36 038 | 33 088 |



NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2020

| SPECIAL PROJECT | PURPOSE | OPENING BALANCE | EXPENDITURE | INCOME | CLOSING BALANCE |
|---|--|-----------------|--------------|--------------|-----------------|
| Chairman's Trust | A special fund to cater for staff members in need of assistance | (2 347) | - | (197) | (2 544) |
| National Department of Tourism - Universal access Project - Hilltop | Structural improvements aimed at ensuring that facilities cater for people with special categories of physical need. | (1 979) | - | (10) | (1 989) |
| RBM - Hilltop Ablutions | Upgrade rondavel/ablutions at Hilltop Resort | (1 500) | - | - | (1 500) |
| Ezemvelo Cup | Sponsorship of annual soccer tournaments aimed at benefiting neighbouring communities. | (788) | - | - | (788) |
| Ivory Auction Special Project | Only to be used for monitoring, management and research related to elephants. | (911) | 185 | (189) | (915) |
| Earthwatch Institute Game Count Program. | Only to be used for costs relating to the bi-annual game count program in HiP. This includes the purchasing and maintenance of equipment, food for camp staff and volunteers, salaries for camp staff and TOG to clear transects and maintain camps. | (498) | 57 | - | (441) |
| DEDTEA - Amadamu Community & Cattle Water Dams Project | Only to be used for the construction of earth dams in the surrounding community | (490) | - | - | (490) |
| AWF HiP Security Project | Only to be used security related projects and HiP | (366) | - | - | (366) |
| Lubombo TFCA Game Re-location | Only to be used for payment of game translocation in the Transfrontier Conservation Area | (258) | - | - | (258) |
| Save The Rhino | Rhino intervention initiative | (580) | - | - | (580) |
| HiP Black Rhino Monitoring | Rhino intervention initiative | (84) | 80 | - | (4) |
| EAZA Save the Rhino Campaign | Rhino intervention initiative | (168) | - | - | (168) |
| Black Rhino Hunt Trust | Rhino intervention initiative | (157) | - | - | (157) |
| WWF ZA12A3 RFP - Rhino Range Expansion | Rhino intervention initiative | (182) | 77 | - | (105) |
| Other | Various conservation projects from various donors | (1 657) | 937 | (532) | (1 252) |
| | | (11 965) | 1 336 | (928) | (11 557) |



NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2020

| COMMUNITY LEVY | PURPOSE | OPENING BALANCE | EXPENDITURE | INCOME | CLOSING BALANCE |
|----------------|---|-----------------|-------------|---------|-----------------|
| Community Levy | Funds to be used for community projects | (14 674) | 1 749 | (2 602) | (15 527) |

| COMMUNITY FACILITIES | PURPOSE | OPENING BALANCE | EXPENDITURE | INCOME | CLOSING BALANCE |
|----------------------|----------------------|-----------------|--------------|----------------|-----------------|
| Didima | Community facilities | (406) | - | - | (406) |
| Ithala | Community facilities | - | - | - | - |
| Nselweni | Community facilities | (6 041) | 1 520 | (4 025) | (8 546) |
| | | (6 447) | 1 520 | (4 025) | (8 952) |

| COMMERCIAL AND MARINE LICENCE | PURPOSE | OPENING BALANCE | EXPENDITURE | INCOME | CLOSING BALANCE |
|---------------------------------|----------------------------------|-----------------|-------------|--------|-----------------|
| Wildcard and commercial licence | Wildcard and commercial licences | (2) | - | - | (2) |

| FIGURES IN RAND THOUSAND | EKZMW | | CONSOLIDATION | |
|--------------------------|------------|---------------------|---------------|---------------------|
| | MARCH 2020 | RESTATED MARCH 2019 | MARCH 2020 | RESTATED MARCH 2019 |

16. TRADE AND OTHER PAYABLES

| | | | | |
|-------------------|---------------|---------------|---------------|---------------|
| Trade payables | 41 765 | 54 147 | 42 270 | 54 426 |
| Deposits received | 25 716 | 28 321 | 25 716 | 28 321 |
| Other payables | 433 | 67 | 433 | 67 |
| Salary Accrual | 9 125 | 8 988 | 9 125 | 8 988 |
| | 77 039 | 91 523 | 77 544 | 91 802 |

17. REVENUE

The amount included in revenue arising from exchanges of goods or services are as follows:

| | | | | |
|-------------------------|----------------|----------------|----------------|----------------|
| Sale of goods | 30 220 | 33 170 | 30 220 | 33 170 |
| Accommodation | 105 200 | 113 953 | 105 200 | 113 953 |
| Natural Resource Trade | 663 | 786 | 663 | 786 |
| Conservation Levy | 26 470 | 26 795 | 26 470 | 26 795 |
| Hunting Revenue | 165 | 718 | 165 | 718 |
| Licences and Permits | 1 256 | 1 253 | 1 256 | 1 253 |
| Admission | 18 671 | 18 550 | 18 671 | 18 550 |
| Trails, Rides and Tours | 13 406 | 14 204 | 13 406 | 14 204 |
| Game Sales | 1 747 | 4 539 | 1 747 | 4 539 |
| Rental Income | 2 386 | 3 480 | 2 386 | 3 600 |
| | 200 184 | 217 448 | 200 184 | 217 568 |

The amount included in revenue arising from non-exchange transactions is as follows:

| | | | | |
|-----------|----------------|----------------|----------------|----------------|
| Fines | 52 | 29 | 52 | 29 |
| Transfers | 726 902 | 727 308 | 726 902 | 727 308 |
| | 726 954 | 727 337 | 726 954 | 727 337 |
| | 927 138 | 944 785 | 927 138 | 944 905 |



NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2020

| FIGURES IN RAND THOUSAND | EKZNW | | CONSOLIDATION | |
|--------------------------|------------|---------------------|---------------|---------------------|
| | MARCH 2020 | RESTATED MARCH 2019 | MARCH 2020 | RESTATED MARCH 2019 |

18. OTHER INCOME

The amount included in other revenue arising from exchange transactions are as follows:

| | | | | |
|--------------------|---------------|---------------|---------------|---------------|
| Concession Revenue | 2 612 | 2 419 | 2 612 | 2 419 |
| Expense Recoveries | 9 931 | 22 118 | 9 931 | 22 118 |
| Other Revenue | 8 385 | 10 106 | 8 385 | 10 106 |
| Interest Income | 6 634 | 11 897 | 6 693 | 11 953 |
| | 27 562 | 46 540 | 27 621 | 46 596 |

The amount included in other revenue arising from non-exchange transactions is as follows:

| | | | | |
|--|----------------|----------------|----------------|----------------|
| Funder revenue | 68 344 | 82 348 | 68 344 | 82 348 |
| Sundry Income - Projects | 30 | 109 | 30 | 109 |
| Agency Services- Marine Coastal Management | 5 976 | 2 672 | 5 976 | 2 672 |
| Donations | 10 421 | 13 867 | 10 421 | 13 867 |
| Gains valuation | 12 458 | 4 591 | 12 458 | 4 591 |
| | 97 229 | 103 587 | 97 229 | 103 587 |
| | 124 791 | 150 127 | 124 850 | 150 183 |

19. OPERATING EXPENSES

| | | | | |
|---------------------------------------|--------|--------|--------|--------|
| Administration and Management fees | 1 809 | 1 592 | 1 809 | 1 592 |
| Auditors remuneration | 3 942 | 4 537 | 3 969 | 4 555 |
| Bank Charges | 3 575 | 3 763 | 3 575 | 3 763 |
| Bad Debts | 104 | 0 | 104 | 0 |
| Consulting and professional fees | 7 011 | 18 555 | 7 210 | 18 555 |
| Consumables | 29 967 | 32 590 | 29 967 | 32 590 |
| Contracted Services | 47 951 | 59 850 | 47 951 | 59 850 |
| Depreciation and amortisation | 50 431 | 72 891 | 50 431 | 72 891 |
| Catering | 800 | 2 447 | 800 | 2 447 |
| Hire | 23 | 35 | 23 | 35 |
| Insurance | 17 388 | 9 464 | 17 388 | 9 464 |
| Marketing and Advertising | 4 699 | 5 345 | 4 699 | 5 345 |
| Communication | 12 548 | 12 457 | 12 548 | 12 457 |
| Stock Loss | 1 317 | 789 | 1 317 | 789 |
| Community payments and other expenses | 4 406 | 4 186 | 4 406 | 4 186 |
| Board members remuneration | 5 737 | 4 683 | 5 737 | 4 683 |
| Transport Expenses | 28 756 | 29 469 | 28 756 | 29 469 |
| Training | 2 875 | 3 110 | 2 875 | 3 110 |
| Travel | 1 707 | 3 153 | 1 707 | 3 153 |
| Electricity | 26 387 | 25 107 | 26 387 | 25 107 |
| Sewerage and waste disposal | 392 | 145 | 392 | 145 |
| Water | 713 | 1 215 | 713 | 1 215 |
| Refuse | 147 | 202 | 147 | 202 |
| Utilities - generator diesel | 2 782 | 3 226 | 2 782 | 3 226 |
| Gain/Loss on exchange differences | 139 | 2 | 139 | 2 |
| Loss on Disposal of assets | 3 687 | 11 694 | 3 687 | 11 694 |
| Repairs and maintenance | 34 709 | 30 650 | 34 709 | 30 650 |
| Transfer Payments | 879 | 1 061 | 879 | 1 061 |
| Municipal Rates | 17 | 16 | 17 | 16 |



NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2020

| FIGURES IN RAND THOUSAND | EKZMW | | CONSOLIDATION | |
|---------------------------|----------------|---------------------|----------------|---------------------|
| | MARCH 2020 | RESTATED MARCH 2019 | MARCH 2020 | RESTATED MARCH 2019 |
| Software Licences | 7 727 | 6 190 | 7 727 | 6 190 |
| Operating Leases | 1 697 | 1 928 | 1 697 | 1 928 |
| Cost of sales | 23 618 | 25 923 | 23 618 | 25 923 |
| Cost of services rendered | 603 | 568 | 603 | 568 |
| | 328 543 | 376 843 | 328 769 | 376 861 |

20. EMPLOYEE RELATED COSTS

| | | | | |
|-------------------------------------|----------------|----------------|----------------|----------------|
| Basic Salary | 450 102 | 427 848 | 450 102 | 427 848 |
| Medical aid - company contributions | 53 785 | 49 131 | 53 785 | 49 131 |
| Unemployment Insurance Fund (UIF) | 3 902 | 3 908 | 3 902 | 3 908 |
| Workmen's Compensation (WCA) | 6 300 | 6 014 | 6 300 | 6 014 |
| Skills Development Levy (SDL) | 6 057 | 5 730 | 6 057 | 5 730 |
| Leave Pay Provision charge | 12 824 | 4 643 | 12 824 | 4 643 |
| Other personnel costs | 3 062 | 2 290 | 3 062 | 2 290 |
| Post-retirement contributions | 69 059 | 66 205 | 69 059 | 66 205 |
| Subsistence Allowance | 12 187 | 12 962 | 12 187 | 12 962 |
| Overtime payments | 14 165 | 12 389 | 14 165 | 12 389 |
| 13th Cheques | 37 950 | 36 855 | 37 950 | 36 855 |
| Car allowance | 12 806 | 13 890 | 12 806 | 13 890 |
| Housing and other allowances | 47 687 | 38 764 | 47 687 | 38 764 |
| Contract workers | 78 848 | 81 721 | 78 848 | 81 721 |
| | 808 734 | 762 350 | 808 734 | 762 350 |

Contract workers

| | | | | |
|-----------------------------------|---------------|---------------|---------------|---------------|
| Basic Salary | 74 140 | 78 412 | 74 140 | 78 412 |
| Unemployment Insurance Fund (UIF) | 389 | 387 | 389 | 387 |
| Workmen's Compensation (WCA) | 370 | 885 | 370 | 885 |
| Skills Development Levy (SDL) | 2 015 | 380 | 2 015 | 380 |
| Leave Provision charge | - | 2 | - | 2 |
| Subsistence allowance | 341 | 442 | 341 | 442 |
| Overtime payments | 811 | 576 | 811 | 576 |
| Housing and other allowances | 782 | 637 | 782 | 637 |
| | 78 848 | 81 721 | 78 848 | 81 721 |

Remuneration:

Chief Executive Officer

| | | | | |
|--|--------------|--------------|--------------|--------------|
| Annual Remuneration including Allowances | 1 816 | 1 765 | 1 816 | 1 765 |
| Contributions to Medical and Pension Funds | 147 | 142 | 147 | 142 |
| | 1 963 | 1 907 | 1 963 | 1 907 |

Chief Financial Officer

| | | | | |
|--|--------------|--------------|--------------|--------------|
| Annual Remuneration including Allowances | 1 615 | 1 440 | 1 615 | 1 440 |
| Contributions to Medical and Pension Funds | - | 117 | - | 117 |
| | 1 615 | 1 557 | 1 615 | 1 557 |



NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2020

| FIGURES IN RAND THOUSAND | EKZNW | | CONSOLIDATION | |
|---|-----------------|---------------------|-----------------|---------------------|
| | MARCH 2020 | RESTATED MARCH 2019 | MARCH 2020 | RESTATED MARCH 2019 |
| Head Human Resources | | | | |
| Annual Remuneration including Allowances | 895 | 901 | 895 | 901 |
| Contributions to UIF, Medical and Pension Funds | 99 | 88 | 99 | 88 |
| | 994 | 989 | 994 | 989 |
| Head Commercial Operations | | | | |
| Annual Remuneration including Allowances | 1 043 | 1 009 | 1 043 | 1 009 |
| Contributions to UIF, Medical and Pension Funds | 184 | 171 | 184 | 171 |
| | 1 227 | 1 180 | 1 227 | 1 180 |
| Head Conservation Services | | | | |
| Annual Remuneration including Allowances | 1 191 | 952 | 1 191 | 952 |
| Contributions to UIF, Medical and Pension Funds | 159 | 149 | 159 | 149 |
| | 1 350 | 1 101 | 1 350 | 1 101 |
| Head Internal Audit and Investigations | | | | |
| Annual Remuneration including Allowances | 864 | 852 | 864 | 852 |
| Contributions to UIF, Medical and Pension Funds | 156 | 146 | 156 | 146 |
| | 1 020 | 998 | 1 020 | 998 |
| Head Corporate Affairs and Marketing | | | | |
| Annual Remuneration | 973 | 924 | 973 | 924 |
| Contributions to UIF, Medical and Pension Funds | 151 | 143 | 151 | 143 |
| | 1 124 | 1 067 | 1 124 | 1 067 |
| 21. FINANCE COSTS | | | | |
| Interest | 5 987 | 5 665 | 5 987 | 5 665 |
| 22. CASH GENERATED FROM OPERATIONS | | | | |
| Surplus/(Deficit) | (91 335) | (49 946) | (91 502) | (49 788) |
| Adjustments for: | | | | |
| Depreciation and amortisation | 50 432 | 72 891 | 50 432 | 72 891 |
| Loss on Disposal of assets | 3 686 | 10 094 | 3 686 | 10 094 |
| Changes in working capital: | | | | |
| Debtors | (1 966) | 6 462 | (1 966) | 6 342 |
| Inventory | (499) | 1 116 | (499) | 1 116 |
| Provisions | 2 738 | 2 394 | 2 738 | 2 394 |
| Deferred income | 18 443 | (18 234) | 18 443 | (18 172) |
| Creditors | (14 482) | (10 713) | (14 256) | (10 757) |
| | (32 983) | 14 064 | (32 924) | 14 119 |



NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2020

| FIGURES IN RAND THOUSAND | EKZNW | | CONSOLIDATION | |
|--------------------------|------------|---------------------|---------------|---------------------|
| | MARCH 2020 | RESTATED MARCH 2019 | MARCH 2020 | RESTATED MARCH 2019 |

23. NET MOVEMENT IN EXTERNAL PROJECTS

| | | | | |
|----------------------------------|--------------|----------------|--------------|----------------|
| Balance at beginning of the year | (33 088) | (34 563) | (33 088) | (34 563) |
| Balance at end of the year | 36 038 | 33 088 | 36 038 | 33 088 |
| | 2 950 | (1 475) | 2 950 | (1 475) |

24. COMMITMENTS

Already contracted for but not provided for

| | | | | |
|----------------------|--------------|---------------|--------------|---------------|
| • Land and Buildings | 3 745 | 50 257 | 3 745 | 50 257 |
| • Infrastructure | 1 440 | 689 | 1 440 | 689 |
| • Community | 2 866 | 15 253 | 2 866 | 15 253 |
| • Other | 991 | 4 341 | 991 | 4 341 |
| | 9 042 | 70 540 | 9 042 | 70 540 |

Operating leases – as lessee (expense)

Minimum lease payments due

| | | | | |
|-------------------------------------|--------------|--------------|--------------|--------------|
| • within one year | 2 630 | 2 738 | 2 630 | 2 738 |
| • in second to fifth year inclusive | 2 052 | 4 285 | 2 052 | 4 285 |
| • later than five years | 11 | 12 | 11 | 12 |
| | 4 693 | 7 035 | 4 693 | 7 035 |

Operating leases – as lessor (income)

Minimum lease payments due

| | | | | |
|-------------------------------------|---------------|---------------|---------------|---------------|
| • within one year | 1 062 | 971 | 1 062 | 971 |
| • in second to fifth year inclusive | 4 050 | 3 647 | 4 050 | 3 647 |
| • later than five years | 27 177 | 26 711 | 27 177 | 26 711 |
| | 32 289 | 31 329 | 32 289 | 31 329 |

Operating leases comprise rentals.

Indefinite contracts are calculated as 50 year leases and include inflation.

25. CONTINGENCIES

Conservation Land

The Board has capitalised its buildings. However, the land relating to these buildings is state land. In terms of the KwaZulu-Natal Nature Conservation Management Act 9 of 1997, the Board has an implicit right of use of the land for an indefinite period. To date, land claims relating to Ithala Game Reserve, Hluhluwe Imfolozi Park Corridor, Ndumo Game Reserve, and Tembe Elephant Park totalling 93 698 hectares have been settled and co-management agreements entered into with the claimants. The immovable assets situated on this land could be transferred to the new owners. However, there remains significant uncertainty as to the identity of the new owners as the title deeds have not been finalised.

The total value of immovable assets situated in these areas is estimated at R 97,5 million (2019: R 103,8 million).

According to the Department of Rural Development and Land Reform (DRDLR), an additional nine claims have been lodged of which one has been settled through financial compensation. The demarcations by DRDLR have not yet been finalised and thus it is difficult to ascertain the actual land under claim as well as the assets on that land.



NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2020

FIGURES IN RAND THOUSAND

MARCH
2020

Legal claims

The financial implications of the current cases are:

| | |
|------------|--------|
| Probable | R9 000 |
| Improbable | R4 550 |

The contingent liabilities are the total of monetary legal claims against the entity. As such the figure represents the cumulative exposure of the entity to successful legal claims made by third parties. All of these claims are live litigation in which litigation has commenced. A detailed disclosure of the nature of each claim and / or our estimates of success or actual value of a claim would be highly prejudicial to the entity. Discussion of the details of a claim will indicate to other potential claimants the nature of claim and the estimated quantum of such claims thus potentially encouraging litigation against the organisation. Any estimate of success or failure will also be clearly advantageous to a claimant and highly prejudicial to the entity. So too would an estimate of the 'actual' or realistic damages. This will embolden a claimant and render attempts to advantageously settle or defend a claim unlikely. Even where we feel that we are likely to successfully defend a matter a great deal of costs can be saved (to the overall benefit of the entity) by not disclosing to the public the details of our contingent legal liabilities.

The contingent liabilities are made of up the following claims / cases -

- Interdicts
- Termination of contracts
- Review of licences / permits
- Claim for damages of a personal nature
- Labour dispute
- Eviction of unlawful occupiers

26. RELATED PARTIES

Ezemvelo KZN Wildlife is one of the entities within the Department of Economic Development, Tourism & Environmental Affairs (EDTEA). As such, these entities and other entities within the sphere of Government are considered to be related parties.

RELATIONSHIPS

ULTIMATE ENTITY

EZEMVELO KZN WILDLIFE

| | |
|---|-----------------------------|
| 1. Economic Development Tourism and Environmental Affairs | Controlling Department |
| 2. KZN Sharks Board | Under same control of EDTEA |
| 3. KZN Tourism Board | Under same control of EDTEA |
| 4. Trade and Investment KZN | Under same control of EDTEA |
| 5. Moses Kotane Institute | Under same control of EDTEA |
| 6. Richards Bay Industrial Development Zone | Under same control of EDTEA |
| 7. Ithala Development Finance Corporation | Under same control of EDTEA |
| 8. KwaZulu-Natal Growth Fund | Under same control of EDTEA |
| 9. KwaZulu-Natal Film Commission | Under same control of EDTEA |
| 10. Dube Tradeport | Under same control of EDTEA |
| 11. KZN Rehabilitation Trust | Under same control of EDTEA |
| 12. KZN Liquor | Under same control of EDTEA |
| 13. Ithala SOC Limited | Under same control of EDTEA |

Department of Economic Development, Tourism and Environmental Affairs - Shareholder

The entity received grants of R 769,4 million (2019 : R 767,5 million) from the Department for operating purposes.



NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2020

Member Fees

| | REMUNERATION | DISBURSEMENTS | TOTAL PACKAGE 2020 | TOTAL PACKAGE 2019 |
|--|----------------|---------------|-----------------------|-----------------------|
| Audit & Risk Committee | | | | |
| Mr NF Mchunu (Chairperson - Term commenced 1 September 2019) | 109 030 | - | 109 030 | 65 471 |
| Mr BW Ngubane (Chairperson - Term ended 31 August 2019) | 77 530 | 1 709 | 79 239 | 104 305 |
| Mr SK Dlongolo | 81 839 | 3 993 | 85 832 | 33 186 |
| Ms CN Mhlongo (resigned 29 February 2020) | 64 048 | 6 137 | 70 185 | 34 149 |
| Ms SD Ncube Dlamini | 114 575 | 4 915 | 119 490 | 49 103 |
| Mr T Ndlela | 65 471 | 6 279 | 71 751 | 65 471 |
| | 512 493 | 23 033 | 535 527 | 351 685 |

| | REMUNERATION | DISBURSEMENTS | TOTAL PACKAGE 2020 | TOTAL PACKAGE 2019 |
|--|------------------|----------------|-----------------------|-----------------------|
| Board Members | | | | |
| Mr LW Mngoma (Chairperson - Term commenced - 1 July 2018) | 896 311 | 56 607 | 952 918 | 698 950 |
| Ms SP Lebenya (Deputy Chair- person) | 542 946 | 12 984 | 555 930 | 516 542 |
| Inkosi BS Mthembu | 223 246 | 21 427 | 244 674 | 281 383 |
| Mr S Mtolo | 360 407 | 37 941 | 398 348 | 333 599 |
| Mr V Mvelase | 355 439 | 18 026 | 373 465 | 356 023 |
| Mr T Ndlela | 346 787 | 28 066 | 374 853 | 298 109 |
| Mr RF Haswell (Term com- menced - 1 July 2018) | 269 295 | 5 104 | 274 399 | 195 571 |
| Mr IC Ewing (Term commenced - 1 July 2018) | 273 006 | 10 817 | 283 823 | 188 977 |
| Mr SL Ndlovu (Term commenced - 1 July 2018) | 303 037 | 10 551 | 313 588 | 238 977 |
| Ms DG Hoorzuk (Term com- menced - 1 July 2018) | 302 622 | 16 562 | 319 184 | 228 490 |
| Ms SD Ncube Dlamini (Term commenced - 1 July 2018) | 411 477 | 9 504 | 420 981 | 190 333 |
| Ms T Ntshangase (Term com- menced - 1 July 2018) | 375 532 | 41 704 | 417 236 | 253 036 |
| Mr Z Zulu (Chairperson - Term ended - 30 June 2018) | - | - | - | 204 954 |
| Adv NZ Khuzwayo (Term ended - 30 June 2018) | - | - | - | 44 091 |
| Ms IN Molefe (Term ended - 30 June 2018) | - | - | - | 83 142 |
| Ms NL Mthembu (Term ended - 30 June 2018) | - | - | - | 82 192 |
| Dr FM Nzama (Term ended - 30 June 2018) | - | - | - | 89 836 |
| Mr MM Mackenzie (Term ended - 31 May 2018) | - | - | - | 69 086 |
| | 4 660 105 | 269 293 | 4 929 399 | 4 353 291 |
| | 5 172 598 | 292 326 | 5 464 926 | 4 704 976 |



NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2020

27. CHANGE IN ESTIMATE

Change in useful life

The useful life of certain Furniture, Tools and Equipment has been extended to thirty years, resulting in an increase in current year depreciation of R 687 869 and an expected increase of R 823 186 per annum in future reporting periods.

The useful life of certain Aircraft, Motor Vehicles and Boats has been extended to seventy years, resulting in an increase in current year depreciation of R 4,55 million and an expected increase of R 2,42 million per annum in future reporting periods.

The useful life of certain Computer Equipment has been extended to twenty years, resulting in an increase in current year depreciation of R 802 932 and an expected increase of R 593 809 per annum in future reporting periods.

The useful life of certain Dams and Reservoirs has been extended to thirty five years, resulting in an increase in current year depreciation of R 143 890 and an expected increase of R 144 875 per annum in future reporting periods.

The useful life of certain Computer Software has been extended to fifteen years, resulting in an increase in current year depreciation of R 845 851 and an expected increase of R 1,58 million per annum in future reporting periods.

The useful life of certain Plant and Machinery has been extended to twenty years, resulting in an increase in current year depreciation of R 561 147 and an expected increase of R 510 981 per annum in future reporting periods.

28. GOING CONCERN

The Consolidated 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.

In assessing the going concern, management identified indicators casting doubt on the entity's ability to continue operating as a going concern. These indicators are summarised below:

- 1) A deficit for the current year and past two financial years.
- 2) Adverse liquidity ratios for the current year and the ratios have decreased significantly during the past two years.
- 3) The impact of Covid-19 towards the end of the 2019/20 financial year and into the 2020/21 financial year had a material impact on our tourism income. The negative impact of Covid-19 on our tourism income is currently estimated at approximately R200 million which is approximately 20% of our annual budget.

The following measures are being implemented by management as part of the revenue enhancement strategy and cost containment strategy:

- 1) No filling of vacancies
- 2) Employees are encouraged to work from home
- 3) Reviewing contracts with a view to negotiating more favourable terms
- 4) Stricter controls and measures over spending

Despite the above negative indicators, the entity continues to adopt the going concern assumption as it is management's view that the entity will continue to operate in its present form in the foreseeable future, as it is primarily funded by EDTEA and will continue to be funded in the foreseeable future.

However, it should be noted that the entity has been allocated an additional R190 million subsidy to compensate it for the anticipated loss of revenue due to Covid-19.



NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2020

29. SUBSEQUENT EVENTS

The entity's board was suspended after 31 March 2020, resulting in the acting Chief Executive Officer being appointed by the MEC of Economic Development, Tourism and Environmental Affairs as the accounting authority in terms of Section 49 of the Public Finance Management Act No. 1 of 1999.

| FIGURES IN RAND THOUSAND | EKZNW | | CONSOLIDATION | |
|--------------------------|------------|---------------------|---------------|---------------------|
| | MARCH 2020 | RESTATED MARCH 2019 | MARCH 2020 | RESTATED MARCH 2019 |

30. FRUITLESS AND WASTEFUL EXPENDITURE

| | | | | |
|----------------------------------|------------|----------|------------|----------|
| Opening balance | - | - | - | - |
| Salary paid to incorrect account | 213 | - | 213 | - |
| | 213 | - | 213 | - |

31. IRREGULAR EXPENDITURE

| | | | | |
|--------------------------------|---------------|---------------|---------------|---------------|
| Opening balance | 48 803 | 43 763 | 48 803 | 43 763 |
| Irregular Expenditure | 6 718 | 5 087 | 6 718 | 5 087 |
| Irregular Expenditure Condoned | - | (47) | - | (47) |
| | 55 521 | 48 803 | 55 521 | 48 803 |

32. FINANCIAL INSTRUMENTS

Overview

The entity has exposure to the following risks from its use of financial instruments.

- Credit risk
- Liquidity risk
- Market risk
- Interest rate risk

This note presents information about the entity's exposure to each of the above risks, the entity's objectives, policies and processes for measuring and managing risk, and the entity's management of capital. Further quantitative disclosures are included throughout these Consolidated Financial Statements.

In terms of Treasury Regulations 27.2.1, issued in terms of the PFMA, the accounting authority must ensure that a risk assessment is conducted regularly to identify emerging risks in the entity. The Board has established the Audit and Risk committee which is responsible for developing and monitoring the entity's risk management policies.

The entity's risk management policies are established to identify and analyse the risks faced by the entity, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the entity's activities. The entity, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit and Risk committee oversees how management monitors compliance with the entity's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the entity.

The Audit and Risk committee is assisted in its oversight role at operations level by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit and Risk committee.



NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2020

Credit Risk

Credit risk is the risk of financial loss to the entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the entity's receivables from customers and cash and cash equivalents. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at 31 March 2020 was R29,1 million (2019: R27,1 million) relating to trade and other receivables (Note 11 and 12) and R147,1 million (2019: R231,1 million) relating to cash and cash equivalents (Note 12).

Trade and other receivables

The entity's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The composition of the entity's customer base, including the default risk of the industry and country in which the customers operate, has less of an influence on credit risk.

Investments

The entity limits its exposure to credit risk by investing only in liquid securities and only with approved banks and financial institutions.

Guarantees

A guarantee for R 185 154 in favour of Eskom is held by First National Bank Limited as at 31 March 2020.

Liquidity risk

Liquidity risk is the risk that the entity will not be able to meet its financial obligations as they fall due. The entity's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the entity's reputation.

Monies are transferred to the current account to meet the weekly obligations. Any surpluses are invested on a month to month basis at the most optimum rate.

The entity does not borrow monies. There are thus no credit facilities available.

Market Risk

Market risk is the risk related to changes in market prices which could affect the entity's income. The policy of the entity is not to invest in any equity related instruments, as such there is no market risk exposure.

All surplus cash is invested in financial institutions at optimal interest rates and periods approved by senior management. Interest rates have not been volatile in the year under review.

Currency Risk

The entity has exposure to currency risk relating to the amount that has to be paid to Microsoft for software licences in United States dollars (US\$).

Interest rate risk

The entity does not borrow monies. There are thus no credit facilities available.

Fair values

The fair values of financial assets and liabilities are the same as the carrying values reflected in the statement of financial position.





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