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## List of Abbreviations/Acronyms

<b>APP</b>	: Annual Performance Plan	<b>NEMA</b>	: National Environmental Management Act
<b>BSC</b>	: Balanced Scorecard	<b>NEMPAA</b>	: National Environmental Management: Protected Areas Act
<b>CANSA</b>	: Cancer Association of South Africa	<b>NRM</b>	: National Resource Management
<b>CAPEX</b>	: Capital Expenditure	<b>NWRS</b>	: National Water Resource Strategy
<b>CCMA</b>	: Commission for Conciliation Mediation and Arbitration	<b>OD</b>	: Organisational Development
<b>CE</b>	: Chief Executive	<b>OPS</b>	: Operations
<b>CS</b>	: Corporate Services	<b>PFMA</b>	: Public Finance Management Act
<b>CSI</b>	: Corporate Social Investment	<b>PMB</b>	: Pietermaritzburg
<b>DOA</b>	: Delegation of Authority	<b>PMI</b>	: Performance Management Innovation
<b>DUCT</b>	: Duzi-UMngeni Conservation Trust	<b>PMS</b>	: Performance Management System
<b>DWS</b>	: Department of Water and Sanitation	<b>PC</b>	: Pollution Control
<b>EAP</b>	: Economically Active Population	<b>PS</b>	: Primary School
<b>EDTEA</b>	: Economic Development, Tourism and Environmental Affairs	<b>Q</b>	: Quarter
<b>EIA</b>	: Environmental Impact Assessment	<b>SABAA</b>	: South African Bass Anglers Associations
<b>EKZN</b>	: Ezemvelo KwaZulu-Natal Wildlife	<b>SANBI</b>	: South African National Biodiversity Institute
<b>EXCO</b>	: Executive Committee	<b>SANParks</b>	: South African National Parks
<b>Gr</b>	: Grade	<b>SAMSA</b>	: South African Maritime Safety Authority
<b>Ha</b>	: Hectares	<b>SAP</b>	: Systems, Applications & Products
<b>HR</b>	: Human Resources	<b>SCM</b>	: Supply Chain Management
<b>HS</b>	: High School	<b>SHEQ</b>	: Safety, Health, Environment and Quality
<b>ICT</b>	: Information and Communications Technology	<b>SLA</b>	: Service Level Agreement
<b>ICC</b>	: International Convention Centre	<b>SO</b>	: Strategic Objective
<b>ICUN</b>	: International Union for Conservation of Nature	<b>SOP</b>	: Standard Operation Procedure
<b>INR</b>	: Institute for Natural Resources	<b>SS</b>	: Secondary School
<b>JP</b>	: Junior Primary	<b>UW</b>	: Umgeni Water
<b>KPI</b>	: Key Performance Indicator	<b>SOC</b>	: State Owned Company
<b>KZN</b>	: Kwa-Zulu Natal	<b>TC</b>	: Traditional Council
<b>MD</b>	: Managing Director	<b>YTD</b>	: Year to Date
<b>METT</b>	: Management Effectiveness Tracking Tool	<b>VAT</b>	: Value Added Tax
<b>MOI</b>	: Memorandum of Incorporation	<b>WWF</b>	: World Wide Fund for Nature
<b>MOU</b>	: Memorandum of Understanding		
<b>NEHAWU</b>	: National Education, Health and Allied Workers Union		

The background is a vibrant green with various abstract elements. There are several overlapping rectangular frames in different shades of green. A large, faint, stylized shape resembling a human figure or a complex geometric form is visible. A cluster of small, light green dots is positioned to the right of the main text. In the bottom right corner, there are several horizontal wavy lines. The overall aesthetic is modern and technical.

# 01. ORGANISATIONAL **OVERVIEW**



# 1. Organisational Overview

## 1.1. Report Profile

This report outlines an integrated report on Msinsi strategies and activities for the financial year from 01 July 2022 to 30 June 2023.

It focuses on key developments and material issues in the business environment. It further encompasses financial and non-financial information, including the organisational and strategic overview, divisional reports and organisational performance.

The corporate governance report presents individual Board Members' profiles and oversight meeting attendance.

The organisational performance presents Msinsi Holdings' progress towards meeting predetermined objectives as per the Annual Performance Plan of the period under review.

Msinsi Holdings' annual report complies with the statutory disclosure requirements of the Public Finance Management Act (Act

1 of 1999) and Companies Act. Furthermore, it is aligned with the recommendations of King IV regarding integrated reporting.

This annual report addresses all material issues and presents the performance of the organisation. The assurance of the annual report for both performance and financial information is provided by Internal Audit and the Audit and Risk Committee of the Board.

The Board acknowledges its responsibility for ensuring the integrity of this annual report.

The Board confirms to have approved the release of the 2022/2023 annual report.

**Additional information pertaining to this report and its contents can be obtained from Msinsi Holdings Head Office at this address:**

**Physical Address:**

Msinsi Holdings (SOC) Ltd  
Blocks A & C,  
18 Old Main Road,  
Hillcrest,  
3650

**Postal Address:**

Private Bag X 1020,  
Hillcrest,  
3650

Telephone number: +27 (31) 765 7724

Fax number: +27 (31) 765 7704

Email: [info@msinsi.co.za](mailto:info@msinsi.co.za)

Website: [www.msinsi.co.za](http://www.msinsi.co.za)

**Company Secretary**

**Ms Simangele Mbatha**  
Umgeni Water Head Office  
P.O. Box 9,  
Pietermaritzburg,  
3200

Tel: +27 (33) 341 1544 /1066

Fax: +27 (33) 342 8895

**Company Registration Number:**

1992 / 003933/30

VAT Number: 443 0133 779





## 1.2. Organisational Profile

### 1.2.1 History

Msinsi Holdings SOC (Ltd) was established by UMngeni-uThukela Water Board in 1992 as Shongweni Resources Reserve (Pty) Ltd and later became Msinsi Holdings (Pty) Ltd in 1994. The company became a state owned company in 2014, wholly-owned by UMngeni-uThukela Water and trades as Msinsi Resorts and Game Reserves.

The company converted from a Proprietary (PTY) Limited to a State-Owned Company (SOC) Limited with effect from 23 June 2014.

### 1.2.2 Msinsi’s Functional Areas

Msinsi continued to assess and ensure that its functional structure is aligned to its mandate. Msinsi’s operations are categorised into two functional areas, which include:

- The primary function, which is the water resources management services that are provided to UMngeni-uThukela Water in line with the Service Level Agreement and
- Ecotourism or Secondary Function

*Msinsi’s functions are presented in Figure 1.1 below*

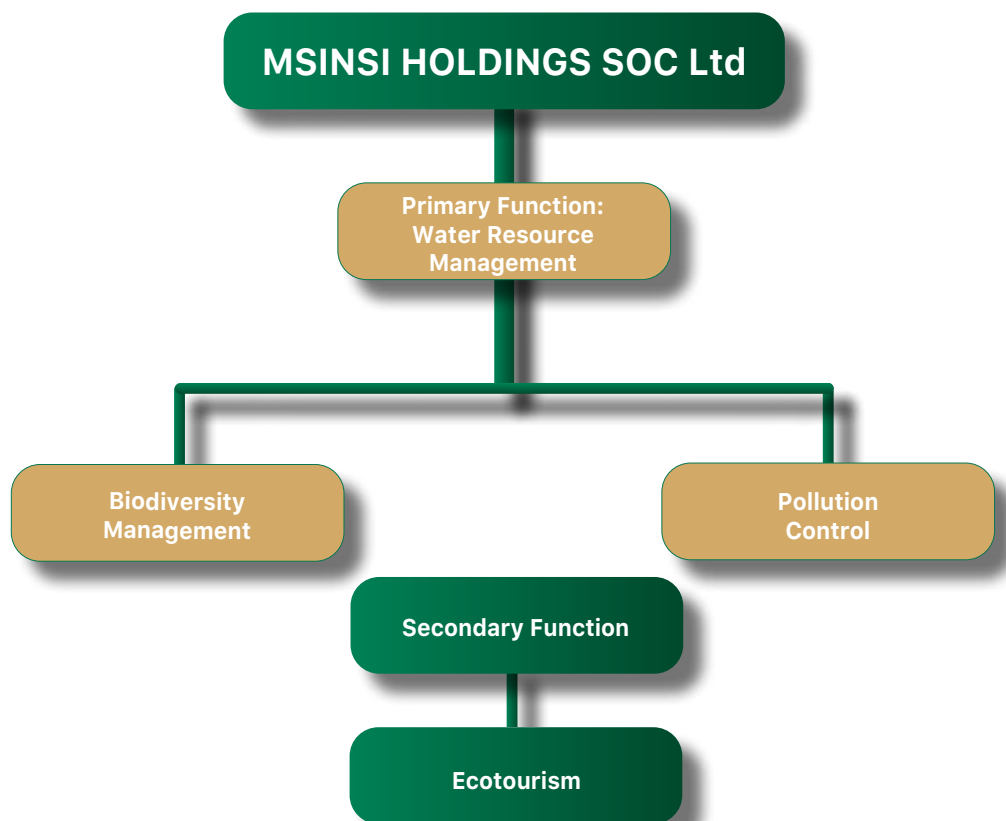


Figure 1.1: Msinsi Functional Areas



**A) Primary Function: Water Resource Management**

The primary function of Msinsi is to manage the water resources of uMngeni-uThukela Water owned dams and the dams that uMngeni-uThukela Water manages on behalf of the Department of Water and Sanitation. Effective management of the water resource contributes significantly to the value chain of water service delivery.

The activities of the primary function are derived from the National Water Act; Act 36 of 1998 i.e. that national water resources are protected, used, developed, conserved, managed and controlled

efficiently and sustainably. These activities are consolidated into three strategic objectives of the National Water Resource Strategy 2 (NWRS2) viz:

- Water supports development and reduction of poverty and inequality
- Water contributes to the economy and job creation
- Water is protected, used, developed, conserved, managed and controlled equitably and sustainably.

**The water resources management function is achieved by performing the following activities:**

**BIODIVERSITY MANAGEMENT**

**Fire Management**

- Wildlife and Habitat Management
- Resource Utilization
- Land and Resource Rehabilitation
- Environmental Impact Assessment
- Manage Neighbour Relations
- Inspections and Security Patrol
- Water Quality Monitoring
- Fence Maintenance

**POLLUTION CONTROL**

- Alien Plant Eradication
- Waste Management

**Table 1.1: Water Resources Management**

**B) Secondary Function: Ecotourism**

The ecotourism management function is achieved by performing the following activities:

**FACILITIES MANAGEMENT**

Roads, Slipways, Buildings and Grounds

**PARKS MANAGEMENT**

- Fence Maintenance
- Visitor Facilities, Camp Ground, and Picnic Sites Access Control
- Visitor Safety and Protection
- Visitor Education
- Entrance Fee Collection
- Logistics Management

**HOSPITALITY MANAGEMENT**

- Accommodation
- Special Events and other Activities

**Table 1.2: Ecotourism Management Functions**

The background is a vibrant green with various abstract elements. There are several overlapping rectangular frames in different shades of green. A large, faint, stylized shape resembling a leaf or a drop is visible. A cluster of small, light green dots is positioned to the right of the text. In the bottom right corner, there are several horizontal wavy lines. The overall aesthetic is modern and tech-oriented.

## 02. STRATEGIC **OVERVIEW**



## 2. STRATEGIC OVERVIEW

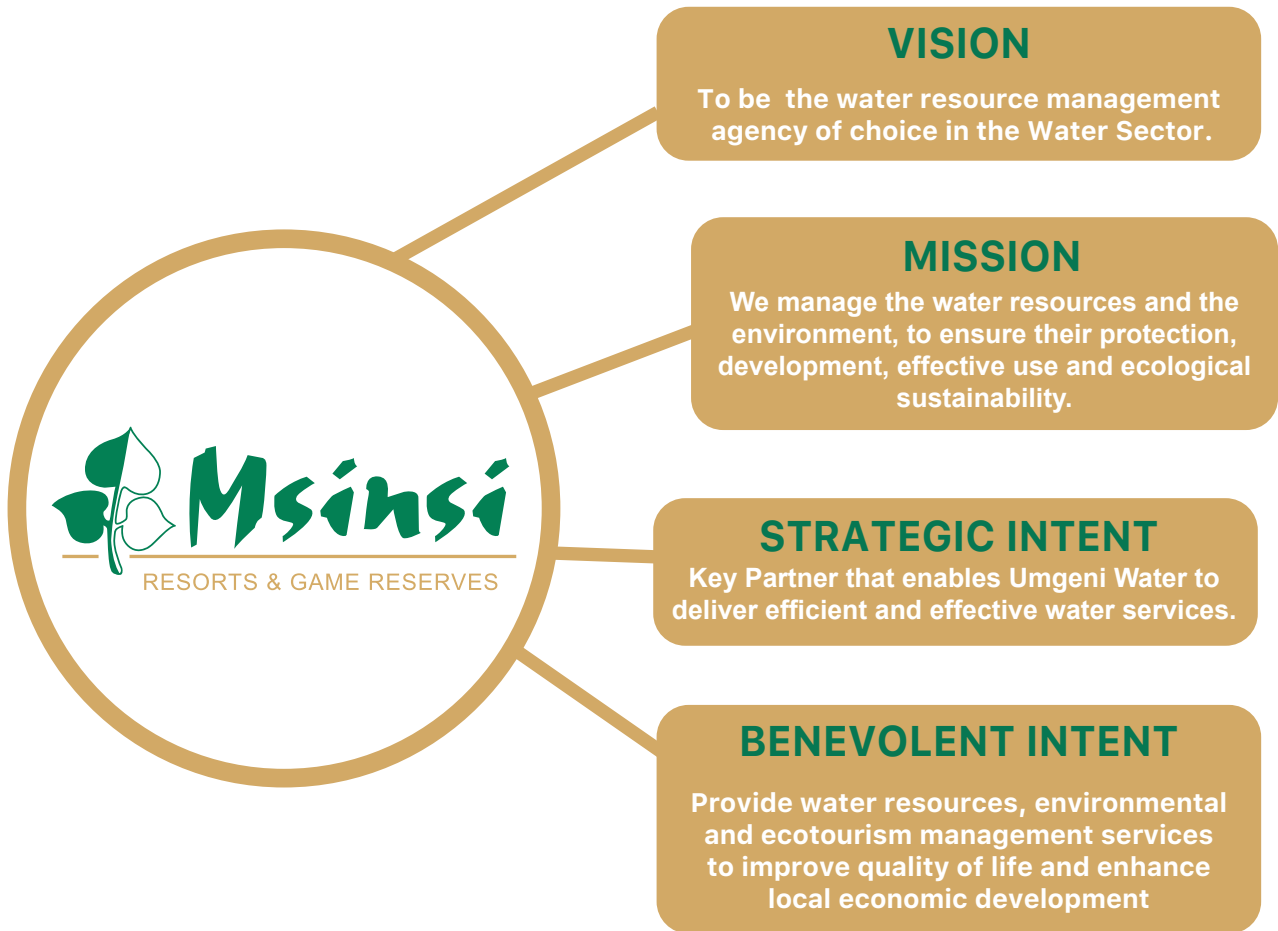


Figure 2.1: Msinsi's Vision, Mission, Strategic Intent and Benevolent Intent



## 2.2 BALANCED SCORECARD

### 2.2.1 Strategic Goals

The company’s strategy and performance focused on four strategic goals during the year under review.



Figure 2.2: Msinsi's Strategic Goals

### 2.2 Balanced Scorecard Perspectives

The following figure illustrates the balanced scorecard perspectives and the applicable strategic objectives during the reporting period.

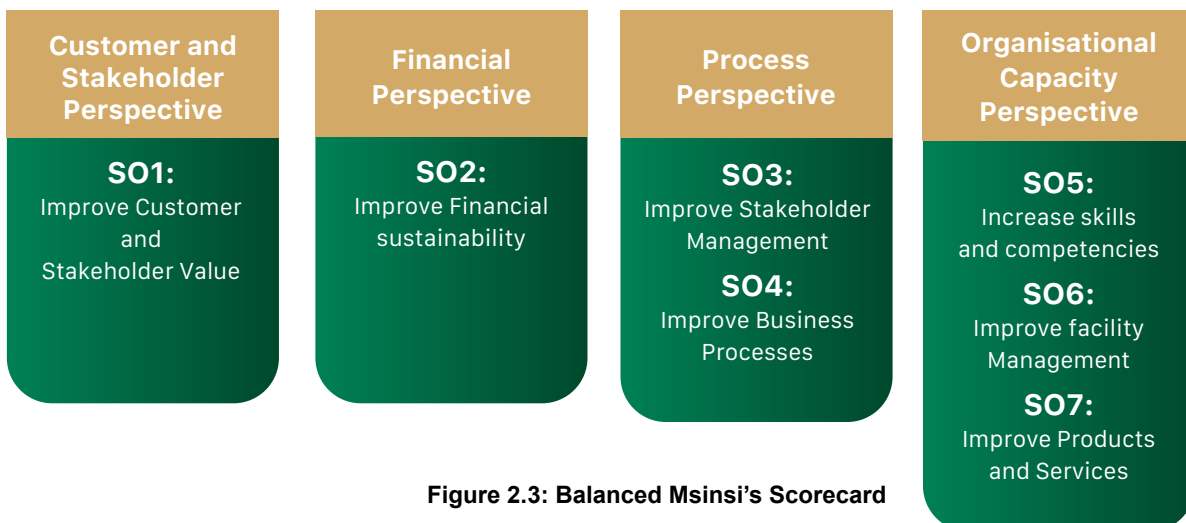


Figure 2.3: Balanced Msinsi's Scorecard



## 2.3 VALUES



Figure 2.4: Msinsi's Organisational Value

## 2.4. MSINSI'S MANDATE

Msinsi Holdings SOC (Ltd) is a Schedule 3B Public Entity under the PFMA, by virtue of it being a wholly owned subsidiary of uMngeni-uThukela Water. The mandate of Msinsi is primarily to manage the water resources and secondarily to manage ecotourism at Msinsi's operational sites.

### The water resources management function comprises the following activities:

- Biodiversity management (to protect the aquatic and associated ecosystems and their biological diversity);
- Pollution control (to reduce and prevent pollution and degradation of the water resources);

### Ecotourism management function comprises the following activities:

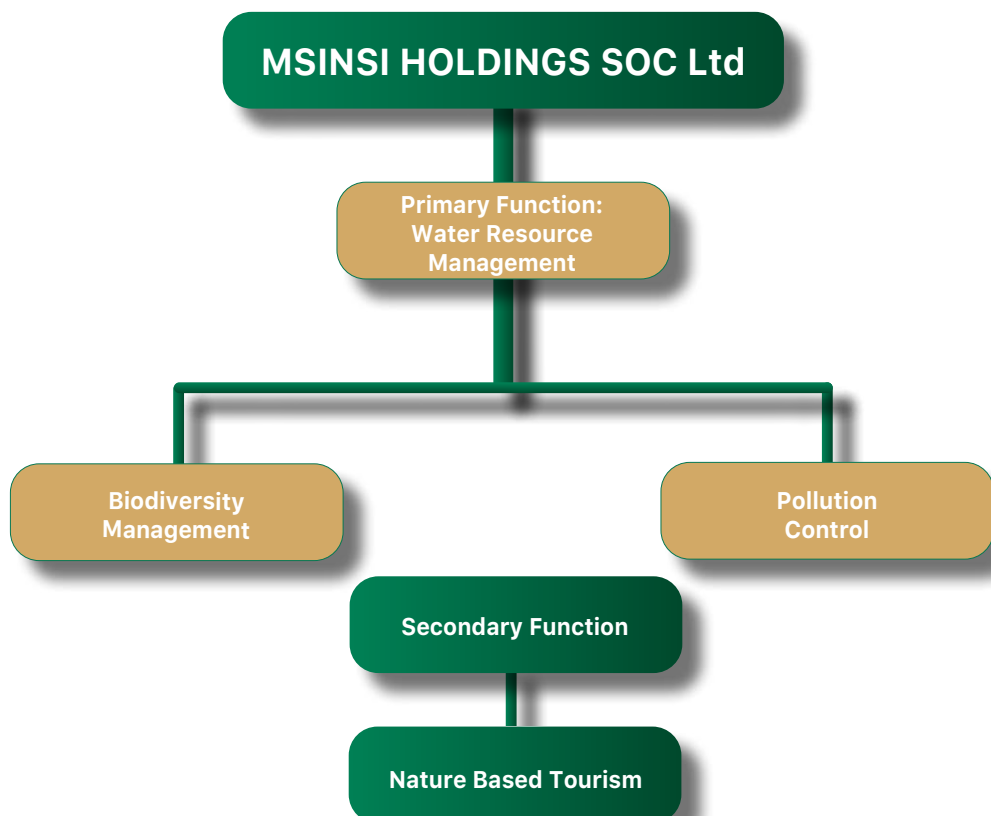
- Facilities Management;
- Parks Management
- Hospitality Management



The legislative mandate; scope; reporting requirements and operating processes of Msinsi are guided by the following South African legislation:

- Water Services Act no. 108 of 1997,
- Tourism Act no. 3 of 2014;
- The Constitution of the Republic of SA;
- The National Water Act (No. 36 of 1998);
- National Treasury Regulation of 1999;
- King IV Report on Corporate Governance of 2009;
- The Companies Act (No. 71 of 2008);
- International Financial Reporting Standards;
- National Environmental Management Act - NEMA (No. 107 of 1998);
- NEMA: Protected Areas Management Act (No. 57 of 2003);
- NEMA: Biodiversity Act (No. 10 of 2004);
- Firearms Control Act (No. 60 of 2000);
- Public Finance Management Act (No. 1 of 1999);
- Veld and Forest Fire Act (No. 101 of 1998);
- South African Labour Laws;
- Disaster Management Act of (No. 57 of 2002);

## 2.5 FUNCTIONS AND BUSINESS MODEL







**Figure 2.6: Msinsi Organisational Function**

**Msinsi carries out Biodiversity Management at the following Operational Sites:**

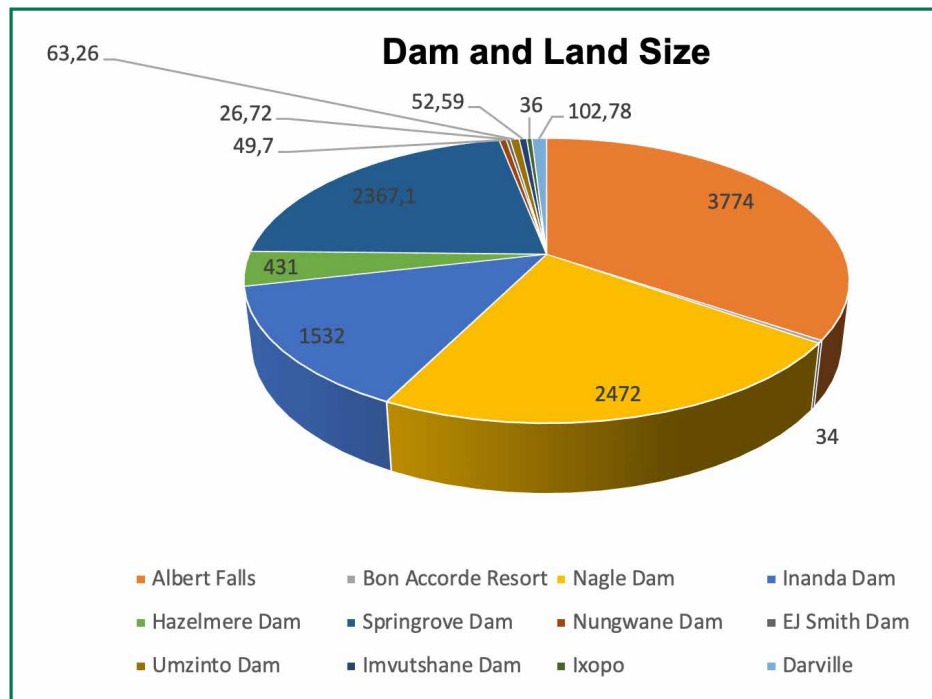
- Albert Falls Dam including Bon Accorde
- Nagle Dam
- Inanda Dam
- Hazelmere Dam
- Spring Grove Dam
- Nungwane Dam
- Mhlabatshane Dam
- EJ Smith Dam
- Umzinto Dam
- iMvutshane Dam
- iXopo Home Farm Dam
- Darvill Waste Water Treatment Works



The table below illustrates the dam and land size.

Name of the Dam	GPS Coordinates	Total Area in Ha.
Albert Falls Dam & Game Reserve	29.4500° S, 30.4000° E	3774
Bon Accorde Resort	29.4344° S, 30.4269° E	31 (land only)
Nagle Dam & Game Reserve	29.5836° S, 30.6169° E	2472
Inanda Dam & Resort	29.7003° S, 30.8669° E	1532
Hazelmere Dam & Resort	29.6003° S, 31.0417° E	431
Spring Grove Dam	29.32073° S, 29.964884° E	2367.1
Nungwane Dam	30.007304° S 30.743709° E	49.7
EJ Smith Dam	30.3245° S 30.671196° E	26.72
Umzinto Dam	30.31124° S 30.592773° E	7.3 (Dam area only)
iMvutshane Dam	29.207259° S 31.027989° E	52.59
Ixopo	Lat: - 30.09 2556   Long: -30.03 5256	20.1 (Dam area only)
Darvill	Lat: -29.602118   Long: 30.430884	102.78
Mhlabatshane Dam	30.414898°S 30.180994° E	31.27

**Table 2.1: Dam and land size**



**Figure 2.7: Graphical Presentation of the Dam and Land Size**



## MSINSI MANAGED DAMS



Figure 2.8 Msinsi Managed Dams

## Revenue Streams

Msinsi earns revenue from two streams, namely the Water Resources (Environmental) Management Fee and Ecotourism. Msinsi performs water resource management functions on behalf of UMngeni-uThukela Water based on the Service Level Agreement. UMngeni-uThukela Water pays a management fee to Msinsi for services rendered in respect of the water resource management functions.

This revenue is based on the Corporate Plan that Msinsi presents annually to UMngeni-uThukela Water for consideration and approval. In this regard, the cash flow of this revenue stream becomes predictable during the financial year.

Ecotourism revenue is generated from utilising the dams and other facilities for recreational purposes. Revenue from this stream is unpredictable due to dependence on external factors such as economic conditions, seasons, and weather conditions among others.

There are various initiatives such as product development and product mix offerings that Msinsi undertakes to enhance revenues of this stream. Such initiatives include a continued partnership with SANParks for the Wild Card loyalty product. Msinsi earns a significant share of its revenues from the Wild Card product.

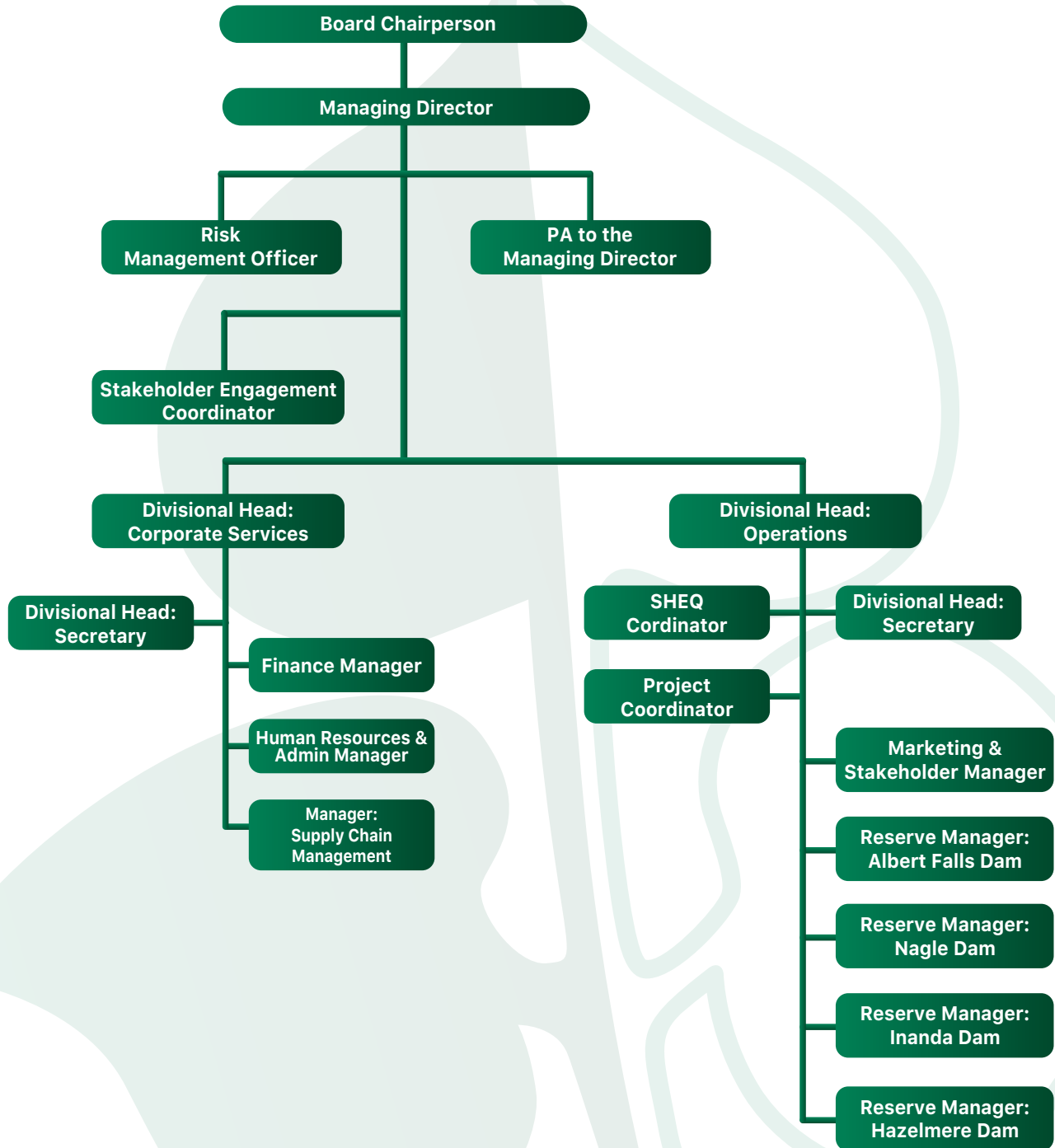
## Growth Plan

The organisation has developed a Growth Plan with the objective of growing the organisation. The organisational growth indicators have been defined as financial, footprint, products and services, customers, human resources skills and competence among others.



**Organisational Structure (Management)**

The current macro level organisational structure is as follows:





## 2.6 CHAIRPERSON’S REPORT

I am pleased to present the Chairman’s Report for the year ended 30 June 2023. This report will give a strategic overview of the company’s performance along with highlights of activities that took place in the 2022/2023 financial year.

Msinsi Holdings is a fully owned subsidiary of uMngeni-uThukela Water whose main mission is to manage the water resources and the environment, to ensure their protection, development, effective use and ecological sustainability. The relationship between the company and uMngeni-uThukela Water is regulated through a Service Level Agreement which outlines and defines the roles and responsibilities of the parties. This Service Level Agreement is what maintains Msinsi’s status as a “going concern” as it guides the annual management fee that Msinsi receives from its shareholder.

The Service Level Agreement was first entered into with uMngeni-uThukela Water (previously known as Umgeni Water) in July 2013 and has since been reviewed over the years with the last review taking place in the year under review. After an intense Msinsi Board session and agreement with the Shareholder for Msinsi to re-align its functions in line with the Water Act, an additional Addendum to the Service Level Agreement was signed by both parties.

This was an achievement for the Board as this Addendum opens up exciting opportunities for the organization in its income generation going forward. We look forward to the full implementation of this Service Level Agreement in the next financial year.

The Board continued to commit itself to the implementation of the Growth Plan in the 2022/2023 year at a strategic level, a commitment that was made towards the end of the previous year. The plan involves a number of sections in the organization and looking at the financials, one can see that the management team is on the right track in implementing some recommendations from the Growth Plan.

Msinsi achieved an overall performance of 91.32% during the 2022/2023 financial year. This is a 1.82% performance increase when compared to the 89.5% achieved in the 2021/2022 financial year.



Total revenue of R17.6 million was generated from tourism and biodiversity activities for the period ending 30 June 2023, compared to an amount of R14.9 million for the prior year, resulting in an increase of R2.7 million, representing an increase of 18%. Msinsi self-generated revenue forms 18% of the revenue generation.

The revenue generated from the management fee for the current year amounts to R79.72 million, compared to an amount of R75.67 million in the prior year, resulting in an increase of R4.05 million which represents a 5.35% increase. The Management Fee forms 82% of the revenue for 2022/2023 based on the company’s approved business plan, to enable Msinsi to fulfil its mandate in terms of the Service Level Agreement.

We remain grateful to our Shareholder, uMngeni-uThukela Water, for the above mentioned increase in the management fee for the period under review, which keeps Msinsi as a going concern.

Following the proclamation of the Nagle Dam site as a Nature Reserve in terms of the National Environmental Management: Protected Areas Act 57 of 2003 in December 2021, the Board and Management of Msinsi made an official announcement and declaration of this status to the public at large in the 2022/2023 financial year. This took Msinsi a step closer to fulfilling its mandate of environmental protection.

The entity continues to engage its stakeholders in accordance with the Stakeholder Management Plan and furthermore conducts Corporate Social Investment (CSI) programmes in line with its CSI Plan. One of the year’s highlight was a



significant donation of building material to build a four-roomed house in the KwaGcumisa area, for a family who had their house damaged during the floods.

During the year under review, the office of the Auditor General (SA) undertook the audit assignment of Msinsi Holdings SOC Ltd. The Board is pleased to report that Msinsi received a clean audit. We acknowledge the hard work, determination and efforts made to achieve a clean audit for the first time in the 2022/2023 financial year. We also wish to congratulate the staff and express appreciation for the hard work put in to achieving this major milestone.

In the year under review, there were some changes in the composition of the Msinsi Board. To ensure the balance of power and decision-making, uMngeni-uThukela Water seconded two independent non-executive uMngeni-uThukela Water Board members to the Msinsi Board.

An additional external independent non-executive Board member was also appointed making it three additional new members in the 2022/2023 financial year. We look forward to benefit from the experience of the new members and to continue strengthening Msinsi's Board effectiveness.

In conclusion, I would like to thank my fellow Board members for their support in guiding governance and the performance of the organisation. The Board values the continuous support from all stakeholders that interact with Msinsi in the execution of its mandate.

My gratitude also goes to the Management and the staff of Msinsi for their hard work and commitment and I urge them to continue to improve organisational performance and deliver on the entity's mandate.



---

**Adv. Kwazi Mshengu**

Chairperson: Msinsi Holdings SOC Ltd





## 2.7 MANAGING DIRECTOR'S REPORT



This report details the performance of Msinsi Holdings SOC Ltd for the 2022/2023 financial year. The Annual Performance Plan for the year under review comprised 7 strategic objectives and 61 annual measurable result indicators, which informed the organisation's performance. Management executed the Annual Performance Plan and monitored performance against predetermined strategic objectives. Detailed performance report is included in chapter 10 of the annual report. The predetermined strategic objectives are aligned to four Balanced Scorecard perspectives, being Customer and Stakeholder, Finance, Internal Processes and Organisational Capacity.

Msinsi achieved an overall performance of 91.32% during the 2022/2023 financial year. This is a 1.82% performance increase when compared to the 89.5% achieved in 2021/2022 financial year.

Msinsi continues to undertake initiatives to improve revenue generation of the nature-based tourism function. These initiatives include, amongst others, the customer surveys in order to establish customer preferences and thereafter respond to meet the customer expectations. Most product promotion initiatives are carried out through the various digital platforms.

Total revenue of R17.6 million was generated from tourism and biodiversity activities for the period ending 30 June 2023, compared to an amount of R14.9 million for the prior year, resulting in an increase of R2.7 million representing an increase of 18%. Msinsi self-generated revenue forms 18 % of the revenue generation.

The revenue generated from the management fee for the current year amounts to R79.72 million, compared to an amount of R75.67 million in the prior year, resulting in an increase of R4.05 million which represents a 5.35% increase. The Management Fee forms 82% of the revenue for 2022/2023 based on the company's approved business plan, to enable Msinsi to fulfil its mandate in terms of the Service Level Agreement.

The Marketing Department has planned initiatives throughout the year which are aimed at improving revenue generation

through the Revenue Enhancement Plan. The Wild Card loyalty programme yielded impressive results in the 2022/2023 financial year with gross reported at R3.98 million. This is an increase of 35.3% compared to the previous year of R2.93 million.

Total expenditure incurred for the period ending 30 June 2023 is R92.67 million whereas an amount of R78.16 million was incurred in the previous year resulting in an increase of R14.51 million representing an 18.56% increase. The expenditure for 2022/2023 86.5 % was spent when compared to the 76% expenditure against the budget in the 2021/2022. This amount includes Finance Costs. Expenditure is closely monitored by management through a Cost Management Procedure which was reviewed and updated at the beginning of the financial year, to ensure that organisational spend is in line with the approved budget. The main contributing factor in not spending the expenditure budget for 2022/2023 relates to employee cost.

Total assets grew on year-on-year comparison by 13.6%, the cash and cash equivalent has increased from R43.3 million to R48 million.

The current liabilities has decreased by 7.7 % is mainly due mainly to Trade and Other Payables.

On the biodiversity side of the business, Msinsi continues to review the reserve management plans in order to improve the entity's operations. In the reporting period, Msinsi managed to renegotiated it's MoU with the Department of Forestry, Fisheries and Environment which resulted in a 1 (one) year extension of this MoU. Though this MoU, Msinsi has over the years created 929 jobs.





The assessment of the Nagle Dam Game Reserve and Resort for the nature reserve status in terms of the National Environmental Management: Protected Area Act 57 of 2003 was successfully completed in the previous financial year 2021/2022. The proclamation of this undertaking took place in this period under review. This undertaking is the step in the right direction towards fulfilling Msinsi's mandate of environment protection.

The entity had 10 risks in its strategic risk register, two are outside appetite but within tolerance and the remaining eight risks were within appetite and tolerance. These risks are presented in detail in Chapter 5 of this report. The Safety record of the organisation has shown improvements resulting in the Disabling Frequency Injury Rate (DIFR) of zero at the conclusion of the financial year. This is attributed to the maturing Safety, Health and Environmental Management Systems of the organisation.

The Corporate Social Investment (CSI) activities undertaken during the year contributed in line with Msinsi's CSI Policy priority areas of Community Development, Sports, Arts and Culture and Education and Training. In this period under review, the organisation took CSI very seriously resulting in achieving initiatives that were more than double the previous year. One of the year's highlight was a significant donation of building material to build a four-roomed house in the KwaGcumisa area. This changed the life of a family that lived in abject poverty in the area.


A number of strategic MoUs were concluded during the year under review, these included the inter alia:

- Joey's Towing Tournament Trail
- Working on Fire
- Natal Canoe Club
- South African Bass Angling association

The strategic partnerships concluded are important for Msinsi's achievement of its revenue and environmental management objectives. All stakeholders that Msinsi has engaged with during the year under review have added value to Msinsi's operations. Accordingly, Msinsi acknowledges the following stakeholders:

- Amakhosi in our areas of operation for their support towards achieving stability of Msinsi's operations within their areas.

- Municipalities for supporting Msinsi both as stakeholder and customer.
- Media for support in enhancing Msinsi's brand
- The Board of Msinsi Holdings SOC Ltd directing the entity towards achieving its mission and remaining relevant to its mandate
- NEHAWU and Msinsi employees for their commitment and effort towards achieving a sustainable Msinsi Holdings SOC Ltd.



**Mrs Mbali Ndlovu**

Managing Director: Msinsi Holdings





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03. CORPORATE  
GOVERNANCE  
**OVERVIEW**



### 3.1 INTRODUCTION

Msinsi is committed to sound corporate governance and high standards of business integrity. The Board recognises the importance of governance structures and processes in ensuring the efficiency, effectiveness and sustainability of the entire organisation. The strong governance structures and controls and an unwavering commitment to ethical conduct continuously aid the organisation to mitigate risk, ensure accountability and deliver against the strategy and mandate from the shareholder (uMngeni-uThukela Water).

**The Corporate Governance Structure is as follows:**

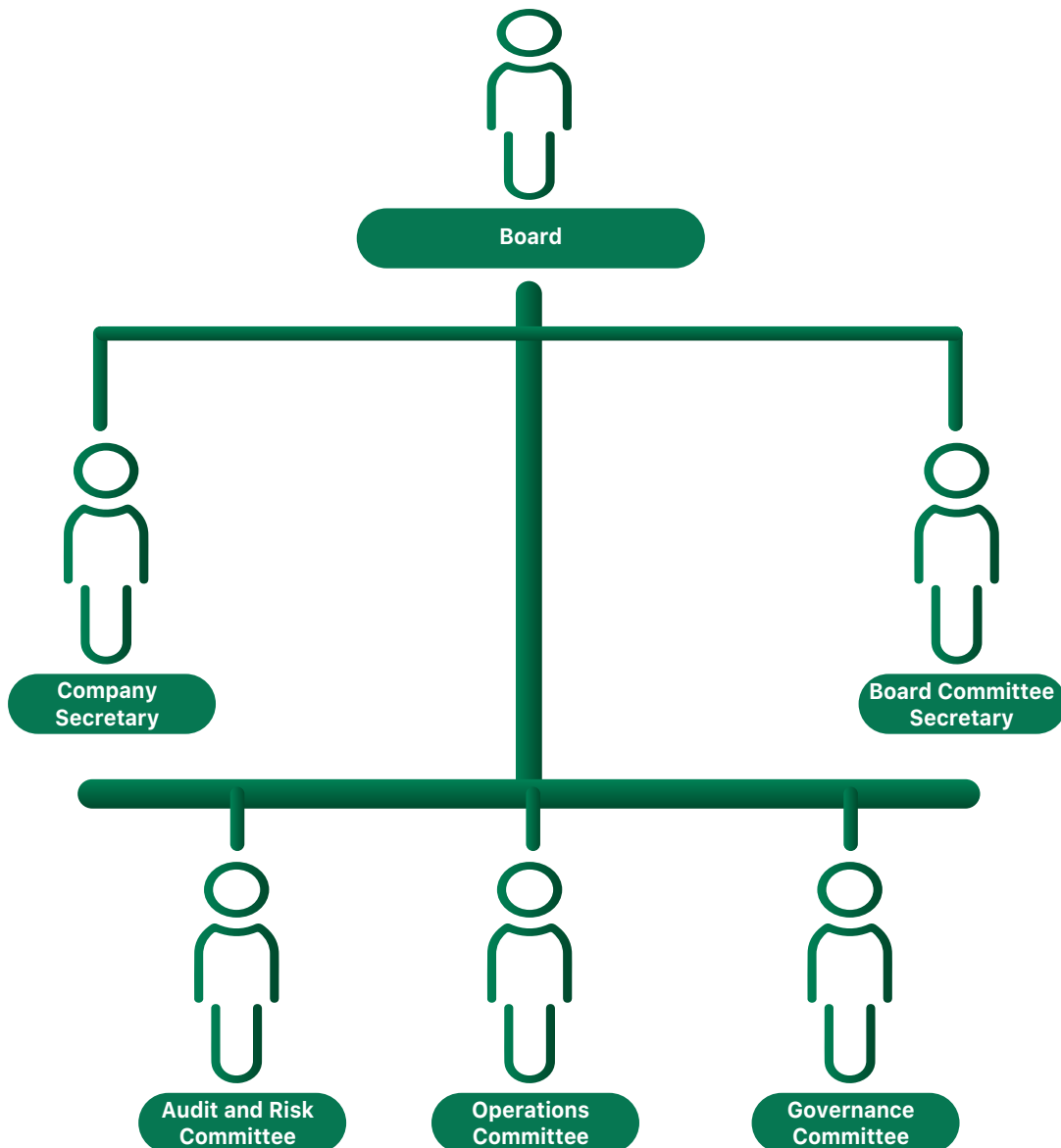


Figure 3.1: The Corporate Governance Structure



## 3.2 BOARD CHARTER

### 3.2 Board Charter

The Board charter provides the Board with the framework of responsibilities and fiduciary duties.

The Board of Msinsi acknowledges the need for a Board Charter as recommended in the King IV Report on Corporate Governance in South Africa. The purpose of this Charter is to set out the Board's role and responsibilities as well as the requirements for its composition and meeting procedures.

In discharging its responsibilities, the Board adhere to the following principles:

- Accountability;
- Transparency;
- Responsibility;
- Disclosure; and
- To the extent required, the Board further adheres to the guidelines, policies or directives set by the Department of Water and Sanitation (hereinafter referred to as "DWS") for entities that fall within the Minister of Water and Sanitation's authority.

#### **The role of the Board as outlined in the Board Charter is:**

- To provide effective leadership and control in terms of approving Msinsi's strategy and ensuring control over its operational implementation. The Board is accountable and must take responsibility for both its success and failure.
- To represent and serve the stakeholder's interests by overseeing and appraising the strategies, policies and the performance of Msinsi.
- To ensure that Msinsi continues to operate as a viable and sustainable going concern for the benefit of it

customers, employees, the communities it serves and the shareholder. Therefore, it must ensure that it exercises effective control and provides leadership on material decisions, which have an impact on Msinsi.

- To provide oversight on the human, operational and financial resources available in Msinsi to achieve the strategic objectives.
- To play a key role in setting, reviewing and monitoring compliance with Msinsi's values.
- To ensure that the shareholder is kept informed of the organisation's performance and any major developments.

#### **The Board Charter is read in conjunction with:**

- The Public Finance Management Act (Act 1 of 1999), as amended by the Public Finance Management Amendment Act (Act 29 of 1999), hereinafter referred to as the PFMA,
- Treasury Regulations (GG 27338) as amended from time to time,
- The Water Services Act (Act 108 of 1997), as amended,
- The King IV Report on Corporate Governance for South Africa, 2016 (King IV)
- Protocol on corporate governance in the public sector issued in 2002 by DPE,
- The Msinsi Memorandum of Incorporation, and
- The Shareholder Compact.



## 3.3 FUNCTIONING OF THE BOARD

### Disclosure, Conflict of Interest and Code of Conduct

Potential conflict of interests is appropriately managed to ensure that the entity and its associates and stakeholders have no conflicting interests between their obligations to the organisation and their personal interests.

During the year under review, the disclosure took place on various occasions amongst others viz.:

- As part of Human Resource Management practice during the recruitment and selection process, members of the selection panel are also required to declare their relationship or any potential conflict of interest which may arise from knowing, or previous association with, candidates being assessed.
- The Board and Executive Committee members are also required to disclose any interests prior to the commencement of the meeting proceedings.
- Employees complete an annual disclosure or upon appointment.
- Suppliers also complete the disclosure of interests.

### Ethics and the Code of Business

Msinsi has been incorporated into various governance committees of the Group, and as such, Msinsi has fully participated in the Group Ethics Committee and the ICT Steering Committee during the year under review. Further to this, all ethical matters are reported through Umgeni Water’s processes.

The Fraud Prevention Plan is reviewed annually. Msinsi is now a full participant in the Fraud Hotline Service with uMngeni-uThukela Water to enable all stakeholders to report suspicions of fraud or otherwise unethical conduct. This hotline is operated by an external service provider, subject to a contractual agreement between the external service provider and uMngeni-uThukela Water. Employees are often reminded to report unethical conduct.

During the year under review, there were no unethical matters and or conflict of interest reported.

### Risk Management

Msinsi follows an integrated approach towards risk management. During the planning process, strategic and operational risks are identified. Risks are continuously monitored to determine, amongst other things, the emerging risks for the organisation.

### Health, Safety and Environmental Issues

The organisation complies with the Occupational Health and Safety Act, 1993 (Act 85 of 1993), as all requirements of the Act to ensure a safe and conducive working environment, were adhered to in respect of training and meetings. No major incidents or injuries were reported during the period under review.

## 3.4 EXECUTIVE AUTHORITY

UMngeni-uThukela Water is the sole shareholder of Msinsi. The National Water Act, (Act 36 of 1998) outlines the responsibility of the landowner or management agency of a water resource in terms of environmental management.

The Act states that the person who owns, controls, occupies, or uses a water resource, is responsible for the following:

- To protect the aquatic and associated ecosystems and their biological diversity;

- To reduce and prevent pollution and degradation of the water resources, and
- To allow and control access to the dams for recreational purposes, and make reasonable charges for the use of and entry and use of the water surface.

Furthermore, there are additional pieces of legislation, which play a crucial role in the management and mandate of Msinsi.



## 3.5 COMPOSITION OF THE BOARD AND MEMBERS' PROFILES

### 3.5.1 Composition of the Board

During the reporting period, Msinsi Board of Directors comprised of six non-executive Board members and one executive Board member, the Managing Director. The Memorandum of Incorporation (MOI) outlines the roles of the Board members and the Managing Director. The size and composition of the Board shall be determined by the Board of uMngeni-uThukela Water as the sole shareholder.

**The Board shall be structured as follows:**

- Two (2) UuW Board Non-Executive Directors, one of whom shall be designated as Chairman of Msinsi Board.
- Three (3) independent Non-Executive Directors
- A minimum of one (1) UuW Executives
- Managing Director as an ex officio member.

The involvement of uMngeni-uThukela Water executives in the Board of Msinsi does not negate the Board member's fiduciary responsibility to Msinsi. The Board subcommittees are chaired by the Independent non-executive Directors. The

non-executive Board members receive remunerative benefits and fees as determined by the Minister on an annual basis and in line with their terms of appointment. Board Members' emoluments are fully disclosed in the financial statements of this report. All Board members execute their functions in an ethical and professional manner.





### 3.5.2 Board Members' Profiles

Board members were appointed to bring a balance of skills and expertise in providing leadership and control to the organisation and advising top management.



#### MS THANDAZILE MHLONGO

**Non-Executive Director/Chairperson of the Board / Master in Business Administration, Diploma in Accounting, Diploma in Purchasing Management, Bachelor of Commerce in Municipal Accounting, Bachelor of Accounting Science in Financial Accounting and Certificate in Executive Leadership in Municipal Development**

- Ms Mhlongo was appointed Non-Executive Director with effect from 28 March 2023.
- Ms Mhlongo's area of expertise is mainly on Project Management, Contract Management, Project Finance, Risk Management, Human Resources Management, Performance Management System, Internal Audit, Risk Management, Corporate Governance, Supply Chain and Asset Management.



#### MS NOLUTHANDO RADEBE

**Non-Executive Director / Chartered Accountant (SA); BCom Honours**

- Ms Radebe is a seasoned Chartered Accountant with over 20 years of formal experience in the finance field and a SAICA member-in-good-standing.
- She has served as a non-executive Board Member and trustee in various public sector corporates and private sector organisations.
- She is the founder and Managing Director of Radebe Professional Advisory Services CC., which birthed the Virtual Back Office AAB-SA (Pty) Ltd. She is a renowned speaker on business management and compliance administration.
- Ms Radebe was appointed as a Non-Executive Director with effect from 01 August 2020.



#### MR SIKHUMBUZO MDLALOSE

**Non-Executive Director / B-Tech in Public Management; ND in Public Management**

- Mr. Mdlalose has a vast exposure in leadership who has served in various spheres of society, this including the understanding of industrial relations and Human Resources.
- He is the Assistant Director, Policy and Planning, KZN Department of Transport 2018- current
- Mr Mdlalose is the member of the National Department of Transport Committee on Public Transport (2011-current)
- Member of the KZN Provincial Economic Council (2018-current)
- Mr. Mdlalose was appointed as a Non-Executive Director with effect from 01 August 2020.



**MR SANDILE DLOMO**

**Non-Executive Director / Bachelor of Law (LLB)**



- Mr. Dlomo is a lawyer and has established his law firm 18 years ago specializing in Construction Law, Structuring legal relationships through drafting agreements such as: Heads of Agreements, Shareholder Agreements, Memorandum of Incorporations, Company Share Sale Agreements, Business Agreements, Association Agreements and Employment Contracts.
- He serves in various Boards and Quasi-Judicial Committees including Ugu South Coast Development Agency, Municipal Valuation Appeal Board (Cogta), Municipal Appeal Tribunal (KZN Treasury) and Environmental Impact Appeal Panel (EDTEA) among others.
- Mr Dlomo was appointed Non-Executive Director with effect from 01 August 2020.
- He is a member of the National Democratic Lawyers Association and member of the Institute of Directors of Southern Africa.
- Mr Dlomo is passionate about youth development in his Profession

**MS HLENGIWE MAJOZI**

**Non-Executive Director / Attorney Bachelor of Laws (LLB)**



- Ms Majazi is the founder and director of Hlengiwe Majazi Incorporated. She has 8 years' experience post admission as an attorney
- She possesses proven knowledge of leadership, problem-solving and workflow prioritisation having founded two law firms
- She is an experienced practitioner involved in corporate and commercial work. She has a penchant for drafting complicated contracts and enjoy litigation. She is passionate about transformation of the legal profession by ensuring that black females are given sufficient opportunities to gain and enhance their professional legal expertise and experience.
- Ms Majazi was appointed Non-Executive Director with effect from 28 March 2023.

**Dr Ntsapokazi Deppa**

**Non-Executive Director**

**PhD Degree in Chemistry (UCT; 2007)**

**MBA Degree (cum laude) (UKZN; 2017) & Management Development Programme (University of Stellenbosch; 2015)**



- Appointed as Executive Scientific Services from 01 August 2022
- Appointed as the Manager: Laboratory Services in 2016
- Ntsapo's employment history dates back to 2007 as a Contract Chemistry Lecturer at the Vaal University of Technology, a position she assumed just after completing her studies. In the same year, she secured and engineering infrastructure committee and 5 years of chairing an infrastructure and water related employment with Tongaat Hulett, initially as a Chemist for 7 years and was later promoted to Analytical Manager.
- She was appointed as the Laboratory Manager for Umgeni Water in 2016 – 2022. Her role included ensuring smooth running of the Laboratory Services Department, which comprises four modern ISO/IEC 17025 accredited laboratories (Chemistry, Soil Chemistry, Microbiology and Hydrobiology) established reputation of meeting international standards.
- She has also served as the Chairperson of the Chemistry Board at Durban University of Technology and as the Vice-chairperson of the Chemistry Board at Mangosuthu University of Technology.



**DR SIHLE NDLOVU**

**Non-Executive Director / PhD, MBA and Degree in Business Administration  
Transformation Leadership (Stanford University)**

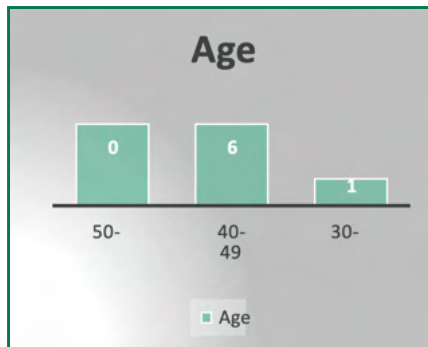
**Member of accounting professional bodies of Chartered Institute of Management Accountant, South African Institute of Profession Accountant and South African Institute of Chartered Accountant Assessment of Profession Competence (APC).**

- He is the Chairman and co-owner of Inzalo Capital Holdings
- Chairperson of the board of Built Environment Support Group (BESG)
- Non-Executive Director at Ithala Development Finance Corporation
- He is the chairperson of Property and Investment Committee at Ithala Development Finance Corporation
- He is a Non-Executive Director Group Advisory Performance Audit Committee at City of Johannesburg
- He has served as a Non-Executive Director of KwaZulu-Natal Nature Conservation Board trading as Ezemvelo Wildlife
- Member of Chartered Institute of Management Accounting (CIMA) obtained in the United Kingdom
- Member of the professional body and the South African Institute of Professional Accountants (SAIPA)
- He has won Young Farmer of the Year in South Africa in 2016
- He is a member of Institute of Directors in Southern Africa (IODSA).

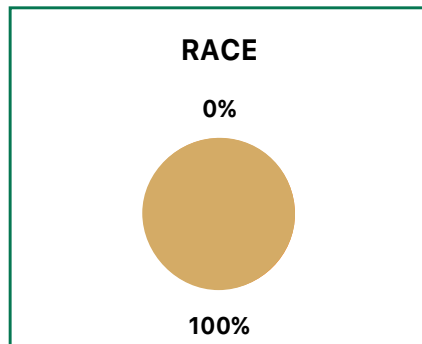


**3.5.3 Board Members' Demographics**

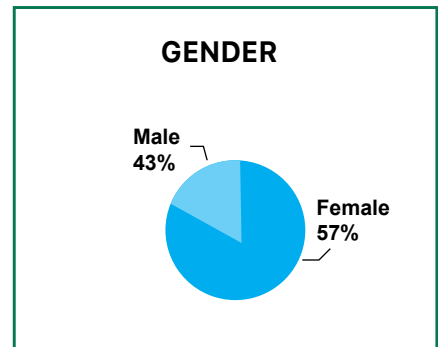
Board Members' demographics are illustrated in the following three Figures below.



**Figure 3.2:  
Board Members' Age Profile**



**Figure 3.3:  
Board Members Race Profile**



**Figure 3.4:  
Board Members Gender Profile**



## 3.6 BOARD COMMITTEES

The Board Committees are formally constituted and are chaired by non-executive Board members. The Board Committees assist the Board in the performance of duties and enables effective decision-making through providing more detailed attention to matters within the terms of reference.

The committees report to the Board on activities at every quarterly meeting. In terms of the King IV Report and Water Services Act, the Board is authorised to delegate powers to the Committees established by the Board. The functions and powers delegated to Committees are set out in the Terms of Reference, which are formally reviewed and approved by the Board in every second year.

The Board had four committees as a support structure in discharging its responsibilities namely:

- Operations Committee
- Audit and Risk Committee
- Governance Committee
- Ethics Committee and ICT Steering Committee (within the uMngeni-uThukela Water Group)

### 3.6.1 Operations Committee

During the reporting period, the Committee was chaired by two (2) people- Mr S Mdlalose and Dr IB Mkhize.

BOARD COMMITTEE MEMBER	GENDER
1. Mr S Mdlalose	M
2. Dr IB Mkhize	M
3. Dr N Deppa	F
4. Ms H Majozi	F

### Roles and Responsibilities

The Committee reviews and recommends to the Board all matters relating to:

#### Infrastructure Stability

##### Capital Infrastructure Planning

- Ensure that there is a delivery infrastructure plan that addresses infrastructure requirements to meet expectations of the clients and relevant stakeholders.
- That Msinsi’s capital infrastructure planning is in alignment with customer needs and delivery objectives.

- Recommend for Board approval the annual and five (5) year capital infrastructure expenditure programme that addresses the organisation’s short, medium and long term delivery strategy

##### Capital Infrastructure Budget Monitoring

- Approve Capital expenditure releases of strategic investments, fixed assets and Procurement in line with the delegation of authority.
- Approve emergency projects in excess of that delegated to the Managing Director or MANCO.
- Exercise oversight over the approved capital expenditure programme by monitoring outputs, and outcomes of the programme.

##### On Capital Infrastructure Implementation Oversight

- Review the impact of the capital infrastructure projects against the achievement of predetermined outcomes and impacts.
- Review capital infrastructure programme for compliance to social, financial and environmental sustainability.
- Ensure that there is a system for properly evaluating all major capital projects prior to final decision on the project

##### Under Operational Resiliency

##### Total Asset Management Strategy

- Ensure that Msinsi’s service delivery strategy is aligned to the total infrastructure asset management strategy;
- Review and monitor the risks associated with critical infrastructure assets and that there is adequate insurance cover and protection of assets;
- Approve and monitor (on a quarterly basis) the implementation of five (5) year Asset Management plan, which includes, but not limited to annual asset maintenance plans, to ensure infrastructure stability and operational resiliency

##### Health and Safety Audit and Risk Committee

- Ensure that there are adequate systems to safeguard health and safety in the workplace.



## **Community and Environmental Sustainability Operations Committee**

### **Community Sustainability**

- Ensure that the capital expenditure programme contributes to skills development, job creation, empowerment and capacity building.

### **Environmental Stewardship**

- Recommend to the Board for approval, the framework and policies to ensure that Msinsi exercises responsible environmental stewardship.

### **Enterprise Development**

- The Committee shall have no authority to procure goods and services.
- The Committee shall ensure that the supply chain management systems are:
  - Fair, equitable, transparent, competitive and cost effective;
  - Consistent with the Public Finance Management Act 1999 and all applicable legislation;
  - Ensure that Msinsi's supply chain management systems adequately manage all procurement risks especially those critical supplies are secured via contracts.
- Receive a quarterly schedule of all contracts awarded in terms of the procurement plan;
- Receive reports concerning deviations from and ratification of breaches of procurement processes;
- Receive reports on tender appeals, and matters connected therewith.

### **Human Resources**

- To facilitate and coordinate the recruitment of Executive Management and recommend suitable candidate/s for approval by the Board;
- To assist the Board with developing, implementing and regularly reviewing succession plan for Executive Management and any other position of strategic importance to Msinsi;
- To, at least annually or when required, review the Executive Management structure and, where appropriate, recommend any changes to the Board;
- To review all contracts of employment entered into or to be entered into between Msinsi and its Executive Management, including any agreement regulating

retirement, termination of employment, retention bonuses and other special circumstances, and where appropriate, make recommendations to the Board;

- To assist the Board with developing, implementing and monitoring programs and policies that would attract and retain high calibre Executive managers who would successfully lead Msinsi towards the achievement of its objectives;
- To assist the Board in creating a suitable work environment that is free of unfair discrimination, provides opportunities in a fair and equitable manner, encourages further learning and personal development and enhance organizational performance;
- To assist the Board with developing, implementing and regularly reviewing performance measurement criteria and/or process for Executive Management and other employees, where desirable; and
- To regularly review all human resources related policies and, where appropriate, recommend any changes to the Board.
- To approve Human Resources Financial Plan for incorporation into the Corporate Business Plan.

### **Remuneration**

To assist the Board with the establishment, implementation and regular review of remuneration policies that will promote the achievement of Msinsi's strategic objectives and encourage individual performance. The policies contemplated herein may:

- Regulate the remuneration packages of Executive Management, including but not limited to, basic salary, fees, allowances, benefits in kind, commissions, annual bonuses, performance based incentives (both short term and long term), pensions, long service awards and any other benefits;
- Set remuneration principles at all employment levels of Msinsi;
- Regulate the reimbursement of Non-executive directors, Executive Management and other employees for expenses incurred in discharging their responsibilities;
- Regulate the evaluation of Executive Management's and other employees' performance for the purposes of payment of performance based remuneration. The Governance Committee shall, twice a year, conduct





annual performance evaluations in respect of the MD and Executive Management;

- Regulate any other matter relevant to remuneration.
- To ensure that Executive Managers are fairly, but responsibly, rewarded for their individual contributions and performance to enhance retention of talent;
- To review the outcome of the implementation of the remuneration policies to determine whether or not the set objectives are being achieved;
- To oversee the preparation, and recommending to the Board, the remuneration report to be included in the annual report;
- To assist the Board to review and understand legal and regulatory requirements with regard to Board members and Executive managers' compensation;

- To recommend to the Board extra-ordinary rewards and ex gratia payments.

### On Customer Satisfaction and Marketing & Stakeholders

- Provide oversight on areas that has to do with stakeholder's relations, marketing and customer satisfaction.
- Provide oversight on the implementation of strategic Agreements with third parties, ensure that there are agreements in place with all strategic customers or third parties and that there are no major breaches to such agreements.

**Table 3.2 The attendance of the Operations Committee meetings for 2022/23 is outlined below:**

<b>NUMBER OF MEETINGS HELD:</b>	<b>5</b>
<b>NUMBER OF SPECIAL MEETINGS HELD</b>	<b>3</b>
<b>ATTENDANCE PER MEMBER: (JULY 2022 TO JUNE 2023)</b>	
Dr IB Mkhize – Chairperson	<b>4/8</b>
Mr S Mdlalose- New Chairperson	<b>8/8</b>
Mr S Dlomo	<b>3/8</b>
Ms H Majozi	<b>1/5</b>
Dr N Deppa	<b>4/8</b>

- Ms H Majozi was added as a member of the Committee from April 2023
- Dr N Deppa was added as a member of the Committee from February 2023
- Mr S Dlomo was added as a member of the Committee from February 2023 and was moved back to the Audit and Risk Committee.
- Dr IB Mkhize - term of office expired in December 2022
- Mr S Mdlalose - was appointed as the new Chairperson of the Committee from February 2023.

### 3.6.2 Audit and Risk Committee

During the reporting period, the Committee consisted of three (3) non-executive Board members was chaired by Ms Noluthando Radebe.

The Committee is mandated to achieve the highest level of financial management, accounting and reporting to the shareholder and to meet the requirements prescribed in section 51(1)(a)(ii) and 76(4)(d) of the Public Finance Management Act (Act 29 of 1999), as well as Treasury Regulations, 2005 (Chapter 27.1). The Audit & Risk Committee

further performs a critical function of risk management by ensuring the effectiveness, quality, integrity and reliability of Msinsi's risk management processes.

The terms of reference of the Audit and Risk Committee takes into account the recommendations in King IV, the Companies Act (Act 71 of 2008), the Public Finance Management Act (Act 29 of 1999) as amended and Treasury Regulations, 2005, to ensure alignment to best practice and legislation.



The Committee composition is as follows:

BOARD COMMITTEE MEMBER	GENDER
1. Ms N Radebe	F
2. Dr S Ndlovu	M
3. Mr S Dlomo	M

The Board authorises the Committee, within the scope of its responsibilities, to:

- a) Perform activities within the ambit of its Terms of Reference;
- b) Employ the services of external professional advisors and other independent advisors at Msinsi’s cost, as it deems necessary, to assist in the performance of its duties and responsibilities;
- c) Where necessary, to call upon members of other committees of the Board, executive management, officers or any other employee of Msinsi to attend the Committee’s meeting/s to provide it with information that would assist in the performance of its duties and responsibilities;
- d) Have reasonable access to Msinsi’s records, facilities and any other resources necessary to discharge its duties and responsibilities;
- e) Investigate or interrogate any activity within the scope of these Terms of Reference;
- f) Form and delegate authority to a sub-committee or to one or more designated members of the Committee;
- g) Make recommendations to the Board, as it deems appropriate, on any area within the ambit of these Terms of Reference where action is required;
- h) Review and evaluate the adequacy of its Terms of Reference at least annually or when necessary and recommend any changes to the Board.

**Roles and responsibilities**

The Committee’s role and responsibilities shall include the following:

**Audit Functions**

To provide strategic guidance and oversight over safeguarding of assets, the operation of adequate systems of internal controls and control processes and the preparation of accurate financial reporting and statements in compliance

with all applicable legal requirements, corporate governance and accounting standards.

**As part of the Committee’s responsibility, it should ensure:**

- a) The effectiveness of internal control systems & risk management processes;
- b) The effectiveness of internal audit;
- c) Integrated reporting;
- d) A combined assurance model is applied to provide a coordinated approach to all assurance activities
- e) It satisfies itself on the expertise, resources and experience of the entity’s finance function
- f) The adequacy, reliability and accuracy of financial information provided to management and other users of such information;
- g) Any accounting and auditing concerns identified as a result of internal and external audits;
- h) The entity’s compliance with legal and regulatory provisions;
- i) The activities of the internal audit function, including its annual work programme, co-ordination with the external auditors, the reports of significant investigations and the responses of management to specific recommendations;
- j) Recommend for the appointment of external auditors, overseeing the external audit process and advise the board on matters connected with the maintenance of the independence and objectivity of the external auditors; and
- k) At the end of a financial year, comment on its evaluation of the organisation’s financial statements.
- l) It reports to the Board and shareholders on how it has discharged its duties.

**Risk Management and Organisational Ethics**

- a) The committee must ensure that Msinsi becomes an integral component of the Group risk management process and that Msinsi representatives participate fully in Umgeni Water Risk and Ethics Committees. A summary of ethics and risk matters must be submitted to the Committee for deliberation and approval where necessary.





- b) Specifically the Committee must satisfy itself that the key risks of Msinsi are managed effectively and to an acceptable level and determine the priorities for risk management activity and bring to the attention of the Board the critical risks with their recommendations.
- c) Specifically the Committee must satisfy itself that systems and measures are put in place to ensure that Msinsi upholds an ethical culture that mirrors the expectations of the public and that is within the Group culture.

**Table 3.3 The attendance of the Audit and Risk Committee meetings for 2022/23 is outlined below:**

<b>NUMBER OF MEETINGS HELD:</b>	<b>5</b>
<b>NUMBER OF SPECIAL MEETINGS HELD</b>	<b>2</b>
<b>ATTENDANCE PER MEMBER: (JULY 2022 TO JUNE 2023)</b>	
Ms N Radebe - Chairperson	7/7
Mr V Reddy	3/7
Mr S Dlomo	5/7
Dr S Ndlovu	5/7

- Mr V Reddy - term of office expired in March 2023
- Dr S Ndlovu was added as a member of the committee from February 2023.

### 3.6.3 Governance Committee

The Governance Committee meets on an ad-hoc basis. The Committee is chaired by the Chairperson of the Board and comprises two (2) non-executive Chairs of the two board committees.

The Committee assists the Board in monitoring and assessing the performance of executive management to ensure that performance objectives and targets are met. Performance results are considered by the Operations Committee in determining the remuneration of the Managing Director and other executives to be recommended to the Board for approval.

<b>BOARD COMMITTEE MEMBER</b>	<b>GENDER</b>
1. Ms T Mhlongo	F
2. Mr S Mdlalose	M
3. Ms N Radebe	F
4. Dr W Mapena	M
5. Dr B Mkhize	M

- Dr W Mapena - term of office expired in March 2023
- Dr B Mkhize - term of office expired in December 2022
- Mr S Mdlalose was added as a member of the committee from February 2023

**The Committee shall be delegated to drive the following outcomes through its activities and oversight responsibilities of:**

- Conducting performance reviews for the Managing Director, and Divisional Heads and recommend to the Board the approval of the incumbents' salary increases and performance scales in line with approved Policies.
- Discuss and develop a strategy to deal with issues that are not ordinarily seized by any of the sub-committees of the Board.
- Review the composition of Board Committees and recommend the rotation protocols.
- Review the adequacy of Board Committees with the view of recommending, where appropriate, adequate oversight structures.



**Table 3.4 The attendance of the Governance Committee meetings for 2022/23 is outlined below:**

<b>NUMBER OF MEETINGS HELD:</b>	<b>2</b>
<b>ATTENDANCE PER MEMBER: (JULY 2022 TO JUNE 2023)</b>	
Dr W Mapena-Chairperson	<b>2/2</b>
Dr IB Mkhize-Chairperson of the Operations Committee	<b>2/2</b>
Mr S Mdlalose- Chairperson of the Operations Committee from Feb 2023	<b>0</b>

- In February 2023, Dr IB Mkhize was replaced by Mr S Mdlalose
- Dr W Mapena- term of office expired in February 2023

**3.6.4 Ethics Committee**

As mentioned above, Msinsi was incorporated into the Umgeni Water’s Ethics Committee structure with effect from 01 July 2018. Msinsi continued to fully participate as standing members of the Group Ethics Committee during the reporting period. All ethical matters are reported at Group level and monitored by Msinsi’s Audit and Risk Committee.

Through the uMngeni Water’s Ethics Committee, the Board acknowledges its responsibility to ensure that Msinsi is a fair, transparent and ethical entity. The Ethics Committee will continue to exercise oversight through Umgeni Water’s already fully functional Ethics Committee as prescribed in Section 29.1.1 of the Treasury Regulations in the PFMA as well as in line with the requirements of section 72 (4) of the Companies Act (Act No.71 of 2008).

The Ethics Committee meets four times a year to execute its role and responsibility as prescribed by applicable legislation and included monitoring the entity’s activities against legal or best practice requirements relating to:

- Social and economic development, including, Employment Equity and B-BBEE,
- Good corporate citizenship, including promotion of equality, prevention of unfair discrimination, Corporate Social investment and reduction of corruption, sponsorship, media and advertising,

- Environment, health and public safety, including, impact of the organisation’s activities, products and services, biodiversity management, waste management, energy efficiency and carbon footprint reduction,
- Consumer relationships, including, advertising, public relations and consumer protection,
- Labour and employment, including, the organisation’s standing in terms of the International Labour Organisation Protocol on decent work and working conditions, employment relationships and contribution toward education and development of its employees and disciplinary handling,
- Financial ethics, including, irregular and wasteful and fruitless expenditure, and
- Fraud and hotline call management.

The Fraud Prevention Plan is reviewed annually. Msinsi shares a Fraud Hotline Service with Umgeni Water to enable all stakeholders to report suspicions of fraud or otherwise unethical conduct. This hotline is being operated by an external service provider, subject to a contractual agreement with the external service provider. The code of conduct was reviewed in order to account for the organisation’s impact on the external stakeholders.



## 3.7 SUMMARY OF BOARD MEETINGS ATTENDANCE IN 2022/23

### 3.7.1 Board Meetings

The attendance at the Board meetings during the reporting period is outlined below:

<b>NUMBER OF QUARTERLY BOARD MEETINGS HELD</b>	<b>5</b>
<b>NUMBER OF SPECIAL MEETINGS HELD</b>	<b>4</b>
<b>ATTENDANCE PER MEMBER: (JULY 2022 TO JUNE 2023)</b>	
Dr W Mapena (Chairperson)	<b>7/9</b>
Dr IB Mkhize (Operations Committee Chairperson Until 2022)	<b>4/9</b>
Mrs N Radebe (Audit and Risk Committee Chairperson)	<b>8/9</b>
Mr S Mdlalose (Operations Committee from Feb 2023)	<b>7/9</b>
Mr V Reddy	<b>5/9</b>
Mr S Dlomo	<b>9/9</b>
Ms T Mhlongo (Interim Chairperson from March 2023)	<b>2/5</b>
Dr N Deppa (Umgeni- uThukela Water Executive)	<b>4/9</b>
Ms H Majozi (Interim Board Member)	<b>2/5</b>

- Dr IB Mkhize - term of office expired in Dec 2022
- Dr W Mapena - term of office expired in March 2023
- Mr V Reddy - term of office expired in March 2023
- Dr N Deppa - uMngeni-uThukela Water Executive additional Member

## 3.8 DELEGATION OF AUTHORITY

A comprehensive Delegation of Authority Framework governs the authority levels for the Board and management. These are exercised through various board and management committees. This framework assists the Board to discharge its duties with Board members' accountability and responsibility. At the time of reporting, the Delegation of Authority, the process of reviewing the DOA was not completed.





### 3.9 COMPANY SECRETARIAT

The Company Secretary from the parent company (uMngeni-uThukela Water Board) also serves the Msinsi Board. The Company Secretary oversees the portfolio of secretariat, governance advisory services and plays a critical role in legal and governance advisory to the board, risk and compliance management, and oversees all Board and Committee meetings.

The Board and members of the Executive have access to the Company Secretary who is enjoined to provide guidance on how Msinsi should discharge its duties and responsibilities in the best interests of the Company. The Company Secretary oversees the preparation and coordination of the induction and on-going training of Board members and assists the Board and its Committees in formulating annual plans, agendas, minutes, and terms of reference as warranted.

The Company Secretary is not the Director of the Company or its parent company and accordingly maintains an independent and arm's length relationship with the Board and the Executives.



**MR SBUSISO MADONSELA**  
**COMPANY SECRETARY / ADMITTED ATTORNEY OF THE HIGH COURT OF SOUTH AFRICA.**  
**LLM (UKZN), LLB (UZ); Postgraduate Diploma in Compliance (UJ); holds qualification in Construction Contracts and Construction Adjudication from the University of Pretoria.**

- Mr. Madonsela was appointed as Group Chief Governance and Compliance Officer in June 2022.
- Mr. Madonsela was appointed as Group Company Secretary from 01 January 2022
- He worked as the Umgeni Water Legal Services Manager until December 2013.
- Prior to joining Umgeni - uThukela Water he was the Competition Commission's Legal Counsel and has extensive experience in private legal practice
- Mr. Madonsela served as a Trustee of the Umgeni Water Provident Fund and is now the current Fund Principal Officer.

The Executive Committee consists of the Managing Director and two (2) executives. The Board has delegated the day-to-day running of the Company to the Managing Director who works with senior management who assist in this task.

The Executive Committee is the highest executive decision-making structure in the company and central to its role is the implementation of the Board's strategy and policy direction, and ensuring that all business activities are aligned in this respect. Msinsi as an operating subsidiary works directly towards enabling Umgeni Water to fulfil its mandate and contracted obligations.





### 3.11 EXECUTIVE COMMITTEE PROFILES



**MRS MBALI NDLOVU**  
**MANAGING DIRECTOR**

**Admitted Attorney of the High Court of South Africa; Admitted Conveyancer of the High Court: LLB (UKZN), LLM Business Law (Study in Progress); Post Graduate Certificate Specialist Local Government Management (DUT); MFMP (2022)**

Mrs MTB Ndlovu was appointed as Managing Director of Msinsi Holdings effective 1 July 2022

- Municipal Manager: King Cetshway
- Deputy Municipal Manager: City of Mhlathuze
- Deputy Director: Corporate Services
- Legal Advisor
- Legal Research program (Centre for Applied Legal Studies - Wits University)

Mrs Ndlovu has served in various Boards as a Non-Executive Director

- National Radioactive Waste Disposal Institute
- Richards Bay Industrial Development Zone
- Msinsi Holdings
- Umgeni Water Board

Mrs Ndlovu is a member of the Institute of South African and Institute of Local Government Management

Mrs Ndlovu has also served as a Managing Director at Mbasa Corporate Advisory Services from 2014 - 2018



**MRS MBALI NGUBANE**  
**DIVISIONAL HEAD: CORPORATE SERVICES**

**Master of Business Administration (MBA); Registered Assessor; Chartered Accountant (SA); Advanced Certificate (Auditing); B Com Honours Accounting; B Com (Accounting)**

- Ms Ngubane was appointed as Divisional Head: Corporate Services effective 01 February 2017
- Prior to joining Msinsi, she was an Audit Manager at the Auditor General of South Africa
- She has also held a position as a Tax Consultant in the Business Tax Advisory division of Ernst & Young where she also completed her articles
- She was a Senior Lecturer at the University of Zululand.



**MR SITHEMBISO MHLONGO**  
**ACTING DIVISIONAL HEAD: OPERATIONS**

**Bachelor of Technology and Diploma in Nature Conservation (Mangosuthu University of Technology), Diploma in Project Management (Varsity College) and DEA, Environmental Management Inspector (EMI)**

Mr Mhlongo was appointed as the Acting Divisional Head: Operations effective on 8th August 2023.

- He was appointed as the Reserve Manager: Hazelmere Dam & Resort effective on 8th October 2021.
- Prior to joining Msinsi Holdings, Mr Mhlongo was appointed as Reserve Manager: Thomas Baines Nature Reserve, Eastern Cape Parks and Tourism Agency (ECPTA).
- ECPTA Corporate Awards 2019 Winner of Leadership Skilled Award.
- He also held a position of Section Ranger: Waters Meeting Nature Reserve at ECPTA
- He has worked as a Field Manager for the Green Corridor Projects under Ethekewini Municipality.
- He worked as a Field Supervisor for Dusi-Umgeni Conservation Trust (DUCT) and completed in-service training at Addo Elephant National Parks, South African National Parks.



**MR SBUSISO MJWARA**

**General Manager Infrastructure & Asset Management  
Professionally Registered Technologist with Engineering Council of South Africa;**

**National Diploma: Civil Engineering and GIBS Global Executive Development Programme**

- Mr. Mjwara joined Umgeni Water Group in November 2018 as an Executive: Infrastructure Development.
- He was seconded to Msinsi Holdings SOC in December 2022 as GM: Infrastructure & Asset Management
- He has more than 23 years' experience in the Private and the Public Sector. Key positions held before joining Umgeni Water Group as follows:
  - Civil Engineering Design Technician: BCP Engineers
  - Chief Civil/Structural Technician: Emzansi Consulting Engineers
  - Divisional Head: Infrastructure Planning & Development: UMD
  - Senior Manager Construction: EThekweni Water & Sanitation
  - Senior Contract Engineer: Royal Haskoning DHV
- President of the Institute of the Municipal Engineering of Southern Africa (IMESA),
- Board Member of International Federation of Municipal Engineering (IFME)
- Executive Member of the National Science & Technology Forum (NSTF),
- Engineering Council of South Africa as a Moderator, Reviewer and Interviewer.
- He worked as a GIS Officer for the then Department of Water Affairs and Forestry.





The background is a vibrant green with various abstract elements. There are several overlapping rectangular frames in different shades of green. A large, faint, stylized shape resembling a leaf or a drop is visible. A cluster of small, light green dots is positioned to the right of the text. In the bottom right corner, there are several horizontal wavy lines. The overall aesthetic is modern and clean.

# 04. OPERATIONS **OVERVIEW**



## 4. OPERATIONS OVERVIEW

The Operations Division is tasked to fulfil the primary function of Msinsi Holdings which is to manage the water resources of uMngeni-uThukela Water owned dams and the dams that uMngeni-uThukela Water manages on behalf of the Department of Water and Sanitation. The division conducts stakeholder engagement, biodiversity management and ecotourism at the following Dams:

Albert Falls Dam & Game Reserve, including Bon Accorde Resorts

Nagle Dam Nature Reserve • Hazelmere Dam & Resort  
Inanda Dam & Resort

### Removal of Alien Invasive Plants only.

- Spring Grove Dam • Nungwane Dam • EJ Smith Dam
- Mzinto Dam • Imvutshane Dam • Darvill WW
- Ixopo AW Dam



## 4.2 STAKEHOLDER ENGAGEMENT

Msinsi interacts with a number of stakeholders in the execution of its mandate. The value proposition and the key stakeholders that Msinsi interacted with during the year under review is listed below:



Figure 4.1: Msinsi Key Stakeholders and their function.



**Stakeholder engagement continuously and successfully created value for Msinsi's operations and the communities at large, such as:**

#### 4.2.1 Nature Conservation & Tourism Bodies

Msinsi continued to engage with other stakeholders during the period under review. This included South African National Parks, Ezemvelo KZN Wildlife, Department of Water and Sanitation, KZN Economic Development, Tourism and Environmental Affairs, Umgeni Ecological Infrastructure Partnership and Durban Tourism.

#### 4.2.2 uMngeni-uThukela Water

Co-management of the water resources takes place at the operational level between the Msinsi Reserve Managers, uMngeni-uThukela Water Operations and Scientific Services Department. A total of 24 meetings were held between Msinsi's Operations Department and Dam Superintendents. The collaboration has been effective in managing the water resources in Msinsi's area of operation.

Engagement with uMngeni-uThukela Water at shareholder level has been undertaken with the uMngeni-uThukela Water Executive Committee for the purpose of continuous review of the Service Level Agreement. Msinsi achieved 91.32% of its service level agreement obligations during the year under review. Statutory submissions to the shareholder were all achieved during the year under review.

#### 4.2.3 Municipalities

Municipalities are an important stakeholder since all Msinsi's

operations are within the jurisdiction of municipalities. Municipalities also present an opportunity for collaboration in order to achieve community stability; they are also potential customers for Msinsi's ecotourism product offerings. The Albert Falls Dam & Game Reserve and Bon Accorde Resort are located within the jurisdiction of uMgungundlovu District Municipality and uMshwathi Local Municipality, whilst Nagle Dam is situated within the jurisdiction of the uMgungundlovu District Municipality (DM) and the Mkhambathini Local Municipality (LM). Inanda and Hazelmere Resorts are within the jurisdiction of eThekweni Metropolitan Municipality.

Msinsi continued to collaborate with uMshwathi municipality in the financial year. Msinsi and uMshwathi municipality facilitated Environmental Educations in Msinsi Bon Accorde during the period under review.

#### 4.2.4 Trade Union and Employees

The recognised worker's union of Msinsi is NEHAWU. Engagement with the workers' union is a structured communication, with feedback regarding the plans and performance of the organisation. Co-operation by the union has contributed significantly towards labour stability during 2022/2023. This co-operation is expected to continue maturing in the years to come. Engagement with employees was also held for the same purpose of providing a platform for structured communication and feedback regarding the plans and performance of the organisation.

## 4.3 BIODIVERSITY MANAGEMENT

The result indicator for strategic objectives 5 looked at the biodiversity management, monitoring and state of biodiversity including alien plants control programme, fire management, pollution control, environmental education awareness and wildlife management conducted in Msinsi managed dams.

#### 4.3.1 Alien Plant Control Programme "Terrestrial and Aquatic"

The Operations Division of Msinsi updates the terrestrial invasive alien plant management plans for the reserves annually, develops a monitoring system for emerging alien plants, updates the aquatic alien plant management plan for the dams, and prioritizes alien plant control activities limited to the available budget. Msinsi signed a 1-year Memorandum of Understanding with the Department of Environmental Affairs - Natural Resource Management for the invasive alien

plant programme. The Working for Water (WfW) project is under the Expanded Public Works Programme (EPWP), which aims at addressing the socio-economic impacts through job opportunities to the communities around Msinsi's are of operations. In addition, the clearing of alien plant projects was extended to seven Umgeni Sites not managed by Msinsi. The alien plant eradication programme was implemented over a total area coverage of 1959.35 ha, against the planned target of 1312.8 ha for the 2022/2023 period. There is a positive variance of 646.55 ha which indicate that Operations achieved beyond the set target.



This programme is implemented using casual labour sourced from the neighbouring communities. Up to 929 beneficiaries were employed for this activity, and the demographics of the employees are indicated in the table below.

RESERVE	Jobs Created	Females 18-35	Females 36-64	Males 18-35	Males 36-64	Totals	Disabled
Albert Falls & Bon Accorde	177	65	41	54	17	177	0
Hazelmere	59	14	24	12	9	59	0
Inanda	138	24	40	28	46	138	0
Nagle	177	66	42	37	32	177	9
Spring Grove	18	6	4	4	4	18	0
Nungwane	104	24	40	4	36	104	8
Mhlabashane	0	0	0	0	0	0	0
EJ Smith	52	8	16	12	16	52	4
Inanda Aquatic	13	2	0	9	2	13	0
Mzinto	52	8	8	24	12	52	8
Imvutshane	52	8	28	0	16	52	0
Darvill WW	52	12	8	24	8	52	0
Ixopo AW	35	0	0	16	19	35	0
<b>TOTALS</b>	<b>929</b>	<b>237</b>	<b>251</b>	<b>224</b>	<b>217</b>	<b>929</b>	<b>29</b>

Table 4.1: Casual labour sourced for alien plant eradication

The pie graph in figure 4.2 below depicts employment demographics for the alien plant eradication programme.

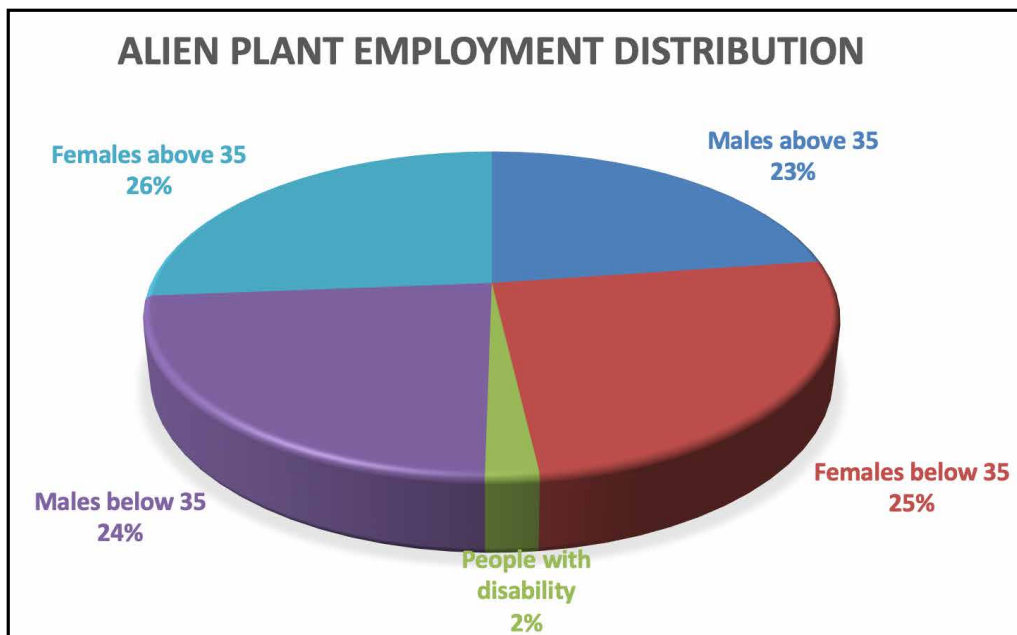


Figure 4.2: Alien plant employment distribution



### 4.3.2 Fire Management

The Fire Management for the 2022/2023 financial period under review were implemented.

A Standard Operation Procedure (SOP) was developed and implemented during the fire season, of which a total of 104km area set for the period was achieved. Msinsi Holdings signed a partnership agreement with Working on Fire to enhance the sustainability and protection of life, livelihoods, ecosystem services and natural processes and wellbeing of beneficiaries through integrated fire management. This allowed Msinsi Holdings to have a base in Msinsi Albert Falls with 22 fire fighters. The Working on Fire team based in Albert Falls successfully prepared the firebreaks around 19 sites of uMngeni-uThukela Water and all sites were burnt.

### 4.3.3 Pollution Control (PC)

Pollution prevention is part of protecting water resources. The activities below were conducted during the review period by the Msinsi’s operations division to ensure that water resources are protected:

- Ensuring that no agricultural activities takes place within the purchase line through field ranger patrols.
- Monitoring and controlling visitor activities on the dam and within the purchase line.
- Conducting upstream and downstream patrols by field rangers to ensure that no pollutants that are deposited into the dam and report non-compliance to relevant authorities.
- Engaging with uMngeni-uThukela Water superintendents to discuss issues of water pollution and develop mitigating measures.
- Ensuring that waste generated in the reserve is collected and disposed of properly.

- Ensuring that the reserve has effective sewerage disposal means with no negative impact on water quality.
- Facilitated awareness campaigns to educate community and schools about negative effects of pollution in the water resources.
- Monitoring of illegal activities such as sand mining, dumping and discharge of contaminants in the dam.

### 4.3.4 Environmental Education Awareness

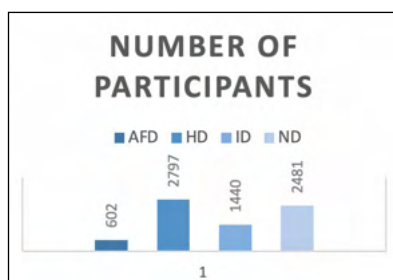
The primary objective of environmental education is to educate, raise awareness on environmental management challenges, using schools, communities and customers as platforms to propose environmental mitigation strategies together with immediate communities and the public.

Environmental education themes are aligned with Water Resources Management activities as determined by the national Department of Water and Sanitation. Furthermore, the initiatives takes into consideration activities as determined by the national Department of Forestry, Fisheries and Environment (DFFE) calendar.

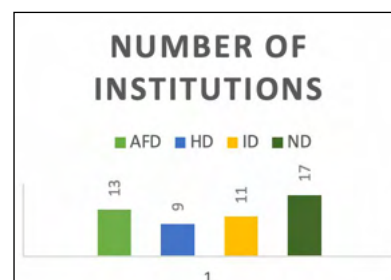
Each initiative carried out presented us with lessons learnt and alleviation initiatives where necessary. The lessons learnt are important as they come as feedback from participants and are used to determine an understanding of participants and to monitor progress.

Four thousand five hundred and twenty three (4523) participants were reached through this programme during the year under review. Fifty (50) institutions were covered and amongst these were high schools, primary schools, Early Childhood Development institutions, and communities, civil and corporate groups.

The figures 4.3 and 4.4 below depicts the number of participants and institutions per reserve:



**Figure 4.3:**  
Number of participants per reserve



**Figure 4.4:**  
Number of institutions per reserve





Tables below present various initiatives undertaken by Reserves:

NO.	PERIOD	THEME	PARTICIPATING GRADES	NO.OF PARTICIPANTS	INSTITUTION	MATERIALS AND METHOD USED	LESSONS LEARNT
<b>ALBERT FALLS DAM GAME RESERVES</b>							
1.	4-5/07/2022	Biodiversity and conservation	Grade 10	12 learners and 8 Educators	Albin High School	Game drive and nature walks	Importance of Biodiversity and Conservation
2.	26/08/2022	Fire Safety inside and outside the houses	Community	18	Thokozani Community	Presentation	Importance of Fire Safety
3.	26/08/2022	Fire Safety inside and outside the houses	Community	8	Mpolweni Community	Presentation	Importance of Fire Safety
4.	28-29/08/2022	Biodiversity and conservation	Grade 10	12 learners and 8 Educators	Folweni High School	Game drive and nature walks	Importance of Biodiversity and Conservation
5.	08/09/2022	Biodiversity and Soil Erosion	Grade 6	107	Albert Falls Primary School	Presentation	Importance of Biodiversity and Soil Erosion
6.	09/09/2022	Annual Arbor day	Grade 7	20	Eastwood Community	Presentation and tree planting	Importance of tree
7.	08/12/2022	Biodiversity and conservation	Grade 7	37	Vuka Primary School	Game drive and nature walks	Importance of Biodiversity and Conservation
8.	5-6/02/2023	Biodiversity and conservation	Grade 10	12 learners and 8 Educators	Ziphembeleni Secondary School	Game drive and nature walks	Importance of Biodiversity and Conservation
9.	5-6/03/2023	Biodiversity and conservation	Grade 10	12 learners and 8 Educators	Siphathele Secondary School	Game drive and nature walks	Importance of Biodiversity and Conservation
10	22/03/2023	Water Week Awareness and Dam Safety	Msinsi, Umgeni Water, EDTEA, DEFE, MFG, Msunduzi,	41 people.	Ematsheni Taxi Rank	Presentation	Importance of dam safety and water safety
11	16/04/2023	Biodiversity and conservation	Grade 10	12 Learners and 8 Educators	Ingqungqulu High School	Game drive and nature walk	Importance of Biodiversity and Conservation.
12.	22/05/2023	Biodiversity Day	Grade 6 & 7	112 learners	Funulwazi Primary School	Presentations	Living and non-living organism.
13.	29/05/2023	Biodiversity Day	Grade 10 - 12	87 Learners	St Joseph's Secondary School	Presentations	Living and non-living organism
<b>Subtotal</b>				<b>602</b>	<b>13</b>		





NO.	PERIOD	THEME	PARTICIPATING GRADES	NO.OF PARTICIPANTS	INSTITUTION	MATERIALS AND METHOD USED	LESSONS LEARNT
<b>Hazelmere Dam and Resort</b>							
14.	27/07/2022	World Nature Conservation Day	Grade1-7	450	Oakford Primary School	Presentation	Importance of nature conservation.
15.	09/09/2022	Arbor Week and World River Day	Special Education School	217	Golden Steps School	Planting indigenous tree & Presentation	Importance of trees, rivers and river flooding.
16.	15/09/2022	Arbor Week and World River Day	Special Education School	Grade 1-7	805	Planting indigenous tree & Presentation	Importance of trees, rivers and river flooding.
17.	28/09/2022	Arbor Week	Msinsi and Umgeni Water	5	Msinsi Hazelmere Dam staff	Planting indigenous trees	Importance of planting indigenous tree and their benefits
18.	30/09/2022	World Cleanup Day	Msinsi, Umgeni Water, EThekwini Municipality, Ward 60 Councillor, Ward Committee Members, Department of Solid Waste(DSW), Department of Energy, Department of Economic Development, Tourism and Environmental Affairs (EDTEA).	125	Liberty NPO, Kwasuka-sukela Foundation and Hazelmere Community members	Posters and Presentation	Awareness about World Cleanup Day. Importance of clean environment and waste sorting and promoting reduce, reuse and recycling.
19.	08/11/2022	World Fisheries day and Alien Invasive Plants Awareness	Msinsi and Umgeni Water	20	Mcathu Primary School	Presentation and posters	Importance of fish and Alien Invasive Plants identification
20.	08/11/2022	World Fisheries day and Alien Invasive Plants Awareness	Msinsi and Umgeni Water	54	Dubeyane Primary School	Presentation and posters	Importance of fish and Alien Invasive Plants identification
21.	06/03/2023	World Water Day and Wetlands Awareness	Msinsi and Umgeni Water	75	Mcathu Primary School	Presentation and posters	Importance of wetlands and water conservation
22.	06/03/2023	World Water Day and Wetlands Awareness	Msinsi and Umgeni Water	145	Dubeyane Primary School	Presentation and posters	Importance of wetlands and water conservation
23.	29/03/2023	Water Week Awareness and Dam Safety	Msinsi	756	Oakford Primary School	Presentation	Importance of dam safety and water safety
24.	10/05/2023	Biodiversity Day	Msinsi and Umgeni Water	145	Dubeyane Primary School	Presentation and posters	Awareness about biodiversity conservation
<b>Subtotal</b>				<b>2 797</b>	<b>9</b>		



NO.	PERIOD	THEME	PARTICIPATING GRADES	NO.OF PARTICIPANTS	INSTITUTION	MATERIALS AND METHOD USED	LESSONS LEARNT
<b>Inanda Dam and Resort</b>							
25.	12/07/2022	A Green Environment	Msinsi	30	Impumelelo of the disabled.	Gardening tools	Planting vegetables at the newly established garden.
26.	15/07/2022	Youth Skills	Msinsi	9	Molweni Zimele Centre	Gardening tools	Knowledge and skills at the centre on how to maintain garden.
27.	19/07/2022	67 Minutes of Mandela Day	Msinsi	50	Tholuthando Children's Home	Gardening tools	67% minutes of Mandela day.
28.	28/07/2022	A green environment	Msinsi	19	Siyajabula Centre	Gardening tools	Msinsi gave back to the community by spending their day clearing reeds in the 29 yard at the Centre and 30. Planted some trees.
29.	29/09/2022	World Environmental Day and Arbor Day celebration	EtheKwini Municipality and Msinsi	32	Molweni Clinic	Presentation and gardening tools	Importance of the environment and planted indigenous trees.
30.	14/03/2023	National Rivers day celebration and Clean-up campaign	Msinsi and Ezemvelo KZN Wildlife, UW and EThekwini Municipality	25	Ezemvelo KZN Wildlife	Gardening tools	Waste management and cleaning of the river
31.	22/03/2023	World Water Day Celebration	Msinsi	110	Khamangwa Secondary School	Presentation and posters	Importance of water and ways of saving water.
32.	28/03/2023	Water week celebration and awareness.	Msinsi and EThekwini Municipality (Parks & Recreation Unit)	53	Umngeni Primary School	Presentation and posters.	Importance of water and ways of saving water.
33.	15/05/2023	Water Safety	Grade 4, 5, 6 & 7.	249	Msinsi, Umgeni Water & Lamula Primary School	Presentation and posters.	Importance of the environment.
34.	15/05/2023	Water Safety	Grade 5 & 6	243	Msinsi, Umgeni Water & ST. Leo Primary School.	Presentation and posters.	Importance of water and the environment.
35.	17/05/2023	Water Safety	Grade R to Grade 7	620	Msinsi, Umgeni Water & Bazamile Primary School.	Presentation and posters.	Importance of wetlands.
<b>Subtotal</b>				<b>1440</b>	<b>11</b>		



NO.	PERIOD	THEME	PARTICIPATING GRADES	NO.OF PARTICIPANTS	INSTITUTION	MATERIALS AND METHOD USED	LESSONS LEARNT
<b>Nagle Dam Nature Reserve</b>							
36.	13/07/2022	International Rangers Day	Grade 7	44	Villa Maria Primary School	plants, people and water resources	Planting indigenous trees and cleaning wetland
37.	14/07/2022	Mandela Day	Grade 10	75	Mcoseli Secondary	plants, people and water resources	Planting indigenous trees and cleaning wetland
37.	15/07/2022	World Environmental Day	Grade 10/11	10	Ingqayizivele Secondary	Plant, people and the environment	Nature Walk and interaction with nature
38.	31/07/2022	World Environmental Day	Grade 7	18	Imbeka Primary	Plant, people and the environment	Planting indigenous trees and cleaning wetland
39.	20/07/2022	Nature Conservation Day	Grade 9	84	Masijabule High	Oral Presentation	Understanding the importance of conservation
40.	22/07/2022	World Environment Day	Grade 5	35	Khulanjalo Primary	Plant, people and the environment	Importance of clean environment at schools
41.	04/08/2022	World Conservation Day	Grade 6	31	Villa Maria Primary School	Plant, people and the environment	Nature Walk and interaction with nature
42.	22/08/2022	Water Safety	Grade 8	60	Masijabule High	Oral Presentation	Safety around dams and when crossing rivers
43.	25/08/2022	World Forest and Arbor Week	Grade 4	15	Khulanjalo Primary	Oral Presentation and walk about identification	Indigenous trees and shrubs
44.	29/09/2022	Excursion-general environmental management	Grade 7	82	Kwenzakwethu Primary	Trail walking and water safety	Safety of school learners around waterways, protection of head and feet during trail.
45.	7/11/2022	Water Safety: features of a safe swimming area. Hazards that makes an aquatic area dangerous.	Grade 3&4	60	Imbeka Primary School	Poster (existing) & presentation	Safety around rivers and dams during festive season and at all times.
46.	8/11/ 2022	Water Safety: features of a safe swimming area.	Grade 7	19	Vela Maria Primary School	Poster (existing) & presentation	Safety around rivers and dams during festive season and at all times.
47.	9/11/2022	World Fisheries Day: Taking care of fish habitats (Rivers, dams and safety)	Grade 4	22	Maqongqo Primary School	Presentation	Clean water provide healthy sources of food
48.	11/11/2022	Wildlife Conservation Day: recovering key species for ecosystem restoration.	Grade 6	41	Sansikane Primary School	Presentation	All animal species are important within a system.



NO.	PERIOD	THEME	PARTICIPATING GRADES	NO. OF PARTICIPANTS	INSTITUTION	MATERIALS AND METHOD USED	LESSONS LEARNT
49.	11/11/2022	International Day of Climate Action: Building a green, healthy and resilient future with forest	Grade 10&11	67	Ngqayizivele High School	Presentation	Today's actions will determine the state of the environment in future
50.	14/11/2022	World Fisheries Day: Taking care of fish habitats (Rivers, dams and safety)	Grade 5	35	Nonzila Primary School	Presentation	Freshwater fish is an adequate source of protein.
51.	15/11/2022	International Day of Climate Action: Building a green, healthy and resilient future with forest	Grade 8 & 9	21	Mcoseli High School	Presentation	Green energy is the future of thriving economies
52.	16/11/2022	Wildlife Conservation Day: recovering key species for ecosystem restoration.	Grade 5 & 6	33	Mbhava Primary School	Presentation	All animal species are important within a system.
53.	09/12/2022	Water Safety within Nagle Dam	Grade 7	64	Sansikane Primary	Trail walking along shoreline	Safety of all school children during the festive season
54.	14/03/2023	World Water Month - accelerating change	Grade 8	148	Maqongqo Primary	Class presentation and discussion	Water conservation
55.	14/03/2023	World Water Month - accelerating change	Grade 8 to 10	460	Mcoseli High School	Assembly presentation	Water conservation
56.	15/03/2023	World Water Month- accelerating change	Grade 7	70	Villa Maria Primary	Class presentation, question and answer	Water conservation
57.	15/03/2023	World Water Month- accelerating change	Grade 5	126	Phangindawo Primary	Class presentation	Water conservation
58.	15/03/2023	World Water Month- accelerating change	Grade 10	38	Inhlanhlayabebhuze High	Class presentation	Water conservation
59.	16/03/2023	World Water Month- accelerating change	Grade 5	52	Khulanjalo Primary	Class presentation	Connection between water and plants
60.	16/03/2023	World Water Month- accelerating change	Grade 3 to 5	197	Ngabayena Primary	Assembly presentation	Connection between water and plants



NO.	PERIOD	THEME	PARTICIPATING GRADES	NO.OF PARTICIPANTS	INSTITUTION	MATERIALS AND METHOD USED	LESSONS LEARNT
61.	16/03/2023	World Water Month - accelerating change	Grade 5 to 7	25	Nonzila Primary School	Assembly presentation	Connection between water and plants
62.	10/05/2023	Biodiversity conservation	Grade 10 & 11	74	Swayimane High School	Oral presentation	Understanding flora and fauna in the area of Swayimane
63.	09/05/2023	Biodiversity conservation	Grade 7	82	Inkanyezi Primary	Practical with scholars in the yard	Tree identification and uses
64.	10/05/2023	Water safety	Grade 7	66	Sansikane Primary	Oral presentation and demonstration	Safety around dams and rivers during school holidays
65.	23/05/2023	Water safety	Grade 8 to 11	44	Ingqayizivele High	Oral presentation and demonstration	Safety around dams and rivers during school holidays
66.	23/05/2023	Water safety	Grade 7	17	Imbeka Primary	Oral presentation and demonstration	Safety around dams and rivers during school holidays
<b>Subtotal</b>				<b>2481</b>	<b>17</b>		
<b>Grandtotal</b>				<b>4523</b>	<b>50</b>		

**Table 4.2: Environmental education various initiatives undertaken by Reserves**

#### 4.3.5 Wildlife Management

Msinsi manages the wildlife species in the reserves in a way that conserves, maintains and enhances the biodiversity value of the reserves. This is done through balancing the habitat conditions, the carrying capacity and stocking rate. Game mammals are stocked at conservative rates and numbers such that they do not exceed the carrying capacity of each reserve in order to maintain an ecological balance. The Stocking Rate Method expressed as AU (Animal Units) was used as a standard methodology to determine the maximum number of specific kinds and classes of game/ animals required in the available grazing land.

#### 4.3.6 Game Count

Game counts are conducted on a monthly basis and game counts for year-end were conducted in collaboration with external auditors. The counts conducted show consistent numbers with insignificant variation from one count to the other at all the game reserves. This activity is a crucial input to the game-carrying capacity plans and Msinsi's statement of financial position.



The table below indicates the number of births and mortalities recorded during the 2022/2023 financial year:

BIRTHS		MORTALITIES		
Game Reserve	Number	Date	Natural	Date
Albert Falls	14 x Nyala	01/2023	Nil	Nil
	27 x Impala	01/2023	1x Impala	11/2023
	20 x Zebra	01/2023	Nil	Nil
	1 x Blue wildebeest	01/2023	Nil	Nil
	6 x Warthog	01/2023	Nil	Nil
	11 x Blesbok	01/2023	Nil	Nil
	2 x Grey Duiker	01/2023	Nil	Nil
	6 x Red Hartebeest	01/2023	1x Red Hartebeest	08/2023
	3 x Kudu	01/2023	Nil	Nil
Nagle	0x Giraffe	Nil	3x Giraffe	10/2023
	6x Nyala	01/2023	1x Nyala	12/2022
	7x Zebra	01/2023	4x Zebra	11/2022
	1x Impala	01/2023	0x Blue Wildebeest	
<b>Overall Total</b>	<b>104</b>		<b>10</b>	

**Table 4.3: Number of births and mortalities recorded in 2022/2023**

The number of births has shown an increase in year 2022/2023 where 104 animals were recorded compared to 2021/2022, which only recorded 101 animals. The mortality rate has shown an increase in 2022/2023 where 10 animals were recorded compared to 8 animals recorded mortality rate in 2021/2022.

The Albert Falls Dam recorded mortalities were due to natural causes and there are no signs of a possible disease outbreak. Nagle Dam recorded incidents of illegal activities such as poaching reflected on the giraffe population where 2x sub-adult were found injured and 1x adult due to natural causes.

#### 4.3.7 Game Carrying Capacity Management:

Game counts for the year under review revealed that some of the animals exceeded the capacity of the habitat. The excess animals were recommended to the Board for disposal through hunting and culling.

The table below reflects the disposal target performance:

DISPOSAL METHOD	PERFORMANCE %	REASON FOR VARIANCE
Hunting	48%	Hunting targets were not achieved due to no interest from regular hunters.
Culling	7%	Culling was halted during the hunting period as per an EXCO Resolution.

**Table 4.4: Disposal target performance**





The table below is a list of wildlife that was (disposed) exceeding the game carrying capacity of Msinsi’s game reserves:

ANIMAL SPECIES	TARGET DISPOSAL	ACHIEVED DISPOSAL	METHOD OF DISPOSAL
Impala	32	13	12 Hunting 1 Culled
Nyala	15	8	7 Hunting 1 Culled
Warthog	15	5	5 Hunting
Grey Duiker	6	1	1 Hunting
Zebra	6	4	4 Hunting
<b>Total Stock Count</b>	<b>74</b>	<b>31</b>	

**Table 4.5: Game that was disposed in 2022/2023**

A total of 31 animals were disposed through hunting and culling in 2022/2023. The variance of 43 animals include both hunting and culling disposal, which will be added in the next hunting season. Albert Falls Game Reserve has the most diverse wildlife species, which includes one of the Big 5 animals, namely the African Cape Buffalo.

#### 4.3.8 Game Security

Security patrols were conducted as per the patrol plan in order to identify and mitigate security risks to the reserves. A total number of fourteen (14) Field Rangers completed their Basic Field Ranger Course through partnership with Ezemvelo KZN Wildlife to better equip them with resources and expertise in executing their duties. Following the recommendations of Protected Area Ranger Capability and Support (PARCS) assessment at the Albert Falls Dam and Game Reserve, 98% of the recommendations by PARCS to Msinsi have been implemented and actioned accordingly.





## 4.4 ECOTOURISM

Msinsi’s secondary function is ecotourism focusing on facilities management, parks management and hospitality management in four dams (Albert Falls Dam & Game Reserve, Inanda Dam, Hazelmere Dam and Nagle Dam Nature Reserve).

The Revenue Enhancement Plan was developed as a response, or effort, to increase revenue earned through tourism based products. In the year 2022-2023, there was an increase in Chalets, Wildcard, Campsites and Natural Resource Management (NRM) revenue.

The significant increase on Wildcard is an indication of success rates of external partnerships. Improvement is still required on gate entry, fishing permits, boat launching fee and boat lockers.

The figure below illustrates the Top 10 revenues per product in order of revenue generation comparing to the prior year performance:

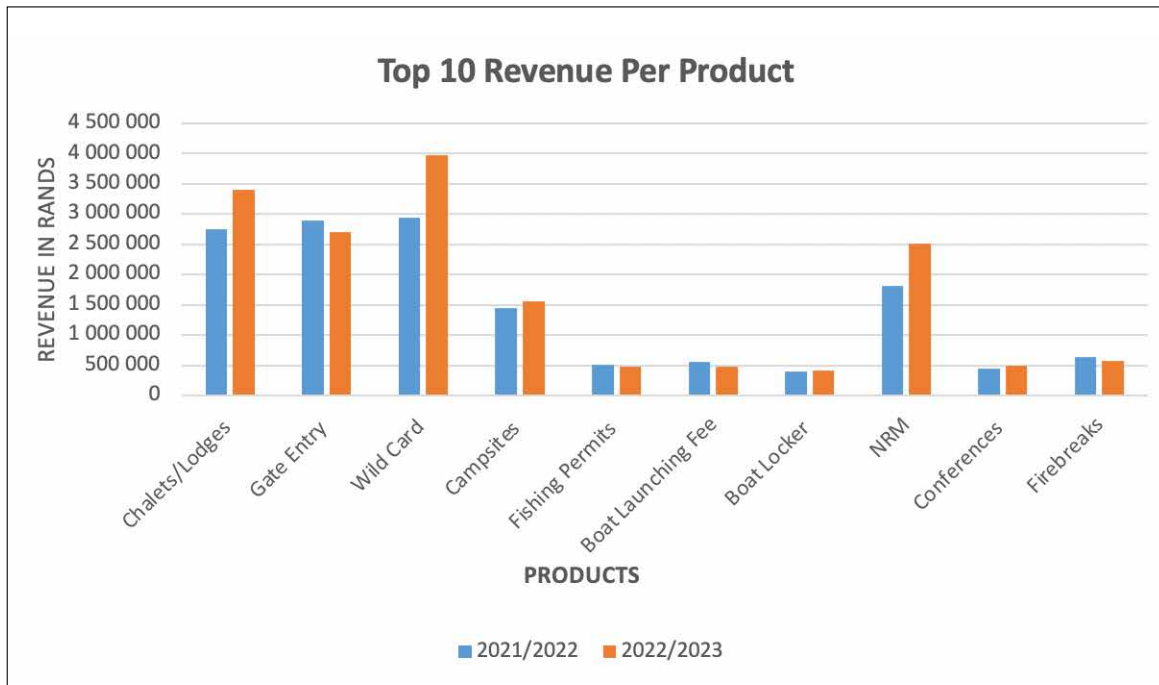


Figure 4.5: Top 10 Revenue Generating Products

### 4.4.4.1 Wild Card, Accommodation, Camping and Day Visitor Statistics

Msinsi Holdings offers various tourism products which include Wildcard, Accommodation and Camping in the following reserves; Albert Falls Dam, Hazelmere Dam, Bon Accorde Dam and Nagle Dam. Msinsi Holdings has a 3-year memorandum of agreement for The Wild Card product with South African National Parks to enable the product to be used within its resorts and dams. The Wild Card product remains in the administration of South African National Parks and Msinsi Holdings earns a percentage from the product. The total gross earnings for the period under review on Wild Card was R 3, 975 194, an increase from R 2, 937 934 from the previous financial year.

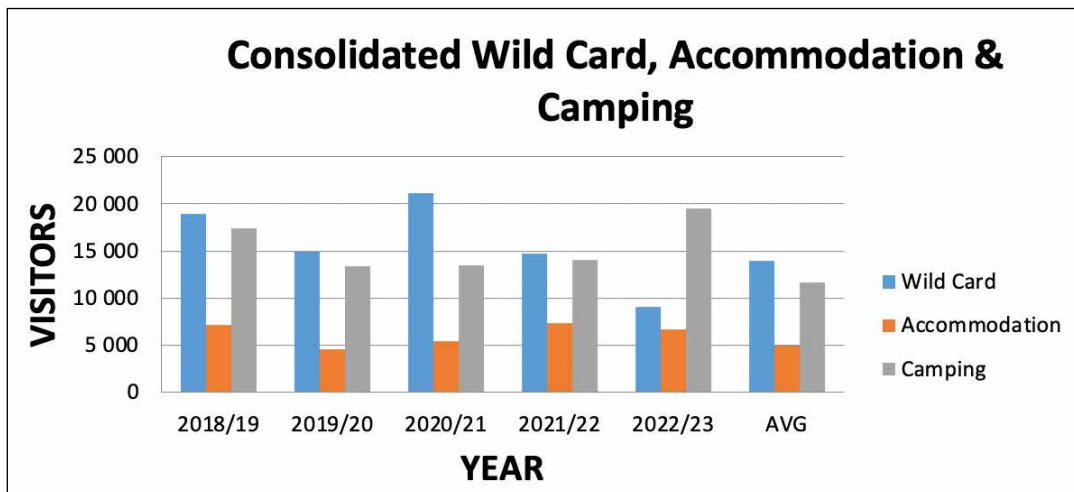


Figure 4.6: Consolidated Wild Card, Accommodation and Camping Visitors over 5 years

The data reported in Figure 4.6, above indicates an increase in camping and a decrease in both Wild Card and accommodation in the 5th year. The decrease in Wild Card and accommodation is as a result of flooding events and bad weather conditions in KwaZulu-Natal.

Msinsi Holdings allows visitor access in the Reserves (Albert Falls, Hazelmere, Nagle and Inanda Dam) in the form of Adults, Children and Pensioners. Approved tariffs are used to charge an entry fee for each visitor.

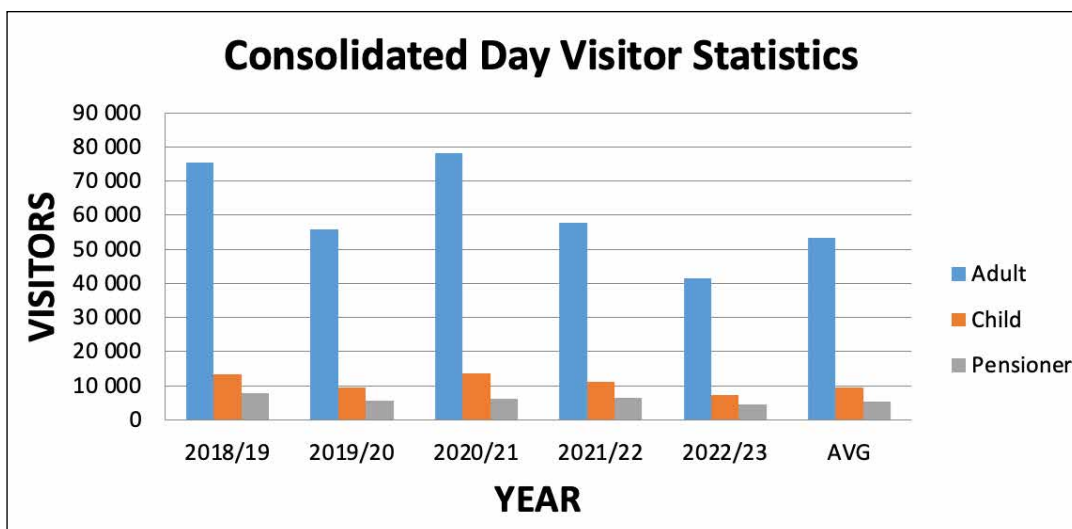


Figure 4.7: Consolidated Day Visitors Statistics over 5 years

Figure 4.7 indicates a decrease in all categories in the year under review when compared to the previous year. This indicates that the economic climate has an effect on the disposable income for the consumers.





### 4.4.2 Day visitor, Wild Card, Accommodation and Camping statistics for Reserves.

#### 4.4.2.1 Albert Falls Dam & Game Reserve

Situated at one of the largest dams in KZN and only 30 minutes from Pietermaritzburg is Albert Falls Dam and Game Reserve. This reserve offers accommodation, water sports, nature trails, bird watching and game viewing.

Albert Falls offers a 3-star graded accommodation in a form of sixteen (2-sleeper) and four (6-sleeper) chalets. There are one hundred and four (54 electric and 50 non-electric) campsites with well-maintained ablution facilities that are serviced daily.

The Albert Falls hall can be used for wedding receptions, parties, conferences etc. and outdoor lovers can hold small conferences on the thatched gazebo situated at the Notuli site. Wildlife in the reserve includes several animal species such as the Impala, the Red Hartebeest, Oribi, Giraffe, and Warthog, Buffalo, Zebra and a wide variety of birdlife.

Visitors can enjoy various types of water sports such as, boating, canoeing, skiing, sailing, fishing, etc. The reserve offers nature trails for adventurous visitors. The game drives offered by experienced tour guides afford visitors an exciting educational experience on wildlife.

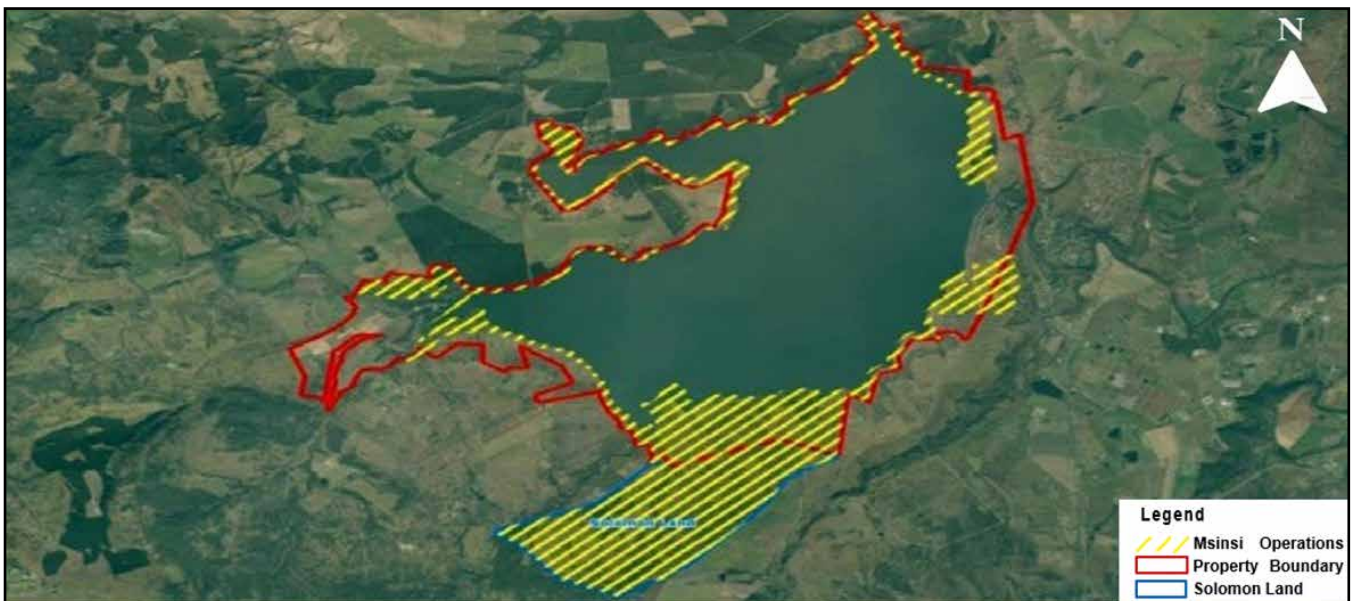


Figure 4.8: Albert Falls Dam & Game Reserve Map

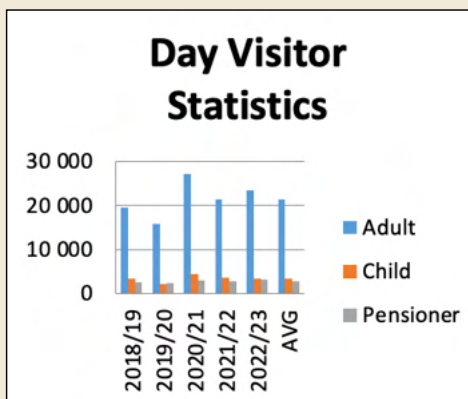


Figure 4.9: Albert Falls Dam & Game Reserve Wild card, Accommodation and Camping

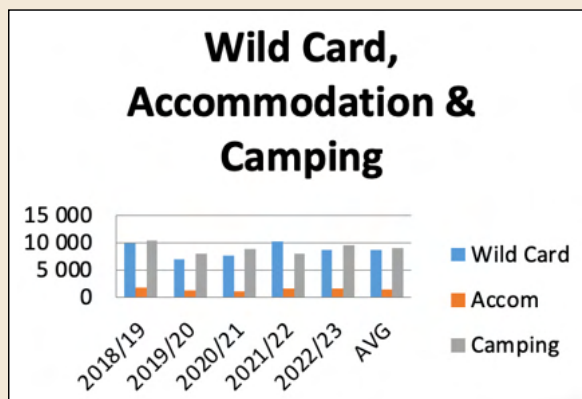


Figure 4.10: Albert Falls Dam & Game Reserve Day Visitor statistics



Day visitors show an increase in the reporting period compared to the previous year. Adult day visitors are consistently higher than children and pensioners. Adults groups prefer visiting Albert Falls for picnicking and outdoor activities.

Camping shows an increase in the reporting year compared to the previous year whilst Wild Card and Accommodation shows a decrease. The increase in camping can be attributed to favourable weather conditions during peak seasons.

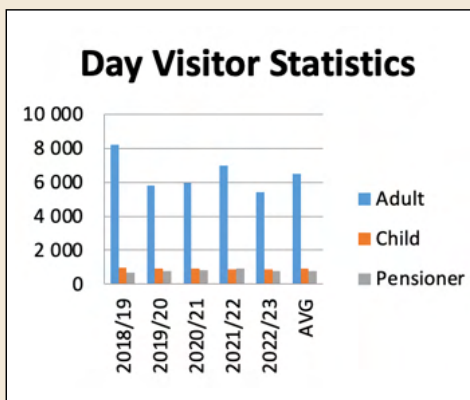
**4.4.2.2 Bon Accorde**

Bon Accorde Resort is located on the western shores of Albert Falls Dam & Game Reserve.

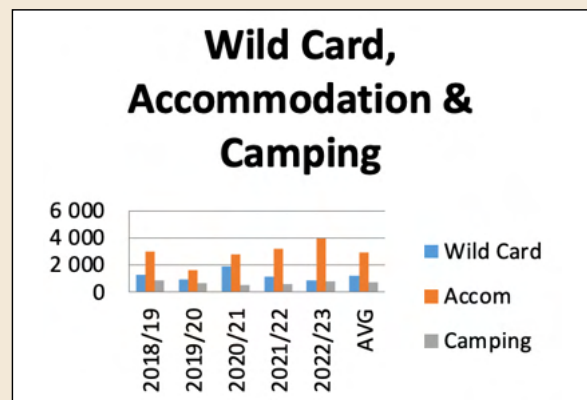
Set in cool tranquillity overlooking the Karkloof Valley, Bon Accorde Resort exudes serenity. The resort boasts 10 three star-graded four sleeper self-catering chalets situated along the water’s edge, affording commanding views of the dam and the distant Karkloof Hills. For those who prefer a more rustic experience, Bon Accorde offers 20 electrical and 9 non-electrical campsites designed to ensure outdoor lovers enjoy a peaceful night along the shoreline.

The gazebo that is situated on the edge of the dam can be used for garden weddings and parties. The resort offers many family-oriented activities, which can be enjoyed by everyone.

The resort has an open level area, convenient for outdoor events such as jazz festivals, picnics and other functions. The Conference Centre, combined with on-site accommodation, is an excellent venue for hosting small or large conferences, weddings, year-end events, meetings, training sessions, high teas, baby showers, etc.



**Figure 4.11:**  
Bon Accorde Resort Day Visitor statistics



**Figure 4.12:**  
Bon Accorde Wild Card Product, Accommodation and Camping

Day visitor’s performance for the reporting period decreased in all categories. Accommodation and Camping increased due to the promotions and packages, Wild card shows a decrease due to economic climate. The MoU that has been renewed with Columbia Leadership Academy boosted the accommodation due to the regular use of the accommodation and conference facilities by the customer.



### 4.4.2.3 Nagle Dam Nature Reserve

Nestled in the foothills of KZN’s Table Mountain, in the heart of the Valley of a Thousand Hills, less than an hour’s drive from both Pietermaritzburg and Durban, lies an African jewel, Nagle Dam Nature Reserve. At Nagle Dam Nature Reserve, visitors will find tranquil picnic spots, excellent fishing and canoeing waterscape, nature trails and game viewing.

Nagle Dam & Game Reserve offers a variety of accommodation ranging from a 12 sleeper Nagle Lodge, 6 sleeper Msinsi

Lodge, three-star graded two sleepers’ modern safari tented accommodation, 40 non-electrical campsites and a 6 sleeper backpacker Hatchery Lodge where you can choose to be pampered or be left to enjoy the solitude. An exclusive 20-seater conference centre, situated on an island in the dam, offers a unique natural location for conferences and workshops.

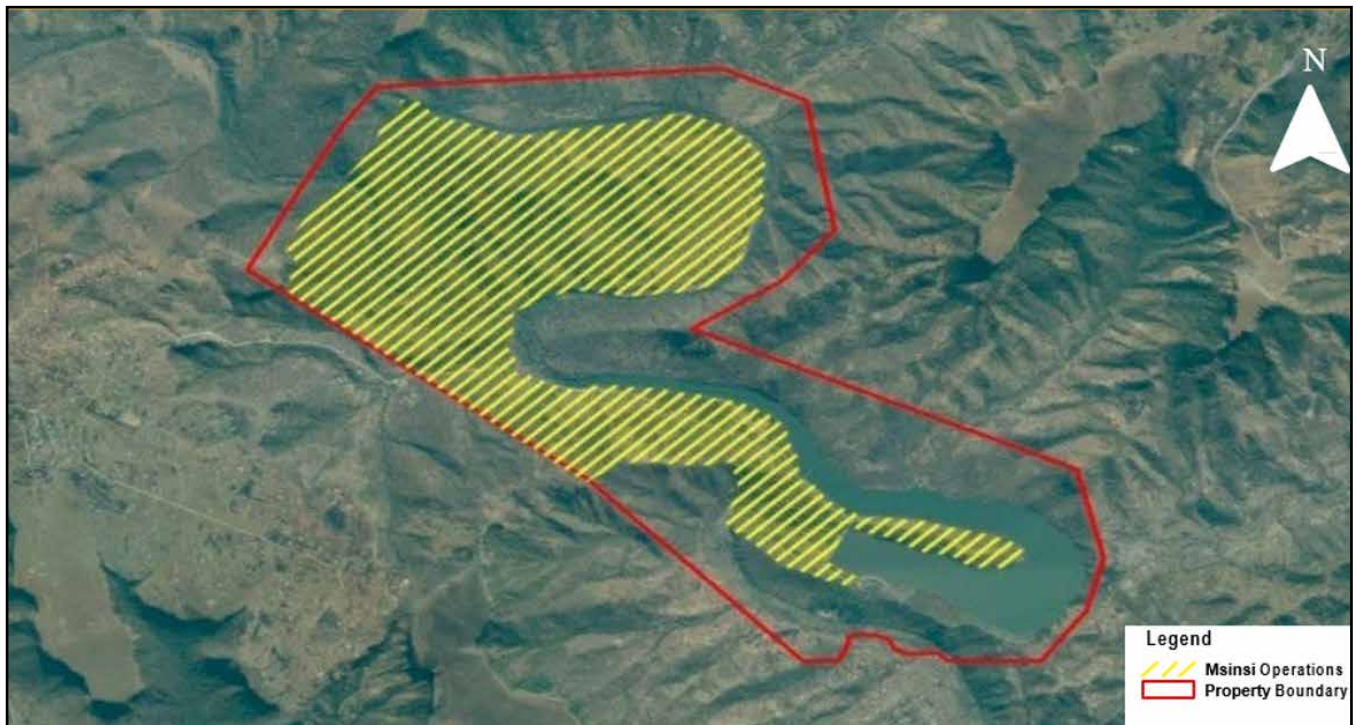


Figure 4.13: Nagle Dam & Game Reserve Map

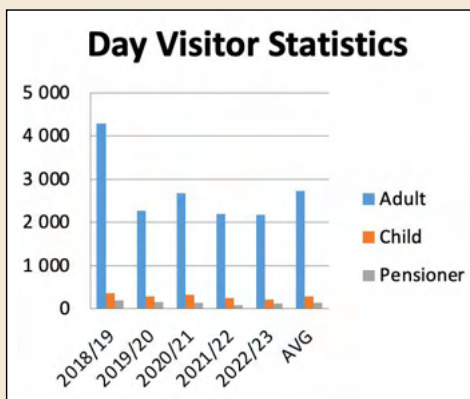


Figure 4.14: Nagle Dam Nature Reserve Day Visitors Statistics.

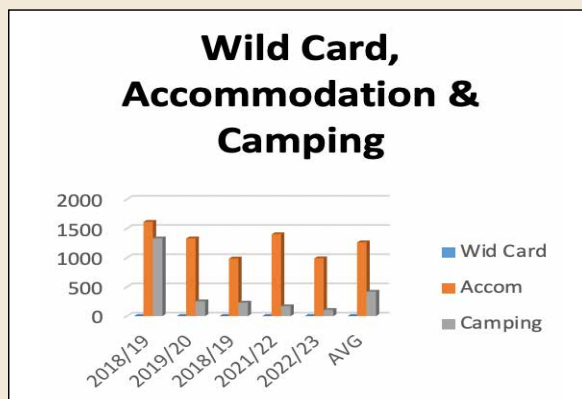


Figure 4.15: Nagle Dam Nature Reserve Wild Card Accommodation and Camping





The day visitors in the year reviewed, shows a decrease in all categories. The Wild Card and camping show a decrease due to the negative impact caused by the natural disaster and less customers utilizing the Wild card for gate entry.

**4.4.2.4 Inanda Dam & Resort**

Situated on the southern bank of the Inanda Dam, in the Valley of a Thousand Hills below Hillcrest, this resort offers all forms of recreational boating and is famous for bass fishing.

The Inanda Bass Classic fishing tournament, held at this resort, attracts hundreds of anglers each year.

Inanda is the perfect venue for canoeing and is a compulsory overnight stop for the famous Dusi Canoe Marathon. Inanda Dam offers two star graded 40 electrical and 51 non-electrical campsites; picnic sites as well as four x 4-sleeper self-catering tented accommodation set on the water's edge afford magnificent views of the surrounding hills which makes this

an ideal venue for water sport enthusiasts and nature lovers. A 35-seater Cruise Boat offers a unique experience to visitors who wish to hold different activities including boat cruise, conferencing, weddings, birthdays, baby/bridal shower parties, etc.

The day visitors for the year shows an increase as depicted in figure 4.16 above. The day visitors in the year reviewed, shows an in all categories, this is a result of the stakeholder engagement and commitment in eradicating the water hyacinth at Inanda Dam.



Figure 4.16: Inanda Dam & Resort Map

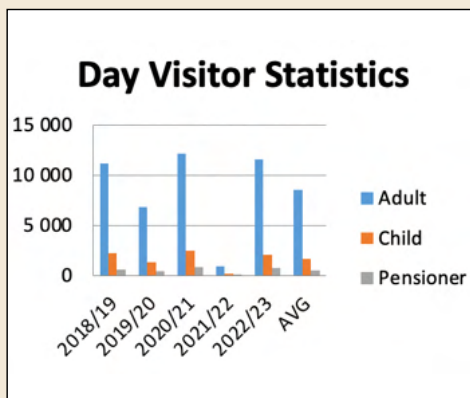


Figure 4.17: Inanda Dam & Resort Day Visitors Statistics

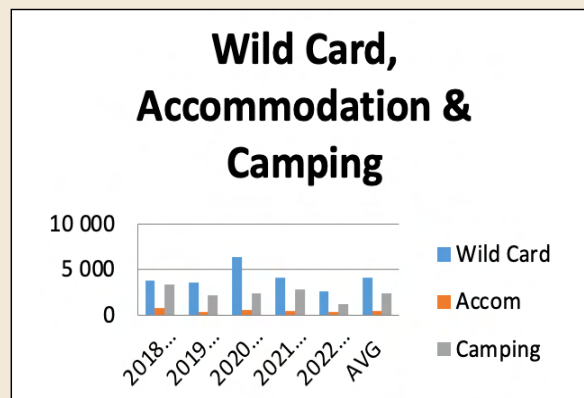


Figure 4.18: Inanda Dam & Resort Wild Card Accommodation and Camping



#### 4.4.2.5 Hazelmere Dam & Resort

A days' outing at family oriented picnic spots will reward every nature lover with a breath of fresh air and many birds and butterflies to delight. Visitors can enjoy camping in 13 electrical and 13 non-electrical campsites and have access to the thatched lapa while preparing meals in the communal kitchen.

The Lifestyle Lounge facility offers space for visitors to host small parties and end year functions. Hazelmere is popular for hosting major events, namely Jazz Festival, Bikers' Rally and

Fun in the Sun, to mention a few. The raising of the dam wall offers new picnic areas with a better view of the dam. Visitors can enjoy a variety of water sports such as fishing, boating, jet skis, canoeing and sailing.

The day visitors for the year, reported a decrease in all categories, due to weather conditions - floods that occurred during the last two quarters that affected the entry to the reserve. The Wild card shows a decrease, however the Camping shows an increase when compared to the previous year.

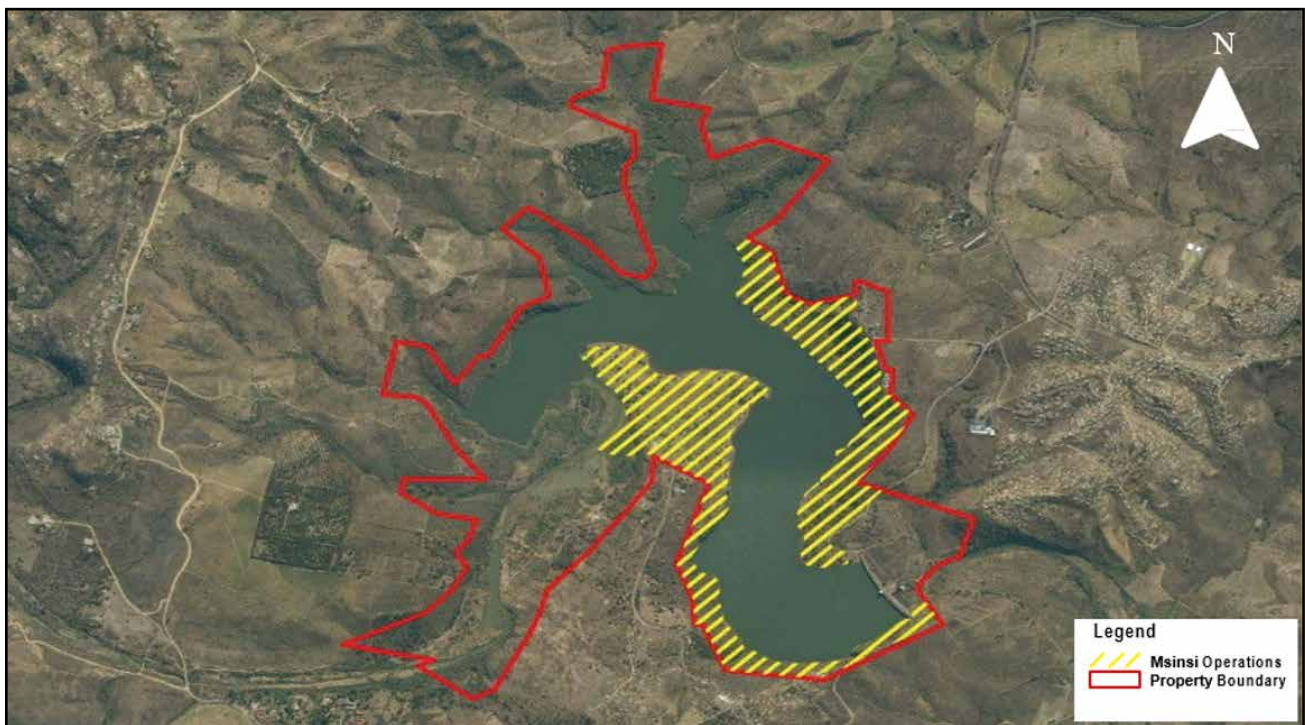


Figure 4.19: Hazelmere Dam & Resort Map

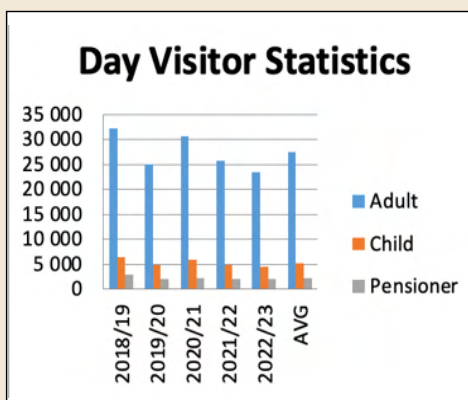


Figure 4.20: Hazelmere Dam & Resort Day Visitors Statistics

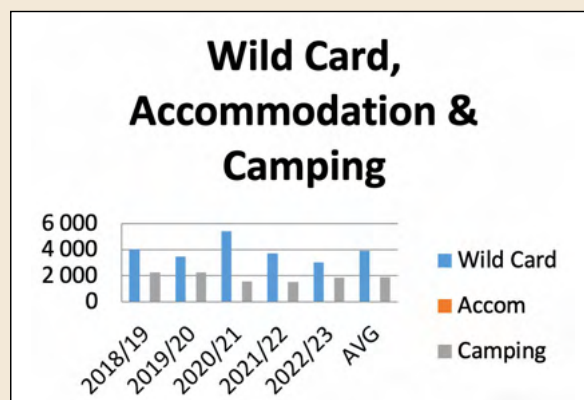


Figure 4.21: Hazelmere Dam & Resort Wild Card & Camping

The background is a dark green color with various abstract geometric elements. There are several overlapping rectangles and circles in lighter shades of green. A prominent feature is a large, faint, stylized shape that resembles a human figure or a complex geometric form. In the bottom right corner, there are several horizontal wavy lines. The overall aesthetic is modern and technical.

## 5. RISK & SHEQ **MANAGEMENT**





## 5. RISK AND SHEQ MANAGEMENT

### 5.1 Msinsi Integrated Risk Management System

Section 51 (a)(i) of the Public Finance Management Act (PFMA), No 1 of 1999, requires Accounting Authorities to establish and maintain effective, efficient and transparent systems of financial, risk management and internal controls to enable amongst other matters, the production of annual financial statements as per Section 55 of the PFMA.

### 5.2 Defining Risk Within The Organisation

Msinsi Holdings defines risk as all sources of uncertainty that could, positively or negatively, affect the organisation’s ability to meet its strategic objectives and outcomes.

Risk Management is guided by an Integrated Risk Management Framework.

The Integrated Risk Management Framework addresses several categories of risk: strategic risk, operational risk and the risk of fraud.

### 5.3 Principles Of Risk Management

**Risk Management at Msinsi is guided by the following principles:**

- Compliance with regulatory requirements and principles;
- A strongly defined risk management structure;
- Communication and coordination between the Executive Committee (EXCO) and Management Committee (MANCO); and
- Communication and coordination between Corporate Risk Committee and the Audit and Risk Committee (ARC) and the Board.

### 5.4 Msinsi Strategic Risk Register

There are ten strategic risks which are sorted by descending risk score, linked to strategic objectives and indicating their appetite / tolerance positions.

**A summary of the strategic risks are presented below.**

RISK #	RISK NAME	CURRENT RESIDUAL RISK SCORE	STRATEGIC OBJECTIVE	OVERALL RESPONSE EFFECTIVENESS	DESIRED OVERALL RESPONSE EFFECTIVENESS	RISK APPETITE	RISK TOLERANCE
1.	Operating Model Resilience (MS)	5 Low	S02: Improve Financial Sustainability S03: Improve Stakeholder Management S04: Improve Business Processes S05: Increase Skills and Competencies	89% Good	95% Good	Outside Appetite	Within Tolerance
2.	Information and communication tech (MS)	4 Low	S01: Improve Customer and Stakeholder V S02: Improve Financial Sustainability S04: Improve Business Processes S06: Improve Facility Management	60% Reasonable	70% Good	Outside Appetite	Within Tolerance
3.	Ecological & Environmental integrity (MS)	3 Low	S01: Improve Customer and Stakeholder V S02: Improve Financial Sustainability S04: Improve Business Processes S04: Improve Internal Efficiency S05: Increase Infrastructure Assets	69% Reasonable	80% Good	Within Appetite	Within Tolerance
4.	Innovation (MS)	3 Low	S04: Improve Business Processes	50% Reasonable	70% Good	Within Appetite	Within Tolerance
5.	Asset, Productivity, Sale & Security (MS)	1 Low	S01: Improve Customer & Stakeholder V S02: Improve Financial Sustainability	50% Reasonable	70% Good	Within Appetite	Within Tolerance
6.	Leadership & People Management Dev (MS)	1 Low	S04: Improve Business Processes S05: Increase Skills and Competencies S07: Improve Products & Services	90% Very Good	95% Excellent	Within Appetite	Within Tolerance

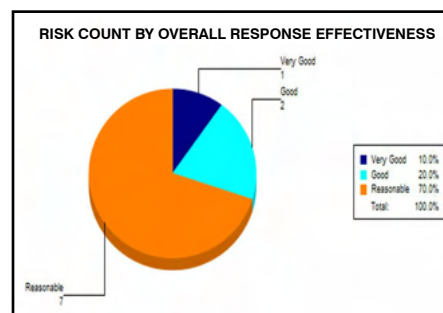
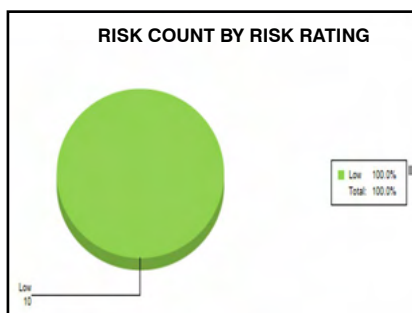
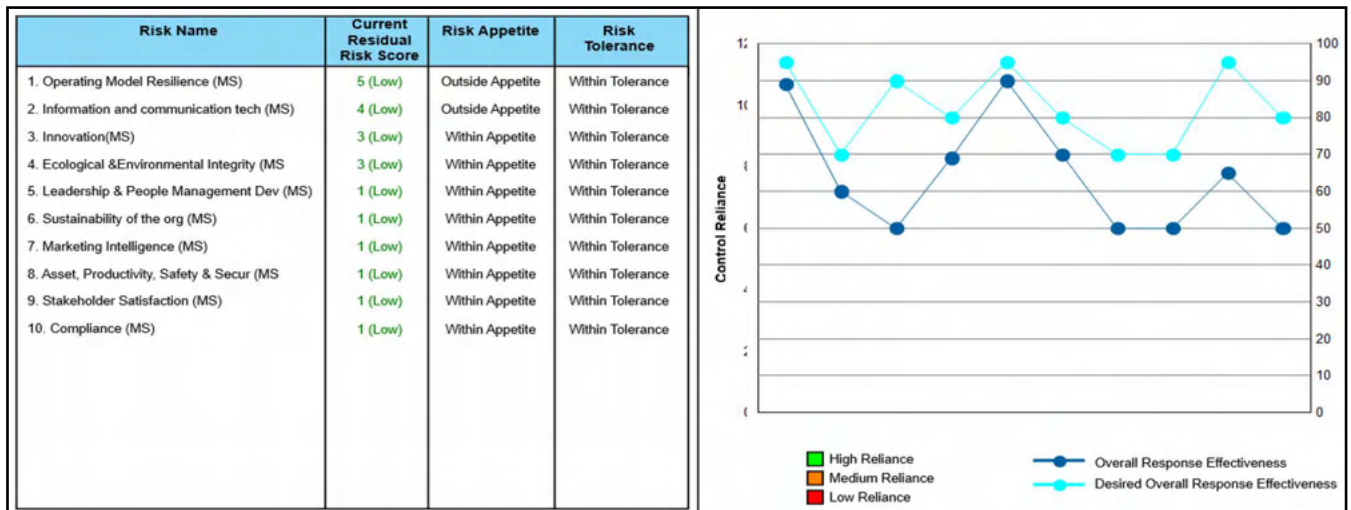


RISK #	RISK NAME	CURRENT RESIDUAL RISK SCORE	STRATEGIC OBJECTIVE	OVERALL RESPONSE EFFECTIVENESS	DESIRED OVERALL RESPONSE EFFECTIVENESS	RISK APPETITE	RISK TOLERANCE
7.	Marketing Intelligence (MS)	1 Low	S01: Improve Customer and Stakeholder V S02: Improve Financial Sustainability S03: Improve Stakeholder Management S07: Improve Products & Services	50% Reasonable	70% Good	Within Appetite	Within Tolerance
8.	Stakeholder Satisfaction (MS)	1 Low	S01: Improve Customer and Stakeholder V S02: Improve Financial Sustainability S04: Improve Business Processes S06: Improve Facility Management S07: Improve Products & Services	65% Reasonable	95% Excellent	Within Appetite	Within Tolerance
9.	Sustainability of the org (MS)	1 Low	S01: Improve Customer and Stakeholder V S02: Improve Financial Sustainability S05: Increase Skills and Competencies S03: Improve Stakeholder Management S07: Improve Products & Services	70% Good	80% Good	Within Appetite	Within Tolerance
10.	Compliance (MS)	1 Low	S04: Improve Business Processes S03: Improve Financial Sustainability	50% Reasonable	80% Good	Within Appetite	Within Tolerance

**Table 5.1: Msinsi Strategic Risk Register**

### 5.5 MSINSI STRATEGIC RISKS PROFILE

For the 10 Strategic Risks, two are outside appetite and within tolerance and the remaining eight are within appetite and tolerance. The risks have been ranked by risk score ranging from high to low, indicating the appetite / tolerance position.


**Figure 5.1: Strategic Risk Management Dashboard**

**AUDIT AND RISK COMMITTEE MEETING PERFORMANCE SCORE CARD:**

AUDIT & RISK MEMBER	ATTENDANCE PER MEMBER
Number of meetings held:	5
Number of special meetings held:	2
Ms N. Radebe (Chairperson)	7/7
Mr V. Reddy	3/7
Mr S. Dlomo	5/7
Dr Ndlovu	5/7

**Table 5.2: Audit and Risk Committee Meeting Performance Score****CORPORATE RISK MANAGEMENT COMMITTEE MEETING PERFORMANCE:**

The Corporate Risk Management Committee (CRC), reports quarterly to uMngeni-uThukela Water Board on the implementation status of the integrated risk management framework as well as to ensure uniform standards approach to risk management in line with the uMngeni-uThukela Group standards for risk management.

MSINSI'S REPRESENTATION IN THE COMMITTEE	CORPORATE RISK MANAGEMENT COMMITTEE MEETINGS HELD FOR 2022/2023 FINANCIAL YEAR				
	Q1	Q2	Q3	Q4	Total
Msinsi Managing Director Msinsi Risk Champion or Risk Officer	19/10/2022	13/02/2023	05/05/2023	20/07/2023	4

**Table 5.3: Corporate Risk Management Committee Meeting Performance Score****Msinsi Risk Management Committee Quarterly Review Meeting Performance**

COMMITTEE MEMBERS	RISK MANAGEMENT COMMITTEE MEETINGS HELD FOR 2022/2023 FINANCIAL YEAR				
	Q1	Q2	Q3	Q4	Total
Msinsi Managing Director Umgeni Risk Manager Msinsi Risk Champion or Risk Officer Msinsi Executive Management Msinsi Departmental Managers	06/10/2022	17/01/2023	17/07/2023	17/07/2023	4

**Table 5.4: Msinsi Risk Management Committee Quarterly Review Meeting Performance Score Card**





## 5.6 SHEQ OVERVIEW

### 5.6.1 INTRODUCTION

Msinsi Holdings SOC Ltd places a great level of importance in ensuring the continued health, safety, welfare and development of its workforce, customers, contractors and other stakeholders. This is done to minimise the distress and disruption that may be caused by any injuries or work related illnesses, which may occur.

The entity continued to address key SHEQ related risks in order to continue developing a positive health and safety culture. Over the last 12 months, the entity achieved fair results against many of its performance measures.

**Msinsi's commitment is driven by:**

- Striving to implement and comply with the latest versions of health and safety standards through its SHEQ Implementation plan;
- Increasing consultation and participation of employees to be genuinely involved in and/or consulted on company processes through methods driven by the leadership of the organisation to prioritise health and safety issues.

### 5.6.2 SHEQ MANAGEMENT

Msinsi undertook the following activities during the year under review:

- Implemented health and safety baseline risk assessment;
- Ensured that employees understood the hazards and risks associated with activities through basic Health and safety practices.
- Accredited safety trainings for Managers, Health and Safety representatives, First Aiders and Invasive Alien Plant Programme employees.
- Continuously providing necessary information during site visits and on all email users.

- Raising awareness on the number of incidents and communicating lessons learnt from those incidents and/or near misses.
- **The following policies and procedures were reviewed in the reporting period:**
  - SHEQ Management Policy Statement Revision 4
  - SHEQ Management Integrated Systems Manual
  - SHE Committee Structure Procedure
  - Creating and Updating Documented Information Procedure and
  - SHEQ Objectives and Targets Procedure
  - SHE Committees meetings to promote health and safety participation and consultation.
  - Annual medical surveillance programme assessment done for all Msinsi employees
  - Occupational Hygiene Surveys that were conducted in all sites for Asbestos and Ergonomics.
  - Emergency drills that were done in all reserves
  - Numerous SHEQ compliance audits and inspections

In the year under review, Msinsi recorded a Disabling Injury Frequency Rate (DIFR) of 0.76 which is above the target of 0.5. This is an improvement compared to 2021/2022 financial year where the organisation recorded a 1.6 DIFR. The improvement is attributed to the ability of the organization to monitor its health and safety risks and implementing appropriate response measures to address undesirable trends as and when identified.



The figure below represents the year-on-year comparison of the rolling DIFR:

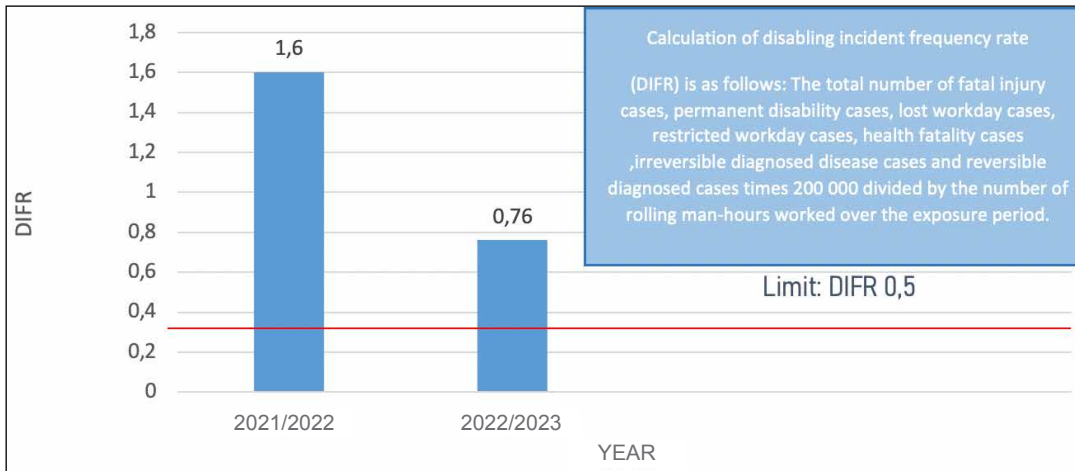


Figure 5.2: Disabling Injury Frequency Rate (DIFR)

### INCIDENT MANAGEMENT

The organization recorded thirty-five (35) incidents since the beginning of the financial year. This indicates decrease in the number of incidents from previous year which were sixty-four (64) which included COVID-19 cases.

The figure below indicates the comparative analysis of incidents for the past two financial years:

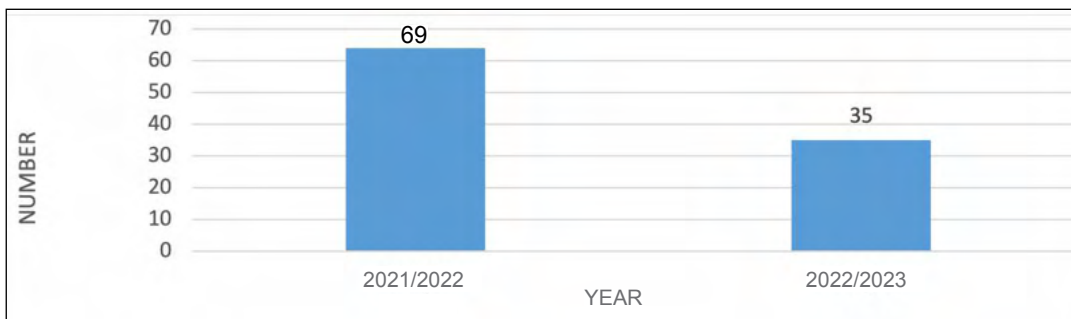


Figure 5.3: Incidents per Category



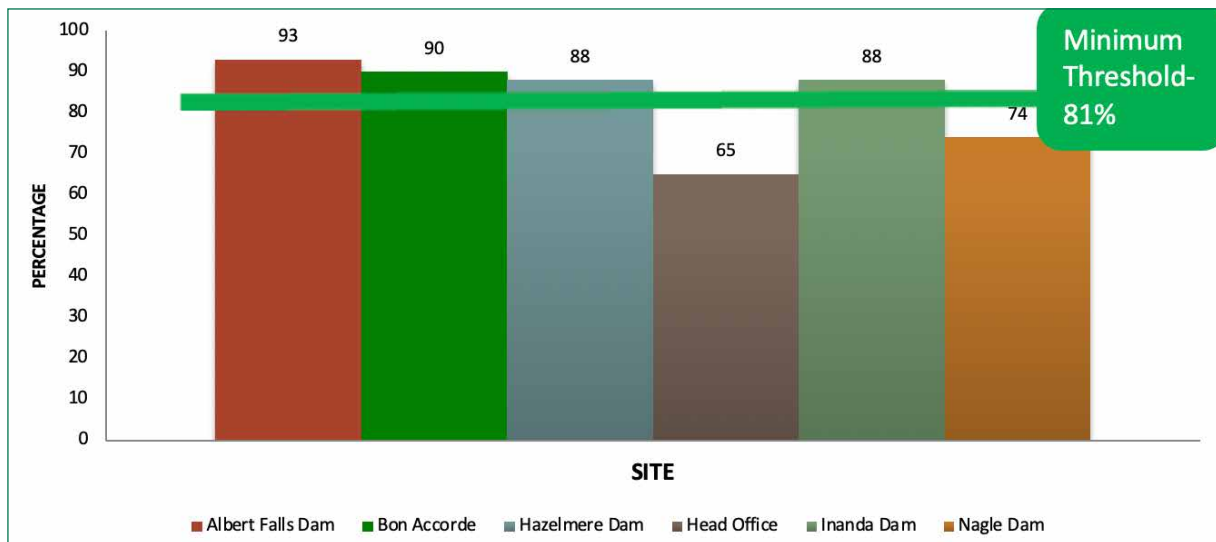




**SHEQ COMPLIANCE**

SHEQ compliance was assessed in all Reserves through SHEQ inspections and Managers safety file audits. The organisation was found to be 83% compliant in SHEQ requirements overall.

The below graph indicates the percentage of compliance for each site. The minimum threshold for compliance in each site is 81 percent.



**Figure 5.4: Percentage of Compliance per Site**









The background is a vibrant green with various abstract elements. There are several overlapping geometric shapes, including rectangles and circles, some with thin white outlines. A large, faint, stylized human figure is visible in the center. In the bottom right corner, there are several horizontal wavy lines. The overall aesthetic is modern and professional.

06. HUMAN  
RESOURCES  
**OVERVIEW**



## 6. HUMAN RESOURCES OVERVIEW

### INTRODUCTION

Msinsi Holdings is a service organisation, Human Resources (HR) forms part of the core of business and service delivery. It must fulfil its obligations by delivering high-quality services. To do this, it relies on its employees, who in turn need to have a healthy work environment where they can thrive and deliver superior performance.

To ensure that this takes place, the Msinsi Holdings Human Resources Department (HR) works with other divisions and line managers to create an environment where employees thrive and deliver superior and sustained performance. The Human Resource (HR) function also supports Msinsi's mandate and strategic goals by ensuring its employees are equipped with the knowledge, skills, and abilities needed to deliver on those commitments.

#### 6.1.1 HUMAN RESOURCE PRIORITY AREAS

The Five-Year Human Resource (HR Plan) identifies ten (10) Human Resources focus areas with specific objectives. These objectives were translated into action plans on an annual basis, over five years. The Human Resources focus areas covered are as follows:

- Employee Resourcing and Human Resources Administration
- Employment Relations Management
- Leadership and Learning & Development
- Workforce Planning
- Employee Wellness
- Performance Management
- Reward and Recognition
- Continuous Improvement
- Organisational Development
- Human Resources Systems and Risk Management

#### 6.1.2 HUMAN RESOURCE CHALLENGES

In line with the Five-Year HR Plan, the following human resources challenges were identified as potential hindrances to the successful implementation of the plan:

- Employee Retention
- Employee Motivation

- Water resource management and eco-tourism skills are in global demand, and there is a need for long-term capacity development, which requires resources, including funding and infrastructure
- Lack of succession planning interventions
- Managing the high cost of payroll, high vacancy rate, employee motivation and retention in a difficult financial situation

#### 6.1.3 ORGANISATIONAL ALIGNMENT

Msinsi Holdings embarked on redesigning its business model and restructuring the organisation to ensure strategic alignment and collaboration of all divisions internally and the broader stakeholder management to improve its relevance. Hence, the business model re-engineering to repurpose the organisation for better service delivery and a competent workforce. A reviewed organisational structure that is aligned to organisational growth plan and operational needs was done.

The process of the organisational structure review required the following:

- Consulting with line managers to develop to identify workforce needs.
- Aligning the organisational structure with Msinsi Holdings operational needs.
- Ensuring an appropriate budget or cost model is in place to implement the workforce plan successfully.
- Conducting a staff verification to determine the organisational capacity and that the right number of people are in place at the right time.
- Reviewing the Workplace Skills Plan to prioritise the development of future supply of right skills to meet the organisational needs.





## 6.2 EMPLOYEE RESOURCING AND HUMAN RESOURCE ADMINISTRATION

### 6.2.1 STAFF ESTABLISHMENT

Msinsi had 138 permanent employees out of 162 permanent budgeted posts in the staff establishment as at 30 June 2023 which includes the new six (6) positions created and prioritised as a result of the organisational structure review. The organisation vacancy rate was 13.66%. Generally, the average vacancy rate in respect of funded posts in similar government departments/entities is 14.77%.

The recruitment process to fill the vacancies on the approved organogram was on hold following a moratorium placed by the Minister of Water and Sanitation on 6 December 2022.

There were three (3) employees on Fixed Term Contracts and nine (9) Graduate Trainees as at 30 June 2023.

Figure 6.1 below illustrates the Staff establishment for the reporting period:

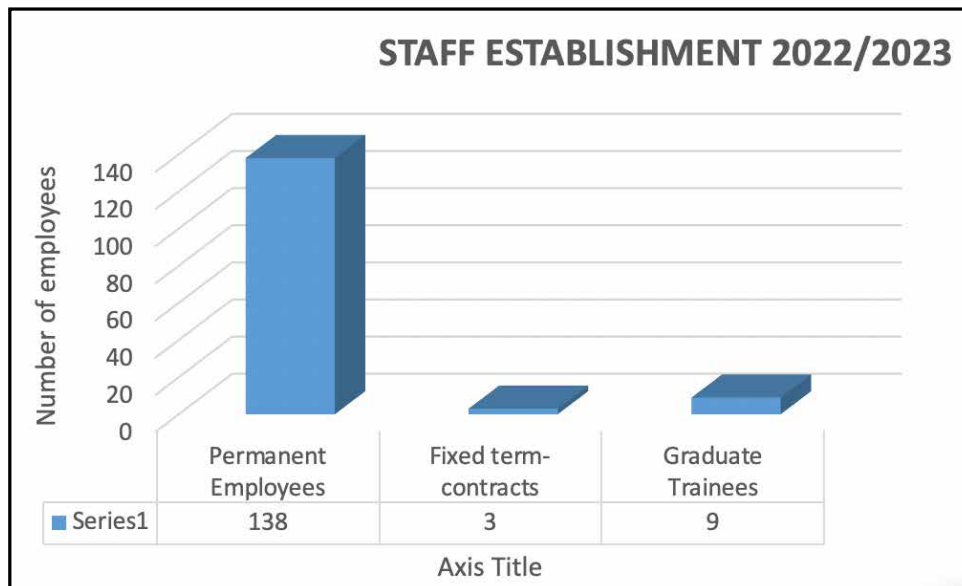


Figure 6.1: Staff Establishment

### 6.2.2 OCCUPATIONAL LEVELS

For ease of reference, Figure 6.2 below illustrates the Msinsi occupational levels which are broken down into top management; senior management; professionally qualified & experienced specialists & mid management; skilled technical & academically qualified workers, junior management, supervisors, foremen and superintendents; semi-skilled & discretionary decision making; and unskilled & defined decision making.

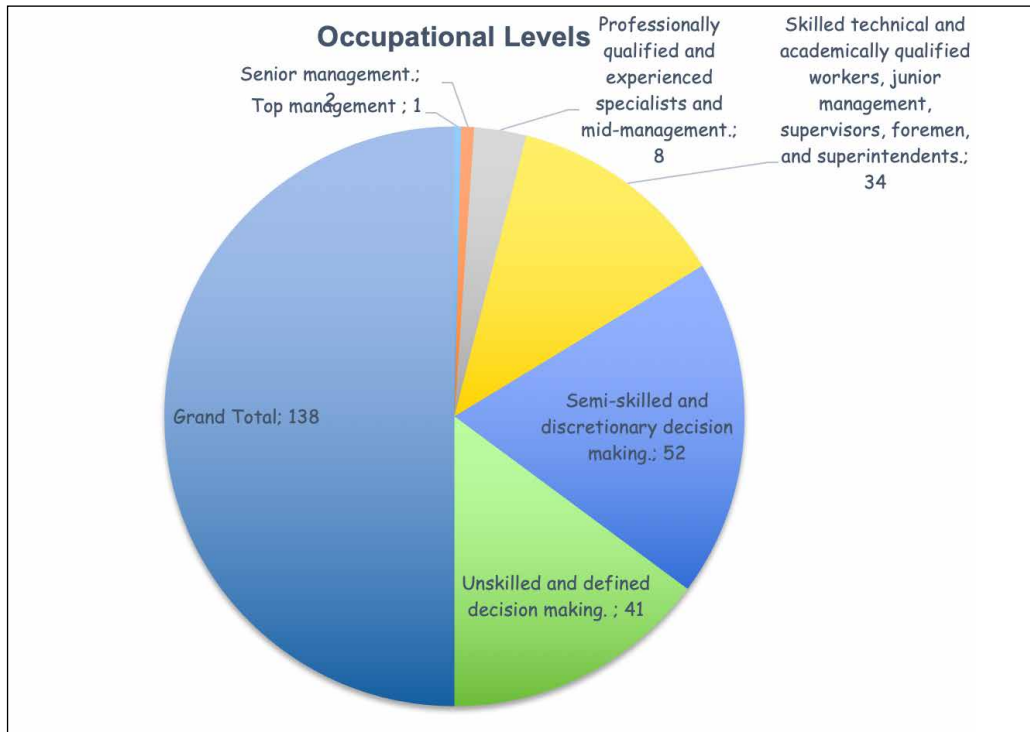


Figure 6.2: Msinsi Occupational Levels

### 6.2.3 EMPLOYMENT EQUITY STATUS

In support of the overall Msinsi Holdings vision, the Employment Equity (EE) vision is to build a transformed and high performing workforce that is representative of the demographics of the country.

The five-year Employment Equity Plan has been reviewed and will be implemented to enhance the achievement of the Employment Equity vision. The Recruitment and Selection Policy was reviewed to be aligned with the employment equity plan for 2023-2028.

This vision is in line with the Msinsi Holdings strategic objective of continuing transformation by employing staff in line with employment equity and gender mainstreaming requirements.

The vision will be realised by implementing the Employment Equity numeral targets contained in the plan. In establishing the numerical goals for Msinsi Holdings for the period 2023/2024-2027/2028, the key challenges, lessons learnt, potential growth rate of Msinsi Holdings, and the B-BBEE assessment was taken into consideration in setting the targets for 2023/2024 -2027/2028.

The key focus is to ensure consistent improvement in shifting Msinsi Holdings towards a demographically representative workforce, in line with South Africa's economically active population profile. Msinsi Holdings shall continue to monitor and improve employment equity and diversity.



Msinsi's employment equity status is indicated in Table 6.1 below:

OCCUPATIONAL LEVELS	MALE				FEMALE				TOTAL
	A	C	I	W	A	C	I	W	
Top Management					1				1
Senior Management					2				2
Professionally qualified and experienced specialists and mid-management.	3				4		1		8
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	10				21	1			32
Semi-skilled and discretionary decision making	43				11				54
Unskilled and defined decision making	18				23				41
<b>TOTAL PERMANENT</b>	<b>74</b>				<b>59</b>	<b>1</b>	<b>1</b>		<b>138</b>
Temporary Employees					1				1
<b>GRAND TOTAL</b>	<b>74</b>				<b>63</b>	<b>1</b>	<b>1</b>		<b>139</b>

**Table 6.1: Employment Equity Status**

#### 6.2.4 HUMAN RESOURCE POLICIES AND PROCEDURES

In support of the overall Msinsi Holdings vision, the Employment Equity (EE) vision is to build a transformed and high performing workforce that is representative of the demographics of the country.

The five-year Employment Equity Plan has been reviewed and will be implemented to enhance the achievement of the Employment Equity vision. The Recruitment and Selection Policy was reviewed to be aligned with the employment equity plan for 2023-2028.

This vision is in line with the Msinsi Holdings strategic objective of continuing transformation by employing staff in line with employment equity and gender mainstreaming requirements.

The vision will be realised by implementing the Employment Equity numeral targets contained in the plan. In establishing the numerical goals for Msinsi Holdings for the period 2023/2024-2027/2028, the key challenges, lessons learnt, potential growth rate of Msinsi Holdings, and the B-BBEE assessment was taken into consideration in setting the targets for 2023/2024 -2027/2028.

The key focus is to ensure consistent improvement in shifting Msinsi Holdings towards a demographically representative workforce, in line with South Africa's economically active population profile. Msinsi Holdings shall continue to monitor and improve employment equity and diversity.



Table 6.2 reflects the Policies/Procedures which were developed/ reviewed and approved for the 2022-2023 financial year:

POLICY/PROCEDURE	REVIEWED	NEW
1. Payroll Administration Procedure	√	
2. Employment Equity Policy	√	
3. Recruitment and Selection Policy	√	
4. Long Service Policy	√	
5. Subsistence and Travel Policy	√	
6. Placement Policy		√
7. Secondment Policy		√
8. Cell phone and Data Policy		√
9. Subsistence and Travel Procedure	√	
10. Recruitment and Selection Procedure	√	

**Table 6.2: Approved Policies/Procedures**

### 6.2.5 RECRUITMENT AND SELECTION

The Minister of Water and Sanitation introduced a moratorium on the filling vacancies due to uMngeni-uThukela Water reconfiguration. Only prioritised positions were filled. There were five (5) positions filled during 2022/2023 financial year

Table 6.3 below presents the demographics of the recruited employees as per the current Msinsi occupational levels.

The alphabetical codes represent employee race - Note: A=African, C=Coloured, I=Indian, and W=White.

OCCUPATIONAL LEVELS	MALE				FEMALE				TOTAL
	A	C	I	W	A	C	I	W	
Professionally Qualified and Experienced Specialists and Mid-Management (P6-8)					1				1
Skilled technical and aca-demically qualified workers, junior management, super-visors, foremen, and super-intendents					3				3
Unskilled and defined decision making (P16)					1				1
<b>TOTAL ENGAGEMENTS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>

**Table 6.3: The Demographics of the recruited employees as per the occupational levels**



### 6.2.6 EMPLOYEE TERMINATIONS

Figure 6.3 below presents the Labour Turnover rate and is based on permanent employee terminations excluding natural attrition. The Labour Turnover rate was 1.9% for 2022/2023 as a percentage of 138 employees in the staff establishment. Notably, the labour turnover target was 5%.

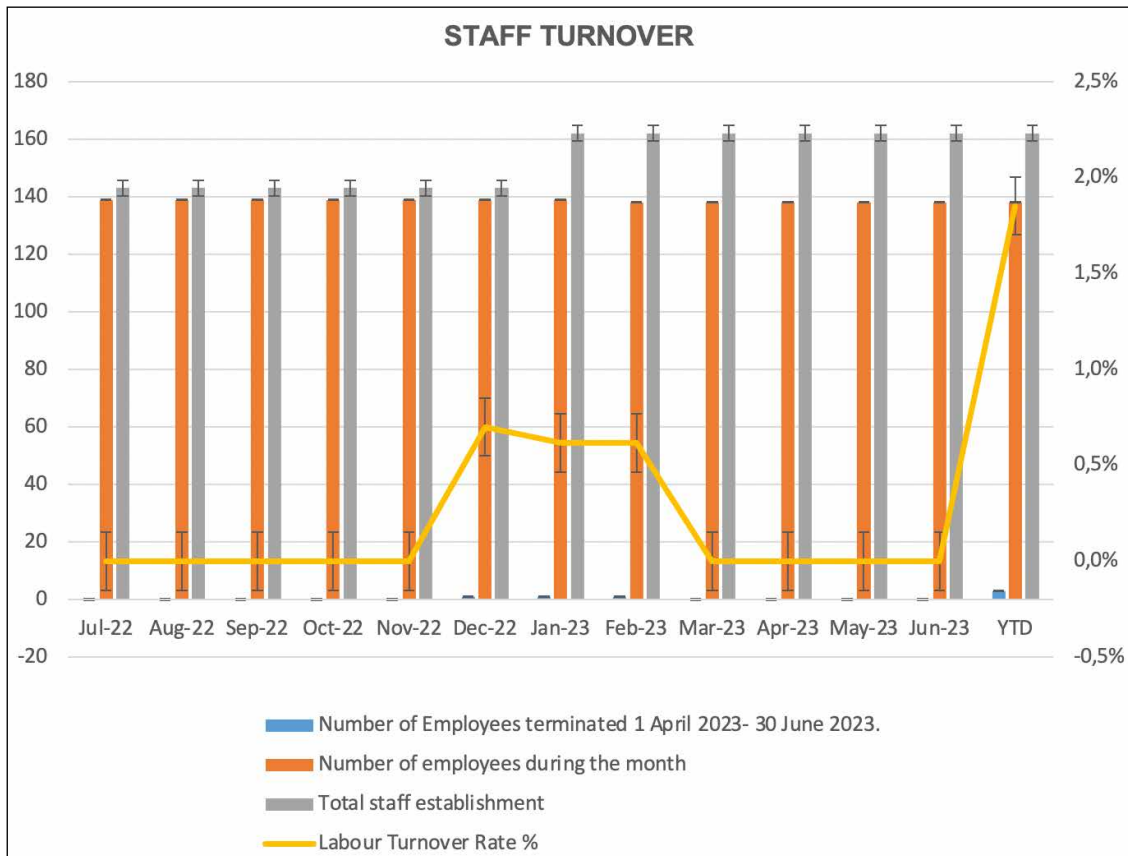


Figure 6.3: Labour Turnover for the year 2022/2023

## 6.3 EMPLOYMENT RELATIONS MANAGEMENT

MSinsi Recognised Labour Union is the National Education Health and Allied Workers Union (NEHAWU). There were nine (9) Union and Management engagements that were held during the period under review.

### 6.3.1 INTERNAL DISCIPLINARY CASES REGISTER

- There were no dismissal cases for the 2022/2023 financial year.
- There were two (2) CCMA cases that were settled with no costs to the organisation.





## 6.4 REWARDS AND RECOGNITION

### 6.4.1 SALARY COSTS

Figure 6.4 below reflects the total salary costs for the financial year 2022/2023.



Figure 6.4: Total Salary Costs

The organisational salary costs for the period under review were within the budget.

The fluctuations are due to the following reasons:

- Q2 - There was implementation of a 5.5% salary increase and payment of 13th cheques and performance bonuses.

### 6.5 DISCLOSURE OF INTEREST

All Msinsi Employees are required to sign a Disclosure of interest form as per the Public Finance Management Act No.1 Of 1999: Chapter 9 General Treasury Matters, section 76, Treasury regulations and instructions – (1) “The National Treasury must make regulations or issue instructions applicable to departments, concerning gifts or donations by or to the state”.

Table 6.4 below depicts the declaration of interests submitted by employees at the end of Q4 which is a 100% submission:

DIVISION	FORMS ISSUED	FORMS RETURNED	OUT-STANDING	DECLARED INTEREST	APPROVALS
Managing Director	5	5	0	0	0
Corporate Services	14	14	0	3	3
Operations	119	119	0	4	4
<b>Total</b>	<b>138</b>	<b>138</b>	<b>0</b>	<b>7</b>	<b>7</b>

Table 6.4: Declaration of interests

During the reporting period, there were no contraventions of Section 30(b) of the Public Service Act identified.



## 6.6 PERFORMANCE MANAGEMENT

### 6.6.1 PERFORMANCE MANAGEMENT SYSTEM

Msinsi Holdings implements a rigorous Performance Management process to ensure that it can achieve its goals and objectives. The Performance Management System for Msinsi Holdings is designed to develop, support, and improve individual and team performance.

The process requires that all employees conclude performance agreements at the beginning of each financial

year. These are aligned to the strategic objectives and Annual Performance Plan targets applicable to the year when they are concluded. The performance bonuses were paid out to qualifying employees during the year under review.

This motivates employees to meet their goals with incentives and addressing poor performance with consequence management

## 6.7 LEARNING AND DEVELOPMENT

Msinsi Holdings priority is to analyse employee skills needs by developing a Workplace Skills Plan to upskill and develop employees. The Workplace Skills Plan comprised of compliance trainings (health and safety, first aid, firearm and customer-focused interventions). The objective is to enable the organisation to deliver on its mandate by ensuring that employees have the appropriate skills and competencies.

### 6.7.1 SHORT SKILLS TRAINING AND STAFF BURSARIES (ASSISTED EDUCATION SCHEME)

In the 2022/23 financial year, a total of 236 short learning programmes and workshops were conducted. A total of nine (9) employees received staff bursaries in various universities / tertiary institutions to enable them to study further.



# Msinsi

RESORTS & GAME RESERVES





The background is a vibrant green with various abstract elements: overlapping circles, lines, and a dotted pattern. A large, faint number '7' is visible in the center. The text is centered and reads:

07. MARKETING &  
STAKEHOLDER  
**OVERVIEW**



## 7. MARKETING AND STAKEHOLDER OVERVIEW

### 7.1. INTRODUCTION

Msinsi Holdings focused its marketing efforts on creating and implementing brand awareness, brand positioning and integrated communication to the key stakeholders from the primary and secondary mandate. The business embarked on different implementation strategies to reinforce its brand awareness, brand positioning and communication through various traditional and digital platforms. The department took a 360 marketing approach to reach the audiences on all modes of communication, while elevating the brand and ultimately attracting new customers whilst recapturing interest of existing customers to the reserve.

### 7.2. MARKETING OBJECTIVES

The marketing objectives for the year 2022/2023 were:

- To reinforce the Msinsi brand in the minds of the consumer with a focus on "Wellness through Nature"
- To strengthen the brands position within the market thus creating a strong brand presence and memorability via brand awareness
- To increase our digital presence in the market and effectively communicate product offerings and services
- To increase revenue and footfall for Msinsi Holdings
- To increase visitor numbers, visitor satisfaction and repeat visitation
- To create brand resonance and defined brand message

OBJECTIVE	ACTUALS
Number of Marketing Initiatives to Promote Msinsi Products	117
Number of Signed Contracts/MoUs with Customers & Stakeholders for revenue	6
Number of engagements with Strategic Stakeholders	28
Number of CSI initiatives undertaken	19

Table 7.1: Marketing & Stakeholder Engagement Balanced Scorecard

### 7.3.1 MARKETING TOOLS

The organisation used various marketing tools in order to engage with stakeholders to enhance brand and stakeholder value. As a result, all traditional and digital platforms have continued to show great growth across all categories. Below are some of the methods utilized to create brand awareness, brand position and integrated communication:



Figure 7.1 Msinsi Integrated Marketing Channels





### 7.4. MARKETING INITIATIVES

The graphics below highlights some of the marketing initiatives that the marketing department was involved in for the year:

**Annual signature music & Sporting Events:** Major League Fishing (MLF) competition, KZN Trail Run, Fishing League Worldwide (FLW) Bass Angling Competition, Ozzie Gladwin, CANSA fishing competition, Dusi Canoe Marathon, Umgeni Water Marathon, KZN Sprints Championship, KZN Canoe Marathon, SA Canoe Marathon, Inanda Dam Music Festival and Durban Jazz Festival

**Msinsi Owned Events & Activations:** Msinsi Annual Report Launch, Heritage Campaign (Internal), Freedom Day Hike, Lunch with the MD and Proclamation of Nagle Dam

**Promotions & Specials:** Valentine’s Day promotion, Spring Edition of ROVE SA Magazine, Quarterly Reserves Packages, 50% Winter Special, Heritage Day Competition, Women’s Day Competition, Easter Campaign, Inanda Dam Advert on Durban Tourism, Dusi Marathon Accommodation, Digital Magazine Adverts

**Social Media Engagement:** #MsinsiCares on CSI initiatives, Special Environmental Calendar Days Acknowledgements, social media adverts, Environmental Education and CSI Initiatives

**Other Activations:** Durban Tourism Inter- Provincial activations, Activation Stand at Dusi Marathon, Africa Travel Indaba, Meetings Africa, Mabliza Lifestyle, Climate Change Indaba, KZN Careers Expo, Highbury Preparatory School Fun Run, Winter School Holiday Activations, Umgibe Stop Hidden Summit, National Youth Indaba, Umgeni Marathon, Comrades Marathon

**Digital & Direct Marketing:** Bi-annual newsletter, Improved Social Media engagement, targeting and realignment of Msinsi website and social media audience, Internal support - advertising tenders and vacancies, improving Google business account, Online Digital magazine advertising, Radio Station interviews and Newsroom Africa interviews

Figure 7.2: Msinsi Marketing Initiatives



### 7.5. CUSTOMER RELATIONSHIP MANAGEMENT

The campaigns and activities executed are aligned with the objectives in place to position and enhance the brand through potential stakeholders in a form of advertising, exhibiting and activations to the relevant target audience. The significance of the activities is to increase the value proposition and revenue and increase the reach of the organisation as a preferred brand within the water resource management and eco-tourism sector.

The figure below depicts activities that took place with customers during the reporting period:

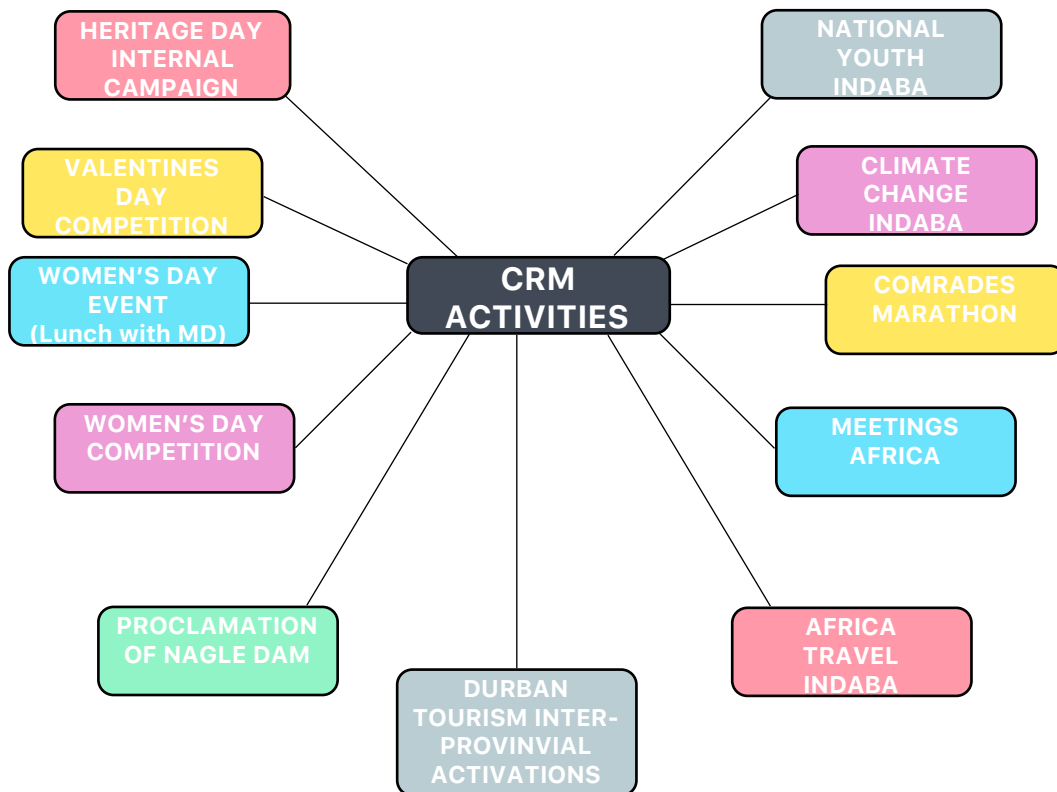


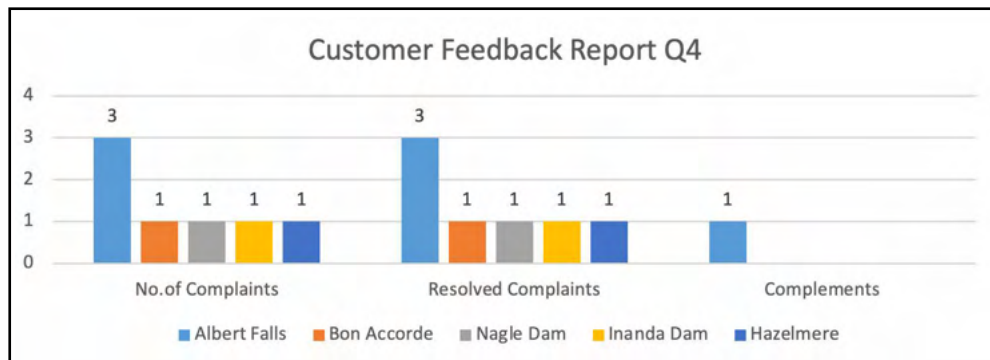
Figure 7.3: 2022/23 Customer Relationship Management Activities

### 7.6. CUSTOMER FEEDBACK

Msinsi manages customer feedback through the following communication channels: email, telephone, social media, website, walk in and or post. The aim is to ensure customer satisfaction at all times. Msinsi recorded a total of seven (7) customer feedback in the reporting period. These include compliments from customers. Seven (7) customer complaints have been resolved and closed. One (1) compliment was received in Albert Falls Dam.



Figure 7.4 displays the number of complaints and compliments received from all reserves in the past financial year.



**Figure 7.4: 2022/23 Customer Feedback**

### 7.7 FUTURE MARKETING PLANS

The Marketing Strategy, together with the Marketing Implementation Plan has been developed to steer a clear direction in marketing efforts. The strategy and plan allude to the long term plan for achieving Msinsi’s mandates by understanding the needs of customers, whilst creating a distinct and sustainable competitive advantage.

Furthermore, it provides a strategic communication, marketing advisory and tactical implementation service to the organisation. To ensure Msinsi stays abreast of digital advancements, plans are underway to revamp the website. The revamped website will entail updated information related to all Msinsi’s sites and product offerings.

Going forward, the Marketing Department aims to work towards the re-branding of the organization.

**The objectives of the re-branding process include:**

- To embark on new marketing activities that will make Msinsi’s brand presence felt in the market.
- To increase the company’s digital presence in the market and effectively communicate Msinsi’s brand positioning through these platforms;
- To change the company’s approach on how the organisation sells itself as a destination for nature based tourism
- To support revenue enhancement initiatives for nature based tourism;
- To contribute towards building a positive relationship with stakeholders;
- To create brand resonance and redefined brand message.





# Msinsi

RESORTS & GAME RESERVES





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08. CORPRATE  
SOCIAL  
**INVESTMENT**





## 8. CORPORATE SOCIAL INVESTMENT

### 8.1. INTRODUCTION

The sole responsibility of Msinsi Holdings is the management of dams on behalf of uMngeni-uThukela Water.

As such, it is proper that the company aligns itself with its fundamental responsibility of contributing towards the social, environmental and economic development of the communities within which it operates and to position Msinsi Holdings as a good corporate citizen.

The primary role players and stakeholders of Msinsi Holdings when it comes to corporate social responsibility are communities neighbouring the dams and all employees in the employ of Msinsi Holdings. It is therefore important that as a company, Msinsi Holdings commits itself and contribute towards the betterment of the people within the areas in which it operates and South Africa as a whole where necessary. Msinsi Holdings has therefore adopted a Corporate Social Investment Policy aligned to the company's strategy and seeks to contribute to the overall mission and vision of the company.

### 8.2. OBJECTIVES

**The objectives of the Corporate Social Investment programme are the following:**

- Positive impactful and sustainable contribution toward the social, economic and environmental development of the communities within Msinsi areas of operation.
- To build and improve lasting relationship with stakeholders, existing and potential, thus, increasing goodwill and loyalty.
- To empower disadvantaged communities and other stakeholders guided by the funding focus areas.
- To create a positive perception of the organisation and maintain its reputation as a good corporate citizen while enhancing customer and stakeholder value.

**The funding focus areas for the Msinsi Holdings Corporate Social Investment Plan as per the Policy are the following:**

- Education and training
- Job creation
- Public health, Community development and support
- Environmental conservation
- Arts, culture and Sport

### 8.3. INITIATIVES UNDERTAKEN

The following highlights categories of the CSI initiatives undertaken by Msinsi Holdings in the period under review:

### 8.4. ARTS, CULTURE & SPORTS

- Donation of Sports kit, medals & trophies for We Alive Youth Organisation
- Donation of Canoe Trailers to Thulani Mbanjwa Sports Academy
- Sponsor of Tanks and Kitchen Equipment for Mashiyamahle High School



## **8.5. COMMUNITY DEVELOPMENT**

- Donation of an Ox to Amabutho Maidens
- Donation of Educational Material for Thokozani Creche
- Donation of sets of farming equipment to Maphephetheni Traditional Authority.
- Donation of sets of farming equipment to Ngcolosi Traditional Authority.
- Donation of sets of farming equipment to Iqadi Traditional Authority.
- Donation of sets of farming equipment to Qiniselani Manyuswa Traditional Authority.
- Supply & delivery of four (4) room house building material for KwaGcumisa Traditional Authority Area
- Mandela Day, 67 Minutes of giving painting and donation of food parcels, generators and electrical appliances at Abalindi Welfare & Old Age Home
- Supply & deliver of building material at Bongisipho Edu-care Center
- Donation of a cheque for the school to purchase school uniforms for Makhumbuza High School.
- Donation of a cheque for the school to purchase school uniforms for Daluxolo Primary School.
- Donation of a cheque for the school to purchase school uniforms for Sobantu Secondary School.
- Supply and delivery of paint to Nungwane Primary School
- Supply and delivery of paint to Tobi Senior Primary School

## **8.6. EDUCATION AND TRAINING**

- Back to School support; registration fees for Mashiyamahle High School
- Donation of Tech Teaching & IT Equipment to New River Combined School
- Donation of Stationery Material & IT Equipment to Mkhwatshi Primary School







The background is a vibrant green with various abstract elements. There are several overlapping geometric shapes, including rectangles and circles, some with thin white outlines. A large, faint, stylized graphic resembling a person or a figure is visible in the center. In the bottom right corner, there are several horizontal wavy lines. The overall aesthetic is modern and professional.

# 09. ORGANISATIONAL PERFORMANCE **OVERVIEW**





## 9. ORGANISATIONAL PERFORMANCE OVERVIEW

### 9.1 PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

Msinsi Holdings implements its strategy through a balanced scorecard, comprising four (4) Balanced Perspectives linked to the Seven (7) organisational strategic objectives.

The KPIs are further made up of sixty-one (61) total annual measurable Result Indicators, for which responsibilities and accountabilities were agreed and targets approved within the entity during the year under review. Collectively, the scorecard enables the organisation to achieve its ten (10) outcomes and, ultimately, its mission/mandate to manage the water resources and the environment.

### 9.2 PERFORMANCE REPORT

The organisation achieved an overall performance of 91.32% in year 2022/2023.

The variance of 08.68% was due to Eleven (11) targets not being holistically achieved viz.:

#### SO 2: IMPROVE FINANCIAL SUSTAINABILITY

- Total revenue, R24.314 million (from operations) (achieved 60%)
- Review Stakeholder Engagement Plan (achieved 0%)
- Risk Review Report (achieved 75%)

#### SO 4: IMPROVE BUSINESS PROCESSES

- Number of new policies and procedures developed and approved by EXCO or the Board (achieved 80%)
- Unqualified Audit Report with no emphasis of matters (SHC) (achieved 0%)
- Number of unresolved audit findings (achieved 0%)
- Number of breaches in materiality and significance framework – Irregular Expenditure incurred R55 763.00 (achieved 0%)
- Acquisition of Computerised Maintenance Management System (achieved 0%)
- Implementing CRM System (achieved 86%)

#### SO5: INCREASE SKILLS AND COMPETENCIES

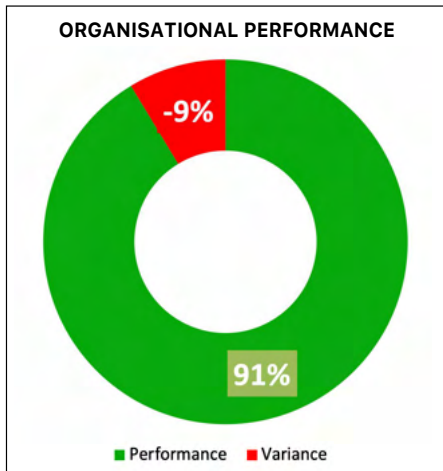
- 80-90% Actual Skills Plan implementation vs planned implementation (achieved 34%)

#### SO7: IMPROVE PRODUCTS AND SERVICES

- Total percentage Occupancy for Camping facilities against the capacity (achieved 50%)



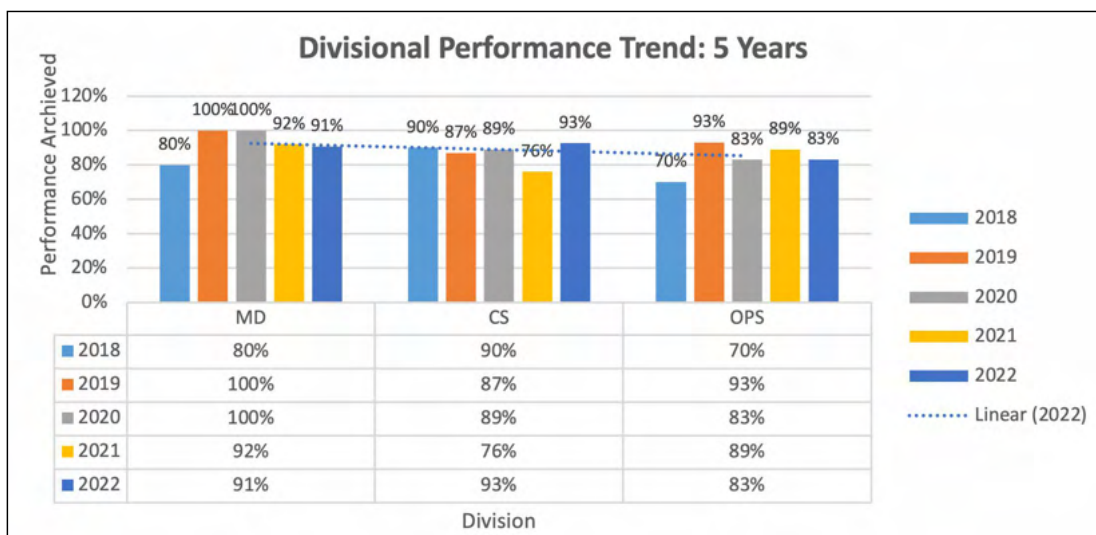
Performance for the period under review is illustrated graphically in the following Figures 10.1 to 10.5:



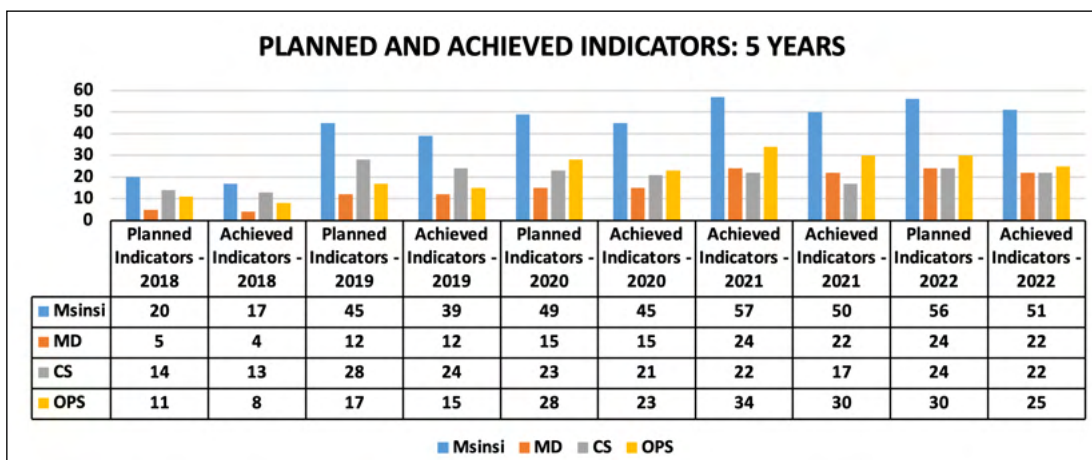
**Figure 9.1:**  
Target met and Variance (Round-off)



**Figure 9.2:**  
Performance Trends (Round-off)



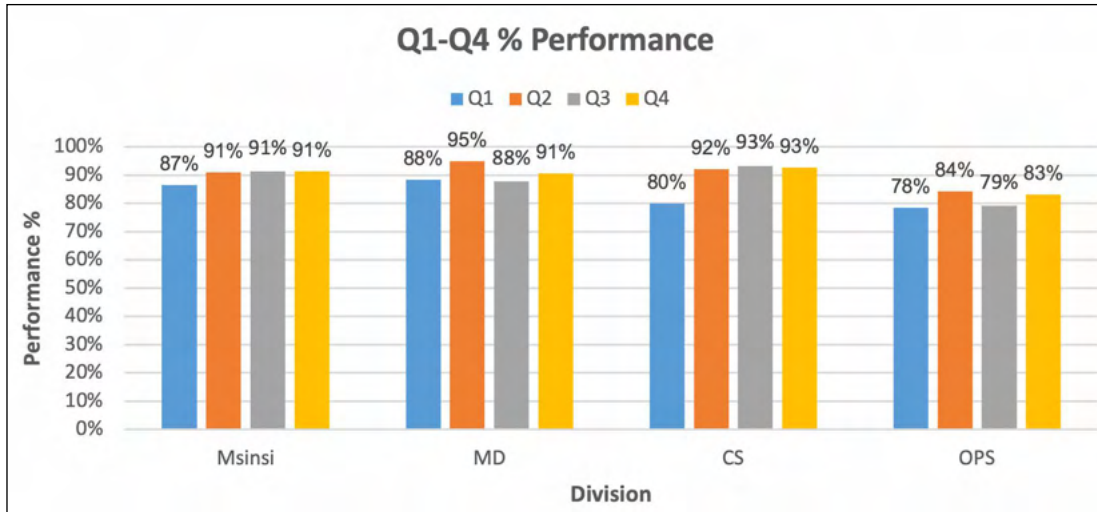
**Figure 9.3:** Divisional Performance Trends (Round-off)



**Figure 9.4:** Number of planned and achieved indicators per Division



The Figure below illustrate the summary of the organisational performance for Q4 as compared to Q1, Q2 and Q3 of the reporting year:



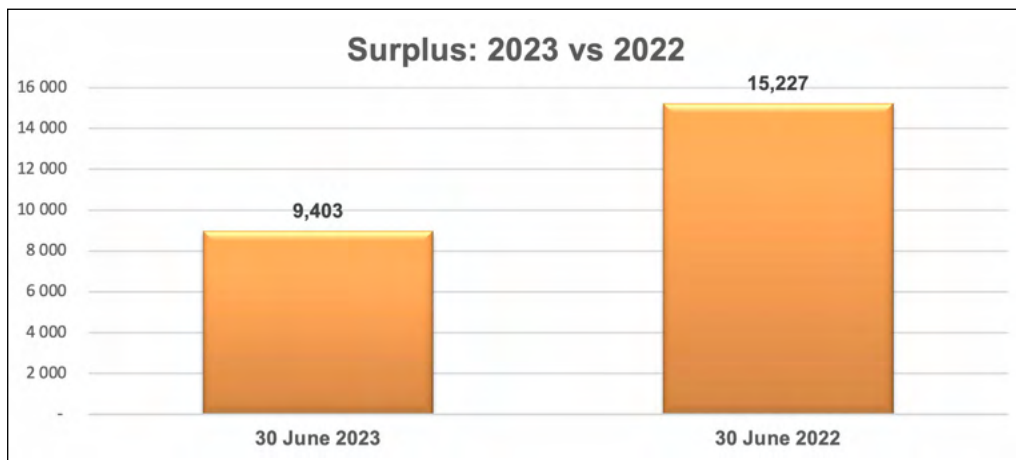
**Figure: 9.5: Annual performance illustration (Round-off)**

### 9.3 FINANCIAL PERFORMANCE HIGHLIGHTS

The Figures below illustrate the summary of the organisational financial performance

#### SURPLUS FOR THE YEAR

A surplus of R9.4 million has been achieved for the period ending 30 June 2023, whereas a surplus of R15.2 million was reflected in the prior year.



**Figure: 9.6: Year-on-year Actual Surplus**



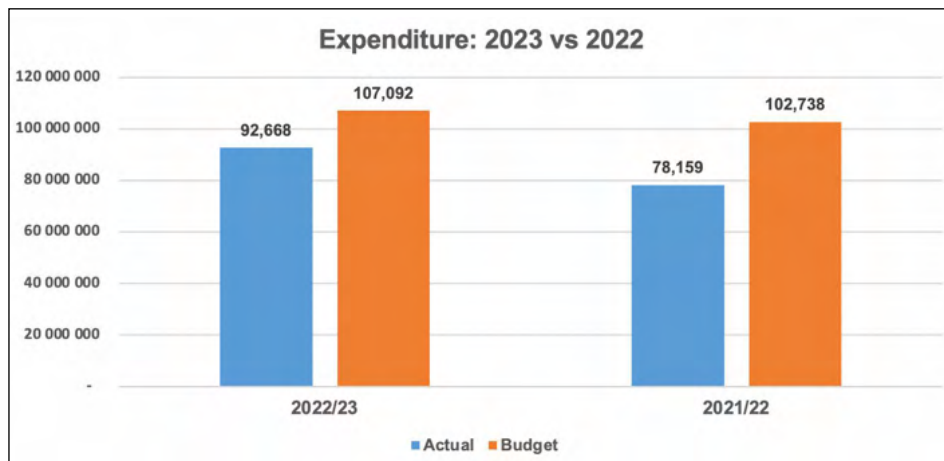
**TOTAL EXPENDITURE 2023 vs 2022**

Total expenditure incurred for the period ending 30 June 2023 is R92,7 million whereas an amount of R78,1 million was incurred in the previous year resulting in an increase of R14,6 million representing an 18,5% increase.

This amount includes Finance Costs. Expenditure is closely monitored by management through a Cost Management Procedure which was reviewed and updated at the beginning of the financial year, to ensure that organisational spend is in line with the approved budget. For the prior and current year, the budget for expenditure was not fully spent.

The increase in expenditure from the prior to the current year amounts mainly relates to the Employee Costs which increased by R8,7 million, Repairs and Maintenance which increased by R846k, Private Security increased by R1,1 million, Director Emoluments by R1,0million, and other operating expenses which increase by R2,8 million.

An amount of R7,2 million was spent on clearing of alien plants at Msinsi sites and uMngeni-uThukela Water areas. The alien plant clearing was partially funded by the R2,5 million received from Natural Resources Management (NRM).

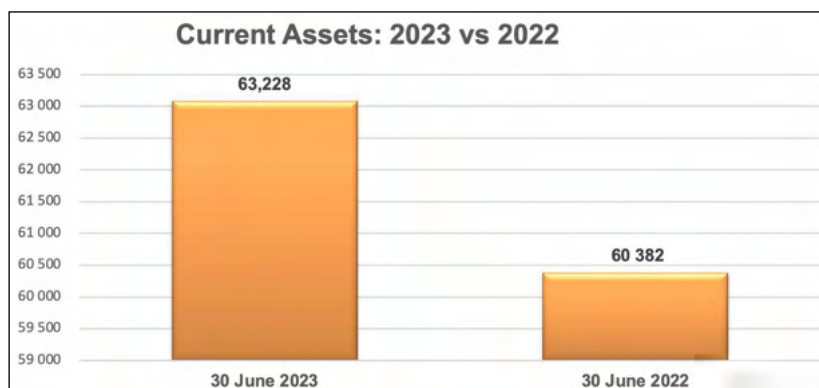


**Figure:9.7: Year-on-year Actual Expenditure**

**CURRENT ASSETS 2023 VS 2022**

**Current assets have increased by R2,8 million, which can be attributable to the following:**

- An increase of R4,6 million in Cash and Cash Equivalents due to an increase in the management fee received from Umgeni Water.
- A decrease of R1,8 million in the Intercompany Receivable held with uMngeni-uThukela Water due to an increase in costs paid by uMngeni-uThukela Water on behalf of Msinsi such as vehicle hire, payment of security cost and other travel costs.



**Figure 9.8: Year on year Current Assets**





### CURRENT LIABILITIES 2023 vs 2022

Current Liabilities have decreased by R1,0 million, which can be attributable to the following:

- A decrease of R132k for the Lease Liability due to the expiry of the uMngeni-uThukela Water rental agreement on 30 June 2023. The new lease agreement will commence on 1 July 2023.
- Trade Payables decreased by R1,6 million due to suppliers being monitored and reconciled timeously to ensure that payments were done before 30 June 2023.
- The Performance Bonus Provision has increased by R862k due to more employees being entitled to receive performance bonus at the end of 2022/2023 and also due to an increase in the basic salary.
- The Community Levy amount has decreased by R146k due to CSI projects that were undertaken in 2022/2023.

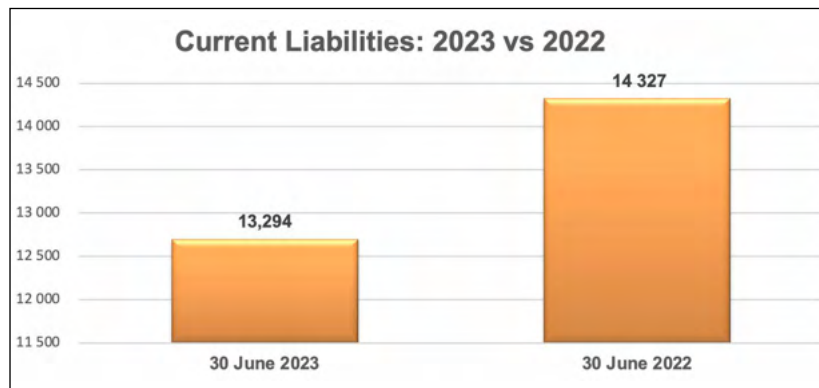


Figure 9.9: Year-on - Year Current Liabilities

### NON-CURRENT ASSETS 2023 vs 2022

Non-current assets have increased by R7,5 million which can be attributable to the following:

- An increase of R2,83 million in Property Plant and Equipment due to the acquisition of assets in 2022/2023.
- An increase in the Right of Use of Asset for an amount of R1,5 million for the lease of the photocopier , land and the renewal of the lease for the building in terms of complying with IFRS 16.
- An increase of R1,1 million in Biological Assets due to the fluctuation in game count numbers and the fair value adjustment based on the revised Biological Asset Policy that was approved by the Board in quarter 4.
- An increase of R2,0 million relating to Intangible Assets due to the setup for the CRM software, which has been recognised as Work in Progress in 2022/2023. The system will be rolled out in quarter 2 of 2023/2024.



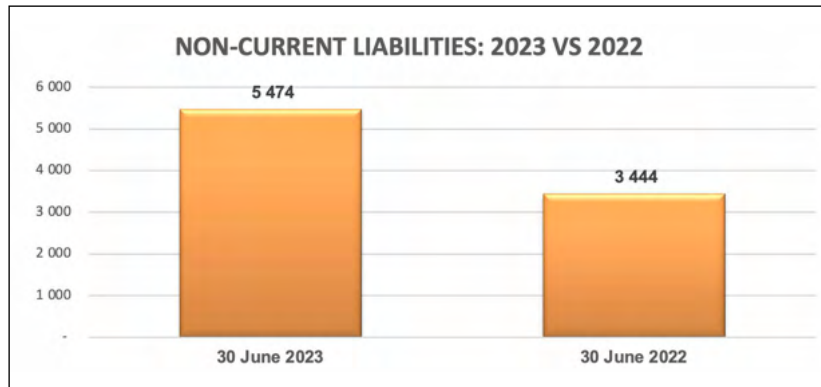
Figure 9.10: Year-on-Year Non-Current Assets



**NON-CURRENT LIABILITIES 2023 vs 2022**

**Non-Current Liabilities have increased by R2,0 million which can be attributable to:**

- An increase of R2,0 million in the amount payable for the long-term Lease Liability due to the payment being done for the remaining period of the lease i.e. IFRS 16 adjustment. A contract was signed between Msinsi Holdings and uMngeni uThukela Water in June 2023 to lease the Head Office building at Hillcrest.



**Figure 9.11: Year-on-Year Non-Current Liabilities**

**9.4 DETAILED ANNUAL PERFORMANCE REPORT**

The detailed Annual Performance Report is as follows:

**STRATEGIC GOALS AND BALANCED SCORECARD PERSPECTIVES**

**Strategic Goal 1: Improve services and be a key partner in the provision of sustainable environmental and biodiversity management services around water resource dams.**

**i. Customer and Stakeholder**

Strategic Objective 1: Improve customers and stakeholder value

**Strategic Goal 2: Improve funding and financial management.**

**ii. Financial**

Strategic Objective 2: Improve financial sustainability

**Strategic Goal 3: Improve efficiency of all inputs**

**iii. Internal Processes**

Strategic Objective 3: Improve stakeholder management

Strategic Objective 4: Improve business processes

**Strategic Goal 4: Strengthen and develop quality human resources and water resources sustainability to support growth.**

**iv. Organisational Capacity**

Strategic Objective 5: Increase Skills and Competencies

Strategic Objective 6: Improve Facility Management

Strategic Objective 7: Improve Products and Services

**ANNUAL PERFORMANCE ILLUSTRATION**

Organisational Annual Performance is presented in the following Tables with sub annexures as follows:

Annexure 1: Variance Report and Scores

Annexure 2: 2022/2023 Performance by Strategic Goals

Annexure 3: 2022/2023 Performance by Strategic Objectives



**VARIANCE REPORT AND SCORES**

A total of Eleven (11) out of fifty-six (56) Result Indicators were not 100% met and the variance is indicated in the following table:

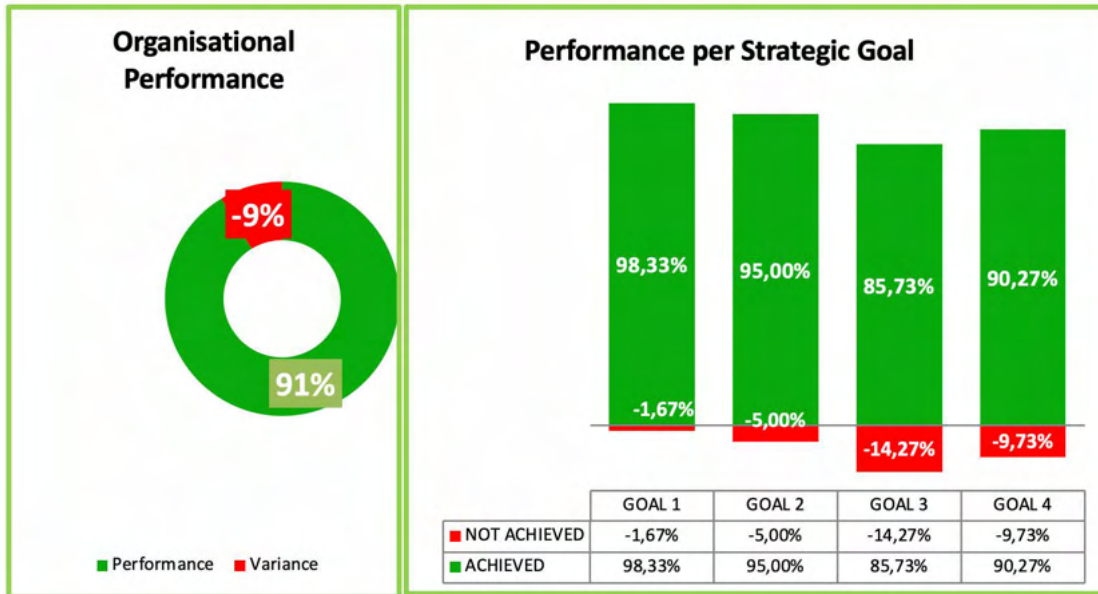
SO	Result Indicator	Target	Actual	Reason for Variance	Turnaround Plan
S02	Total revenue, >= R24.314million from Operations	>=R24.314 million	R14.565million	Increase infestation of Water Hyacinth at Inanda Dam contributed on decline in revenue since most revenue streams i.e. camping, fishing, boat launches are interrelated. Unfavourable weather conditions and poor infrastructure in the Reserves.	An integrated aquatic clearing method is being implemented at Inanda Dam to control the spread of water hyacinth and this include: a team of 13 general workers deployed to manual/chemical spray in the slipways, installation of an aquatic barrier at Bridge 4, release of biocontrol agents to areas not easily accessible by boat. Engagements with stakeholders/customers on progress with cleaning the dam is ongoing. Aerial Spraying of the dam is in progress. Risk Assessment was conducted in Q4 by DFFE to prepare for the spraying. Budget for dredging has been allocated in the procurement plan for the 2023/2024 financial year.
S02	Review Stakeholder Engagement Plan	2023/24 Stakeholder Engagement Action Plan approved by EXCO	2023/24 Stakeholder Engagement Action Plan approved by EXCO (Nil)	Due to moratorium there was a delay in the recruitment process for CSI & Special Projects Manager position to review the 2023/2024 stakeholder engagement plan.	A draft has been developed for consideration to EXCO
	Risk Review Report	4 Risk Review report approved by EXCO	3 Risk Review reports approved by EXCO	Due to moratorium there was a delay in the recruitment process for Risk Officer position. Management has opted for acting arrangement.	The Quarter 3 report was submitted to EXCO and Board during Quarter 4 report
S04	Number of new policies and procedures developed and approved by EXCO or the Board	=>5	=>4	The target was not met as the focus was on review of policies and procedures to support the new strategic direction for the organisation.	There are policies &/procedures that have been planned to be developed in the 2023/2024 year.
	Unqualified Audit Report with no emphasis of matters (SHC)	Clean Audit	Unqualified Audit Report with matters of emphasis	Material misstatements were identified on the Annual Financial Statement	Sufficient time will be given to Internal Auditors to identify gaps and strengthen where weakness have been identified.
S04	Unqualified Audit Report with no emphasis of matters (SHC)	Clean Audit	Unqualified Audit Report with matters of emphasis	Material compliance findings due to misstatements in the Annual Financial Statements and Annual Performance Report.	An action plan to address audit findings will be developed and monitored on a monthly basis. A year-end readiness plan will also be developed to ensure that deadlines are met and that reviewers are given adequate time.
	Unqualified Audit Report with no emphasis of matters (SHC)	Clean Audit	Unqualified Audit Report with matters of emphasis	Material misstatement were identified on the Annual Financial Statement	Sufficient time will be given to Internal Auditors to identify gaps and strengthen where weakness have been identified.



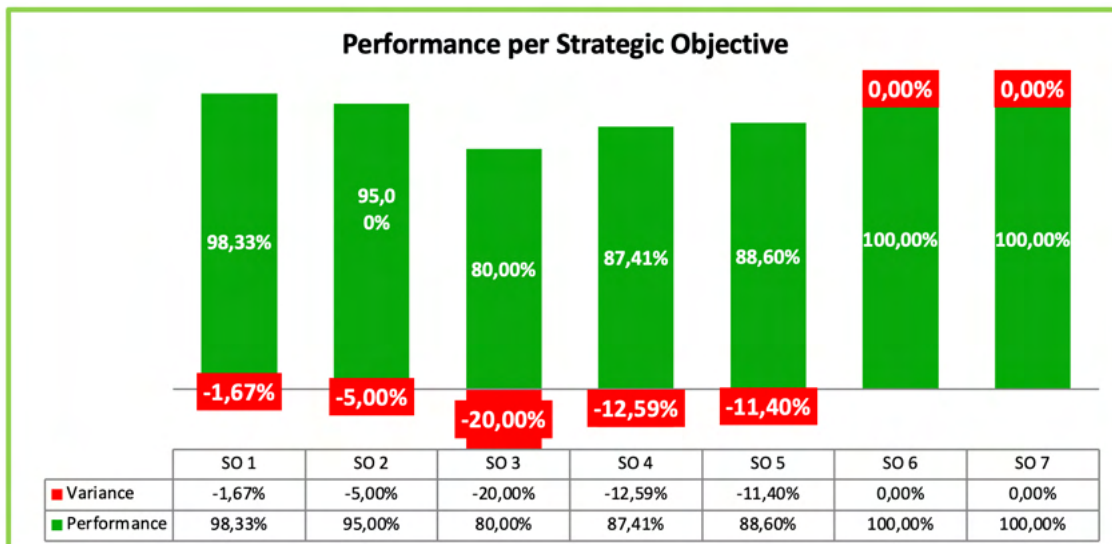
SO	Result Indicator	Target	Actual	Reason for Variance	Turnaround Plan
S04	Number of unresolved Audit findings	Clean Audit	Number of unresolved Audit findings	Three internal audit findings boat locker contract not signed, unauthorised access noted to Nagle dam and ablutions facilities are not adequately maintained. 1 external audit findings. The host contract relating to irregular expenditure. One internal Audit finding for compliance audit is not resolved to date.	All the unresolved audit findings are currently in progress and will be finalised by 2023/2024. The budgets were approved and the projects will commence. The host contract will be terminated and the CRM system will be rolled out in 2023/2024. The Compliance audit finding will be resolved in Q3.
S04	Irregular Expenditure	Zero Irregular Expenditure	R55 736.00	The variance is due to the continued use of the Host Booking System that was raised as an irregular expenditure by AG	CRM tender was awarded, developers are still busy and have not handed the system over to Msinsi. The irregular Expenditure will be cleared once the CRM system is fully functional.
	Acquisition of Computerised Maintenance Management System	Acquisition of Computerised Maintenance Management System	Acquisition of Computerised Maintenance Management System not achieved	The tender for the acquisition of Computerised Maintenance Management System was cancelled in Q1 to prioritise the Infrastructure Maintenance. The budget was then utilised for the prioritisation of infrastructure maintenance.	Nil
	Implementing CRM System	Implementing CRM System	86% Implementing CRM System	There is progress, as the refund policy has been sent for review to the Service provider. A CRM System application Review workshop is set for the management for the new financial year to complete the implementation of the CRM system.	Training to be set for the Management and End users in Q1 of the new financial year.
S05	80-90% Actual Skills Plan implementation vs planned implementation	80%-90% Approved Skills Plan Implementation	34% Approved Skills Plan Implementation	The achieved 34% which is below the 80% target is due to financial constraints as we ran out of the allocated budget.	To review the HR Training budget.
S07	Total Percentage Occupancy for Camping facilities against the capacity.	>= 10% occupancy	>= 5% occupancy	Camping is linked to fishing and boat launching which also declined in the reserves. Inanda Dam was affected mostly due to the increase in water hyacinth as Fishermen could not launch their boats.	Immediate Intervention: An integrated aquatic clearing method is being implemented at Inanda Dam to control the spread of water hyacinth and this include: a team of 13 general workers deployed to manual/chemical spray in the slipways, installation of an aquatic barrier at Bridge 4, release of biocontrol agents to areas not easily accessible by boat. Engagements with stakeholders/ customers on progress with cleaning the dam is ongoing. Action Plan: Aerial Spraying of the dam is in progress. Risk Assessment was conducted in Q4 by DFFE to prepare for the spraying. Budget for dredging has been allocated in the procurement plan for the 2023/2024 financial year.

**Annexure 1: Variance Report & Scores**





Annexure 2: 2022/2023 Performance by Strategic Goals



#### Strategic Goals

**GOAL 1:** Improve services and be a key partner in the provision of sustainable environmental and biodiversity management services around water resource dams.

**GOAL 2:** Improve funding and financial management.

**GOAL 3:** Improve efficiency of all inputs.

**GOAL 4:** Strengthen and develop quality human resources, and water resources sustainability to support growth.

#### Strategic Objectives

SO 1 : Improve customers and Stakeholder Value

SO 2 : Improve Financial Sustainability

SO 3 : Improve Stakeholder Management

SO 4 : Improve Business Process

SO 5 : Increase Skills and Competencies

SO 6 : Improve Facility Management

SO 7 :Improve Products and Services

Annexure 3: 2022/2023 Performance by Strategic Objectives


**OVERALL ORGANISATIONAL AND DIVISIONAL PERFORMANCE**

Parameter	Msinsi	MD	CS	OPS
Planned Indicators	56	24	24	30
Actual Indicators	51.14	21.75	22.23	24.96
Performance	91.32	90.63%	92.63%	82.20%
Variance	8.68%	9.38%	7.38%	16.80%

Di Description	Co Division	PLANNED INDICATORS				Actuals: Q4			
		Msinsi	MD	CS	OPS	Msinsi	MD	CS	OPS
Participate in catchment Management Activities	Msinsi-OPS	1			1	1,00			1,00
Number of signed contracts/MOUs with customers and stakeholder translating to revenue growth	Msinsi-MD	1	1			1,00	1,00		
Number of service level agreement review with the shareholder	Msinsi-MD	1	1			1,00	1,00		
Number of hectares cleared of alien plants	Msinsi-OPS	1			1	1,00			1,00
Number of kilometres burnt through fire management	Msinsi-OPS	1			1	1,00			1,00
Number of CSI initiatives undertaken	Msinsi-MD	1	1			1,00	1,00		
Corporate Social Investment plan approved by EXCO	Msinsi-MD	1	1			1,00	1,00		
Quarterly Organizational Performance Reports	Msinsi-MD	1	1			1,00	1,00		
Annual Report	Msinsi-MD	1	1			1,00	1,00		
Corporate Plan	Msinsi-MD	1	1			1,00	1,00		
Risk Review Report	Msinsi-MD	1	1			0,75	0,75		
Growth Plan Reviewed and Approved by EXCO	Msinsi-MD	1	1			1,00	1,00		
Human Resource plan reviewed and approved by Board	Msinsi-CS	1		1		1,00		1,00	
Marketing Plan & Customer Relations Management Plan Reviewed and approved by EXCO	Msinsi-OPS	1			1	1,00			1,00
Number of Reserve Management Plans reviewed and approved by EXCO	Msinsi-OPS	1			1	1,00			1,00
Current ratio $\geq 2:1$	Msinsi-CS	1		1		1,00		1,00	
Debt ratio $\leq 0.4:1$	Msinsi-CS	1		1		1,00		1,00	
Debt to equity ratio $\leq 1:1.5$	Msinsi-CS	1		1		1,00			
Total revenue $\geq$ R24 314 million (from operations)	Msinsi-OPS	1			1	0,60			0,60
Total revenue, Rm ( $\geq$ R74.905m Management fees) Received from Umgeni Water	Msinsi-CS	1		1		1,00		1,00	



Di Description	Co Division	PLANNED INDICATORS				Actuals: Q4			
		Msinsi	MD	CS	OPS	Msinsi	MD	CS	OPS
Total Revenue R4.814m from the Growth Plan	Msinsi-MD	1	1			1,00	1,00		
Total expenditure, <=R107.092m	Msinsi-CS	1		1		1,00		1,00	
Breakeven	Msinsi-CS	1		1		1,00		1,00	
Number of Engagements with strategic and statutory stakeholders	Msinsi-MD	1	1			1,00	1,00		
Number of environmental educational initiatives for schools/ communities implemented	Msinsi-OPS	1			1	1,00			1,00
Staff information sessions	Msinsi-MD	1	1			1,00	1,00		
Number of engagements/ meetings with the Recognised Trade Union	Msinsi-CS	1		1		1,00		1,00	
Review Stakeholder Engagement Plan	Msinsi-MD	1	1			0,00	0,00		
Clean Audit	Msinsi-MD, Msinsi-CS, Msinsi-OPS	1	1	1	1	0,00	0,00	0,00	0,00
Number of repeat audit findings	Msinsi-MD, Msinsi-CS, Msinsi-OPS	1	1	1	1	1,00	1,00	1,00	1,00
Number of unresolved audit findings	Msinsi-MD, Msinsi-CS, Msinsi-OPS	1	1	1	1	1,00	1,00	1,00	0,00
Number of breaches in materiality and significance framework - Fruitless and Wasteful Expenditure	Msinsi-MD, Msinsi-CS, Msinsi-OPS	1	1	1	1	1,00	1,00	1,00	1,00
Number of breaches in materiality and significance - Irregular Expenditure	Msinsi-MD, Msinsi-CS, Msinsi-OPS	1	1	1	1	1,00	1,00	1,00	0,00
Number of new policies and procedures developed and approved by EXCO or the Board	Msinsi-MD, Msinsi-CS, Msinsi-OPS	1	1	1	1	1,00	1,00	0,80	1,00
Number of policies and/ procedures reviewed and approved by EXCO or the Board	Msinsi-MD, Msinsi-CS, Msinsi-OPS	1	1	1	1	1,00	1,00	1,00	1,00
SHEQ Management System Implementation Plan approved for 2023/24	Msinsi-OPS	1			1	1,00			1,00
Number of SHEQ Reports submitted to EXCO	Msinsi-OPS	1			1	1,00			1,00
Number of SHEQ Management Review Meetings	Msinsi OPS	1			1	1,00			1,00
Number of days taken to procure goods and services from (quotations)	Msinsi-MD, Msinsi-CS, Msinsi-OPS	1	1	1	1	1,00	1,00	1,00	1,00
SCM Turnaround time (working days) preference points	Msinsi-MD, Msinsi-CS, Msinsi-OPS	1	1	1	1	1,00	1,00	1,00	1,00



Di Description	Co Division	PLANNED INDICATORS				Actuals: Q4			
		Msinsi	MD	CS	OPS	Msinsi	MD	CS	OPS
SCM Turnaround time (working days) for tenders	Msinsi-MD, Msinsi-CS, Msinsi-OPS	1	1	1	1	1,00	1,00	1,00	1,00
Approved Procurement Plan	Msinsi-CS	1		1		1,00		1,00	
Implementation of Procurement Plan vs Planned Implementation	Msinsi-MD, Msinsi-CS, Msinsi-OPS	1	1	1	1	1,00	1,00	1,00	1,00
Implementation of Procurement Plan vs Planned Implementation	Msinsi-MD, Msinsi-CS, Msinsi-OPS	1	1	1	1	1,00	1,00	1,00	1,00
CRM System Implementation	Msinsi-OPS	1			1	0,86			0,86
Computerised Maintenance Management System	Msinsi-OPS	1			1	0,00			0,00
Number of Trainee development plans met	Msinsi-CS	1		1		1,00		1,00	
Number of temporary jobs created	Msinsi-OPS	1			1	1,00			1,00
Reporting on Numbers of Temporary Jobs Created	Msinsi-CS	1		1		1,00		1,00	
80%-90% Actual Skills Plan implementation vs planned implementation	Msinsi-CS	1		1		0,43		0,43	
Number of staff terminations excluding normal retirements, as a % of the total staff complement	Msinsi-CS	1		1		1,00		1,00	
Infrastructure Maintenance Plan developed and Approved by EXCO	Msinsi - OPS	1			1	1,00			1,00
Infrastructure and Asset Maintenance Plan Implemented	Msinsi - OPS	1			1	1,00			1,00
Capex Projects Implementation	Msinsi - OPS	1			1	1,00			1,00
Implementation of the Marketing & CRM Plans	Msinsi - OPS	1			1	1,00			1,00
Total Percentage Occupancy for Accommodation facilities against the capacity	Msinsi-OPS	1			1	1,00			1,00
Total Percentage Occupancy for Camping facilities against the capacity	Msinsi-OPS	1			1	0,50			0,50
		<b>56</b>	<b>24</b>	<b>24</b>	<b>30</b>	<b>51,14</b>	<b>21,75</b>	<b>22,23</b>	<b>24,96</b>

<b>Actual Score</b>	<b>91,32%</b>	<b>90,63%</b>	<b>92,63%</b>	<b>83,30%</b>
<b>Variance</b>	<b>8,68%</b>	<b>9,38%</b>	<b>7,38%</b>	<b>16,80%</b>





**STRATEGIC GOAL 1:**

Improve Services and be a Key Partner in the Provision of Sustainable Environmental and Biodiversity Management Services around water resource dams.

<b>BALANCED SCORECARD</b>	<b>CUSTOMER AND STAKEHOLDER</b>
<b>PERSPECTIVE: OUTCOMES:</b>	<b>Stakeholder Understanding and Support Community and Environmental Sustainability Customer Satisfaction</b>
<b>STRATEGIC OBJECTIVE:</b>	<b>SO 1: Improve Customer and Stakeholder Value</b>

*Strategic Initiative / Plan: Implement integrated water resources plans for each catchment area for the long term*

<b>PO 1: Water Resources Management</b>				
<b>Result Indicator (RI)</b>	<b>1.1 Participate in catchment management activities</b>			
	<b>Q4 Target</b>	<b>Actual</b>	<b>Reason for Variance</b>	<b>Turnaround Plan</b>
	≥ 4 activities	21 activities	N/A	N/A
<b>Indicator Responsibility</b>	<b>OPS</b>			

<b>PO 2: Value Adding Agreements Concluded With Customers/ Strategic Stakeholders</b>				
<b>Result Indicator (RI)</b>	<b>2.1 Number of signed contracts/ MOUs with customers and stakeholders translating to revenue growth</b>			
	<b>Q4 Target</b>	<b>Actual</b>	<b>Reason for Variance</b>	<b>Turnaround Plan</b>
	≥ 2	≥ 6	N/A	N/A
<b>Indicator Responsibility</b>	<b>MD</b>			

<b>Result Indicator (RI)</b>	<b>2.2 Number of Service Level Agreement review with the Shareholder</b>			
	<b>Q4 Target</b>	<b>Actual</b>	<b>Reason for Variance</b>	<b>Turnaround Plan</b>
	≥ 1	≥ 1	N/A	N/A
<b>Indicator Responsibility</b>	<b>MD</b>			

*Strategic Initiative / Plan: Manage, Monitor and report the state of Biodiversity*

<b>PO 3: Manage and report on the State of Alien Plant clearance &amp; Fire Management</b>				
<b>Result Indicator (RI)</b>	<b>3.1 Number of hectares cleared of Alien Plants</b>			
	<b>Q4 Target</b>	<b>Actual</b>	<b>Reason for Variance</b>	<b>Turnaround Plan</b>
	≥ 104km	104km	N/A	N/A
<b>Indicator Responsibility</b>	<b>OPS</b>			

*Strategic Initiative / Plan: Plan and implement CSI initiatives*

<b>P04: CSI Initiatives Undertaken</b>				
<b>Result Indicator (RI)</b>	<b>4.1 Number of CSI Initiatives undertaken</b>			
	<b>Q4 Target</b>	<b>Actual</b>	<b>Reason for Variance</b>	<b>Turnaround Plan</b>
	≥ 16	≥ 19	N/A	N/A
<b>Indicator Responsibility</b>	<b>MD</b>			


**Strategic Initiative / Plan: Develop and submit all Statutory Accountability documents**

<b>P05: Corporate Social Investment Plan Approved</b>				
<b>Result Indicator (RI)</b>	<b>5.1 Corporate Social Investment Plan approved by EXCO</b>			
	<b>Q4 Target</b>	<b>Actual</b>	<b>Reason for Variance</b>	<b>Turnaround Plan</b>
	2023/24 CSI Plan approved by EXCO	2023/24 CSI Plan approved by EXCO	N/A	N/A
<b>Indicator Responsibility</b>	<b>MD</b>			

<b>PO 6: ACHIEVE STATUTORY REPORT COMPLIANCE</b>				
<b>Result Indicator (RI)</b>	<b>6.1 Number of submissions to the Board in respect of Quarterly Performance Reports, Annual Report and Corporate Plan, Strategic Risk Reviews</b>			
<b>Departmental Indicator (DI) MD</b>	<b>6.1.1 Quarterly Organisational Performance Report</b>			
	<b>Q4 Target</b>	<b>Actual</b>	<b>Reason for Variance</b>	<b>Turnaround Plan</b>
	4 Quarterly Organisational Performance Report Approved	4 Quarterly Organisational Performance Report Approved	N/A	N/A
<b>Departmental Indicator (DI)</b>	<b>6.1.2 Annual Report</b>			
<b>MD</b>	<b>Q4 Target</b>	<b>Actual</b>	<b>Reason for Variance</b>	<b>Turnaround Plan</b>
	1 Annual Report	1 Annual Report	N/A	N/A
<b>Departmental Indicator (DI) MD</b>	<b>6.1.3 Corporate Plan</b>			
<b>MD</b>	<b>Q4 Target</b>	<b>Actual</b>	<b>Reason for Variance</b>	<b>Turnaround Plan</b>
	1 Corporate Plan Approved by Board	1 Corporate Plan Approved by Board	N/A	N/A
<b>Departmental Indicator (DI) MD</b>	<b>6.1.4 Risk Review Report</b>			
<b>MD</b>	<b>Q4 Target</b>	<b>Actual</b>	<b>Reason for Variance</b>	<b>Turnaround Plan</b>
	4 Risk Review Report	3 Risk Review Report	Due to moratorium there was a delay in the recruitment process for Risk Officer position. Management has opted for acting arrangement.	The Quarter 3 report was submitted to EXCO and Board during Quarter 4 report.



PO 7: Annual Plans Reviewed and Approved				
Result Indicator (RI)	<b>7.1 Growth Plan Reviewed and Approved by EXCO</b>			
	<b>Q4 Target</b>	<b>Actual</b>	<b>Reason for Variance</b>	<b>Turnaround Plan</b>
	2023/2024 Growth Plan approved by Board	2023/2024 Growth Plan approved by Board	N/A	N/A
Indicator Responsibility	MD			
Result Indicator (RI)	<b>7.2 Human Resources Plan Reviewed and Approved by the Board</b>			
	<b>Q4 Target</b>	<b>Actual</b>	<b>Reason for Variance</b>	<b>Turnaround Plan</b>
	2023/2024 Human Resources Plan approved by Board	2023/2024 Human Resources Plan approved by Board	N/A	N/A
Departmental Indicator (DI)	MD			
Result Indicator (RI)	<b>7.3 Marketing Plan &amp; Customer Relations Management Plan Reviewed and Approved by EXCO</b>			
	<b>Q4 Target</b>	<b>Actual</b>	<b>Reason for Variance</b>	<b>Turnaround Plan</b>
	5 reserve management plans reviewed and approved by EXCO (1 plan per site - Albert Falls, Hazelmere, Inanda, Nagle & Spring Grove)	5 reserve management plans reviewed and approved by EXCO (1 plan per site - Albert Falls, Hazelmere, Inanda, Nagle & Spring Grove)	N/A	N/A
Departmental Indicator (DI)	OPS			

**STRATEGIC GOAL 2: IMPROVE FUNDING AND FINANCIAL MANAGEMENT**

<b>BALANCED SCORECARD</b>	<b>FINANCIAL PERSPECTIVE</b>
<b>PERSPECTIVE: OUTCOMES:</b>	<b>Financial Viability, Stakeholder Understanding and Support, Customer Satisfaction, Community and Environmental Sustainability</b>
<b>STRATEGIC OBJECTIVE:</b>	<b>SO 2: Improve Financial Sustainability</b>

*Strategic Initiative / Plan: Manage Liquidity and Solvency*

PO 8: Maintain KEY Financial Ratios				
Result Indicator (RI)	<b>8.1 Financial ratios: Current Ratio, Debt Ratio, Debt to Equity Ratio within acceptable norms</b>			
	<b>Q4 Target</b>	<b>Actual</b>	<b>Reason for Variance</b>	<b>Turnaround Plan</b>
Departmental Indicator (DI)	Current ratio: $\geq 2:1$	3.67:1	N/A	N/A
	Debt ratio: $\leq 0.4:1$	0.21:1	N/A	N/A
	Debt to equity ratio: $\leq 1:1.5$	0.26:1.5	N/A	N/A
Indicator Responsibility	CS			


**PO 9: Achieve Revenue Targets and Manage Costs within Approved Budget**

Result Indicator (RI)	9.1 Total revenue, $\geq$ R24.314 million from Operations			
	Q4 Target	Actual	Reason for Variance	Turnaround Plan
	$\geq$ R24.314 million	R14.565 million	Increase infestation of Water Hyacinth at Inanda Dam contributed on decline in revenue since most revenue streams i.e. camping, fishing, boat launches are interrelated. Unfavourable weather conditions and poor infrastructure in the Reserves.	<p>An integrated aquatic clearing method is being implemented at Inanda Dam to control the spread of water hyacinth and this include: a team of 13 general workers deployed to manual/chemical spray in the slipways, installation of an aquatic barrier at Bridge 4, release of biocontrol agents to areas not easily accessible by boat.</p> <p>Engagements with stakeholders/customers on progress with cleaning the dam is ongoing.</p> <p>Aerial Spraying of the dam is in progress. Risk Assessment was conducted in Q4 by DFFE to prepare for the spraying.</p> <p>Budget for dredging has been allocated in the procurement plan for the 2023/2024 financial year.</p>
Indicator Responsibility	OPS			

Result Indicator (RI)	9.2 Total revenue, Rm ( $\geq$ R74.905m Management Fee) Received from Umgeni Water			
	Q4 Target	Actual	Reason for Variance	Turnaround Plan
	$\geq$ R74.905m	R74.905m	N/A	N/A
Indicator Responsibility	CS			

**Strategic Initiative / Plan: Ensure Sustainable Operations.**

Result Indicator (RI)	9.4 Total expenditure $\leq$ R107.092m			
	Q4 Target	Actual	Reason for Variance	Turnaround Plan
	$\leq$ = R107.092m	R92.7 m	N/A	N/A
Indicator Responsibility	CS			

Result Indicator (RI)	9.5 Total surplus, $\geq$ Breakeven			
	Q4 Target	Actual	Reason for Variance	Turnaround Plan
	$\geq$ Breakeven	R9.4m	N/A	N/A
Indicator Responsibility	CS			





**STRATEGIC GOAL 3: IMPROVE EFFICIENCY OF ALL INPUTS.**

<b>BALANCED SCORECARD</b>	<b>Internal Processes</b>
<b>PERSPECTIVE: OUTCOMES:</b>	<b>Operational Resiliency, Operational Optimisation, Stakeholder understanding, Community and Environmental Sustainability</b>
<b>STRATEGIC OBJECTIVE:</b>	<b>SO3: Improve Stakeholder Management</b>

*Strategic Initiative / Plan: Engage stakeholders and create stakeholder value*

<b>P010: Stakeholder Engagement</b>				
<b>Result Indicator (RI)</b>	<b>10.1 Number of Engagements with Strategic and Statutory Stakeholders</b>			
	<b>Q4 Target</b>	<b>Actual</b>	<b>Reason for Variance</b>	<b>Turnaround Plan</b>
	≥ 16	≥ 28	N/A	N/A
<b>Indicator Responsibility</b>	<b>MD</b>			
<b>Result Indicator (RI)</b>	<b>10.2 Number of Environmental Educational Initiatives for Schools/ Communities Implemented</b>			
	<b>Q4 Target</b>	<b>Actual</b>	<b>Reason for Variance</b>	<b>Turnaround Plan</b>
	≥ 32	≥ 68	N/A	N/A
<b>Indicator Responsibility</b>	<b>OPS</b>			
<b>Result Indicator (RI)</b>	<b>10.3 Staff information sessions</b>			
	<b>Q4 Target</b>	<b>Actual</b>	<b>Reason for Variance</b>	<b>Turnaround Plan</b>
	≥ 2	≥ 2	N/A	N/A
<b>Indicator Responsibility</b>	<b>MD</b>			
<b>Result Indicator (RI)</b>	<b>10.4 Number of Engagements / Meetings with the Recognised Trade Union</b>			
	<b>Q4 Target</b>	<b>Actual</b>	<b>Reason for Variance</b>	<b>Turnaround Plan</b>
	≥ 4	≥ 8	N/A	N/A
<b>Indicator Responsibility</b>	<b>CS</b>			
<b>Result Indicator (RI)</b>	<b>Number of Engagements / Meetings with the Recognised Trade Union</b>			
	<b>Q4 Target</b>	<b>Actual</b>	<b>Reason for Variance</b>	<b>Turnaround Plan</b>
	≥ 4	≥ 8	N/A	N/A
<b>Indicator Responsibility</b>	<b>CS</b>			
<b>Result Indicator (RI)</b>	<b>10.5 Review Stakeholder Engagement Plan</b>			
	<b>Q4 Target</b>	<b>Actual</b>	<b>Reason for Variance</b>	<b>Turnaround Plan</b>
	2023/24 Stakeholder engagement Action Plan approved by EXCO	2023/24 Stakeholder engagement Action Plan approved by EXCO	Delay in the recruitment process for CSI & Special Projects Manager position to review the 2023/2024 stakeholder engagement plan.	A draft has been developed for consideration to EXCO.
<b>Indicator Responsibility</b>	<b>CS</b>			



<b>BALANCED SCORECARD</b>	<b>Internal Processes</b>
<b>PERSPECTIVE: OUTCOMES:</b>	<b>Operational Resiliency, Operational Optimisation and Community and Environmental Sustainability</b>
<b>STRATEGIC OBJECTIVE:</b>	<b>SO 4: Improve Business Processes</b>

*Strategic Initiative / Plan: Engage stakeholders and create stakeholder value*

<b>PO 11: Effective Internal Controls, Compliance and Risk Management</b>				
<b>Result Indicator (RI)</b>	<b>11.1 Clean audit</b>			
	<b>Q4 Target</b>	<b>Actual</b>	<b>Reason for Variance</b>	<b>Turnaround Plan</b>
	Clean audit	Unqualified Audit with matters of emphasis	Material compliance findings due to misstatements in the Annual Financial Statements and Annual Performance Report.	<p>Sufficient time will be given to Internal Auditors to identify gaps and strengthen where weakness have been identified.</p> <p>An action plan to address audit findings will be developed and monitored on a monthly basis. A year-end readiness plan will also be developed to ensure that deadlines are met and that reviewers are given adequate time.</p> <p>Sufficient time will be given to Internal Auditors to identify gaps and strengthen where weakness have been identified.</p>
<b>Indicator Responsibility</b>	<b>MD, OPS, CS</b>			
<b>Result Indicator (RI)</b>	<b>11.2 Number of Repeat Audit Findings</b>			
	<b>Q4 Target</b>	<b>Actual</b>	<b>Reason for Variance</b>	<b>Turnaround Plan</b>
	≤ 3 repeat audit findings	1 repeat audit findings	N/A	N/A
<b>Departmental Indicator (DI)</b>	<b>11.2.1 Number of Repeat Audit Findings</b>			
<b>MD</b>	≤ 1 repeat audit findings	0 repeat audit findings	N/A	N/A
<b>CS</b>	≤ 1 repeat audit findings	1 repeat audit findings	N/A	N/A
<b>OPS</b>	≤ 1 repeat audit findings	0 repeat audit findings	N/A	N/A
<b>Result Indicator (RI)</b>	<b>11.3 Number of Unresolved Audit Findings</b>			
	<b>Q4 Target</b>	<b>Actual</b>	<b>Reason for Variance</b>	<b>Turnaround Plan</b>
	≤ 3 unresolved findings	≤ 5 unresolved findings	Three internal audit findings boat locker contract not signed, unauthorised access noted to Nagle dam and ablutions facilities are not adequately maintained. 1 external audit findings. The host contract relating to irregular expenditure. One internal Audit finding for compliance audit is not resolved to date.	<p>All the unresolved audit findings are currently in progress and will be finalised by 203/2024. The budgets were approved and the projects will commence. The host contract will be terminated and the CRM system will be rolled out in 2023/2024.</p> <p>The Compliance audit finding will be resolved in Q3.</p>



<b>Indicator Responsibility</b>	<b>MD, CS, OPS</b>			
<b>Departmental Indicator (DI)</b>	<b>11.3.1 Number of Unresolved Audit Findings</b>			
<b>MD</b>	<b>Q4 Target</b>	<b>Actual</b>	<b>Reason for Variance</b>	<b>Turnaround Plan</b>
	≤ 1 unresolved audit findings	1 unresolved audit findings	One internal Audit finding for compliance audit is not resolved to date.	The Compliance audit finding will be resolved in Q3.
<b>CS</b>	≤ 1 unresolved audit findings	0 unresolved audit findings	N/A	N/A
<b>OPS</b>	≤ 1 unresolved audit findings	4 unresolved audit findings	3 internal audit findings boat locker contract not signed, unauthorized access noted to Nagle Dam and Ablutions facilities are not adequately maintained. 1 external audit findings: The Host contract relating to Irregular Expenditure	All the unresolved audit findings are currently in progress and will be finalised by 2023/2024. The budgets were approved and the projects will commence. The Host Contract will be terminated and the CRM System will be rolled out in 2023/24
<b>Result Indicator (RI)</b>	<b>11.4 Number of breaches in materiality and significance framework – Fruitless and Wasteful Expenditure</b>			
	<b>Q4 Target</b>	<b>Actual</b>	<b>Reason for Variance</b>	<b>Turnaround Plan</b>
	Zero Fruitless and Wasteful Expenditure	Zero Fruitless and Wasteful Expenditure	N/A	N/A
<b>CS</b>	≤ 1 unresolved audit findings	0 unresolved audit findings	N/A	N/A
<b>Indicator Responsibility</b>	<b>MD, CS, OPS</b>			
<b>Departmental Indicator (DI)</b>	<b>Number of Breaches in Materiality and Significance Framework-Fruitless and Wasteful Expenditure</b>			
<b>MD</b>	11.5.1 Zero Fruitless and Wasteful Expenditure	Zero Fruitless and Wasteful Expenditure	N/A	N/A
<b>CS</b>	11.5.2 Zero Fruitless and Wasteful Expenditure	Zero Fruitless and Wasteful Expenditure	N/A	N/A
<b>OPS</b>	11.5.3 Zero Fruitless and Wasteful Expenditure	Zero Fruitless and Wasteful Expenditure	N/A	N/A
<b>Result Indicator (RI)</b>	<b>11.5 Number of Breaches in Materiality and significance framework - Irregular Expenditure</b>			
	<b>Q4 Target</b>	<b>Actual</b>	<b>Reason for Variance</b>	<b>Turnaround Plan</b>
	Zero Irregular Expenditure	R55 736.00 Irregular Expenditure	Legacy contract for host booking system. The variance is due to historic contract extension with Host Systems. The contract is now extended on a month to month basis until the development of the new CRM system is finalised.	Contract will be terminated once the new system is up and running. CRM system is currently under development by the service provider. The Host contract will be terminated once the new system is up and running
<b>Indicator Responsibility</b>	<b>MD, CS, OPS</b>			
<b>Departmental Indicator (DI)</b>	<b>Number of breaches in materiality and significance framework-Irregular Expenditure</b>			
<b>MD</b>	11.5.1 Zero Irregular Expenditure	Zero Irregular Expenditure	N/A	N/A
<b>CS</b>	11.5.2 Zero Irregular Expenditure	Zero Irregular Expenditure	N/A	N/A



<b>OPS</b>	11.5.3 Zero Irregular Expenditure	R55 736.00 Irregular Expenditure	Legacy contract for host booking system. The variance is due to historic contract extension with Host Systems. The contract is now extended on a month to month basis until the development of the new CRM system is finalised.	Contract will be terminated once the new system is up and running. CRM system is currently under development by the service provider. The Host contract will be terminated once the new system is up and running.
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<b>Result Indicator (RI)</b>	<b>11.6 Number of new policies and / procedures developed and approved by EXCO or the Board</b>			
	<b>Q4 Target</b>	<b>Actual</b>	<b>Reason for Variance</b>	<b>Turnaround Plan</b>
	≥5	4	N/A	N/A
<b>Indicator Responsibility</b>	<b>MD, CS, OPS</b>			
<b>Departmental Indicator (DI)</b>	<b>Number of new policies and /procedures developed and approved by EXCO or the Board</b>			
<b>MD</b>	≥1	4		
<b>CS</b>	≥5	4	The target was not met as the focus was on review of policies and procedures to support the new strategic direction for the organisation.	There are policies &/ procedures that have been planned to be developed in the 2023/2024 year.
<b>OPS</b>	≥4	4	N/A	N/A

<b>Result Indicator (RI)</b>	<b>11.6 Number of new policies and / procedures developed and approved by EXCO or the Board</b>			
	<b>Q4 Target</b>	<b>Actual</b>	<b>Reason for Variance</b>	<b>Turnaround Plan</b>
	≥ 7	≥ 28	N/A	N/A
<b>Indicator Responsibility</b>	<b>CS, OPS,MD</b>			
<b>Departmental Indicator (DI)</b>	<b>Number of policies and / procedures reviewed and approved by EXCO or the Board</b>			
<b>MD</b>	≥7	≥25		
<b>CS</b>	≥7	≥19	N/A	N/A
<b>OPS</b>	≥2	≥28	N/A	N/A

**Strategic Initiative / Plan: Engage stakeholders and create stakeholder value**

<b>Result Indicator (RI)</b>	<b>11.8 SHEQ Management System Implementation Plan approved for 2022/2023</b>			
	<b>Q4 Target</b>	<b>Actual</b>	<b>Reason for Variance</b>	<b>Turnaround Plan</b>
	Approved 2023/24 SHEQ Management System Implementation Plan approved by EXCO	Approved 2023/24 SHEQ Management System Implementation Plan approved by EXCO	N/A	N/A
<b>Indicator Responsibility</b>	<b>OPS</b>			

<b>Result Indicator (RI)</b>	<b>11.9 Number of SHEQ Reports submitted to EXCO</b>			
	<b>Q4 Target</b>	<b>Actual</b>	<b>Reason for Variance</b>	<b>Turnaround Plan</b>
	≥4 Quarterly SHEQ Report Submitted	3 Quarterly SHEQ Report Submitted	The Quarter 3 report was submitted to Board during Quarter 4 report.	
<b>Indicator Responsibility</b>	<b>OPS</b>			





Result Indicator (RI)	<b>11.10 Number of SHEQ Management Reviews Meetings</b>			
	<b>Q4 Target</b>	<b>Actual</b>	<b>Reason for Variance</b>	<b>Turnaround Plan</b>
	≥ 1 Management Review Meeting	≥ 1 Management Review Meeting	N/A	N/A
Indicator Responsibility	<b>OPS</b>			

*Strategic Initiativ /Plan: Benchmark Procurement System for Goods and Services to improve turnaround time*

<b>PO 12: Procurement Efficiency</b>				
Result Indicator (RI)	<b>12.1 Number of days taken to Procure Goods and Services (Quotations)</b>			
	<b>Q4 Target</b>	<b>Actual</b>	<b>Reason for Variance</b>	<b>Turnaround Plan</b>
	≤ 10 days	2.24 days	N/A	N/A
Indicator Responsibility	<b>MD, CS, OPS</b>			
Departmental Indicator (DI)	<b>Number of days taken to Procure Goods and Services (quotations)</b>			
	<b>Q4 Target</b>	<b>Actual</b>	<b>Reason for Variance</b>	<b>Turnaround Plan</b>
	<b>MD</b>	12.1.1 ≤ 10 days	0 days	N/A
<b>CS</b>	12.1.2 ≤ 10 days	2.24 days	N/A	N/A
<b>OPS</b>	12.1.3 ≤ 10 days	0.75 days	N/A	N/A
Result Indicator (RI)	<b>12.2 SCM Turnaround time (working days) preference points.</b>			
	<b>Q4 Target</b>	<b>Actual</b>	<b>Reason for Variance</b>	<b>Turnaround Plan</b>
	≤ 6 weeks	2.44 weeks	N/A	N/A
Indicator Responsibility	<b>MD, CS, OPS</b>			
Departmental Indicator (DI)	<b>SCM Turnaround time (working days) Preference Points</b>			
	<b>Q3 Target</b>	<b>Actual</b>	<b>Reason for Variance</b>	<b>Turnaround Plan</b>
	<b>MD</b>	12.2.1 ≤ 6 weeks	0 weeks	N/A
<b>CS</b>	12.2.2 ≤ 6 weeks	2.44 weeks	N/A	N/A
<b>OPS</b>	12.2.3 ≤ 6 weeks	0 weeks	N/A	N/A
Result Indicator (RI)	<b>12.3 SCM Turnaround time (working days) for tenders.</b>			
	<b>Q4 Target</b>	<b>Actual</b>	<b>Reason for Variance</b>	<b>Turnaround Plan</b>
	≤ 14 weeks	0 weeks	N/A	N/A.
Indicator Responsibility	<b>MD, CS, OPS</b>			
Departmental Indicator (DI)	<b>SCM Turnaround time (working days) for Tenders</b>			
	<b>Q3 Target</b>	<b>Actual</b>	<b>Reason for Variance</b>	<b>Turnaround Plan</b>
	<b>MD</b>	12.3.1 ≤ 14 weeks	0 week	N/A
<b>CS</b>	12.3.2 ≤ 14 weeks	0 weeks	N/A	N/A
<b>OPS</b>	12.3.3 ≤ 14 weeks	0 weeks	N/A	N/A
Result Indicator (RI)	<b>12.4 Approved Procurement Plan</b>			
	<b>Q4 Target</b>	<b>Actual</b>	<b>Reason for Variance</b>	<b>Turnaround Plan</b>
	2023/2024 Procurement Plan Approved by EXCO	2023/2024 Procurement Plan Approved by EXCO	N/A	N/A
Indicator Responsibility	<b>CS</b>			



<b>Result Indicator (RI)</b>	<b>12.5 Implementation of Procurement Plan vs Planned Implementation</b>			
	<b>Q4 Target</b>	<b>Actual</b>	<b>Reason for Variance</b>	<b>Turnaround Plan</b>
	≥ 80% Approved Procurement Plan implementation	≥ 87% Approved Procurement Plan implementation	N/A	N/A
<b>Indicator Responsibility</b>	<b>MD, CS, OPS</b>			
<b>Departmental Indicator (DI)</b>	<b>12.5.1 Implementation of Procured Plan vs Planned Implementation</b>			
	<b>Q3 Target</b>	<b>Actual</b>	<b>Reason for Variance</b>	<b>Turnaround Plan</b>
	<b>MD</b>	≥ 80% Approved Procurement Plan implementation	≥ 87% Approved Procurement Plan implementation	N/A
<b>CS</b>	12.5.2 ≥ 80% Approved Procurement Plan implementation	87% Approved Procurement Plan implementation	N/A	N/A
<b>OPS</b>	12.5.3 ≥ 80% Approved Procurement Plan implementation	87% Approved Procurement Plan implementation	N/A	N/A

**PO 13: Implement appropriate Technological Systems**

<b>Result Indicator (RI)</b>	<b>13.1 CRM System</b>			
	<b>Q4 Target</b>	<b>Actual</b>	<b>Reason for Variance</b>	<b>Turnaround Plan</b>
	Implementing CRM System	86% Implementing CRM System	The project is 86% complete. The customer refund policy has been developed and sent for review to the Service provider. Project is set to be completed by Q1.	Training for the Management and end users was conducted in the 1st week of July. Marketing is finalising the SMS and email notifications to be loaded on the server.
<b>Indicator Responsibility</b>	<b>OPS</b>			

<b>Result Indicator (RI)</b>	<b>13.2 Computerised Maintenance Management System</b>			
	<b>Q4 Target</b>	<b>Actual</b>	<b>Reason for Variance</b>	<b>Turnaround Plan</b>
	Acquisition of Computerised Maintenance Management System	Acquisition of Computerised Maintenance Management System not achieved	The tender for the acquisition of Computerised Maintenance Management System was cancelled in Q1 to prioritise the Infrastructure Maintenance. The budget was then utilised for the prioritisation of infrastructure maintenance.	N/A
<b>Indicator Responsibility</b>	<b>OPS</b>			



**STRATEGIC GOAL 4:**

Strengthen And Develop Quality Human Resources, Infrastructure Capacity And Water Resources Sustainability To Support Growth.

<b>BALANCED SCORECARD</b>	<b>Organisational Capacity</b>
<b>PERSPECTIVE: OUTCOMES:</b>	<b>Leadership and Employee Development</b>
<b>STRATEGIC OBJECTIVE:</b>	<b>SO5: Increase Skills and Competencies</b>

*Strategic Initiative / Plan: Develop Graduates and Interns*

<b>PO14: Training And Skills Development</b>				
<b>Result Indicator (RI)</b>	<b>14.1 Number of Trainee Development Plans met</b>			
	<b>Q4 Target</b>	<b>Actual</b>	<b>Reason for Variance</b>	<b>Turnaround Plan</b>
	≥ 6	9	N/A	N/A
<b>Indicator Responsibility</b>	<b>CS</b>			

*Strategic Initiative / Plan: Create jobs*

<b>PO 15: Temporary Jobs Created</b>				
<b>Result Indicator (RI)</b>	<b>15.1 Number of Temporary Jobs Created</b>			
	<b>Q4 Target</b>	<b>Actual</b>	<b>Reason for Variance</b>	<b>Turnaround Plan</b>
	≥548	1004	N/A	N/A
<b>Indicator Responsibility</b>	<b>OPS</b>			

<b>Result Indicator (RI)</b>	<b>15.2 Reporting on Number of Temporary Jobs created</b>			
	<b>Q4 Target</b>	<b>Actual</b>	<b>Reason for Variance</b>	<b>Turnaround Plan</b>
	4x HR Reports on jobs created	4x HR Reports on jobs created	N/A	N/A
<b>Indicator Responsibility</b>	<b>CS</b>			

*Strategic Initiative / Plan: Implement HR Development Programmes that Support Organisational Strategy.*

<b>PO 16: Develop Skills Plan</b>				
<b>Result Indicator (RI)</b>	<b>16.2 80%-90% Actual Skills Plan Implementation vs Planned Implementation</b>			
	<b>Q4 Target</b>	<b>Actual</b>	<b>Reason for Variance</b>	<b>Turnaround Plan</b>
	≥80%-90% Approved Skills Plan implementation	34% Approved Skills Plan implementation	The achieved 34% which is below the 80% target is due to financial constraints as we ran out of the allocated budget.	To review the HR Training budget.
<b>Indicator Responsibility</b>	<b>CS</b>			

<b>PO 17: Staff Levels</b>				
<b>Result Indicator (RI)</b>	<b>17.1 Number of Staff Terminations, excluding Normal Retirements, as a % of the Total Staff Complement</b>			
	<b>Q4 Target</b>	<b>Actual</b>	<b>Reason for Variance</b>	<b>Turnaround Plan</b>
	≤ 5%	1.9%	N/A	N/A.
<b>Indicator Responsibility</b>	<b>CS</b>			



<b>BALANCED SCORECARD</b>	<b>Organisational Capacity</b>
<b>PERSPECTIVE: OUTCOMES:</b>	<b>Leadership and Employee Development</b>
<b>STRATEGIC OBJECTIVE:</b>	<b>SO6: Improve Facility Management</b>

**Strategic Initiative / Plan: Develop Graduates and Interns**

<b>PO 18: Infrastructure Maintenance Plan</b>				
<b>Result Indicator (RI)</b>	<b>18.1 Infrastructure Maintenance Plan Developed and approved by EXCO</b>			
	<b>Q4 Target</b>	<b>Actual</b>	<b>Reason for Variance</b>	<b>Turnaround Plan</b>
	1x 2023/2024 Infrastructure Maintenance Plan developed and approved by EXCO	1x 2023/2024 Infrastructure Maintenance Plan developed and approved by EXCO	N/A	N/A
<b>Indicator Responsibility</b>	<b>OPS</b>			
<b>Result Indicator (RI)</b>	<b>18.2 Infrastructure And Asset Maintenance Plan Implemented</b>			
	<b>Q4 Target</b>	<b>Actual</b>	<b>Reason for Variance</b>	<b>Turnaround Plan</b>
	≥4 Infrastructure and asset maintenance plan Report submitted with 90% of maintenance budget spend	4 Infrastructure and asset maintenance plan. Report submitted with 98% of maintenance budget spend	N/A	N/A
<b>Indicator Responsibility</b>	<b>OPS</b>			
<b>Result Indicator (RI)</b>	<b>18.3 Capex Projects Implementation</b>			
	<b>Q4 Target</b>	<b>Actual</b>	<b>Reason for Variance</b>	<b>Turnaround Plan</b>
	Capex Progress Report with ≥90% Capex Project implementation	Capex Progress Report with 92% Capex Project implementation	N/A	N/A
<b>Indicator Responsibility</b>	<b>OPS</b>			





<b>BALANCED SCORECARD</b>	<b>Organisational Capacity</b>
<b>PERSPECTIVE: OUTCOMES:</b>	<b>Customer Satisfaction Financial Sustainability</b>
<b>STRATEGIC OBJECTIVE:</b>	<b>SO7: Improve Products and Services</b>

*Strategic Initiative / Plan: improve product marketing and development*

<b>PO 19: Products and Services Offering</b>				
<b>Result Indicator (RI)</b>	<b>19.1 Implementation of the Marketing Plan</b>			
	<b>Q4 Target</b>	<b>Actual</b>	<b>Reason for Variance</b>	<b>Turnaround Plan</b>
	4x Marketing & CRM Report submitted	4x Marketing & CRM report submitted	N/A	N/A
<b>Indicator Responsibility</b>	<b>OPS</b>			
<b>Result Indicator (RI)</b>	<b>19.2 Total Percentage of Occupancy for accommodation facilities against the capacity</b>			
	<b>Q4 Target</b>	<b>Actual</b>	<b>Reason for Variance</b>	<b>Turnaround Plan</b>
	≥20% occupancy	21% occupancy	N/A	N/A
<b>Indicator Responsibility</b>	<b>OPS</b>			
<b>Result Indicator (RI)</b>	<b>19.3 Total Percentage Occupancy for Camping facilities against the capacity</b>			
	<b>Q4 Target</b>	<b>Actual</b>	<b>Reason for Variance</b>	<b>Turnaround Plan</b>
	≥10% occupancy	5% occupancy	Camping is linked to fishing and boat launching which also declined in the reserves. Inanda Dam was affected mostly due to the increase in water hyacinth as Fishermen could not launch their boats.	Aerial spraying of water hyacinth at Inanda in August/ September will assist in expediting the removal process. A team of aquatic weeds clearance is on-site working on manual removal. The installed aquatic weed barrier has had positive results as customer numbers have shown a slight increase. Reserves have started engaging outdoor event organizers to host events
<b>Indicator Responsibility</b>	<b>OPS</b>			

The background is a dark green color with various abstract geometric elements. There are several overlapping rectangles and lines in lighter shades of green. A large, faint, stylized shape resembling a leaf or a drop is visible. In the bottom right corner, there are several horizontal wavy lines. The overall aesthetic is modern and technical.

# 10. REPORTABLE **EXPENDITURES**



## 10. REPORTABLE EXPENDITURES

### 10.1. Introduction

In terms of National Treasury Instruction No. 04 of 2022/2023: Public Finance Management Act (PFMA) Compliance and Reporting Framework, entities are required to report on matters related to application, implementation and reporting of unauthorized expenditure (in case of departments), irregular expenditure and fruitless and wasteful expenditure; payments of suppliers invoices and reporting on supply chain management information related to procurement by other means; and contract variations which is also reported to National Treasury on a quarterly basis.

Section 51(1)(b)(ii) of the PFMA requires Accounting Authorities to take effective and appropriate steps to, amongst others prevent irregular expenditure and fruitless and wasteful expenditure.

In terms of section 51(1)(c) of the PFMA, Accounting Authorities of the public entities listed in schedule 2 and 3 to the PFMA are required to safeguard assets and manage revenue, expenditure and liabilities of the public entity.

Paragraph 6.3.1 & 6.3.2 of Instruction No. 04 of 2022/2023 requires that irregular expenditure previously disclosed in the Annual Financial Statements of the mandated institution and not addressed must remain in the register and recorded in the annual report of the mandated institution.

Msinsi reports on these matters on a quarterly basis to the Executive Committee, Audit and Risk Committee and National Treasury. The report covers updates on irregular expenditure, fruitless and wasteful expenditure, deviations and exemptions (procurement by other means) and payment of supplier invoices.

### 10.2. Irregular Expenditure

In terms of the PFMA Section 55 (2)(b) and Treasury Regulations No. 28.2, Msinsi is required to report on irregular expenditure. In terms of the PFMA, in order to determine whether irregular expenditure has taken place, there must have been a transgression of a provision contained in any applicable legislation which shall include:

- The PFMA;
- The State Tender Board Act, 1968, or any related regulation
- Any provincial legislation providing for procurement procedures in that provincial government

**Msinsi has incurred the following irregular expenditure for the period ended 30 June 2023:**

Description	30 June 2023	30 June 2022
Opening Balance	R6 007 650	R5 956 265
Irregular Expenditure Relating to Current Year	R55 736	R51 385
Recoveries	R1 083	R11 794
<b>Closing Balance</b>	<b>R6 063 396</b>	<b>R6 007 650</b>

**Table 10.1: Irregular Expenditure**

The irregular expenditure was incurred mostly due to the extension of legacy contracts without following SCM processes. There is only one legacy contract that is extended on a month to month basis for the booking system which will be resolved once the new booking system is implemented.

The organisation will be pursuing the removal option as presented by Treasury Instruction Note No. 04 of 2022/23 in the new financial year. Systems and controls to prevent reoccurrence have been put in place and they are effective.



### 10.3. Fruitless and Wasteful Expenditure

Section 1 of the PFMA defines fruitless and wasteful expenditure as “expenditure which was made in vain and would have been avoided had reasonable care been exercised”.

Reasonable care means applying due diligence (careful application, attentiveness, caution) to ensure that the probability of a transaction, event or condition not being achieved as planned is being managed to an acceptable level.

**Msinsi has incurred the following fruitless and wasteful expenditure for the period ended 30 June 2023:**

Description	30 June 2023	30 June 2022
Opening Balance	R14 929	R21 304
Fruitless and Wasteful Expenditure Relating to Current Year	R0	R5 414
Recoveries	R1 083	R11 794
<b>Closing Balance</b>	<b>R13 841</b>	<b>R14 924</b>

**Table 10.2: Fruitless and Wasteful Expenditure**

An amount of R5 414.00 related to an overpayment on the sale of leave in the prior year. The full disciplinary process was followed on this matter and a sanction was implemented and the full amount was recovered from the employee. Fruitless and wasteful expenditure of R1 083.00 was recovered from employees found to be liable in the current year and R11 794.00 was recovered in the prior year.

An amount of R13 841.00 relates to 2017/2018, interest paid to EThekweni Municipality which is under investigation with the South African Police Services. Legal assistance to close the matter was also sourced.

### 10.4. Information on Payment of Supplier Invoices

**The table below reflects information on the payment of supplier invoices for the period ended 30 June 2023:**

Description	Value
	R'000
Valid invoices received	R24 901 689
Invoices paid within 30 days or agreed period	R21 834 348
Invoices paid after 30 days or agreed period	R3 067 340
Invoices older than 30 days or agreed period (unpaid and without dispute)	R115 916
Invoices older than 30 days or agreed period (unpaid and in dispute)	-

**Table 10.3: Supplier invoice payments**

**Note: the number of tax invoices for the year cannot be determined at this stage due to the instruction note being effective from 03 January 2023, with Public Entities being allowed to implement the reporting on supplier invoices from 01 April 2023. A system of recording the number of all tax invoices has been designed and will be implemented in the 2023/2024 year.**



#### 10.4.1 Reasons for late Payment to Suppliers

- Delays in signing off on progress achieved for certain projects.
- Invoices received late from suppliers resulting in a short payment window to process the invoice fully.
- Documentation completed incorrectly resulting in delays in payment due to corrective actions being required.
- Supplier invoices received not being VAT compliant or have incomplete information and require correction.

#### 10.4.2 Reason for Non-Payment of Invoice (Unpaid and without Dispute)

- Some supporting documentation is outstanding from the supplier.

### 10.5. Information On Supply Chain Management

#### 10.5.1 Procurement by other means

The SCM Policy and Procedure allows for deviations from SCM process in cases where it is impractical to follow the SCM process for the required goods and services and for emergencies. Paragraph 6.6 (j) of the SCM Procedure further allows for exemptions from following the SCM process for items where it has been proven impractical to follow the SCM process and which are procured on a regular basis.

Deviations and Exemptions per paragraph 6.8 of the SCM Procedure have been incurred as follows for the period ending 30 June 2023:

Description	30 June 2023	30 June 2022
Deviations and exemptions	R1 595 148	R1 762 642

**Table 10.4: Deviations and Exemptions**





The closing balance of deviations and exemptions as at 30 June 2023 can be summarised as follows:

Description	Supplier Name	Type of Procurement by Other Means	Contract Number	Value of Contract R'000
Repairs to freezers	3A Cold rooms and Airconditioning	Deviation	P013429	R2 875.00
Maintenance of Vehicles	3rd Base Motor Repairs	Deviation	P012831	R 44 901.05
Vehicles service and repairs	AKS Tyre Services CC	Deviation	P012472	R 23 244.80
Repairs to gas geysers	AA Gas Services (Pty) Ltd	Deviation	P012912	R10 655.67
Emergency Plumbing Services	Aselwa Construction (Pty) Ltd	Deviation	P012348	R49 150.00
Vehicles service and repairs	AV's Panelbeaters and Auto Repairs	Deviation	P012192	R27 786.50
Equipment repairs	Dalow Engineering (Pty) Ltd	Deviation	P013316	R38 980.40
Service and Repairs to Cruise Boat	East Coast Yamaha	Deviation	P012616	R14 309.99
Vehicles service and repairs	FK Automobile	Deviation	P011990	R15 765.00
Repairs to electrical fault	Luphoko Projects (Pty) Ltd	Deviation	P013088	R 19 722.50
Mavela Marine (Pty) Ltd	Repairs to boat	Deviation	P012770	R11 000.00
Repairs to DSTV	Mr Green Contractors (Pty) Ltd	Deviation	P013103	R3 480.00
Service and Repairs to Brush cutters and lawnmowers	Pietermaritzburg Power Products CC	Deviation	P012810	R20 164.99
Vehicles service and repair	Pinetown Agricultural Equipment	Deviation	P012093	R142 264.59
Repairs to Yamaha Petrol Boat	Pitts Marine and Industrial CC	Deviation	P012208	R16 573.37
Equipment Repairs	PMB Power Products	Deviation	P013070	R 29923.47
Repairs to pool pumps	Sherwood Pumps (Pty) Ltd	Deviation	P013068	R18 357.08
Vehicles service and repairs	Siyakha-Isizwe Trading Enterprise CC	Deviation	P012226	R37 730.00
Generator repairs	Technique Engineering Services	Deviation	P013604	R37 697.76
Repairs to Gate Motors	The Gate Doctor	Deviation	P013211	R20 569.42
Repairs to lawnmowers	Tip Top Lawnmowers	Deviation	P013018	R55 680.15
Repairs to roller iron and Fridge	Ubhaqa Air Conditioning	Deviation	P011789	R10 863.89
Electrical fault repairs	Ugesi Contractors	Deviation	P013191	R43 740.25
Equipment repairs	Umgeni Lawnmower Warehouse CC	Deviation	P012253	R55461.92
Leasing of land	E.P.W. Solomon	Exempt Services	EXE0001	R435 805.00
Corporate Social Investment	ESED Business Enterprise	Exempt Services	EXE0002	R99 720.00
Training and Development	Sika Forestry Solutions (Pty) Ltd	Exempt Services	EXE0003	R23 790.00
Advertising	Independent Newspaper	Exempt Services	EXE0004	R32 388.00
Corporate Social Investment	Luphoko Projects	Exempt Services	EXE0005	R74 014.00
Advertising	Media Xpose	Exempt Services	EXE0006	R34 838.00
Medical Practitioners and Occupational Health Specialist Services	Moxlee Mobile Medicals	Exempt Services	EXE0007	R36 561.00
Medical Practitioners and Occupational Health Specialist Services	OCC Care Occupational Health Services	Exempt Services	EXE0008	R9 925.00
Corporate Social Investment	Cyaxavatha Construction	Exempt Services	EXE0009	R14 800.00
Corporate Social Investment	Paragon Paints	Exempt Services	EXE0010	R44 160.00
Advertising	Makateko Media	Exempt Services	EXE0011	R40 250.00

**Table 10.5: Deviations and exemptions for the period ended 30 June 2023**

### 10.5.2 Contract variations and expansions

There were no contract variations and expansions for the period ended 30 June 2023.







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11. ANNUAL  
FINANCIAL  
**STATEMENTS**



## **MSINSI HOLDINGS (SOC) LIMITED**

(Registration number: 1992/003933/30)

Annual Financial Statements for the year ended 30 June 2023

### **General Information**

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#### **NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES**

During the year, Msinsi Holdings (SOC) Ltd carried on the business of Environmental and Conservation Management. The Company's mandate from uMngeni-uThukela Water is to manage the land and water surface of the dams owned or managed by uMngeni-uThukela Water at a fee and to provide recreational opportunities for the general public. The bulk of the Company's operations are located at the individual dams namely; Albert Falls, Bon Accorde, Hazelmere, Nagle, Inanda and Spring Grove.

#### **DIRECTORS**

Dr W Mapena	(Terminated 8 March 2023)
Ms N Radebe	
Dr B Mkhize	(Terminated December 2022)
Mr SE Mdlalose	
Mr SC Dlomo	
Ms MTB Ndlovu	
Mr V Reddy	(Terminated 8 March 2023)
Ms TS Mhlongo	(Appointed 28 March 2023)
Ms HP Majosi	(Appointed 28 March 2023)
Dr SL Ndlovu	(Appointed 1 January 2023)
Dr N Deppa	(Appointed 1 January 2023)

#### **REGISTERED OFFICE**

Unit 1 and 2  
Block C  
18 Old Main Road  
Hillcrest  
3610

#### **BUSINESS ADDRESS**

Unit 1 and 2  
Block C  
18 Old Main Road  
Hillcrest  
3610

#### **BANKERS**

First National Bank; Rand Merchant Bank

#### **AUDITORS**

Auditor General of South Africa

#### **COMPANY REGISTRATION NUMBER**

1992/003933/30

#### **LEVEL OF ASSURANCE**

These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008 and Public Finance Management Act of 1999.

#### **THE ANNUAL FINANCIAL STATEMENTS WERE PREPARED BY:**

Denise Govender  
Financial Manager

#### **THE ANNUAL FINANCIAL STATEMENTS WERE REVIEWED BY:**

Mbali Ngubane CA(SA)  
Divisional Head: Corporate Services



## MSINSI HOLDINGS (SOC) LIMITED

(Registration number: 1992/003933/30)

Annual Financial Statements for the year ended 30 June 2023

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## **MSINSI HOLDINGS (SOC) LIMITED**

(Registration number: 1992/003933/30)

Annual Financial Statements for the year ended 30 June 2023

### **Directors' Responsibilities and Approval**

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The directors of the company are responsible for the maintenance of adequate accounting records and the preparation and integrity of the Annual Financial Statements and related financial information. The Annual Financial Statements are prepared in accordance with the requirements of the International Financial Reporting Standards, the Companies Act 71 of 2008 and the Public Finance and Management Act, 1999, of South Africa ("PFMA").

The directors acknowledge that they are ultimately responsible for the system of internal control. These controls are designed to provide reasonable, but not absolute, assurance to the reliability of the annual financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect material misstatement and losses. The systems are implemented and monitored by suitably trained personnel within an appropriate segregation of authority and duties.

The Annual Financial Statements have been prepared on a going concern basis, since the directors have every reason to believe that the company will continue to receive support from uMngeni-uThukela Water. Msinsi Holdings (SOC) Limited will continue to receive financial support from uMngeni-uThukela Water for the work it conducts on behalf of uMngeni-uThukela Water and this ensures the going concern status of Msinsi Holdings (SOC) Limited.

Approval of annual financial statements:

The Annual Financial Statements set out on pages 136 to 178 will be approved by the Board on 26 October 2023 and signed on their behalf by:

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**MTB Ndlovu**  
**Managing Director**

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**Adv. K. Mshengu**  
**Board Chairperson**



## **MSINSI HOLDINGS (SOC) LIMITED**

(Registration number: 1992/003933/30)

Annual Financial Statements for the year ended 30 June 2023

### **Declaration by the Company Secretary**

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I certify, in accordance with section 88(2)(e) of the Companies Act 71 of 2008, that for the period ended 30 June 2023, the entity has complied with all statutory requirements as required for a state-owned company in terms of this Act.



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**Simangele Mbatha**

**Acting Group Company Secretary**

**26 October 2023**



## **MSINSI HOLDINGS (SOC) LIMITED**

(Registration number: 1992/003933/30)

Annual Financial Statements for the year ended 30 June 2023

### **Directors' Report**

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The Directors have pleasure in submitting their report on the Annual Financial Statements of Msinsi Holdings (SOC) Limited for the year ended 30 June 2023.

#### **1. NATURE OF BUSINESS**

During the year Msinsi Holdings (SOC) Ltd carried out the business of Environmental and Conservation Management. The company's mandate from uMngeni-uThukela Water is to manage the land and water surface of the dams owned or managed by uMngeni-uThukela Water for a fee and to provide recreational opportunities for the general public. The bulk of the company's operations are located at the individual reserves namely: Albert Falls, Bon Accorde, Hazelmere, Nagle, Inanda and Spring Grove.

#### **2. SHAREHOLDER**

The Shareholder changed the entity name from Umgeni Water to uMngeni-uThukela Water with effect from 01 July 2023. uMngeni-uThukela Water owns 100% of the shares and operations of Msinsi Holdings (SOC) Ltd, which makes Msinsi Holdings (SOC) Ltd, a fully owned subsidiary of uMngeni-uThukela Water.

#### **3. DIRECTORS**

The Directors in office for the period ended 30 June 2023 are:

<b>Director</b>	<b>Designation</b>	<b>Appointment</b>	<b>Termination</b>
Dr W Mapena	Independent Non-Executive	Appointed May 2022	Terminated 8 March 2023
Dr B Mkhize	Independent Non-Executive	Appointed June 2014	Terminated 22 December 2022
Ms N Radebe	Independent Non-Executive	Appointed August 2020	
Mr SE Mdlalose	Independent Non-Executive	Appointed August 2020	
Mr SC Dlomo	Independent Non-Executive	Appointed August 2020	
Mr V Reddy	Independent Non-Executive	Appointed May 2022	Terminated 8 March 2023
Ms MTB Ndlovu	Prescribed Officer	Appointed July 2022	
Ms TS Mhlongo	Independent Non-Executive	Appointed March 2023	
Ms HP Majazi	Independent Non-Executive	Appointed March 2023	
Dr SL Ndlovu	Independent Non-Executive	Appointed January 2023	
Dr N Deppa	Non-Executive	Appointed January 2023	

#### **4. GOING CONCERN**

The Directors have performed the required liquidity and solvency test required by the Companies Act 71 of 2008. The Directors are of the opinion that the company Msinsi Holdings (SOC) Ltd will continue to operate as a going concern in the foreseeable future as it will continue to receive support from uMngeni-uThukela Water. This is supported by a letter of financial support issued to the entity by the Shareholder for the next 12 months.

#### **5. LITIGATION STATEMENT**

All pending claims and litigation are reported on note 33, page 174.

#### **6. AUDITORS**

The Auditor General of South Africa is the appointed auditor for the company during 2022/2023.



## **MSINSI HOLDINGS (SOC) LIMITED**

(Registration number: 1992/003933/30)

Annual Financial Statements for the year ended 30 June 2023

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### **7. FINANCIAL RESULTS**

The financial results of the company are set out on pages 136 to 178. These Annual Financial Statements have been prepared using appropriate accounting policies, in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB), the Companies Act and PFMA.

### **8. PUBLIC FINANCE MANAGEMENT ACT**

Msinsi Holdings (SOC) Ltd falls within the ambit of the Public Finance Management Act (PFMA). The individual Directors and the Board are the Accounting Authority who carry the full fiduciary responsibility in terms of the Companies Act and PFMA.

The PFMA provides that the Board of a SOC must exercise the utmost care to ensure reasonable protection of the assets and records of the SOC; and act with fidelity and in the best interests of the SOC in managing the financial affairs of the SOC. On request, the Board must disclose to the Minister to which the SOC is accountable and seek, within limits, to prevent any prejudice to the financial interests of the state.

### **9. KING IV**

While the King IV Report is not legally binding, its principles have been used as a benchmark against which the conduct of Directors should be measured. King IV emphasizes that SOCs must act with independence and in the best interests of the entity.

### **10. DIRECTORS AND PRESCRIBED OFFICERS' DISCLOSURE OF INTERESTS IN CONTRACTS**

During the period under review and at the time of signing off the 2023 Annual Financial Statements, no contracts were entered into in which Directors and Prescribed Officers of the Company had an interest and which would affect the business of the company.

### **11. SERVICE CONTRACTS OF DIRECTORS AND PRESCRIBED OFFICERS**

The company has not entered into any contracts other than the normal employment service contracts with executive directors and other prescribed officers.

### **12. FRUITLESS AND WASTEFUL EXPENDITURE**

Details of Fruitless and Wasteful Expenditure have been disclosed in note 35, page 175.

### **13. IRREGULAR EXPENDITURE**

Details of Irregular Expenditure have been disclosed in note 36, page 175.



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**Board Chairperson**

**Thursday, 26 October 2023**



**MSINSI HOLDINGS (SOC) LIMITED**

(Registration number: 1992/003933/30)

Annual Financial Statements for the year ended 30 June 2023

**Audit and Risk Committee Report for the year ended 2023**

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**Report of the Audit and Risk Committee in terms of Regulation 27.1 of the Public Finance Management Act No. 1 of 1999, as amended**

We are pleased to present our report for the financial year ended 30 June 2023.

The Committee reports that it has adopted appropriate formal terms of reference as its charter that adequately address the functions of an Audit and Risk Committee as set out in the Public Finance Management Act No. 1 of 1999, as amended (the PFMA). The Committee has regulated its affairs in compliance with this charter, and has discharged all of its responsibilities contained therein as follows:

- Ensured the effectiveness of internal control systems & risk management processes;
- Ensured the effectiveness of internal audit;
- Ensured that a combined assurance model was applied to provide a coordinated approach to all assurance activities; challenges with the capacitation of the internal audit and risk management functions were monitored closely, escalated to and are being addressed by the Board;
- Satisfied itself on the expertise, resources and experience of the entity's finance function;
- Reviewed the adequacy, reliability and accuracy of financial information provided to management and other users of such information;
- Followed up on any accounting and auditing concerns identified as a result of internal and external audits;
- Evaluated the entity's compliance with legal and regulatory provisions;
- Reviewed the activities of the internal audit function, including, but not limited to, its annual work programme, co-ordination with the external auditors, the reports of significant investigations and the responses of management to specific recommendations;
- Reported to the Board on a quarterly basis on how it has discharged its duties.

The entity has a functional Audit and Risk Committee which oversees the Audit, Risk Management and Compliance functions. The primary role of the Committee is to ensure integrity of financial reporting and audit processes, risk management and internal controls. The Committee comprises of three (3) independent non-executive members; Ms N Radebe (Chairperson), Mr SC Dlomo and Dr SL Ndlovu.

**In the conduct of its duties, the Committee has performed the following activities:****ANNUAL FINANCIAL STATEMENTS**

The Committee has evaluated the Annual Financial Statements of Msinsi Holdings SOC Ltd and accompanying notes and was satisfied that the financial statements are based on appropriate accounting policies, supported by reasonable and prudent judgments and estimates. The Committee has also reviewed the AGSA's management letter and management's responses for the year ended 30 June 2023 and, based on the information provided, the Committee considers that they comply in all material respects with the requirements of the PFMA and International Financial Reporting Standards. The Committee concurs with and accepts the AGSA's report on the Annual Financial Statements. The Committee has therefore recommended the adoption of the Annual Financial Statements by the Board of Directors.

**GOING CONCERN**

The Committee concurs with the Board of Directors' conclusion that the adoption of the going concern premise in the preparation of the financial statements is appropriate. This is supported by a letter of financial support issued to the entity by the shareholder. The Board of uMngeni-uThukela Water has issued a going concern status on the entity's operations and Annual Financial Statements for 2022/2023 (accessible on [www.umgeni.co.za](http://www.umgeni.co.za) and on request) and the Audit and Risk Committee supports their statement in as far as it may be construed to extend to Msinsi.

**INTERNAL AUDIT AND SYSTEMS OF INTERNAL CONTROL**

The assessment of the adequacy of the internal control systems of the entity are undertaken by the uMngeni-uThukela Internal Audit Function, who provide internal audit services for the entire group to ensure consistency.



## **MSINSI HOLDINGS (SOC) LIMITED**

(Registration number: 1992/003933/30)

Annual Financial Statements for the year ended 30 June 2023

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The internal audit assessments have identified that some areas require improvements. The Annual Financial Statements were also reviewed by the Internal Audit team prior to their submission to the external auditors for audit. The external auditors assess the functioning of key controls on an annual basis and have noted some areas for improvement in the internal control environment in their management report.

While areas for improvement have been noted, the overall system of internal control was however found to be adequate.

The Committee is satisfied with the independence and objectivity of the Internal Auditors and the AGSA.

### **RISK MANAGEMENT**

The Committee provided oversight on risk exposures and monitored the ten (10) strategic risks identified for the year ended 30 June 2023 through the quarterly reviews of the risk register. There were no risks outside appetite and tolerance levels, however there were two (2) risks outside appetite but within tolerance levels. The Committee satisfied itself of the adequacy of the mitigations taken by management for the two (2) risks outside appetite but within tolerance levels.

### **ETHICS AND ICT GOVERNANCE**

The Committee satisfied itself that Msinsi was an integral component of the Group information technology, risk management processes and ethics governance and that Msinsi representatives participated fully in the Group Information Technology and Ethics governance structures. The Ethics and ICT Governance report was reviewed on a quarterly basis.

### **REPORTABLE EXPENDITURES**

The committee reviewed the systems in place to prevent, detect and track irregular expenditure and fruitless and wasteful expenditure and found them to be sufficient. No fruitless and wasteful expenditure was incurred in the year ended 30 June 2023. The committee also noted that no new irregular expenditure was incurred and that the irregular expenditure incurred related to a legacy contract deemed irregular in previous years. The entity will be pursuing the provisions of the National Treasury Instruction Note No. 04 of 2022/23 in the next financial year to resolve the legacy or long outstanding reportable expenditures.

Nothing significant has come to the attention of the Committee to indicate that any material breakdown in the functioning of the controls, procedures and systems has occurred during the year under review.

There were no hindrances preventing the Committee from conducting its business in accordance with the approved Audit and Risk Committee Charter. The Committee would like to commend the entity on achieving a clean audit outcome. The Committee will continue to apply itself by focusing on key deliverables of the entity and in ensuring that the entity maintains the clean audit outcome.

**Audit and Risk Committee Chairperson**

**26 October 2023**



## Report on the audit of the financial statements

### Opinion

1. I have audited the financial statements of the Msinsi Holdings SOC Limited set out on pages 136 to 178 which comprise the statement of financial position as at 30 June 2023, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Msinsi Holdings SOC Limited as at 30 June 2023 and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS), the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Companies Act 71 of 2008 (Companies Act).

### Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
4. I am independent of the entity in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Other matter

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

### **National Treasury Instruction Note No. 4 of 2022-23: PFMA Compliance and Reporting Framework**

7. On 23 December 2022 National Treasury issued Instruction Note No. 4: PFMA Compliance and Reporting Framework of 2022-23 in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA, which came into effect on 3 January 2023. The PFMA Compliance and Reporting Framework also addresses the disclosure of unauthorised expenditure, irregular expenditure, and fruitless and wasteful expenditure. Among the effects of this framework is that irregular and fruitless and wasteful expenditure incurred in previous financial years and not addressed is no longer disclosed in the disclosure notes of the financial statements, only the current year and prior year figures are disclosed in notes 35 and 36 to the financial statements. The movements in respect of irregular expenditure and fruitless and wasteful expenditure are no longer disclosed in the notes to the financial statements of Msinsi Holdings SOC Limited. The disclosure of these movements (e.g., condoned, removed, written-off, under assessment, under determination and under investigation) are now required to be included as part of other information in the annual report of the entity. I do not express an opinion on the disclosure of irregular expenditure and fruitless and wasteful expenditure in the annual report.



**Responsibilities of the accounting authority for the financial statements**

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

**Responsibilities of the auditor-general for the audit of the financial statements**

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

**Report on the audit of the annual performance report**

12. In accordance with the Public Audit Act of South Africa of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected objective presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.
13. I selected the following objective presented in the annual performance report for the year ended 30 June 2023 for auditing. I selected an objective that measures the entity’s performance on its primary mandated functions and that are of significant community and public interest.

Objective	Page numbers	Purpose
<b>Strategic objective 1 – Improve Customer and Stakeholder Value</b>	100 - 102	Improve services and be a key partner in the provision of sustainable environmental and biodiversity management services around water resource dams

14. I evaluated the reported performance information for the selected objective against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity’s planning and delivery on its mandate and objectives.



15. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the entity's mandate and the achievement of its planned objectives
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner
- there is adequate supporting evidence for the achievements reported.

16. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

17. I did not identify any material findings on the reported performance information for the selected objective.

#### **Other matter**

18. I draw attention to the matter below.

#### **Material misstatements**

19. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of the *Improve Customer and Stakeholder Value objective*. Management subsequently corrected all the misstatements and I did not include any material findings in this report.

#### **Report on compliance with legislation**

20. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the entity's compliance with legislation.

21. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.





- 
22. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an
23. I did not identify any material non-compliance with the selected legislative requirements.

#### Other information in the annual report

24. The accounting authority is responsible for the other information included in the annual report, which includes the directors' report, the audit committee's report and the company secretary's certificate, as required by the Companies Act. The other information referred to does not include the financial statements, the auditor's report and the selected objective presented in the annual performance report that have been specifically reported on in this auditor's report.
25. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
26. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected objective presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated. I have nothing to report in this regard.

#### Internal control deficiencies

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

Auditor-General

Pietermaritzburg  
31 October 2023



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*



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## Annexure to the auditor's report

The annexure includes the following:

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

### Auditor-general's responsibility for the audit

#### ***Professional judgement and professional scepticism***

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

#### ***Financial statements***

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the entity to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause an entity to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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***Communication with those charged with governance***

I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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



## Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

<b>Legislation</b>	<b>Sections or regulations</b>
PFMA	Section 50(3) Section 51(1)(a)(iii); 51(1)(a)(iv); 51(1)(b); 51(1)(c)(i); 51(1)(e)(iii) Section 52(b) Section 55(1)(a); 55(1)(b); 55(1)(c)(i) Section 56 Section 57(b) Section 57(d) Section 66(3)(b)
Treasury Regulations for departments, trading entities, constitutional institutions and public entities (TR)	Treasury Regulation 29.1.1; 29.1.1(a); 29.1.1(c'); 29.2.1; 29.2.2; 29.3.1 Treasury Regulation 31.1.2(c') Treasury Regulation 31.2.5; 31.2.7(a) Treasury Regulation 33.1.1; 33.1.3
Companies Act	Section 45(2); 45(3)(a)(ii); 45(3)(b)(i); 45(3)(b)(ii); 45(4) Section 46(1)(a); 46(1)(b); 46(1)(c') Section 129(7)
Prevention and Combating of Corrupt Activities Act, 2004 (Act No. 12 of 2004) (PRECCA)	Section 34(1)
Construction Industry Development Board Act, 2000 (Act no. 38 of 2000) (CIDB Act)	Section 18(1) Section 22(3)
CIDB Regulations	CIDB regulation 17; 25(1); 25 (5) & 25(7A)
Preferential Procurement Policy Framework Act, 2000 (Act no. 5 of 2000) (PPPFA)	Section 1(i); 2.1(a); 2.1(b); 2.1(f)
Preferential Procurement Regulations, 2017 (PPR 2017)	Paragraph 4.1; 4.2 Paragraph 5.1; 5.3; 5.6; 5.7 Paragraph 6.1; 6.2; 6.3; 6.5; 6.6; 6.8 Paragraph 7.1; 7.2; 7.3; 7.5; 7.6; 7.8 Paragraph 8.2; 8.5 Paragraph 9.1; 9.2 Paragraph 10.1; 10.2 Paragraph 11.1; 11.2 Paragraph 12.1 and 12.2
Preferential Procurement Regulations, 2022 (PPR 2022)	Paragraph 3.1 Paragraph 4.1; 4.2; 4.3; 4.4 Paragraph 5.1; 5.2; 5.3; 5.4



<b>Legislation</b>	<b>Sections or regulations</b>
National Treasury (NT) Supply Chain Management (SCM) Instruction Note 03 2021/22	Paragraph 4.1; 4.2 (b); 4.3; 4.4; 4.6 Paragraph 5.4
NT SCM Instruction 4A of 2016/17	Paragraph 6
NT SCM Instruction Note 03 2019/20	Paragraph 5.5.1(vi); 5.5.1(x);
NT SCM Instruction Note 11 2020/21	Paragraph 3.1; 3.4 (a); 3.4(b); 3.9: 6.1;6.2;6.7
PFMA SCM instruction 08 of 2022/23	Paragraph 3.2 Paragraph 4.3.2; 4.3.3
Competition Act, 1998 (Act No. 89 of 1998) (Competition Act)	Section 4(1)(b)(ii)
NT instruction note 4 of 2015/16	Paragraph 3.4
Second amendment of (National Treasury Instruction) NTI 05 of 2020/21	Paragraph 4.8; 4.9 ; 5.1 ; 5.3
Erratum NTI 5 of 202/21	Paragraph 1
Erratum NTI 5 of 202/21	Paragraph 2
NT instruction note 5 of 2020/21	Paragraph 5.1 and 5.3



**MSINSI HOLDINGS (SOC) LIMITED**

(Registration number: 1992/003933/30)

Annual Financial Statements for the year ended 30 June 2023

**Statement of Financial Position as at 30 June 2023**

Figures in Rand	Note(s)	30 June 2023	30 June 2022 Restated
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	3	10 565 923	7 731 569
Right-Of-Use-Asset	4	5 939 926	4 385 807
Biological Assets	5	4 531 582	3 415 348
Intangible Assets	6	2 465 478	423 205
Trade and Other Receivables: Deposits Refundable: Electricity	7	313 621	306 974
		<b>23 816 530</b>	<b>16 262 902</b>
<b>Current Assets</b>			
Trade and Other Receivables	7	1 180 404	1 176 669
Umgeni Water: Intercompany Receivable	8	14 008 131	15 825 637
Cash and Cash Equivalents	9	48 039 041	43 379 198
		<b>63 227 576</b>	<b>60 381 504</b>
<b>Total Assets</b>		<b>87 044 106</b>	<b>76 644 406</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Share Capital	10	100	100
Retained Income		68 276 541	58 873 312
		<b>68 276 641</b>	<b>58 873 412</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Lease Liabilities	12	5 473 614	3 444 280
<b>Current Liabilities</b>			
Corporate Social Investment	11	342 392	488 764
Lease Liabilities	12	1 055 989	1 188 493
Trade and Other Payables	13	9 148 135	10 473 072
SARS: Vat Payable	13	596 308	887 807
Provision for Performance Bonus	14	2 151 028	1 288 677
		<b>13 293 851</b>	<b>14 326 814</b>
<b>Total Liabilities</b>		<b>18 767 465</b>	<b>17 771 094</b>
<b>Total Equity and Liabilities</b>		<b>87 044 106</b>	<b>76 644 406</b>


**MSINSI HOLDINGS (SOC) LIMITED**

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Annual Financial Statements for the year ended 30 June 2023

**Statement of Comprehensive Income**

Figures in Rand	Note(s)	30 June 2023	30 June 2022 Restated
Revenue	15	97 364 266	90 618 599
Other Income	16	546 237	1 248 458
Fair Value Adjustment	17	1 116 234	285 355
Employee Cost	18	(61 121 472)	(52 376 383)
Auditors Remuneration	19	(1 073 571)	(1 213 506)
Depreciation and Amortisation	19	(2 474 654)	(3 784 031)
Repairs and Maintenance	20	(5 280 991)	(4 434 650)
Other Operating Expenses	20	(22 283 141)	(15 827 453)
<b>Operating Profit</b>		<b>6 792 909</b>	<b>14 516 389</b>
Finance Income	21	3 045 030	1 233 991
Finance Costs	22	(434 611)	(523 013)
<b>Profit for the period</b>		<b>9 403 329</b>	<b>15 227 367</b>
Other Comprehensive Income		-	-
<b>Total Profit for the Year</b>		<b>9 403 329</b>	<b>15 227 367</b>



**MSINSI HOLDINGS (SOC) LIMITED**

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**Statement of Changes in Equity**

Figures in Rand	Share Capital	Retained Income	Total Equity
<b>Balance at 01 July 2021</b>	<b>100</b>	<b>43 645 845</b>	<b>43 645 945</b>
<b>Profit for the year 30 June 2022</b>	<b>-</b>	<b>15 334 387</b>	<b>15 334 387</b>
Prior year adjustment Note 39	-	(107 020)	(107 020)
<b>Balance at 30 June 2022</b>	<b>100</b>	<b>58 873 212</b>	<b>58 873 312</b>
<b>Profit for the year ended 30 June 2023</b>	<b>-</b>	<b>9 403 329</b>	<b>9 403 329</b>
<b>Balance at 30 June 2023</b>	<b>100</b>	<b>68 276 541</b>	<b>68 276 641</b>
Note	10		


**MSINSI HOLDINGS (SOC) LIMITED**

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Annual Financial Statements for the year ended 30 June 2023

**Statement of Cash Flows**

Figures in Rand	Note(s)	30 June 2023 R	30 June 2022 Restated R
<b>Cash flows from operating activities</b>			
Cash generated from operations	37	9 076 880	15 946 261
Finance income	21	3 045 030	1 233 991
Finance Costs	22	(434 610)	(523 013)
<b>Net cash from operating activities</b>		<b>11 687 299</b>	<b>16 657 239</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	3	(3 795 541)	(1 698 373)
Purchase of intangible assets	6	(2 043 423)	(418 231)
<b>Net cash from investing activities</b>		<b>(5 838 964)</b>	<b>(2 116 604)</b>
<b>Cash flows from financing activities</b>			
Lease liability payments	25	(1 188 493)	(1 003 203)
<b>Total cash movement for the period</b>		<b>4 659 842</b>	<b>13 537 432</b>
Cash at the beginning of the period		43 379 199	29 841 767
<b>Total cash at end of the period</b>	9	<b>48 039 041</b>	<b>43 379 199</b>



## **MSINSI HOLDINGS (SOC) LIMITED**

(Registration number: 1992/003933/30)

Annual Financial Statements for the year ended 30 June 2023

### **Accounting Policies**

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#### **General information**

##### **1. Principal Accounting Policies**

The principal accounting policies applied in the preparation of the Annual Financial Statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **1.1 Basis of Presentation**

The Annual Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS), the Public Finance Management Act 1 of 1999 (PFMA), International Financial Reporting Interpretations Committee (IFRIC), South African Institute of Chartered Accountants (SAICA), the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the Companies Act 71 of 2008. The Annual Financial Statements have been prepared under the historical cost convention, except for Biological Assets which are measured at fair value and is presented in South African Rand. All amounts are rounded to the nearest Rand.

##### **1.2 Revenue**

Revenue comprises of gate entry fees, accommodation, tented accommodation, wild card, boat launching fee, boat locker, special events, conferencing, firebreaks, NRM revenue and environmental management fees charged to uMngeni-uThukela Water in order to meet the environmental management expenditure mandate.

Revenue from rendering of services and sale of goods is recognized according to the requirement of IFRS 15.

The entity applied the five-step model to determine when to recognize revenue and at what amount. The following approach was used:

1. Identify the contract with a customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligation in the contract; and
5. recognize revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

The entity provides for various revenue streams.

Revenue is recognized when a customer obtains control of the goods or service. Determining the timing of the transfer of control at a point in time or over time.

##### **Contract Asset**

A contract asset arises when an entity transfers a good or performs a service in advance of receiving consideration from the customer as agreed upon. A contract asset becomes receivable once the entity's right to the receive consideration becomes unconditional.

##### **Contract Liabilities**

A contract liability arises when an entity has invoiced the customer or received payment from them but has not yet done the work and the invoices and/or payments exceed the revenue recognized to date.

##### **1.2.1. Interest Received**

Revenue from interest income is accrued from the Investment Call Account maintained at Rand Merchant Bank and outstanding debtors.

##### **1.2.2. Other Income**

Rental income, and sundry income (insurance proceeds and recoveries from employees) are reflected under other income.





## **MSINSI HOLDINGS (SOC) LIMITED**

(Registration number: 1992/003933/30)

Annual Financial Statements for the year ended 30 June 2023

### **Accounting Policies**

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#### **1.2 Revenue (continued)**

#### **1.3 Financial Instruments**

Financial instruments consist mainly of lease liabilities, cash and cash equivalents, trade and other receivables and trade and other payables.

##### **Initial Recognition and Measurement**

Financial instruments are initially recognized when an entity becomes a party to the contractual provisions of the instrument, which then determines the subsequent measurement of the instrument (typically amortised cost or fair value).

The company determines the classification of its financial assets at initial recognition and classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

##### **Subsequent Measurement**

Financial instruments at fair value through profit or loss are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in profit or loss for the period. Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses. Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

##### **De-recognition of Financial Instruments**

Financial assets are de-recognized when the contractual rights to receive cash flows from the financial asset have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership. Financial liabilities are de-recognized when, and only when, they are extinguished, that is, when the obligation specified in the contract is either discharged, cancelled or expired.

##### **Offsetting Financial Instruments**

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

##### **Trade and other Receivables**

Trade receivables are measured at fair value on initial recognition and are subsequently measured at amortised cost.

##### **Impairment Losses**

A loss allowance for expected credit losses and change in those expected credit losses is recognized and is subsequently updated at each reporting date. The loss allowance is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition; if the credit risk has not increased significantly since initial recognition the loss allowance is measured at an amount equal to 12 months expected credit losses. The expected credit losses are the weighted average of credit losses based on the risk of default occurring. Credit loss is the difference between all contractual cash flows of the financial asset due in terms of the contract and all the expected cash flows of the financial asset discounted at the original effective interest rate. Interest income is calculated using the effective interest method on the financial asset's gross carrying amount when the asset is not credit impaired and on the amortised cost when the asset is credit impaired.

Impairment is accounted for by using the simplified approach for Trade Receivables where the loss allowance is equal to the lifetime expected losses on every reporting date.



## **MSINSI HOLDINGS (SOC) LIMITED**

(Registration number: 1992/003933/30)

Annual Financial Statements for the year ended 30 June 2023

### **Accounting Policies**

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#### **1.3 Financial Instruments (continued)**

##### **Trade and Other Payables**

Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

##### **Cash and Cash Equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term 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 measured at fair value and are subsequently measured at amortised cost.

##### **Intercompany Receivables**

Intercompany receivables are measured at amortized cost. An assessment of whether transactions with related parties are at arm's length is done.

#### **1.4 Leases**

##### **Company as a Lessee**

Lessees are required to recognize a right-of-use asset and a lease liability for all leases which are expensed on a straight line or other systematic basis. The cost of the right-of-use asset includes, where appropriate, the initial amount of the lease liability; lease payments made prior to commencement of the lease less incentives received; initial direct costs of the lessee; and an estimate for any provision for dismantling, restoration and removal related to the underlying asset.

The lease liability takes into consideration, where appropriate, fixed and variable lease payments; residual value guarantees to be made by the lessee; exercise price of purchase options; and payments of penalties for terminating the lease.

The lease liability is re-measured by discounting revised payments at a revised rate when there is a change in the lease term or a change in the assessment of an option to purchase the underlying asset. The lease liability is re-measured by discounting revised lease payments at the original discount rate when there is a change in the amounts expected to be paid in a residual value guarantee or when there is a change in future payments because of a change in index or rate used to determine those payments. The entity determines the interest rate using the implicit rate in the lease.

Certain lease modifications are accounted for as separate leases. When lease modifications which decrease the scope of the lease are not required to be accounted for as separate leases, then the lessee re-measures the lease liability by decreasing the carrying amount of the right of lease asset to reflect the full or partial termination of the lease. Any gain or loss relating to the full or partial termination of the lease is recognized in profit or loss. For all other lease modifications which are not required to be accounted for as separate leases, the lessee re-measures the lease liability by making a corresponding adjustment to the right-of-use asset.

Right-of-use assets and lease liabilities should be presented separately from other assets and liabilities. If not, then the line item in which they are included must be disclosed.

The entity is not applying any exemptions in terms of short-term and low value lease.



## **MSINSI HOLDINGS (SOC) LIMITED**

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Annual Financial Statements for the year ended 30 June 2023

### **Accounting Policies**

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#### **1.4 Leases (continued)**

##### **Company as Lessor**

Leases are classified as either finance leases or operating leases. Lease classification is reassessed only if there has been a modification. A modification is required to be accounted for as a separate lease if it both increases the scope of the lease by adding the right to use one or more underlying assets; and the increase in consideration is commensurate to the stand-alone price of the increase in scope.

If a finance lease is modified, and the modification would not qualify as a separate lease, but the lease would have been an operating lease if the modification was in effect from inception, then the modification is accounted for as a separate lease. In addition, the carrying amount of the underlying asset shall be measured as the net investment in the lease immediately before the effective date of the modification. IFRS 9 applies to all other modifications not required to be treated as a separate lease.

Modifications to operating leases are required to be accounted for as new leases from the effective date of the modification.

##### **Operating leases - lessor**

Operating lease income is recognized as an income on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the receipt of payments is not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

#### **1.5 Provisions**

The entity has recognised the Provision for Performance Bonuses under provisions.

Provisions are reviewed at reporting date and accounted for at present value as a result of past event whereas contingencies is recorded at present to account for possible future outflow of funds.

Provisions are recognized when:

- the company has a present obligation (legal or constructive) as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and;
- a reliable estimate can be made of the amount of the obligation.

Contingent assets and contingent liabilities are not recognized. Contingencies are disclosed in the notes.

#### **1.6 Property, Plant and Equipment**

##### **Initial Recognition and Measurement**

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

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

The cost of an asset includes costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognized in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognized.

##### **Subsequent Measurement**



## **MSINSI HOLDINGS (SOC) LIMITED**

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Annual Financial Statements for the year ended 30 June 2023

### **Accounting Policies**

#### **1.6 Property, Plant and Equipment (continued)**

Property, plant and equipment are carried at cost less accumulated depreciation and any impairment losses. Substantial improvements to property, plant and equipment are capitalised whilst maintenance and repairs are written off as they occur.

#### **Depreciation**

Depreciation on assets is provided on a straight-line basis so as to write-off the cost of each asset to its residual value over its expected useful life. The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the company.

Property, plant and equipment of less than R 5 000 is written off on acquisition.

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

<b>Item</b>	<b>Depreciation method</b>	<b>Average useful life</b>
• Motor Vehicles	Straight line	4 to 27 years
• Boats	Straight line	5 to 23 years
• Plant and Machinery	Straight line	4 to 27 years
• Radios	Straight line	18 to 19 years
• Garden Equipment	Straight line	4 to 20 years
• Accommodation Facilities	Straight line	5 to 24 years
• Cleaning and Catering	Straight line	4 to 23 years
• Security	Straight line	10 to 26 years
• Office Equipment	Straight line	4 to 35 years
• Displays	Straight line	8 to 15 years
• Fencing and Signage	Straight line	6 to 14 years
• Firearms	Straight line	26 to 32 years
• Visitor Facilities	Straight line	13 to 15 years
• Roads Infrastructure	Straight line	7 years

The residual value, the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

#### **Derecognition**

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

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognized.

Gains and losses are calculated as the difference between the carrying value of assets (cost less accumulated depreciation and accumulated impairment losses) and the disposal proceeds is included in the Statement of Comprehensive Income as a gain or loss on disposal of property, plant and equipment.

#### **Impairment**



## MSINSI HOLDINGS (SOC) LIMITED

(Registration number: 1992/003933/30)

Annual Financial Statements for the year ended 30 June 2023

### Accounting Policies

#### 1.6 Property, Plant and Equipment (continued)

Asset impairment arises when there is a sudden drop in the fair value of an asset below its recorded cost. The amount of an impairment loss is the difference between an asset's carrying amount and its recoverable amount. According to IAS36 "Impairment of assets", an impairment loss is the amount by which the carrying amount of an asset or a cash generating unit exceeds its recoverable amount.

The loss shall be reported on the Statement of Comprehensive Income in the same section where other expenses are reported.

#### Indications of Impairment

The entity shall review assets for impairment when one of the indicators below occurs or at least at the end of each reporting period. In assessing whether there is any indication that an asset may be impaired, an entity shall consider as a minimum the following indicators:

The external indicators may include the following:

- Market value declines
- Increase in market interest rates
- Company stock price is less than the book value
- Negative changes in technology, economy, laws or markets

The internal indicators may include the following:

- Asset as a part of restructuring or held for disposal
- Obsolescence or physical damage
- Worse economic Performance

#### 1.7 Intangible assets

##### Initial Recognition

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are initially recognized at cost.

The useful life of intangible assets has been assessed as follows:

Item	Depreciation Method	Average Useful Life
Computer software	Straight line	1 year
Customer relationship management system	Straight line	3 to 5 years

##### Subsequent Measurement

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses. Intangible assets, including intangible assets not yet available for use, are assessed annually for impairment indicators. When items of intangible assets have been impaired, the carrying value is adjusted by the impairment loss, which is recognized as an expense in the period that the impairment is identified. The impairment loss is the difference between the carrying amount and the recoverable amount.

The estimated useful life, residual values and amortisation method are reviewed annually at the end of the financial year. Any adjustment arising from the annual review is applied prospectively as a change in accounting estimate in the Statement of Comprehensive Income.





## MSINSI HOLDINGS (SOC) LIMITED

(Registration number: 1992/003933/30)

Annual Financial Statements for the year ended 30 June 2023

### Accounting Policies

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#### Derecognition

Intangible assets are derecognized:

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

#### Work in Progress

Work in Progress is not depreciated as the asset has not been brought into use yet. The customer relationship management system is currently being developed for management of customers and booking system.

#### 1.8 Biological Assets

Biological assets can be measured at historical cost or fair value less costs to sell. The fair value of livestock is determined by reference to prevailing market prices of similar age, genes, and genetic merit after considering its highest and best use. All changes in fair values are recognized and in the Statement of Comprehensive Income in the period in which they arise.

Biological Assets are kept for recreational purposes to provide game viewing for customers.

The following species: Blue Duiker, Caracals, Jackals, Bush Pig, Grey Duiker, Oribi and the Reedbuck are nocturnal/ naturally occurring making it impossible to count hence they are not recognized.

#### 1.9 Employee Benefits

##### Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered), such as paid vacation leave and bonuses are recognized in the period in which the service is rendered, are not discounted and are based on current wage and salary rates.

##### 1.10 Retirement Benefits

The company contributes to a defined contribution plan for the provident fund. These contributions are recognized as an expense when employees have rendered services entitling them to contributions.

##### 1.11 Comparative Figures

When the presentation or classification of items in the Annual Financial Statements is amended, prior period comparative amounts are restated. The nature and reason for the classification is disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

##### 1.12 PFMA Disclosure

###### Irregular Expenditure

Irregular expenditure is recorded in the notes to the Annual Financial Statements. The amounts recorded in the notes are equal to the value of the irregular expenditure incurred unless it is impracticable to determine the value.

Irregular expenditure is accounted for as an expense in the Statement of Comprehensive Income in the period it occurred and where recovered, it is subsequently accounted for as sundry revenue in the Statement of Comprehensive Income.



## **MSINSI HOLDINGS (SOC) LIMITED**

(Registration number: 1992/003933/30)

Annual Financial Statements for the year ended 30 June 2023

### **Accounting Policies**

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#### **1.12 PFMA Disclosure (continued)**

##### **Fruitless and Wasteful Expenditure**

Fruitless and wasteful expenditure is 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 recognized as an expense in the Statement of Comprehensive Income 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 in the Statement of Comprehensive Income.

#### **1.13 Capital Commitments**

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

Capital commitments are not recognized in the Statement of Financial Position as a liability but are included in the disclosure notes in the following cases:

- Approved and contracted commitments, where the expenditure has been approved but the contract has been awarded at the reporting date.

Approved but not yet contracted commitments are not disclosed.

#### **1.14 Share Capital**

Ordinary shares are recognized at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity.

#### **1.15 Value Added Tax (VAT)**

The entity is registered with the South African Revenue Services for VAT on the invoice basis in accordance with Section 15(2)(a) of the Value Added Tax Act, No. 81 of 1991.

#### **1.16 Income Tax**

The entity is exempted from tax in terms of s10 (1) (cA) (ii) of the Income Tax Act.

#### **1.17 Related Parties**

The company discloses related party transactions with other entities in the Group, those charged with governance, key management personnel, and other schedule 3B entities.

Significant related party relationships and transactions are disclosed in the Financial Statements as required by IFRS.

#### **1.18 Use of Estimates**

The preparation of Financial Statements in accordance with IAS 8 requires the use of certain critical accounting estimates. It also requires management to exercise their judgment in complying with policies. The areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to the Annual Financial Statements are disclosed in the relevant sections of the Financial Statements. Although these estimates are based on management's best knowledge of current events and actions they may undertake in the future, actual results ultimately may differ from those estimates.



## **MSINSI HOLDINGS (SOC) LIMITED**

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Annual Financial Statements for the year ended 30 June 2023

### **Accounting Policies**

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#### **1.18 Use of Estimates (continued)**

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

#### **1.19 Key Sources of Estimation Uncertainty**

There are no assumptions concerning the future, and other sources of estimation uncertainty at the reporting date, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### **Fair Values of Biological Assets**

The carrying amounts of biological assets are recognized at fair value. The fair values of game were determined with reference to market prices as at 30 June 2023.

#### **Trade and Other Receivables**

Refer to note 1.3, pages 141 and 142 for Financial Instruments for the expected credit loss.

#### **Property, Plant and Equipment**

Refer to note 1.6, pages 143, 144 and 145 for useful lives assumptions for Property Plant and Equipment (PPE).

#### **Provisions**

Refer to note 14, page 159 for estimates done on Provisions.

#### **Change in Estimates**

Refer to note 38, pages 176 and 177 for assumptions relating to Change in Estimates.

#### **1.20 Finance Costs**

##### **Finance costs lease**

Finance costs are directly attributable to the right of use of an asset. All finance costs are reflected in the statement of comprehensive income in the period in which they are incurred.



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#### 2. New Standards and Interpretations

##### 2.1 Standards and Interpretations effective and adopted in the current year

New standards issued but not applicable in the current year:

Standard	Details of Amendment	Annual periods beginning on or after
IAS 1 Classification of Liabilities as Current or Non-current	<p>The amendments in Classification of Liabilities as Current or Non-current (Amendments to IAS 1) affect only the presentation of liabilities in the statement of financial position — not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items. They:</p> <ul style="list-style-type: none"> <li>- clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability;</li> <li>- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability;</li> <li>- and make clear that settlement refers to the transfer to the counterpart of cash, equity instruments, other assets or services.</li> </ul>	<p>It is applicable to entities with financial years beginning on or after 1 January 2023.</p> <p>The standards will be adopted in 2024 financial year.</p> <p>It is unlikely there will be material impact.</p>
IFRS 17 Insurance Contracts	<p>The amendments provides the first comprehensive guidance on accounting for insurance contracts under IFRS Accounting Standards. It aims to increase transparency and reduce diversity in the accounting for insurance contracts.</p>	<p>It is applicable to entities with financial years beginning on or after 1 January 2023.</p> <p>The standards will be adopted in 2024 financial year.</p> <p>It is unlikely there will be material impact.</p>
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors	<p>Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".</p> <p>Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.</p> <ul style="list-style-type: none"> <li>- the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.</li> <li>- the effect of the change relating to the current period is recognised as income or expense in the current period. The effect, if any, on future periods is recognised as income or expense in those future periods.</li> </ul>	<p>It is applicable to entities with financial years beginning on or after 1 January 2023.</p> <p>The standards will be adopted in 2024 financial year.</p> <p>It is unlikely there will be material impact.</p>



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**2. New Standards and Interpretations (continued)**

IAS 1 disclosure of accounting policies	<p>An entity is now required to disclose its material accounting policy information instead of its significant accounting policies;</p> <ul style="list-style-type: none"> <li>- several paragraphs are added to explain how an entity can identify material accounting policy information and to give examples of when accounting policy information is likely to be material;</li> <li>- the amendments clarify that accounting policy information may be material because of its nature, even if the related amounts are immaterial;</li> <li>- the amendments clarify that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements; and</li> <li>- the amendments clarify that if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information.</li> </ul>	<p>It is applicable to entities with financial years beginning on or after 1 January 2023.</p> <p>The standards will be adopted in 2024 financial year.</p> <p>It is unlikely there will be material impact.</p>
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#### 3. PROPERTY, PLANT AND EQUIPMENT

	2023			2022		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Accommodation Facilities	6 264 170	(4 438 269)	1 825 901	6 134 011	(4 233 630)	1 900 381
Boats	1 921 754	(1 194 926)	726 827	1 921 754	(1 646 066)	275 687
Cleaning and Catering	815 795	(459 189)	356 606	602 094	(445 409)	156 685
Displays	31 519	(27 144)	4 375	31 519	(26 012)	5 507
Fencing and Signage	2 172 237	(1 185 504)	986 733	1 848 374	(1 163 959)	684 415
Firearms	9 735	(8 759)	976	9 735	(8 406)	1 329
Garden Equipment	934 062	(742 931)	191 131	1 041 580	(867 772)	173 808
Motor Vehicles	6 121 570	(4 807 695)	1 313 875	5 920 151	(4 156 273)	1 763 878
Office Equipment	2 808 057	(1 713 047)	1 095 009	2 601 101	(1 589 781)	1 011 319
Plant and Machinery	2 549 111	(2 200 715)	348 396	2 497 220	(2 119 052)	378 168
Radios	12 285	(1 430)	10 855	5 535	(172)	5 363
Roads Infrastructure	1 586 917	(49 066)	1 537 851	11 738	(11 738)	-
Security	540 805	(245 864)	294 941	831 743	(489 705)	342 038
Visitor Facilities	2 522 042	(649 593)	1 872 449	1 507 116	(474 128)	1 032 990
<b>Total</b>	<b>28 290 065</b>	<b>(17 724 142)</b>	<b>10 565 924</b>	<b>24 963 671</b>	<b>(17 232 103)</b>	<b>7 731 569</b>

#### Reconciliation of Property, Plant and Equipment - 30 June 2023

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Accommodation Facilities	1 900 381	176 234	-	(251 713)	1 825 901
Boats	275 687	-	-	451 140	726 827
Cleaning and Catering	156 685	218 834	-	(18 913)	356 606
Displays	5 507	-	-	(1 132)	4 375
Fencing and Signage	684 415	323 862	-	(21 545)	986 733
Firearms	1 329	-	-	(353)	976
Garden Equipment	173 808	-	-	17 323	191 131
Motor Vehicles	1 763 878	-	(17 450)	(432 554)	1 313 875
Office Equipment	1 011 321	314 260	(1 437)	(229 133)	1 095 011
Plant & Machinery	378 167	84 120	-	(113 896)	348 391
Roads Infrastructure	-	1 586 919	-	(49 068)	1 537 851
Radios	5 363	6 750	-	(1 258)	10 855
Security	342 038	68 448	-	(115 544)	294 942
Visitor Facilities	1 032 990	1 016 115	-	(176 654)	1 872 451
	<b>7 731 569</b>	<b>3 795 542</b>	<b>(18 887)</b>	<b>(943 300)</b>	<b>10 565 924</b>

Management has assessed the useful lives for boats and garden equipment as disclosed in note 38, pages 176 and 177 resulting in a positive depreciation.

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**3. PROPERTY, PLANT AND EQUIPMENT (continued)****Reconciliation of Property, Plant and Equipment - 30 June 2022**

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Accommodation Facilities	1 531 039	258 064	(15 859)	127 138	1 900 381
Boats	361 476	-	-	(85 789)	275 687
Cleaning and Catering	119 922	90 369	(2 294)	(51 313)	156 685
Displays	12 905	-	-	(7 397)	5 507
Fencing and Signage	678 594	280 784	-	(274 964)	684 415
Firearms	1 682	-	-	(353)	1 329
Garden Equipment	360 295	-	(12 250)	(174 237)	173 808
Motor Vehicles	2 594 827	-	-	(830 949)	1 763 878
Office Equipment	1 194 383	156 067	(36 743)	(302 386)	1 011 321
Plant and Machinery	738 346	-	(22 527)	(337 652)	378 167
Radios	1	5 535	-	(173)	5 363
Security	133 737	313 150	-	(104 849)	342 038
Visitor Facilities	584 984	594 404	(25 309)	(121 090)	1 032 990
	<b>8 312 191</b>	<b>1 698 373</b>	<b>(114 982)</b>	<b>(2 164 014)</b>	<b>7 731 568</b>

Management has assessed the useful lives for accommodation facilities from 13 years to 18 years.



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#### 4. RIGHT-OF-USE-ASSET

##### Right-of-Use Asset: Land

The requirement of IFRS 16 is to include the right of use of an asset for a period of time and specify the rule, recognition and measurement of the lease. The ownership of the asset remains with the lessor for the entire lease period. The land was recognized as a liability, and at the present value of all future payments. The right of use of the asset will be realised over the remaining period of the lease contract. The rental shall increase at a rate of 8% per annum.

##### Right-of-Use Asset: Photocopier

The ownership of the photocopier remains with the lessor for the entire lease period. The asset was recognized as a liability at the present value of all future payments. The right of use of the photocopier is realized over the remaining period of the lease contract. The lease is over a period of 5 years with no annual escalation.

##### Right-of-Use Asset: Building

The ownership of the building remains with the lessor for the entire lease period. The asset was recognized as a liability at the present value of all future payments. The right of use of the building is realized over the remaining period of the lease contract. The rental increased by 7.6% for 2022/2023. The lease for the building was extended for a further 3 years.

Right-of-Use Assets	30 June 2023			30 June 2022		
	Cost	Accumulated Depreciation	Carrying Value	Cost	Accumulated Depreciation	Carrying Value
Lease of Land	3 911 058	(1 229 354)	2 681 704	3 911 058	(931 387)	2 979 671
Lease of Photocopier	432 247	(259 348)	172 899	432 247	(172 899)	259 348
Lease of Building	6 107 016	(3 021 693)	3 085 323	3 021 693	(1 874 905)	1 146 788
	<b>10 450 321</b>	<b>(4 510 396)</b>	<b>5 939 926</b>	<b>7 364 998</b>	<b>(2 979 191)</b>	<b>4 385 807</b>

##### Reconciliation of Right-of-Use Assets - 30 June 2023

	Opening balance	Additions	Depreciation	Total
Lease of Land	2 979 671	-	(297 967)	2 681 704
Lease of Photocopier	259 348	-	(86 449)	172 899
Lease of Building	1 146 788	3 085 323	(1 146 788)	3 085 323
	<b>4 385 807</b>	<b>3 085 323</b>	<b>(1 531 204)</b>	<b>5 939 926</b>

##### Reconciliation of Right-of-Use Assets - 30 June 2022

	Opening balance	Depreciation	Adjustment to interest rate	Total
Lease of Land	3 284 482	(304 811)	-	2 979 671
Lease of Photocopier	347 798	(88 449)	-	259 348
Lease of Building	2 237 944	(1 128 924)	37 768	1 146 788
	<b>5 870 224</b>	<b>(1 522 184)</b>	<b>37 768</b>	<b>4 385 807</b>



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#### 5. BIOLOGICAL ASSETS

	2023			2022		
	Cost	Net Fair Value Adjustment	Carrying value	Cost	Net Fair Value Adjustment	Carrying value
Biological Assets	3 415 348	1 116 234	4 531 582	3 129 993	285 355	3 415 348

#### Reconciliation of Biological Assets - 30 June 2023

	Opening balance	Fair Value Adjustments - Additions	Fair Value Adjustment - Removals	Fair Value Price Adjustments	Total
Biological Assets	3 415 348	876 074	(216 386)	456 545	4 531 582

#### Reconciliation of biological assets - 30 June 2022

	Opening balance	Fair Value Adjustments - Additions	Fair Value Adjustments - Removals	Fair Value Price Adjustments	Total
Biological Assets	3 129 993	179 794	(210 092)	315 653	3 415 348

The nature of the biological assets is as follows:

Species	Consolidated Count 30 June 2023	Price per category as at 30 June 2023	Fair value as at 30 June 2023
Blesbok	49	2 243	109 907
Blue Wildebeest	42	4 885	205 170
Buffalo - breeding male	2	161 750	323 500
Buffalo - adult bull	8	120 999	967 992
Buffalo - female	4	120 999	483 996
Buffalo - heifer sub adult	3	85 000	255 000
Giraffe	28	14 963	418 964
Kudu	24	7 624	182 976
Nyala	48	5 125	246 000
Zebra	132	6 662	879 384
Impala	119	1 679	199 801
Warthog	12	1 500	18 000
Red Harbeeste	20	8 690	173 800
Bushbuck	3	5 750	17 250
Waterbuck	6	8 307	49 842
	<b>500</b>	<b>-</b>	<b>4 531 582</b>



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#### 5. BIOLOGICAL ASSETS (continued)

The total is based on the highest count over a period of 12 months as per the Biological Asset Policy / Procedure, reflected per year as follows: (2023: 500) and (2022: 389). The fair value of the game relates to price adjustment, the reduction of the game count species and fair value of the game that was hunted/culled, due to death and live sales.

The addition of the biological assets relates to natural causes where the numbers increased for the for blesbok, blue wildebeest, zebra, impala and red hartbeeste and there has been no physical purchase. The oribi, grey duiker and reedbuck is not included in the consolidated count due to the species are natural occurring. The fair value of livestock is determined by reference to prevailing market prices of similar age, genes, and genetic merit after considering its highest and best use.

#### 6. INTANGIBLE ASSETS

	2023			2022		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	4 974	(1 150)	3 824	124 445	(119 471)	4 974
Work in Progress - CRM System	2 461 654	-	2 461 654	418 231	-	418 231
<b>Total</b>	<b>2 466 628</b>	<b>(1 150)</b>	<b>2 465 478</b>	<b>542 676</b>	<b>(119 471)</b>	<b>423 205</b>

#### Reconciliation of Intangible Assets - 30 June 2023

	Opening balance	Additions	Amortisation	Total
Computer software	4 974	-	(1 150)	3 824
Work in Progress - CRM System	418 231	2 043 423	-	2 461 654
	<b>423 205</b>	<b>2 043 423</b>	<b>(1 150)</b>	<b>2 465 478</b>

#### Reconciliation of Intangible Assets - 30 June 2022

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software	113 903	-	(11 097)	(97 832)	4 974
Work in Progress - CRM System	-	418 231	-	-	418 231
	<b>113 903</b>	<b>418 231</b>	<b>(11 097)</b>	<b>(97 832)</b>	<b>423 205</b>

#### Work in Progress: Customer Relationship Management System

The tender was awarded in January 2022 and the completion date of the project is the second quarter of 2023/2024. Transactions amounting to R2 043 423 were recorded under Work in Progress.



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<b>7. TRADE AND OTHER RECEIVABLES</b>		
Trade Receivables	702 161	1 181 444
Allowance for Credit Losses	(298 836)	(336 598)
	<b>403 325</b>	<b>844 846</b>
Prepaid Expenses	192 356	9 002
Sundry Debtors	227 475	151 775
Accrued Income	357 248	171 046
Deposits Refundable: Electricity	313 621	306 974
	<b>1 090 700</b>	<b>638 797</b>
	<b>1 494 025</b>	<b>1 483 643</b>
<b>Split between Non-Current and Current Portions</b>		
Non-Current Assets	313 621	306 974
Current assets	1 180 404	1 176 669
	<b>1 494 025</b>	<b>1 483 643</b>
<b>Split between Financial and Non-Financial Assets</b>		
Financial Asset	403 325	844 846
Non-Financial Asset	1 090 700	638 797
	<b>1 494 025</b>	<b>1 483 643</b>

The entity has accounted for loans and receivables on an amortised cost basis as per IFRS 9.

**Trade and Other Receivables Impaired**

The Debtors Age Analysis was analysed and debts were provided for as follows:

The ageing of this debt is as follows:

	180 Days	150 Days	120 Days	90 Days	60 Days	30 Days	Current	Total
Balance	184 612	12 176	2 657	689	123 571	3 022	5 312	332 039
Loss Rate	90%	90%	90%	90%	90%	90%	90%	
Expected Credit Losses	166 151	10 959	2 392	620	111 213	2 720	4 781	298 836

The assumption was on the following basis:

Debt for more than 180 days 90% was applied

Debt for more than 150 days 90% was applied

Debt for 120 days 90% was applied

Debt for 90 days 90% was applied

Debt for 60 days 90% was applied



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#### 7. TRADE AND OTHER RECEIVABLES (continued)

The percentage was charged on the basis that the customers might not pay the outstanding amount due to the current prevailing economic conditions.

Msinsi Holdings measures the loss allowance for trade receivables at an amount equal to the lifetime expected credit loss using the simplified approach. The expected credit losses on trade receivables are analysed on the current financial position taking into account factors that are specific to the debtors, general economic conditions, as well as other operational conditions. Msinsi Holdings has recognized a loss allowance of 90% against receivables over 180 days to 60 days based on historical experience, current operation and economic environment.

#### Reconciliation of Provision for Impairment of Trade and Other Receivables

Opening Balance	(336 598)	(274 055)
Reversal of Credit Losses	336 598	274 055
Allowance for Credit Losses	(298 836)	(336 598)
	<u>(298 836)</u>	<u>(336 598)</u>

An allowance for expected credit losses was raised for trade receivables with long overdue accounts. This was based on the likelihood of not recovering the amount based on the current prevailing economic conditions. An amount of R 370 121.00 did not form part of the allowance for credit losses because it will be fully recovered from the customer, therefore an amount of R 332 040.00 was impaired as at 30 June 2023, resulting in a credit loss of R 298 836.00.

#### Debt written off

Four long outstanding debtors amounting to R 190 437.00 were written off during the year. This amount has been included in the Statement of Financial Performance together with credit losses.

#### 8. UMNGENI-UTHUKELA WATER: INTERCOMPANY RECEIVABLE

The Intercompany Receivable relates to the Management Fee and any other cost paid on behalf of Msinsi Holdings by uMngeni-uThukela Water on a monthly basis. The surplus funds from the Intercompany Receivable are transferred to Msinsi Holdings on a quarterly basis.

#### Current

Umgeni Water: Intercompany Receivable	<u>14 008 131</u>	<u>15 825 637</u>
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#### 9. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

Cash on Hand	263 713	218 660
Bank Balances	944 007	1 226 433
R.M.B - Call Account	46 831 321	41 934 105
	<u>48 039 041</u>	<u>43 379 198</u>

Msinsi Holding (SOC) Ltd holds an overnight deposit call account with Rand Merchant Bank and the surplus funds for Msinsi Holding is deposited into the call account. The bank balance includes an amount of R342 392 (Note 11, page 158) which can only be utilised for Corporate Social Investments.

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<b>10. SHARE CAPITAL</b>		
<b>Authorised</b>		
100 Ordinary shares of R1 each	100	100
<b>Issued</b>		
100 ordinary shares of R1 each	100	100
Share capital for the prior year was reduced from 1000 ordinary shares to 100 ordinary shares as per the Memorandum of Incorporation.		
<b>11. CORPORATE SOCIAL INVESTMENT</b>		
The Corporate Social Investment for an amount of R342 392, relates to Community Levy amounts that were levied in the prior years from the customers entering Msinsi reserves and for the benefit of communities surrounding the dams which Msinsi operates. The Community Levy amount of R342 392 will be utilized for CSI projects in 2023/2024.		
Corporate Social Investment	342 392	488 764
<b>12. LEASE LIABILITIES</b>		
These relate to the right of use of the asset for the photocopier, building and the lease of the land. The present value of all the lease payments is recognized over the remaining period of the lease contract. Refer to Note 25, page 166, 167 and 168 for more details on the leased assets.		
<b>Non-current liabilities</b>	5 473 614	3 444 280
<b>Current liabilities</b>	1 055 989	1 188 493
	<b>6 529 603</b>	<b>4 632 773</b>
<b>13. TRADE AND OTHER PAYABLES</b>		
<b>Financial Liabilities</b>		
Trade Payables	2 169 104	3 290 080
Accrued Expense	496 850	460 074
	2 665 954	3 750 154
<b>Non-Financial Liabilities</b>		
VAT Payable	596 306	887 807
Accrued Bonus	1 225 306	1 118 862
Income Received in Advance	1 820 851	1 632 869
Accrued Leave Pay	3 210 315	3 178 457
Customer: Prepaid Deposits	225 708	792 730
	<b>7 078 487</b>	<b>7 610 725</b>
	<b>9 744 441</b>	<b>11 360 879</b>

The entity has accounted for payables on an amortised cost basis which is the same as the previous accounting standard. All trade and other payables are expected to be repaid within 1 year or as per contractual agreement.



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#### 14. PROVISION FOR PERFORMANCE BONUS

##### Reconciliation of Provisions for Performance Bonus - 30 June 2023

	Opening balance	Additions	Utilised during the year	Total
Performance Bonus	1 288 677	2 151 028	(1 288 677)	2 151 028

##### Reconciliation of Provisions for Performance Bonus - 30 June 2022

	Opening balance	Additions	Utilised during the year	Total
Performance Bonus	1 734 046	1 004 788	(1 450 157)	1 288 677

The organisation has provided for performance bonuses as a benefit to all its employees based on the performance of the organisation which will be approved at the discretion of the Board. The liability for the performance bonus is based on the Performance Bonus Policy. The performance bonus assumption was estimated using the mid-year scores based on the performance appraisal.

The timing of the cash outflows is based on the Board approval, however for the prior year the payment was done in December.



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<b>15. REVENUE</b>		
Natural Resources Management (DEFF)	2 509 155	1 803 975
Firebreaks	579 623	628 669
Chalets/Lodges - Eco Tourism	3 404 064	2 741 261
Campsite - Eco Tourism	1 557 525	1 444 092
Eco Tourism - Other	802 800	767 892
Boat Launching - Eco Tourism	483 520	554 951
Tented Accommodation - Eco Tourism	193 509	172 558
Boat Lockers - Eco Tourism	405 094	396 287
Conference - Eco Tourism	491 493	439 862
Environmental Management Fees	79 719 000	75 665 934
Wild Card Revenue - Eco Tourism	3 975 194	2 937 934
Special Events Area - Eco Tourism	249 247	76 868
Gate Revenue - Eco Tourism	2 698 796	2 891 991
Hunting	65 826	89 522
Fishing Camp	422	113
Duzi Umgeni Conservation Trust	228 998	6 690
	<b>97 364 266</b>	<b>90 618 599</b>

**IFRS 15 – Revenue from contracts with customers**

The details of the significant accounting policies and the nature of the change in relation to the entity's various goods and services are set out below.

The following revenue items are recognized over time.

Type of Product or Service	Contract with a Customer	Performance obligation in the contract	When performances obligation was satisfied?	Transaction Price
Management Fee	A Service Level agreement was signed	Provide Water Resource Management	Performance obligations are satisfied monthly as services are rendered and reported on a quarterly basis i.e. they are therefore, fully satisfied by 30 June 2023. Payments are received in the quarter subsequent to the one where services were rendered after confirmation of the balances with the Parent Company	R79 719 000




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**15. REVENUE (continued)**

Wildcard Revenue	Entered into an agreement with Sanparks to be one of the wild card partners	Access control and sale of wildcards into Msinsi managed dams and other dams controlled by other partners	The performance obligation is met over time since the access control to Msinsi Holdings parks is for the duration of one year from purchase date of the membership therefore revenue is recognised over time.	R3 975 194
Boat Lockers	Entered into an agreement with customers to store their boat	Providing space for customers to store their boats	Performance obligations are satisfied monthly as services are rendered and reported on a quarterly basis i.e. they are therefore fully satisfied by 30 June 2023. The tax invoice is raised at the beginning of the month and payment is received in the following month	R405 094

The following revenue items were recognized at a point in time:

Type of Product or Service	Performance obligation in the contract	When performances obligation was satisfied?	Transaction Price
Campsites	Provide campsite area for the customer	The obligation was satisfied at a point in time and revenue was recognized when the customer stayed in the campsite.	R1 557 525
Chalets and Lodges	Provide overnight accommodation to the customer	The obligation was satisfied at a point in time and revenue was recognized when the customer stayed in the accommodation facility.	R3 404 066
Gate Entry	Provide day access to the dam	The obligation was satisfied at a point in time and revenue was recognized when the customer arrived at the reserve.	R2 698 796



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**15. REVENUE (continued)**

Boat Launching Fee	Provide water sport activity at the dam	The obligation was satisfied at a point in time and revenue was recognized when the customer arrived at the reserve.	R483 520
Conferences	Provide conference facility to the customer	The obligation was satisfied at a point in time and revenue was recognized when the customer used the conference facility .	R491 493
Natural Resources Management (DEFF)	Clear alien plant	The obligation was satisfied at a point in time and revenue is raised when the area was cleared and inspected.	R2 509 155
Firebreaks	Firebreak done to demarcated area	The obligation was satisfied at a point in time and revenue is raised when the firebreaks were done.	R579 623
Tented Accommodation	Provide overnight tented accommodation to the customer	The obligation was satisfied at a point in time and revenue was recognized when the customer stayed in the tented accommodation.	R193 509
Eco-Tourism Revenue	Revenue generated through fishing permits, boat cruise, kiosk sales, game drives, etc.	The obligation was satisfied at a point in time and revenue was recognized when the goods and services were received.	R802 800
Special Events	Revenue generated through the hiring of the venue	The obligation was satisfied at a point in time and revenue was recognized when the customer receive the goods and services	R249 247
Other Revenue	Revenue generated through hunting, fishing camp and Duzi Trust	The obligation was satisfied at a point in time and revenue was recognized when the customer receive the goods and services.	R295 246

No extended payment terms are allocated to the customers.



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<b>16. OTHER INCOME</b>		
Other Rental Income	13 357	20 011
Sundry Income	532 880	1 226 406
Profit on Sale of Assets	-	2 041
	<b>546 237</b>	<b>1 248 458</b>
<b>Other Rental Income</b>		
The other rental income relates to rental received from user group who occupy the premises at Albert Falls Dam. The amount received is immaterial and thus the risk is low. As a result, a maturity analysis was not done.		
<b>Sundry Income</b>		
The sundry income relates to revenue from insurance claims and rental recoveries.		
<b>17. FAIR VALUE ADJUSTMENTS</b>		
Biological Assets - Net Fair Value	1 116 234	285 355
<b>18. EMPLOYEE COST</b>		
Basic Salary	26 695 393	24 046 496
13th Cheque Bonus	2 071 982	1 929 407
Medical Aid	6 886 529	6 422 799
UIF	349 446	318 595
Standby Allowance	140 000	169 966
Cellphone Allowance	98 785	78 836
Provision for Performance Bonus	2 485 364	1 004 788
Overtime	1 053 427	976 255
Security Officers - Fixed Term Contract	2 843 937	1 428 978
Travel Allowance	2 059 125	1 681 187
Leave Pay	1 614 091	1 404 775
Casual Employees	1 317 247	1 268 458
Casual Wages - Alien Plant	7 174 254	5 736 725
Housing Allowance	2 221 397	2 193 817
Retirement Benefits Plan	3 984 817	3 715 301
Long Service Award	98 682	-
Night Shift Allowance	26 996	-
	<b>61 121 472</b>	<b>52 376 383</b>
Number of Employees	138	123

IAS 19 requires the entity to recognize its obligation to provide for salary related benefits for all its employees. The benefits are based on the actual cost as per the policies and such as leave pay and performance bonus are calculated based on the assumptions as per the liability reflected in the financials.



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**18. EMPLOYEE COST (continued)**

**Short term Employee Benefits**

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognized in the period in which the service is rendered and are not discounted.

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

**Retirement Benefit Plan**

Payments to defined contribution retirement 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 company's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

**Leave Pay**

Leave pay is based on the number of days accrued by the staff on an annual basis, subject to certain conditions and is capped at 30 days as per the leave policy. The liability for the leave pay is based on the total accrued leave days at year end.

**19. OPERATING PROFIT**

Operating profit for the period is stated after charging (crediting) the following, amongst others:

**Auditor's Remunerations**

Audit Fees - External Auditors	1 073 571	1 213 506
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**Depreciation**

Depreciation of Property, Plant and Equipment	942 300	2 164 014
Amortisation	1 150	97 832
Depreciation of Right of Use Assets	1 531 205	1 522 185
	<b>2 474 655</b>	<b>3 784 031</b>



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<b>20. OTHER OPERATING EXPENDITURE</b>		
Other operating expenses are made up of the following:		
Advertising	1 319 302	793 926
Ammunition	-	1 650
Animal Feed and Vet	-	4 000
Allowance for Credit Losses	152 675	62 543
Aquatic Clearing	354 552	-
Bank Charges	356 781	349 323
CCTV Camera Costs	15 449	-
Conference - Local	43 103	7 247
Conference Expenses	209 469	165 190
Consulting Fees	659 421	606 607
Consumables	470 784	113 589
Displays / Exhibitions	97 770	-
Donations	-	40 000
Electricity/Water and Rates	2 240 423	2 006 688
Environmental Education	8 010	5 622
Events	76 828	-
Insurance	47 125	311 883
Fuel	1 872 170	1 345 168
Game Capture Cost	-	8 000
Gas Supplies	93 444	71 615
Kiosk Purchases	83 556	79 370
Laundry and Cleaning	557 341	524 628
Pollution Control	4 241	-
Legal Costs	-	175 329
Licenses	104 630	360 512
Loss on write off from moveable assets	18 887	105 002
Printing and Stationery	359 568	330 014
Private Security	3 470 091	2 364 481
Protective Clothing and Uniforms	933 733	756 524
Public Relations	41 547	43 379
Repairs and maintenance	5 280 991	4 434 650
Directors fees	1 724 041	629 237
SHEQ	254 823	368 229
Skills Development Levy	459 275	377 115
Staff Bursary	316 978	243 799
Staff Recruitment	22 731	216 797
Staff Training and Development	971 460	439 906
Staff Welfare	235 734	79 036
Subscriptions and Membership	301 101	286 100
Sundry Expenses	632 559	174 406
Telephone and Fax	772 019	673 459
Travel and Accommodation-local	1 328 388	268 514
Visitors Facilities	49 242	57 709
WCA Contributions	585 148	484 391
Wild Card Expenses	1 036 716	863 104
Board Expense	2 021	33 360
	<b>27 564 132</b>	<b>20 262 103</b>



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<b>21. FINANCE INCOME</b>		
Interest Received - Investment	2 988 596	1 198 472
Interest Received - Other	56 434	35 519
	<b>3 045 030</b>	<b>1 233 991</b>
<b>22. FINANCE COST</b>		
Finance Lease: Land	322 115	326 262
Finance Lease: Building	60 940	130 766
Finance Lease: Photocopier	51 555	65 985
	<b>434 610</b>	<b>523 013</b>
<b>23. TAXATION</b>		
The entity is exempt from tax in terms of s10(1)(cA)(ii) of the Income Tax Act.		
<b>24. CAPITAL COMMITMENTS</b>		
<b>Approved and contracted commitments</b>		
Commitments in respect of property plant and equipment	1 683 605	2 179 339
Commitment in respect of Intangible Assets	2 054 528	4 404 464
<b>Total</b>	<b>3 738 133</b>	<b>6 583 803</b>

All commitments are inclusive of VAT.

**25. LEASE COMMITMENTS**

The entity applies a single lessee accounting model and requires the lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying assets is of low value.

**Lessee**

## Lease of Land - Albert Falls

The company entered into an agreement with EPW Solomon for the rental of the Farm Otto's Bluff No. 16112, situated in the Administrative District of Natal, Province of KwaZulu-Natal. The rental contract is over a period of 25 years with an annual escalation rate of 10%. The farm rental agreement will expired on 30 June 2022. The parties have agreed that the lease period be extended for a further period of 10 years, commencing on 1 July 2022 and terminating on 30 June 2032. The rental shall increase at a rate of 8% per annum.

The right of use for asset and the lease liability was calculated using a discounted rate of 10%.

The ownership of the asset remains with the lessor for the entire lease period. The land was recognized as right of use of land, as a liability, and at the present value of all future payments. The right of use of asset has been depreciated over the remaining period of the lease contract.



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<b>25. LEASE COMMITMENTS (continued)</b>		
Lease commitments as at the beginning of the year	3 278 318	3 302 946
Reduction during the financial year	(56 846)	(24 628)
	<b>3 221 472</b>	<b>3 278 318</b>
<b>Financial Liability</b>		
Current	94 809	56 846
2-5 Years	903 593	676 928
Later than 5 years	2 223 070	2 544 544
	<b>3 221 472</b>	<b>3 278 318</b>
<b>Lease of Photocopiers</b>		
The company has entered into a contract with Altron for the lease of the photocopier machines for all Msinsi sites. The rental contract is over a period of 5 years with no annual escalation. The rental agreement will expire on 30 June 2025.		
The ownership of the asset remains with the lessor for the entire lease period under an operating lease.		
Lease commitments as the beginning of the year	306 218	375 199
Reduction during the financial year	(83 410)	(68 981)
	<b>222 808</b>	<b>306 218</b>
<b>Financial Liability</b>		
Current	100 856	83 410
Later than one year not later than 5 years	121 952	222 808
	<b>222 808</b>	<b>306 218</b>

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**25. LEASE COMMITMENTS (continued)****Lease of Building**

The company entered into a lease agreement with Umgeni Water for the rental of the Head Office building at Hillcrest. The rental contract is over a period of 32 months with an escalation of CPI on the anniversary date of the contract. The rental agreement will expire on 30 June 2023.

The right of use for asset and the lease liability for the buildings was calculated using a discounted rate of 11,04%. The lease agreement for the building will expire on 30 June 2023. The lease for the building was extended for a further 3 years

Lease commitment at the beginning of the year	1 048 237	1 918 026
Adjustment to interest rate	62 463	39 805
Reduction during the financial year	(1 110 700)	(909 594)
Extension of lease agreement for the next 3 years	3 085 323	-
	<b>3 085 323</b>	<b>1 048 237</b>

**Financial Liability**

Current	860 324	1 048 237
2 - 3 years	2 224 999	-
	<b>3 085 323</b>	<b>1 048 237</b>

**Paid (cash outflows) during the current year**

Land	377 438	350 890
Photocopier	134 965	134 965
Building	1 110 700	1 040 360
	<b>1 623 103</b>	<b>1 526 215</b>

**Maturity Analysis****Breakdown of undiscounted payments for the future is as follows:**

<b>Land</b>		
0-1 year	409 278	377 438
2-5 years	1 991 793	1 844 253
>5 years	2 709 813	3 266 631
	<b>5 110 884</b>	<b>5 488 322</b>

**Photocopier**

0-1 year	134 965	134 965
2- 5 years	134 965	269 931
	<b>269 930</b>	<b>404 896</b>

**Building**

0-1 year	1 147 716	1 110 700
2-3 years	2 470 459	-
	<b>3 618 175</b>	<b>1 110 700</b>



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#### **26. RISK MANAGEMENT**

The company's activities expose it to a variety of financial risks: market risk (including fair value and interest rate risk), credit risk, liquidity risk, cash flow and interest rate risk. The company's overall risk management programme focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the company's financial performance.

The Directors provide principles for overall risk management, as well as policies covering specific areas, such as, interest rate risk, credit risk, use of derivative financial instruments and non-derivative instruments and investment of excess liquidity.

#### **FINANCIAL RISK MANAGEMENT**

The entity has reviewed and assessed the following categories of risk:

##### **Credit Risk**

Credit risk is the risk that a contractual counterpart will default on its contractual obligations to the company and that the company would suffer financial loss as a consequence of such a default. The company's credit risk is mainly limited to their related party transactions and sundry receivables.

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



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<b>26. RISK MANAGEMENT (continued)</b>		
<b>Credit Risk</b>		
Net Intercompany Receivables	14 008 131	15 825 637
Trade Receivables	702 161	1 181 444
Cash and Cash Equivalents	48 039 041	43 379 198
	<b>62 749 333</b>	<b>60 386 279</b>

Credit Risk: Financial difficulty of debtors or long overdue accounts are taken into account in the allowance for estimated credit losses.

Intercompany and Cash & Cash Equivalents are low risk. The entity banks with a reputable financial institution and we do not have any loans. The management fee is approved upfront by the Shareholder due to the Service Level Agreement (SLA) in place. An invoice is done on a monthly basis and funds are transferred quarterly. A letter of financial support is also given by the Shareholder on an annual basis.

Trade and Debtors are medium risk due to credit losses.

Msinsi writes off the gross the carrying amount of a financial asset when there is information and evidence indicating the customer is in financial difficulty and all the recovery measures have failed. The write off will be approved by the EXCO or the Board per the delegation of authority. Any recoveries are recognized in profit or loss.

**Credit-Impaired Financial Assets**

A financial asset is credit-impaired when the following is observed:

- Financial difficulty
- No response to correspondence sent
- Unsuccessful legal processes to recover the debt
- Balances more than 60 days old

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, Msinsi considers reasonable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the entity's historical experience and informed credit assessment, which includes forward-looking information. Msinsi assumes that the credit risk on a financial asset has increased when it is more than 30 days overdue. Msinsi considers a financial asset to be in default when:

- Balances more than 60 days old
- Based on the responses received

Msinsi considers a financial asset to be irrecoverable when all collection measures have been exhausted.





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#### 26. RISK MANAGEMENT (continued)

##### Liquidity Risk

Liquidity risk is the risk that the entity will encounter difficulty in meeting the obligations associated with these financial liabilities that are settled by delivering cash or another financial asset. The entity's approach to manage liquidity is to ensure as far as possible, that it always has 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.

The company manages its liquidity risk by regularly monitoring its projected cash flow requirements against its cash resources and unutilised borrowing facilities. Surplus cash resources are only invested with large institutions with strong credit ratings. Forecast liquidity represents the company's expected cash inflows, principally generated from the ordinary course of the business, less the company's contractually determined cash flow inflows and outflows rests in the expected ageing profiles of the underlying assets and liabilities.

Financial liabilities exposed to liquidity risk at year end are as follows:

Liquidity Risk		
Trade Payables	2 169 104	3 290 080
Accrued Expense	496 850	460 074
Lease Liabilities	1 055 989	1 188 493
	<b>3 721 943</b>	<b>4 938 647</b>

The maturity profile is within 1 year for all financial liabilities. The maturity analysis for lease liabilities is disclosed in note 25.

##### Cash Flow and Interest Rate Risks

The exposure to interest rate is as follows:

Building: a 10%/12% discount rate would result in an increase/decrease in lease liability of R 36 621 and R 40 944 respectively.

Land: a 9%/11% discounts rate would result in an increase/decrease in lease liability of R 158 561 and R 148 605 respectively.

##### Capital Risk Management

The company reviews their total capital employed on a regular basis and makes use of several indicative ratios which are appropriate to the nature of the company's operations and consistent with conventional industry measures. The principal ratios used in this review are:

1. Gearing, defined as net debt divided by total capital employed; and
2. Return on capital employed, defined as underlying operating profit before tax divided by average capital employed.

Financial assets exposed to capital risk management are as follows:

Financial Assets		
Intercompany Receivables	14 008 131	15 825 637
Trade and Other Receivables	1 301 670	1 474 641
Cash and Cash Equivalents	48 039 041	43 379 198
	<b>63 348 842</b>	<b>60 679 476</b>

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<b>26. RISK MANAGEMENT (continued)</b>		
<b>Financial Liabilities</b>		
Trade and Other Payables	9 744 441	11 360 879
<b>27. RELATED PARTIES</b>		
<b>Material Related Party Transaction</b>		
Firebreaks	579 623	628 669
Environmental Management Fee	79 719 000	75 665 934
Hillcrest Building: Office Rental	1 110 700	1 040 360
	<b>81 409 323</b>	<b>77 334 963</b>
<b>Material Related Party Balances</b>		
Intercompany Receivable - Current	14 008 131	15 825 637

Msinsi Holdings is wholly owned by uMngeni-uThukela Water. uMngeni-uThukela Water Services SOC Ltd, the Department of Water and Sanitation and Durban Water Recycling (Pty) Ltd are part of the uMngeni-uThukela Water group structure; whilst Msinsi Holdings therefore has a relationship with the entities, Msinsi Holdings does not transact directly with them. Transactions with uMngeni-uThukela Water are at arm's length. The key management personnel remuneration is separately disclosed under note no 31, page 174.

Msinsi is a schedule 3B public entity through its relationship with uMngeni-uThukela Water. Msinsi has not transacted with the entities listed under 3B other than uMngeni-uThukela Water.

**28. FAIR VALUE ADJUSTMENTS**

This note provides information about how the company determines fair value of various financial assets and liabilities. Fair values of financial assets are measured at fair value on a recurring basis. Biological assets are measured at fair value at the end of each reporting period.

Financial Assets /Liabilities	Fair Value as at 30 June 2023	Fair Value as at 30 June 2022	Fair Value Hierarchy	Valuation Techniques Inputs	Unobservable Inputs
Biological Assets	4 531 582	3 415 348	Level 2	Market related prices	N/A

The biological assets were valued at market related prices. Market related prices are determined with reference to the latest available information e.g. Wild & Hunt magazine. The Internet was used for prices which were not available from the listed sources. The Internet source used for 2022/2023 is as follows: African Wildlife Auctions, Nylsvlei Game (advertised under KZN) and Department of Agriculture.

The biological assets risk is recorded in the operational or strategic risk register depending on the nature and severity of incidents. Quarterly risk committee meetings are held and biological assets risks are mitigated by daily patrols done by field rangers to protect company assets and to avoid poaching.

The fair value of game is based on the market-related prices and is therefore classified as level 2 fair values in terms of IFRS 13.



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#### 29. RETIREMENT BENEFITS

##### Retirement Benefit Plan

The company contributes to a defined contribution plan which is governed by the Pension Fund Act (No.24 of 1956). The only obligation of the company is to make the specified contribution to the scheme. The total contributions as at 30 June 2023, amounted to R3 984 817 (30 June 2022: R3 715 301).

#### 30. DIRECTORS' EMOLUMENTS

The Directors of the company who are executives of uMngeni-uThukela Water do not receive any director's remuneration from the company.

Details of the Remuneration of Directors of Msinsi Holdings (SOC) Ltd are disclosed below:

##### Directors Fees

Dr B Mkhize	151 506	140 623
SE Mdlalose	241 145	117 892
N Radebe	287 050	167 671
SC Dlomo	273 665	162 385
V Reddy	175 029	17 805
Dr W Mapena	397 385	22 861
TS Mhlongo	82 017	-
HP Majosi	45 755	-
Dr SE Ndlovu	70 489	-
	<b>1 724 041</b>	<b>629 237</b>

The Directors fees relate to the stipend and disbursements paid to Board members relating to meetings.

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**31. KEY MANagements' EMOLUMENTS**

Details of the Remuneration for Key Management Personnel of Msinsi Holdings (SOC) Ltd are disclosed below:

**Remuneration for the period ending 30 June 2023:**

Names	Designation	Salary	Benefits	Provident Fund	Bonuses	Total
M Ndlovu	Prescribed Officer	1 742 508	-	-	-	1 742 508
M Ngubane	Executive	736 957	355 349	119 499	196 765	1 408 570
N Mthembu	Executive	726 641	357 396	119 499	244 945	1 448 481
<b>Total</b>		<b>3 206 106</b>	<b>712 746</b>	<b>238 998</b>	<b>441 710</b>	<b>4 599 559</b>

**Remuneration for the period ending 30 June 2022:**

Names	Designation	Salary	Benefits	Provident Fund	Bonuses	Total
M Dlamini	Prescribed Officer	742 028	78 752	-	503 414	1 324 194
M Ngubane	Executive	696 223	327 511	107 862	183 559	1 315 155
N Mthembu	Executive	729 351	360 164	102 310	173 170	1 364 995
<b>Total</b>		<b>2 167 602</b>	<b>766 427</b>	<b>210 172</b>	<b>860 143</b>	<b>4 004 344</b>

The "bonuses" item relate to the performance bonus and 13th cheque bonus paid to key management personnel.

The "benefit" item relates to cellphone allowance, housing, travel allowance and medical aid.

**32. 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.

Msinsi Holdings (SOC) Ltd will continue to operate as a going concern in the foreseeable future as it will continue to receive support from uMngeni-uThukela Water. This is supported by a letter of financial support issued to the entity by the Shareholder for the next 12 months. Msinsi has signed an SLA with uMngeni-uThukela Water for a further 3 years.

**33. CONTINGENT LIABILITIES**

The first pending matter for 2021/2022 between Msinsi Holdings (SOC) Pty and a customer, related to an incident that took place at Inanda Dam in January 2021. The claim was submitted to the insurance company and was rejected on the basis that Msinsi has a clause which states that items stored at the site are at owner's risk. The matter was therefore closed as Msinsi Holdings had no financial obligation towards the customer.

The second pending matter for 2021/2022 related to an ex-employee, who disputed his dismissal at the CCMA, the matter was resolved in that it was dismissed by the Commissioner with no financial obligation for Msinsi Holdings. There were no contingent liabilities for the period ending 30 June 2023.



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#### 34. SUBSEQUENT EVENTS

There were no subsequent events identified for the period ending 30 June 2023.

#### 35. FRUITLESS AND WASTEFUL EXPENDITURE

The company has incurred the following Fruitless and Wasteful Expenditure from 1 July 2022 to 30 June 2023:

Fruitless and Wasteful Expenditure relating to current year	-	5 414
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#### 36. IRREGULAR EXPENDITURE

The company has incurred the following Irregular Expenditure from 1 July 2022 to 30 June 2023:

Irregular expenditure relating to the current year	55 736	51 385
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The closing balance of Irregular Expenditure can be summarised as follows:

Supplier	Description of Service	Reason	Investigation	Period	Amount
The Host System	Booking System	SCM process not followed on extension of contract process.	Upon investigation it was resolved that all expenses are valid company expenses which were incurred in support of the business requirements.	July 2022 to June 2023	R55 736
<b>Grand Total</b>					<b>R55 736</b>

The Host System will be replaced by a Customer Relationship Management System (CRM). The CRM System is in the setup and customisation stage and it is estimated that it will be implemented in quarter two of 2023/2024.

The Irregular Expenditure has reduced compared to previous years based on systems that were put in place to ensure compliance with Supply Chain Management regulations.



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**Notes to the Annual Financial Statements**

Figures in Rand	30 June 2023	30 June 2022 Restated *
<b>37. CASH GENERATED FROM OPERATIONS</b>		
Profit for the year	9 403 329	15 227 367
Adjustments for:		
Depreciation - PPE	942 300	2 164 014
Depreciation - Right of Use of Assets	1 531 204	1 522 185
Proceeds on the Sale of Assets	-	23 117
Finance Income	(3 045 030)	(1 233 991)
Finance Costs	434 610	523 013
Fair Value (Loss) / Gain	(1 116 234)	(285 355)
Movements in Provisions	862 351	(445 369)
Allowance for Credit Losses	152 675	62 543
Disposal of Assets	18 887	105 002
Amortisation	1 150	97 833
<b>Changes in working capital:</b>		
Trade and Other Receivables	(156 412)	(387 945)
Movement in Corporate Social Investment	(146 372)	(155 941)
Movement in Inter-Company Receivables	1 817 507	(2 510 061)
Movement in Deposits: Electricity	(6 647)	(83 900)
Trade and Other Payables	(1 616 438)	1 323 750
	<b>9 076 880</b>	<b>15 946 261</b>

**38. CHANGE IN ESTIMATE**

The entity conducted a reassessment of useful lives of assets which resulted in a Change of Estimate for the assets that have reached their useful lives but are still in use. The effect of the change in estimate resulted in a decrease of the depreciation expense by R1 005 715.

The impact on the useful lives is as follows:

Assets Category	Old Useful life	New Useful life	Net Book Value
Accommodation Facilities	13	18	267 234
Boats	12	15	52 696
Cleaning & Catering	8	11	25 849
Fencing & Signage	13	14	7 162
Displays	13	15	1 110
Garden Equipment	13	15	109 240
Office Equipment	23	24	49 090
Plant & Machinery	21	23	160 215
Motor Vehicles	21	23	293 818
Visitor Facilities	13	15	39 301

The financial impact in the current year is as follows:



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Figures in Rand	30 June 2023	30 June 2022 Restated *
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#### 38. CHANGE IN ESTIMATE (continued)

Asset Category	Change in Estimate
Accommodation Facilities	(267 234)
Boats	(52 696)
Cleaning & Catering	(25 849)
Displays	(1 110)
Fencing & Signage	(7 162)
Garden Equipment	(109 240)
Office Equipment	(49 090)
Plant & Machinery	(160 215)
Motor Vehicles	(293 818)
Visitor Facilities	(39 301)
	<b>(1 005 715)</b>

#### 39. PRIOR YEAR ADJUSTMENT

##### Restated the prior year figures for 2021/2022

A supplier who rendered HR audit services was not paid in 2021/2022 due to change in staff. The adjustment is limited to the prior year only therefore a third balance sheet is not required. An adjustment was made in the current year restating the prior year consulting fees for an amount of R 118 450.00 of Vat inclusive.

The depreciation for the right of use of asset for land and printer was restated in the prior year due to an error on the depreciation, the adjustment was made in the current year for an amount of R 4 020.00.

The prior year adjustment can be summarized as follows:

##### Effect on Statement of Financial Performance

Depreciation	-	(4 020)
Consulting fees	-	(103 000)
	-	<b>(107 020)</b>

##### Effect on Statement of Financial Position

Accumulated Depreciation	-	4 020
Creditors	-	118 450
SARS: VAT	-	(15 450)
	-	<b>107 020</b>

#### Capital Commitments (Note 24)

The amount of R 10 616 137 reflected under the capital commitments for the prior year (2021/2022) relating to capital commitments that were approved and not yet contracted was removed. Only the approved and contracted commitments are reflected.



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Figures in Rand	30 June 2023	30 June 2022 Restated *
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**40. RECLASSIFICATION OF OPENING BALANCES FOR THE PRIOR YEAR**

The following were removed from the operating profit and placed under employee cost and other operating expenditure:

**Operating Profit (Note 19)**

An amount relating to employee cost for the prior year period was moved from operating profit (note 19, page 164) to employee cost (note 18, pages 163 and 164).

Employee Cost	52 376 383
Operating Profit	(52 376 383)

Number of employees was moved from operating profit (note 19, page 164) to employee cost (note 18 pages 163 and 164)

An amount relating to Directors Emoluments cost for the prior year period was moved from operating profit (note 19, page 164) to other operating expenditure (note 20, page 165)

Other Operating Expenditure	629 237
Operating Profit	(629 237)

An amount relating to losses on write off from movable assets cost for the prior year was moved from operating profit (note 19, page 164) to other operating expenditure (note 20, page 165).

Other Operating Expenditure	105 002
Operating Profit	(105 002)

**Finance Income (Note 21)**

The Finance Income total amount was split between interest earned from the Investment Account and other interest such as interest charged to Debtors for the prior year period.

**Finance Cost (Note 22)**

The total Finance Cost were split to indicate the different leased assets being land, building and photocopier for the prior year period.

**Key Managements' Emoluments (Note 31)**

The provident fund contribution for an amount of R210172 for the prior year period was removed from the benefits total amount to be reflected as a stone-alone amount.



## MSINSI HOLDINGS (SOC) LIMITED

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### Detailed Income Statement

Figures in Rand	Note(s)	30 June 2023	30 June 2022 Restated *
<b>Revenue</b>			
Chalets/Lodges - Eco Tourism		3 404 065	2 741 261
NRM		2 509 155	1 803 975
Firebreaks		579 623	628 669
Duzi Umgeni Conservation Trust		228 998	6 690
Campsites - Eco Tourism		1 557 525	1 444 092
Fishing Camp		422	113
Eco - Tourism - Other		802 800	767 892
Boat Launching Fee		483 520	554 951
Tented Accommodation		193 509	172 558
Special Events Area - Eco Tourism		249 247	76 868
Boat Locker		405 094	396 287
Conferences - Eco Tourism		491 493	439 862
Gate Entry Revenue - Eco Tourism		2 698 796	2 891 991
Hunting		65 826	89 522
Environmental Management Fees		79 719 000	75 665 934
Wild Card Revenue - Eco Tourism		3 975 194	2 937 934
	15	<b>97 364 267</b>	<b>90 618 599</b>
<b>Other Income</b>			
Rental Income	16	13 357	20 011
Sundry Income	16	532 880	1 226 406
Gain on Disposal of Assets	16	-	2 041
		<b>546 237</b>	<b>1 248 458</b>

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**Detailed Income Statement**

Figures in Rand	Note(s)	30 June 2023	30 June 2022 Restated *
<b>Operating Expenses</b>			
Advertising and Promotions		1 319 302	793 926
Animal Expenses		-	4 000
Audit Fees		1 073 571	1 213 506
Allowance for Credit Losses		152 675	62 543
Bank Charges		356 781	349 323
Aquatic Clearing		354 552	-
Conference Staff - Internal		43 103	7 247
Conference Expense - External		209 469	165 190
Consulting Fees		659 421	606 607
Game Capture Costs		-	8 000
Donations		-	40 000
Consumables		470 784	113 589
Depreciation		2 473 503	3 686 198
Directors Emoluments		1 724 041	629 237
Directors Expense		2 021	33 360
Displays/Exhibitions		97 770	-
Electricity/Water and Rates		2 240 423	2 006 688
Environmental Education		8 010	5 622
Events		76 828	-
Fuel		1 872 170	1 345 168
Gas Supplies		93 444	71 615
Insurance		47 125	311 883
Kiosk Purchases		83 556	79 370
Laundry and Cleaning		557 341	524 628
Lease Rentals on Operating Lease		4 241	-
Licenses		104 630	360 512
Legal Costs		-	175 329
Loss on Write off on Moveable Assets		18 887	105 002
Amortisation		1 150	97 833
Postage		-	509
Printing and Stationery		359 568	330 014
Private Security		3 470 091	2 364 481
Protective Clothing and Uniforms		933 733	756 524
Public Relations		41 547	43 379
SHEQ		254 823	368 230
CCTV Camera Costs		15 449	-
Repairs and Maintenance		5 280 992	4 434 650
Salaries and Wages		61 121 472	52 376 383
Skills Development Levy		459 275	377 115
Staff Bursary		316 978	243 799
Staff Recruitment		22 731	216 797
Staff Training and Development		971 460	439 906
Staff Welfare		235 734	79 035
Subscriptions and Membership		301 102	286 100
Sundry Expenses		632 562	175 547
Telephone and Fax		772 019	673 459
Travel and Accommodation - Local		1 328 388	268 514
Visitor Facilities		49 242	57 709





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### Detailed Income Statement

Figures in Rand	Note(s)	30 June 2023	30 June 2022 Restated *
WCA Contributions		585 148	484 391
Wild Card Expenses		1 036 716	863 105
		<b>(92 233 828)</b>	<b>(77 636 023)</b>
<b>Operating profit</b>		<b>5 676 676</b>	<b>14 231 034</b>
Fair Value Adjustments	17	1 116 234	285 355
Finance Income	21	3 045 030	1 233 991
Finance Costs	22	(434 611)	(523 013)
		<b>3 726 653</b>	<b>996 333</b>
<b>Profit for the period</b>		<b>9 403 329</b>	<b>15 227 367</b>

