



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

Conservation, Partnerships & Ecotourism

Annual
Report
2020/21

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PART 1: OVERVIEW



EZEMVELOTM
KZN WILDLIFE
Conservation, Partnerships & Ecotourism



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 2021. 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

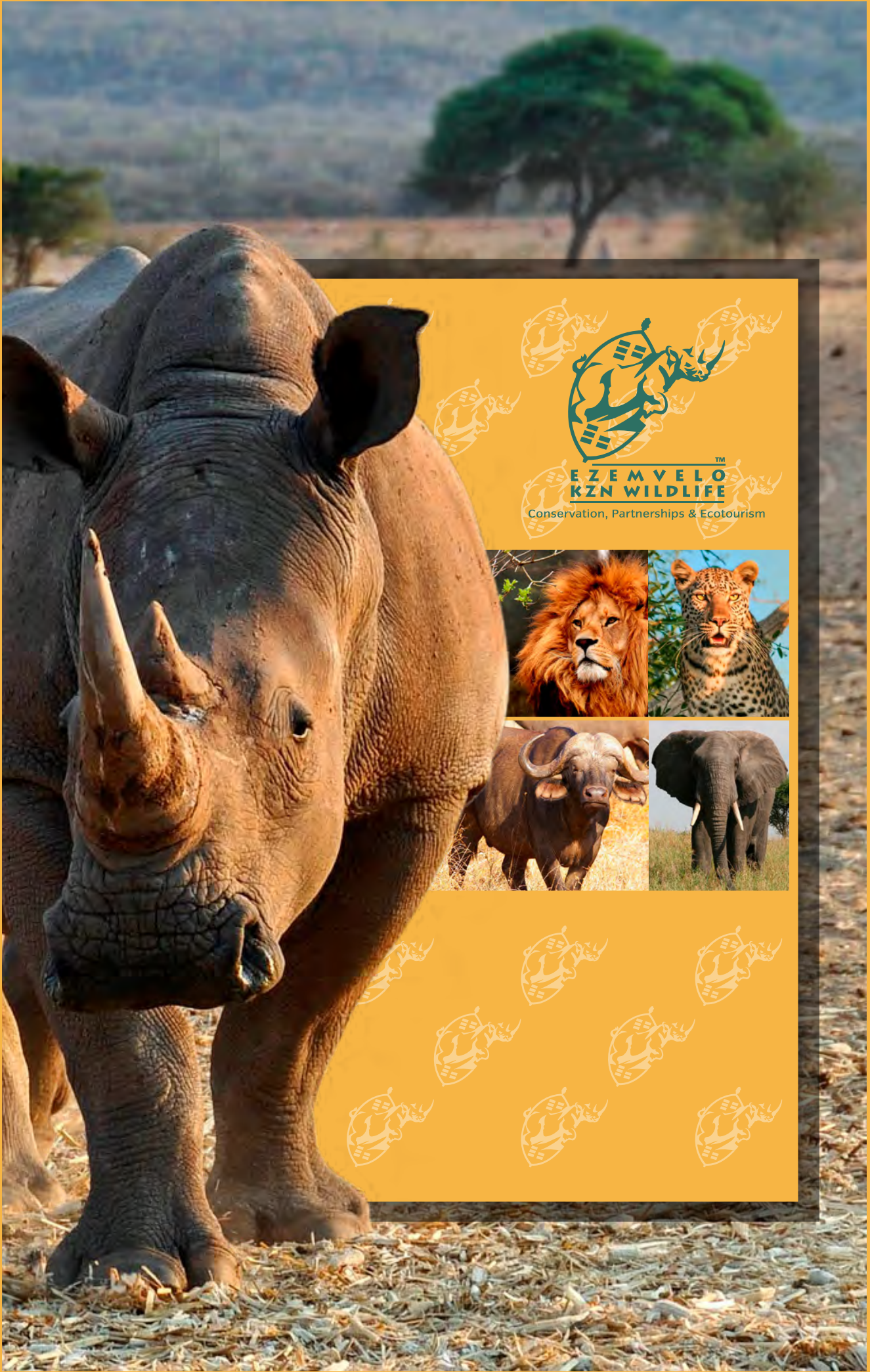
AIMS OF EZEMVELO

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.



PART 2: EXECUTIVE REPORTS



FOREWORD BY THE MEC

I table this 2020/21 Ezemvelo KZN Wildlife Annual Report with mixed feelings as I look back at what the entity experienced during the year under review. We experienced difficult times due to various restrictions put in place to contain the spread of Covid-19. However I also am excited to read on this 2020/21 Annual Report, the accomplishments achieved by the entity under very trying times.

The process of rationalising Ezemvelo and the Sharks Board, which had been halted, was resuscitated during the year under review. Currently, the piece of legislation that will govern the function of the new entity is in its final stages. The two entities have begun to work jointly on some of their operations. The rationalisation process needs to be handled with extreme care to reduce any anxiety to all employees involved. Though I hope that the process will be finalised soon, it still needs to go through many approval stages before it is completed.

The entity is also involved in discussions with iSimangaliso Wetland Park World Heritage Site regarding the management of ecotourism activities within the Park. Ezemvelo is currently managing this function on behalf of iSimangaliso. The discussions which will see Ezemvelo handing over the ecotourism function to Isimangaliso are at an advanced stage. I hope that the final arrangement will be beneficial to both organisations and will not have any negative impact on the 142 Ezemvelo ecotourism employees.

Following the suspension of the Nature Conservation Services Board, a decision was taken to appoint Mr. Simiso Leslie Magagula as an Accounting Authority to oversee the functioning of the entity. The suspension of the board had created a vacuum and hindered the entity from complying with the Public Finance Management Act of 1999 and all its applicable regulations as it was unable to obtain necessary approvals. Mr. Magagula's presence has gone a long way in ensuring some form of stability and he continues to provide direction that the entity needs to follow.

The developments outside our Protected Areas continue to be a threat to our biodiversity. As can be seen somewhere in this report, the entity had to place extra effort to protect our internationally renowned Hluhluwe iMfolozi Park from mining-related impacts like seismic vibrations, water pollution, dust, etc, caused by the Zululand Anthracite Colliery. A memorandum of Agreement (MoA) had to be entered into with Tendele Coal Mining (Pty) Ltd to make them pay for the impact that their mining activities have caused. It is hoped that the funds that might accrue from the implementation



MR. RR PILLAY, MPL

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

of this MoA will assist to offset the damage caused at Hluhluwe iMfolozi Park. It remains our ambition to ensure that nature conservation and economic development are not mutually repellent.

The advent of Covid-19 and the budget cuts put further strain on Ezemvelo's budget as the entity had to divert some funds towards Covid-19 related activities like providing protective personal equipment to its employees. I am buoyed to observe the success that the entity had despite the financial challenges. We will be failing our future generations if we allow Ezemvelo to collapse as such will have unprecedented health-related issues that the government would not be in a position to deal with. The department will do all in its power to ensure that this entity succeeds in achieving its mandate.

As I conclude, let me first express my appreciation to all Ezemvelo employees for the commitment shown during the year under review. I am aware that it was frustrating at times to operate without an Accounting Authority. It is in my plans to finalise the issue of the Accounting Authority and also ensure that a permanent Chief Executive Officer is appointed. The entity has operated without a permanent CEO for a long time, a scenario that cannot be allowed to continue as doing so may affect the commitment of some of our employees.

A handwritten signature in black ink, appearing to read 'RR Pillay', followed by the date '15/08/21' written in a similar style.

MR. RR PILLAY, MPL

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



2020/21 ANNUAL REPORT: ACCOUNTING AUTHORITY FOREWORD

The Accounting Authority joined the public entity Ezemvelo KZN Wildlife (Ezemvelo) in November 2020, the middle of the year under review, to perform the functions of the now suspended board. I express my sincere appreciation to the KwaZulu-Natal Executive Council for entrusting me with such a challenging, yet exciting task and I commit to executing this assignment with passion and scruple.

Contrary to popular belief about Ezemvelo being a “basket case”, I am determined to demonstrate this is not applicable. As most KwaZulu-Natal citizens know, the organisation has faced various challenges ranging from unsatisfactory governance; a poor state of infrastructure, including fencing, associated with budget constraints in the main; poaching – especially rhinoceros species; unrests in communities neighbouring the parks; lack of critical skills in the organisation and a lack of stability at both board and executive levels. Everyone at Ezemvelo is committed to confronting and resolving these challenges.

In as far as maintaining Ezemvelo’s stability, the Honourable MEC for the Department of Economic Development, Tourism and Environmental Affairs (EDTEA) has already commenced recruiting new board members with the relevant skills to steer the organisation towards good governance, efficiency and a clean audit report.

Ezemvelo, working with Tourism KZN, has developed a draft commercialisation strategy aimed at bringing back paying visitors by making parks attractive. This involves fixing the roads leading to the parks and renovating accommodation facilities, making them more modern. This will assist in boosting ecotourism-based revenue. Several projects are already underway.

Ezemvelo, working closely with the relevant law enforcement agencies, continues to intensify the fight against rhino poaching. This is evident in the declining trend of poached rhinos from a high of 222 in the year 2017 to 93 in the year 2021. While this trend brings some hope, our position is that one poached rhino is one too many. Hence, the fight continues.

Biodiversity conservation is the reason for Ezemvelo’s existence. Our Scientific Services staff are known



MR SIMISO MAGAGULA
Accounting Authority
Ezemvelo KZN Wildlife

worldwide for their expertise in the field of biodiversity conservation and have produced about 17 publications on this topic in reputable journals. Despite the Covid-19 restrictions, this unit also delivered 744 animals to buyers, effectively generating R1.4 million for Ezemvelo.

We consider communities living adjacent to our protected areas as important stakeholders and regular interactions between Ezemvelo and the local leadership (AmaKhosi) are institutionalised through various forums that have been established. Unfortunately, sometimes community dynamics come into play, disregarding the established norms and manifesting in acts of vandalism. This can compromise the integrity of the fences and inevitably wildlife, livestock and humans encounter each other with fatal consequences sometimes. This heightens tensions between Ezemvelo and the communities, as though Ezemvelo is insensitive to community issues. We continue fostering a mutually beneficial relationship with adjacent communities despite setbacks that happen occasionally. We shall also not hesitate to engage the South African Police Service (SAPS) when necessary.

Fortifying fences in the protected areas is not cheap. It requires several millions of rands Ezemvelo currently does not have. Consequently, alternative funding sources will be sought going forward. To this end, a proposal to the National Department of Forestry, Fisheries and the Environment has been made and a positive outcome is expected.



This foreword was written while the KZN Sharks Board was being incorporated into Ezemvelo as part of the provincial public entity's rationalisation process. The process presents a unique opportunity to maximise efficiencies and the diverse skills and expertise resident in the two organisations, will contribute to cost reduction and boosting revenue generation.

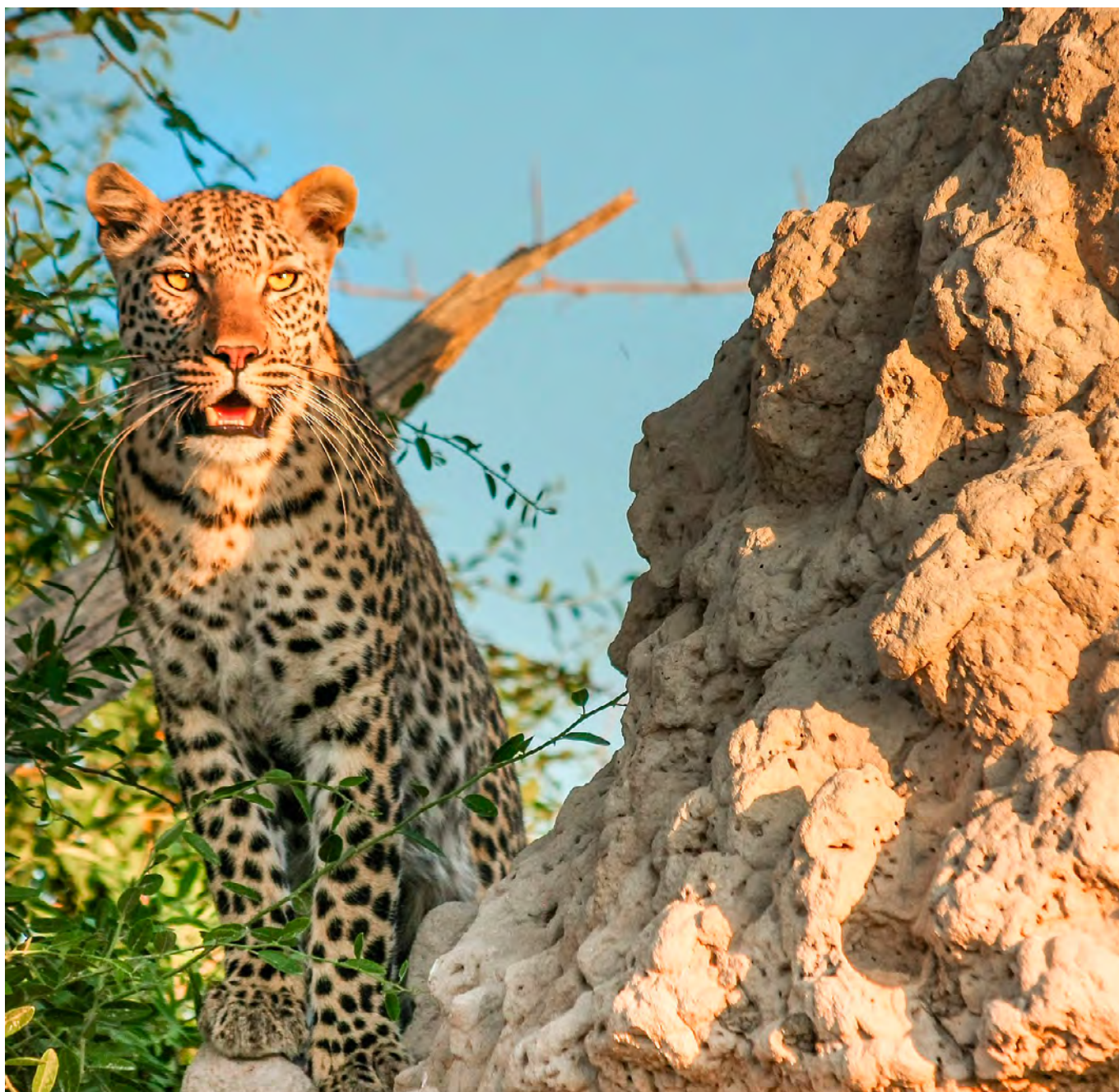
In closing, I would like to express my gratitude to the former MEC for EDTEA, the Honourable Mrs N Dube-Ncube and the current MEC for EDTEA, Mr RR Pillay for their unwavering support afforded to Ezemvelo. The same goes to the Head of Department Mr N Nkontwana and his support staff, specifically Ms B Mapisa, who have always availed themselves when needed. The passion for conservation and Ezemvelo inherently, demonstrated by the Chairperson of the Portfolio Committee on Conservation and Environmental Affairs, the Honora-

ble Mr S Mshengu, is highly appreciated.

Lastly, to the KZN Executive Council and the entire Ezemvelo staff, thank you for your dedication, because with it, I am confident that we shall change the persistent negative narrative about Ezemvelo existing in the public domain.



MR SIMISO MAGAGULA
Accounting Authority
Ezemvelo KZN Wildlife



BOARD CHAIRMAN



MR SIMISO MAGAGULA

MR SIMISO MAGAGULA

Mr Simiso Magagula was appointed in November 2020 as the Accounting Authority for the KwaZulu-Natal Conservation Board, commonly known as the Ezemvelo. Prior to that he was the Head of Department at the KZN Provincial Treasury for 10 years. He had served as Senior General Manager at KZN Treasury for five years. Mr Magagula had also been a Chief Director at National Treasury from 2001 to 2005. He started his career at the Council for Scientific and Industrial Research – famously known as the CSIR-as a researcher in environmental matters and human settlements.

Mr Magagula also served in the following boards:

- South African Rail Commuter Corporation (now PRASA)
- The Growth Fund Trust

He holds two master's degrees, one in Urban Planning from Miami University, and the other in Economic Policy Management from McGill University.

He served as a technical chairperson of Economic and Infrastructure cluster in KZN government until 2020.



INDEPENDENT AUDIT COMMITTEE



MS PAM BOSMAN



MR NJABULO MCHUNU



MS RAMPATHIE NAIDOO



MR HARRY MBAMBO

MS PAM BOSMAN

Pamela Bosman became the chair of the Audit and Risk Committee in January 2021. She is an experienced chartered accountant with over 20 years holding executive and non-executive director positions. She was the Provincial Accountant General of KwaZulu-Natal and was responsible for improved audit outcomes of provincial departments. She brings a wealth of experience to the ARC.

MR NJABULO FREEMAN MCHUNU

Mr. Njabulo Freeman Mchunu was appointed as an independent member of the Audit and Risk Committee on the November 1, 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 RAMPATHIE NAIDOO

She is a member of Sharks Board and serves as the chairperson of its Human Resources, Audit, Risks and Business Development board committee. In 2021 she was appointed to serve on Ezemvelo's Risk and Audit Committee. Ms Naidoo is the former member of the

KwaZulu-Natal Legislature. During her time at the KZN Legislature she served on a number of committees including Scopa, Finance, Health, Local government, Premier and Royal Household committees. She is a former Richmond Municipality councillor and she also serves as a Police reservist within the Richmond SAPS. In the past she also served at uMgungundlovu District municipality.

MR HARRY MBAMBO

Mr Harry Mbambo joined the Public Sector in 1994. His interest has been in areas such as marketing, public relations, communications, education tourism and Brand Management. He also has a vast experience within the government's corporate Services

Mr Mbambo has served in a number of boards as well as government committees within structures such as the Provincial Tourism Investment Committee, Provincial Tourism Forum, Marine & Coastal Educators Network etc.

Mr Mbambo possesses a Leadership and Management Postgraduate Diploma and a Master of Commerce Degree which he both obtained from University of KwaZulu-Natal. He has an International Tourism Qualification that he acquired from Spain's Univesidad Internacional Menendez Pelayo . Mr Mbambo has also travelled extensively abroad to broaden his horizon in terms of Tourism.



2020/21 CEO FOREWORD

Writing this report in the mid of what is now being called the Covid-19 pandemic third wave, I am both cautious and optimistic. It goes without saying the world and the way we live, work and play are changing fast and so profoundly we might even be tempted to call for a new normal post the pandemic.

I remain optimistic because even with the new normal, Ezemvelo KZN Wildlife's (Ezemvelo) role is as crucial as ever. Our 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 holds steady irrespective of the new normal. However, I am cautious of the effects of this pandemic on South Africa's fiscus and consequently, budget cuts to government departments, state-owned entities and public entities are inevitable. Ezemvelo, like other entities, has been affected. Yet, we are relentless in protecting our natural assets and management has been knocking on as many doors as possible. Eventually, for the year under review, the Department of Economic Development, Tourism and Environmental Affairs provided Ezemvelo with an additional R190 million towards the latter part of the financial year. This allowed us to deal with our financial shortfall and afforded some much-needed stability.

From a performance perspective, we must remember the 2020/21 year was characterised by various levels of lockdowns starting from March 2020. These lockdowns were both beneficial and challenging when it came to Ezemvelo delivering on its mandate.

The reduced movement of people and lower levels of business activity benefited the KwaZulu-Natal provincial conservation agenda as eight of the 11 of districts had been managed effectively with the province achieving over 93% compliance levels with biodiversity legislation. While district conservation benefited from the circumstances, protected area management effectiveness targets were not achieved as the various restrictions imposed by lockdown measures and activities were halted due to budgetary constraints fears.

It would be prudent for the aspect of budgetary constraints to be expanded. Being a schedule 3C public entity, Ezemvelo is required to table a balanced budget. The income side consists of the state subsidy, donor and special funding as well as own revenue generated from ecotourism and other commercial ventures. For the year under review, our original projection (pre-Covid) was for an estimated R200 million revenue. However, when the initial lock down was implemented, it became difficult to forecast and spend accordingly as we would be spending money we could not realistically expect to receive.



MR NTSIKELELO DLULANE
Acting CEO of Ezemvelo

Hence, Covid-19 impacted on our ability to fulfil certain mandates more significantly than other entities not relying on own revenue generation for a balanced budget. On the other side of the coin, it must be noted easing of lockdown regulations and positioning our ecotourism products matched, enabling the entity to achieve a 29% accommodation occupancy rate with over 460000 visitors entering the various parks over the few months of restricted operations. The figures were well above the Covid-19 revised estimates.

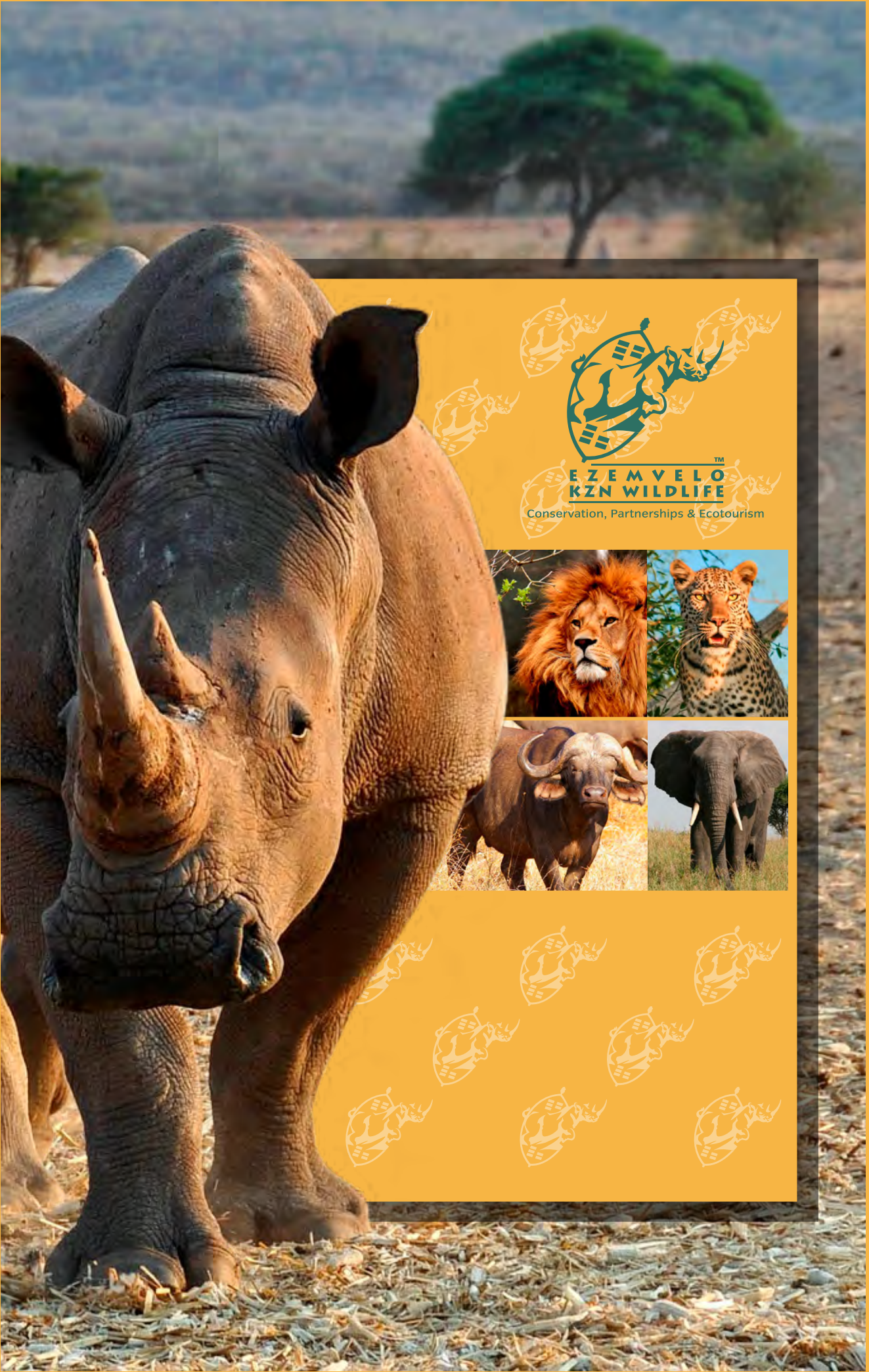
The higher-than-expected visitor numbers further boosted revenue, allowing us to carry on with other service delivery aspects and kick off the process of filling critical vacancies. Playing catch-up until the end of the financial year and operating within the confines of the lockdown regulations, the entity still created over 9000 jobs and provided accredited training to at least 3700 previously disadvantaged individuals.

None of this would have been possible without the dedication and passion our staff have for the work they perform. In thanking these brave men and women, I mourn the loss of one of our colleagues who passed away in a tragic incident (the matter is being investigated) as well as six other members of our team who succumbed to Covid-19 complications.

In summary, in remembering those we lost, I express my disappointment we fell short in terms of protected area management. However, I am proud the entity performed well in regards to its conservation mandate outside the protected areas and ecotourism. We have also ensured community beneficiation remains at the centre of our operations to mitigate the disastrous impacts of Covid-19. I am indeed exceedingly proud of these results.



PART 3: ACHIEVEMENTS AND CHALLENGES



OPERATIONS AND CONSERVATIONS HIGHLIGHTS/ACHIEVEMENTS FOR THE YEAR 2020/21

HEAD: SCIENTIFIC SERVICES AND ACTING HEAD OPERATIONS

HIGHLIGHTS

This report constitutes the highlights, achievements and challenges with both Scientific Services and Operations of Ezemvelo KZN Wildlife (Ezemvelo) for the year 2020/21. It is not the entirety of the work done, but the summary and sample of what highlights and challenges we have encountered.

CRITICAL SPECIES MONITORING AND BIODIVERSITY MANAGEMENT PLANS

National biodiversity management plan for Pickersgill's reed frog *Hyperolius pickersgilli*

Ezemvelo is the lead agent for implementing the national biodiversity management plan for Pickersgill's reed frog *Hyperolius pickersgilli*, an endangered species confined to KwaZulu-Natal. Most of the management plan actions are on track or have been completed, while there are minor issues with implementing a few of them. Accomplishments include clearing 343 hectares of alien invasive plants at four wetland areas where the frog species occurs; releasing into the wild 455 of various life stages of the frog species captive-bred at the Joburg Zoo and developing electronic maps delimiting the habitat the species requires within its distribution range to be included in municipal planning systems for conservation purposes. We hope further good progress will be made in implementing the biodiversity management plan next year.



A marked Pickersgill's reed frog *Hyperolius pickersgilli* from Joburg Zoo recorded three months after release into the wild (Photo: Adrian Armstrong)

Pennington's Protea butterfly *Capys penningtoni*

Survival of the critically endangered Pennington's Protea butterfly *Capys penningtoni* hangs in the balance. The greater Mkhomazi River Valley is its only home and work is being done to save the species from extinction. However, the dramatic decline in its numbers is probably caused by the inappropriate burning of its protea savanna habitat and through predation by the alien harlequin ladybird beetle *Harmonia axyridis* putting its survival in jeopardy.



A critically endangered and endemic Pennington's Protea butterfly *Capys penningtoni* (Photo: Adrian Armstrong)

SEA TURTLE MONITORING (LEATHERBACK AND LOGGERHEAD NESTING SEASON)

The annual nesting turtle survey was undertaken from October 20, 2020 to March 15, 2021 and covered the roughly 90km stretch of beach between the South African/Mozambique border and Sodwana Bay. Close to 40 local community members were employed and trained to collect the turtle nesting data.

There were 394 emergences for the leatherback turtles during this season with 372 resulting in a successful nesting event (a 94% nesting success rate). There were 57 distinct individuals identified, the majority (44) of which were newly encountered while 13 were remigrants encountered in previous seasons. Leatherback nesting activity this season was the lowest in the past five seasons. Loggerhead turtle nesting activity was also the lowest in five seasons. There were 4381 emergences of which 2361 resulted in successful nesting events (a 54% nest success rate – typical of this species). There were 578 distinct individuals identified of which the bulk (457) comprised new individuals and the balance being remigrants.



Long-term trends for both species were determined by analysing nesting data in the index area – a stretch of beach from Bhanga Nek to Kosi Mouth where consistent monitoring efforts have been applied for the programme’s 56-year duration. The loggerhead turtle population trend (Fig. 1) has shown a growth phase spanning 47 years, peaking during the 2011/2012 season. There has since been a decline (the cause remains unknown) to the 2016/2017 season. There was an increase thereafter until the 2019/2020 season. The poor nesting this season has seemingly halted this recovery, highlighting the need for continual monitoring to see how this population performs.

The population trend for nesting leatherback turtles (Fig. 2) shows better prospects this season compared to last season. The high variation between seasons indicates a stable overall nesting population decreasing in the short-term (past six seasons), mainly driven by extremely poor nesting in 2018. The low leatherback population numbers combined with this remains a cause for concern.

VULTURE CONSERVATION

Africa’s iconic vulture species are under threat, no more so than in KwaZulu-Natal. Ezemvelo is responsible for monitoring the province’s three tree-nesting species, namely the African White-backed Gyps africanus, Lappet-faced Torgos tracheliotos and White-headed Trigocephalus occipitalis vultures. Annually, the organisation undertakes an aerial survey to monitor population trends of these much-maligned species. However, due to the economic impact of the Covid-19 pandemic, Ezemvelo partnered with Wildlife ACT to ensure these surveys continued albeit it in a slightly altered format. The fixed wing airplane survey focused specifically on the breeding populations within the Hluhluwe-iMfolozi complex and a modified helicopter survey focused on the northern populations of uMkhuze, Phongola and Magadu areas. The results of the 2020 breeding season are seriously disheartening with reduced breeding populations of both Lappet-faced and White-backed vultures in the north and zero breeding pairs for White-headed Vultures

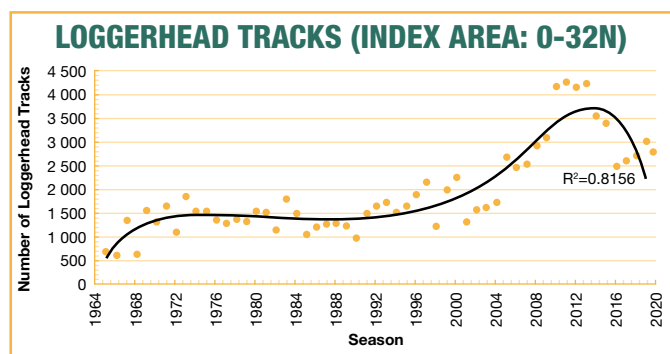


Figure 1: Loggerhead emergences in the Index Area (1965 -2020)

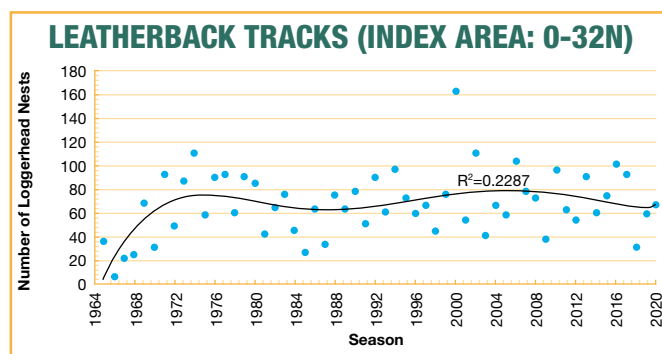


Figure 2: Leatherback emergences in the Index Area (1965-2020)

Challenges and Developments

Poaching remains a challenge with six incidences of turtle harassment and poaching of turtle products reported. Major incidences involved a live nesting loggerhead taken at Sodwana Bay and driven out the main gate unchallenged. Another had its front flippers hacked off. Performance of the monitors this season was an issue and we hope to address this before the next season. Funding remains a challenge and via our partnership with WILD OCEANS (of WildTrust), funding was secured from the German-based Blue Action Fund (BAF) to run the programme for this reporting season. The project costs approximately R998000 annually with the bulk committed to employing about 40 local community members for five months. This provides employment in a high poverty area.

being recorded in the entire province. The decline of the White-headed Vulture in KwaZulu-Natal is concerning despite a concerted effort during this year’s flights to survey all known nesting areas. The breeding population of African White-backed Vultures remains steady within the Hluhluwe-iMfolozi complex, the only positive from the 2020 survey. In addition to the aerial surveys, Ezemvelo staff continue monitoring the species through its colour tagging programme in which an additional 26 individuals were fitted with unique ID tags and/or GSM tracking devices during 2020. Resightings of tagged individuals contribute to understanding the species movements, survival rates and identify key conservation areas in which conservation actions can be undertaken.



Challenges on vulture conservation

The deliberate poisoning of vultures for the traditional medicine trade continues, especially in the northern cluster and the demise of the three species can be attributed to such. Ezemvelo and Wildlife ACT responded to numerous poisoning events with more than 100 carcasses recovered. The continued impact of deliberate poisoning has been identified as key threat to the species and several actions identified in the draft national biodiversity management plan for South Africa vultures aiming to address such. Ezemvelo staff have been actively involved in drafting the plan and, once approved, will ensure these actions are implemented in the province.

cycad species). Some plants are being relocated closer to the field ranger camp and office. Immensely exciting news in the year on review was the discovery of a new (second) population of the critically endangered daisy *Helichrysum citricephalum* (Asteraceae) in the Ixopo area in February 2021. The population of about 350 individuals is the largest and most significant population for this species, especially since the population at the type locality was destroyed by road widening.

The Nutrient Network (NUTNET) long-term climate change monitoring programme established four years ago at Cathedral Peak in the Maloti-Drakensberg Park World Heritage Site continues with great progress. The project delivers excellent data on the responses of plant



A typical scene when vultures are deliberately poisoned for the traditional medicine trade.

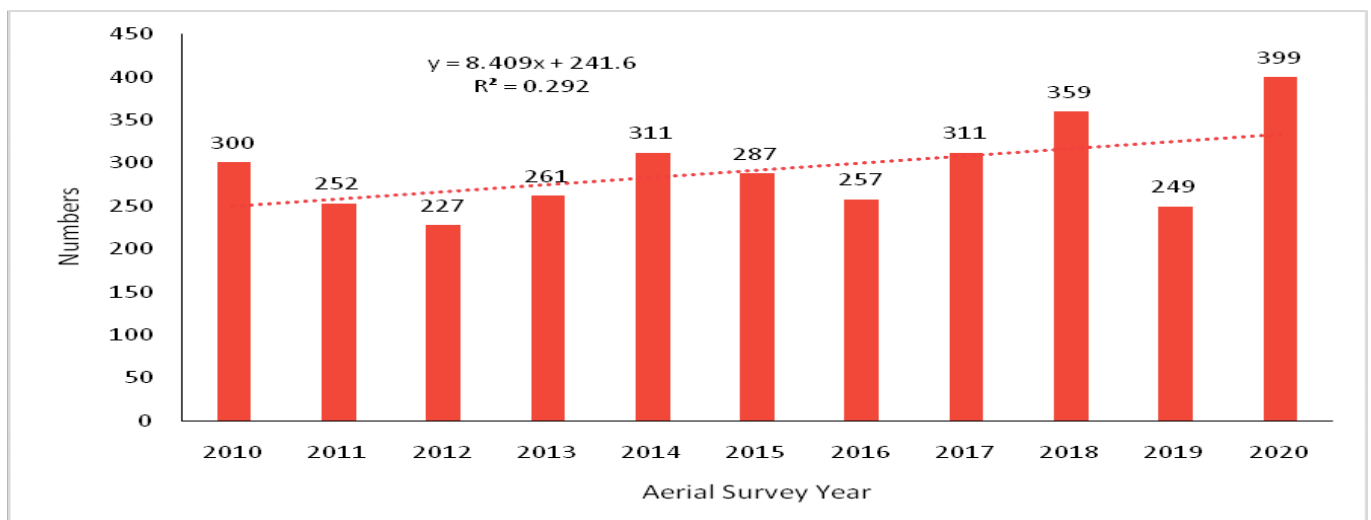
Threatened plant species monitoring

General threatened plant species monitoring continues across KwaZulu-Natal. The *Aloe saundersiae* population at Nkandla Forest Reserve is showing signs of remarkable expansion to the extent a second population has been established closer to the field ranger camp for greater security. The *Kniphofia leucocephala* population at Langepan is stable and being co-managed with MondisiyaQhubeka. New and significantly large populations of *Satyrrium rhodanthum* have been discovered, adding further security to the species' survival. Unfortunately *Encephalartos ngoyanus* in the Ongoye Forest Reserve is being poached at a large-scale rate (like many other

species (composition) and their productivity (biomass) to changes in soil nutrients and rising carbon dioxide (CO²) and temperature.

Annual aerial Wattle Crane census

The annual crane aerial surveys in KwaZulu-Natal have been performed over the past 28 years. In the year in review is 399 (see graph below) Wattled Cranes were counted in 2020, the largest crane count recorded via the aerial surveys. This species is listed as critically endangered in South Africa so the excellent count results are extremely pleasing and bodes well for the conservation of this iconic species.

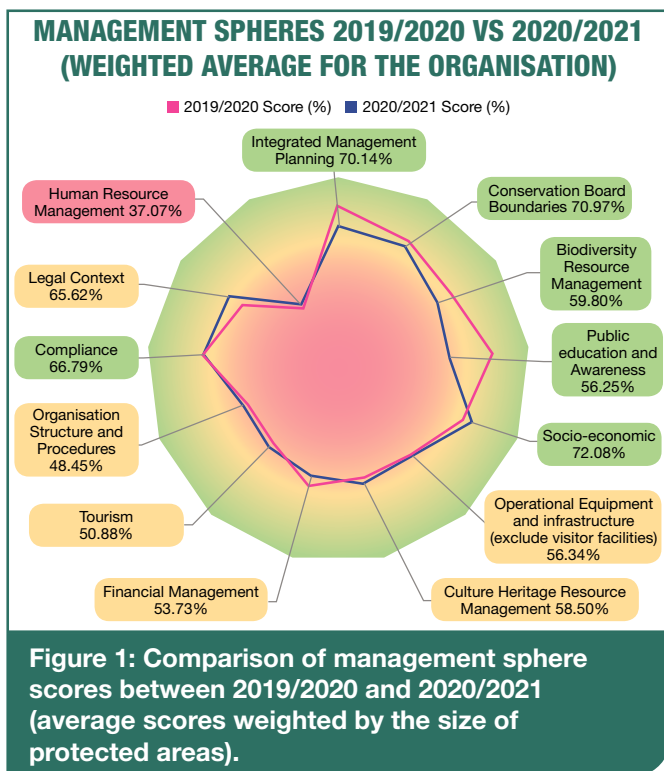


MANAGEMENT EFFECTIVENESS OF EZEMVELO PROTECTED AREAS

Protected area management effectiveness (PAME) assessments were conducted using the Department of Forestry, Fisheries and the Environment (DFFE) METT-SA version 3a. It was Ezemvelo's sixth year implementing this specific PAME tool. Although DFFE rolled out its online web-based system, Ezemvelo continued using the offline method due to poor network connectivity in outlying areas.

Regretably and significantly none of the sites managed met the minimum 67% standard for the 2020/2021 assessment year. The mean scores of the sites assessed were 48.84%, but considering the size of each protected area, the weighted mean was calculated at 58.08%. The latter gives a more accurate indication of the average management effectiveness spatially across the province. Compared to the 2019/2020 results, the 2020/2021 effectiveness performance demonstrates a clear decline in management effectiveness in eight of the 13 management spheres (Fig. 1), the level of decline between -0.43% and -20.89%. While five of the management spheres demonstrated some improvement, this is between 0.72% and 8.51%.

The legal context sphere and socio-economic sphere demonstrated the highest growth levels (8.51% and 2.87% respectively) for 2020/2021. The legal context sphere improvement was primarily due to an improved legal status of the sites and appropriate boundary demarcation. Furthermore, the increase in the socio-economic sphere was due to advances in relations between protected area management staff and commercial operators and establishing community liaison structures.



Challenges and developments

The year started with severe budget constraints (with many operational budgets being frozen). This was further exacerbated by the major fire season conundrum. The 2020 fire season is best described as “a challenge” for operational and biodiversity conservation. The single biggest problem was our inability to burn the required fire breaks in 2020, resulting from Ezemvelo being unable to timelessly obtain the premier's authority to employ temporary staff and the severe budget constraints the organisation experienced at the outset of the fire season. By the time these issues were overcome, the fire season was virtually over, resulting in a huge number of wildfires and the loss of significant areas of biodiversity and property to fire. On a positive note, the financial bail-out produced a silver lining and operations could procure new vehicles and undertake limited infrastructure maintenance, although most of this will only be visible in 2021/22.

Notwithstanding several staff tragically lost their lives to the pandemic, Covid-19 has significantly impacted on operations. Fortunately, we have recently seen a drop in Covid-19 cases, but the pandemic continues affecting operations albeit stations are now reporting far fewer cases of infections.

Covid-19 lockdown restrictions critically impacted on the organisation's management effectiveness for protected areas, resulting in an inability to achieve its target of 30% or more of the protected area estate meeting the national minimum 67% standard. One main contributing factor was the effects of the lockdown on the organisation's ability to generate revenue during the year under review. Lockdown regulations restricted people's movement and the temporary closure of specific sectors including the tourism industry directly affected revenue generation. Visitor numbers in our parks were minimal to low during particular times. Declining operational budgets and inadequate revenue generation impacted on several indicators in the assessment including operational equipment maintenance, operational and tourism infrastructures and the transport fleet.

Critically, several provincial districts and the uKhahlamba Drakensberg Park World Heritage Site (UDP WHS) are experiencing manpower shortages (vacant posts ranging from manager to district conservation officers, field rangers and general assistants), adversely affecting service delivery. For UDP WHS this poses a great risk to the park's status were we to continue at this trajectory.

Protecting the Hluhluwe-iMfolozi Park (HiP) from mining-related impacts.

The IEM unit has placed extra effort to protect the HiP from mining-related impacts: noise, seismic vibrations, visual intrusion, dust and mining-related water pollution. Concerns pertaining to Zululand Anthracite Colliery (ZAC) bordering HiP was aired on the SABC 2 television programme 50/50 on October 5, 2020. The head



conservation services (and acting head operations) was interviewed. Ezemvelo received praise from the public, thanking the organisation for our efforts to protect HiP.

IEM's engagement with Tendele Coal Mining (Pty) Ltd on its Luhlanga pit extension culminated in a biodiversity offset and Tendele acknowledging the existing mine operation impacts HiP. Tendele and the KwaZulu-Natal Conservation Board entered into a memorandum of agreement stating the mine will:

- determine the extent and nature of the residual visual and noise impacts and damage to the HiP and its approaches and
- compensate for the impacts – IEM has actively supported and directed this project to ensure compensation for the visual and noise impacts on the HiP will deliver a reasonable net gain for HiP, its values and tourism.

Challenges and developments

There was a slight reduction in the number of development applications received this past financial year, presumably due to the economic slowdown and the global pandemic. Consequently, this small and under-capacitated unit was regrettably still not in a position to review and comment on land-use change applications. As in recent years, only applications identified as posing a significant threat to the province's critical biodiversity assets and state-protected areas were assigned to a conservation planner. Applications categorised as medium to low impact and importance were either issued standard comments or screened out, thereby ensuring Ezemvelo's capacity constraints do not hinder the province's economic development.

ON THE KWAZULU-NATAL STEWARDSHIP PROGRAMME

Covid-19 and the lockdown restrictions delayed the stewardship declaration process in the 2020/2021 cycle. However, the team secured five sites under stewardship, even in difficult circumstances.

Table 1: Sites submitted to the MEC for declaration as biodiversity stewardship sites 2020/2021

Name of the BDS site	Size in hectares	Outcome
Roelton (conservation outcomes)	114	declared (April 2021)
Central Umngeni Properties (conservation outcomes)	3453.6	declared (April 2021)
Strathkop (conservation outcomes)	503	declaration signed (property description needs amending)
Umngeni Properties –Denleigh/Stoneless/Southdown (conservation outcomes)	480	MEC signed intention to declare (May 2021)
Hlomohlomo	830	MEC signed Intention to declare (May 2021)
Nagle Dam	2474	MEC signed intention to declare (May 2021)
Total number of hectares	7854.6ha	

Game donations as part of the biodiversity economy

Ezemvelo is currently championing a Department of Defense (DOD) initiative in partnership with the South African National Parks to donate game to biodiversity economy initiative (BEI) projects. The BEI team and colleagues from the Department of Fisheries, Forestry and Environment (DFFE) are facilitating donations in KwaZulu-Natal. The game donations being made will not be custodianship as done within Ezemvelo and Ezemvelo will be responsible for ensuring the necessary introduction permits are obtained before the game is transferred. This is a ground-breaking initiative aimed at stimulating transformation in the provincial biodiversity economy and is to be supported.

COVID-19 COMMUNITY RELIEF

Ezemvelo strongly holds the ethos conservation is only successful when done in partnership with stakeholders, particularly communities living adjacent to protected areas. The strong bonds built over time strengthen relations and promote good partnerships in conserving KwaZulu-Natal's nature. Ezemvelo's role is particularly important as it is often the government entity in closest contact with rural communities given most protected areas are in deep rural areas. The Covid-19 lockdown regulations and their severe impact on nature-based tourism substantially affected the livelihoods within communities adjacent to protected areas. Consequently, Ezemvelo developed the Covid-19 community relief programme to provide support and relief initiatives for local communities. Some of the most successful efforts included relief intervention in Ndumo, Tembe and HiP. The programme scale was later expanded with the partnership between Ezemvelo and the African Conservation Trust (ACT).

Illegal grazing in Ezemvelo protected areas – some positive progress

Ezemvelo experienced increasing illegal livestock grazing inside protected area, posing a great risk to biodiversity conservation. The socio-ecology unit spearheaded research to better understand the scope of the problem.



The result was a comprehensive document and map indicating the protected areas in which Ezemvelo experiences illegal livestock grazing. The research grouped together the protected areas experiencing the highest numbers to assist the organisation prioritise resources when tackling the matter. Furthermore, a document identifying key external stakeholders to assist with the matter has been compiled; engagement with external stakeholders has started and we have received positive responses with potential partnerships to address the illegal grazing issue.

Local community profiles

Profiling local communities adjacent to protected areas is a key component for managing these areas, particularly as communities and the social dynamics inform the extent to which managers can anticipate challenges and/or leverage on opportunities to advance effective protected area management in partnerships with communities.

A research document profiling communities living adjacent to protected areas in the Ugu district has been compiled. The document has helped develop innovative initiatives to strengthen relations between Ezemvelo and local communities. In the Vernon Crookes Nature Reserve the profiling indicated local communities are not well-informed about what happens inside the park, while others have never been inside the park despite living 5km away.

An initiative proposing a guided walk for some local communities was implemented, the walk providing communities who had never entered the park the opportunity to do so. Ezemvelo was able to conduct awareness on the importance of conserving biodiversity and on Vernon Crookes Nature Reserve in general. In profiling communities adjacent to Ezemvelo protected areas, the organisation can identify areas of engagement directly needed in a particular area.

LAW ENFORCEMENT OPERATIONS

Combatting rhino crime remains one of Ezemvelo's critical law enforcement operations and involved implementing the Ezemvelo KwaZulu-Natal Rhino Crime Combatting Intervention Strategy. One key element was implementing intensive protection reserves – HiP, uMkhuze and Ithala game reserves. The roll-out of plans to improve early detection and rapid response through operational deployments and technology were implemented via key donor partnerships. This saw HiP and uMkhuze game reserves becoming integrated smart parks, allowing operations sensors and devices being connected to ensure the real-time monitoring of resources and detection alerts. The SAPS continued assisting with combatting wildlife crime with deployments to the Hluhluwe Tactical Joint Operations Command (TAC-JOC) based in Hluhluwe. These actions have resulted in a decline in rhino poaching mortalities in Ezemvelo

rhino reserves for the year-on-year calendar years from December 2019 (133) to December 2020 (93). It must be noted systems and operational plans implemented for combatting rhino crime has positively impacted on combatting all wildlife crimes in protected areas and districts as the law enforcement measures cover all species of fauna and flora.

Challenges and developments

Enforcing regulations for hunting outside of state-protected areas on mostly private land using traditional dog hunting has challenges, especially in the KwaZulu-Natal Midlands. There were several initiatives especially from the provincial agriculture sector to find solutions to address the illegal hunting with dogs.

Filling vacant staff posts and resourcing law enforcement initiatives in protected areas and districts remains a critical challenge, creating leadership and capacity challenges in implementing law enforcement programmes.

INFUSING BIODIVERSITY SPATIAL PRODUCTS INTO PROVINCIAL SPATIAL PLANS

A key product developed in the year in review was the biodiversity land-use coverage (a refinement of the terrestrial critical biodiversity area and ecological support area priority area coverages) specifically developed to inform the Spatial Planning and Land Use Management Act (SPLUMA) land-use schemes. This coverage was developed jointly with the provincial Department of Agriculture (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, sustainable stocking rates and proper fire management). Also updated is the formal protected area coverage now reflects the newly proclaimed protected areas as gazetted during the 2020/2021 period.

Challenges and developments

The year under review saw a strong focus on integrating and implementing already available products. In interacting with various external stakeholders, it was noted access to provincial data can be challenging. Consequently, CoGTA initiated a process, with Ezemvelo's collaboration, of creating the PSDF GIS technological tools, data acquisition and management (GTTDAM) sub-committee. This committee ensures a single data source (provincial scale) is used in planning and developing provincial information products.

From a technological perspective, investigations are being conducted looking into the feasibility of using field-based data collection software to aid field monitoring projects, as well as introducing data-sharing collaborations with key spatial data custodians to improve data



dissemination. With significant financial constraints, the division is turning towards technological solutions to achieve these goals. The receipt of the Protected Area Management (PAM) Grant from ESRI in 2019 is assisting achieve this goal.

Game capture and sales

The game capture unit undertakes the capture and delivery of game allocated to game sales. In the year under review, 744 animals were delivered to buyers, raising R1.42 million in sales. This was substantially below target as a significant proportion of the allocated live off-takes had to be cancelled due to movement restrictions associated with Covid-19 lockdowns and the lack of operating budgets required to undertake capture operations during the game capture season.

An important component of effectively managing protected areas is ensuring the scientifically based carrying capacity and disease regulation of animals. This is done through off-take, capture and translocation. The game capture unit was responsible for capturing 1008 animals, significantly below the 1939 target and has directly impacted on the respective protected area management effectiveness scores.

DISEASE MANAGEMENT

Bovine Tuberculosis (Btb)

Due to Covid-19 restrictions the buffalo Btb control programme and the relocation and testing of buffalo from iSimangaliso was postponed. Some Btb research did continue during the lockdown and the unit assisted with capturing and testing 26 buffalo that were part of a donation from Mnyawana and Manyoni to the Onderstepoort Veterinary Laboratory. The 26 Btb-negative buffalo were donated to Onderstepoort as part of a vaccine trial to be conducted in the quarantine bomas in Skukuza.

Risk: the directorate of Animal Health has imposed formal quarantine restrictions on HiP and uMkhuze game reserves, Manyoni, Thanda and Mnyawana. With the exception of white rhino and zebra, movement restrictions now apply to every other species and their products. These restrictions impact on the live disposal of these species and have a consequent revenue loss. With the recent diagnosis of Btb in white rhino in the Kruger National Park, stricter quarantine measures may also be extended to both species of rhino in all affected areas.

The risk of domestic cattle being infected by buffalo from HiP remains high due to the poor condition of the boundary fence. While the disease is endemic in the HiP buffalo population, it is critical the fence is maintained to the Department of Veterinary Services buffalo protocol standards. Failure to do so will render Ezemvelo poten-

tially liable for stock losses incurred as a result of the disease. The impact has a legal, financial and strategic nature and the most effective way to mitigate this risk is by maintaining a fit-for-purpose boundary fence.

Rabies

KwaZulu-Natal has experienced an upsurge in animal rabies in the past three years. This outbreak started in the King Cetshwayo district and spread south through Illembe and into Inanda.

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

RESEARCH OUTPUT

The relatively pristine ecosystems, often with long-term monitoring data and records of management interventions, in Ezemvelo's network of protected areas makes these ideal and desirable sites in which to conduct biological research. In many cases they represent the last intact examples of previously widespread ecosystems. Ezemvelo sees one of the key values of protected areas as contributing to South Africa's intellectual growth and actively supports and makes protected areas available for undertaking research. Furthermore, applied management-orientated research improves Ezemvelo's ability to more effectively manage biodiversity. Ezemvelo evaluates research proposals and assigns a research project co-ordinator for approved research, providing support to projects with a higher potential for providing information to assist in effective biodiversity management. Ezemvelo also provides a number of research facilities and accommodation in different protected areas run on a cost-recovery basis. In the 2020/21 financial year 42 new research projects were initiated in the protected area network of which 18 were for academic qualifications, notably eight at Masters and four at PhD level (Table 2).

Table 2: Summary of projects registered

Project Level	Number
Programme	1
PhD	4
Masters	8
Honours and BTech	6
Non-degree purposes	12
Post-doctoral	11
Total	42



Staff Publications

While Covid-19 has its challenges, these have been pleasantly counterpoised by a record number of publications. Since less time was spent in the field and more working from home, staff invested efforts into converting collated data into publications. The total number of publications for the year in review 22:

1. Blackmore, A. C. (2020) What happens on the beach stays on the beach: a speculative legal analysis of nudism in South African protected areas. *Law, Democracy and Development* 24: 318-337. <http://dx.doi.org/10.17159/2077-4907/2020/idd.v24.13>
2. Blackmore, A. C. (2020) Towards Unpacking the Theory Behind and a Pragmatic Approach to Biodiversity Offsets. *Environmental Management* 65:88-97. <https://doi.org/10.1007/s00267-019-01232-0>
3. Thompson, L. J. and Blackmore, A. C. (2020) A brief review of the legal protection of vultures in South Africa. *OSTRICH* 91(1). <https://doi.org/10.2989/00306525.2019.1674938>
4. Gore, M. L., Hübshle, A., Botha, A. J., Coverdale, B. M., Garbett, R., Harrell, R. M., Krueger, S., Mullinax, J. M., Olson, L. J., Ottinger, M. A., Robinson, H. S., Shaffer, L. J., Thompson, L. J., van den Heever, L., and Bowerman, W. W. (2020) A conservation criminology-based desk assessment of vulture poisoning in the Great Limpopo Transfrontier Conservation Area. *Global Ecology and Conservation*. 23. doi: <https://doi.org/10.1016/j.gecco.2020.e01076>
5. Druce, D. J. (2020) Predation risk constrains herbivores' adaptive capacity to warming. *Nature Ecology and Evolution*. 4, 1069-1074. <https://doi.org/10.1038/s41559-020-1218-2>
6. Brink, C. W., Krüger, S. and Amar, A. (2020) Potential release sites and strategies for a Bearded Vulture *Gypaetus barbatus* reintroduction in South Africa. *Ostrich* 91_2: 118-128.
7. Blackmore, A. (2020) Climate change and the ownership of game: A concern for fenced wildlife areas. *Koedoe* 62(1), a1594. <https://doi.org/10.4102/koedoe.v62i1.1594>
8. Brink, C. W., Santangeli, A., Amar, A., Wolter, K., Tate, G., Krüger, S., Tucker, A. S. and Thomson, R. L. (2020) Perceptions of vulture supplementary feeding site managers and potential hidden risks to avian scavengers. *Conservation Science and Practice*.
9. Goosen, W. J., Kerr, T. J., Kleynhans, L., Buss, P., Cooper, D., Warren, R. M., van Helden, P. D., Schröder, B., Parsons, S. D. C. and Miller, M. A. (2020) The VetMAX™ M. tuberculosis complex PCR kit detects MTBC DNA in antemortem and postmortem samples from white rhinoceros (*Ceratotherium simum*), African elephants (*Loxodonta africana*) and African buffaloes (*Syncerus caffer*), *BMC Veterinary Research*. <https://doi.org/10.1186/s12917-020-02438-9>
10. Pillay, Y. P. and Buschke, F. T. (2020) Misaligned environmental governance indicators and the mismatch between government actions and positive environmental outcomes. *Environmental Science and Policy* 112:374-380. <https://doi.org/10.1016/j.envsci.2020.07.010>
11. Davies, A. B., Cromsigt, J. P. G. M., Tambling, C. J., le Roux, E., Vaughn, N., Druce, D. J., Marneweck, D. G. and Asner, G. P. (2020) Environmental controls on African herbivore responses to landscapes of fear. *Oikos* 00: 1-16. doi: 10.1111/oik.07559
12. Blackmore, A. C. (2020) Much ado about nothing: A conceptual discussion on novel or niche tourism in protected areas. *Parks* 26.2: 37-46. DOI: 10.2305/IUCN.CH.2020.PARKS-26-2AB.en.
13. Trouwborst, A. and Blackmore, A. C. (2020) Hot Dogs, Hungry Bears and Wolves Running Out of Mountain—International Wildlife Law and the Effects of Climate Change on Large Carnivores. *Journal of International Wildlife Law and Policy*. 23_3: 212-238. <https://doi.org/10.1080/13880292.2020.1852671>
14. Mecenero, S., Edge, D. A., Staude, H. S., Coetzer, B. H., Coetzer, A. J., Raimondo, D. C., Williams, M. C., Armstrong, A. J., Ball, J. B., Bode, J. D., Cockburn, K. N. A., Dobson, C.M., Dobson, J. C. H., Henning, G. A., Morton, A. S., Pringle, E.L., Rautenbach, F., Selb, H. E. T., Van Der Colff, D. and Woodhall, S. E. (2020) Outcomes of the Southern African Lepidoptera Conservation Assessment (SALCA). *Metamorphosis* 31(4): 1-160.
15. Kheswa, N., Mbatha, S., Armstrong, A. J. and Louw, S.L. (2020) Towards assessing the status of *Protea caffra* subsp. *caffra* and *Harmonia axyridis* in the habitat of the Critically Endangered and endemic Pennington's *Protea* butterfly *Capys penningtoni*. *Metamorphosis* 31(1): 148-154.
16. Grab, S., Knight, J., Mol, L., Botha, T., Carbutt, C. and Woodborne, S. (2021) Periglacial landforms in the high Drakensberg, Southern Africa: morphogenetic associations with rock weathering rinds and shrub growth patterns. *Geografiska Annaler: Series A, Physical Geography*. DOI: 10.1080/04353676.2020.1856625
17. Elliott, F. and Blackmore, A. C. (2019) A Hitchhiker's Guide to South Africa's Wetland Legislative Framework and International Obligations. *South African Journal of Environmental Law and Policy* 25: 42-72
18. Skowno, A. L., Jewitt, D., Slingsby, J. A. (2021) Rates and patterns of habitat loss across South Africa's vegetation biomes. *S Afr J Sci*. 117(1/2): 1-5
19. Carbutt, C. (2020) The curious case of a grass-like poker. *PlantLife* 50(6): 1-8.
20. Le Gouvello, D. Z. M., Girondot, M., Bachoo, S. and Nel, R. (2020) The good and bad news of long-term monitoring: an increase in abundance but decreased body size suggests reduced potential fitness in nesting sea turtles. *Mar Biol* 167, 112 (2020). <https://doi.org/10.1007/s00227-020-03736-4>
21. Armstrong, A. J. (2020) The status and distribution of Pennington's *Protea* butterfly *Capys penningtoni* (Family Lycaenidae). *Metamorphosis* 31(1): 139-147.
22. Blackmore, A. C. and Trouwborst, A. (2020) Managing conflicts between economic activities and threatened migratory marine species toward creating a multi-objective blue economy. *Parks* 26.2: 79 - 88. DOI: 10.2305/IUCN.CH.2020.PARKS-26-2.en



Challenges and developments

The number of new projects registered this year was far lower than in 2019/20 (67), largely due to Covid-19 related restrictions and its challenges during part of the year. International and interprovincial travel restrictions as well as the temporary closure of protected areas affected work on ongoing, already registered projects as well as opportunities for new projects. Although approved research was considered an essential service under the biodiversity sector directions, during the higher lockdown levels, Ezemvelo developed and implemented a standard operation procedure for assessing new research project applications where projects were evaluated in terms of managing the Covid-19 risk. Only projects where the risk could be adequately mitigated were allowed to continue.

LOOKING TO THE HORIZON (OUTLOOK FOR 2021/22)

With the easing of Covid-19 restrictions and the roll-out of the national vaccination programme, research activities in our protected areas are expected to increase. Ezemvelo will continue promoting and supporting research in our protected areas and continue contributing to South Africa's intellectual growth. Budget cuts remain the major hindrance in the short to medium-term framework given the organisation is highly reliant on external funding to perform critical operational work. Beside this external funding, tourism numbers that inform the work that must be done, are not expected to have a positive spin until the organisation's commercialisation strategy is fully implemented.

With the significant budget cuts experienced by govern-

mental institutional bodies across the board, the division's focus will continue to have an internal focus (with a significant increase in efforts applied to policy review, database upgrades and internal data management) and an implementation focus.

Expanding the rhino crime combatting plans and operational protocols will ensure all fauna and flora benefits from the lessons learnt and best practices developed under the rhino protection programmes. This includes continuing to work with like-minded non-government organisations (NGOs) to raise funds and invest efforts into technological advances in curtailing rhino poaching. We shall also continue putting pressure on our political principals to appreciate the impact of the moratorium on filling critical vacancies. We have made submissions suggesting a slightly different approach without necessarily allowing widespread, unbudgeted recruitment. Until such time Ezemvelo can address this issue, we shall continue motivating to have vacant posts funded and filled through due processes with the provincial department.

There is a need to ensure strategic donor partners are found to support key enforcement initiatives, especially in developing strategic programmes to a proof of concept and best practice stage that suit Ezemvelo law enforcement operations.

It is foreseen the Covid-19 pandemic will continue impacting on operations albeit stations are now reporting far fewer cases of infection (borne out by fewer staff being booked off sick for Covid-19) and this will directly impact service delivery. Efforts will continue to be invested in mitigating the pandemic's impact and its associated impact on poor revenue generation on operations.



HUMAN RESOURCES DIVISION

INTRODUCTION

The Ezemvelo Human Resources (HR) division constitutes units focused on specific aspects of human resource management. These include organisational development and performance management, HR development, HR operations, employee wellness, talent management and employment relations and are 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 align with relevant legislation. This financial year differed from the other years due to Covid-19. While a number of policies and procedures were reviewed, no policy was approved in the absence of a board.

EZEMVELO CURRENT DEMOGRAPHICS

The current demographics of Ezemvelo's permanent staff for 2020/2021 are 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	0	0	0	0
Senior management	2	0	0	0	2	5	2	2	0	9	11
Professionally skilled	33	4	13	1	51	58	5	32	1	96	147
Skilled	63	7	16	3	89	75	5	12	2	94	183
Semi-skilled	236	12	7	5	260	811	4	1	2	818	1078
Unskilled	210	0	0	0	210	383	0	0	0	383	593
TOTAL	544	23	36	9	612	1332	16	47	5	1400	2012

TOTAL ENGAGEMENTS AND EXITS

A total of 13 permanent employees were engaged, while various skills were lost as 138 permanent employees exited the organisation during the 2020/2021 financial year. Of these employees, 85 retired, 26 died, 17 resigned and 10 were dismissed.

LONG SERVICE AWARDS

During February and March 2021, a total of 110 employees were awarded for their long service and 89 attended ceremonies held at three venues across the organisation. These employees had served the organisation between 21 and 42 years. They were awarded green bars,

certificates and watches. For employees who completed between seven and 14 years of service, certificates were handed to them by their respective managers.

HUMAN RESOURCE DEVELOPMENT

The annual training report (ATR) for the 2019/20 financial year and workplace skills plan (WSP) for the 2020/2021 financial year were accepted and approved by the Culture, Art, Tourism, Hospitality and Sport Sector Education and Training Authority (CATHSSETA), resulting in the organisation receiving a 20% Mandatory Grant of the 1% paid as a skills levy. In total 137 employees were trained, mainly in legal compliance courses, in the period under review. There was no budget to conduct any other kinds of training including staff development. An amount of R445809.20 (2019/2020: R599291.17) was spent on training, while 1571 law enforcement staff attended mandatory re-training and assessment on various firearms.

INTERNSHIP AND WORK INTEGRATED PROGRAMME

As part of Ezemvelo's contribution to alleviating unemployment and developing skills among the youth in its neighbouring communities and the province, 112 youth

were hosted under its internship programme and 42 under its Work Integrated Learning programme (WIL). These programmes assist youth gain necessary work experience to improve their employability and provide them with an opportunity for WIL required to obtain various qualifications.

CHALLENGES AND DEVELOPMENTS

Budget constraints made delivering the required training in the year under review a major challenge. Limited legal compliance training was conducted, but budgetary constraints made it impossible to offer staff development training to assist staff to keep abreast of developments in their respective field of work.



OUTLOOK 2021/2022

The steadily declining training budget year-by-year means staff development will be a thing of the past as the limited budget will focus on legal compliance training only. Engagement with external stakeholders such as CATHSETA will continue supplementing the training budget.

TALENT MANAGEMENT

Talent management deals with the organisation's efforts to recruit, hire, retain and develop talent in line with Ezemvelo's employment equity plans. In the year under review, the organisation experienced major losses with regards to skills, talent and institutional knowledge where 138 employees exited the organisation and critical skills could not be replaced.

There are 85 vacancies approved for filling, but recruitment was halted due to budget constraints and the Covid-19 pandemic. Consequently, only 20 vacancies were filled during the period under review and the organisation's vacancy rate is 42%. Amid its challenges, Ezemvelo submitted its employment equity report to the Department of Labour on January 15, 2021 in line with the deadline.

SEASONAL WORKERS

Ezemvelo is obliged to burn firebreaks as a managing authority for various protected areas. Fire management is a legal requirement and failure to manage these fires poses a risk to our properties and those of our neighbours, potentially resulting in a significant liability. The firebreaks project normally runs annually from February to October.

To strengthen neighbour relations and create jobs for these communities, the organisation employs local communities adjacent to the parks as seasonal workers to assist with firebreaks and burning. During this period 791 seasonal employees were recruited from neighbouring communities during peak seasons.

EMPLOYMENT RELATIONS

The Employment Relations unit is responsible for keeping labour peace, managing grievances, discipline, collective bargaining and dispute resolutions. In addition the unit ensures a stable labour relations environment where conflicts between management and employees are addressed and monitored timeously.

Collective bargaining

The organisation has a recognition agreement with two trade unions, namely the Health and Other Services Personnel Trade Union of South Africa (HOSPERSA) and the National Education, Health and Allied Workers' Union (NEHAWU). The organisation finalised negotiations

on outstanding matters from the previous year. The organisation's labour relations environment was stable and manageable during the year under review and the collective bargaining meetings successfully held. There were no labour-intensive demonstrations against the organisation, although the financial position has not improved.

Labour Court cases

Three labour court cases relating to interdicting dismissals due to fraud were referred during this period. The 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 breaching the employee's duty of good faith was referred for a review and this matter is in sine die.

CCMA cases

About 60% of the dispute cases were referred to the Commission for Conciliation, Mediation and Arbitration (CCMA) this financial year. In total 13 cases were referred to the CCMA for arbitration of which two were dismissed. One case was withdrawn and one strike off the roll, while nine cases were not finalised.

Disciplinary hearings

In total 37 disciplinary inquiries were conducted during the 2020/2021 financial year of which 14 resulted in dismissals and nine issued with severe corrective measures coupled with one to three months' unpaid salary. While 37 were held, various employees were charged with a total 81 misconducts.

The following disciplinary cases were heard:

NATURE OF MISCONDUCT	TOTAL NUMBER OF CASES
Abscondment	9
Illegal hunting or illegal gathering within a protected area	1
Absent without reporting for less than seven days	3
Corruption	1
Insolence to supervisor	1
Neglect or improper performance of duties	2
Violation of privacy	1
Duty to care	1
Driving an organisation's motor vehicle or boat or motorcycle while under the influence of alcohol	1
Sexual assault	1
Sexual harassment to a fellow employee	2
Gross negligence in carrying out duties	9



NATURE OF MISCONDUCT	TOTAL NUMBER OF CASES
Misappropriation/improper use of the organisation's property	3
Breach of employee's duty of good faith	7
Negligence	4
Unauthorised consumption of intoxicating liquor while on duty	1
False evidence	3
Drinking alcohol while on standby	1
Physical assault	5
Unauthorised possession of firearms on the organisation's property	1
Intimidation of employee	2
Insubordination	1
Leaving place of duty without authorisation	1
Dishonesty	3
Repeated refusal to carry out lawful instruction	2
Serious cases of poor workmanship	1
Bringing the organisation into disrepute	3
Theft	1
Using incorrect entrances/exits designated by the organisation	1
Failing to report absence to the organisation at the earliest possible opportunity	1
Inciting employees/stakeholder to violence	1
Fighting	2
Deliberate violation of safety requirement	4
Leaving the organisation's premises while on duty without authorisation	1
Total	81

Grievances

Eight grievances were lodged during 2020/2021 of which two were resolved.

NATURE OF GRIEVANCE	TOTAL	STATUS
Aggrieved for being counselled to correct behaviour in the workplace	1	resolved
Recruitment and selection	2	not resolved
Salary discrepancy and grading	1	not resolved
Violation of suspension process	1	resolved
Acting allowance	1	not resolved
Position grade	1	not resolved
Bullying	1	not resolved

CHALLENGES AND DEVELOPMENTS

There was a huge increase of misconducts during 2020/2021 of which more than 50% were serious and had no opportunity for rehabilitation. Unfortunately, such employees' behaviour was alarming with serious concerns in one financial year. Institutional meetings were affected by the Covid-19 national lockdown.

OUTLOOK 2021/2022

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

EMPLOYEE HEALTH AND WELLNESS

The Employee Health and Wellness unit deals with employees health and social aspects sometimes extended to their families. Under this unit, there is a clinic facility including an occupational medical practitioner (OMP) operating in line with the Occupational Health & Safety Act, 85 of 1993.

Occupational health

Wellness Days were conducted at 13 sites with good attendance. World Aids Day was commemorated on December 1, 2020 at the Centenary Centre (HiP) and attended by 246 employees.

Medical surveillance was conducted successfully and 1757 pre-employment medicals conducted. 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 increased number of projects.

Awareness creation sessions were also conducted, focussing on financial literacy and the impact of the Covid-19 pandemic. In total 954 employees attended sessions across the region. The sessions were conducted as new developments about the pandemic unfolded during the second wave and the return-to-work behaviour changes. Awareness on substance abuse, gender-based violence (GBV) and stress management were also conducted.

Employee Wellness

A total of 194 counselling sessions were conducted ranging from social, work-related and marital problems and retirement, financial and substance abuse counselling. Some cases were referred to external service providers for further monitoring. Sixteen trauma debriefing sessions were conducted, none of which were referred to external service providers. These cases ranged from



members involved in fatally shooting poachers, death on duty of staff members, armed robbery and fire at the workplace.

CHALLENGES

GBV was noted as surfacing and affecting employees. The high rate of absenteeism is greatly concerning as

this negatively impacts on organisational performance. The non-filling of most vacancies has contributed to deteriorating health conditions with high stress levels.

OUTLOOK 2020/2021

The unit will continue implementing wellness programmes to contribute to a healthy workforce.



INTERNAL AUDIT AND FORENSIC INVESTIGATION SERVICES

1. CURRENT SITUATION ANALYSIS

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

A) AUDIT SERVICES

The Audit Services sub-unit provides 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. Annually the unit develops a risk-based annual audit plan that undergoes an extensive consultative process with various stakeholders involved in the audit process for input before its approval by the Audit and Risk Committee. Consequently, the sub-unit, through the approved 2020/21 annual audit plan, performed and reported on 19 internal audits including ad-hoc requests.

The unit also performed follow-up reviews to determine and report on the progress achieved in addressing audit issues raised in both the auditor-general's reports and various internal audit reports. Quarterly the sub-unit also appraised the Audit and Risk Committee on the outcomes of audits performed during the year and the implementation status of action plans against external and internal audit findings.

B) FORENSIC INVESTIGATIONS SERVICES

The Forensic Investigation unit provides fraud and corruption investigation services reported through the existing fraud hotline and other internal platforms. During 2020/21, fifteen (15) matters were on the active database for investigation. The following summary indicates how these matters were tackled:

- As at end of 2020/21, five matters were still under investigation.
- Four cases were completed and reported by year-end. From the four cases, one case of solicitation of donations from service providers in monetary terms and gifts was proved. In two cases, allegations were unfounded. In the last case, irregularities were proven.
- Seven cases were referred to management for action as forensic investigation was an inappropriate avenue for resolution. Throughout the year we also implemented a follow-up process with management to ensure these matters were resolved and by year-end, three matters had been resolved.

We continued the follow-up processes to determine progress in implementing recommendations emanating from the completed investigation reports. Eight matters were actively followed up on with management's response as follows:

- In one case, the employee was dismissed.
- In one case, the employee was dismissed and a criminal case opened with the South African Police Service (SAPS).
- In one case, four employees were dismissed and the criminal aspect referred to the Hawks for investigation.
- In one case, the employee resigned during the investigation and a criminal case has not been opened with the SAPS. The civil aspect in the matter has been referred to the attorneys for consideration and processing.
- In two cases, the matters were referred to employee relations for disciplinary processes to be implemented.
- In one case, the matter is being assessed to determine whether or not disciplinary process will be feasible.
- In one case, disciplinary action was not implemented in line with legal advice.

During 2020/21 one matter was referred to Office of the Premier (OTP) for investigation and at the end of the financial year the OTP was yet to implement the full scale investigation.

2. CHALLENGES

Due to budget constraints, the Audit Services sub-unit was unable to implement specialised audits such as the information technology (IT) and value-for-money audits. The unit has been unable to access such skills from the open market due to a lack of funding. In addition, access to technology-based audit tools to improve audit processes and coverage remained a hindrance. This challenge also extends to forensic tools to improve forensic investigation capabilities.

3. OUTLOOK FOR 2021/22

AUDIT SERVICES

The Audit Services Unit will continue implementing its mandate despite the current budget cuts negatively affecting the unit's ability to access additional resources as and when required. The inability to access technology-based audit tools will remain a limitation in 2021/22. Cost-effective ways (i.e. internal training) to provide staff with necessary training will be implemented. The unit will continue providing assurance services covering areas relating to internal controls, risk management and governance processes through full scope audits and follow-up reviews.



FORENSIC INVESTIGATION SERVICES

The Forensic Investigation sub-unit will continue conducting investigations as and when allegations are reported through the hotline and other mechanisms. Furthermore, it will continue following up with management on recommended implementations for forensic investigation reports. The board and legislature will be continu-

ally kept abreast of developments to allow stakeholders to perform oversight responsibilities over governance issues and implement consequence management. The unit still faces funding challenges should a need arise for specialised skills in implementing forensic investigations. Accessing technology-based forensic investigation tools will remain a constraint in 2021/22.



COMMUNICATION SERVICES

Communication Services is responsible creating platforms to communicate the organisation's overall objectives to our internal and external stakeholders including brand management and constantly publicising the organisation's activities.

REVIEW OF 2020/21

The year under review had limited communication opportunities as it began with the emergence of the Covid-19 epidemic. This resulted in the government announcing a level five lockdown and creating confusion not only to Ezemvelo staff, but also among guests who had made reservations.

The first month of the year under review was mainly spent attending to national and international guests enquiring if their funds would be lost or if the organisation would refund them. The unit took a lead in ensuring relevant communication was disseminated throughout various communication channels including media statements, social media and our website.

Ezemvelo KZN Wildlife social media became active with mentions in more than 36 countries during the year under review. Facebook, Twitter and blogs accounted for 98% of the volume share among the five highest publications. Southern Africa, North America and Western Europe accounted for more than 92% of the social media mentions.

The organisation received its highest media coverage during November when 216 articles relating to Ezemvelo were published. Most covered the announcement

Ezemvelo would receive more than R51 million for road infrastructure maintenance. In June the organisation received a significant amount of positive coverage from various media houses relating to three rehabilitated vultures released in Zululand. However, the R100 million fencing budget issue also contributed to negative publicity that month.

During the year under review there was an increase in filming applications. Of the 24 filming applications received, the organisation approved 18 (2019/2020 financial year: 16 approvals from 21 applications). This was particularly encouraging as most applications were received from local filming companies received during the period when international travelling was not allowed.

CHALLENGES

The Covid-19 pandemic frustrated the unit's plans as well the implementation of certain projects by other units. This resulted in limited opportunities for the unit to publicise its good work.

Human resources also remain a challenge with various positions including media manager being vacant for an extended period.

OUTLOOK FOR 2021/22

The unit will update policies including filming and photography and stakeholder management. We also hope to provide opportunities for at least two interns to improve our social media activity. The year under review highlighted the importance of being visible on social media. The organisation also plans to revamp its website.



ANNUAL NON-FINANCIAL PERFORMANCE REPORT

FINANCIAL YEAR: 01 APRIL 2020 - 31 MARCH 2021

This report presents the non-financial performance report submitted for the annual report and gives an overview of the performance of the institution. It is important to note that as per circular number 2 of 2020 from the Department of Planning, Monitoring and Evaluation, the entity's Annual Performance Plan (APP) was revised and a Covid-19 amended APP was tabled during the year under review. Annexure A has been attached to the end of the report to highlight changes made during the review.

Certified by:

MR. N. DLULANE
Name

A/Chief Executive Officer
Designation


Signature

11.08.2021
Date

MR S MAGAGULA
Name

Accounting Authority
Designation


Signature

13.08.2021
Date



PROGRAMME 5.1: ADMINISTRATION SERVICES

Output	KPI	Current Year					Challenges, Comments & Achievements Against Planned Outputs
		Planned Output as per APP	Actual Output Validated	Delivery Status	Comments on Deviation	Planned Interventions	
Programme 5.1.1: Administration Services							
Governance	% of discretionary subsidy spent on maintenance	0.5%	1.63%	Achieved	The Covid-19 lockdown allowed the entity to realise savings in some sections e.g. travelling costs. This, together with the additional R190 million funding received in the third quarter, provided management an opportunity to release more funding for maintenance.	N/A	Whilst the actual expenditure on maintenance is higher than planned, Ezemvelo has severe maintenance backlogs.
	% of budget spent (including committed)	90%	96.07%	Achieved	The entity strives to achieve a 100% expenditure. The original target was put due to Covid-19 restrictions however, as the situation eased, expenditure levels improved as well. Management accelerated expenditure during the fourth quarter.	N/A	The entity continuously strives to improve performance.
	Audit Opinion of the Auditor-General (AG) with regards to financials and compliance	Unqualified Audit	Unqualified audit achieved	Achieved	N/A	N/A	N/A
	% of Black SMMEs participating in the global value chain	60%	66%	Achieved	A concerted effort by the entity to effect transformation has resulted in higher levels of targeted expenditure.	N/A	The entity over-achieved against the planned target.





Output	KPI	Planned Output as per APP	Actual Output Validated	Delivery Status	Current Year Comments on Deviation	Planned Interventions	Challenges, Comments & Achievements Against Planned Outputs
Programme 5.1.2: Risk Management Governance	% of stations complaint with Health and Safety standards	60%	0%	Not Achieved	The entity was not able to carry out planned health and safety audits due to Covid-19. Based on the limited number of audits undertaken, some common non-compliance areas identified are gas installations, historical asbestos structures as well as water treatment facilities and electricity compliance certification.	Actions to rectify the gas installations has already begun. The entity has also started rectifying other areas however, budgetary constraints are hampering progress. The entity has also started taking a more proactive approach to compliance by setting up health and compliance committees at all stations.	The matter of compliance has been placed as the first priority for funding. A request for funding to rectify the compliance issue has been made to relevant stakeholders.

PROGRAMME 5.2: ENABLING PROGRAMMES

Output	KPI	Planned Output as per APP	Actual Output Validated	Delivery Status	Comments on Deviation	Planned Interventions	Challenges, Comments & Achievements Against Planned Outputs
Programme 5.2.2: Human Resource Services							
Human Resource Management	% of critical vacancies filled	1.2%	23.5%	Achieved	The entity's initial budget did not allow for recruitment to occur however, as its financial situation stabilised towards the end of the financial year, budget was made available to address priority vacancies and a few critical posts were filled in the fourth quarter.	N/A	While the entity was able to fill more posts than originally planned, the organisation still has a high overall vacancy rate.
	% of employment equity targets met within Ezemvelo	0.05%	0.94%	Achieved	The priority posts filled in the fourth quarter enabled the target to be over-achieved.	N/A	The entity over-achieved against the planned target.
Programme 5.2.3: Partnerships and Projects							
Community beneficiation	Number of jobs created aligned to the provincial poverty (PDI profile)	8 900	9 414	Achieved	Management made a concerted effort to execute job creation projects towards the end of the financial year as allowed by the Covid-19 regulations.	N/A	The entity over-achieved against the planned target.
	% of PDI receiving green accredited skills	22%	42%	Achieved	With the easing of Covid-19 lockdown measures towards the end of the financial year, the entity was able to accelerate training programmes during the fourth quarter.	N/A	The entity over-achieved against the planned target.
Programme 5.2.4: Commercial Services							
Business Development	Rand value of new business realised	Set Baseline	Nil	Not Achieved	Due to the Covid-19 regulatory restrictions, no new revenue generating initiative was implemented for the reporting period.	New product development initiatives will be undertaken in the new financial year.	The implementation of new initiatives will be dependent on the progression of the pandemic.
	Efficiency assessment report on resource utilisation	1	1	Achieved	N/A	N/A	N/A





PROGRAMME 5.3: SERVICE DELIVERY – NATURAL RESOURCE MANAGEMENT

Output	KPI	Planned Output as per APP	Actual Output Validated	Delivery Status	Comments on Deviation	Planned Interventions	Challenges, Comments & Achievements Against Planned Outputs
Programme 5.3.1: Operations							
Protected Area Management	% of protected area estate that meet the minimum management effectiveness standard	30%	0%	Not Achieved	A combination of a lack of budget and Covid-19 regulations disrupted the planned activities that would have enabled the protected areas to be managed effectively e.g. awareness programmes not undertaken, law enforcement and safety audits.	A workshop is to be held to identify area of under-performance which will enable the crafting of a Protected Area intervention plan that will be monitored by a committee consisting of all the relevant divisions chaired by the operations programme manager.	The key challenges resulting in non-achievement of the planned target arose due to issues of non-filling of critical vacancies timeously and budgetary constraints.
	% accommodation occupancy rate	20%	29%	Achieved	Focused marketing on domestic markets and the relaxing of Covid-19 lockdown measures have resulted in a better than planned occupancy rate.	N/A	The entity over-achieved against the planned target however, the aim is to aggressively grow revenue generation.
	Total number of visitors to Ezemvelo Parks	73 988	460 312	Achieved	The relaxing of Covid-19 lockdown measures provided an opportunity for Ezemvelo to exploit domestic tourism.	N/A	While the entity over-achieved against the planned target, efforts are being intensified to bring more people to the parks.

Output	KPI	Planned Output as per APP	Actual Output Validated	Delivery Status	Comments on Deviation	Planned Interventions	Challenges, Comments & Achievements Against Planned Outputs
Programme 5.3.1: Operations							
District Management	No. of districts managed to the minimum effectiveness standard	50%	8 of the 11 districts managed effectively (73%)	Achieved	Ezemvelo ensured that districts were managed to maintain their effectiveness levels.	N/A	The entity over-achieved against the planned target.
	% of biodiversity legislation compliance levels	70%	93.97%	Achieved	The increase in compliance levels is attributed to the following two aspects: <ol style="list-style-type: none"> 1. Decreased activity during Covid-19 restriction. 2. Management focus on inspections, using interns (Groen Sebenza) to enhance capacity. 	N/A	The entity over-achieved against the planned target.





Output	KPI	Current Year				Challenges, Comments & Achievements Against Planned Outputs	
		Planned Output as per APP	Actual Output Validated	Delivery Status	Comments on Deviation		Planned Interventions
Programme 5.3.2: Conservation Services							
Conservation Services	% improvement in status of species under threat (including rhino spp.)	>=0%	<0%	Not Achieved	Monitoring of the 12 identified threatened species population has shown that the targets for the following species were not met (Lappet-faced and White-headed Vulture, Blue Swallows, African Wild dog, White Rhino, Karkloof Blue Butterfly).	The trends and challenges per species are being examined to determine the specific management interventions required.	Interventions identified will require targeted resources and skills.
	% development applications within 2km around Protected areas processed timeously	50%	67%	Achieved	Ezemvelo aims to comment on as many applications as possible. The applications received were not complex applications and hence were commented on within time-frames.	N/A	It is worth noting that our capacity is still restricted for commenting on development applications within 2km around the protected areas.
	% of permits processed within timeframes	70%	84%	Achieved	Ezemvelo aims to process as many permits as possible within the applicable time-frames.	N/A	The entity over-achieved against the planned target.
	% of province under protection	8.86	9.73%	Achieved	This Medium-Term Strategic Framework (MTSF) indicator was only finalised in May hence Ezemvelo began the financial year intending to only report on the protected areas under its direct control, however upon approval of the MTSF the indicator required the whole conservation estate in the province to be included hence the overachievement.	N/A	The entity over-achieved against the planned target

Output	KPI	Planned Output as per APP	Actual Output Validated	Delivery Status	Comments on Deviation	Planned Interventions	Challenges, Comments & Achievements Against Planned Outputs
Conservation Services	Number of Previously Disadvantaged Individuals benefiting from natural resource use from Protected areas	250	0	Not Achieved	The target in terms of number of people benefiting from natural resource use from protected areas required management to change the procedure in which information is captured. Due to the disruptions experienced during the year caused by Covid-19, the change in procedure was not implemented adequately, therefore hampering the reporting in terms of number of people.		While we are not able to report on number of beneficiaries, it is important to note that 1111 units of thatch, 510 bundles of reeds, 1438 kg of meat and 174285 litres of water were harvested for the benefit of people surrounding the parks.
	Number of conservation leadership and innovation publications	7	22	Achieved	Management was able to publish additional papers during the fourth quarter.	N/A	Overachieved against the planned target.



ANNEXURE A

Circular number 2 of 2020 from the Department of Planning, Monitoring and Evaluation required amendments to delivery plans in light of the Covid-19 pandemic. In response to this a review process resulted in the following indicators being amended:

OUTPUT	KPI as per approved APP	ANNUAL TARGET	AMENDED TARGETS 2020/21	PROGRAMME NAME
Community beneficiation	# of Conservation Leadership & Innovation Publications	4	7	Conservation Services
Community beneficiation	# of PDI benefiting from natural resource uses from Pas (ie. Incema, meat, clean water etc)	1000	250	Conservation Services
Conservation planning	% development applications within 2km around protected areas processed timeously	70%	50%	Conservation Services
Conservation planning	% of permits processed within timeframes	>90%	70%	Conservation Services
Human Resource Management	% of critical vacancies filled	25.9%	1.2%	Human Resource Services
Human Resource Management	% of employment equity targets met within Ezemvelo	1.01%	0.05%	Human Resource Services
District Management	% of biodiversity legislative compliance levels	90%	70%	Operations
Protected Area Management	% accommodation unit occupancy rate	46%	20%	Operations
Protected Area Management	% of protected area estate that meet the minimum management effectiveness standard	50%	30%	Operations
Protected Area Management	Total number of visitors to Ezemvelo Parks	678720	73988	Operations
Governance	% of stations compliant with health and safety standards	85%	60%	Risk Management



PART 4: CONSOLIDATED ANNUAL FINANCIAL STATEMENTS



REPORT OF THE AUDITOR-GENERAL TO THE KWAZULU-NATAL PROVINCIAL LEGISLATURE ON THE 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 (KZN) Nature Conservation Board and its entity (group) set out on pages 52 to 90, which comprise the consolidated and separate statement of financial position as at 31 March 2021, the consolidated and separate statement of financial performance, statement of changes in net assets, and cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as 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 2021, and its financial performance and cash flows for the year then ended in accordance with 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 my report.
4. I am independent of the group in accordance with the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

EMPHASIS OF MATTERS

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

Uncertainty relating to the future outcome of regulatory action

7. With reference to note 25 to the consolidated and separate financial statements, there are claims lodged against the state by land claimants in which the KZN 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.

Financial sustainability – Rationalisation of public entities

8. As disclosed in note 28 to the consolidated and separate financial statements, the KZN Provincial Executive Council made a resolution to rationalise the state-owned entities under the control of the KZN Department of Economic Development, Tourism and Environmental Affairs (EDTEA). The proposal to incorporate the "Bather Protection" function of Sharks Board under the KZN Nature Conservation Board is currently underway and is anticipated to be completed by 31 March 2022.



RESPONSIBILITIES OF THE ACCOUNTING AUTHORITY FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

9. 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 consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.
10. 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

11. 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.
12. 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

13. 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 the selected programme presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
14. My procedures address the usefulness and reliability of the reported performance information, which must be based on the entity's approved performance planning documents. 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 do not extend to any disclosures or assertions relating to the extent of achievements in the current year or 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.
15. 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 the natural resource management programme presented in pages 35 to 36 of the annual performance report of the entity for the year ended 31 March 2021.
16. 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.
17. I did not identify any material findings on the usefulness and reliability of the reported performance information for natural resource management.



OTHER MATTERS

18. I draw attention to the matters below.

Achievement of planned targets

19. The annual performance report on pages 31 to 39 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

20. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of natural resource management. 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

21. 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.

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

Annual financial statements

23. The annual financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework, as required by section 55(1) (a) of the PFMA. Material misstatements of non-current assets identified by the auditors in the submitted financial statement were corrected, resulting in the financial statements receiving an unqualified audit opinion.

Revenue management

24. Effective and appropriate steps were not taken to collect all revenue due, as required by section 51(1)(b)(i) of the PFMA.

Expenditure management

25. Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R4,14 million as disclosed in note 30 to the annual financial statements, as required by section 51(1)(b)(ii) of the PFMA.

Procurement and contract management

26. Some of the quotations were awarded to suppliers whose tax matters had not been declared by the South African Revenue Services to be in order as required by Treasury Regulation 16A9.1(d).

27. Some of the contracts and quotations were awarded to bidders based on preference points that were not allocated in accordance with the requirements of the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000) and Preferential Procurement Regulation.

28. I was unable to obtain sufficient appropriate audit evidence that commodities designated for local content and production, were procured from suppliers who met the prescribed minimum threshold for local production and content, as required by the 2017 Preferential Procurement Regulation 8(5).

29. Some of the bid documentation for procurement of commodities designated for local content and production, did not stipulate the minimum threshold for local production and content as required by the 2017 Preferential Procurement Regulation 8(2).



OTHER INFORMATION

30. 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.
31. My opinion on the 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 on it.
32. 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.
33. 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

34. 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.
35. The accounting authority did not adequately oversee compliance with legislation. In this regard, the accounting authority did not ensure that effective measures were taken to ensure compliance with laws and regulations.
36. Management did not perform adequate monitoring and reviews to ensure compliance with applicable laws and regulations.

OTHER REPORTS

37. I draw attention to the following engagements conducted by various parties which had, or could have, an impact on the matters reported in the group's consolidated and separate 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.
38. A forensic investigation was instituted at the entity by the Member of Executive Committee for the EDTEA on 10 July 2020; due to allegations of financial mismanagement and non-compliance with procurement processes. The investigation is being conducted by the Office of the Premier and was still in progress at the date of this report.

Auditor General

Pietermaritzburg
01 September 2021



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



CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

GENERAL INFORMATION

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Biodiversity Conservation, Ecotourism and Partnerships
Accounting Authority	Mr S Magagula (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



INDEX

The reports and statements set out below comprise of the audited annual financial statements presented to the provincial legislature:

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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 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 annual financial statements and performance information of the entity,
- has a reasonable basis to concur that the annual financial statements and performance information are free from material misstatement and thus fairly present the financial position, performance and cash flows of the 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 the internal controls are established and maintained during the current year, and that 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 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 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 financial statements and performance information were approved by the Acting Accounting Authority and signed on its behalf by:



MR S MAGAGULA
Accounting Authority (Acting)



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 four times during the year.

Name of member	Number of meetings attended
Ms P Bosman (Chairperson) (Term started 1 November 2020)	2
Mr NF Mchunu (Chairperson) (Term ended 31 October 2020)	4
Mr T Ndlela	2
Ms R Naidoo	2
Mr S Dlongolo	1
Ms SD Ncube Dlamini	1

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 FINANCIAL STATEMENTS

The Audit and Risk committee has:

- reviewed the 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 thereto 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.



MS P BOSMAN

Chairperson of the Audit & Risk Committee



ACCOUNTING AUTHORITY'S REPORT

1. REVIEW OF ACTIVITIES

The entity recorded a surplus of R28,4 million (restated 2020: deficit of R127,8 million).

2. GOING CONCERN

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

The ability of the entity to continue as a going concern is dependent on a number of factors. The most significant of these is that the 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 2024. Strategies and plans to improve the financial position of the organisation are continually being developed, implemented and monitored.

3. SUBSEQUENT EVENTS

In December 2017, the executive council resolved that the functions of KZN Sharks Board and KZN Wildlife be merged as one function. Both entities will remain separate until the corporate bill is passed by Provincial Legislature. The planned submission date of the bill to Provincial Legislature is the end of October 2021.

4. EXECUTIVE COUNCIL DECISION

Rationalisation of Kwa-Zulu-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 of 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 Ecotourist Facilities

As part of the previously stated initiative to improve the entity's operating model and to commercialise some of its ecotourism facilities to enhance the entities' financial position, a commercialisation strategy is in the process of being put in place. The strategy will provide the entity with a series of financial options to explore and undertake to optimise better returns from existing and prospective ecotourism assets of which majority will be in collaboration with the private sector investors. The expressions of interests provided by various organisations in this regard, will assist in identifying viable commercial projects to be pursued by the entity, including the formulation of the commercialisation Strategy. Parallel to the development of the commercialisation strategy, a list of commercial strategic projects has been put in place to commence implementation in the year 2021/22. The next phase shall be to scope and implement these commercial strategic projects.

5. ACCOUNTING AUTHORITY

On November 1, 2020, Mr Simiso Magagula was appointed as the Accounting Authority in terms of section 49(3) of the PFMA. The Acting Accounting Authority is paid by the Department of Economic Development, Tourism and Environmental Affairs.

In order to strengthen the oversight role of the Accounting Authority, EDTEA approved the sharing of services as envisaged under Regulation 26.1.3 of Treasury Regulations. This has enabled the entity to convene board committees in the absence of the suspended Board.



The following shared services Board committees met during the year under review ensuring governance was maintained:

Operations and Community Affairs Board Committee – 1 meeting
 Audit and Risk Committee – 2 meetings
 Human Resource and Remunerations Board Committee – 1 meeting

The following are the board committee members that were appointed and number of meetings convened under this arrangement prior to their suspension:

Name	No. of meetings attended
The board met once during the year	
Dr LW Mngoma (Chairperson)	1
Ms SP Lebenya (Deputy Chairperson)	1
Mr T Ndlela	1
Mr SM Mtolo	1
Mr V Mvelase	1
Inkosi BS Mthembu	1
Mr R Haswell	1
Ms SD Ncube Dlamini	1
Ms T Ntshangase	1
Mr SL Ndlovu	1
Ms D Hoorzuk	1
	1
Operations and Community Affairs Committee met once during the year	
Mr SM Mtolo (Chairperson)	1
Inkosi BS Mthembu	1
Ms D Hoorzuk	1
Mr R Haswell	1
	1
Finance and Governance Committee met once during the year	
Mr T Ndlela (Chairperson)	1
Ms SD Ncube Dlamini	1
Ms T Ntshangase	1
Mr R Haswell	1
Mr S Ndlovu	1
	1
Human Resources and Remuneration Committee met once during the year	
Ms T Ntshangase (Chairperson)	1
Ms SP Lebenya	1
	1
Commercial Services Committee met once during the year	
Mr V Mvelase (Chairperson)	1
Mr SM Mtolo	1
Ms SP Lebenya	1
Mr S Ndlovu	1



CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

Figures in Rand thousand	Note(s)	EKZMW		CONSOLIDATION	
		March 2021	Restated March 2020	March 2021	Restated March 2020
Assets					
Current Assets					
Inventories	9	15 635	16 291	15 635	16 291
Trade and other receivables from exchange transactions	10	22 228	15 151	22 242	15 193
Receivables from non-exchange transactions	11	10 653	13 666	10 653	13 666
Cash and cash equivalents	12	270 306	146 124	271 417	147 199
		318 822	191 232	319 947	192 349
Non-Current Assets					
Property, plant and equipment	5	878 285	935 767	878 285	935 767
Intangible assets	6	5 373	6 743	5 373	6 743
		883 658	942 510	883 658	942 510
Total Assets		1 202 480	1 133 742	1 203 605	1 134 859
Liabilities					
Current Liabilities					
Trade and other payables	16	119 239	77 039	119 451	77 250
Deferred income	13	94 638	93 528	94 638	93 528
Provisions	14	77 058	82 010	77 062	82 014
External projects	15	35 427	36 038	35 427	36 038
		326 362	288 615	326 578	288 830
Non-Current Liabilities					
Provisions	14	63 972	61 375	63 972	61 375
Total Liabilities		390 334	349 990	390 550	350 205
Net Assets		812 146	783 752	813 055	784 654
Net Assets					
Accumulated surplus		812 146	783 752	813 055	784 654



CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2021

Figures in Rand thousand	Note(s)	EKZNW		CONSOLIDATION	
		March 2021	Restated March 2020	March 2021	Restated March 2020
Revenue	17	1 039 397	927 138	1 039 397	927 138
Other Income	18	75 701	124 791	75 737	124 850
Total Revenue		1 115 098	1 051 929	1 115 134	1 051 988
Employee costs	20	(773 878)	(808 734)	(773 878)	(808 734)
Operating expenses	19	(306 102)	(365 019)	(306 132)	(365 236)
Operating Surplus/(Deficit)		35 118	(121 824)	35 124	(121 981)
Interest	21	(6 725)	(5 987)	(6 725)	(5 996)
Surplus/(Deficit) for the period		28 393	(127 811)	28 399	(127 978)



CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2021

Figures in Rand thousand	Accumulated Reserves	Total Net Assets
Opening balance as previously reported 31 March 2017	700 770	700 770
Prior period errors	5 547	5 547
Balance at 31 March 2018 restated	706 317	706 317
Surplus/(Deficit) for the year	(36 251)	(36 251)
Balance at 31 March 2019	670 066	670 066
Prior period errors - Note 2	242 565	242 565
Balance at 31 March 2019 restated	912 631	912 631
Prior period errors - Note 2	(36 474)	(36 474)
Surplus/(Deficit) for the year	(91 502)	(91 502)
Balance at 31 March 2020 restated	784 655	784 655
Surplus/(Deficit) for the year	28 399	28 399
Balance at 31 March 2021	813 055	813 055



CONSOLIDATED CASH FLOW STATEMENT AS AT 31 MARCH 2021

Figures in Rand thousand	Note(s)	EKZNW		CONSOLIDATION	
		March 2021	Restated March 2020	March 2021	Restated March 2020
Cash flows from operating activities					
Receipts					
Sale of goods and services		104 190	213 710	104 190	213 710
Transfers		942 117	726 902	942 117	726 902
Interest income		3 761	6 634	3 761	6 693
Other receipts - non-exchange revenue		61 622	102 218	61 622	102 218
		1 111 690	1 049 464	1 111 690	1 049 523
Payments					
Employee costs		(776 668)	(805 926)	(776 668)	(805 926)
Suppliers		(177 817)	(270 534)	(177 781)	(270 534)
Finance Costs	21	(6 725)	(5 987)	(6 725)	(5 987)
		(961 210)	(1 082 447)	(961 174)	(1 082 447)
Net cash flows from operating activities	22	150 480	(32 983)	150 516	(32 924)
Cash flows from investing activities					
Purchase of property plant and equipment	5	(25 505)	(53 942)	(25 505)	(53 942)
Purchase of intangible assets	6	(182)	-	(182)	-
Disposal of property, plant and equipment		-	-	-	-
Net cash flows from investing activities		(25 687)	(53 942)	(25 687)	(53 942)
Cash flows from financing activities					
Net change to trust funds and external projects	23	(611)	2 950	(611)	2 950
Net cash flows from financing activities		(611)	2 950	(611)	2 950
Net increase/(decrease) in cash and cash equivalents		124 182	(83 975)	124 218	(83 916)
Cash and cash equivalents at the beginning of the year		146 124	230 099	147 199	231 115
Cash and cash equivalents at the end of the year	12	270 306	146 124	271 416	147 199



CONSOLIDATED STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS AS AT 31 MARCH 2021

Budget on Cash Basis						
Figures in Rand thousand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Income						
Own Revenue	(227 344)	128 755	(98 589)	(107 951)	(9 362)	1
Provincial Subsidy	(748 687)	(193 430)	(942 117)	(942 117)	-	
Non-Exchange Revenue	(55 000)	(60 866)	(115 866)	(61 622)	54 244	2
	(1 031 031)	(125 541)	(1 156 572)	(1 111 690)	44 882	
Expenditure						
Compensation of Employees	799 022	(10 579)	788 443	776 668	(11 775)	3
Goods and Services	220 223	37 084	257 307	177 817	(79 490)	4
Interest and Rent on Land	761	143	904	6 725	5 821	5
Transfers and Subsidies	6 057	(4 032)	2 025	4 163	2 138	
Assets	4 968	102 925	107 893	25 687	(82 206)	4
Total expenditure	1 031 031	125 541	1 156 572	991 060	(165 512)	
Net Surplus	-	-	-	-	120 630	
Reconciliation to net deficit per the Statement of Financial Performance						
Net Surplus				120 630		
Depreciation				(84 033)		
Finance costs				(6 725)		
Sundry Differences				(1 479)		
Surplus for the year				28 393		

- Reduction in budget due to the impact of Covid-19. When Covid-19 levels dropped people flocked to local destinations and this increased budgeted revenue. This was combined with specials that were run towards the end of the financial year that also increased visitor numbers.
- There was a delay with some of the budgeted donations and major projects during the year.
- Underspending due to vacant posts not being filled.
- The underspending on expenditure was mainly due to the entity putting a hold on expenditure due to the impact of Covid-19 on revenue as the entity anticipated minimal tourism-related income in 2020/21, when the pandemic was at its peak and the country was at level 5. This had a direct impact on cashflows.
- Reduction in budget due to the impact of Covid-19. We had limited funds to invest prior to the receipt of the R190 million Covid-19 relief. The receipt of these funds towards the end of the year resulting in us earning additional interest.



CONSOLIDATED ACCOUNTING POLICIES AS AT 31 MARCH 2021

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 Rands. All figures have been rounded to the nearest Rand thousand.

1.1 Consolidation

Basis of consolidation

The Consolidated Annual Financial Statements incorporate the 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 entity 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 entity to bring its accounting policies in line with those of the 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 Annual Financial Statements, management is required to make estimates and assumptions that affect the amounts represented in the Annual Financial Statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the Annual Financial Statements. Significant judgements include 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.

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 and structures	20 to 100 years
Plant and machinery	1 to 26 years
Furniture and fixtures	1 to 30 years
Aircraft, vehicles and boats	3 to 70 years
Computer equipment	1 to 24 years
Roads	5 to 50 years
Dams, reservoirs and boreholes	15 to 35 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.



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 amortisation 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:

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 of 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 of 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 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).



The entity will adjust the amounts recognised in its financial statements by adjusting events after the reporting date. The entity will not adjust the amounts recognised in its 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 of 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.



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 post-retirement 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 of 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.



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.

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.

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 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 recorded in the notes to the annual financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred, unless it is impractical to determine, in which case reasons therefore must be provided in the notes.

Irregular expenditure receivables are measured at the amount that is expected to be recovered and are derecognised when settled or written off as irrecoverable.

Irregular expenditure must be removed from the balance of the irregular expenditure note when it is either:

- condoned by the relevant authority if no official was found to be liable in the law;
- recovered from an official liable in the law;
- written-off if it is irrecoverable from an official liable in the law; or
- written-off if it is not condoned and not recoverable.

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 2020 to 31 March 2021.

The budget and accounting basis differ. The 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 2021

Figures in Rand thousand	EKZNW		CONSOLIDATION	
	March 2021	Restated March 2020	March 2021	Restated March 2020

2. Prior Period Errors

The comparative figures have been amended to account for the prior period errors, relating to the incorrect calculation of asset write-ups and their useful life.

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

Property, plant and equipment (PPE)

Opening balance previously stated	-	721 246	-	721 246
Accumulated depreciation correction	-	249 625	-	249 625
	-	970 871	-	970 871

Property, plant and equipment (PPE)

Closing balance previously stated	-	714 485	-	714 485
Accumulated depreciation correction	-	249 625	-	249 625
Depreciation correction	-	(28 343)	-	(28 343)
	-	935 767	-	935 767

Intangible Assets

Opening balance previously stated	-	2 726	-	2 726
Accumulated amortisation correction	-	5 568	-	5 568
	-	8 294	-	8 294

Intangible Assets

Closing balance previously stated	-	9 309	-	9 309
Accumulated amortisation correction	-	5 568	-	5 568
Amortisation correction	-	(8 133)	-	(8 133)
	-	6 744	-	6 744

Accumulated surplus

Balance 31 March 2019 previously stated	-	656 371	-	656 371
Accumulated depreciation and amortisation correction	-	255 191	-	255 191
	-	911 562	-	911 562

Accumulated surplus

Closing Balance 31 March 2020 previously restated	-	565 036	-	565 036
Accumulated depreciation and amortisation correction	-	255 191	-	255 191
Depreciation and amortisation correction	-	(36 474)	-	(36 474)
	-	783 753	-	783 753



Figures in Rand thousand	EKZNW		CONSOLIDATION	
	March 2021	Restated March 2020	March 2021	Restated March 2020

Statement of Financial Performance

Operating Expenses

Previously stated	-	328 543	-	328 543
Depreciation and amortisation correction	-	36 474	-	36 474
	-	365 017	-	365 017

Notes to Financial Statements

	Restated 2020	2020	Difference
Operating Expenses			
Depreciation and amortisation	86 907	50 431	36 474

3. New standards and interpretations

3.1 Standards and interpretations issued, but not yet effective

The following Standards of GRAP are approved but not yet effective.

Standard/ Interpretation:	Expected impact:
GRAP 104 Financial instruments (revised)	The impact on the financial results and disclosure is considered to be minimal when the Standard is adopted.
Guideline Accounting for landfill sites.	The impact on the financial results and disclosure is considered to be minimal when the Guideline is adopted.

4. Biological Assets

Fauna and Flora

The biological assets of the entity comprise of 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, over which we have no control. 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.



5. Property, plant and equipment

	March 2021			Restated March 2020		
	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	1 192 861	(656 086)	536 775	1 184 767	(632 283)	552 484
Plant and machinery	18 487	(13 730)	4 757	18 369	(11 796)	6 573
Furniture, tools and equipment	140 906	(100 592)	40 314	134 761	(89 813)	44 948
Aircraft, vehicles and boats	194 540	(137 416)	57 124	185 728	(116 845)	68 883
Computer equipment	29 777	(21 816)	7 961	28 148	(17 981)	10 167
Roads	247 133	(102 092)	145 041	247 133	(89 732)	157 401
Dams, reservoirs and boreholes	8 657	(5 100)	3 557	8 657	(4 694)	3 963
Fencing	104 251	(38 380)	65 871	104 268	(31 370)	72 898
Work in progress	10 520	-	10 520	12 085	-	12 085
Total	1 953 497	(1 075 212)	878 285	1 930 281	(994 514)	935 767

Reconciliation of property, plant and equipment - March 2021

	Opening balance	Additions	Disposals	Transfers	Depreciation	Accumulated Depreciation on disposals	Closing balance
Land	6 365	-	-	-	-	-	6 365
Buildings and structures	552 484	3 144	(716)	5 666	(24 183)	380	536 775
Plant and machinery	6 573	248	(130)	-	(2 033)	99	4 757
Furniture, tools and equipment	44 948	5 904	(1 081)	1 323	(11 805)	1 025	40 314
Aircraft, motor vehicles and boats	68 883	9 109	(326)	29	(20 816)	245	57 124
Computer equipment	10 167	1 512	(36)	153	(3 870)	35	7 961
Roads	157 401	-	-	-	(12 360)	-	145 041
Dams, reservoirs and boreholes	3 963	-	-	-	(406)	-	3 557
Fencing	72 898	-	-	(17)	(7 010)	-	65 871





	Opening balance	Additions	Disposals	Transfers	Depreciation	Accumulated Depreciation on disposals	Closing balance
Work in progress	12 085	5 589	-	(7 154)	-	-	10 520
Total	935 767	25 506	(2 289)	-	(82 483)	1 784	878 285

Reconciliation of property, plant and equipment - Restated March 2020

	Restated Opening balance	Additions	Disposals	Transfers	Depreciation	Accumulated Depreciation on disposals	Closing balance
Land	6 365	-	-	-	-	-	6 365
Buildings and structures	557 864	8 704	(49)	9 820	(23 886)	29	552 484
Plant and machinery	7 154	1 562	(150)	-	(2 129)	136	6 573
Furniture, tools and equipment	46 650	10 055	(803)	222	(11 885)	710	44 948
Aircraft, motor vehicles and boats	90 277	1 877	(331)	-	(23 184)	244	68 883
Computer equipment	12 842	1 746	(150)	39	(4 432)	121	10 167
Roads	143 721	10 050	-	16 017	(12 387)	-	157 401
Dams, reservoirs and boreholes	3 969	397	-	-	(400)	-	3 963
Fencing	64 873	9 803	(2 807)	5 926	(7 056)	2 159	72 898
Work in progress	37 160	9 746	(2 797)	(32 024)	-	-	12 085
Total	970 874	53 940	(7 087)	-	(85 359)	3 399	935 767

WIP Breakdown

	2018/19	2019/20	2020/21
Buildings and structures	30 168	10 163	7 186
Dams, reservoirs and boreholes	496	-	-
Fencing	6 248	1 922	3 270
Roads	248	-	64
Total	37 160	12 085	10 520

Figures in Rand thousand	EKZNW		CONSOLIDATION	
	March 2021	Restated March 2020	March 2021	Restated March 2020

Repairs and Maintenance by Asset class

Aircraft, motor vehicles and boats	8 739	9 570	8 739	9 570
Buildings and structures	9 109	20 456	9 109	20 456
Furniture, tools and equipment	2 479	1 692	2 479	1 692
Computer equipment	41	153	41	153
Dams, reservoirs and boreholes	609	348	609	348
Fencing	988	829	988	829
Plant and machinery	249	304	249	304
Roads	1 752	1 357	1 752	1 357
	23 966	34 709	23 966	34 709

6. Intangible assets

	March 2021			March 2020		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	21 515	(16 142)	5 373	21 334	(14 591)	6 743

Reconciliation of intangible assets - March 2021

	Opening balance	Additions	Amortisation	Closing balance
Computer software	6 743	181	(1 551)	5 373

Reconciliation of intangible assets - Restated March 2020

	Restated Opening balance	Amortisation	Closing balance
Computer software	8 293	(1 550)	6 743

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 242814 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 2021, there were 1797 (2020: 1893) 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 2021, there were 176 (2020: 187) employees on the Government Employee Pension Fund and 45 (2020: 52) 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 2020. In the opinion of the actuary, the fund is in a sound financial position. The actuary reassessed the valuation to account for changes which were likely to occur subsequent to 30 June 2020. Any shortfalls in benefit plans are the responsibility of the entity.

As at 30 June 2020 the actuarial value of the assets are 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.
- (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 five 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 one third of their pensions.



Figures in Rand thousand	EKZNW		CONSOLIDATION	
	March 2021	Restated March 2020	March 2021	Restated March 2020

Assets

Expected return on plan assets - Market value of assets	592 766	644 231	592 766	644 231
Assets distributed on settlements - reserve account	-	-	-	-
	592 766	644 231	592 766	644 231

Member liabilities and contingencies reserve

Current service cost - past service liabilities in respect of active members	115 607	122 039	115 607	122 039
Past service cost - pensioner liabilities	469 482	514 776	469 482	514 776
Contingency reserves	7 677	7 416	7 677	7 416
	592 766	644 231	592 766	644 231

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 R64 million as at 31 March 2021. This unfunded liability is being recognised as an expense over three years.

Post-retirement medical liability

Baseline opening balance	61 375	67 022	61 375	67 022
Interest cost	6 717	5 987	6 717	5 987
Current service cost	544	824	544	824
Actuarial gain	-	(8 243)	-	(8 243)
Benefit payment	(4 664)	(4 215)	(4 664)	(4 215)
	63 972	61 375	63 972	61 375

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

Assumptions

(a) Discount rate	11.4%	11.4%	11.4%	11.4%
(b) Medical inflation	8.6%	8.6%	8.6%	8.6%
(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



Figures in Rand thousand	EKZNW		CONSOLIDATION	
	March 2021	Restated March 2020	March 2021	Restated March 2020

(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% 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 2021 would be impacted by changes to these assumptions.



In-Service and Continuation Members	Accrued Service Liabilities as at 31.3.2021 (R Million)	% Increase
Assumptions as above	63 972	-
Discount rate - increases by 1% p.a.	58 602	(8)
Discount rate - reduces by 1% p.a.	70 292	10
Medical Inflation - increases by 1% p.a.	70 274	10
Medical Inflation - reduces by 1% p.a.	58 538	(8)
Retirement age - 60	70 711	11

The tables below show how the current service cost and interest cost for the year to 31 March 2022 would be impacted by changes to the assumptions:

In-Service Members	Current Service Cost 1.4.2021 - 31.3.2022 (R Million)	% Increase
Assumptions as above	0,546	-
Discount rate - increases by 1% p.a.	0,471	(14)
Discount rate - reduces by 1% p.a.	0,639	17
Medical Inflation - increases by 1% p.a.	0,645	18
Medical Inflation - reduces by 1% p.a.	0,465	(15)
Retirement age - 60	0,522	(4)

In-Service and Continuation Members	Interest Cost 1.4.2021 - 31.3.2022 (R Million)	% Increase
Assumptions as above	7 060	-
Discount rate - increases by 1% p.a.	7 007	(1)
Discount rate - reduces by 1% p.a.	7 104	1
Medical inflation - increases by 1% p.a.	7 786	10
Medical inflation - reduces by 1% p.a.	6 434	(9)
Retirement age - 60	7 807	11



Figures in Rand thousand	EKZNW		CONSOLIDATION	
	March 2021	Restated March 2020	March 2021	Restated March 2020

9. Inventories

Consumable stores	6 865	7 167	6 865	7 167
Other goods held for resale	4 604	5 371	4 604	5 371
Fuel (Diesel, petrol and gas)	4 166	3 753	4 166	3 753
	15 635	16 291	15 635	16 291
Stock Losses	614	1 317	614	1 317

10. Trade and other receivables from exchange transactions

Trade receivables from exchange	18 812	11 948	18 826	11 990
Deposits	3 990	3 981	3 990	3 981
Prepayments	316	112	316	112
Less: Provision for impairment	(890)	(890)	(890)	(890)
	22 228	15 151	22 242	15 193

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.

Aging of trade receivables from exchange transactions

Current	13 894	8 554	13 894	8 554
30 days	106	563	106	563
60 days	130	333	130	333
90 days	-	296	-	296
120 days	3 130	38	3 130	38
+ 120 days	1 552	2 164	1 888	2 500
	18 812	11 948	19 148	12 284

Reconciliation of provision for impairment of trade and other receivables

Balance	890	786	890	786
Provision for impairment	-	104	-	104
	890	890	890	890

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

11. Receivables from non-exchange transactions

Receivables from non-exchange transactions	12 329	15 342	12 329	15 342
Less: Provision for impairment	(1 676)	(1 676)	(1 676)	(1 676)
	10 653	13 666	10 653	13 666



Figures in Rand thousand	EKZNW		CONSOLIDATION	
	March 2021	Restated March 2020	March 2021	Restated March 2020

Reconciliation of provision for impairment of receivables from non-exchange transactions

Balance	1 676	1 676	1 676	1 676
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12. Cash and cash equivalents

Cash-on-hand	846	1 148	967	1 269
Bank balances	88 294	87 782	88 294	87 782
Short-term investments	179 651	57 033	180 641	57 987
Other cash and cash equivalents	1 515	161	1 515	161
	270 306	146 124	271 417	147 199

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 of:

Balance at beginning of period	93 528	75 085	93 528	75 085
Funds received	56 595	94 663	56 595	94 663
Disbursements	(44 864)	(69 067)	(44 864)	(69 067)
Transfer	(10 621)	(7 153)	(10 621)	(7 153)
	94 638	93 528	94 638	93 528

Donor / Grant Name	Purpose	Opening Balance	Expenditure	Income	Transfers	Closing Balance
DAFF / Oceans & Coasts	Marine Conservation	(1 954)	-	-	-	(1 954)
DEA / Oceans & Coasts	Marine Conservation	(708)	-	-	-	(708)
DARD / Other	Fencing project	(186)	-	-	-	(186)
DEA-NRM / WFR	River Clearing	-	-	-	-	-
DEA-NRM / Payment for Ecosystem Services	Donga Rehabilitation	(4)	2 082	(2 151)	64	(9)
EDTEA / Ingodini Border Cave Project	Infrastructure Development	(152)	254	(2 012)	-	(1 910)
DEA / Ongoye Forest Development	Infrastructure Development	(634)	5	(9)	230	(408)
DEA / Usuthu Tembi Futhi	Infrastructure Development	(11)	1	-	(90)	(100)
EDTEA / BHAMBATHA LOGDE	Infrastructure Development	(3 407)	1 305	(34)	-	(2 136)



Donor / Grant Name	Purpose	Opening Balance	Expenditure	Income	Transfers	Closing Balance
EDTEA / Invasive Alien Species Programme Co-Ordination	Alien Plant Clearing	(497)	947	(9)	(1 500)	(1 058)
EDTEA / Invasive Alien Species Programme Coast	Alien Plant Clearing	(833)	5 641	(26)	(6 500)	(1 718)
EDTEA / Invasive Alien Species Programme uKhahlamba	Alien Plant Clearing	(423)	6 589	(21)	(6 500)	(355)
EDTEA / Invasive Alien Species Programme Z/land	Alien Plant Clearing	(3 507)	18 249	(45 105)	14 500	(15 868)
DEA / Cathedral Peak Camp Sites	Infrastructure Development	-	-	-	-	-
EKZNW / Community Levy	Community Developments Projects	(862)	456	(1 826)	-	(2 232)
DEA, EKZNW, ECT / Maloti Drakensberg TFCA Phase 2	Operations Management	(2 987)	1 591	(3 801)	-	(5 197)
WCT / Wildlands Conservation Trust	Operations Management	(740)	3	(7)	-	(744)
EKZNW / Project Management General (Closed Out Projects)	Operations Management	(18 913)	-	2 000	620	(16 293)
DARD / Agriculture Infrastructure	Infrastructure Development	(931)	892	(1)	-	(40)
DAFF / Small Scale and Fisheries	Marine and Coastal Management	(271)	-	(3)	-	(273)
EDTEA / NTSIKENI MAY LODGE	Operations Management	(28)	3	-	-	(26)
DEA / BUSINGATHA LODGE	Infrastructure Development	(3 700)	1 097	(30)	364	(2 269)
DEA / TEMBE NDUMO	Infrastructure Development	(333)	705	(1)	(651)	(280)
EKZNW / Omakhelwane	Operations Management	(107)	11	(16)	-	(111)
EDTEA / EAST3ROUTE LEGACY	Infrastructure Development	(11 603)	3	(35)	-	(11 637)
DEA / NDUMO LODGE UPGRADE	Infrastructure Development	(2 420)	1 213	(17)	-	(1 224)



Donor / Grant Name	Purpose	Opening Balance	Expenditure	Income	Transfers	Closing Balance
EKZNW / NRM Administration	Operations Management	(197)	65	(2)	(64)	(198)
DEA / Youth Environmental Service	Mass Employment and Training	(10 325)	2 580	(3 210)	10 147	(806)
NDT / NDT Midmar Maintenance	Infrastructure Development	(16 179)	290	(155)	-	(16 044)
NDT / NDT Roof Upgrade	Infrastructure Development	(3 080)	366	(34)	-	(2 747)
NDT / NDT Giants Castle Upgrade	Infrastructure Development	(8 536)	516	(87)	-	(8 107)
		(93 528)	44 864	(56 595)	10 621	(94 638)

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 2021

	Opening Balance	Movement	Closing balance
Leave pay provision	78 997	(4 891)	74 106
Contributory pension	1 312	(61)	1 251
Post retirement medical aid	61 375	2 597	63 972
Emergency rescue provision	1 701	-	1 701
	143 385	(2 355)	141 030
Audit fees	4	-	4
	143 389	(2 355)	141 034

Reconciliation of provisions - Restated March 2020

	Opening Balance	Movement	Closing balance
Leave pay provision	70 626	8 371	78 997
Contributory pension	1 298	14	1 312
Post retirement medical aid	67 022	(5 647)	61 375
Emergency rescue provision	1 701	-	1 701
	140 647	2 738	143 385
Audit fees	4	-	4
	140 651	2 738	143 389



Figures in Rand thousand	EKZNW		CONSOLIDATION	
	March 2021	Restated March 2020	March 2021	Restated March 2020
Non-current liabilities	63 972	61 375	63 972	61 375
Current liabilities	77 058	82 010	77 062	82 014
	141 030	143 385	141 034	143 389

15. External projects

Special projects	11 414	11 557	11 414	11 557
Community levy	15 269	15 527	15 269	15 527
Community facilities control account	8 742	8 952	8 742	8 952
Wildcard and commercial marine licences	2	2	2	2
	35 427	36 038	35 427	36 038

Special Project	Purpose	Opening Balance	Expenditure	Income	Closing Balance
Chairman's Trust	A special fund to cater for staff members in need of assistance	(2 544)	-	(115)	(2 659)
National Department of Tourism - Universal access Project - Hilltop	Structural improvements aimed at ensuring that facilities cater for people with special categories of physical need.	(1 989)	410	(13)	(1 592)
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.	(915)	18	(116)	(1 013)
Earthwatch Institute Game Count Programme.	Only to be used for costs relating to the bi-annual game count programme 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.	(441)	-	-	(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)



Special Project	Purpose	Opening Balance	Expenditure	Income	Closing Balance
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)	9	-	(571)
HiP Black Rhino monitoring	Rhino intervention initiative	(4)	-	-	(4)
EAZA Save the Rhino Campaign	Rhino intervention initiative	(168)	-	-	(168)
Black Rhino Hunt Trust	Rhino intervention initiative	(157)	40	-	(117)
WWF ZA12A3 RFP - Rhino Range Expansion	Rhino intervention initiative	(105)	-	-	(105)
Other	Various conservation projects from various donors	(1 252)	91	(181)	(1 342)
		(11 557)	568	(425)	(11 414)

Community Levy	Purpose	Opening Balance	Expenditure	Income	Closing Balance
Community Levy	Funds to be used for community projects	(15 527)	2 491	(2 232)	(15 268)

Community facilities	Purpose	Opening Balance	Expenditure	Income	Closing Balance
Didima	Community facilities	(406)	-	-	(406)
		-	-	-	-
Nselweni	Community facilities	(8 546)	2 580	(2 370)	(8 336)
		(8 952)	2 580	(2 370)	(8 742)

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	EKZNW		CONSOLIDATION	
	March 2021	Restated March 2020	March 2021	Restated March 2020

16. Trade and other payables

Trade payables	72 325	41 765	72 537	41 976
Deposits received	35 895	25 716	35 895	25 716
Other payables	2 329	433	2 329	433
Salary accrual	8 690	9 125	8 690	9 125
	119 239	77 039	119 451	77 250



Figures in Rand thousand	EKZNW		CONSOLIDATION	
	March 2021	Restated March 2020	March 2021	Restated March 2020

17. Revenue

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

Sale of goods	16 515	30 220	16 515	30 220
Accommodation	53 917	105 200	53 917	105 200
Natural resource trade	1 179	663	1 179	663
Conservation levy	5 340	26 470	5 340	26 470
Hunting revenue	139	165	139	165
Licences and permits	415	1 256	415	1 256
Admission	14 021	18 671	14 021	18 671
Trails, rides and tours	2 359	13 406	2 359	13 406
Game sales	1 362	1 747	1 362	1 747
Rental income	2 021	2 386	2 021	2 386
	97 268	200 184	97 268	200 184

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

Fines	12	52	12	52
Transfers	942 117	726 902	942 117	726 902
	942 129	726 954	942 129	726 954
	1 039 397	927 138	1 039 397	927 138

18. Other income

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

Concession revenue	2 210	2 612	2 210	2 612
Expense recoveries	85	9 931	85	9 931
Sundry revenue	8 461	8 385	8 461	8 385
Interest income	3 761	6 634	3 797	6 693
	14 517	27 562	14 553	27 621

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

Funder revenue	44 864	68 344	44 864	68 344
Sundry income - projects	-	30	-	30
Agency services - marine coastal management	2 848	5 976	2 848	5 976
Donations	8 808	10 421	8 808	10 421
Gains valuation	4 664	12 458	4 664	12 458
	61 184	97 229	61 184	97 229
	75 701	124 791	75 737	124 850



Figures in Rand thousand	EKZNW		CONSOLIDATION	
	March 2021	Restated March 2020	March 2021	Restated March 2020

19. Operating expenses

Administration and management fees	1 865	1 809	1 865	1 809
Auditor's remuneration	2 534	3 942	2 564	3 969
Bank charges	2 320	3 575	2 320	3 575
Debt impairment	-	104	-	104
Consulting and professional fees	19 394	7 011	19 394	7 201
Consumables	26 251	29 967	26 251	29 967
Contracted services	35 413	47 951	35 413	47 951
Depreciation and amortisation	84 033	86 907	84 033	86 907
Catering	218	800	218	800
Hire	3	23	3	23
Insurance	15 665	17 388	15 665	17 388
Marketing and advertising	2 201	4 699	2 201	4 699
Communication	11 126	12 548	11 126	12 548
Stock loss	614	1 317	614	1 317
Community payments and other expenses	2 929	4 406	2 929	4 406
Board members' remuneration	2 025	5 737	2 025	5 737
Transport expenses	20 982	28 756	20 982	28 756
Training	3 064	2 875	3 064	2 875
Travel	138	1 707	138	1 707
Electricity	23 802	26 387	23 802	26 387
Sewerage and waste disposal	226	392	226	392
Water	1 866	713	1 866	713
Refuse	134	147	134	147
Utilities - generator diesel	1 170	2 782	1 170	2 782
Gain/loss on exchange differences	1	139	1	139
Loss on disposal of assets	502	3 687	502	3 687
Repairs and maintenance	23 966	34 709	23 966	34 709
Transfer payments	917	879	917	879
Municipal rates	34	17	34	17
Software licences	9 959	7 727	9 959	7 727
Operating leases	1 736	1 697	1 736	1 697
Cost of sales	10 823	23 618	10 823	23 618
Cost of services rendered	191	603	191	603
	306 102	365 019	306 132	365 236



Figures in Rand thousand	EKZNW		CONSOLIDATION	
	March 2021	Restated March 2020	March 2021	Restated March 2020
Contracted Services				
Cleaning services	2 219	1 281	2 219	1 281
Laundry services	1 234	1 304	1 234	1 304
Aviation services	10 444	17 430	10 444	17 430
Hire services	5	133	5	133
Security	15 940	17 309	15 940	17 309
Management fees	4 690	8 532	4 690	8 532
Construction contractors/services	224	1 092	224	1 092
Other	657	870	657	870
	35 413	47 951	35 413	47 951
20. Employee related costs				
Basic salary	435 455	450 102	435 455	450 102
Medical aid - company contributions	54 824	53 785	54 824	53 785
Unemployment Insurance Fund (UIF)	3 855	3 902	3 855	3 902
Workman's Compensation (WCA)	6 346	6 300	6 346	6 300
Skills Development Levy (SDL)	4 163	6 057	4 163	6 057
Leave pay provision charge	4 792	12 824	4 792	12 824
Other personnel costs	2 066	3 062	2 066	3 062
Post-retirement contributions	65 441	69 059	65 441	69 059
Subsistence allowance	10 478	12 187	10 478	12 187
Overtime payments	14 320	14 165	14 320	14 165
13th Cheques	35 557	37 950	35 557	37 950
Car allowance	11 386	12 806	11 386	12 806
Housing and other allowances	42 342	47 687	42 342	47 687
Contract workers	82 853	78 848	82 853	78 848
	773 878	808 734	773 878	808 734
Contract workers				
Basic salary	82 124	74 140	82 124	74 140
Unemployment Insurance Fund (UIF)	62	389	62	389
Workmans Compensation (WCA)	592	370	592	370
Skills Development Levy (SDL)	12	2 015	12	2 015
Leave Provision charge	45	-	45	-
Subsistence allowance	10	341	10	341
Overtime payments	1	811	1	811
Housing and other allowances	7	782	7	782
	82 853	78 848	82 853	78 848
Remuneration:				
Chief Executive Officer				
Annual remuneration including allowances	1 815	1 816	1 815	1 816
Contributions to medical and pension funds	162	147	162	147
	1 977	1 963	1 977	1 963



Figures in Rand thousand	EKZNW		CONSOLIDATION	
	March 2021	Restated March 2020	March 2021	Restated March 2020
Chief financial officer				
Annual Remuneration including Allowances	1 615	1 615	1 615	1 615
Head Human Resources				
Annual Remuneration including Allowances	866	895	866	895
Contributions to Medical and Pension Funds	148	99	148	99
	1 014	994	1 014	994
Head Commercial Operations				
Annual Remuneration including Allowances	1 170	1 043	1 170	1 043
Contributions to Medical and Pension Funds	172	184	172	184
	1 342	1 227	1 342	1 227
Head Conservation Services				
Annual Remuneration including Allowances	1 283	1 191	1 283	1 191
Contributions to Medical and Pension Funds	183	159	183	159
	1 466	1 350	1 466	1 350
Head Internal Audit and Investigations				
Annual Remuneration including Allowances	1 069	864	1 069	864
Contributions to Medical and Pension Funds	143	156	143	156
	1 212	1 020	1 212	1 020
Head Corporate Affairs and Marketing				
Annual Remuneration	942	973	942	973
Contributions to Medical and Pension Funds	142	151	142	151
	1 084	1 124	1 084	1 124
21. Finance costs				
Interest	6 725	5 987	6 725	5 996
22. Cash generated from (used in) operations				
Surplus/(deficit) for the year	28 393	(127 811)	28 399	(127 978)
Adjustments for:				
Depreciation and amortisation	84 033	86 907	84 033	86 907
Loss on disposal of assets	505	3 688	505	3 688
Movements in provisions	(2 355)	2 738	(2 355)	2 738
Changes in working capital:				
Inventories	656	(499)	656	(499)
Trade and other receivables from exchange transactions	(7 077)	(1 894)	(7 077)	(1 894)
Other receivables from non-exchange transactions	3 013	(72)	3 013	(72)
Other creditors	(435)	70	(435)	70
Trade and other payables	42 637	(14 553)	42 667	(14 327)
Deferred Income	1 110	18 443	1 110	18 443
	150 480	(32 983)	150 516	(32 924)



Figures in Rand thousand	EKZNW		CONSOLIDATION	
	March 2021	Restated March 2020	March 2021	Restated March 2020

23. Net movement in external projects

Balance at beginning of the year	(36 038)	(33 088)	(36 038)	(33 088)
Balance at end of the year	35 427	36 038	35 427	36 038
	(611)	2 950	(611)	2 950

24. Commitments

Already contracted for but not provided for

• Land and buildings	22 837	3 745	22 837	3 745
• Infrastructure	1 553	1 440	1 553	1 440
• Community	355	2 866	355	2 866
• Other	22 282	991	22 282	991
	47 027	9 042	47 027	9 042

Operating leases – as lessee (expense)

Minimum lease payments due

• within one year	2 470	2 630	2 470	2 630
• in second to fifth year inclusive	444	2 052	444	2 052
• later than five years	11	11	11	11
	2 925	4 693	2 925	4 693

Operating leases – as lessor (income)

Minimum lease payments due

• within one year	1 134	1 062	1 134	1 062
• in second to fifth year inclusive	4 171	4 050	4 171	4 050
• later than five years	28 060	27 177	28 060	27 177
	33 365	32 289	33 365	32 289

Operating leases comprise of 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 R119.7 million (2020: R128.2 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.



Figures in Rand thousand	EKZNW		CONSOLIDATION	
	March 2021	Restated March 2020	March 2021	Restated March 2020

Legal claims

The financial implications of the current cases are:

Probable	R9.3 million	R9.3 million
Improbable	R5.6 million	R5.6 million

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

Wage Negotiations in the Public Sector

Employees of the entity had previously received yearly cost of living wage increases in accordance with the DPSA's authorised compensation levels; however, owing to an ongoing legal disagreement between the National Treasury and labour unions, the pay increases for the 2020/2021 fiscal year were not implemented. If the decision is against the entity it may be obliged to pay back-pay to employees. The total amount cannot be established as the case is still being heard.

26. Related parties

Ezemvelo KZN Wildlife is one of the entities within the Department of Economic Development, Tourism and 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
Economic Development Tourism and Environmental Affairs	Controlling Department
KZN Sharks Board	Under same control of EDTEA
KZN Tourism Board	Under same control of EDTEA
Trade and Investment KZN	Under same control of EDTEA
Moses Kotane Institute	Under same control of EDTEA
Richards Bay Industrial Development Zone	Under same control of EDTEA
Ithala Development Finance Corporation	Under same control of EDTEA
KwaZulu-Natal Growth Fund	Under same control of EDTEA
KwaZulu-Natal Film Commission	Under same control of EDTEA
Dube Tradeport	Under same control of EDTEA
KZN Rehabilitation Trust	Under same control of EDTEA
KZN Liquor	Under same control of EDTEA
Ithala SOC Limited	Under same control of EDTEA
KZN Gaming and Betting Board	Under same control of EDTEA



Department of Economic Development, Tourism and Environmental Affairs - Shareholder

The entity received grants of R986.9 million (2020 : R769.4 million) from the department for operating purposes.

Member Fees

	Remuneration	Disbursements	Total package 2021 - R	Total package 2020 - R
Audit & Risk Committee				
Ms P Bosman (Chairperson - Term commenced - 1 November 2020)	55 394	-	55 394	-
Mr NF Mchunu (Chairperson - Term ended - 31 October 2020)	87 718	-	87 718	109 030
Mr BW Ngubane (Chairperson - Term ended 31 August 2019)	-	-	-	79 239
Mr SK Dlongolo	16 368	-	16 368	85 832
Ms CN Mhlongo (resigned 29 February 2020)	-	-	-	70 185
Ms SD Ncube Dlamini	16 368	-	16 368	119 490
Ms R Naidoo	32 736	-	32 736	-
Mr T Ndlela	16 368	-	16 368	71 751
	224 952	-	224 952	535 527

Board Members

Mr LW Mngoma (Chairperson - Term commenced - 1 July 2018)	465 572	3 525	469 097	952 918
Ms SP Lebenya (Deputy Chairperson)	242 302	991	243 293	555 930
Inkosi BS Mthembu	89 546	1 715	91 261	244 674
Mr S Mtolo	131 039	2 017	133 056	398 348
Mr V Mvelase	119 527	1 359	120 886	373 465
Mr T Ndlela	117 055	-	117 055	374 853
Mr RF Haswell (Term commenced - 1 July 2018)	112 570	-	112 570	274 399
Mr IC Ewing (resigned - 30 April 2021)	6 056	-	6 056	283 823
Mr SL Ndlovu (Term commenced - 1 July 2018)	112 570	-	112 570	313 588
Ms DG Hoorzuk (Term commenced - 1 July 2018)	112 570	-	112 570	319 184
Ms SD Ncube Dlamini (Term commenced - 1 July 2018)	101 058	-	101 058	420 981
Ms T Ntshangase (Term commenced - 1 July 2018)	131 863	1 226	133 089	417 236
	1 741 728	10 833	1 752 561	4 929 399
	1 966 680	10 833	1 977 513	5 464 926

On 1 November 2020, Mr Simiso Magagula was appointed as the Accounting Authority in terms of section 49(3) of the PFMA. The Accounting Authority is paid by the Department of Economic Development, Tourism and Environmental Affairs.



Figures in Rand thousand	EKZNW		CONSOLIDATION	
	March 2021	Restated March 2020	March 2021	Restated March 2020

27. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern.

This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

As can be seen in note 17, 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. However, it should be noted that the entity received an additional of R190 million subsidy in the 2020/21 financial year to compensate it for the loss of revenue due to Covid-19. This helped remove the going concern threat posed in the prior year.

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.

28. Subsequent events

In December 2017, the executive council resolved that the functions of KZN Sharks Board and KZN Wildlife be merged as one function. Both entities will remain separate until the corporate bill is passed by Provincial Legislature. The planned submission date of the bill to Provincial Legislature is the end of October 2021.

28.1 Rationalisation of Kwa-Zulu-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 of 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.

29. Fruitless and wasteful expenditure

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

30. Irregular expenditure

Opening balance	55 521	48 803	55 521	48 803
Irregular expenditure	4 138	6 718	4 138	6 718
	59 659	55 521	59 659	55 521

31. 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 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.

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 2021 was R32.9 million (2020: R28.9 million) relating to trade and other receivables (Note 10 and 11) and R271.4 million (2020: R147.2 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 R185 154 in favour of Eskom is held by First National Bank Limited as at 31 March 2021.

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.





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

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PR278/2021

ISBN: 978-0-621-49767-0