

KWAZULU-NATAL  
**SHARKS BOARD**  
Maritime Centre of Excellence

# ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH

## 2025



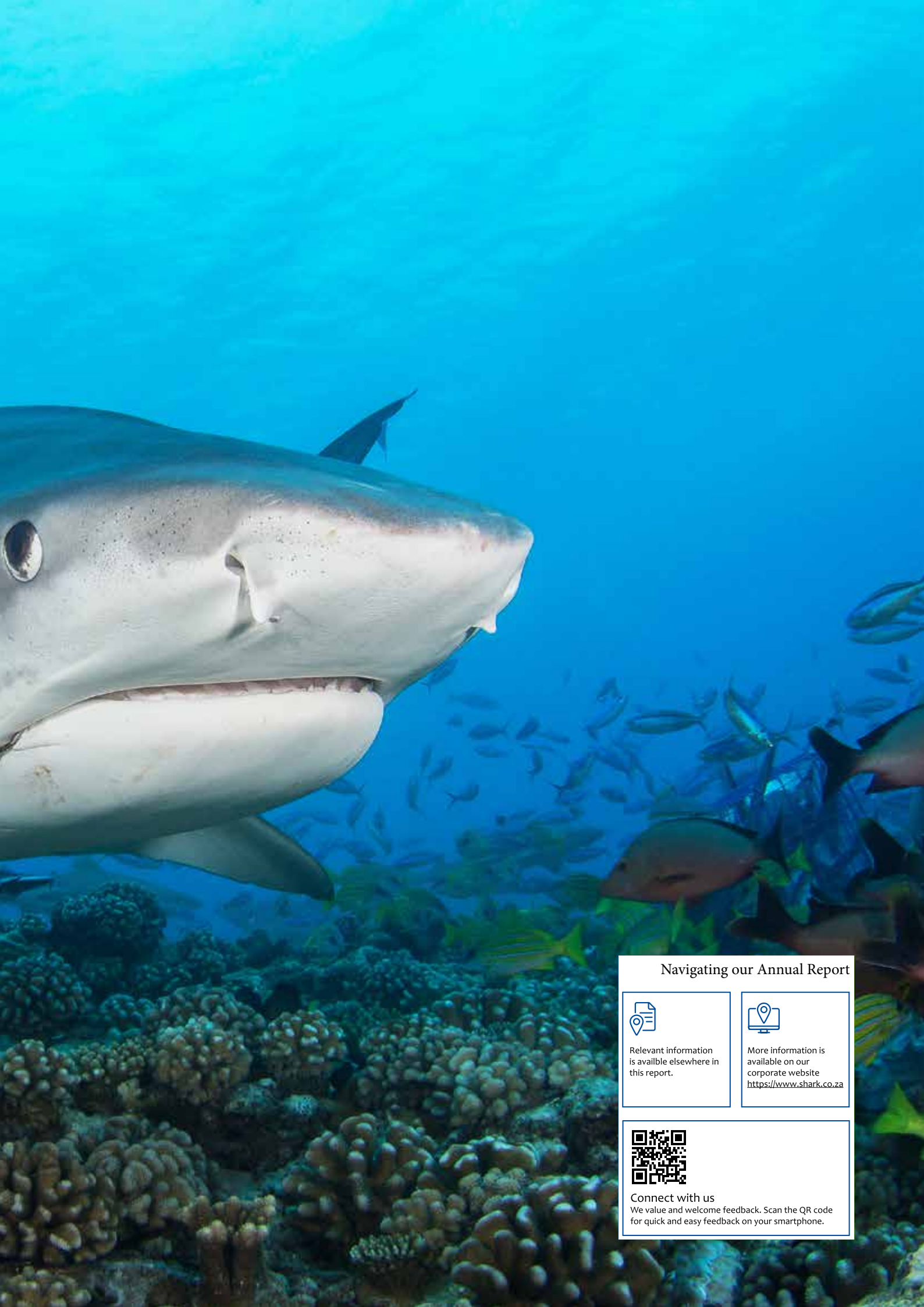
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## Navigating our Annual Report



Relevant information is available elsewhere in this report.



More information is available on our corporate website  
<https://www.shark.co.za>



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## List of Abbreviations / Acronyms

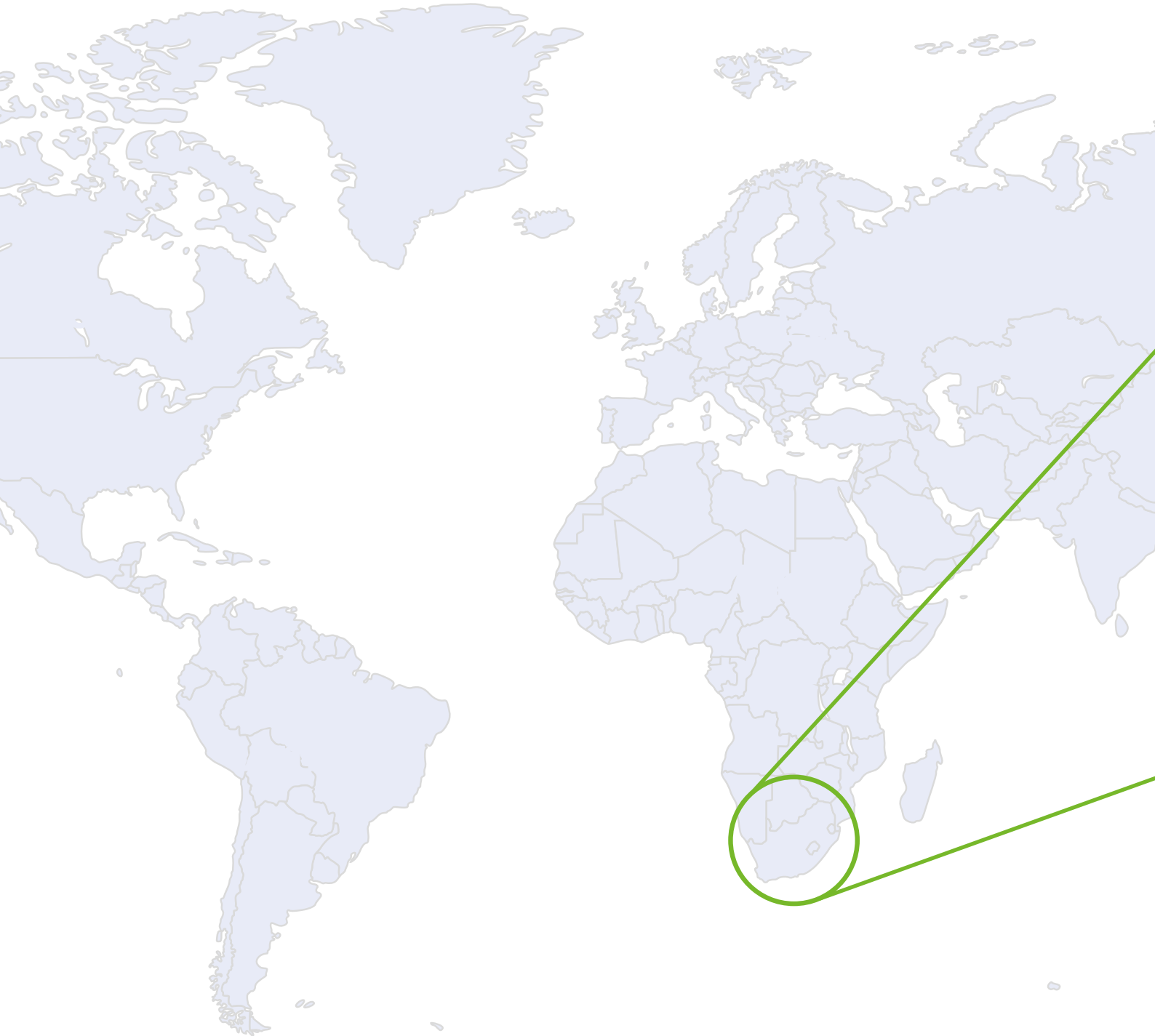
EA	Executive Authority
AA	Accounting Authority
AO	Accounting Officer
KZNSB	KZN Sharks Board
CEO	Chief Executive Officer
CFO	Chief Financial Officer
AFS	Annual Financial Statements
AGSA	Auditor General of South Africa
MCoE	Maritime Centre of Excellence
EDTEA	Department of Economic Development, Tourism & Environmental Affairs
KZN	KwaZulu-Natal
KZNSB	KwaZulu-Natal Sharks Board Maritime Centre of Excellence
GRAP	Generally Recognised Accounting Policies
IT	Information Technology
MOU	Memorandum of Understanding
MTEF	Medium Term Expenditure Framework
PFMA	Public Finance Management Act
SRC	Shark-Repellent Cable
SRT	Shark-Repellent Technology
SSG	Shark Safety Gear
TETA	Transport Education and Training Authority
TMP	Tourism Master Plan
TVET	Technical & Vocational Education & Training
SAMSA	South African Marine Safety Authority
PGDS & P	Provincial Growth and Development Strategy and Plan
PCC	Provincial Coastal Committee
EAP	Employee Assistance Programme
DEA	Department of Environmental Affairs
MEC	Member of Executive Council
SAWDN	South African Whale Disentanglement Network
KZNSBA	KwaZulu-Natal Sharks Board Act
WSP	Workplace Skills Plan
HRM	Human Resources Management

#### Our reporting suite

You can find this report and others, including the Five Year Strategic Plan and Annual Performance Plan (APP), on our corporate website.



For more information see <https://shark.co.za/corporate/>







Ubuntu



Passion and  
dedication  
of its staff



Good governance/  
Integrity



Teamwork



Innovation



Service  
Excellence



Environmentally  
responsible



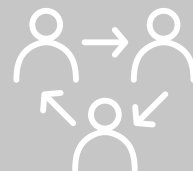
## Vision

A global leader in  
bather protection against  
shark-related incidents.



## Mission

The KwaZulu-Natal Sharks  
Board strives to be a leader  
in environmentally sensitive  
bather protection against  
shark-related incidents  
through innovation,  
promoting beach, marine  
and related tourism  
and enhancing inclusive  
economic growth.



## Values

The KwaZulu-Natal Sharks Board  
subscribes to the following  
values:

- Ubuntu
- Passion and dedication of staff
- Good governance/Integrity
- Teamwork
- Innovation
- Service Excellence
- Environmentally responsible

## General Information

Auditors: External Auditors: Auditor-General of South Africa  
Internal Auditors: SAB&T Chartered Accountants t/a: Nexia SAB&T

Bankers: ABSA Bank, 314 Umhlanga Rocks Drive, Umhlanga Ridge, 4320

Registered Office: 1A Herrwood Drive, Private Bag 2, Umhlanga Ridge, Umhlanga, 4320

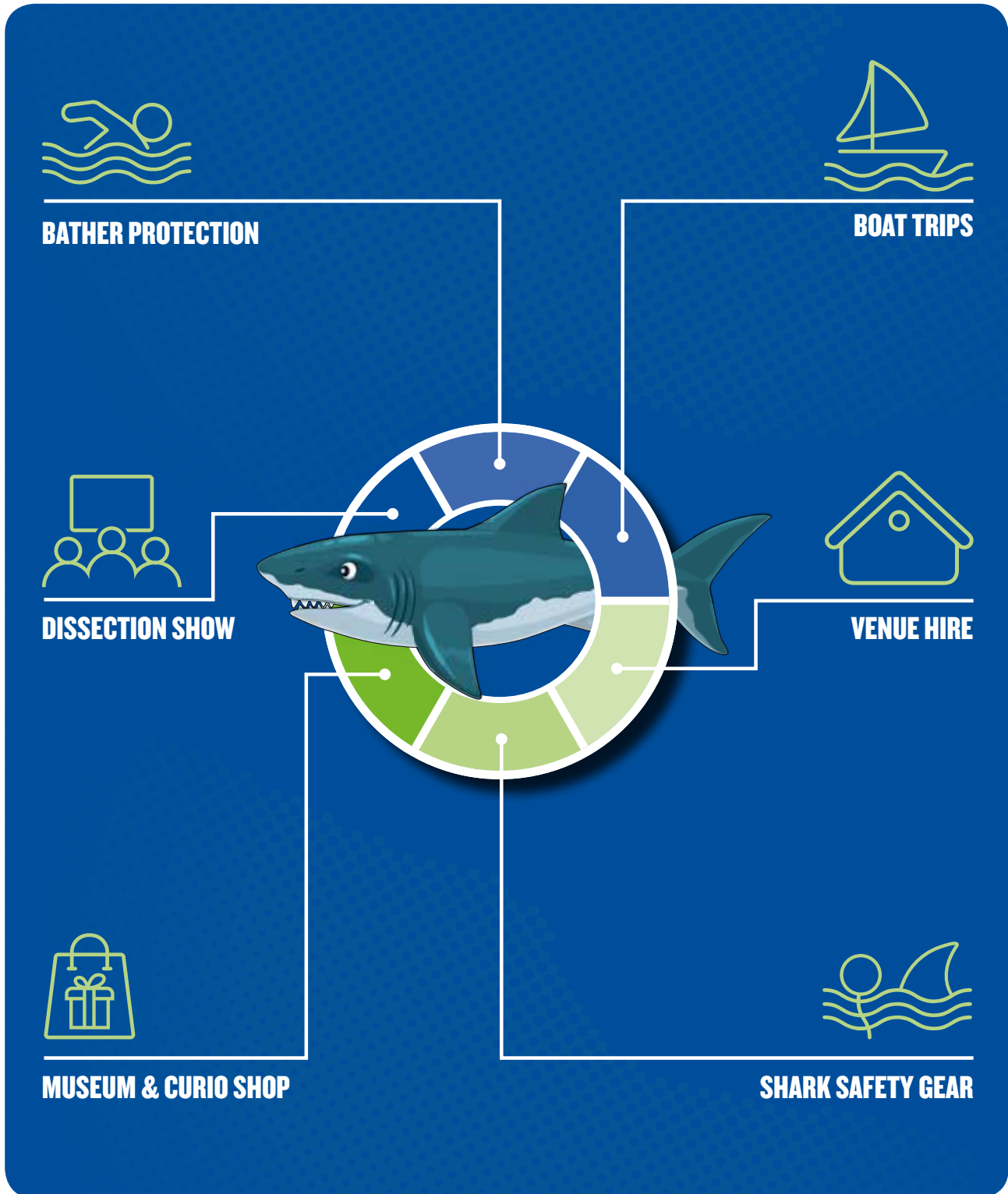
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Website: [www.shark.co.za](http://www.shark.co.za)

Chief Executive Officer (Acting): Harry Mbambo  
Email: [mbambo@shark.co.za](mailto:mbambo@shark.co.za)

Reporting Period: 01 April 2024 to 31 March 2025

PR: 288/2025 ISBN: 978-1-83491-128-1





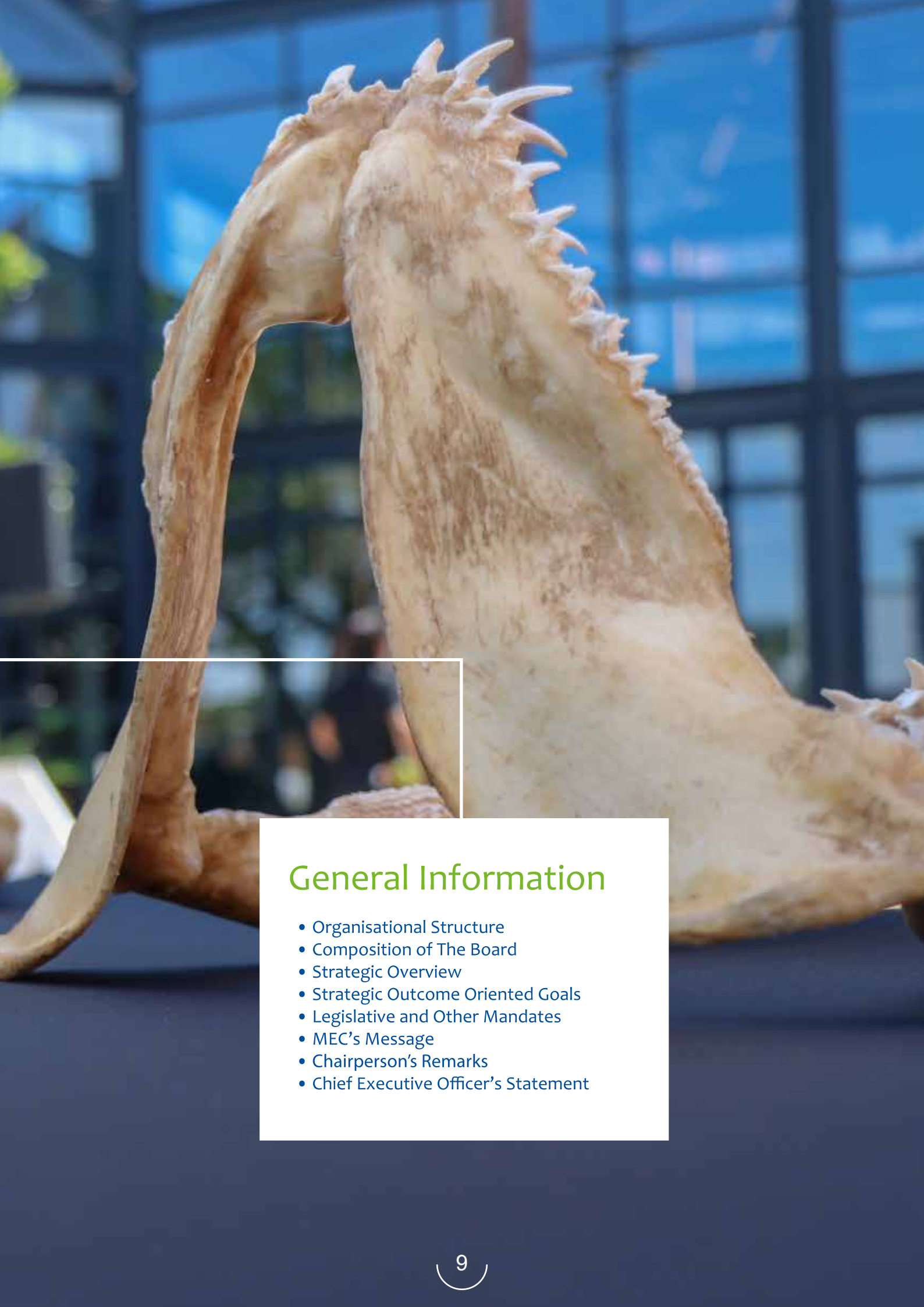
For more information see <https://www.shark.co.za/Pages/AttractionsAndBooking-AudioVisualSharkDissections>



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# Part A





## General Information

- Organisational Structure
- Composition of The Board
- Strategic Overview
- Strategic Outcome Oriented Goals
- Legislative and Other Mandates
- MEC's Message
- Chairperson's Remarks
- Chief Executive Officer's Statement





## Executive Authority's Foreword

**Hon. MEC, Rev Musa K Zondi, MPL**

As the Executive Authority and political Principal of the KZN Department of Economic Development, Tourism and Environmental Affairs (EDTEA), I am honored to present the 2024/25 Annual Report for the KwaZulu-Natal Sharks Board Maritime Centre of Excellence (KZNSB). This Annual Report offers a comprehensive review of the KZNSB's performance during the 2024/25 financial year. It reflects our commitment to transparency and accountability and aligns with the strategic priorities of the Department as outlined in the Department of Economic Development, Tourism, Environmental Affairs Strategic Plan.

This report charts progress made in implementing the KZN Sharks Board Strategic Plan (2020-2025), which provides a strategic foundation for the Entity's operations. It outlines the core initiatives and key activities that will drive the Sharks Board's work in the years ahead, while aligning performance with measurable outcomes and impact indicators.

Research, innovation, and development remain high

on our agenda. The KZNSB continues to emphasise the role of beach tourism as a key contributor to KwaZulu-Natal's economy. Through its shark safety measures and reduction of shark-human conflict, the Board plays a critical role in maintaining KwaZulu-Natal's reputation as a safe and attractive beach tourism destination.



These efforts are vital in addressing the socio-economic challenges we face, particularly considering constrained fiscal environments and ongoing budget pressures such as one of the Entity's flagship initiatives is the development of the Shark Repellent Cable (SRC), aimed at offering an environmentally responsible alternative to traditional shark mitigation strategies. This innovation has the potential to contribute significantly to marine safety efforts not only in South Africa but globally. The project has been designated a catalytic initiative by the EDTEA due to its economic and tourism development potential.



As a public Entity, the KZNSB remains committed to fulfilling its mandate within the policy framework of government. Its contribution to economic development spans several areas, which include bathers' safety, skills development, youth empowerment, and job creation.

Furthermore, the KZNSB continues to promote bather safety awareness through its public education programs, research, and public engagement. It is actively involved in scientific collaborations at both national and international levels, ensuring the Entity remains at the forefront of marine biology science. Over the past 12 months, nine collaborative projects have been initiated focusing on a range of topics pertinent to the operations of the KZNSB programme.

Community engagement remains a priority for youth development programs and career guidance. These opportunities provide platforms for engagement with the youth where insights into the maritime industry career opportunities are presented and discussed to the youth. KZNSB is actively involved in scientific collaborations at both national and international levels, ensuring the Entity remains at the forefront of marine science.

I wish to extend my heartfelt appreciation to the entire KZNSB team from the Board of Directors,

management, and staff for their resilience displayed through the challenges incurred during the period, dedication, innovation, and commitment to excellence. Their work forms the backbone of the contribution to our beautiful province.

I fully endorse the 2024/25 Annual Report and reaffirm my support for the KwaZulu-Natal Sharks Board's Maritime Centre of Excellence as it continues to advance the province's strategic goals in bather protection, tourism development, and environmental sustainability

**Rev Musa Zondi, MPL**

MEC for Economic Development,  
Tourism & Environmental Affairs



## Chairperson's Remarks

**Mrs Precious Lugayeni, Chairperson of the Board**

It is with appreciation and a strong sense of responsibility that I present this report as Chairperson of the Board for the 2024/25 financial year. The period under review has tested the resilience, integrity, and innovation of the KwaZulu-Natal Sharks Board. Despite financial, operational and institutional challenges, the Entity has remained steadfast in executing its mandate to protect bathers against shark related incidents, educate the public about the activities of the KZN Sharks Board, conduct biological research on sharks, inform the public about the role of sharks in the marine environment and contribute immensely towards beach tourism in KwaZulu-Natal.

The Board has maintained its oversight responsibilities diligently, providing strategic direction and support to the Executive Management throughout a difficult period marked by fiscal constraints, environmental disasters, and capacity shortages. Working closely with the Acting CEO and Management, the Board ensured

that governance processes, internal frameworks were strengthened and regularly reviewed.



As Chairperson, I have personally led and supported several engagements to ensure institutional stability. Key highlights include:

**Lobbying for Financial Support:** The Entity successfully secured a R10 million grant from the Shareholder (EDTEA) to cover critical operational and infrastructural needs.

**Revival of Rationalisation Talks:** The Board participated in renewed engagements with Ezemvelo KZN Wildlife, EDTEA, and Government Technical Advisory Centre (GTAC) to address longstanding challenges stemming from the Rationalisation of Public Entities process.





The successful facilitation of policy reviews, compliance with the Auditor General's findings, and proactive engagements with stakeholders are a testament to the Board's commitment to institutional excellence and accountability.

**Project Revitalisation:** Notable efforts were made to resuscitate the Shark Repellent Cable Project (SRC/P), including presenting the concept to SmartXchange and supporting grant applications to the Technology Innovation Agency (TIA) and other donors.

The Board is acutely aware of the Entity's unresolved challenges:

- **Outstanding Municipal Debt:** The Entity continues to experience non-payment of meshing fees, impacting financial sustainability.
- **Leadership Vacancies:** Several senior roles remain unfilled due to the moratorium on appointments, placing strain on existing personnel and succession planning.
- These challenges were met with strategic interventions, including budget monitoring, asset disposal (e.g., auctioning of the aircraft and passenger boat), and stronger intergovernmental relations facilitation led by COGTA.

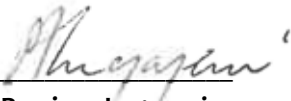
Despite adversity, the Entity achieved several milestones in 2024/25:

- Declaration as an Essential Service by The Commission for Conciliation, Mediation and Arbitration (CCMA) on 08 November 2024, affirming the critical nature of the Entity's functions.
- Completion of Internal Policy Reviews, enhancing internal governance, and aligning operational practices with national standards.
- Continue Delivery of Core Services in bather protection, raising awareness on shark education and promoting the services of the Board, conducting biological research in sharks and the rehabilitation of tourism activities post-COVID.

On behalf of the Board, I wish to commend the Acting CEO, Mr Harry Mbambo, the Management Team, and all staff for their dedication and commitment under extraordinary pressure. Your resilience and innovation have anchored the Entity's steady recovery.

I extend my gratitude to the Honourable MEC for Economic Development, Tourism and Environmental Affairs (EDTEA) Rev. Musa Zondi, KZN Treasury, and other stakeholders for their ongoing support and interventions.

As we move forward, the Board remains committed to strengthening institutional governance, driving financial sustainability, and fully restoring the Entity's capacity to fulfil its mandate. The Entity has attained an unqualified audit opinion for the 2024/25 financial year.



**Mrs Precious Lugayeni**  
Chairperson of the Board  
KZN Sharks Board



## Chief Executive Officer's Statement

**Mr Harry Mbambo, Acting Chief Executive Officer**

The financial year 2024/25 has been one of significant trials and cautious progress for the KZN Sharks Board Maritime Centre of Excellence. Amidst constrained economic conditions, a moratorium on key appointments, and external challenges including natural disasters, the Entity has remained focused on stabilising operations, restoring financial integrity, and upholding its mandate. This report provides a strategic overview of challenges encountered, measures implemented, and progress achieved from April 2024 to March 2025.

The Entity has faced persistent financial strain due to delayed payments from several local municipalities. This, along with a decline in tourism-related foot traffic, affected revenue collection and service continuity.

A prolonged moratorium and rationalisation of public entities hindered the appointment of key personnel, including the Chief Executive Officer, Chief Financial

Officer, and other Executives. Most positions were occupied in an acting capacity, compromising institutional stability and succession planning.

Floods, pandemics, civil unrest, and environmental health threats (e.g., E. coli in Coastal waters) further impeded the Entity's service delivery and income streams, including educational programmes, shark dissections, and boat tours.

The Entity intensified its monitoring of divisional expenditure and implemented cost-containment measures, including rationalising operational budgets and reducing travel-related costs. To enhance liquidity, the Entity auctioned non-core assets such as an aircraft and a passenger boat in October 2024. Following lobbying efforts, a R10 million financial injection from the shareholder was approved to support the core operational needs, including land cruisers, outboard motors, and IT infrastructure. The procurement Plan was frequently revisited to align



with financial limitations, and virements were implemented to balance budget allocations across divisions.

Progress was made with the Council for Scientific and Industrial Research (CSIR) on converting the SRC system into a commercial product. However, financial limitations led to project delays. A funding proposal of R10.23 million submitted to the Technology Innovation Agency (TIA) was allowed to proceed to Phase 2 of evaluation. Stakeholder engagement -including SmartXchange, the Department of Forestry, Fisheries and the Environment (DFFE), and NASPERS -continued in pursuit of supplementary funding.

Following a successful CCMA application process, the KZNSB's core functions were declared Essential Services effective 08 November 2024, thus affirming the Entity's critical public role. The comprehensive review of internal policies commenced in August 2024 and formed part of strengthening governance practices in line with legal frameworks.

Despite the setbacks, the Entity has shown signs of gradual stabilisation both operationally and financially. This recovery has been made possible through the unwavering support of the Chairperson. Ms. Precious Lugayeni, the Board of Directors, and the commitment of all staff members.

Moving forward, the KZNSB will continue to:

- Improve financial sustainability through active debt recovery and grant mobilisation.
- Enhance governance, compliance, and policy alignment.
- Focus on project delivery, including the commercialisation of the Shark Repellent Cable
- Strengthen intergovernmental stakeholder collaboration and restore stakeholder confidence.

Sincerely,



**Mr Harry Mbambo**

Acting Chief Executive Officer  
KZN Sharks Board



## Statement of responsibility and confirmation of accuracy for the annual report

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

All information and amounts disclosed in the annual report is consistent with the annual financial statements audited by the Auditor General. The annual report is complete, accurate and is free from any omissions.

The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

The Annual Financial Statements (Part E) have been prepared in accordance with the standards applicable to the public Entity.

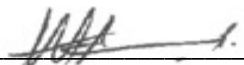
The accounting authority is responsible for the preparation of the annual financial statements and for the judgements made in this information.

The accounting authority is responsible for establishing and implementing a system of internal control has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors are engaged to express an independent opinion on the annual financial statements.

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the public Entity for the financial year ended 31 March 2025.

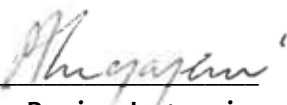
Yours faithfully



**Mr Harry Mbambo**

Acting Chief Executive Officer

KZN Sharks Board Maritime Centre of Excellence



**Mrs Precious Lugayeni**

Chairperson of the Board

KZN Sharks Board Maritime Centre of Excellence



## Strategic Overview

The strategic overview outlines the Business Case for the KZNSB, as presented by the former MEC for Economic Development, Tourism & Environmental Affairs, Ms. Nomusa Dube-Ncube. In the Statement by Executive Authority for the 2020/2025 Five-Year Strategic Plan, it was demonstrated that there is a clear link between tourism and the safety of swimming at our beaches. Approximately 98% of our tourists visit beaches for recreational activities. Therefore, the role of the KZNSB in safeguarding the tourism sector should be reinforced.

Not only does the KZNSB provide bather protection, it also conducts research into the biology of sharks and other animals caught in the Shark Safety Gear. The Entity offers a public education programme on safety precautions that bathers should adhere to. Marine tourism programmes create awareness about safe bathing and the marine environment. This Business Case consists of the summary of key points, as follows:

“The KZNSB:

- Protects bathers against shark attack at protected beaches in the Province.
- Supports the Provincial knowledge economy through research excellence into sharks and marine life.
- Has developed new shark repellent technology to protect both bathers and marine life.
- Has a strong record of good governance, unqualified audit opinions with no material findings and some clean audits.
- Has the potential to protect national beaches and tourism – if status is changed to become a national Entity.”



The Auditor-General’s report is presented on page 113 - 120.

The KZNSB maintains shark safety gear at 37 localities along the coast of KwaZulu-Natal Province and is the only institute of its kind in the world, offering safe bathing to tourists while also conducting research into shark life history and offering a public education programme.

Historically, the core mandate of the KZNSB has been the protection of bathers against shark attack. In order to achieve this, the KZNSB provides bathing protection on the beaches of the KZN Coastline through the deployment of the sharks safety gear and also conducts and facilitates research into biology and behaviour of sharks and other marine animals impacted by the current shark control programme. It also conducts public education and outreach programmes on sharks, safe bathing and the activities of the KZNSB. Due to the need to balance both the safety of bathers and the protection of marine species, the research and development activities of the KZNSB seek to develop and implement non-lethal means of protecting bathers from shark attack, and to increase the number of protected facilities along the KwaZulu-Natal coast in an environmentally sensitive manner.

The vision and mission statements are as set out below:

### Vision

A global leader in bather protection against shark-related incidents.

### Mission

The KwaZulu-Natal Sharks Board Maritime Centre of Excellence strives to be a leader in environmentally sensitive bather protection against shark-related incidents through innovation, promoting beach, marine and related tourism and enhancing inclusive economic growth.

Currently, the Entity subscribes to delivering the following citizen-oriented values in line with the Batho Pele principles:



## Strategic Outcomes Oriented Goals

The KZNSB undertakes best practice bather protection against shark attack in the Province. The KZNSB's strategic outcomes encompass the following:

1. Sustained good governance, administration, and service delivery.
2. Sustained environmentally sensitive bather protection against shark-related incidents at protected beaches.
3. Service delivery enhanced through technological development and knowledge generation.
4. Enhanced public awareness and understanding of safe bathing practices and role of KZNSB.

The KZNSB is a Schedule 3C Public Entity in terms of the Public Finance Management Act No. 1 of 1999 (PFMA).

The KZN Provincial Government has thus embarked on a process to rationalise its Public Entities in order to seek cost savings, greater efficiencies and effectiveness in the delivery of public services in the broader context of low growth and decreasing government revenue. The process also seeks to enable synergy between the Public Entities and the Department of Economic Development, Tourism and Environmental Affairs (EDTEA), ensuring that clear mandates and division of labour exist that is aligned to the economic development, tourism and environmental mandate.

The key proposal emerging from this process, with regard to KZNSB are to incorporate the KZNSB components with Ezemvelo KZN Wildlife. The implications of this proposal have not been fully spelt out as yet, but understandably, staff members have been experiencing a sense of uncertainty about their future and in some instances, this is impacting negatively on morale and performance.

#### Constitutional Mandate

Section 24 of the Constitution stipulates that all South Africans have a right to an environment that is not harmful to their health or well-being and to have the environment protected for the benefit of present and future generations.

The Constitution compels us to take reasonable steps to prevent pollution and ecological degradation, promote conservation and secure ecologically sustainable development and use of natural resources. The provision of safe bathing in an environmentally sustainable manner addresses this Section.

## Legislative Mandate

KZNSB Act, 2008 (No.05 of 2008). This legislation mandates that:

5(1). The KZNSB must –

- (a) research, develop, install and maintain schemes, devices or measures necessary to safeguard bathers in the Province against shark attacks;
- (b) consider existing or proposed schemes to determine whether such schemes are reasonably effective to protect bathers in the Province from shark attacks: Provided that the KZNSB shall also endeavour to introduce schemes that –
  - (i) will reduce negative impact on all biodiversity;
  - (ii) will enhance the survival of caught sharks and other marine animals;
- (c) undertake research in order to –
  - (i) consider and determine the feasibility of applying new or known methods of protection against shark attacks; and
  - (ii) determine any environmental impact arising from the implementation of any schemes or any methods of protection against shark attacks;
- (d) consider reports, findings, representations and recommendations of scientific and technical research bodies, associations or persons, on matters relating to the protection of bathers against shark attacks in the Province;
- (e) take reasonable steps to create awareness to bathers with regard to any matter related to but not limited to -
  - (i) schemes, devices or measures to protect bathers against shark attacks; and
  - (ii) safety precautions that must be adhered to by bathers;
- (f) render assistance or place its services at the disposal of any municipality, where such municipality is obliged by law to exercise powers, duties or functions in connection with –

- (i) the sea and the sea-shore;
- (ii) inland waters;
- (iii) life-saving and other emergency services; or
- (iv) scientific research, studies and surveys undertaken by or on behalf of such municipality;
- (g) in exercising its powers and performing its duties in terms of this Act –
  - (i) promote biodiversity and ecological integrity by striving to avoid, mitigate and reduce any negative environmental impact;
  - (ii) do anything in its power to promote the sustainability of marine life;
  - (iii) endeavour to use all dead sharks and other marine animals caught by the schemes implemented in terms of this Act, for scientific research;
- (h) where possible, release all live marine animals, including sharks, caught or affected by the schemes implemented in terms of this Act;
- (i) keep accurate records of all sharks and other marine animals caught or otherwise affected by the schemes implemented in terms of this Act;
- (j) investigate and make recommendations to and advise the responsible Member of the Executive Council regarding any matter related to the protection of bathers against shark attacks in the Province.

## Other Basic Legislation

- Public Finance Management Act (No.1 of 1999)
- The Annual Division of Revenue Acts
- Treasury Regulations
- Merchant Shipping Act (Act 57 of 1951) of 1951 (as amended)
- Merchant-Shipping (National Small Vessels Safety) Regulations, 2007
- Labour Relations Act no. 66 of 1995 Employment Equity Act no 55 of 1998

- Occupational Health & Safety Act no. 85 of 1993
- Basic Conditions of Employment Act no. 75 of 1997
- Constitution of the Republic of South Africa, 1996
- Skills Development Act no. 97 of 1998 Marine Living Resources Act no. 18 of 1998
- National Environmental Management Biodiversity Act, no. 10 of 2004
- National Environmental Management: Protected Areas Act, no. 57 of 2003
- Sea Birds And Seals Protection Act, no. 46 of 1973

## Government Outcomes

In order to give effect to the electoral mandate of the current administration, twelve key strategic imperatives have been identified, which must be addressed during the current electoral cycle. These outcomes constitute the primarily policy imperatives of the Government, according to which all government initiatives must be aligned:

1. Improved quality of basic education.
2. A long and healthy life for all South Africans.
3. All people in South Africa are and feel safe.
4. Decent employment through inclusive economic growth A skilled and capable workforce to support an inclusive growth path An efficient, competitive and responsive economic infrastructure network.
5. Vibrant, equitable and sustainable rural communities with food security for all.
6. Sustainable human settlements and improved quality of household life. A responsive, accountable, effective and efficient local government system. Environmental assets and natural resources that are well protected and continually enhanced. Create a better South Africa and contribute to a better and safer Africa and World An efficient, effective and development orientated public service and an empowered, fair and inclusive citizenship.



The KZNSB's Strategic Plan contributes to achieving Outcomes 1, 3, 4, 5, 10 and 12. The contribution of the KZNSB towards the achievement of these national strategic policy imperatives is outlined below.

Government National Outcome/ MTSF Priority Outcome	KZNSB Contribution
1. Improved quality of basic education	School bather safety and environmental awareness programmes
3. All people in South Africa are and feel safe	Providing a safe bathing environment in KZN protected beaches.
4. Decent employment through inclusive economic growth	Support to coastal tourism and economic development through effective bather protection from sharks. Facilitating placement of skilled workers in the maritime industry.
5. A skilled and capable workforce to support an inclusive growth path	Staff training and development
10. Environmental assets and natural resources that are well protected and continually enhanced	Investigate and implement measures to further reduce catches of marine animals, particularly non-target species
12. Efficient, effective and development-oriented public service and empowered citizenship	Well-managed and sustainably financed Public Entity, providing education and awareness programmes to the public

## Provincial Priorities

The KZN Provincial Growth and Development Strategy and Plan (PGDS & P) aims to mobilise and synchronise strategic plans and investment priorities in all spheres of government, state owned entities, business, higher education institutions, labour, civil society and all other social partners in the Province, in order to achieve the desired growth and development goals, objectives and outcomes.

The February 2013 Cabinet Lekgotla resolved that all KZN Provincial Departments should initiate a process to review their 5-year strategic plans, to ensure alignment with KZN Vision 2030, and with the strategic goals, objectives and targets contained in the PGDS & P. The development of the new cycle Five-Year Strategic Plan was undertaken through the KZNSB Strategic Planning Workshop held on 19 & 20 September 2019. The resulting alignment of this Strategic Plan with the PGDS & P is set out in Table 2 on the next page.

## Alignment of Strategic Plan and APP with PGDS

PGDP Objective	KZNSB Impact Statement	KZNSB Outcome Statements	Outcome Indicators	Output Indicators
1.2 Enhance sectoral development	A vibrant Provincial economy and flourishing tourism sector, underpinned by bather protection from shark-related incidents and public awareness about bather safety	Sustained environmentally sensitive bather protection against shark-related incidents at protected beaches	Number of shark-related incidents at protected beaches in KZN Number of non-target species caught (combined nets and drumlines) Number of mortalities and serious injuries	<ul style="list-style-type: none"> <li>Annual number of services carried out on shark safety gear</li> <li>Total annual catch of non-target species (combined nets and drumlines)</li> <li>Number of safety awareness programmes per year</li> <li>Number of health and safety meetings per year</li> </ul>
1.6. Enhance the knowledge economy		Service delivery enhanced through technological development and knowledge generation	Number of peer-reviewed scientific research papers Testing of SRC: Number of SRC pilot sites Commercialisation of SRC: Number of SRC sales	<ul style="list-style-type: none"> <li>Number of peer-reviewed scientific research papers</li> <li>Testing of SRC: Number of SRC pilot sites</li> <li>Commercialisation of SRC: Number of SRC sales</li> </ul>
3.5 Enhance safety and security		Enhanced public awareness and understanding of safe bathing practices and role of Sharks Board in bather protection	Number of awareness programmes (Bather safety tips) Number of marketing medium / tools used.	<ul style="list-style-type: none"> <li>Number of schools visited annually</li> <li>Number of events and exhibitions participated in</li> <li>Number of trade shows attended</li> <li>Number of marketing medium / tools used</li> </ul>
6.2 Build government capacity		Sustained good governance, administration and service delivery	Percentage of APP targets delivered Financial and administrative practices compliant with relevant legislation	<ul style="list-style-type: none"> <li>Annual percentage achievement of APP targets</li> <li>Vacancy rate for key positions</li> <li>Percentage of salary budget spent on training annually</li> <li>Percentage of creditors paid within the agreed timeline of 30 days</li> <li>Percentage budget allocated to capital infrastructure spent</li> <li>Percentage of procurement projects as per the approved procurement plan implemented</li> <li>Percentage of outstanding debt collected from the municipalities</li> <li>Signed recognition Agreement with relevant trade union</li> <li>Number of monthly management / labour meetings.</li> <li>Number of projects achieved in implementing ICT strategy as per the ICT Roadmap</li> <li>Annual percentage compliance in terms of approved Compliance Checklist Status of annual external audit opinion</li> <li>Number of experiential learning opportunities offered to target groups (youth, women and people with disabilities)</li> </ul>
6.3 Eradicate fraud and corruption			% adherence to allocated and approved budget	
6.4 Promote participative, facilitative and accountable governance				

The KZN Provincial Government has thus embarked on a process to rationalise its Public Entities in order to seek cost savings, greater efficiencies and effectiveness in the delivery of public services in the broader context of low growth and decreasing government revenue. The process also seeks to enable synergy between the Public Entities and the Department of Economic Development, Tourism and Environmental Affairs (EDTEA), ensuring that clear mandates and division of labour exist that is aligned to the economic development, tourism and environmental mandate.

The key proposal emerging from this process, with regard to KZNSB are to incorporate the KZNSB's components with Ezemvelo KZN Wildlife, and the Maritime Centre of Excellence with the Moses Kotane Institute. The implications of these proposals have not been fully spelt out as yet, but understandably, staff are experiencing a sense of uncertainty about their future and in some instances this is impacting negatively on morale and performance. A speedy resolution of the situation is anticipated.

### 1.2 ENHANCE SECTORAL DEVELOPMENT



### 1.6 ENHANCE THE KNOWLEDGE ECONOMY



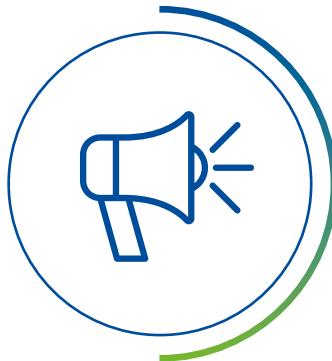
### 3.5 ENHANCE SAFETY AND SECURITY



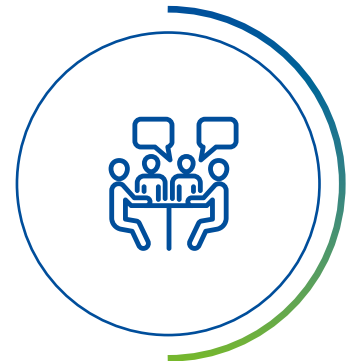
### 6.2 BUILD GOVERNMENT CAPACITY



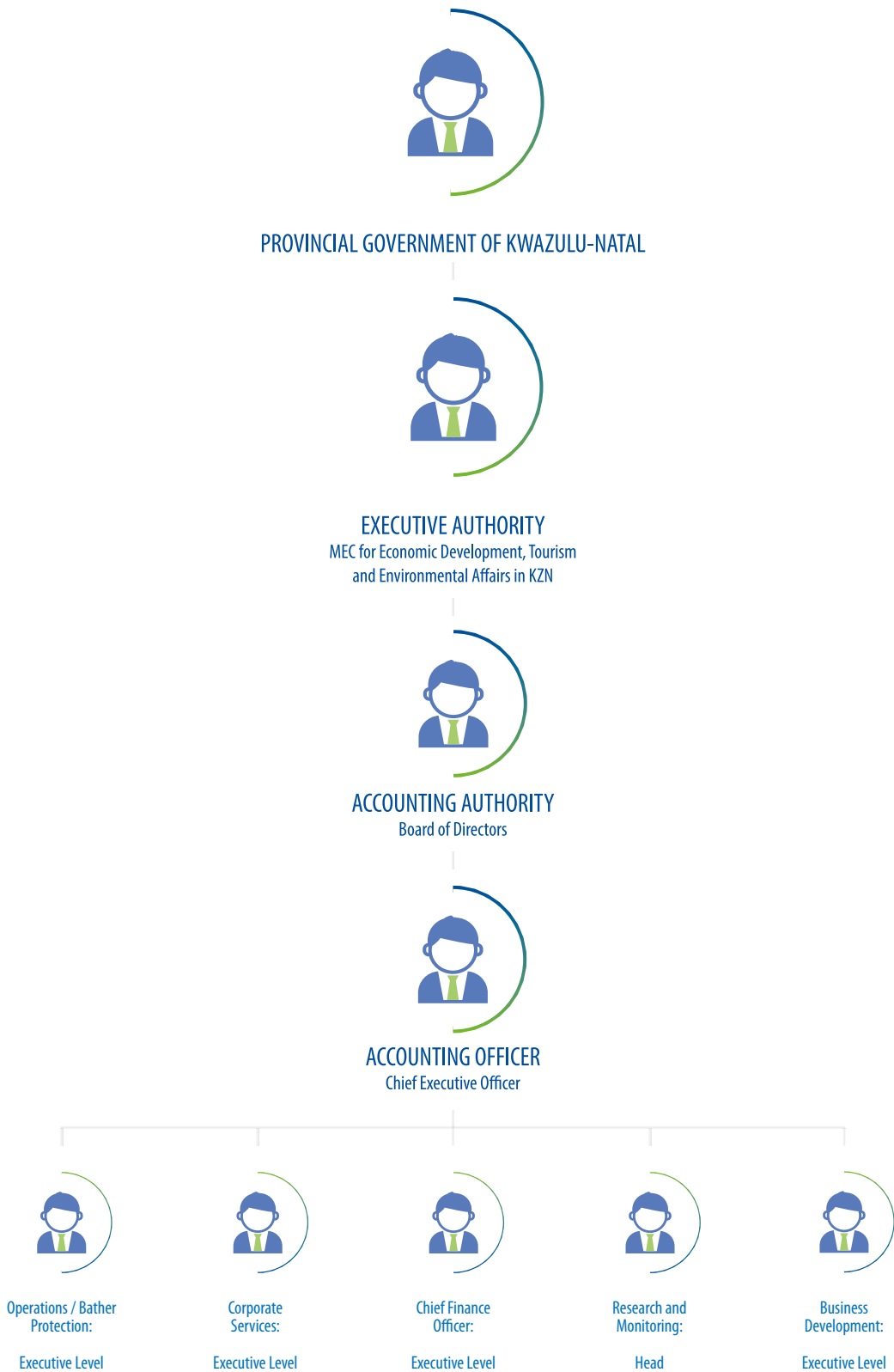
### 6.3 ERADICATE FRAUD AND CORRUPTION



### 6.4 PROMOTE PARTICIPATIVE, FACILITATIVE AND ACCOUNTABLE GOVERNANCE



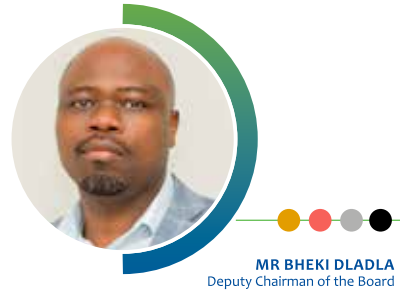
# Organisational Structure of The Board





## Composition of The Board

KZNSB derives its mandate from the KwaZulu-Natal Sharks Board Act, 2008 and its primary objectives is to undertake, control and approve measures for safeguarding bathers against shark attack in the KwaZulu-Natal Province.



## Board Committees

- Operations & Research Committee
- Human Resources & Remunerations Committee
- Audit & Risk Committee

- Pension Fund Committee
- Provident Fund Committee
- Business Development Committee

# Part B





## Performance Information

- Overview of the KZN Sharks Board Performance
- Performance Information by Programme
  - Programme 1: Administration
  - Programme 2: Bather Protection
  - Programme 3: Research & Monitoring
  - Programme 4: Business Development

## Statement of Responsibility for Performance Information for the Year Ended 31 March 2025

The Chief Executive Officer is responsible for the preparation of the KZNSB's performance information and the judgements made thereof.

The Chief Executive Officer is responsible for establishing and implementing a system of internal controls, which is designed to provide reasonable assurance as to the integrity and reliability of performance information provided in this report.

Our strategy measures organisational performance against the key performance indicators for each of our strategic objectives. The performance information provided in this report fairly reflects the actual achievements made against planned objectives, indicators and targets as per the strategic and annual performance plan of the KZNSB for the financial year ended 31 March 2025. The recording and reporting of all operational activities is therefore accurate and well aligned with the vision and mission of the organisation.

KZNSB performance information for the reporting period has been examined by the Auditor-General and approved by the Board.



The Auditor-General's report is presented on page 113.

Mr Harry Mbambo  
Acting Chief Executive Officer  
KZN Sharks Board

Mrs Precious Lugayeni  
Chairperson of the Board  
KZN Sharks Board



## Auditor-General's Report: Predetermined Objectives

The AGSA/Auditor currently performs the necessary audit procedures on the performance information to report material findings. The material findings on the performance against predetermined Outcomes / Objectives is included in the report to management, with the material findings being reported under the Predetermined Outcomes / Objectives heading in the Report on other legal and regulatory requirements section of the auditor's report.



Refer to page 113 on the Report of the Auditor-General Report, published as Part E: Financial Information.



## Situational Analysis

The KZNSB was established by the Provincial Government, its legal mandate enshrined in the KwaZulu-Natal Sharks Board Act, 2008 (No.5 of 2008). The KZNSB is a service provider to coastal municipalities, providing bather protection services to these municipalities in terms of service level agreements. It also provides advice to other coastal provinces and even Internationally. The KZNSB plays a fundamental role in ensuring that the Province's popular swimming beaches are safe from shark-related incidents. Tourist visits to the Province's beaches usually form a highly significant proportion of the International and local tourism that takes place in KwaZulu-Natal<sup>1</sup>. The top activities that International tourists enjoy in KZN are the beach, theme parks, adventure and wildlife followed by visiting natural attractions.<sup>2</sup> Bather protection provided by the KZNSB against shark attack ensures the safety of beach tourists and thus underpins economic growth and prosperity in the Province.

Beaches on the coastline are protected by shark safety gear which comprises 13 km of nets and 177 drumlines. This is achieved by fishing for sharks directly off the beaches, using large-mesh gillnets or baited drumlines or both, thereby reducing the likelihood of a dangerous shark encountering humans. In KZN, the introduction of bather protection gear has reduced the incidence of unprovoked shark attack at protected beaches by 100%. There have been no shark attacks at any Protected Beaches 1999. This is in marked contrast to shark attacks in both the Eastern and Western Capes, which have continued to increase every decade.

The annual contribution of tourism to the economy of KZN is approximately R10bn and employs 200,000 people. Although not all is attributable to coastal tourism, the majority of infrastructure in the province is associated with coastal resorts. Beach tourism is a major attraction, which is only made possible through the activities of the KwaZulu-Natal Sharks Board bather protection programme in providing public confidence in the safety of KZN beaches against shark attack. The cost of the KZNSB operations is less than 1% of the revenue generated by tourism in the province making it an extremely cost-effective programme. South Africa and KZN's tourism industry were decimated by the COVID19 pandemic and recent catastrophic flooding. KwaZulu-Natal Tourism is compiling a Tourism Recovery Plan in a bid to limit the damage suffered by the industry due to the pandemic, lockdown and flood damage. For this plan to succeed the KZN Sharks Board bather protection becomes even more critical. Without the KZN Sharks Board, the recovery of the tourism sector would be impossible resulting in economic catastrophe.

As only 37 of the beaches in the provinces are protected beaches, there are large sections of the KZN coast where there is no protection against shark attack. It is therefore not surprising that attacks occur from time to time at those locations. Many of these incidents involve anglers, in what may be considered provoked attacks because they use bait to entice fish to take the hook. Sharks are either attracted by the bait itself or the fish struggling on the end of the line, once it has been hooked. The number of shark incidents in KwaZulu-Natal, 2016 - 2023 is set out in Table 1 on page 34.



<sup>1</sup>The impact of the novel coronavirus pandemic and recent civil unrest in KwaZulu-Natal are discussed in the section which follows.

<sup>2</sup>Source: <https://www.iol.co.za/travel/south-africa/kwazulu-natal/stats-these-are-how-many-travellers-from-africa-visited-kwazulu-natal-19512225>

Map 1: Protected Beaches in KwaZulu-Natal <sup>3</sup>



The KwaZulu-Natal coastline is 560 km long. The KwaZulu-Natal Sharks Board provides protection against shark attack at 37 beaches between Richards Bay and Port Edward. Protected beaches are confined to the southern and central coast, ranging from Richards Bay in the north to Port Edward in the south, a distance of 320 km of coastline. Location of protected beaches is shown on Map 1 above.

<sup>3</sup> Source: KZN Sharks Board internal records

Table 1: Number of shark incidents in KwaZulu-Natal, 2016-2023<sup>4</sup>

Year	No. Attacks	Location	Activity	Severity
2016	1	> 3 km offshore from Umhlanga	Fishing ski	No injury
2017	1	>1.5km offshore from Umhlanga	Fishing ski	No injury
2018	1	>1.5km offshore from Tinley Manor	Fishing ski	No injury
2019	4	Various locations all >1 km offshore	Fishing ski	No injury
2020	1	>1.5km offshore from Umhlanga	Paddle ski	No injury
2021	0	N/A	N/A	N/A
2022	2	>7km offshore from Protea Banks & >1km offshore from Westbrook	Baited shark dive Fishing kayak	Bitten on hand Vessel bitten
2023	2	800 m offshore from Umdloti beach 750 m offshore of Tinley Manor	Fishing and Paddle ski	No injury

Most bathers will use protected beaches because they have lifeguards and other amenities such as toilets, showers and change rooms and adequate parking. Most protected beaches have lifeguards throughout the year, but a small number will only provide this service at peak times such as school holidays, public holidays and weekends. The KZNSB does not keep statistics of numbers of bathers and surfers who frequent unprotected beaches. Over 160 000 bathers are recorded as having visited protected beaches in the KwaDukuza municipal area over a 6 month period in 2018<sup>5</sup>, with figures increasing hugely during December.

Table 2 and Fig.1 show the average daily bather number in the sea during 2018 at central Durban bathing beaches (all beaches in eThekweni municipality between Blue Lagoon and uShaka). This figure peaks at 50 000 bathers in the ocean daily during December.

Table 2: eThekweni average daily bather number in the sea at central Durban bathing beaches (all beaches between Blue Lagoon and uShaka) 2018

Month	Average Daily Bather Number
January	23 562
February	6 884
March	7 711
April	8 765
May	3 678
June	6 176
July	5 339
August	6 043
September	8 837
October	8 994
November	6 966
December	51 094

<sup>4</sup>Source: KZNSB Incident File for each year.

<sup>5</sup>Statistics on bather counts are provided by Beach Managers from the relevant municipalities. Updates since 2018 have not been made available to the Entity. Data from different municipal areas are reported in different formats, making it difficult to draw comparisons. Protected beaches in KwaDukuza municipal area are: Zinkwazi, Blythedale, Salt Rock, Thompsons Bay, Willard and Clark Bay. Data from different regions are reported in different formats, making it difficult to draw comparisons. Updated figures (2019 - 2023) are not available as yet.



Fig. 1: Average Daily Bather Number

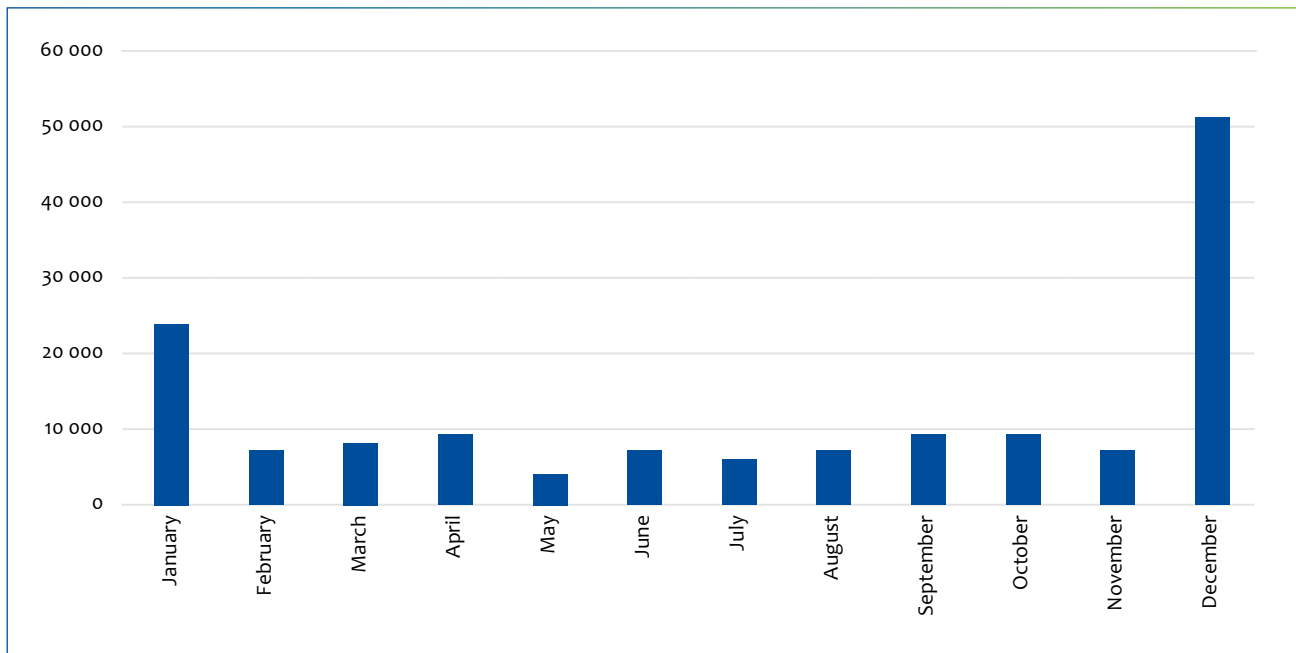


Table 3 shows the bather counts on peak holidays and average days at beaches in the Ray Nkonyeni municipal area.

**Table 3: Bather Count for the Ray Nkonyeni Beaches For 2018**

Beach	Christmas Day/New Year's Day	Average Day During The Year
Hibberdene	2500 - 3000	50 - 100
Umzumbe	2000	50 - 100
Banana Beach	1000 - 1500	50 - 100
Sunwich Port	1000	50
South Port	1000 - 1500	50
Umtentweni	1000 - 2000	50 - 100
St Michaels	4000	350
Uvongo	3000	400
Margate	5000 - 15000	500 - 1000
Ramsgate	3000 - 5000	150 - 200
Southbroom	2000	50 - 150
Sysu	50 - 150	25
San Lameer	2500 - 3500	150 - 300
Trafalgar	1000 - 2000	100
Glenmore	1000 - 2000	150 - 250
Leisure Bay	1000 - 2000	150 - 250
T.O Strand	1000 - 2000	150 - 250
Port Edward	1500 - 3000	150 - 250

These figures clearly indicate how important our popular swimming beaches are for locals and visitors alike, especially during the peak holiday seasons.

Not only does the KZNSB provide bather protection, it also conducts research into the biology of sharks and other animals caught in the shark safety gear and offers a public education programme on safety precautions that bathers should adhere to. Marine tourism programmes create awareness about safe bathing and the marine environment.

The KZNSB, with more than 50 years' experience,

is the only organization in South Africa dedicated to providing bather protection against shark attack. It is a specialist in its field not only in the country but the world over. As a result of this specialist knowledge, the KZNSB has an international reputation as the leader in the field of bather protection against shark attacks and provides advice, information and assistance to other coastal provinces and internationally. An indication of the effectiveness of the Entity is that there have been no shark attacks at protected beaches over the past decade, a very different picture from other similar beaches along the coastline where the Board does not provide bather protection services.

## External Environment Analysis

### PESTEL Analysis:

#### Political factors:

As a Public Entity, the KZNSB exists to carry out government policy within its mandate and is dependent on government and law for that mandate and for its financing. Key political priorities relevant to the Entity include economic development, empowerment and job creation. Public Entities currently face a number of issues including budget cuts, a moratorium on filling vacant posts and uncertainties caused by factors such as change of political heads, with associated changing emphasis in mandates and directives. The rationalization of Public Entities, which includes the proposed incorporation of the KZNSB into Ezemvelo KZN Wildlife, has created further uncertainty. These issues are compounded by the impact of recent events such as the pandemic, civil unrest and recent floods, as will be discussed below.

#### Economic Factors:

The vulnerability of the KZN tourism industry to the negative impact of shark attacks is a key issue. This was the original motivating factor for the establishment of the KZNSB in the early 1960s, when the increasing incidence of shark attacks caused significant negative effects on the tourism industry. This threat remains an ongoing concern to the tourism industry, a significant proportion of which is beach related.

The importance of the tourism industry in KZN should not be underestimated. Although not all is attributable to coastal tourism, the majority of infrastructure in the province is associated with coastal resorts. Beach tourism is a major attraction, which is only made possible through the activities of the KwaZulu-Natal Sharks Board bather protection programme in providing public confidence in the safety of KZN beaches against shark attack. The cost of the KZN Sharks Board operations is less than 1% of the revenue generated by tourism in the province making

it an extremely cost-effective programme. The KZN Tourism Recovery Plan attempts to stimulate the recovery of the industry negatively affected by the pandemic and lockdown. Without the bather protection offered by the KZN Sharks Board, the recovery of the tourism sector would be impossible, resulting in economic catastrophe.

The current national and global economic downturn, the impact of the pandemic and civil unrest have together resulted in a negative impact on tourism and thus on the contribution of the KZNSB to the GDP of the province and to reducing unemployment.<sup>6</sup> Slow economic growth and inflation have resulted in budget cuts for the medium term expenditure framework (MTEF) period at all levels. The budget allocation to KZN province has also been reduced as a result of the downturn in provincial GDP recently and slower population growth compared to other provinces. This has led to increased competition of over limited resources within the provincial government.

Budget cuts, exacerbated by the impact of the pandemic, threaten a number of aspects of service delivery. Financial shortfalls over the past financial year have resulted from the various levels of lockdown, where little or no revenue was gained from usual “own revenue” sources including dissections, boat tours, sales of tourist goods and venue rentals. This is compounded by the problem of some coastal municipalities not paying in full for bather protection services rendered (meshing fees) due to services not being provided at their beaches while swimming was prohibited. Despite the Entity having made some savings from staff vacancies, the financial shortfall is a major threat to the financial sustainability of the Entity.

The current moratorium on filling posts is also having a significant negative effect on service delivery. Capacity at all levels is compromised by the moratorium on filling posts and the consequent loss of intellectual

<sup>6</sup> <https://www.tourism.gov.za/AboutNDT/Documents/Tourism%20Sector%20Recovery%20Plan.pdf>

capital due to staff leaving and not being replaced. Rising costs and lagging wages place the Entity at greater risk for strike action and disruption of service delivery. Coupled with budget cuts, this is rapidly leading to a critical situation in terms of the Entity being capable of delivering on mandate.

As a Schedule 3C Public Entity in terms of the Public Finance Management Act, the KZNSB is funded to a large extent by government, and its fundraising powers are limited. This status constrains its ability to compensate for declining grant funds by raising its own funding. There would be a number of opportunities for fundraising if this constraint were to be removed. The Entity is pursuing options to increase its own revenue including providing advice and assistance to other coastal provinces.

#### **Social Factors:**

Beaches present a low-cost recreational opportunity for hundreds of thousands of residents of the province, whether poor or rich, old or young, employed or unemployed. As indicated earlier, the key contribution of the KZNSB to the social environment of the province is the provision of safe bathing at protected beaches.<sup>7</sup> In effect, the Entity manages human-wild-life conflict in the coastal marine environment, and its work impacts on local communities as much as it does on tourists.

Until the pandemic, risky bathing behaviour by beachgoers, including swimming at unprotected beaches, was on the increase. The impact of the lockdown was initially to halt all tourism<sup>8</sup>, and later to allow local tourism to resume on a limited scale. Civil unrest in July 2021 resulted in beaches being temporarily closed but since then, beachgoing has resumed and with it the risk of bathers swimming at unprotected beaches has emerged again. Raising awareness and publicising safe bathing practices amongst beachgoers in both local communities and with tourists thus remains a key priority of the Entity.

#### **Technological factors:**

The KZNSB is an International leader in shark research, with recognised scientific and technical expertise and capacity. Technological developments of importance for the KZNSB relate to the development of shark-repellent technologies to safeguard public bathing beaches. The KZNSB has undertaken extensive scientific research to develop shark deterrent methods that minimise negative impacts on the marine environment. The KZNSB is a pioneer in this field, and has been engaged in ongoing research to develop an environmentally friendly Shark Repellent Cable (SRC) that will ensure effective shark deterrence on the KZN coastline. Further testing of the cable is being undertaken. If successful, this technology will have local application, reducing the impact of other gear on the marine environment in appropriate locations. It could also be exported worldwide, with both reputational and financial benefits for the Entity. The Council for Scientific and Industrial Research (CSIR) has been appointed to assist with the technological development and commercialisation of SRC.

#### **Environmental Factors:**

The negative environmental impact of traditional methods of bather protection on marine life and marine ecosystems is an unfortunate consequence of bather protection. The marine environment in which the KZNSB delivers safe bathing services is affected by the activities of the KZNSB. In the past, the mandate to provide safe bathing was achieved primarily through shark nets, which have impacted the population status of certain shark species. This has had potentially negative impacts on the marine ecosystem. Further, due to declines in the populations of various marine species, increasing numbers of species are being placed on protected lists, and new marine protected areas are being established. Developing new environmentally sensitive methods of bather protection is a key focus of KZNSB research and development. Since 2005, in response to pressure from environmental groups to

<sup>7</sup>The services provided by the Entity are available to all beachgoers equally, whatever their status, gender, age or ability.

<sup>8</sup><https://www.enca.com/news/durban-closes-beaches-amid-covid-19-outbreak>

reduce this negative impact, the KZNSB has introduced drumlines as a replacement to some nets to reduce bycatch. Since 1992, the length of nets has been reduced from 44.5 km to 13km, and 177 drumlines have been installed. Further, a prototype electronic Shark Repellent Cable has been developed and is currently being tested. This has led to a 70% reduction in by-catch<sup>9</sup>.

Extreme weather events in South Africa are increasing, with heatwave conditions found to be more likely, dry spell durations lengthening slightly and rainfall intensity increasing. Veld fires are becoming more frequent, and overused natural terrestrial and marine systems are under stress. These environmental problems are exacerbated by poor drainage systems, homes and infrastructure being built on unsuitable land, and degradation of ecosystems and landscapes. Global climate change modelling suggests possible increases in the frequency and intensity of coastal storms and seasonal cyclone activity. Coastlines may become increasingly vulnerable to storm surges, flooding, coastal erosion and extreme weather events.

Storms have immediate effects on delivery: shark safety gear has to be removed from the ocean to prevent unnecessary losses and/or damage to equipment as a result of strong winds and heavy seas associated with these severe weather systems. For the same reason, shark nets cannot be placed in rough seas. Bather safety is thus compromised and this bathing has to be closed at all affected bathing beaches.

Heavy rainfalls in KwaZulu-Natal in 2019-20 killed a minimum of 85 people and left a trail of debris in the ocean. In April 2022 KZN suffered the worst flooding in almost 3 decades during a severe storm which caused serious damage to homes and transport infrastructure, and killed a total of 461 people<sup>10, 11</sup>. Individuals affected by the disaster received humanitarian aid comprising of food, clothing and medical supplies from the government and other

social partners. Flooding rivers and damaged infrastructure caused untreated effluent to spill into the local rivers and ultimately flowed into the ocean and onto adjacent beaches. Local authorities were forced to close beaches due to the beach and sea water contamination<sup>12</sup>. Both the President in the State of the Nation Address 2022<sup>13</sup> and the Provincial Premier during the State of the Province Address 2023<sup>14</sup> reflected on the catastrophic floods that have struck the Province. Shark safety gear is always removed when beaches are closed, whether in response to flooding, storms or other conditions. This has a major impact on the total number of services performed on the shark safety gear in the affected year.

Further environmental challenges in recent years are the changes in white shark populations, leading to a risk of increased attacks, and whale entanglements in shark safety gear. This presents a huge operational safety hazard for staff tasked with releasing whales. The latest whale management protocol and the deployment of appropriate seasonal shark safety gear has already made a positive impact.

Further impacts are being monitored, to understand how climate change could impact on operational activities and marine ecological conditions.

#### Legal Factors:

As a Public Entity the KZNSB operates within and must conform to a range of legislative frameworks, including the Public Finance Management Act (PFMA). The PFMA imposes a stringent legal framework on Public Entities, which tends to result in delays in procurement processes.

The KZNSB is currently in the process of being incorporated into Ezemvelo KZN Wildlife Services (EKZNW). Both Entities will remain separate legal Entities until relevant legislation is passed, at which point the strategic plans and Annual Performance Plans of the two Entities will be merged.

<sup>9</sup> This figure is based on the Sharks Board's own internal records.

<sup>10</sup> KwaZulu-Natal floods death toll rises to 461. Eye Witness News. 13 June 2022 <https://ewn.co.za/2022/06/13/kwazulu-natal-floods-death-toll-rises-to-461>

<sup>11</sup> [https://en.wikipedia.org/wiki/2022\\_KwaZulu-Natal\\_floods](https://en.wikipedia.org/wiki/2022_KwaZulu-Natal_floods)

<sup>12</sup> <https://www.dailymaverick.co.za/article/2022-05-12-oh-crap-prolonged-closures-likely-for-durbans-flood-polluted-beaches/>

<sup>13</sup> <https://www.stateofthenation.gov.za/newsletters/tag/kzn-floods>

<sup>14</sup> <https://www.polity.org.za/article/kzn-nomusa-dube-ncube-address-by-kzn-premier-during-the-state-of-the-province-address-pmb-240223-2023-02-24>



## Internal Environment Analysis

The KZNSB is a small organization operating under a provincial mandate. The Board was established in 1964, its core mandate being the protection of bathers from shark attack. It is a PFMA Schedule 3C Public Entity, reporting to the Department of Economic Development, Tourism and Environmental Affairs (KZN-EDTEA). It operates out of 10 Base Stations along the KZN coastline, providing shark safety gear at 37 localities. The operations of the KZNSB are undertaken in terms of Standard Operating Procedures which are regularly reviewed and updated.

In addition to providing protected beaches, the organization conducts shark research and educates the public about its activities and the role of sharks in the marine environment, through outreach programmes and marine tourism. It has 5 Divisions: Operations, Research and Monitoring, Corporate Services, CFO/SCM and Business Development.

The Entity has had unqualified audits since the advent of the PFMA in 2000, which culminated a Clean Audit Report for the financial years 2012/13, 2015/16, 2016/17, 2020/21, 2021/22 and 2022/23. An Audit Improvement Plan is in place, which addresses both internal and external audit queries<sup>15</sup>. The Entity's financial situation mentioned in the previous section is becoming increasingly problematic across all divisions. Current fiscal consolidation initiatives imposed by National Treasury are also impacting negatively on the Entity. There is an urgent need to increase the Entity's own revenue, which prompted the Entity to explore a number of options in this regard. Some of these have borne fruit and thus, despite declining funding from government, bather protection services have not yet been compromised. An intensive cost-cutting exercise has been conducted to ensure that the basic minimum of service delivery is maintained.

The KZNSB assesses its internal performance in terms of three key critical success factors: a) governance: continuous improvements and becoming a learning organization, b) reporting: balancing efficiency and economic use of resources with quality and effectiveness of results and c) compliance: compliance and effectiveness of internal control frameworks. Organisational strengths include a well-developed infrastructure, an excellent International standing in its field, long serving skilled employees, unqualified and clean audits, and sound governance and administration.

On the whole, a number of externally-generated factors is creating a situation where the institutional capacity of the Entity to deliver on mandate is declining. These include loadshedding, the potential threat of a ransomware attack, current and planned budget cuts, which are threatening financial sustainability, and the moratorium on filling vacant posts. The latter results in loss of staff, skills, institutional memory and capacity. Limited budgets mean that there is limited scope for outdated technologies to be replaced, something that is becoming an urgent necessity. Uncertainty regarding the future of the organisation as an independent body is having a negative impact on staff morale, productivity and service delivery.

### Stakeholder analysis:

The following stakeholders contribute to the Entity's ability to achieve its planned outcomes:

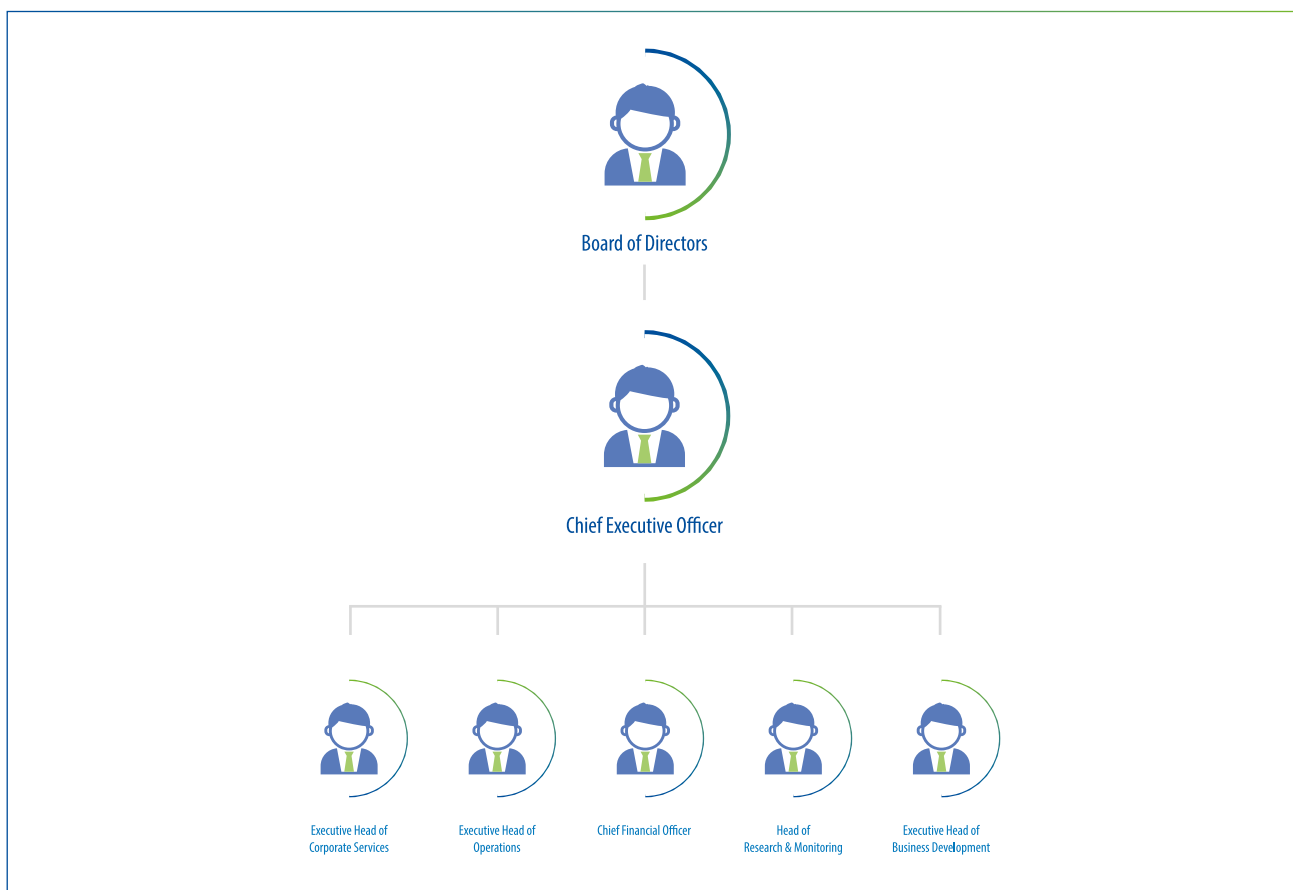
- Government departments, in particular KZN EDTEA and the Office of the Premier, and the Provincial Government. These agencies provide oversight, support and guidance to the Entity in delivering on its mandate.
- Coastal municipalities in KZN, at whose beaches the Entity installs and maintains shark safety gear are the following:

<sup>15</sup> The Audit improvement Plan does not address the issues of budget cuts because budget cuts have never been raised as an audit finding. The issue of decrease of grant funding has been raised with both EDTEA and Provincial Treasury.

1. eThekweni Metropolitan Municipality
  2. uGu District Municipality: Ray Nkonyeni Local Municipality and uMdoni Local Municipality
  3. iLembe District Municipality: KwaDukuza Local Municipality
  4. King Cetshwayo District Municipality: uMhlatuze Local Municipality
- Department of Forestry, Fisheries and the Environment (DFFE) which provides the KZNSB with both its Operating and Research permits
  - Media, radio and press agencies, who assist in broadcasting alerts and information about beach conditions and bather safety
  - Schools that participate in the Entity's Outreach Programme for school visits and demonstrations of shark dissection
  - Tourism agencies and conference organisers who enable the Entity to set up displays and demonstrations of the activities of the Entity.
  - Local and International universities, research organisations and scientists who work collaboratively with the KZNSB to analyse data in order to disseminate information, publish scientific publications, train undergraduate and postgraduate students, provide advice on shark mitigation options and assess the conservation status of sharks.
  - The Educators Union of South Africa, which represents KZNSB employees in the bargaining unit.
  - Sector Education and Training Authorities (SETAs) which have accredited the KZNSB to provide 3 qualifications.

The current organisational structure is set out in the high-level organogram below.

**Fig. 2: KZNSB Organogram**



The impact of the current moratorium on filling posts is that vacancy rates over the past year averaged a level of 35% across the board. Vacancy rates of Critical Posts averaged 18%. This directly compromises the ability of the Entity to achieve its mandate. Currently, the critical vacant posts are as follows:

- Chief Executive Officer/Accounting Officer of the Entity: Vacant since 1 August 2019.
- Head of Operations: Vacant since 1 December 2018.
- Chief Finance Officer: Vacant since 1 March 2017. The post of CFO is a legislated position and required in terms of the PFMA to manage and give direction on finances including SCM.
- Head of Research: Vacant since 30 June 2019

Currently, 4 out of 6 of the Entity's executive positions and a number of other key positions are staffed in an acting capacity. These vacancies have created a significant strategic risk to the Entity. Despite these challenges, the Board has managed to sustain service delivery, and has either met or exceeded its APP targets, except where circumstances were beyond its control.

## Summary of Key Strategic Issues Facing the KZNSB

There is an Organisational Risk Plan which includes a Risk Mitigation Plan in place. This is thoroughly reviewed and updated each year. The situational analysis above has shown that the KZNSB faces a number of challenges in the short and medium term. These are as follows:

1. The difficulty of attracting and retaining critical skills
2. The risk of shark-related incidents at protected beaches in the Province

3. The risk of potential negative environmental impact of traditional methods of bather protection
4. Financial sustainability arising from budget constraints, including under-recovery of revenue from some municipalities
5. Risk of disruption of operations due to possible ICT System failure or cyber-attack or natural disaster
6. Compliance with laws and regulations (e.g. PFMA, Treasury guidelines etc)
7. Corruption, bribery and theft
8. Planned incorporation of KZNSB into Ezemvelo KZN Wildlife
9. Risks to service delivery arising from declining institutional capacity and budget cuts, (includes loss of staff, skills, institutional memory and capacity), the impact of the current moratorium on filling posts including executive level posts, as well as threats to financial sustainability
10. Vulnerability of the KZN tourism industry, a significant proportion of which is beach-related, to the negative impact of shark attacks
11. Risk of injury or loss of life due hazardous working conditions
12. Challenges with SRC commercialisation
13. Risks associated with natural disasters and/or climate change, such as the recent floods in KZN
14. Negative environmental impact of traditional methods of bather protection on marine life and marine ecosystems as an unfortunate consequence of bather protection.
15. Risky bathing behaviour by beachgoers, including swimming at unprotected beaches
16. Risks associated with the employer – employee relationship
17. Risk of civil unrest and arson
18. Inability to operate due to a further pandemic.

An analysis of strengths, weaknesses, opportunities and threats (SWOT) of the Entity in relation to these priority issues is set out in Table 4 below.

**Table 4: Combined SWOT and PESTEL ANALYSIS**

	Political	Economic and financial	Social	Technical/ technological	Environmental	Legal and institutional
<b>Strengths</b>	Clear mandate	Service delivery underpins provincial tourism economy (if not compromised)  Some own revenue generating activities and capacity	Know-how to undertake awareness-raising activities in target communities  Active awareness, marketing and marine tourism programmes (reduced but not entirely depleted)	Innovative environmentally sensitive shark repellent technology being developed  International leaders in shark research: recognised scientific and technical expertise and capacity	Innovative environmentally sensitive shark repellent technology being developed  Reduction in bycatch through the removal of nets and their replacement with drumlines	Dedicated and loyal staff complement - (reduced but not entirely depleted)  Effective Board Clean administration and compliance  Legacy of good reputation and brand strength
<b>Weaknesses</b>	Importance of bather safety to tourism industry poorly understood and/or insufficiently quantified	Current economic downturn, the impact of the pandemic and civil unrest result in budget cuts and reduce income from own sources  PFMA 3C status hinders effective fundraising Lack of funding for SRC development	Awareness activities constrained by available resources	Lack of funding for SRC development	Limited options available at present for providing safe bathing in surf environment without having to fish for sharks	Challenges to SRC commercialisation  Declining capacity through budget cuts and moratorium on filling posts Uncertainty due to incorporation process undermines morale and productivity

Table 4: Combined SWOT and PESTEL ANALYSIS (continued)

	Political	Economic and financial	Social	Technical/ technological	Environmental	Legal and institutional
<b>Opportunities</b>	<p>To stimulate the tourism economy if SRC is successful</p> <p>Use of SRC will ease pressure by NGOs on SB</p> <p>Lobbying for continued autonomy for SB</p>	<p>To increase revenue by selling shark repellent cable elsewhere</p> <p>To provide technical advice services on sharks in other coastal areas</p> <p>To amend the SLAs to include penalties for non-recovery of meshing fees</p> <p>To enable increased revenue generation by changing status f to 3D public Entity</p>	<p>To extend awareness raising programmes to youth, rural schools and other groups</p> <p>To promote a better understanding of the importance of protecting both bathers at beaches (and hence the tourism industry) and marine life.</p>	<p>To undertake research in new areas</p> <p>To inform NDP policy directives linking natural and social sciences through highly technical and scientific work being undertaken</p>	<p>To reduce by-catch through developing innovative and environmentally sensitive shark repellent technology (modified fishing gear) for deployment at appropriate beaches</p>	<p>To enable increased revenue generation by changing status from 3C to 3D public Entity</p>
<b>Threats</b>	<p>Uncertainty due to proposed incorporation is disruptive to administration and service delivery</p> <p>Governance compromised by senior posts being filled on an acting basis for lengthy periods, in violation of PFMA</p> <p>Uncertainty resulting from frequent changes of political heads, with associated changing emphasis in mandates and directives</p>	<p>Negative publicity and fear of shark attacks can result in fall in tourism numbers, with negative impacts on tourism industry, jobs and provincial economy</p> <p>Under-recovery of municipal payments (meshing fees)</p> <p>Entity's ability to deliver on mandate, compromised due to not being financially sustainable - due to loss of revenue and meshing fees, budget cuts and moratorium on filling vacant posts</p>	<p>Limited public understanding of benefits of KZNSB in terms of bather protection and consequent benefits for tourism industry</p> <p>Increased risky behaviour and uninformed by bathers, e.g. swimming at unprotected beaches</p>	<p>Possible shark attacks on bathers when SSG is not deployed due to insufficient capacity (staff and equipment)</p>	<p>Climate change (increasing frequency of severe weather events) affects ability to deploy gear, compromising bather safety</p> <p>Pressure from environmental groups to reduce by-catch and other negative impacts on marine ecosystems caused by traditional shark safety gear</p> <p>Ongoing possibility of whale entanglements</p>	<p>Risk of negative audit finding due to loss of key skills, knowledge and capacity</p> <p>Inability to undertake succession and skills development planning</p> <p>High administrative costs</p> <p>Legal risks of shark attacks on bathers when SSG is not deployed due to insufficient capacity</p> <p>Theft of SRC intellectual property</p>







## Operations Divisional Report

**Mr Grayson Love**

### Operations Shark safety gear annual statistical overview

Number of boat launches performed for shark safety gear servicing	2937
Number of services carried out on the Shark safety gear in the year	7954
A favorable monthly SSG servicing average was achieved, this was	16,54
The total number of nets changed was recorded as	901
The total number of sharks caught in the shark safety gear	481
The total number of sharks released alive	96
The total number of harmless animals caught in the shark safety gear	160
Total number of harmless animals released alive	84

The extraordinarily extended period which has elapsed since the KwaZulu Natal Sharks Boards' shareholder implemented a resolution to rationalize and amalgamate the entities in its portfolio has, during this period, slowly but surely detrimentally impacted the Boards core function, the Operations Department.

The ensuing years of financial and staff recruitment constraints, lengthy and slow procurement processes, career stagnation, lack of prospects and perceived insouciance regarding the threat of imminent job losses, have combined in creating an environment of eroding confidence amongst the sea- going staff.

The Operations department although under immense pressure, has persevered admirably in the face of these adversities over the past several years. The degree of associated trepidation and strain has however, deepened during the year under review, and the situation is now at somewhat of an impasse with

a fragile status quo only being held together by an extremely passionate, committed and dedicated staff compliment, who persevere despite the continuing uncertainty which serves only to intensify these workplace challenges.

The current flotilla availability for daily sea- going operations is a total of fourteen vessels, however, the launch effort as indicated is based on a total of thirteen boats proceeding to sea on a normal working day, subject to conducive sea and weather conditions.

Inadequate manning capacity due to staff shortages in the department, has precluded one vessel of the two allocated to perform gear servicing activities from the Pumula base station, to remain unused in the period to date. The Durban fleet has also been reduced from a total of three vessels to two gear servicing units.

The total number of boat launches relates directly to the Shark safety gear servicing efforts of the Operations department in their normal course of daily operations, and excludes any launches performed in reaction to the inevitable after-hours requests and call- outs for other related activities or incidents.

No shark related incidents occurred at any of the thirty-seven protected bathing beaches along the KwaZulu-Natal coastline during the year under review. There were, however, a few minor shark encounters with paddle- ski anglers and other forms of recreational angling or similar activities, at various localities along the KwaZulu Natal coastline. These are more accurately described and detailed in the Boards' Research department reporting processes.

The average number of shark safety gear services required to be performed as per the Annual Performance Plan, Key Performance Indicators and Divisional targets, was once again exceeded by a substantial margin. This was primarily due to the

enhanced efforts of the sea-going staff who unselfishly applied themselves more resolutely to the task, notwithstanding the severe staff and equipment shortages and environmental challenges which continued to be encountered over the year.

The planned annual target for shark safety gear servicing was set at seven thousand five hundred and forty-eight services in the year. The actual achievement totalled seven thousand nine hundred and fifty- four services, four hundred and six more gear services than required.

This dedication displayed by the staff in committing to an enhanced and intensive gear servicing effort, also manifested in far fewer captures of non- target species as well as an impressive ratio of the live release rate of the non- target species.

### Shark Safety Gear (A combination of nets and drumlines)

The mixed shark safety gear strategy which comprises the replacement of some shark nets with drumlines, continues to effectively prevent shark attacks on water users and reduce the bycatch of non-target species.

Since the introduction of drumlines into the netting installations in 2005 the total catch of harmless animals has been reduced by approximately sixty-two and a half percent. The reduction of nets by introducing this mixed gear and, in the winter season, the complete replacement of the netting component by the addition of extra drumlines, [resulting in drumlines only installations], has also played a significant role in decreasing the number of whale net collisions that inevitably occur during the six-month whale season. This seasonal gear deployment strategy thereby minimizes the act of staff having to free entangled whales, which is not only extremely difficult, and dangerous, but also very emotive.



The overall total length of nets currently deployed off the KwaZulu-Natal coastline is approximately thirteen kilometers. This represents an almost seventy percent reduction in the length of nets deployed in the early 1990's. One hundred and seventy-seven drumlines are currently deployed in replacement of the removed nets as mentioned, and the department, with the input of the Research team will continue striving to reduce both forms of gear in obtaining the Boards mandated goal of bather protection in an environmentally sustainable and sensitive manner.

### Shark safety gear captures of non-target species

A total of one hundred and sixty non-target species were caught in the gear, eighty of these animals were released alive. This is substantially below the planned annual target number of two hundred and forty and further supports the mixed gear deployment strategy in reducing any potentially negative impact to the marine environment, a key mandate of the KZN Sharks Board.

Due to the above- mentioned removal from the

water of the netting component of the shark safety gear during the winter, no whale entanglements occurred in the installed gear in the review period. Notably, however, the refusal of the Umdoni Municipality to adopt this fishing method of deploying only drumlines in the installation at Scottburgh in the winter whale season, has once again resulted in two suspected whale entanglements occurring in the nets at this beach. These entanglements were however, never physically confirmed and remain suspicious only because of massive holes ripped in the net on both occasions and which, experience indicates, was more than likely the result of entrapment by an animal much larger than a shark. Because of this reasoning, these two incidents are not officially recorded as captures in the shark safety gear.

### Whales

The humpback whale population continues to make a remarkable recovery and is close to the pre-whaling population numbers. It is therefore not surprising that the KZNSB started to experience a marked increase in the number of suspected whale entanglements in the shark nets. In 2017 and 2018 there were one



hundred and sixty-eight such incidents. Adult whales are often strong enough to break free from this net entanglement, but calves and adolescents are unable to do so. Unless these animals are cut free by the Boards Operations staff, they will drown. When a live animal is reported as being entangled, close to one hundred percent of these animals are released alive. Mortalities occur when whales become entangled at night or in adverse conditions, as the entanglement either goes unnoticed or the sea and weather conditions preclude disentanglement. If a dead whale cannot be removed from the nets timeously, the decaying carcass will attract large Great white and Tiger sharks into the vicinity. These large sharks will scavenge on the carcass and their presence poses an additional risk to the safety of those using the nearby sea and swimming beaches.

The act of freeing an entangled whale is extremely difficult, made worse when sea conditions are rough. Staff have incurred several severe injuries to their necks and heads during these release operations. The loss of a staff members' finger in the past is a further example of the danger.

The strategic removal of nets and their replacement with additional drumlines during the six-to-seven-month whale season between May and November at all the protected bathing beaches has successfully reduced the number of actual whale entanglements to zero. This achievement has been favorably recognized and commended by leading cetacean scientists as well as the South African Whale Disentanglement Network.

### Flooding rivers, rainfall patterns and other water quality issues

After KZN suffered the worst flooding in almost three decades during the month of April 2022, several more severe weather events which caused damage to homes, roads and infrastructure, as well as the loss of

life and property, similarly affected most of the KZN coastline in 2023, and continued well into the 2024 and 2025 years. These severe weather events, the most recent of which occurred on several days spread over January and early February 2025, are, as predicted, becoming more frequent and impactful. The larger part of the KZN South coast, [both Upper and Lower South Coast areas], were the most severely affected during this period. This led to several days of extended bathing area and beach closures at nearly all the beaches in this area. The resultant overflow from stormwater outlets and flooding estuaries is often also impactful on the Boards installed shark protection measures as well as other daily operational activities. The resulting dirty and debris laden near-shore waters and beaches poses obvious risks to the Boards staff, equipment and Operating procedures as well as the public. Bathing beach closures are generally unavoidable under these circumstances, and the summer months inevitably become a constant weather watching exercise for the Operations departments managers and Supervisors.

Service delivery issues in several communities along the coastline, albeit relatively less frequent this year, invariably results in sewerage and other untreated wastewater periodically flowing via rivers and other waterways, into the ocean. Fortunately, this, had no real effect on gear servicing activities which generally continued unabated, and any closure of beaches or bathing areas because of this issue, were only at the behest of the local authorities. Whilst every effort is made to ensure that protected beaches always remain open to bathing activities, it is important to note that this is becoming a more delicate balancing act between all the interested and affected parties involved in beach tourism. To this end, the Boards Operations department continues to achieve admirably in maintaining the status quo in keeping the bathing areas open under increasingly difficult circumstances.



## General Operations activities

The annual Sardine Run along the east coast of South Africa is an internationally acclaimed ecological event, dubbed The Greatest Shoal on Earth. Shoals of sardines move up along the Wild Coast (northern section of the Eastern Cape) into southern KZN waters during June and July. The shoals of small fish are accompanied by a suite of predators, primarily sharks, dolphins, and gannets. The herding action of the sharks and dolphins often drives the fish close to the surface and so close inshore that seine netters can launch their small boats from the beach and encircle the shoal and haul the fish ashore. The longshore movements of the sardines are strongly influenced by sea and weather conditions. In some years, no sardines are taken by the beach seine netters and in other years bumper catches are landed. It is difficult to predict the arrival of the shoals, which may disappear with the advent of bad weather and reappear, without warning, many kilometres away from where they were last sighted. When a shoal moves through a shark net installation, large numbers of sharks and dolphins may be caught in the installed nets. For this reason, every effort is made to remove the shark nets ahead of the arrival of the first sardine shoals. The nets are then kept out of the water for several weeks, which necessitates the closure of bathing areas. This is not popular with the local authorities as the sardine run usually coincides with the annual winter school holidays when the beaches are busy.

The introduction of drumlines as an alternative form of shark fishing provides a solution to this dilemma of net removal during the sardine run. Unlike a net, each drumline can only hook one shark and is extremely unlikely to hook a dolphin. As a result, the drumlines are left in the water throughout the sardine run while the nets are removed, and additional drumlines deployed. The drumlines are

baited regularly, unless there is sardine activity close by, in which case the hooks are removed or tied up. This *modus operandi* was successfully trialled in the 2019 to 2022 winter period, and it allowed the local authorities to open bathing far more often than was the case in the past when only nets were deployed.

Unfortunately, the Board was unable to conduct any exploratory aircraft flights into the Eastern Cape this year ahead of the arrival of the pilot shoals of fish into KZN waters as the Board's aircraft has now been disposed of.

The first signs of sardine shoals approaching the KZN waters were, however reported via the Board's network of affiliates strategically located along the shores of the Eastern Cape coastline. The first shoals of fish were spotted off the Gonubie beach backline on the 24<sup>th</sup> of May, and at Cintsa beach on the 25<sup>th</sup>. On the 26<sup>th</sup>, shoals of fish accompanied by whales and diving Gannets were observed in the Haga-Haga area.

By the 7<sup>th</sup> of June, Sardine associated activity became noticeable along the extreme Southern parts of the KZN coastline with a major increase in Dolphin, Gannet and whale activity. The birds began nervously diving at any sign of shoaling fish in this area, and by the late afternoon, small, scattered shoals of Sardines began rising to the surface. The arrival of the first large shoals of sardines into the waters off the KZN coastline, was recorded at the Port Edward beach on the 8<sup>th</sup> of June 2024. These shoals were accompanied by all the usual frenzied predators and marked the start of the seasons "annual sardine run". The first confirmed netting of these fish occurred at Mbango beach at Port Shepstone on the following day. Several large shoals of fish continued moving into KZN waters over the following weeks and were spotted sporadically at several beaches, often simultaneously and at varying distances from the shoreline.

By the 15<sup>th</sup> of June the shoals had already extended as far north as the Umhlanga rocks deeper areas, whilst pockets were still being observed throughout the entire length of the South coast. Reports of relatively high counts of sharks and other predators accompanying these shoals were noted almost daily.

Throughout the event, sharks, dolphins, gamefish and other predators were seen following the shoals. By the first week in July, shoals of Sardines were regularly spotted off the Bluff and a few nettings occurred at Addington beach on the Durban beachfront, where approximately four nets of around one hundred crates each time, were landed. This pattern of the sudden rise and equally rapid disappearance of Sardines and predators continued throughout August, eventually diminishing towards the end of the month before disappearing completely in early September. In total, approximately seventy successful nettings occurred in the season, along with around thirty-two missed attempts. The successful nettings accounted for a total of nine thousand five hundred and fifteen crates of fish.

A special thanks of sincere gratitude must be attributed to the Boards Upper South Coast Assistant Area manager, Mr. Kevin Cox for once again displaying dedication in committing his time and energies into co-ordinating the Departments efforts in recording this activity and compiling a comprehensive document upon which this report is based. This full report is available for perusal if required.

## General Operations activities

The Department has endured a steady erosion of critical workplace skills at Supervisory level. Almost forty percent of the current Supervisors are newly promoted and inexperienced. This severely impacts on the Operations managements' ability to provide constant and consistent on the job training, vital in maintaining safety standards when working daily in an

unpredictable and unforgiving natural environment.

The Management team are unable to focus on and assist in this regard as their attention has been redirected away from staff management and workplace training. They are forced to concentrate primarily on procurement and equipment maintenance issues which have become a disproportionate focus area in their daily commitments. This in turn devours valuable and critical time away from the coalface. This conundrum is extremely concerning as procurement and maintenance issues have already exhausted the departments highly successful existing alternate equipment plans. Without the equipment, production and service delivery is simply impossible.

The KwaDukuza Municipality communicated an official request for the Sharks Board to investigate the possibility of installing Shark safety protection measures at Sharks Bay in Tinley Manor. This request emanated from an approach by the internationally renowned Club Med Resorts group who are currently developing and establishing a new resort at this beach.

In response, the Boards Operations, Research and Finance departments collaborated to produce a proposal to the Municipality in which a thorough scoping, needs and costs analysis was concluded. This proposal was subsequently accepted by the Sharks Boards' Executive Committee and Board of Directors before being forwarded to the KwaDukuza Municipalities Executive and Municipal Manager for acceptance and approval.

The proposal was subsequently accepted by the KwaDukuza Municipality in its entirety, and approval of the project was granted to the Sharks Board by the Municipal Manager. The Operations department have completed their implementation planning, and are prepared and ready to install the gear onsite as soon as the relevant permissions are received from the

National Department of Forestry, Fisheries and the Environment.

Weather forecasting and severe weather event prediction has improved remarkably over recent years. The weather in KwaZulu-Natal, however, is notoriously difficult to predict due to a combination of the proximity of the Drakensberg Mountain range to the coast and warm ocean currents. Various Internet modeling weather sites are freely available to assist in managing the fate of the shark safety gear prior to and after severe weather systems. Strong winds and large swells are capable of dislodging and moving the gear resulting in tangled netting and loss of drumlines. It is therefore essential that the Operations Division continues closely monitoring incoming severe weather patterns, thereby allowing the removal of the gear prior to rough and poor sea conditions, hence assisting in reducing losses and damages.

The Operations Division is steadfast and assiduous in ensuring that its safety record in performing its duties, which are generally conducted in hazardous environmental and working conditions, remains exemplary. During the year the Operations gear servicing teams put boats to sea on a total of two thousand nine hundred and thirty-seven occasions.

Unfortunately, but also somewhat predictably under the current circumstances when performing this large number of boat launches, three major and costly boating accidents occurred in the year. Fortunately, no serious injuries were suffered in any of these incidents despite some staff subsequently not being able to return to normal duties due to the severity of the knocks, scrapes and bumps incurred.

A huge financial cost of equipment is, however, a further consequence and a major concern as replacement resources in the form of equipment and personnel is no longer readily available due to the financial restraints imposed as mentioned earlier.

Alternate or standby equipment resources have already been deployed, no backup equipment is available for emergency or urgent situations.

Equally concerning is the massive knock to staff confidence and morale that also manifests from these workplace incidents. This is, unfortunately, a consequence that will not resolve until the rationale behind the establishment of onerous Operations procedures and processes, is fully accepted and appreciated. Understandably, these accidents and incidents are sometimes unavoidable; however, the Operations management teams continually strive to ensure that all their staff always adhere to the strict enforcement of the rules and regulations contained in the countries Occupational Health and Safety act.

Furthermore, over the years and due to the unique and continually changing environment in which their work is performed, the Departments management team have formulated more stringent and task specific safety drills which are completed by the teams at the requisite intervals and are non- negotiable in compliance:

#### Safety Drills:

- Introduction to KZNSB vessels
- Pre – Departure
- Surf Launching
- Hazards at sea
- Beaching
- Capsized Boat
- Fire
- Flares
- Lifting Heavy Objects
- Incapacitated Skipper
- Man Overboard
- Slipway
- Winching
- Loss of steering
- Whale release protocol
- We will continue adding to this list and striving towards a safer work environment for all staff.



## Research and Monitoring Divisional Report

**Prof. Matt Dicken**

### Introduction

The Research and Monitoring Division (RMD) conducts and facilitates various scientific activities, which include monitoring, documenting, and dissecting all catches, collecting biological samples, investigating shark incidents and investigating new non-lethal alternatives to the current shark safety gear. The division provides technical and scientific knowledge that is passed on to the community both locally and internationally. This report highlights some of the Divisions achievements over the past 12 months between April 2024 and March 2025.

### Investigating shark incidents

The RMD is responsible for collating all reports of shark incidents in South Africa. In 2024/2025 there were ten reported incidents none of which were fatal. Four of the incidents were on anglers trying to release a caught shark. There were no incidents related to any KZNSB protected beach:

- On the 1st of June 2024 a vessel was bitten by a white shark, while fishing for geelbek, approximately 12 km offshore from Zinkwazi, in KwaZulu-Natal
- On the 5th of February 2025, approximately 1.8 km offshore from Westbrook, an angler was knocked off his fishing kayak by a bull shark. The angler did not sustain any injuries
- On the 15th of February 2025, a spearfisherman at Aliwal Shoal (approximately 7 km offshore from Umkomaas) was bitten by a blacktip shark on his lower left forearm. He sustained two minor bite wounds requiring 4 stitches.

As a world leader in the field of shark incident investigation, representatives from the RMD have continued to provide advice to organisations worldwide (such as the Reunion Shark Security Centre) on ways to mitigate shark incidents. As the official curator of the South African Shark Attack File, the Department continues to provide information to the International Shark File at Florida University, America.

## Investigation of non-lethal alternatives to providing protection against shark bites

The KwaZulu-Natal Sharks Board (KZNSB) has developed a proto-type Shark Repellent Cable (SRC), which has been developed to protect bathers from shark attack both in South Africa, as well as globally. It is a non-lethal solution to the generic use of nets and drums, which are designed to catch and kill sharks. The project is part of ongoing efforts by the KwaZulu-Natal Sharks Board (KZNSB) to protect bathers from shark attack (both locally and globally) yet minimise any potentially negative impact to the marine environment.

The SRC consists of a series of electrodes, which hang vertically in the water, emitting a weak electrical field, which forms a barrier, which repels sharks. The system works due to the ability of sharks to detect electrical fields using a sensory organ called the ampullae of Lorenzini. Previous system designs have been tested in several locations within South Africa and been found to be effective in repelling white sharks. We envisage the cable to have the potential to provide a non-lethal alternative to the use of nets/drumlines to reduce shark incidents not only in South Africa, but worldwide, in areas with calm surf conditions.

The SRC has been developed through generous funding from the KwaZulu-Natal Department of Economic Development, Tourism and Environmental Affairs (EDTEA). To assist with the final development and commercialization of the product a funding application has been made to the Technology Innovation Agency (TIA). In the interim, to protect the intellectual property rights of the SRC, country specific patent applications for the SRC have been filed in the following countries/regions: ARIPO, Australia, Brazil, Europe, South Africa and the USA.

### Research projects.

The research department actively conducts a variety

of scientific projects with collaborators both locally as well as internationally to better understand the ecology of the marine environment. Over the past 12-months nine collaborative projects have been initiated focusing on a range of topics pertinent to the operations of the KZNSB programme. They have included studies on the conservation status of species and on ways to mitigate the capture of harmless animals to reduce any potentially negative impacts on the environment.

The research department continues to provide dart tags to the Operations staff to externally tag any sharks and turtles found alive, prior to release. To ensure that all catches are correctly identified, the RMD continues to train meshing supervisors on how to correctly identify the species caught and on how to tag and release them. Over the past 12 months Operations staff tagged 49 animals caught in the nets or on drumlines. One of the most interesting recaptures was a 1.5 m giant guitarfish tagged by a shore angler at Umzumbe on the 26th of December 2015, which was recaptured in the nets at Durban on the 2nd of April 2024. The ray had grown 41 cm and travelled 100 km in over 8 years.



The laboratory plays a critical role in not only promoting internal research projects, but more importantly in transferring research skills to interns and postgraduate students.

Between the 1st of April 2024 and the 31st of March 2025, a total of 481 sharks were captured in the KwaZulu-Natal Sharks Board's bather safety gear with 198 sharks (41.2%) brought to headquarters. Thus far 156 sharks have been deemed suitable for sampling, contributing to a total of 287 samples, which included fin clips, teeth, jaws, liver, muscle, skin, and yolk. Over the same period 163 harmless animals were captured, with 37 (22.7%) brought to HQ resulting in the collection of 28 samples, which included fin clips, liver, muscle and skin.





The in-house genetic laboratory, which was established in 2015 continues to apply various genetic techniques such as demography, phylogeny, phylogeography, population genetics, feeding ecology and DNA Barcoding to advance the scientific study of sharks and rays.

The KZNSB is a registered institution on the Global Registry of Biorepositories and many of the collected samples are being shared with other researchers as part of national and international collaborative research efforts of the RMD such as the eThekweni Museum and the Great Lakes Institute for Environmental Research (GLIER), University of Windsor, Canada. The Department is also working with several institutions on the Barcode of Wildlife project. Apart from the internal KZNSB collection, shark jaws and teeth were scanned for World Oceans Day for Arbor School, Dubai UAE.

The RMD works in close collaboration with many other research organisations both locally and internationally through the provision of samples, data, or expertise for a variety of studies. These include (among others):

- Shark Security Centre, in La Reunion on ways to mitigate shark attack
- University of Windsor, Canada on the in-situ sonography of pregnant sharks
- Acoustic Tracking Array Platform to better understand the movement and habitat patterns of sharks
- Department of Forestry, Fisheries, and the Environment (DFFE): implementation of Shark Biodiversity Management Plan; expert input into the SA National Plan of Action for Sharks, appointment to Shark Advisory Group; provide advice and information on whale research and the White Shark Working Group
- Ezemvelo KZN Wildlife: Recovery of stranded cetaceans and turtles



## Scientific outputs

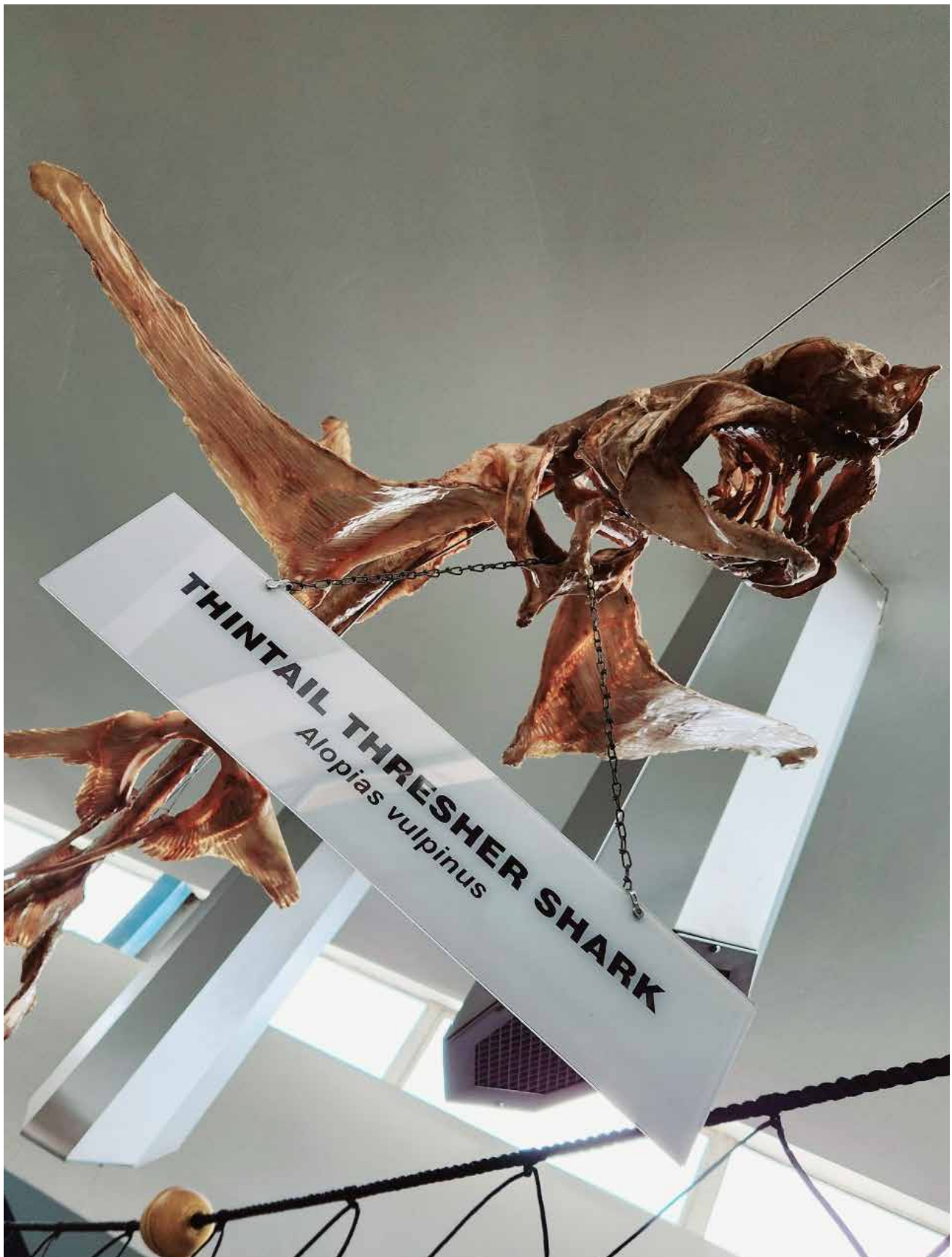
One of the key mandates of the RMD is the publication of scientific papers and presenting the findings from its research projects at conferences. Over the past 12 months the Division has published six peer-reviewed papers (**KZNSB staff in bold**):

- Murray, T.S., Elston, C., Smale, M.J., Childs, A.R., **Dicken, M.L.** and Cowley, P.D., 2024. Marine predators segregate interspecifically by space and time in a sheltered coastal bay. *Journal of Fish Biology*.
- Bowlby, H.D., **Dicken, M.L.**, Towner, A.V., Rogers, T., Waries, S. and Kock, A., 2024. Ecological conclusions remain unchanged for white sharks in South Africa: A reply to Gennari et al. 2024. *Ecological Indicators*, 165, p.112160.
- Adebawale, A., O'Riain, J., Rogers, T., **Naidoo, K., Dicken, M.** and Naude, V.N., 2024. Bioaccumulated trace element toxicity in commercially harvested bronze whaler sharks (*Carcharhinus brachyurus*) of South Africa. *Food Chemistry*, p.140081.
- Ramsarup, N., Morris, T., Hermes, J. and **Dicken, M.**, 2024. Long-term interannual temperature variability across the KwaZulu-Natal Bight as a technique for monitoring the complex uThukela Marine Protected Area, South Africa. *African Journal of Marine Science*, 46(4), pp.247-262.

- Grobler, D.L., Klein, J.D., **Dicken, M.L.**, Mmonwa, K., Soekoe, M., van Staden, M., Hagen, S.B., Maduna, S.N. and Bester-van der Merwe, A.E., 2024. Seascape Genomics of the Smooth Hammerhead Shark *Sphyrna zygaena* Reveals Regional Adaptive Clinal Variation. *Ecology and Evolution*, 14(12), p.e70644.
- Carpenter, M., Cullain, N., Daly, R., Smith, G., **Dicken, M.**, Dames, V., Griffiths, C.L. and Marshall, A.D., 2025. Preliminary insights into manta ray (*Mobula alfredi* and *M. birostris*) population demographics and distribution in South Africa. *Environmental Biology of Fishes*, pp.1-23

## Summary

The overarching theme of research and monitoring within the RMD is to better understand how sharks are utilising the marine environment and how they are impacted by catches in the bather protection programme. Information gained from our studies is further used to guide decisions related to the removal of nets and their replacement with drumlines and the development of future equipment/technologies to reduce bycatch, yet still provide a safe bathing environment and contribute to KZN's beach tourism. At the same time, we play a valuable role in supporting the outreach programmes of the KZNSB in educating local and international tourists and encouraging previously disadvantaged learners to develop an interest and career in the field of Marine Sciences.









## Business Development Divisional Report

Mr Harry Mbambo

### Introduction

The Business Development Division of the KZN Sharks Board is tasked with the responsibility of raising awareness about shark education through our renowned audio-visual and live shark dissection shows. In addition, we promote the services of the KZNSB through various available marketing and media platforms such as magazines, newspapers, radio, TV, social media, our website, and Billboards.

Over the past fiscal year, the division has performed exceptionally well, achieving all its targets as outlined in the Annual Performance Plan (APP). These achievements are largely attributed to the strong strategic partnerships that were built with our various stakeholders and the revenue generated over the last 12 months.

All the above could not be met without experiencing

some challenges, ranging from budget or financial constraints to staff shortages.

### Divisional Achievements

Despite these challenges faced, we have successfully engaged with various communities through multiple platforms and events. These initiatives are broadly categorized as community outreach programs or events, exhibitions, and trade show events.

Key events and exhibitions during the year include:

- **Career Exhibition** - Umkhosi Womhlanga Wezintombi KwaZulu: we offered career guidance to the young Zulu maidens who participated in this annual traditional ceremony, which celebrates purity and attracts thousands of attendees.



- **Consumer activations/Exhibitions:** These engagements offered opportunities to interact directly with our stakeholders and gain insights into their perceptions of our services. Such feedback enabled us to identify areas of improvement and enhance service delivery. The activations took place across several provinces, including Gauteng and Eastern Cape, in collaboration with our sister entity, the newly formed KZN Tourism & Film Authority.
- The past fiscal year marked the beginning of our participation in the Annual Tourism Career Expo, which has been scheduled to take place in the Limpopo province over the next three years. This province is one of the provinces that remains constant when it comes to bringing schools into our facility. Our participation in such an event in this region is one that is highly anticipated to derive excellent results for our revenue generation. Participation in regional events remains a vital component of our outreach strategy.
- **Tourism Trade Shows:** In February 2024, we took part in Meetings Africa at the Sandton Convention Centre (26 – 28 February 2025), and in May, we attended the Africa Travel Indaba (13 – 16 May 2024) at the Durban Convention Centre. These events enabled us to engage with key stakeholders in the tourism sector. Through these platforms, we emphasized our critical role in beach tourism and reinforced KZN's position as a premier holiday destination known for bather safety.

We also maintained consistent messaging across all engagements, with a strong focus on promoting beach tourism in the KZN province. Our bather protection initiatives continue to serve coastal

municipalities, providing vital bather protection services.

To build on the upcoming years' successes and address recurring challenges, we intend to ;

- **Enhance Digital Outreach:** Invest in digital platforms to expand the reach of shark education and promotional campaigns beyond physical events.
- **Strengthen Stakeholder Collaboration:** Deepen partnerships with provincial tourism bodies, municipalities, and educational institutions for shared programming and cost efficiency. The division also aims to develop a strategic communications plan to enhance the visibility of KZNSB's impact on marine education and beach tourism safety in the KZN province. We intend to continue our leadership in bathers protection services and advocate for safe coastal tourism practices in KwaZulu-Natal.

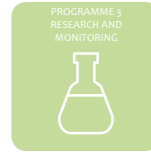
## Conclusion

The 2024/2025 financial year has been marked by notable achievements, resilience, and growth for the Business Development Division. Through targeted outreach, stakeholder engagement, and strategic exhibitions, the division has fulfilled its mandate to promote bather safety and raise awareness on shark education. While challenges were encountered, the division demonstrated adaptability and commitment to service excellence. We remain committed to building on this momentum, honouring the legacy of those who contributed to our journey, and striving to continue innovation and impact in the years ahead.









## Performance Information by Programme



### Programme 1: Administration

Sub-programme: Office of the CEO

Outcome	Output	Output Indicator	Actual Achievement 2022/2023	Planned Target 2023/2024	Actual Achievement 2023/2024	Planned Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement for 2024/2025	Comment on deviations
Sustained good governance, administration, and service delivery	Institutional capacity	Annual percentage achievement of APP targets	95%	85%	89%	85%	70%	-15%	20% of the targets were partially achieved
	Legal compliance	Annual percentage compliance in terms of approved Compliance Checklist.	99.56%	100%	99.56%	100%	92.61%	-7.39%	Due to the incorporation of the KZNSB into the Ezemvelo KZN Wildlife, the position of CFO has not been filled, however there is an acting CFO in the interim.
	Unqualified Audit Opinion	Status of annual external audit opinion.	Clean Audit Opinion	Clean Audit Opinion	Unqualified Audit Opinion.	Clean Audit Opinion	Unqualified with findings Audit Opinion	There were material misstatements identified in the Annual Financial Statements submitted.	High vacancy rate caused by the moratorium which results in some duties and responsibilities being neglected, lack of experience and skills, undermines segregation of duties and reviews and monitoring might be inadequately implemented.



## Programme 1: Administration

## Sub-programme: Financial Sustainability

Outcome	Output	Output Indicator	Actual Achievement 2022/2023	Planned Target 2023/2024	Actual Achievement 2023/2024	Planned Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement for 2024/2025	Comment on deviations
Sustained good governance, administration, and service delivery	Financial sustainability	Percentage of creditors paid within the agreed timeline of 30 days	93%	100%	95%	100%	99%	-1%	Invoices not paid in time due to banking details error from service provider.
		Percentage budget allocated to capital infrastructure spent	100%	100%	100%	100%	100%	No deviation	N/A
		Percentage of procurement projects as per the approved procurement plan implemented	100%	100%	100%	100%	80%	-20%	The tender was duly advertised, and following the evaluation process, all submitted bids were deemed non-responsive due to failure to meet the mandatory requirements specified in the tender documents.



## Programme 1: Administration

## Sub-programme: Corporate Services

Outcome	Output	Output Indicator	Actual Achievement 2022/2023	Planned Target 2023/2024	Actual Achievement 2023/2024	Planned Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement for 2024/2025	Comment on deviations
Good Corporate Governance promoted	Improved employer-employee relations	Number of monthly management / labour meetings	12	12	10	12	10	-2	There was a change within the labour union which resulted in meetings not being attended to while there was a transition.
		Number of projects achieved in implementing ICT strategy as per the ICT Roadmap	4	4	5	4	5	+1	Due to financial constraints, there was a delay in signing of documents. This created a backlog that led to the over achievement of the target.
	Investment in new technologies	Percentage of salary budget spent on training annually	1.6%	1.5%	0.85%	1.5%	1.5%	No deviation	N/A





## Programme 1: Administration

## Sub-programme: Corporate Services

Outcome	Output	Output Indicator	Actual Achievement 2022/2023	Planned Target 2023/2024	Actual Achievement 2023/2024	Planned Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement for 2024/2025	Comment on deviations
Good Corporate Governance promoted	Institutional	Number of experiential learning opportunities offered to target groups	23	23	23	12	12	No deviation	N/A
	Health & Safety Compliance	Number of health and safety awareness programmes implemented	4	4	4	4	4	No deviation	N/A



## Programme 2: Bather Protection

Outcome	Output	Output Indicator	Actual Achievement 2022/2023	Planned Target 2022/2023	Actual Achievement 2022/2023	Planned Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement for 2024/2025	Comment on deviations
Sustained environmentally sensitive bather protection against shark-related incidents at protected beaches	Deployment of environmentally sensitive bather safety methods	Annual number of services carried out on shark safety gear	8054	7548	8192	7548	7965	+417	Alternate launch sites have been used to maximise the number of services carried out.
	Reduced by-catch	Total annual catch of non-target species (combined nets and drumlines)	172	240	194	240	160	-80	The Operations Division has worked hard to ensure that there are less harmless species being caught in nets and drumlines.



### Programme 3: Research and Monitoring

Outcome	Output	Output Indicator	Actual Achievement 2022/2023	Planned Target 2023/2024	Actual Achievement 2023/2024	Planned Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement for 2024/2025	Comment on deviations
Service delivery enhanced through technological development and knowledge generation	Research and monitoring of sharks and marine life	Number of peer-reviewed publications per annum	9	3	5	2	6	+4	It is very difficult to predict the number of scientific papers which will be published during the financial year. A combination of factors may be the reason for more papers being published. These include (among others) extensive review processes which delayed publication in previous financial years.
		Number of Collaborative scientific partnerships/projects signed	11	8	12	8	9	+1	It is difficult to predict how many scientific partnerships will be formed in a year. However, a deviation of only one indicates that the annual estimate was realistic.
		Commercialisation of the Shark Repellent Cable	N/A	N/A	N/A	Manufacturing and sales	0	No manufacturing or sales were generated from the SRC	No funding has been obtained for 2024/2025 to continue and finalise the project.
		Annual report on shark attacks in South Africa	1	1	1	1	1	No deviation	N/A



#### Programme 4: Business Development

Outcome	Output	Output Indicator	Actual Achievement 2022/2023	Planned Target 2023/2024	Actual Achievement 2023/2024	Planned Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement for 2024/2025	Comment on deviations
Enhanced public awareness and understanding of safe bathing practices and role of Sharks Board	Awareness-raising programmes (Bather safety tips)	Number of schools visited annually.	114	55	71	55	58	+3	More opportunities became available for the Entity to visit three more schools in the vicinity of the planned schools.
	Marketing and tourism promotion	Number of events and exhibitions participated in.	53	35	47	35	35	No deviation	N/A
		Number of trade shows attended.	3	2	3	2	2	No deviation	N/A
		Number of marketing medium / tools used.	54	25	40	25	28	+3	Due to the increased number of exhibitions and events attended to by the Entity, it was able to market the brand at a much higher rate than anticipated.

# Part C





## Governance

- Introduction
- Executive Authority
- The Accounting Authority / The Board
- Audit Committee Report



## Introduction

Corporate governance embodies processes and systems by which Public Entities are directed, controlled, and held to account. In addition to legislative requirements based on a Public Entity's enabling legislation, and the Companies Act, corporate governance with regard to Public Entities is applied through the precepts of the Public Finance Management Act (PFMA) and run-in tandem with the principles contained in the King's Report on Corporate Governance.

Parliament, the Executive, and the Accounting Authority of the Public Entity are responsible for corporate governance.

In recognising the above, KwaZulu Natal Sharks Board applies meaningful governance principles in the execution of all its operations.

The roles and responsibilities of the Board are to:

- Act as the focal point and custodian of corporate governance by conducting its relationship with management, shareholder and other stakeholders of the Entity according to sound corporate governance principles ;
- Appreciate that strategy, risk, performance and sustainability are inseparable and give effect to this by:
  - o contributing to and approving the strategy;
  - o satisfying itself that the strategy and annual performance plans do not give rise to risks that have not been thoroughly assessed by management;
  - o identifying key performance and risk areas;
  - o ensuring the strategy will result in sustainable outcomes;
- o considering sustainability as a business opportunity that guides strategy formulation
- Provide effective leadership on an ethical foundation;
- Ensure the Entity is, and is seen to be, a responsible corporate citizen by considering not only the financial aspects of its operations but also the impact business operations have on the environment and society within which it operates;
- Ensure the Entity's ethics are managed effectively;
- Ensure the Entity has an effective and independent audit committee;
- Be accountable for the governance of risk;
- Ensure the Entity complies with applicable laws and considers adherence to non-binding rules and standards to monitor information technology governance;
- Ensure there is an effective risk-based internal audit;
- Appreciate that stakeholders' perceptions affect the Entity's reputation;
- Ensure the integrity of the Entity's Annual Report;
- Act in the best interests of the Entity by ensuring that individual Managers:
  - o adhere to legal standards of conduct;
  - o are permitted to take independent advice related to their duties following an agreed procedure; and
  - o disclose real or perceived conflicts to the board and deal with them accordingly;
- Initiate business-rescue proceedings as soon as the Entity is financially distressed;
- Elect a chairman of the Board;

The role of the chairman has been formalised in the board charter and requires that he should:

- o Lead the board;

- o Safeguard the integrity of corporate governance processes and actions as determined collectively by the board;
- o Be the link between the board and management, particularly the CEO; and
- o Be the main link between the board, shareholder, stakeholders and the public at large.
- Appoint and evaluate the performance of the CEO.

A copy of the Board Charter can be obtained from the Secretariat to the Board.

## Board Charter

As recommended by the King III / VI Code, the Board has a charter setting out its responsibilities, which should be disclosed in its annual report. At a minimum the charter should confirm:

- The board's responsibility for the adoption of strategic plans;
- Monitoring of operational performance and management;
- Determination of policy processes to ensure the integrity of the Public Entity risk management and internal control; and communication policy, and director selection, orientation and evaluation
- Provide commentary on the board's charter and comment on the progress made on complying with the charter.

## Strategic planning

The KZNSB prepared the Strategic Plan in consultation with the Entity's Board and Executives, who are responsible for implementing the plan, who will

monitor its implementation and who are responsible for the planning of the institution.

The plan has been developed through a consultative process, including a Situational Analysis workshop with Executives on 17 August 2019, and a full 2-day workshop with Board members and Executives held on 26 and 27 September. 2019. Subsequently the draft documents were reviewed and agreed to by the Board.

The head of planning and the Accounting Officer agreed on the planning tools to be used. This process has been accompanied by a diagnostic analysis with a focus on achieving the identified outcomes and contribution to the NDP, NDP Five-Year Implementation Plan, the MTSF and provincial priorities.

The head of planning together with the Acting Chief Financial Officer have sought to ensure that the budget is prioritised to support the achievement of identified outcomes.

The Strategic Plan is shared with all the stakeholders, including the legislature, DPME, Offices of the Premier, and relevant Treasuries, and published on the Entity's website.

## Ethics

Responsible corporate citizenship implies an ethical relationship of responsibility between the Entity and the society in which it operates. As a responsible corporate citizen of the societies in which it does business, the Entity has accepted its legal and moral obligations for its economic, social and natural environment.

The Entity has provided an independent, confidential, and safe system by which employees or other parties can report unethical or risky behaviour. Such reports can be submitted to the KZNSB Tip-Offs Anonymous Line, detailed below.

## KZN Sharks Board Ethics Lines

Deloitte & Touche Tip-Offs Anonymous

Telephone 0800 872 206

Address KZN Sharks Board Ethics Line

Free post c/oTip-OffsAnonymous

FreePostDN298

Umhlanga Rocks 4320

South Africa

Email kznsb@tip-offs.com

## Internal Control

Reporting within the Entity is structured so that key issues are escalated through the management team ultimately to the board if appropriate.

The Board has delegated to the audit committee responsibility for reviewing in detail the effectiveness of the Entity's system of internal controls. After completing these reviews, the committee reports to the Board on its findings so that the Board as a whole can take a view on this matter. This has been subject to regular review over a number of years, resulting in a number of refinements.





## Delegation

The Board delegates certain functions to wellstructured committees but without abdicating its own responsibilities. Delegation is formal and involves:

- Formal terms of reference are established and approved for each committee of the board,
- The committees are appropriately constituted with due regard to the skills required by each committee,
- The Board establishes a framework for delegating authority to management.

							
Name of Member	Qualifications	Appointment Date	Resignation Date	Board Committee	Present	Absent	Not Active



## Composition of the Board

 Name of Member	 Qualifications	  Appointment Date
Ms. Precious Funiwe Lugayeni (Chairperson)	Master in Education (Economics); Bachelor of Education; Higher Diploma in Education; Bachelor of Art.	01/08/2021
Mr. Innocent Bheki Dladla (Deputy Chairperson)	Master of Business Administration; Honours in Policy and Development; Hon. in Human Resources Development; B Admin Degree with Public Administration as a major course; Post Grad. Dip.in Mining Engineering.	01/08/2021
Dr Pascal Zulu	Ethics Officer Qualification; LLM – Masters in Law: Labour Studies; PhD in Human Resources Management; Masters Degree in Human Resource Management; Bachelor in Social Science; (Honors in Industrial Relations); B.Ed. (Honours in Education); Higher Diploma in Education (Post-Graduate Diploma)	01/08/2021
Ms Rampathie Naidoo	Certificates in Governance and Leadership; Project Mngmt; Local Govt Transformation; Community Participation; Media and Communication; Integrated Development Planning; Budgeting	01/08/2021
Dr Dave Holness	Doctor of Laws (LLD); Master of Laws (LLM); Postgraduate Diploma in Higher Education; Bachelor of Laws (LLB); B.A in Legal Theory	01/08/2021
Mr. Sibusiso Jetro Khoza	Municipal Finance Management Programme (MFMP) [NQF6]; Postgraduate Certificate in Public Finance and Fiscal Management [NQF 9]; Councillor Development Programme [NQF 5]; Bachelor of Commerce [Economics] [NQF 7];	01/08/2021
Ms. Sibusisiwe Maureen Ngcobo	Master of Social Science (Policy & Development); Bachelor of Home Economics (Development & Sociology); Secondary Teachers Diploma (Home Economic Specialisation)	01/08/2021

## Board Committees

During the review period, the Board had six standing committees through which it operated. Formal terms of reference have been established and approved for each committee of the board and reviewed by the relevant committee. Committees play an important role in enhancing good corporate governance, improving internal controls and therefore the sustainable performance of the company.

The Board committees and their chairpersons were constituted as follows:

Board Committees 	Members 	Appointment Date 
Operations & Research Committee	Dr D. Holness (Chairperson) Mrs S. Ngcobo Mr S. Khoza	01/08/2021
Human Resources & Remunerations Committee	Dr P. Zulu (Chairperson) Mr S. Khoza Dr D. Holness	01/08/2021
Audit & Risk Committee	Ms. B. Dladla (Chairperson) Dr P. Zulu Mrs. S. Ngcobo Mrs P. Lugayeni	01/08/2021
Pension Fund Committee	Dr P. Zulu (Chairperson) Mrs P. Lugayeni Mr B. Dladla Mr H. Mbambo	01/08/2021
Provident Fund Committee	Mr H. Mbambo (Chairperson) Ms N. Khumalo (Principal Member) Mrs P. Lugayeni Dr P. Zulu Mr B Dladla	01/08/2021
Business Development Committee	Mrs R. Naidoo (Chairperson) Ms B. Ngcobo Mr B. Dladla Mr H. Mbambo	01/08/2021



The Chairpersons of these committees are independent non-executive Board members.

The Board's monitoring procedures include quarterly reviews through Board meetings, where in-depth reports detailing progress on the above are reviewed and discussed.

The Board and its Sub Committee's Attendance was as follows:

## Board

Name of Member	09 May 2024	20 June 2024	30 July 2024 (Special)	15 August 2024	06 December 2024	14 March 2025
Ms P. Lugayeni (Chairperson)	✓	✓	✓	✓	✓	✓
Mr I. Dladla (Deputy Chairperson)	✓	✓	✓	✓	✓	✓
Dr P. Zulu	✓	✓	✓	✓	✓	✓
Ms R Naidoo	✓	✓	✓	✓	✓	✓
Dr D. Holness	✓	✓	✓	✓	✓	✓
Mr S. Khoza	✓	✗	✓	✓	✓	✓
Mrs S. Ngcobo	✓	✓	✓	✓	✓	✓
Mr H. Mbambo	✓	✓	✓	✓	✓	✓

## Business Development Committee

Name of Member	02 February 2024	24 May 2024	12 July 2024	11 October 2024	07 February 2025
Mrs R. Naidoo (Chairperson)	✓	✓	✓	✓	✓
Ms B. Ngcobo	✓	✓	✓	✓	✓
Mr B. Dladla	✓	✓	✓	✓	✓
Mr H. Mbambo	✓	✓	✓	✓	✓

## Audit & Risk Committee

Name of Member	31 May 2024	14 June 2024	02 August 2024	15 November 2024	26 February 2025 (Special)	07 March 2025
Ms B. Dladla (Chairperson)	✓	✓	✓	✓	✓	✓
Dr P. Zulu	✓	✓	✓	✓	✓	✓
Ms R. Naidoo	✓	✗	✓	✓	✓	✓
Mr H. Mbambo	✓	✓	✓	✓	✓	✓
Ms P. Lugayeni	✓	✗	✗	✗	✓	✗

## Human Resources and Remunerations Committee

Name of Member	20 May 2024	29 July 2024	21 February 2025
Dr P. Zulu (Chairperson)	✓	✓	✓
Mr S. Khoza	✓	✓	✓
Dr D. Holness	✓	✓	✓
Mr. H. Mbambo	✓	✓	✓

## Operations and Research Committee

Name of Member	10 May 2024	19 July 2024	18 October 2024	23 January 2025 (Special)	14 February 2025
Dr D. Holness (Chairperson)	✓	✓	✓	✓	✓
Mrs S. Ngcobo	✓	✓	✓	✓	✓
Mr S. Khoza	✓	✓	✓	✓	✓
Mr H. Mbambo	✓	✓	✓	✓	✓
Ms P. Lugayeni	✗	✗	✗	✓	✗

## Pension Fund Committee

Name of Member	23 May 2024 (Special)	25 March 2025
Dr P. Zulu (Chairperson)	✓	✓
Mrs P. Lugayeni	✓	✓
Mr B. Dladla	✓	✓
Mr H. Mbambo	✓	✓

## Provident Fund Committee

Name of Member	17 September 2024	25 March 2025
Mr H. Mbambo (Chairperson)	✓	×
Ms N. Khumalo (Principal Member)	✓	×
Mrs P. Lugayeni	✓	✓
Dr P. Zulu	✓	✓
Mr B Dladla	✓	✓



Name  
of Member



Qualifications



Appointment  
Date



Resignation  
Date



Board  
Committee



Present



Absent



Not Active

## Audit and Risk Committee

As part of its risk management the KZNSB conducted a risk assessment.

The Board also has an Audit Committee, which was formed in terms of S51 (ii) of the PFMA.

This Committee comprises three members and meets at least four times per annum as per its terms of reference.

Its primary functions include review of the following:

- (a) The effectiveness of the internal control systems;
- (b) The effectiveness of internal audit;
- (c) The risk areas of the Entity's operations to be covered in the scope of internal and external audits;
- (d) The adequacy, reliability and accuracy of financial information provided to management and other users of such information;
- (e) Any accounting and auditing concerns identified as a result of internal and external audits;
- (f) The Entity's compliance with legal and regulatory provisions;
- (g) 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;
- (h) Where relevant, the independence and objectivity of the external auditors; and
- (i) Reporting and making recommendations to the Board on the above matters.

The Board acknowledges the importance of the ongoing review and its implementation and the monitoring of its policies and procedures, with bias towards compliance with the PFMA and Treasury Regulations. Progress on these reviews is detailed in the quarterly reports that are submitted to the Department of Economic Development and Tourism as Memorandum of Understanding with the department.

The KZNSB, as a holding company of Shark Repellent Technology (Pty) Ltd Group, was required to submit consolidated financial statements by 31 May 2025 for the annual financial year ended 31 March 2025.







## Report by the Accounting Authority to the Executive Authority Responsible for Economic Development, Tourism and Environmental Affairs In The Province and The KwaZulu-Natal Legislature For The Year Ended 31 March 2025

### Introduction & Institutional Arrangement

This is the Accounting Authority's Report for the Financial Year ended 31 March 2025 and has been prepared in accordance with the provisions of the Public Finance Management Act Number 01 of 1999, as amended (i.e. "the PFMA").

The KwaZulu-Natal Sharks Board is established in terms of Section 3 of the KwaZulu-Natal Sharks Board Act No 5 of 2008 ("the Act").

As a listed schedule 3C of the PFMA Public Entity, not only does KZN Sharks Board subscribe to clean audits but actually achieved Unqualified Audits since the advent of the PFMA in 2000 which culminated a Clean Audit Report for the financial years 2012/13, 2015/16, 2016/17, 2020/21, 2021/22 and 2022/23.

Through the Board of Directors (i.e. Accounting Authority) appointed by the MEC in terms of Section

7 of the Act, the KwaZulu-Natal Sharks Board reports and accounts to the Member of the Executive Council responsible for EDTEA in the KwaZulu-Natal Province, currently that is the Honorable. MEC, REV Musa K Zondi MPL, who is the ultimate Executive Authority.

The Acting Chief Executive Officer in terms of Section 18 of the Act is the ultimate Accounting Officer charged with the overall management responsibility of the Entity.

The Acting CEO is ably assisted by 5 (Five) executive managers to discharge his responsibilities namely:

- Operations – Grayson Love (Acting Executive)
- Finance – Sibusiso Mzelemu (Acting CFO)
- Business Development – Harry Mbambo
- Corporate Services – Dr Ntokozo Makoba (Executive)
- Research & Monitoring – Prof. Matt Dicken (Acting Head)

## General Overview

The 2024/2025 financial year saw us maintaining our normal operations of bather protection, research & monitoring and public education. We continuously monitored progress of the Shark Repellent Technology (SRT), a non-lethal method of bather protection.

The total grant allocation for the year under review was a total of R 80,159 million compared with R71,268 million allocations in the 2023/2024 year. The Entity was afforded the additional R10 million as an addendum in year ended 31 March 2025.

In addition to the grant allocation from our mother Department of Economic Development, Tourism and Environmental Affairs, we also received a total of R 40,108 million from our Customer Municipalities in the form of Meshing Fees as payment for services rendered on their beaches.

The remaining balance totalling R6,347 million is a combination of interest received on investments, royalties, rental income, admission fees, tour boat fees; curio shop sales and venue hire.

The amount of R128,495 million is not sufficient to successfully implement and sustain the mandate.

## The Services Rendered by the Board

The legislated core mandates of the KwaZulu-Natal sharks Board are:

- to protect bathers from shark attacks;
- to conduct research into the biology of the sharks
- to educate the public about the marine living resources and thereby promoting beach tourism.

The full enumeration of the Board's comprehensive functions is contained in Sections 4, 5 and 6 of the Act.

The Act allows the KZN Sharks Board to charge a nominal fee for the services it renders; such nominal fee is approved by the Accounting Authority once annually.

**Business Address:** This information can be found under the "General Information" pages.

**Discontinued Activities:** since the promulgation of the Act in 2009, the KZN Sharks Board is no longer authorized to trade in Shark By-Products.

**New or Proposed Activities:** There are no new or proposed activities to report on this time around.

**Events after the Reporting Date:** There were no significant events that occurred between the balance sheet date and the date of this report.



Total Grant allocation of  
R80,159 million

## Performance Information

The KwaZulu-Natal Sharks Board has developed strategic outcomes as part of its strategic planning process.

These outcomes were further translated into Annual Performance Plan by agreement with the Shareholder Department (“EDTEA”).

As such they are included in the Memorandum of Understanding between the KZN Sharks Board and the Department. Performance against these action plans is reported upon, on a quarterly and annual basis.

Performance Information on the activities of the KwaZulu-Natal Sharks Board is detailed under separate headings in the report.

## Challenges Encountered During the Period Under Review

During the period under review, the KwaZulu-Natal Sharks Board faced massive challenges, chief amongst them being inadequate funding and the Moratorium issued by the KZN Premier on filling vacant positions, to attain all our strategic outcomes.

In spite of these, we have achieved an unqualified audit opinion in respect of 2024 / 2025 financial year. We have undertaken to improve this unqualified audit opinion for the coming years.

## Approval



The Annual Financial Statements for the Year ended 31 March 2025, set out on pages 122 - 178, were approved on 31 May 2025 by the Accounting Authority in terms of section 51 (1) (f) of the PFMA and are signed on its behalf by the Chairperson of the Board; Mrs Precious Lugayeni and the Acting CEO Mr H. Mbambo.

Mr H. Mbambo  
Acting Chief Executive Officer  
KZN Sharks Board Maritime Centre of Excellence

Mrs Precious Lugayeni  
Chairperson of the Board  
KZN Sharks Board Maritime Centre of Excellence





## Report of the Audit & Risk Committee

**Mr Bheki Dladla**

The Audit & Risk Committee (ARC) is pleased to present its report for the financial year ended 31 March 2025.

### Members and Attendance

During the financial year under review the Audit & Risk Committee met four times, which is more than the requirements of Section 77 of the PFMA and in compliance with ARC charter approved by the Board. Attendance of meetings, dates of appointments and qualifications of members are included in the Corporate Governance Report.

### Responsibility

The Audit & Risk Committee reports that it has fully complied with the provisions of paragraph 27.1 of the National Treasury Regulations and Section 77 of the Public Finance Management Act, 1999. Moreover, the committee has discharged its responsibilities in line with its mandate and formal terms of reference.

### The effectiveness of internal control

The system of internal controls is designed to provide cost effective assurance that assets are safeguarded, and liabilities and working capital are efficiently managed. In line with the PFMA and King IV Report on Corporate Governance requirements, Internal Audit provides the ARC and management with assurance that the internal controls are appropriate and effective. This is achieved by means of risk management processes as well as the identification of corrective actions and suggested enhancements to the controls and processes.

Internal auditing is an integral part of internal control systems and risk management of the Entity. An independent third party currently performs the internal audit service. Its functions are managed on two fronts.



The Accounting Officer oversees the administration of the third party's audit for any deficiencies in the system of internal controls and other related matters while the ARC oversees the third party's audit report. The internal audit management model is in line with best practice principles.

For the year ended 31 March 2025, the ARC was presented with various reports as per the approved Internal Audit Scope, Draft Annual Financial Statements, Draft Annual Performance Report, AG Action Plan together with the Management report. Further, the ARC is satisfied that reported instances of non-compliance with prescribed policies and procedures have been adequately addressed by management, accounting authority and the effect thereof included in the Consolidated Annual Financial Statements. Furthermore, the ARC is satisfied that such instances did not arise from significant or material weaknesses in the internal control systems during the period under review.

## Evaluation of Financial Statements

In the conduct of its duties, the Audit & Risk Committee has reviewed:

- and discussed the audited annual financial statements to be included in the annual report, with the Auditor-General and the Accounting Officer;
- the Auditor-General's management report and management's response thereto;
- any changes in accounting policies and practices;
- compliance with legal and regulatory provisions;
- the information on predetermined objectives to be included in the annual report; and
- any significant adjustments resulting from the audit.

The Audit & Risk Committee concurs with and accepts the Auditor-General's conclusions on the consolidated and separate annual financial statements and recommends the adoption of the annual report by the board of directors.



Mr Bheki Dladla  
Chairperson: Audit & Risk Committee  
KZN Sharks Board Maritime Centre of Excellence



## Report of the Human Resources & Remunerations Committee

**Dr Pascal Zulu**

It is my pleasure to present the Human Resources Management Report for the 1<sup>st</sup> of April 2024- 31<sup>st</sup> of March 2025, to the KZNSB Board of Directors, the Shareholder, the public, the KwaZulu-Natal Sharks Board employees as well as to all our Stakeholders.

### Committee purpose and it's contribution to value generation

The Human Resources and Remunerations Committee's primary responsibility is to support the Board in providing independent oversight over the following key areas:

- Recommending to the Board for approval a developed strategy and policies, management, retention, and fair and responsible remuneration of Human Capital in compliance with legal requirements, governance standards, and industry best practices;
- Overseeing the overall governance of Human Capital management; defining and managing KZNSB's remuneration and reward policy, framework and strategy; and providing the

Board with assurances in these critical areas.

Human Resources Management is a very versatile part of any organization including the KZNSB. As the year goes by quickly, writing the annual report is always a contrast of the shortness of the year and the length of the journey posed by the versatility of HR and the reflection on the work that has been conducted over the year. In the annual report which I presented last year I spoke of the good work that was conducted and also of the challenges which we experienced over the year, and this year is no different to that.

### Achievements

For us to speak of achievements in HRM, we must start by considering functions or activities which relate to issues of compliance. It is therefore with pleasure that I report that KZNSB successfully submitted its Workplace Skills Plan to the Transport Education Training Authority. This was after the Employment Equity and Training Committee sat and considered the WSP and the Annual Training Report.

The WSP informed the training of which took place throughout the year where a total of one hundred and thirty-two (132) employees were trained in various skills. This was in line with the strategic direction of KZNSB.

## Employment Equity

During the year under review, the Entity also submitted its Employment Equity Report to the Department of Employment and Labour. One of the problematic features in this area is the ability of the

Entity to progressively recruit females within our Operations Division. This has necessitated that the entity adopts a focused approach which is geared utilizing and exploring all avenues in order to achieve this goal.

The current plan in place is reflect of the Entities commitment to achieving this goal as it broadly serves the Entity's transformational intent. These processes already commenced will in the new financial year yield positive outcomes in the recruitment of female Seaman within our Operations Division.



One of the critical components of HR is the need to provide the necessary oversight in order to ensure that governance principles are adhered to. The existence of the HR & Remuneration Committee which meets on a quarterly basis cannot be overemphasized. The HHRC meetings were held as scheduled and duly attended by all the members. Membership and attendance of Committee meetings are reflected in the table below:

Name of Member	Designation	Held	Attended
Dr P. Zulu	Chairperson	20 May 2024	✓
Mr S. Khoza	Member	29 July 2024	✓
Dr D. Holness	Member	01 November 2024	✓
Mr. H. Mbambo	Ex officio member	21 February 2025	✓



## Policy Development

Our Entity fully appreciates that clear set of Policies provides for a framework of decision-making, ensuring consistency, compliance, and the achievement of goals. It guides actions, promotes fairness, and helps address complex issues by establishing clear guidelines and procedures.

During the year under review, the Human Resources and Remunerations Committee went on a vigorous Policy Review process which resulted in the review of no less than twenty eight (28) Policies regulating Human Resources, Remunerations, ICT and OHS administration within the KZNSB. These included inter alia the following Policies; Employee Wellness, Employment Equity and Disability, Harassment and Bullying, Human Resources Administration, Performance Management, Remunerations and Rewards, Succession Planning, Working Hours and Leave Provisions, ICT Governance Framework.

## Employee Relations

KZNSB further believes in professionalism and in discipline and as such, provides the necessary counselling where there is a shortfall on such. Where disciplinary action has to be taken, this is done in order to correct the behaviour and not to punish an employee. We have had very few disciplinary cases during the year under review.

We continue to share a mutually beneficial relationship with our Union at KZNSB. Their presence and active participation serves as a collective voice for employees, enhancing their bargaining power, and advocating for fair treatment and improved working conditions within KZNSB. As the Board, we embrace this.

## Challenges

Whilst over the years we have made reference to the ongoing challenges posed to the Entities

administration due to the rationalization process which commenced a couple of years ago in line with government strategies, it is ever more critical that these perennial challenges be reiterated. The challenge with the delay presents itself, amongst others, in the inability to fill existing vacancies as soon as they arise within the Entity. Whilst in the previous years, the Entity has been able to employ various avenues to mitigate against the impact of these delays.

## Filling of Vacancies

The non-filling of vacancies also give rise to discontentment and to the inability to retain critical skills as staff move to other employment opportunities.

These are challenges which collaboratively with management, the Board and the Executive Authority, we are steadfast in addressing to ensure that the administration and operation of the Entity is optimized to reflect its true potential. The It renders the Entity being unstable and as such, staff being fearful of the possible loss of jobs and inability to progress in their careers. As much as that is so, the appointment of employees in acting capacity does provide opportunities for employees to hone their skills and to get managerial exposure.


## Appreciation

I would like to extend my sincere appreciation to the KZNSB Board of Directors, Board Committees, Shareholder, and various stakeholders, for their invaluable support, guidance as well as advice on some of the difficult governance issues. It is my considered view, that this Committee would not have made the significant contribution, that it did, without their support. For that reason, the HR & Remuneration Committee feels honoured, to serve this Entity with them, as respected colleagues.

My gratitude also extends to the Accounting Officer, for his steady hand in steering the ship through troubled waters, especially for expertly managing the challenging matters that have confronted the Entity during the past year. I also take this opportunity to thank all the Executives of the Entity and employees for their exemplary performance and support during these challenging times. I would like to state that the Committee acknowledges their contributions, both as individuals and as a collective. It is through their unwavering commitment to the service delivery, that the KwaZulu-Natal Sharks Board will continue to serve as a catalyst for good corporate governance, accelerated skills development as well as one of the leaders in the promotion of tourism in the Country and the Province of KwaZulu-Natal.

## Conclusion

Despite various mounting challenges, I am content that the current plans in place both strategically and operationally are geared to upholding good corporate governance and further augment the entity's demonstrable commitment to transformation.



Dr Pascal Zulu  
Chairperson: Human Resources &  
Remunerations Committee  
KZN Sharks Board Maritime Centre of Excellence





## Report of the Business Development Division Committee

**Mrs Reena Naidoo**

It is with great honour and responsibility that I present this report on behalf Business Development Division Committee of the KwaZulu-Natal Sharks Board (KZNSB) for the 2024/2025 financial year. The Committee has continued to provide strategic oversight, governance, and guidance in support of the Division's mandate to promote public awareness on shark education and enhance the visibility of the KZNSB through targeted outreach and marketing efforts.

### Governance and Oversight

Throughout the reporting period, the Committee held regular meetings and engagements to ensure that the strategic objectives set out in the Annual Performance Plan (APP) were effectively implemented. Oversight was exercised over key operational areas, including public engagement strategies, stakeholder

collaborations, revenue generation initiatives, and risk mitigation.

The Committee also assessed progress on key performance indicators and provided recommendations for continuous improvement. Where necessary, corrective action was taken in response to emerging risks or operational challenges, including financial constraints and human resource limitation which are a result of the on-going moratorium that has been placed until the finalisation of the proposed Rationalization between the Ezemvelo KZN Wildlife and the KZN Sharks Board.

### Key Highlights and Support

The Committee commends the Division for

- Achieving its performance targets in alignment with the APP, despite financial and staffing challenges.

- Expanding stakeholder partnerships and intergovernmental collaborations, especially with the newly established KZN Tourism and Film Authority.
- Delivering impactful consumer and youth outreach programmes, such as Umkhosi - Womhlanga and the annual National Tourism Career Expo (NTCE)
- Representing the KZNSB at high-level international platforms, including Meetings Africa and Africa's Travel Indaba which contributed to enhanced brand visibility and tourism promotion.

The Committee further acknowledges the Division's agility in adapting to evolving stakeholder needs, particularly in areas related to digital engagement and service innovation.

## Challenges

While the Division demonstrated resilience and innovation, the Committee notes the following persistent challenges:

- Budgetary limitations affecting programme expansion and staffing;
- Staff shortages, which placed pressure on the Division's operational capacity;
- The unfortunate loss of a team member, which deeply impacted morale and operations. The Committee acknowledges the emotional strain caused by this loss and extends heartfelt condolences to the family and colleagues of the deceased.

## Recommendations

To Strengthen the Division's capacity and long-term impact the Committee recommends.

- Enhanced investment in digital communication platforms to scale education and awareness initiatives.
- Ongoing development of a sustainable funding model, leveraging public-private partnerships and tourism-sector opportunities.
- Implementation of wellness and support programme for staff.
- Continue skills development and succession planning to ensure continuity and resilience.

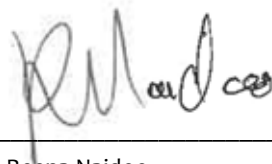
## Appreciation

On behalf of the Committee, I extend sincere gratitude to the Executive Management, Business Development team, and all stakeholders who contributed to this year's successes. Your dedication, creativity, and professionalism are the backbone of the Division's achievements.

## Conclusion

The Business Development Division has shown commendable dedication and innovation in fulfilling its mandate during the 2024/2025 period. As Chairperson, I remain confident in the Division's strategic direction and its continued contribution to the core mission of the KZNSB bathers protection.

The committee remains committed to supporting the Division with robust, governance, strategic insight, and oversight to ensure that future opportunities are fully realised and emerging risks are proactively managed.



Ms Reena Naidoo

Chairperson: Business Development Divisional Committee  
KZN Sharks Board Maritime Centre of Excellence





## Report of the Operations and Research Committee

Dr Dave Holness

### Background

This committee was established in 2012 as a sub-committee of the board of the KwaZulu-Natal Sharks Board to assist in providing oversight, governance and support of the two core functions of the organisation namely the Research and Operations Divisions. Research and Operations serve to fulfil the key legal mandate of the KZN Sharks Board (KZNSB) in the prevention of shark attacks and the provision of bather protection whilst striving for marine conservation and the development of non-lethal technology for its operations.

The members of the Committee are set out elsewhere in the Annual Report. The requisite quarterly meetings were held together with any special meetings as necessary.

### Key Achievements

#### Research and Monitoring Division (RMD)

Very regrettably funding could not be found from the

KZNSB itself, outside funders or from the Department of Economic Development, Tourism and Environmental Affairs (EDTEA) for the continuation of research into the development of the shark repellent technology known as the Shark Repellent Cable (SRC). The KZNSB has thus stalled in its effort to develop this technology towards a marketable product, albeit that a pilot cable has been developed. Further testing in different locations, crucially subject to available funding, is planned. When there was previously funding, the system has been tested in several locations within South Africa and has been found to be effective in repelling white sharks. When the system is energised, it emits an electrical field into the surrounding sea water which has a repelling effect on sharks. The cable has the potential to provide a non-lethal alternative to the use of nets/drumlines to reduce shark incidents not only in South Africa, but worldwide. Several countries have already expressed their interest in the possible use of this technology. The piloting of the SRC has, over the years, received the support of provincial government, specifically EDTEA, and the KZNSB as an Entity, but as set out above, no

funding is currently available from these sources. A concerted effort is being made to attract funding for the SRC from outside funders.

The RMD through its various scientific activities has continued to monitor, document, dissect and tag (and release) species, collecting biological samples, investigating shark attacks (of which there were three in South Africa in the year, but none at KZNSB-protected beaches) and investigating new non-lethal alternatives to the current shark safety gear. The RMD works in close collaboration with many other research organisations both locally and internationally through the provision of samples, data, or expertise for a variety of studies. The Division was directly involved with nine collaborative projects in the year. The Division provides technical and scientific expertise that is shared in South Africa and internationally and for the benefit of the KZNSB's operations itself. Such expertise includes investigating shark attacks even outside KwaZulu-Natal's borders including abroad. The above are all permitted and mandated by the KZNSB's governing legislation. In so doing, the RMD has provided advice to various organisations on ways to ameliorate shark incidents. The RMD has also worked closely with the Business Development Division and Operations Division of the KZNSB for the mutual benefit of these arms of the operation. For example, in relation to the Operations Division, the RMD provides dart tags to the Operations staff to tag any sharks and turtles found alive, prior to release and provides staff training on issues like the identification of sharks and harmless animals, their tagging and release.

One of the key mandates of the RMD is the publication of scientific papers and presenting the findings from its research projects at conferences and symposiums (over and above the collaborative projects mentioned above). Over the 12-month period, the Division's staff have published six peer-reviewed papers and attended and/or presented at

various conferences. In addition, as leaders in our field, staff from the RMD have reviewed numerous manuscripts from the editors of top scientific journals.

As per the Annual Performance Plan, Key Performance Indicators and Divisional targets were all met or exceeded.

### **Operations Division**

This Division controls all seagoing activities, meshing, large animal disentanglement, diving, and marine surveys. Aerial surveys conducted in the past were not undertaken this year, instead other forms of monitoring (particularly of the marine activity associated with the sardine run) were conducted.

The operational statistics are set out in the Divisional Report. The highlights thereof was there being no shark incidents at any of the protected beaches during the financial year. Furthermore, despite environmental challenges (like severe weather events, particularly flooding) and the sardine run, 2937 boat launches were made and 7954 servicing operations undertaken. When beaches were closed, it was necessary to remove some of the shark-repellent gear.

The KZNSB currently maintains almost 13.5 km of shark netting and 177 drumlines off the KwaZulu-Natal coast on 37 protected beaches falling under 5 municipalities. Fourteen boat crews operating from 10 base stations spread along the coast are used to achieve this, with 13 boats launching daily. Each boat crew consists of a SAMSA qualified skipper and 4 or 6 crew members depending on where the launch is.

There has been a continued improvement in the reduction of by-catch and whale entanglements resulting from the mixed method approach i.e. drum lines combined with nets. Significantly, the use of mixed gear has been shown to significantly reduce the capture of harmless animals without compromising bather safety. The introduction of drumlines in 2007



as an alternative form of operations also serves to ameliorate the dilemma of net removal during the sardine run. No confirmed whale entanglements were confirmed in the year.

As a caring employer, the KZNSB is proud of the fact that whilst three boating accidents occurred in the year, no serious staff injuries or deaths resulted from these.

As per the Annual Performance Plan, Key Performance Indicators and Divisional targets were all met or exceeded.

## Key Challenges


Sourcing adequate funding continues to place the SRC project at risk. Alternative sources of funding are being investigated as set out above. Bearing in mind that the KZNSB is a state-owned Entity, it is also challenging to keep pace with competing private entities, which are not bound by the state-operating framework (for example as to procurement) in its operations in developing a product along the lines of the SRC. There is also concern that the KZNSB's intellectual property in the SRC may be being threatened by a third party or third parties. The

latter concern might necessitate legal action to protect the KZNSB's intellectual property.

The moratorium on employment and growing vacancies is placing both the Operations and Research Divisions in a difficult situation that could prevent them from functioning and delivering on their mandate to the degree that it is possible to do so were all posts to be filled.

## Conclusion

On behalf of the Operations and Research Committee I wish to express my sincere gratitude to all staff of the two Divisions noted in this report; without these committed women and men there would be no KZNSB. Thanks too to the Board members of the Operations and Research Committee for their valuable input in ensuring that the Sharks Board continues to meet its legislated obligations.



Dr Dave Holness  
Chairperson: Operations & Research Committee  
KZN Sharks Board Maritime Centre of Excellence

# Part D







# Corporate Services Report



## Corporate Services Divisional Report

Dr Ntokozo Makoba

### Human Resources

**Workforce Profile:** As of 31st March 2025, there are 151 employees including interns that are in the employ of the KZN Sharks Board. The core mandate of the KZN Sharks Board is bather protection, and the type of jobs that the Entity is tasked with is marine related resulting in the huge gender gap, of the workforce been 79.5% males and 20.5% females. There has been a decrease in the number of females as in the previous financial year, a percentage of 21.87 % was reported, this is due to termination and the decrease in the number of the interns targets from twenty - three (23) to twelve (12) due to budget constraints.

The Employment Equity & Training Committee has developed a five-year plan to address the huge gender gap within the Entity to ensure that it meets the demographics of the Province. The Entity has therefore embarked on an exercise to train females as “Seagoing” to ensure that the gender imbalance is addressed. This exercise has proven to be successful with the recruitment of three African females as seagoing on a permanent contract.

Page 99 is a table which shows the workforce profile of employees in the Entity: It must be noted that there are currently fifteen (15) employees in acting posts and they are represented in their substantive post.

Table 1.1: Workforce Profile for 01 April 2024 to 31 March 2025

Occupational Band	Male				Female				TOTAL
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	0	0	0	0	0	1
Snr Management	0	0	0	0	0	0	0	0	0
Professionally qualified & Specialist	2	0	0	3	0	0	0	0	5
Skilled & academically qualified	13	0	2	6	7	1	1	0	30
Semi-skilled & discretionary decision making	25	0	0	0	5	1	2	0	33
Unskilled & defined decision making	63	1	0	1	4	0	0	0	69
KZNSB Interns	5	0	0	0	10	0	0	0	13
<b>TOTAL</b>	<b>107</b>	<b>1</b>	<b>2</b>	<b>10</b>	<b>26</b>	<b>2</b>	<b>3</b>	<b>0</b>	<b>151</b>

The table reflects the number of employees per occupational category. The current moratorium on the filling of vacancies has severely impacted the organisation on achieving its Employment Equity targets, a decrease of 5.6 % from the previous financial year due to terminations, clearly proves the staff shortages the Entity is experiencing due to the ongoing rationalisation process.

There was a high percentage of female interns that have been appointed to address the gender gap in an effort to show that the Board is trying to change its profile of the workforce so that it is more representative.

Table 1.2: Presents Personnel Costs as at 31 March 2025

Occupational Band	PERSONNEL EXPENDITURE	PERCENTAGE OF TOTAL PERSONNEL COST	AVERAGE ANNUAL PERSONNEL COST PER EMPLOYEE
Top Management	R1 927 469	4,00%	R1 927 468,95
Snr Management	R0	0,00%	R0,00
Professionally qualified & Specialist	R5 301 035	11,00%	R1 060 206,94
Skilled & academically qualified	R15 716 088	32,62%	R523 869,61
Semi-skilled & discretionary decision making	R9 108 979	18,91%	R276 029,66
Unskilled & defined decision making	R15 195 702	31,54%	R220 227,57
KZNSB Interns	R924 000	1,92%	R84 000,00
<b>TOTAL</b>	<b>R48 173 273</b>	<b>100,00%</b>	<b>R4 091 803</b>



The table 1.2 on the previous page represents the cost of salaries which were paid by the Entity. The salaries are cost to company thus inclusive of various benefits including housing allowance, medical aid and provident fund. The expenditure was line with the annual budget for the Entity and a salary increment of 6.5% was accorded to all employees.

## Recruitment & Selection

Recruitment and Selection in Human Resource Management is an integral component to identify, attract, and hire individuals who possess the necessary skills, qualifications, and to contribute effectively to service delivery.

A successful recruitment drive resulted in fourteen appointments being made. The appointment for Support Divisions were approved on a three-year fixed term contract and this is due to the current rationalisation process with Ezemvelo KZN Wildlife and the Sharks Board. The recruitment of three (3) permanent female seagoing is reflected under the occupational category of “unskilled”.

Table 2.1: Recruitment for 01 April 2024 to 31 March 2025

Occupational Band	Male				Female				TOTAL
	African	Indian	Coloured	White	African	Indian	Coloured	White	
Top Management	0	0	0	0	0	0	0	0	0
Snr Management	0	0	0	0	0	0	0	0	0
Professionally qualified & Specialist	2	0	0	0	0	0	0	0	2
Skilled & academically qualified	1	0	0	0	2	0	0	0	3
Semi-skilled & discretionary decision making	0	0	0	0	0	0	0	0	0
Unskilled & defined decision making	0	0	0	0	3	0	0	0	3
KZNSB Interns	1	0	0	0	5	0	0	0	6
<b>TOTAL</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14</b>

Promotions in organizations are a manner of filling vacant positions but also add value as this can result in the retention of skills. The number of promotions took place in the Operation Division as reflected in table 2.2.

Table 2.2: Promotions for 01 April 2024 to 31 March 2025

Occupational Band	Male				Female				TOTAL
	African	Indian	Coloured	White	African	Indian	Coloured	White	
Top Management	0	0	0	0	0	0	0	0	0
Snr Management	0	0	0	0	0	0	0	0	0
Professionally qualified & Specialist	0	0	0	0	0	0	0	0	0
Skilled & academically qualified	0	0	0	1	0	0	0	0	0
Semi-skilled & discretionary decision making	4	0	0	0	0	0	0	0	0
Unskilled & defined decision making	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>

## Skills Development

Skills development is crucial for the growth and performance of the Entity. We therefore continue to support Skills Development initiatives for our employees. In this year we were able to comply with relevant legislation by, first and foremost, submitting the Workplace Skills Plan. The WSP together with the Training Report was approved by the Employment Equity & Training Committee and submitted to TETA on the 23<sup>rd</sup> of April 2024. The training included formal qualifications, certifications, and Health & Safety compliance training.

Table 3.1: Skills Development for 01 April 2024 to 31 March 2025

Occupational Band	Male				Female				TOTAL
	African	Indian	Coloured	White	African	Indian	Coloured	White	
Top Management	1	0	0	0	1	0	0	0	2
Snr Management	0	0	0	0	0	0	0	0	0
Professionally qualified & Specialist	2	0	0	3	0	0	0	0	5
Skilled & academically qualified	15	2	0	5	6	1	1	0	30
Semi-skilled & discretionary decision making	17	0	0	0	6	2	1	0	26
Unskilled & defined decision making	61	0	1	1	5	0	0	0	68
<b>TOTAL</b>	<b>96</b>	<b>2</b>	<b>1</b>	<b>9</b>	<b>18</b>	<b>3</b>	<b>2</b>	<b>0</b>	<b>131</b>

## Misconduct and Discipline

The following were misconducts that took place during the period under review:

Table 4.1: Discipline for 01 April 2024 to 31 March 2025

NATURE OF OFFENCE	
Offence	Sanction
Failure to report - first offence	Counselling
Absent without leave	Counselling
Poor Time Keeping	Counselling
Poor Time Keeping - more than one Offence	Written Warning
Negligence At Work	Written Warning
Failure to report – more than one Offence	Written Warning
Absent for more than five consecutive days	Final Written Warning
Bringing the organisation into disrepute	Final Written Warning
Failure to adhere to company policies	Final Written Warning imposed for remainder of current employment contract
Gross Negligence, misuse of company's resources	Dismissal
Gross Negligence, failure to act responsibly	Suspension without pay for two months
Misconduct and Gross Negligence	Dismissal

As part of the working relationship between the employer and the employees, certain dissatisfaction might arise. The Grievance Policy is in place to address such and as a result grievance are lodged by employees. For the 24/25 financial year the following grievance was handled:

Table 4.2: Grievances for 01 April 2024 to 31 March 2025

NATURE GRIEVANCE	REASON	RESULT
Disrespectful Communication	A grievance was lodged simultaneously by two employees in different Divisions	The officials confirmed that their relationship is not irretrievably broken and committed to respecting one another

## Terminations

The interns appointed in the Entity are for a period of two years, thereafter their services are terminated, the table below shows a termination of fourteen (14) interns and others emanated from deceased, end of contract, resignation and dismissal.

Table 5.1: Terminations for 01 April 2024 to 31 March 2025

Occupational Band	Male				Female				TOTAL
	African	Indian	Coloured	White	African	Indian	Coloured	White	
Top Management	0	0	0	0	1	0	0	0	1
Snr Management	0	0	0	0	0	0	0	0	
Professionally qualified & Specialist	2	0	0	0	0	0	0	0	2
Skilled & academically qualified	2	0	0	0	0	0	1	1	2
Semi- skilled & discretionary decision making	1	0	0	0	2	0	0	0	3
Unskilled & defined decision making	1	0	0	0	2	0	0	0	3
KZNSB Interns	4	0	0	0	9	1	0	0	14
<b>TOTAL</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>13</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>25</b>

## Annual Leave

The organization's Leave Policy stipulates a maximum accumulation of 45 days for employees, with a requirement for individuals to take a minimum of two consecutive weeks of paid annual leave. The HR department played a pivotal role in effectively managing leave arrangements, ensuring adherence to policy guidelines, and promoting a balanced approach to leave utilization.

Table 6.1: Annual leave for 01 April 2024 to 31 March 2025

OCCUPATION BAND	TOTAL ELAVE DAYS DUE	ESTIMATED COST
Top Management	45	R 319 365,7
Snr Management	0	0
Professionally qualified & Specialist	132,92	R 591 582,30
Skilled & academically qualified	832,89	R 1 650 261,25
Semi- skilled & discretionary decision making	891,93	R 955 825,39
Unskilled & defined decision making	1617,36	R 1 367 217,90
KZNSB Interns	60	R 19 618,74
<b>TOTAL</b>	<b>R 3 580,10</b>	<b>R 4 903 870,75</b>

## Sick Leave

Sick leave is managed according to the Leave Policy. The abuse of sick leave poses significant challenges to organizational effectiveness, and as such, control measures have to be put in place to ensure that sick leave is used for what it is intended for. During the reporting period, concerted efforts were made to mitigate the abuse of sick leave, which has historically hindered productivity and impeded goal achievement. Table 7.1 of this report offers insights into the organization's progress in addressing this issue.

Table 7.1: Sick Leave Utilisation for 01 April 2024 to 31 March 2025

OCCUPATIONAL BAND 2023	TOTAL SICK DAYS	NUMBER OF SICK LEAVE DAYS UTILISED	PERCENTAGE OF SICK LEAVE UTILISED	AVERAGE SICK DAYS TAKEN PER EMPLOYEE	ESTIMATED COST OF SICK LEAVE TAKEN
Top Management	10,50	1,00	0,59%	10,50	R62 222,78
Snr Management	0,00	0,00	0,00%	0,00	R 0
Professionally qualified & Specialist	18,00	4	2,35%	4,50	R57 100,04
Skilled & academically qualified	135,75	17,00	10,00%	7,99	R194 784,29
Semi-skilled & discretionary decision making	199,38	30,00	17,65%	6,65	R167 819,21
Unskilled & defined decision making	361,75	55,00	32,35%	6,58	R257 132,35
KZNSB Interns	49,00	16	9,41%	3,06	R15 590,91
<b>TOTAL</b>	<b>774</b>	<b>123</b>	<b>72,35%</b>	<b>5,61</b>	<b>R 754 649,58</b>

According to the figures, the highest users of sick leave are in the Unskilled and Defined Decision Making Category with an average of 8.78 days taken.

## Employee Wellness

Employee Wellness plays a pivotal role in enhancing the overall well-being of its employees and their immediate family members, this programme is outsourced to Life Health Care. This program was effectively used when a trauma incident took place, and a psychologist provided onsite support to the affected employees. In an effort, to support our employees on the issues that affect them, there has been sessions on “Financial Wellness” and “Stress Management”. Each month awareness campaign initiatives are circulated by Life Health to all employees.

## Occupational Health and Safety in the Workplace Environment

Occupational Health and Safety (OHS) is a critical component of any successful organization. It encompasses the policies, procedures, and activities aimed at protecting the health, safety, and welfare of employees in the workplace. A proactive approach to OHS not only ensures legal compliance but also contributes significantly to organizational efficiency, employee well-being, and overall productivity.



## Protection of KZNSB Employees Life and Health

The foremost objective of OHS is to prevent work-related injuries, illnesses, and fatalities. By identifying and mitigating workplace hazards such as unsafe machinery, hazardous substances, or stressful work conditions organizations can significantly reduce risks and ensure the safety and well-being of their workforce by attending and recording all KwaZulu Natal Injury on Duty case in time and according the OHS Act.

## Enhanced Productivity and Operational Efficiency

A safe and healthy work environment leads to fewer accidents, disruptions, and absenteeism. Employees who feel secure are more focused, motivated, and productive. In contrast, workplaces with frequent incidents often experience reduced morale, high turnover, and diminished efficiency we ensure that OHS Committee have quarterly meeting and by giving health and safety awareness to all KwaZulu Natal Sharks Board sites.

## Cost Reduction

Investing in OHS helps reduce direct and indirect costs associated with workplace incidents. These include medical expenses, compensation claims, legal costs, and lost productivity. Preventive measures are generally far less costly than dealing with the consequences of workplace accidents or illnesses.

## Legal and Regulatory Compliance

Governments and regulatory bodies mandate strict occupational health and safety standards. Compliance not only helps organizations avoid fines, legal liability, and reputational damage, but it also demonstrates

a commitment to ethical and responsible business practices.

## Positive Organizational Reputation

Prioritize OHS often enjoy a stronger reputation among clients, investors, and potential employees. A safe workplace reflects well on an organization's leadership and values, making it more attractive to stakeholders and top talent.

## Promotion of a Safety-Oriented Culture

An effective OHS program fosters a culture of safety throughout the organization. When employees are encouraged to report hazards, participate in training, and follow safety protocols, it creates a collaborative and responsible work environment. This culture of shared responsibility leads to continuous improvement and greater overall safety as now we have two full months with IOD cases.

## Preparedness for Emergencies

OHS framework includes emergency preparedness plans for incidents such as fires, chemical spills, equipment failures, or natural disasters. Well-defined procedures and trained personnel ensure a swift, coordinated response, minimizing harm and operational disruption. Ensuring all fire equipment are serviced, emergency signs are in place, and provision of proper personal protective equipment.

## Conclusion

Occupational Health and Safety is not merely a regulatory obligation it is a strategic investment in people and performance. Organizations that prioritize health and safety build stronger teams, reduce risk, and foster long-term success. It is a foundational element of a sustainable and ethical business.

## Facilities Management

Facilities Management remains important in ensuring that all the Entity's offices are kept in pristine and safe manner. This include maintaining the building in a way to ensures the safety of the employees. It further includes provision of security for all facilities at KZNSB and fleet management of all Entity's vehicles. For the reporting construction period, some minor works was done at HQ and various base stations.

Vehicles are the resource for the Entity to conduct its work. As at 31 March 2025 the Entity had forty two vehicles in its fleet. The fleet management policy assists to ensure that the vehicles are kept in good condition and that the negligence is minimised. An electronic tracking system is utilised by the Entity to track movement of its fleet and to identify bad driving patterns and to take relevant action to ensure that the fleet is used appropriate.

The workshop conducted various repairs to the fleet over the year with an average of seven vehicles being attended per month. This includes servicing and repairs of vehicles, minor and some major. We are therefore confident that our vehicles are kept in good condition as required for carrying out of the Entity's mandate.

The Entity has also taken measure to ensure that the tools and equipment are safeguarded and kept in an operational manner. Some of the tools are at times shared with other divisions/base stations to allow them to undertake some of their work, none have gone missing, and none have been damaged. The work is planned to upgrade some of the workshop equipment.

## Information Communication & Technology

Building on the foundation laid by the ICT strategy and

framework, the IT department has made significant strides in the 2025 financial year towards enhancing data integrity, operational efficiency, and security.

## Key achievements

include the consistent and effective functioning of server backup systems to both disk and cloud, with a comprehensive Disaster Recovery plan actively under development to establish "warm" server environments in the cloud, targeting a two-week Recovery Time Objective.

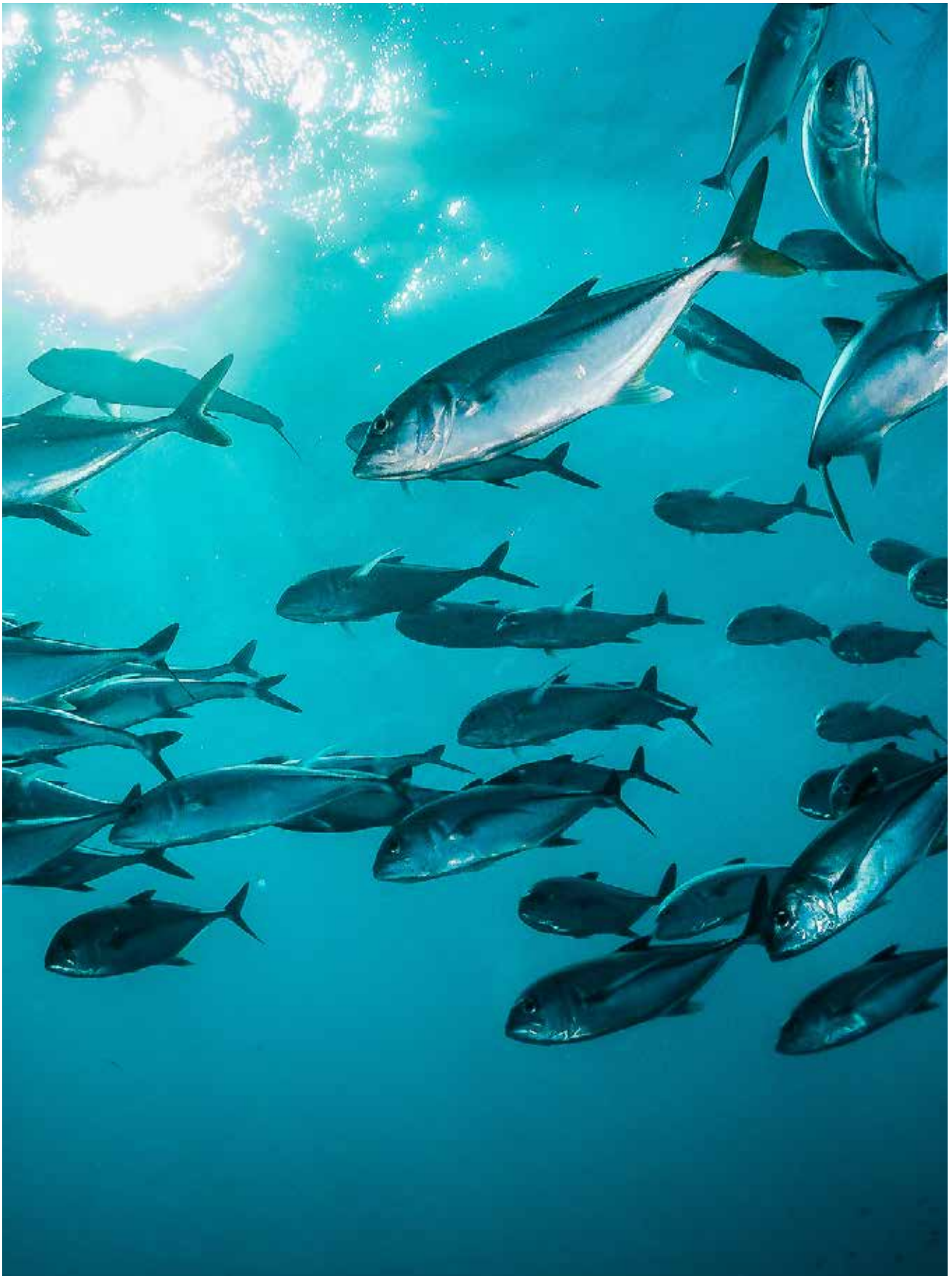
Progress has been made with Sage People 300, completing overtime, leave calculations, and payslip design, alongside securing the 2025 license renewal and initiating efforts for payslips to be online.

Cybersecurity awareness training has continued through a year-long contract, reinforcing best practices across the organization, and a three-year contract for fully maintained printers has allowed for better cost control and reduced support calls.

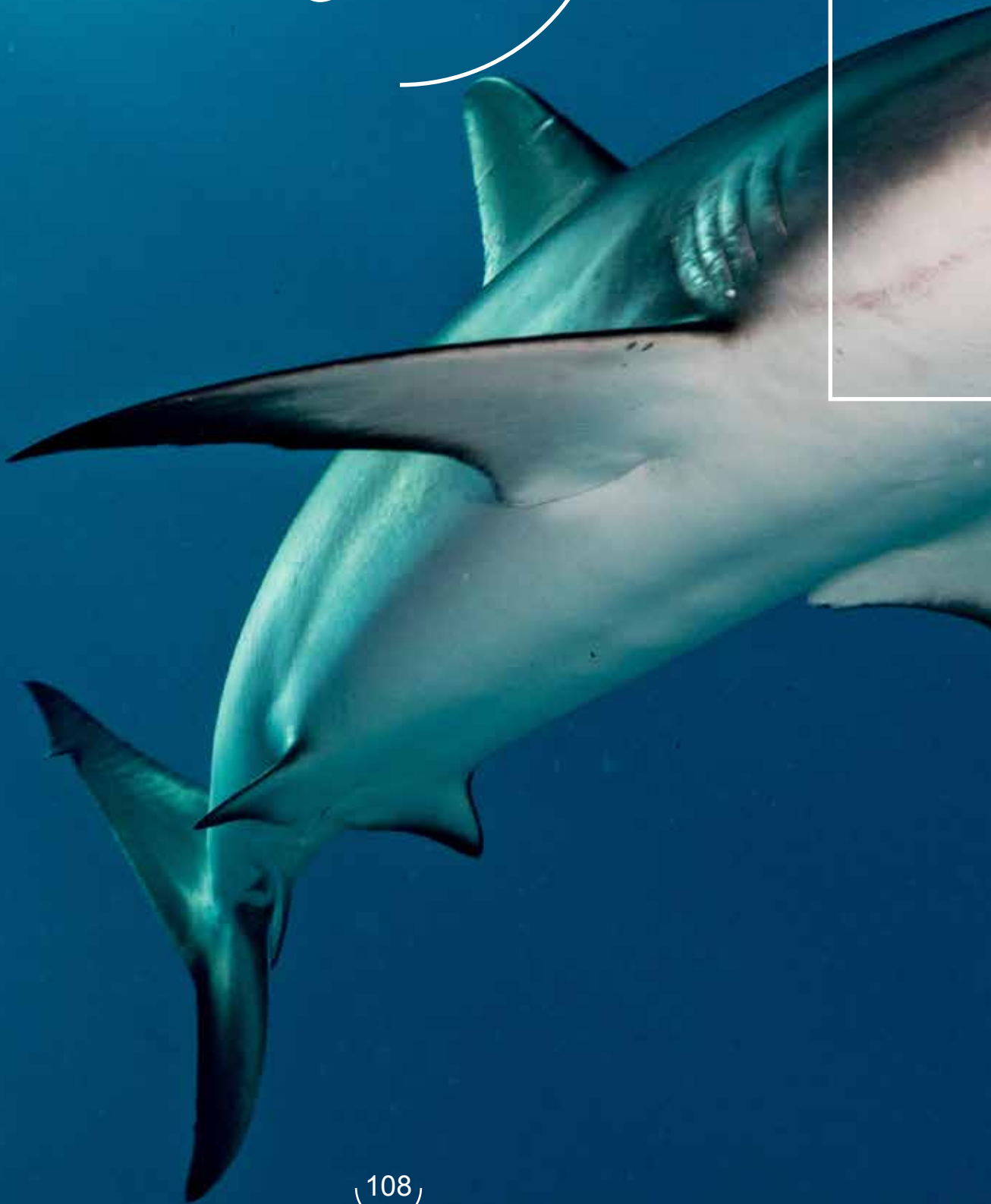
Email security has been robustly maintained with Mimecast, effectively blocking harmful traffic, and the antivirus contract has significantly reduced virus outbreaks, with plans for an upgrade underway.

The department has also initiated a rollout of new laptops, with 25 purchased in the first phase, aiming to increase computer literacy among all staff. Critical areas for ongoing focus and future initiatives include addressing the urgent need for server infrastructure upgrades, redesigning Active Directory, improving security camera systems, implementing DMARC and SENDMARC, and enhancing connectivity at base stations through internet access and VPNs.

These efforts underscore a continued commitment to strengthening the IT landscape and supporting the organization's digital transformation.



# Part E







## Annual Financial Statements

- Financial Information
- Statement of Responsibility
- Report of the CEO
- Report of the Auditor-General
- Annual Financial Statements



## KZN Sharks Board Group

### General Information

Country of incorporation and domicile	South Africa
Registered office	1a Herrwood Drive Umhlanga Rocks Drive Umhlanga 4320
Group	KZNSB
Bankers	ABSA Bank
Auditors	Auditor-General of South Africa

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## Statement of Responsibility for the Year Ended 31 March 2025

**Mr Sibusiso Mzelemu**

The Public Finance Management Act, 1999 (Act No. 1 of 1999), as amended, requires the Accounting Authority to ensure that the Public Entity keeps full and proper records of the financial affairs of the Public Entity. It also requires that the Annual Financial Statements fairly present the state of affairs of the Public Entity, its business, its financial results, its performance against predetermined objectives and its financial position as at the end of each financial year in terms of Generally Recognised Accounting Practices (GRAP).

The KwaZulu-Natal Sharks Board acknowledges that the annual financial statements are the responsibility of the members of the Board. The Auditor-General is responsible for independently auditing and reporting on the annual financial statements.

The annual financial statements have been prepared in accordance with statements of GRAP. These annual financial statements are based on appropriate accounting policies, supported by reasonable and prudent judgements and estimates.

The members have reviewed the Public Entity's

budgets and cashflow forecasts for the year ended 31 March 2025. On the basis of this review, and in view of the current financial position as well as the existing borrowing facilities, the members have every reason to believe, and the auditors concur, that the Public Entity will be a going concern in the year ahead and have continued to adopt the going concern basis in preparing the annual financial statements.

To enable the Board to meet the above responsibilities, the board of directors sets standards and implements systems of internal controls and risk management that are designed to provide reasonable, but not absolute assurance against material misstatements and losses. The Public Entity maintains internal financial controls to provide assurance regarding:

- The safeguarding of assets against unauthorised use or disposition;
- The maintenance of proper accounting records and the reliability of financial information used within the business or for publication.

In the opinion of the Board, based on information available to date, the annual financial statements fairly present the financial position of the KwaZulu-Natal Sharks Board Maritime Centre of Excellence at 31 March 2025 and the results of its operations and cashflow information for the year and that the Code of Corporate Governance has been adhered to.



The annual financial statements for the year ended 31 March 2025, set out on pages 122 to 178 were approved by the Accounting Authority in terms of section 51(1) (f) of the Public Finance Management Act, 1999 (Act No. 1 of 1999), as amended and are signed on its behalf by:

Mr H. Mbambo  
Acting Chief Executive Officer  
KZN Sharks Board Maritime Centre of Excellence

Ms Precious Lungayeni  
Chairperson of the Board  
KZN Sharks Board Maritime Centre of Excellence

## Report of the auditor-general to the Kwazulu-Natal Legislature on Kwazulu-Natal Sharks Board

### Report on the audit of the consolidated and separate financial statements

#### Opinion



1. I have audited the consolidated and separate financial statements of the KwaZulu-Natal Sharks Board and its subsidiaries (the group) set out on pages 122 to 178, which comprise the consolidated and separate statement of financial position as at 31 March 2025, consolidated and separate statement of financial performance, consolidated and separate statement of changes in net assets, consolidated and separate cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as notes to the consolidated and separate financial statements, including a summary of significant accounting policies.
2. In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the financial position of the group as at 31 March 2025 and their financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

#### Basis for opinion

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

#### Emphasis of matters

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

#### Provision for debt impairment

7. As disclosed in note 4 to the financial statements, a material provision for impairment of R6,26 million (2023-24 R4,68 million) was recognised on receivables from exchange transactions as the recoverability of these amounts was doubtful.

## Going concern

8. As disclosed in note 38 to the financial statements, the Provincial Executive Council made a resolution in December 2017 that the functions of the KwaZulu-Natal Sharks Board and KwaZulu-Natal Wildlife be merged as one function. Both entities shall remain separate until the incorporate bill is passed by the Provincial Legislature. The incorporation is still in progress.

## Restatement of corresponding figures

9. As disclosed in note 35 to the financial statements, the corresponding figures for 31 March 2024 were restated as a result of errors in the financial statements of the Entity at, and for the year ended, 31 March 2025.

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

10. The accounting authority is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with the Standards of GRAP and the requirements of the PFMA, and for such internal control as the accounting authority determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.
11. In preparing the consolidated and separate financial statements, the accounting authority is responsible for assessing the group's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so.

## Responsibilities of the auditor-general for the audit of the consolidated and separate financial statements

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



13. A further description of my responsibilities for the audit of the consolidated and separate financial statements is included in the annexure to this auditor's report. This description, which is located at page 118, forms part of our auditor's report.

## Report on the audit of the annual performance report

14. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against



predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.

15. I selected the following material performance indicators related to bather protection presented in the annual performance report for the year ended 31 March 2025. I selected those indicators that measure the Entity's performance on its primary mandated functions and that are of significant national, community or public interest.
  - Annual number of services carried out on shark safety gear
  - Total annual catch of non-target species (combined nets and drumlines)
16. I evaluated the reported performance information for the selected material performance indicators 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 Entity's planning and delivery on its mandate and objectives.
17. 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
  - all the indicators relevant for measuring the Entity's performance against its primary mandated and prioritised functions and planned objectives are included
  - 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 and for the reason provided for any over or underachievement of targets.
18. I performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.
19. I did not identify any material findings on the reported performance information for the selected indicators.

## 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.

## Material misstatements

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 understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
23. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows.

## Annual financial statements

24. The financial statements submitted for auditing were not fully prepared in accordance with the prescribed financial reporting framework, as required by section 55(1) (b) of the PFMA. Material misstatements of expenditure, current liabilities, non-current assets, cash flow statement, prior period error disclosure and risk management disclosures identified by the auditors in the submitted financial statements were corrected, resulting in the financial statements receiving an unqualified audit opinion.

## Other information in the annual report

25. The accounting authority is responsible for the other information included in the annual report. The other information referred to does not include the consolidated and separate financial statements, the auditor's report and those selected material indicators in the scoped-in programme presented in the annual performance report that have been specifically reported on in this auditor's report.
26. My opinion on the consolidated and separate financial statements and my reports on the audit of the annual performance report and 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.
27. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the consolidated and separate financial statements and the selected material indicators in the scoped in programme presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
28. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

## Internal control deficiencies

29. I considered internal control relevant to my audit of the consolidated and separate financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
30. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on compliance with legislation included in this report.
31. Management did not adequately review the financial statements to ensure compliance with the Standards of GRAP and the PFMA.

*Auditor General*

Pietermaritzburg  
30 July 2025



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## 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 consolidated and separate financial statements and the procedures performed on reported performance information for selected material performance indicators and on the Entity's compliance with selected requirements in key legislation.

### Financial statements

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

- identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 consolidated and separate financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Entity and its subsidiaries to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the consolidated and separate financial statements.

My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause an Entity to cease operating as a going concern

- evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and determine whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. I am responsible for the direction, supervision and review of audit work performed for purposes of the group audit. I remain solely responsible for my audit opinion.

#### 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:

Legislation	Sections or regulations
Public Finance Management Act No.1 of 1999 (PFMA)	PFMA 51(1)(b)(i), 55(1)(a), 55(1)(b), 55(1)(c)(i), 51(1)(b)(ii), 53(4), 51(1)(e)(iii), 51(1)(b)(ii), 51(1)(a)(iv), 56(1), 56(2) and 57(b)
Treasury Regulations for departments, trading entities, constitutional institutions and Public Entities (TR)	TR 31.1.2(c), 30.1.1, 30.1.3(a), 30.1.3(b), 30.1.3(d), 30.2.1, 16A9.1(b)(ii), 16A9.1(e), 16A9.1(f), 33.1.1, 33.1.3, 16A 3.2 (fairness), 16A 3.2(a), 16A 6.1, 16A6.2(a) & (b), 16A 6.3(a), 16A 6.3(a)(i), 16A 6.3(b), 16A 6.3(c), 16A 6.3(e), 16A 6.4, 16A 6.5, 16A 6.6, 16A 8.3, 16A 8.4, 16A 9.1(d), 16A 9.1(e), 16A 9.2(a)(ii), 8.2.1 and 8.2.2
PRECCA	PRECCA Section 29 and 34(1)
CIDB Act	CIDB Act 18(1)
CIDB Regulations	CIDB Regulation 17, 25(1), 25(5) and 25(7A)
PPPFA	PPPFA 1(i), 2.1(a), 2.1(b) and 2.1(f)
PPR 2017	PPR 2017 Par.4.1, Par.4.2, Par.5.1, Par.5.3, Par.5.6, Par.5.7, Par.6.1, Par.6.2, Par.6.3, Par.6.5, Par.6.6, Par.6.8, Par.7.1, Par.7.2, Par.7.3, Par.7.5, Par.7.6, Par.7.8, Par.8.2, Par.8.5, Par.9.1, Para.9.2, Par.10.1, Par.10.2, Par.11.1, Par.11.2, Par.12.1 and Par.12.2
PPR 2022	PPR 2022 Par. 3.1, Par. 4.1, Par. 4.2, Par. 4.3, Par. 4.4, Par. 5.1, Par. 5.2, Par. 5.3 and Par. 5.4
PFMA SCM Instruction no. 09 of 2022/2023	PFMA SCM Instruction no. 09 of 2022/2023 par. 3.1, Par. 3.3 (b), Par. 3.3 (c), Par. 3.3 (e) and Par 3.6
National Treasury Instruction No.1 of 2015/16	National Treasury Instruction No.1 of 2015/16 Par 3.1, Par. 4.1 and Par. 4.2
NT SCM Instruction Note 03 2021/22	IN 03 2021/22 Par 4.1, Par 4.2 (b), Par. 4.3, Par 4.4, Par 4.4(a), Par 4.4(c), Par 4.4(d), Par 4.6, Par 5.4, Par 7.2 and Par 7.6
NT SCM Instruction 4A of 2016/17	NT SCM Instruction 4A of 2016/17 Par 6
NT SCM Instruction Note 03 2019/20	IN 03 2019/20 Par 5.5.1(vi) and Par 5.5.1(x)
NT SCM Instruction Note 11 2020/21	IN 11 2020/21 Par.3.1, Par.3.4(a), Par.3.4(b), Par.3.9, Par 6.1, Par 6.2 and Par 6.7
NT SCM Instruction note 2 of 2021/22	SCM IN 02 2021/22 Par.3.2.1, Par 3.2.2, Par.3.2.4(a), Par.3.2.4(b), Par.3.3.1, Par 3.2.2 and Par.4.1
PFMA SCM Instruction 04 of 2022/23	PFMA SCM Instruction 04 of 2022/23 Par. 4(1), Par. 4(2) and Par. 4(4)
Practice Note 5 of 2009/10	Practice Note 5 of 2009/10 Par. 3.3
PFMA SCM instruction 08 of 2022/23	PFMA SCM instruction no. 8 of 2022/2023 Par. 3.2, Par. 4.3.2 and Par 4.3.3
NT instruction note 4 of 2015/16	NT Instruction note 4 of 2015/16 Par 3.4
NT instruction 3 of 2019/20 - Annexure A	NT instruction 3 of 2019/20 - Annexure A Section 5.5.1 (iv) and (x)
Second amendment of NTI 05 of 2020/21	Second amendment of NTI 05 of 2020/21 Par 4.8, Par 4.9, Par 5.1 and Par 5.3
Erratum NTI 5 of 202/21	Erratum NTI 5 of 202/21 Par. 1 and Par. 2
Practice note 7 of 2009/10	Practice Note 7 of 2009/10 Par. 4.1.2
Practice note 11 of 2008/9	Practice note 11 of 2008/9 Par. 3.1, Practice note 11 of 2008/9 Par. 3.1 (b)
NT instruction note 1 of 2021/22	NT instruction note 1 of 2021/22 Par. 4.1



## Statement of Financial Position as at 31 March 2025

		Economic entity		Controlling entity	
		2025	2024	2025	2024
			Restated*		Restated*
Note(s)		'000	'000	'000	'000
<b>Assets</b>					
<b>Current Assets</b>					
Inventories	3	6 577	4 741	6 577	4 741
Receivables from exchange transactions	4	8 660	2 605	10 069	2 605
Prepayments	5	2 699	326	2 699	326
Deposits receivables	6	513	505	513	505
Cash and cash equivalents	8	8 757	5 962	8 731	5 933
		<b>27 206</b>	<b>14 139</b>	<b>28 589</b>	<b>14 110</b>
<b>Non-Current Assets</b>					
Investment property	9	11 295	12 640	11 295	12 640
Property, plant and equipment	10	67 926	75 432	67 926	75 432
Intangible assets	11	2 589	2 089	2 589	2 089
Employee benefit asset	19	133	144	133	144
		<b>81 943</b>	<b>90 305</b>	<b>81 943</b>	<b>90 305</b>
<b>Total Assets</b>		<b>109 149</b>	<b>104 444</b>	<b>110 532</b>	<b>104 415</b>
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Finance lease obligation	13	156	72	156	72
Payables from exchange transactions	14	3 336	4 420	3 336	4 422
Unspent conditional grants and receipts	15	1 461	1 461	1 461	1 461
Provisions	16	4 923	4 918	4 923	4 918
Deposits payable	17	91	86	91	86
Project funds	18	43	43	43	43
Employee benefit obligation	19	219	228	219	228
Other financial liabilities	42	749	749	2 446	2 446
		<b>10 978</b>	<b>11 977</b>	<b>12 675</b>	<b>13 676</b>
<b>Non-Current Liabilities</b>					
Finance lease obligation	13	191	-	191	-
Employee benefit obligation	19	5 664	5 300	5 664	5 300
		<b>5 855</b>	<b>5 300</b>	<b>5 855</b>	<b>5 300</b>
<b>Total Liabilities</b>		<b>16 833</b>	<b>17 277</b>	<b>18 530</b>	<b>18 976</b>
<b>Net Assets</b>		<b>92 316</b>	<b>87 167</b>	<b>92 002</b>	<b>85 439</b>
Accumulated surplus		90 067	84 916	92 002	85 439
		90 067	84 916	92 002	85 439
Non-controlling interest		2 249	2 251	-	-
<b>Total Net Assets</b>		<b>92 316</b>	<b>87 167</b>	<b>92 002</b>	<b>85 439</b>

\* See Note 35

## Statement of Financial Performance

		Economic entity		Controlling entity	
		2025	2024	2025	2024
			Restated*		Restated*
Note(s)		'000	'000	'000	'000
<b>Revenue</b>					
<b>Revenue from exchange transactions</b>					
		40 108	38 041	40 108	38 041
		448	485	448	485
		1 995	2 050	1 995	2 050
		-	1 998	-	1 998
		1 647	1 768	1 647	1 768
		432	524	432	524
		56	110	56	110
		1 146	1 079	1 146	1 079
20	Investment revenue	624	338	623	332
	<b>Total revenue from exchange transactions</b>	<b>46 456</b>	<b>46 393</b>	<b>46 455</b>	<b>46 387</b>
<b>Revenue from non-exchange transactions</b>					
<b>Transfer revenue</b>					
21	Government grants & subsidies	80 159	69 863	80 159	69 863
	Donations income	434	-	434	-
	<b>Total revenue from non-exchange transactions</b>	<b>80 593</b>	<b>69 863</b>	<b>80 593</b>	<b>69 863</b>
22	<b>Total revenue</b>	<b>127 049</b>	<b>116 256</b>	<b>127 048</b>	<b>116 250</b>
<b>Expenditure</b>					
23	Employee related costs	(59 694)	(51 897)	(59 694)	(51 897)
24	Professional fees	(5 658)	(4 277)	(5 658)	(4 277)
25	Research costs	-	(200)	-	(200)
	Depreciation and amortisation	(10 675)	(11 194)	(10 675)	(11 194)
26	Finance costs	(65)	(183)	(65)	(183)
27	Fuel and oil	(3 625)	(4 236)	(3 625)	(4 236)
28	Repairs and maintenance	(8 624)	(2 757)	(8 624)	(2 757)
29	General Expenses	(29 458)	(32 320)	(29 403)	(32 212)
	Debt impairment	(347)	14	(347)	14
	<b>Total expenditure</b>	<b>(118 146)</b>	<b>(107 050)</b>	<b>(118 091)</b>	<b>(106 942)</b>
	<b>Operating surplus</b>	<b>8 903</b>	<b>9 206</b>	<b>8 957</b>	<b>9 308</b>
	Loss on disposal of assets and liabilities	(889)	(291)	(889)	(291)
30	Fair value adjustments	(1 505)	2 090	(1 505)	2 090
		<b>(2 394)</b>	<b>1 799</b>	<b>(2 394)</b>	<b>1 799</b>
	<b>Surplus for the year</b>	<b>6 509</b>	<b>11 005</b>	<b>6 563</b>	<b>11 107</b>
<b>Attributable to:</b>					
	Owners of the controlling entity	6 511	11 007	6 563	11 107
	Non-controlling interest	(2)	(2)	-	-
		<b>6 509</b>	<b>11 005</b>	<b>6 563</b>	<b>11 107</b>

\* See Note 35

## Statement of Changes in Net Assets

	Accumulated surplus / deficit	Total attributable to owners of the economic entity / controlling entity	Non-controlling interest	Total net assets
	'000	'000	'000	'000
<b>Economic entity</b>				
Opening balance as previously reported	78 408	78 408	2 253	80 661
Adjustments				
Correction of errors 35	(4 498)	(4 498)	-	(4 498)
<b>Balance at 01 April 2023 as restated*</b>	<b>73 910</b>	<b>73 910</b>	<b>2 253</b>	<b>76 163</b>
Changes in net assets				
Surplus/(Deficit) for the year	11 006	11 006	(2)	11 004
Total changes	11 006	11 006	(2)	11 004
<b>Restated* Balance at 01 April 2024</b>	<b>83 506</b>	<b>83 506</b>	<b>2 251</b>	<b>85 757</b>
Changes in net assets				
Surplus/(Deficit) for the year	6 561	6 561	(2)	6 559
Total changes	6 561	6 561	(2)	6 559
<b>Balance at 31 March 2025</b>	<b>90 067</b>	<b>90 067</b>	<b>2 249</b>	<b>92 316</b>
<b>Controlling entity</b>				
Opening balance as previously reported	78 830	78 830	-	78 830
Adjustments				
Correction of errors 35	(4 498)	(4 498)	-	(4 498)
<b>Balance at 01 April 2023 as restated*</b>	<b>74 332</b>	<b>74 332</b>	<b>-</b>	<b>74 332</b>
Changes in net assets				
Surplus/(Deficit) for the year	11 107	11 107	-	11 107
Total changes	11 107	11 107	-	11 107
<b>Restated* Balance at 01 April 2024</b>	<b>85 439</b>	<b>85 439</b>	<b>-</b>	<b>85 439</b>
Changes in net assets				
Surplus/(Deficit) for the year	6 563	6 563	-	6 563
Total changes	6 563	6 563	-	6 563
<b>Balance at 31 March 2025</b>	<b>92 002</b>	<b>92 002</b>	<b>-</b>	<b>92 002</b>

\* See Note 35



## Cash Flow Statement

		Economic entity		Controlling entity	
		2025	2024	2025	2024
	Note(s)	'000	Restated* '000	'000	Restated* '000
<b>Cash flows from operating activities</b>					
<b>Receipts</b>					
Sale of goods and services		38 574	45 695	38 574	45 695
Grants		80 159	69 863	80 159	69 863
Interest income		621	400	623	394
		119 354	115 958	119 356	115 952
<b>Payments</b>					
Employee costs		(59 671)	(55 002)	(59 671)	(55 002)
Suppliers		(52 981)	(48 249)	(52 980)	(49 941)
Finance costs		(65)	(183)	(65)	(183)
		(112 717)	(103 434)	(112 716)	(105 126)
<b>Net cash flows from operating activities</b>	31	<b>6 637</b>	<b>12 524</b>	<b>6 640</b>	<b>10 826</b>
<b>Cash flows from investing activities</b>					
Purchase of property, plant and equipment	10	(4 780)	(9 847)	(4 780)	(9 847)
Proceeds from sale of property, plant and equipment	10	1 388	533	1 388	533
Purchase of investment property	9	(160)	-	(160)	-
Purchase of other intangible assets	11	(570)	(527)	(570)	(527)
Redemption of Loan receivable to SRT		-	-	-	1 699
<b>Net cash flows from investing activities</b>		<b>(4 122)</b>	<b>(9 841)</b>	<b>(4 122)</b>	<b>(8 142)</b>
<b>Cash flows from financing activities</b>					
Other financial liabilities		-	749	-	2 446
Finance lease payments		275	(166)	275	(166)
Deposit payable		5	-	5	-
<b>Net cash flows from financing activities</b>		<b>280</b>	<b>583</b>	<b>280</b>	<b>2 280</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>2 795</b>	<b>3 266</b>	<b>2 798</b>	<b>4 964</b>
Cash and cash equivalents at the beginning of the year		5 962	2 696	5 933	969
<b>Cash and cash equivalents at the end of the year</b>	8	<b>8 757</b>	<b>5 962</b>	<b>8 731</b>	<b>5 933</b>

The accounting policies on pages 129 to 150 and the notes on pages 151 to 177 form an integral part of the annual financial statements.

\* See Note 35

## Statement of Comparison of Budget and Actual Amounts

### Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
	'000	'000	'000	'000	'000	
<b>Economic entity</b>						
<b>Statement of Financial Performance</b>						
<b>Revenue</b>						
<b>Revenue from exchange transactions</b>						
Meshing fees	36 723	3 385	<b>40 108</b>	40 108	-	
Entrance fees	201	98	<b>299</b>	448	<b>149</b>	A
Rental income	1 038	167	<b>1 205</b>	1 995	<b>790</b>	B
Hiring of facilities	247	96	<b>343</b>	1 647	<b>1 304</b>	C
Curio sales	131	42	<b>173</b>	432	<b>259</b>	D
Boat trips	51	7	<b>58</b>	56	<b>(2)</b>	E
Sundry revenue	60	154	<b>214</b>	1 146	<b>932</b>	F
Interest received - investment	509	72	<b>581</b>	624	<b>43</b>	G
<b>Total revenue from exchange transactions</b>	<b>38 960</b>	<b>4 021</b>	<b>42 981</b>	<b>46 456</b>	<b>3 475</b>	
<b>Revenue from non-exchange transactions</b>						
Government grants & subsidies	70 159	10 000	<b>80 159</b>	80 159	-	H- Rollovers approved
Donations income	-	-	-	434	<b>434</b>	
<b>Total revenue from non-exchange transactions</b>	<b>70 159</b>	<b>10 000</b>	<b>80 159</b>	<b>80 593</b>	<b>434</b>	
<b>Total revenue</b>	<b>109 119</b>	<b>14 021</b>	<b>123 140</b>	<b>127 049</b>	<b>3 909</b>	
<b>Expenditure</b>						
Employee related costs	(50 832)	(7 891)	<b>(58 723)</b>	(59 694)	<b>(971)</b>	I
Professional fees	(7 003)	(390)	<b>(7 393)</b>	(5 658)	<b>1 735</b>	J
Depreciation and amortisation	-	-	-	(10 675)	<b>(10 675)</b>	
Finance costs	-	-	-	(65)	<b>(65)</b>	
Debt Impairment	-	-	-	(347)	<b>(347)</b>	
Fuel and oil	(3 303)	(377)	<b>(3 680)</b>	(3 625)	<b>55</b>	K
Repairs and maintenance	(7 270)	(1 432)	<b>(8 702)</b>	(8 624)	<b>78</b>	L
General Expenses	(24 724)	(4 710)	<b>(29 434)</b>	(29 458)	<b>(24)</b>	M
<b>Total expenditure</b>	<b>(93 132)</b>	<b>(14 800)</b>	<b>(107 932)</b>	<b>(118 146)</b>	<b>(10 214)</b>	
<b>Operating surplus</b>	<b>15 987</b>	<b>(779)</b>	<b>15 208</b>	<b>8 903</b>	<b>(6 305)</b>	
Loss on disposal of assets and liabilities	-	-	-	(889)	<b>(889)</b>	
Fair value adjustments	-	-	-	(1 505)	<b>(1 505)</b>	
	-	-	-	<b>(2 394)</b>	<b>(2 394)</b>	
<b>Surplus before taxation</b>	<b>15 987</b>	<b>(779)</b>	<b>15 208</b>	<b>6 509</b>	<b>(8 699)</b>	
<b>Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement</b>	<b>15 987</b>	<b>(779)</b>	<b>15 208</b>	<b>6 509</b>	<b>(8 699)</b>	

## Statement of Comparison of Budget and Actual Amounts

### Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand thousand	'000	'000	'000	'000	'000	

### Reconciliation

All variances above 10% are explained below:

#### A - Entrance Fees

The overcollection of entrance fees are attributable to increase school visits and walk-ins.

#### B - Rental Income

There was an under collection on rental income due to less revenue collected with regards to billboard revenue.

#### C - Hire of Facilities

Under collection was attributed by the decrease in demand for the bookings on facilities.

#### D - Curio sales

Overcollection was attributed by increase of school visits.

#### E - Boat Trips

Under collection was attributed to bad weather conditions.

#### F - Sundry revenue

Over collection was attributed by canteen income and donations received.

#### G - Interest received - Investments

The interest received change is due to the more funds invested.

#### H - Rollovers of funds

Rollovers were approved related to commitments, accruals and SRT project.

**I - Employee related costs** The employee related costs variance was attributed by the organisational decisions related to capacity and the variance remains below 10%.

#### J - Professional fees

The professional fees were anticipated to be higher, whereas the actuals were much lower.

#### K - Fuel and oil

Under expenditure was attributed to the fact that the demand for fuel and oil by the entity was low.

#### L - Repairs and maintenance

The repairs and maintenance were underspent as a result of reduced need to repair and maintenance of the assets.

#### M- General expenses

General expenses budget variance was within the norm, with a variance within 10%.

**Capital expenditure budget 2024/2025** - The entity has an adjustment budget approved for capital expenditure of R15,820 million and actual expenditure R8,058 million spent in the current year.

## Statement of Comparison of Budget and Actual Amounts

### Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand thousand	'000	'000	'000	'000	'000	

### Controlling entity

### Statement of Financial Performance

#### Revenue

#### Revenue from exchange transactions

Meshing fees	36 723	3 385	<b>40 108</b>	40 108	-	
Entrance fees	201	98	<b>299</b>	448	<b>149</b>	A
Rental income	1 038	167	<b>1 205</b>	1 995	<b>790</b>	B
Hiring of facilities	247	96	<b>343</b>	1 647	<b>1 304</b>	C
Curio sales	131	42	<b>173</b>	432	<b>259</b>	D
Boat trips	51	7	<b>58</b>	56	<b>(2)</b>	E
Sundry revenue	60	154	<b>214</b>	1 146	<b>932</b>	F
Interest received - investment	509	72	<b>581</b>	623	<b>42</b>	G
<b>Total revenue from exchange transactions</b>	<b>38 960</b>	<b>4 021</b>	<b>42 981</b>	<b>46 455</b>	<b>3 474</b>	

#### Revenue from non-exchange transactions

#### Transfer revenue

Government grants & subsidies	70 159	10 000	<b>80 159</b>	80 159	-	H- Rollovers approved
Donations income	-	-	-	434	<b>434</b>	
<b>Total revenue from non-exchange transactions</b>	<b>70 159</b>	<b>10 000</b>	<b>80 159</b>	<b>80 593</b>	<b>434</b>	
<b>Total revenue</b>	<b>109 119</b>	<b>14 021</b>	<b>123 140</b>	<b>127 048</b>	<b>3 908</b>	

#### Expenditure

Employee related costs	(50 832)	(7 891)	<b>(58 723)</b>	(59 694)	<b>(971)</b>	I
Professional fees	(7 003)	(390)	<b>(7 393)</b>	(5 658)	<b>1 735</b>	J
Depreciation and amortisation	-	-	-	(10 675)	<b>(10 675)</b>	
Finance costs	-	-	-	(65)	<b>(65)</b>	
Debt impairment	-	-	-	(347)	<b>(347)</b>	
Fuel and oil	(3 303)	(377)	<b>(3 680)</b>	(3 625)	<b>55</b>	K
Repairs and maintenance	(7 270)	(1 432)	<b>(8 702)</b>	(8 624)	<b>78</b>	L
General Expenses	(24 724)	(4 710)	<b>(29 434)</b>	(29 403)	<b>31</b>	M
<b>Total expenditure</b>	<b>(93 132)</b>	<b>(14 800)</b>	<b>(107 932)</b>	<b>(118 091)</b>	<b>(10 159)</b>	
<b>Operating surplus</b>	<b>15 987</b>	<b>(779)</b>	<b>15 208</b>	<b>8 957</b>	<b>(6 251)</b>	
Loss on disposal of assets and liabilities	341	-	<b>341</b>	(889)	<b>(1 230)</b>	
Fair value adjustments	-	-	-	(1 505)	<b>(1 505)</b>	
	<b>341</b>	-	<b>341</b>	<b>(2 394)</b>	<b>(2 735)</b>	
<b>Surplus before taxation</b>	<b>16 328</b>	<b>(779)</b>	<b>15 549</b>	<b>6 563</b>	<b>(8 986)</b>	
<b>Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement</b>	<b>16 328</b>	<b>(779)</b>	<b>15 549</b>	<b>6 563</b>	<b>(8 986)</b>	

## Statement of Comparison of Budget and Actual Amounts

### Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand thousand	'000	'000	'000	'000	'000	

### Reconciliation

All variances above 10% are explained below:

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#### F - Sundry revenue

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#### G - Interest received - Investments

The interest received change is due to the more funds invested.

#### H - Rollovers of funds

Rollovers were approved related to commitments, accruals and SRT project.

**I - Employee related costs** The employee related costs variance was attributed by the organisational decisions related to capacity and the variance remains below 10%.

#### J - Professional fees

The professional fees were anticipated to be higher, whereas the actuals were much lower.

#### K - Fuel and oil

Under expenditure was attributed to the fact that the demand for fuel and oil by the entity was low.

#### L - Repairs and maintenance

The repairs and maintenance were underspent as a result of reduced need to repair and maintenance of the assets.

#### M- General expenses

General expenses budget variance was within the norm, with a variance within 10%.

**Capital expenditure budget 2024/2025** - The entity has an adjustment budget approved for capital expenditure of R15,820 million and actual expenditure R8,058 million spent in the current year.



## Significant Accounting Policies

### 1. Significant accounting policies.

The KZN Sharks Board Group (the controlling Entity) is a Schedule 3 C Public Entity in terms of the Public Finance Management Act, 1999. The Group consists of KZN Sharks Board and the Shark Repellent Group.

These consolidated annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

The significant accounting policies applied in the preparation of these annual financial statements are set out below.

#### 1.1 Going concern assumption

These consolidated annual financial statements have been prepared based on the expectation that the group will continue to operate as a going concern for at least the next 12 months.

#### 1.2 Materiality

Omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

The entity does not retrospectively adjust the accounting of past items (or group of items) that were previously assessed as immaterial, unless an error occurred.

#### 1.3 Basis of preparation

The annual consolidated financial statements have been prepared in accordance with the effective Standards of Generally Recognized Accounting Practice (GRAP) as issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act, (Act No.1 of 1999).

In the absence of an issued and effective Standard of GRAP, accounting policies for material transactions, events or conditions were developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 as read with Directive 5.

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

The principal accounting policies, applied in the preparation of these annual financial statements, are set out below. These accounting policies are consistent with those applied in the preparation of the prior year annual financial statements, unless specified otherwise.

#### 1.4 Significant judgements and sources of estimation uncertainty

In preparing the Consolidated Annual Financial Statements, management is required to make estimates and

## Significant Accounting Policies

assumptions that affect the amounts represented in the Consolidated Annual Financial Statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the Consolidated Annual Financial Statements. Significant judgements and sources of estimation uncertainty include:

### Trade receivables / Held to maturity investments and/or loans and receivables

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

The impairment for trade receivables, held to maturity investments and loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

### Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the [name a key assumption] assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.

The economic Entity reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors such as list economic factors such as exchange rates inflation interest.

### Provisions

Provisions are measured as the present value of the estimated future outflows required to settle the obligation. In the process of determining the best estimate of the amounts that will be required in future to settle the provision management considers the weighted average probability of the potential outcomes of the provisions raised. This measurement entails determining what the different potential outcomes are for a provision as well as the financial impact of each of those potential outcomes. Management then assigns a weighting factor to each of these outcomes based on the probability that the outcome will materialise in future. The factor is then applied to each of the potential outcomes and the factored outcomes are then added together to arrive at the weighted average value of the provisions.

### Estimates

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

## Significant Accounting Policies

basis. Changes in estimates that are not due to errors are processed in the period of the review and applied prospectively. In the process of applying the group's accounting policies the following estimates, were made:

### Depreciation and amortisation

Depreciation and amortisation recognised on property, plant and equipment and intangible assets are determined with reference to the useful lives and residual values of the underlying items. The useful lives and residual values of assets are based on management's estimation of the asset's condition, expected condition at the end of the period of use, its current use, expected future use and the Entity's expectations about the availability of finance to replace the asset at the end of its useful life. In evaluating the how, the condition and use of the asset informs the useful life and residual value, management considers the impact of technology and minimum service requirements of the assets.

### 1.5 Revenue from exchange transactions

An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

### Measurement

Revenue from exchange transactions is measured at the fair value of the consideration received or receivable taking into account the amount of any trade discounts and volume rebates allowed by the Entity.

### Expenditure from Exchange Transactions

The accounting policy for expenditure arising from exchange-transactions is similar to the policy for exchange revenue.

### Meshing revenue

Revenue from meshing revenue is recognised on the completion of the monthly servicing of shark safety gear.

### Entrance fees

Revenue from entrance fees is recognised upon receipt on the cash basis.

### Boat tours

Revenue from boat tours is recognised upon receipt on the cash basis.

### Curio sales

Revenue from curio sales is recognised at the point of sale when customers pay for the items at the curio shop.

### Rental revenue

Rental revenue from operating leases is recognised on a straight-line basis over the term of the lease or the systematic basis is more representative of the time pattern in which benefit derived from the leased asset is diminished.

### Hiring of facilities

Revenue from the hiring of facilities is recognised once the function in respect of the facilities hired has taken place.

## Significant Accounting Policies

### Interest, royalties and dividends

Revenue arising from the use by others of Entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

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

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

Royalties are recognised as they are earned in accordance with the substance of the relevant agreements.

Dividends or similar distributions are recognised, in surplus or deficit, when the Entity's right to receive payment has been established.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

### 1.6 Revenue from non-exchange transactions

#### Government Grants

Government grants are not recognised until there is reasonable assurance that the Entity will comply with the conditions attached to the grant and the grants will be received.

Government grants that are receivable as compensation for operating expenses incurred or for the purpose of giving financial support to the Entity are recognised in the statement of financial performance in the period in which they become receivable.

### 1.7 Leases

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

When a lease includes both land and buildings elements, the Entity assesses the classification of each element separately.

#### Finance leases - lessee

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risk and rewards of ownership to the lessee. Other leases are classified as operating leases.

Assets held under finance leases are initially recorded as assets at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance

## Significant Accounting Policies

charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the statement of financial performance.

### Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

Income for leases is disclosed under revenue in statement of financial performance.

### Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

### 1.8 Retirement benefit costs

Employee benefits are all forms of consideration given by an Entity in exchange for service rendered by employees.

#### Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an Entity pays fixed contributions into a separate Entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to the Entity during a reporting period, the Entity recognise the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, an Entity recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the obligation.

Contributions to defined contribution retirement benefit plans are recognised when employees have rendered service entitling them to the contributions.

#### Post-employment benefits: Defined benefit plans

Assets held by a long-term employee benefit fund are assets (other than non-transferable financial instruments issued by the reporting Entity) that are held by an Entity (a fund) that is legally separate from the reporting Entity



## Significant Accounting Policies

### 1.8 Retirement benefit costs (continued)

and exists solely to pay or fund employee benefits and are available to be used only to pay or fund employee benefits, are not available to the reporting Entity's own creditors (even in liquidation), and cannot be returned to the reporting Entity, unless either:

- the remaining assets of the fund are sufficient to meet all the related employee benefit obligations of the plan or the reporting Entity; or
- the assets are returned to the reporting Entity to reimburse it for employee benefits already paid.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

Plan assets comprise assets held by a long-term employee benefit fund and qualifying insurance policies.

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The return on plan assets is interest, dividends other revenue derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of administering the plan (other than those included in the actuarial assumptions used to measure the defined benefit obligation) and less any tax payable by the plan itself.

- the amount determined above; and
- the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined using a discount rate which reflects the time value of money.

Any adjustments arising from the limit above is recognised in surplus or deficit.

The Entity determine the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the consolidated annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

The Entity recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- interest cost;
- the expected return on any plan assets and on any reimbursement rights;
- actuarial gains and losses;

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

## Significant Accounting Policies

For defined benefit retirement plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at year end. Actuarial gains and losses are recognised in full in the statement of financial performance in the period that it occurs. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs, and is reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to unrecognised actuarial losses and past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

### Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
  - those changes were enacted before the reporting date; or
  - past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

## Significant Accounting Policies

A gain or loss arising from a change in fair value is included in net surplus or deficit for the period in which it arises.

Once the Entity becomes able to measure reliably the fair value of an investment property under construction that has previously been measured at cost, it measures that property at its fair value. Once construction of that property is complete, it is presumed that fair value can be measured reliably. If this is not the case, the property is accounted for using the cost model in accordance with the accounting policy on Property, plant and equipment.

Investment property, which is property held to earn rentals and/ or for capital appreciation, is measured initially at its cost. Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in the fair value of investment property are included in the statement of financial performance.

An investment property shall be derecognised.

- (a) on disposal (including disposal through a non-exchange transaction or
- (b) when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

### 1.9 Investment property

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

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

### Fair value

Subsequent to initial measurement investment property is measured at fair value.

The fair value of investment property reflects market conditions at the reporting date.

## Significant Accounting Policies

changes in the fair value of investment property are included in the statement of financial performance.

### 1.10 Property, plant and equipment

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses. The property, plant and equipment is measured using the cost model.

Major spare parts and servicing equipment qualify as property, plant and equipment when the Entity expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

#### Subsequent measurement

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

#### Subsequent expenditure

Where the Entity replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component.

Subsequent expenditure including major spare parts and servicing equipment qualify as property, plant and equipment if the recognition criteria are met.

#### Depreciation

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The depreciable amount is determined after taking into account an asset's residual value, where applicable Entity.

The assets' residual values, useful lives and depreciation methods are reviewed at each financial year-end and adjusted prospectively, if appropriate. The below estimated useful lives are the accepted norm and in certain instances the assets would be fully depreciated as they are at the end of their useful lives but still in use. This is mainly due to the fact that the budget is insufficient to replace the asset and therefore the asset will continue to be used and carried at R1 until such time that there is sufficient budget to replace the asset.

These useful lives of assets are assessed yearly and where the requirements of GRAP17 were correctly applied in prior periods but expectations changed after year end, then the adjustment will result in a change in accounting estimate (i.e. an adjustment to depreciation) and not an error. However, if requirements of GRAP 17 were not correctly applied in prior periods, the adjustment results in an error in accordance with GRAP3.

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

## Significant Accounting Policies

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

Item	Depreciation method	Average useful life
Land	Straight-line	infinite years
Buildings	Straight-line	20 - 50 years
Aircraft	Straight-line	5 - 20 years
Vehicles	Straight-line	5 - 20 years
Computer equipment	Straight-line	3 - 30 years
Boats	Straight-line	5 - 25 years
Boats Motors	Straight-line	3 - 20 years
Furniture	Straight-line	4 - 15 years
Other equipment	Straight-line	4 - 60 years
Aircraft engine	Straight-line	2,000 hours

### Residual Values

For tangible assets, such as property, plant and equipment an asset only has a residual value when the useful life of an asset (the period the asset is used or available for use by the Entity) is shorter than economic life of an asset (the period(s) the asset is used or available for use by all users or owners of the asset). Where Entity plans to use its asset for its entire economic life, the residual value is considered negligible.

### Impairments

The Entity tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

Where items of property, plant and equipment have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the Statement of Financial Performance in the period that the impairment is identified. An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of the impairment is recognised in the Statement of Financial Performance.

### Derecognition

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.



## Significant Accounting Policies

### 1.11 Impairment of intangible assets

The Entity tests intangible assets with finite useful lives for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is performed at each reporting date. Where the carrying amount of an item of an intangible asset is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

#### Derecognition

Intangible assets are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

### 1.12 Inventories

#### Initial recognition and measurement

Inventories comprise consumption or distribution during the ordinary course of business.

#### Subsequent measurement

Inventories, consisting of consumable stores and finished goods (FG), are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost. The basis of determining cost is the weighted-average method.

Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values.

Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction of inventories recognised as an expense in the period in which the reversal occurs.

#### Derecognition

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

### 1.13 Provisions and contingencies

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle the obligation, and a reliable estimate can be made of the obligation.

### 1.14 Financial instruments

#### Initial recognition

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

The Entity recognises financial assets using trade date accounting.

## Significant Accounting Policies

Upon initial recognition the Entity classifies financial instruments or their component parts as a financial liabilities, financial assets or residual interests in conformity with the substance of the contractual arrangement and to the extent that the instrument satisfies the definitions of a financial liability, a financial asset or a residual interest.

Financial instruments are evaluated, based on their terms, to determine if those instruments contain both liability and residual interest components (i.e. to assess if the instruments are compound financial instruments). To the extent that an instrument is in fact a compound instrument, the components are classified separately as financial liabilities and residual interests as the case may be.

### Initial measurement of financial assets and financial liabilities

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

The Entity measures a financial asset and financial liability initially at its fair value [if subsequently measured at fair value].

The Entity first assesses whether the substance of a concessionary loan is in fact a loan. On initial recognition, the Entity analyses a concessionary loan into its component parts and accounts for each component separately. The Entity accounts for that part of a concessionary loan that is:

- a social benefit in accordance with the Framework for the Preparation and Presentation of Financial Statements, where it is the issuer of the loan; or
- non-exchange revenue, in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers), where it is the recipient of the loan.

### Subsequent measurement of financial assets and financial liabilities

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

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

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

All financial assets and financial liabilities are measured after initial recognition using the following categories.

### Financial instruments at fair value

Compound instruments that are designated at fair value i.e. an instrument that includes a derivative and a non-derivative host contract.

### Instruments held for trading

Non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition. The criteria used to make this designation are as follows:

- An investment in a residual interest for which fair value can be measured reliably,
- Financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost,

## Significant Accounting Policies

### Financial instruments at amortised cost

Non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that the Entity designates at fair value at initial recognition or are held for trading.

### Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

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

### Impairment and uncollectibility of financial assets

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

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

### Derecognition

#### Financial assets

The Entity derecognises financial assets using trade date accounting.

The Entity derecognises a financial asset only when:

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

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

## Significant Accounting Policies

### 1.14 Financial instruments (continued)

If the Entity transfers a financial asset in a transfer that qualifies for derecognition in its entirety and retains the right to service the financial asset for a fee, it recognise either a servicing asset or a servicing liability for that servicing contract. If the fee to be received is not expected to compensate the Entity adequately for performing the servicing, a servicing liability for the servicing obligation is recognised at its fair value. If the fee to be received is expected to be more than adequate compensation for the servicing, a servicing asset is recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

If, as a result of a transfer, a financial asset is derecognised in its entirety but the transfer results in the Entity obtaining a new financial asset or assuming a new financial liability, or a servicing liability, the Entity recognise the new financial asset, financial liability or servicing liability at fair value.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition in its entirety, the previous carrying amount of the larger financial asset is allocated between the part that continues to be recognised and the part that is derecognised, based on the relative fair values of those parts, on the date of the transfer. For this purpose, a retained servicing asset is treated as a part that continues to be recognised. The difference between the carrying amount allocated to the part derecognised and the sum of the consideration received for the part derecognised is recognised in surplus or deficit.

If a transfer does not result in derecognition because the Entity has retained substantially all the risks and rewards of ownership of the transferred asset, the Entity continue to recognise the transferred asset in its entirety and recognise a financial liability for the consideration received. In subsequent periods, the Entity recognises any revenue on the transferred asset and any expense incurred on the financial liability. Neither the asset, and the associated liability nor the revenue, and the associated expenses are offset.

### Financial liabilities

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

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another Entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

## Significant Accounting Policies

### Financial liabilities - Trade payables

Trade payables are initially measured at fair value. The trade payables are subsequently measured at amortised cost using the effective interest method, with interest expense recognized on an effective yield basis, except for short-term trade payables when recognition of interest would be immaterial.

### Project Funds

Project funds are performance obligation to an agreement with another party or parties where the Entity receives funds in carrying out the performance obligation. These are measured on agreed monetary value of the service required.

### Financial assets - Loans and receivables

Trade and other receivables are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition and subsequently stated at amortised cost, less provision for impairment. All trade and other receivables are assessed at least annually for possible impairment. Impairments of trade and other receivables are determined in accordance with the accounting policy for impairments. Impairment adjustments are made through the use of an allowance account.

Bad debts are written off in the year in which they are identified as irrecoverable. Amounts receivable within 12 months from the reporting date are classified as current. Interest is charged on overdue accounts.

### Financial assets - Cash and cash equivalents

Cash and cash equivalents are measured at amortised cost.

Cash includes cash on hand and cash with banks. Cash equivalents are short-term highly liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents comprise cash on hand and deposits held on call with banks.

### 1.15 Fruitless and wasteful expenditure

Fruitless expenditure as defined in section 1 of the PFMA means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

Fruitless and wasteful expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).



## Significant Accounting Policies

### 1.16 Commitments

Commitments are items/transactions that the Entity has committed itself, before reporting date, to future transactions that will normally result in the outflow of cash. These transactions are transactions that are not recorded, or accounted for, elsewhere on the financial statements.

Commitment transactions are disclosed in the notes to the financial statement as required by GRAP1, GRAP 13, GRAP 17, and GRAP 31. GRAP 19 prescribes that the following information should be disclosed:

- Distinction between operational (current expenditure) and capital (capital expenditure) commitments
- The aggregate amount of operational (current expenditure) and capital expenditure contracted for at the reporting date, to the extent that the amount has not been recorded in the financial statements; and
- If a commitment is for a period longer than a year, it should be stated in the note.

### 1.17 Related parties

The Entity has processes and controls in place to aid in the identification of related parties. A related party is a person or an Entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an Entity that is subject to common control, or joint control. Related party relationships where control exists are disclosed regardless of whether any transactions took place between the parties during the reporting period.

Where transactions occurred between the Entity and any one or more related parties, and those transactions were not within:

A normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the Entity to have adopted if dealing with that individual Entity or person in the same circumstances; and

Terms and conditions within the normal operating parameters established by the reporting Entity's legal mandate;

Further details about those transactions are disclosed in the notes to the financial statements.

### 1.18 Share capital / contributed capital

An equity instrument is any contract that evidences a residual interest in the assets of an group after deducting all of its liabilities.

### 1.19 Budget information

The approved budget covers the fiscal period from 2024/04/01 to 2025/03/31.

### Comparative information is not required.

The reconciliation between the budget and the statement of financial performance includes adjustments to amounts in the financial statements for timing differences which were made to express the actual amounts on a comparable basis to the final approved budget.

## Significant Accounting Policies

### Budget basis

The budget is approved on an accrual basis by nature classification. The budget and accounting bases are the same; both are on accrual basis. The financial statements are prepared using a classification on the nature of expenses in the statement of financial performance.

Budget information in accordance with GRAP 1 and 24, has been provided in a separate disclosure note to these annual financial statements.

### 1.20 Impairment of cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

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

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

A cash-generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:

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

### 1.21 Borrowing costs

Borrowing costs are interest and other expenses incurred by an Entity in connection with the borrowing of funds.

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

## Significant Accounting Policies

### 1.22 Comparative figures

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

#### Prior year comparatives

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are also reclassified and restated, unless such comparative reclassification and / or restatement is not required by a Standard of GRAP. The nature and reason for such reclassifications and restatements are also disclosed.

Where material accounting errors, which relate to prior periods, 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. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly.

The presentation and classification of items in the current year is consistent with prior periods.

### 1.23 Irregular expenditure

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including -

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

National Treasury practice note no. 2 of 2019/2020 which was issued and effective requires the following:

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

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

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

- a) condoned by the relevant authority if no official was found to be liable in law;
- b) recovered from an official liable in law;
- c) written-off if it's irrecoverable from an official liable in law; or
- d) written-off if its not condoned and not recoverable.

### 1.24 Basis of preparations

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999).

## Significant Accounting Policies

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

These accounting policies are consistent with the previous period.

### 1.25 Presentation currency

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

### 1.26 Contingent liability

A contingent liability is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the Entity; or a present obligation that arises from past events but is not recognised because: (i) it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or (ii) the amount of the possible obligation cannot be measured.

### 1.27 Surplus or Deficit

Gains and Losses

Gains and losses arising from fair value adjustments on the disposal of assets and foreign exchange, are presented separately from other revenue in the Statement of Financial Performance.

Income, expenditure, gains and losses are recognised in surplus or deficit except for the exceptional cases where recognition directly in net assets is specifically allowed or required by a Standard of GRAP.

### 1.28 Events after reporting date

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

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

The economic Entity will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The economic Entity will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

## Notes to the Annual Financial Statements

### 2. New standards and interpretations

#### 2.1 Standards and interpretations issued, but not yet effective

The economic entity has not applied the following standards and interpretations, which have been published and are mandatory for the economic entity's accounting periods beginning on or after 01 April 2025 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• iGRAP 22 Foreign Currency Transactions and Advance Consideration	01 April 2025	Unlikely there will be a material impact
• GRAP 104 (as revised): Financial Instruments	01 April 2025	Unlikely there will be a material impact

### 3. Inventories

Trading goods	1 612	1 167	1 612	1 167
Materials	4 965	3 574	4 965	3 574
	<b>6 577</b>	<b>4 741</b>	<b>6 577</b>	<b>4 741</b>

#### Movement in Inventory

No inventory pledged as security during the year.

#### Movement in Inventory

Opening Balance	4 741	4 843	4 741	4 843
Add: Purchases	8 045	6 147	8 045	6 147
Less: Costs of sales	(321)	(382)	(321)	(382)
Less: Consumables	(5 888)	(5 867)	(5 888)	(5 867)
	<b>6 577</b>	<b>4 741</b>	<b>6 577</b>	<b>4 741</b>

### 4. Receivables from exchange transactions

Other receivables	577	551	577	551
SRT Group - subsidiary	-	-	1 409	1 306
Trade Receivables	14 343	6 734	14 343	6 734
Provision for debt impairment	(6 260)	(4 680)	(6 260)	(5 986)
	<b>8 660</b>	<b>2 605</b>	<b>10 069</b>	<b>2 605</b>

#### Trade and other receivables impaired

As of 31 March 2025, trade and other receivables of R 10.069 million - (2024: R2.605 million -) were impaired and provided for.

The amount of the provision was R 6.260 million as of 31 March 2025 (2024: R5.986 million -) was recognised as an impairment for receivables.

Majority of the provision relates to receivables for meshing services provided by the entity that were in dispute as at year end.

### 5. Prepayments

During the year, the entity made a prepayment to CSIR which was approved by Provincial Treasury.

Prepayments	2 699	326	2 699	326
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## Notes to the Annual Financial Statements

	Economic entity		Controlling entity	
	2025 '000	2024 '000	2025 '000	2024 '000

### 6. Deposit - receivables

Deposit	513	505	513	505
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The deposits of R0,505 million relate to security deposits for electricity, fuel as well as security held for rent on leased properties.

### 7. Loans to Group Companies

Shark Repellent Technology	-	-	6 490	6 490
Shark Repellent Project	-	-	2 515	2 515
Provision for doubtful debt - SRT Group	-	-	(9 005)	(9 005)
	-	-	-	-

Provision for doubtful debt relates Shark Repellent Technology (Pty) Ltd and its subsidiary Shark Repellent Projects (Pty) Ltd.

### 8. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	16	3	16	3
Bank balances	7 899	1 927	7 873	1 898
Short-term deposits	842	4 032	842	4 032
	<b>8 757</b>	<b>5 962</b>	<b>8 731</b>	<b>5 933</b>

## Notes to the Annual Financial Statements

	Economic entity		Controlling entity	
	2025 '000	2024 '000	2025 '000	2024 '000

### 8. Cash and cash equivalents (continued)

#### The entity had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	31 March 2025	31 March 2024	31 March 2023	31 March 2025	31 March 2024	31 March 2023
ABSA BANK - Account Type - Investment, short term	754	706	4	754	706	4
Nedbank BANK - Account Type - Investment, short term	37	34	31	37	34	31
ABSA BANK - Account Type - Investment, short term	21	3 264	8	21	3 264	8
ABSA BANK - Account Type - Main account	7 706	1 721	779	7 706	1 721	779
ABSA BANK - Account Type - salaries account	144	171	12	137	148	20
Investec BANK - Account Type - Investment, short term	-	-	36	-	-	36
ABSA BANK - Account Type - Maritime	30	29	28	30	29	28
ABSA BANK - Account Type - Petty Cash	-	-	-	16	3	10
Standard BANK - Account Type - Investment, short term	30	28	57	30	28	57
Account number / description	Bank statement balances			Cash book balances		
	31 March 2025	31 March 2024	31 March 2023	31 March 2025	31 March 2024	31 March 2023
ABSA Bank - SharkRepellent Technology &SRP	26	29	35	26	29	35
Standard Bank Investment- Shark RepellentTechnology	-	-	1 603	-	-	1 603
<b>Total</b>	<b>8 748</b>	<b>5 982</b>	<b>2 593</b>	<b>8 757</b>	<b>5 962</b>	<b>2 611</b>

## Notes to the Annual Financial Statements

	Economic entity		Controlling entity	
	2025 '000	2024 '000	2025 '000	2024 '000

### 9. Investment property

Economic entity	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	11 295	-	11 295	12 640	-	12 640

Controlling entity	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	11 295	-	11 295	12 640	-	12 640

#### Reconciliation of investment property - Economic entity - 2025

	Opening balance	Additions	Fair value adjustments	Total
Investment property	12 640	160	(1 505)	11 295

#### Reconciliation of investment property - Economic entity - 2024

	Opening balance	Fair value adjustments	Total
Investment property	10 550	2 090	12 640

#### Reconciliation of investment property - Entity - 2025

	Opening balance	Additions	Fair value adjustments	Total
Investment property	12 640	160	(1 505)	11 295

#### Reconciliation of investment property - Entity - 2024

	Opening balance	Fair value adjustments	Total
Investment property	10 550	2 090	12 640

#### Pledged as security

No investment property assets were pledge as security and no restriction against these assets during the year.

#### Details of property

There is no repairs and maintenance that were incurred.

#### 1204 Chartwell Height

## Notes to the Annual Financial Statements

Economic entity		Controlling entity	
2025 '000	2024 '000	2025 '000	2024 '000

### 9. Investment property (continued)

On the 9th of March 2018, the board took a resolution in line with the revenue generation initiative, as well as take advantage of the growing prospect of Umhlanga as an economic hub, to convert the flat at 1204 Chartwell Height which was previously utilised as accommodation for employees to investment property.

#### Portion 53 of Erf 391 Springfield

On the 3rd of March 2023, the Board took a resolution in line with the revenue generation initiative to convert Portion 53 of Erf 391 Springfield from own use to investment property

Section 24 SS Chimanimani

On the 3rd of March 2023, the Board took a resolution in line with the revenue generation initiative to convert the Section 24 SS Chimanimani flat in Richards Bay which was previously utilised as accommodation for employees to investment property

#### Details of valuation

The valuation for the three investment properties was undertaken on a completely independent basis by Spectrum Valuations & Asset solutions as at 31 March 2025.

The method of valuation used was based on market value. Market Value is defined by the IVS, as adopted by the SA Council for the Property Valuers' Profession as being: "The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

#### Amounts recognised in surplus or deficit

Rental revenue from Investment property	1 234	1 247	1 234	1 247
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#### From Investment property that generated rental revenue

Direct operating expenses (excluding repairs and maintenance)	613	1 313	613	1 313
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### 10. Property, plant and equipment

Economic entity	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	1 012	-	1 012	1 012	-	1 012
Buildings	107 099	(73 213)	33 886	105 029	(68 451)	36 578
Other equipment & furniture	26 882	(14 014)	12 868	26 800	(12 312)	14 488
Motor vehicles & Trailers	22 271	(14 271)	8 000	22 390	(12 662)	9 728
Computer equipment	5 852	(2 876)	2 976	6 588	(3 867)	2 721
Boats	4 088	(3 388)	700	4 423	(3 879)	544
Boat Motors	7 446	(3 300)	4 146	8 342	(3 156)	5 186
Finance lease assets	474	(145)	329	839	(708)	131
Aircraft	-	-	-	1 598	(650)	948
Aircraft Engine	-	-	-	296	(209)	87
Infrastructure - SRT Project	4 009	-	4 009	4 009	-	4 009
<b>Total</b>	<b>179 133</b>	<b>(111 207)</b>	<b>67 926</b>	<b>181 326</b>	<b>(105 894)</b>	<b>75 432</b>

## Notes to the Annual Financial Statements

	Economic entity		Controlling entity	
	2025 '000	2024 '000	2025 '000	2024 '000

### 10. Property, plant and equipment (continued)

Controlling entity	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	1 012	-	1 012	1 012	-	1 012
Buildings	107 099	(73 213)	33 886	105 029	(68 451)	36 578
Other equipment and furniture	26 882	(14 014)	12 868	26 800	(12 312)	14 488
Motor vehicles & Trailers	22 271	(14 271)	8 000	22 390	(12 662)	9 728
Computer equipment	5 852	(2 876)	2 976	6 588	(3 867)	2 721
Boats	4 088	(3 388)	700	4 423	(3 879)	544
Boat Motors	7 446	(3 300)	4 146	8 342	(3 156)	5 186
Finance lease assets	474	(145)	329	839	(708)	131
Aircraft	-	-	-	1 598	(650)	948
Aircraft Engine	-	-	-	296	(209)	87
Infrastructure - SRT Project	4 009	-	4 009	4 009	-	4 009
<b>Total</b>	<b>179 133</b>	<b>(111 207)</b>	<b>67 926</b>	<b>181 326</b>	<b>(105 894)</b>	<b>75 432</b>

#### Reconciliation of property, plant and equipment - Economic entity - 2025

	Opening balance	Additions	Disposals	Donations received	Depreciation	Total
Land	1 012	-	-	-	-	1 012
Buildings	36 578	2 848	(562)	-	(4 978)	33 886
Other equipment and furniture	14 488	424	(41)	-	(2 003)	12 868
Motor vehicles & Trailers	9 728	149	(25)	-	(1 852)	8 000
Computer equipment	2 721	885	(65)	-	(565)	2 976
Boats	544	-	-	278	(122)	700
Boats Motors	5 186	-	(614)	156	(582)	4 146
Finance lease assets	131	474	-	-	(276)	329
Aircraft	948	-	(883)	-	(65)	-
Aircraft Engine	87	-	(87)	-	-	-
Infrastructure - SRT Project	4 009	-	-	-	-	4 009
	<b>75 432</b>	<b>4 780</b>	<b>(2 277)</b>	<b>434</b>	<b>(10 443)</b>	<b>67 926</b>



## Notes to the Annual Financial Statements

	Economic entity		Controlling entity	
	2025 '000	2024 '000	2025 '000	2024 '000

### 10. Property, plant and equipment (continued)

#### Reconciliation of property, plant and equipment - Economic entity - 2024

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Land	1 012	-	-	-	-	1 012
Buildings	37 168	4 405	(88)	-	(4 907)	36 578
Other equipment and furniture	13 606	2 845	(64)	-	(1 899)	14 488
Motor vehicles & trailers	12 288	-	(137)	-	(2 423)	9 728
Computer equipment	2 726	613	(20)	31	(629)	2 721
Boats	660	-	-	-	(116)	544
Boats Motors	5 813	-	-	-	(627)	5 186
Finance lease assets	444	-	-	(30)	(283)	131
Aircraft	876	174	-	-	(102)	948
Aircraft engine	87	-	-	-	-	87
Infrastructure - SRT Project	2 399	1 810	-	(200)	-	4 009
	<b>77 079</b>	<b>9 847</b>	<b>(309)</b>	<b>(199)</b>	<b>(10 986)</b>	<b>75 432</b>

## Notes to the Annual Financial Statements

Figures in Rand thousand

### 10. Property, plant and equipment (continued)

#### Reconciliation of property, plant and equipment - Entity - 2025

	Opening balance	Additions	Disposals	Donations received	Depreciation	Total
Land	1 012	-	-	-	-	1 012
Buildings	36 578	2 848	(562)	-	(4 978)	33 886
Other equipment and furniture	14 488	424	(41)	-	(2 003)	12 868
Motor vehicles & trailers	9 728	149	(25)	-	(1 852)	8 000
Computer equipment	2 721	885	(65)	-	(565)	2 976
Boats	544	-	-	278	(122)	700
Boats Motors	5 186	-	(614)	156	(582)	4 146
Finance lease assets	131	474	-	-	(276)	329
Aircraft	948	-	(883)	-	(65)	-
Aircraft Engine	87	-	(87)	-	-	-
Infrastructure - SRT Project	4 009	-	-	-	-	4 009
	<b>75 432</b>	<b>4 780</b>	<b>(2 277)</b>	<b>434</b>	<b>(10 443)</b>	<b>67 926</b>

#### Reconciliation of property, plant and equipment - Entity - 2024

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Land	1 012	-	-	-	-	1 012
Buildings	37 168	4 405	(88)	-	(4 907)	36 578
Other equipment and furniture	13 606	2 845	(64)	-	(1 899)	14 488
Motor vehicles & Trailers	12 288	-	(137)	-	(2 423)	9 728
Computer equipment	2 726	613	(20)	31	(629)	2 721
Boats	660	-	-	-	(116)	544
Boat Motors	5 813	-	-	-	(627)	5 186
Finance lease assets	444	-	-	(30)	(283)	131
Aircraft	876	174	-	-	(102)	948
Aircraft Engine	87	-	-	-	-	87
Infrastructure - SRT Project	2 399	1 810	-	(200)	-	4 009
	<b>77 079</b>	<b>9 847</b>	<b>(309)</b>	<b>(199)</b>	<b>(10 986)</b>	<b>75 432</b>

## Notes to the Annual Financial Statements

	Economic entity		Controlling entity	
	2025 '000	2024 '000	2025 '000	2024 '000

### 10. Property, plant and equipment (continued)

#### Pledged as security

Carrying value of assets were not pledged as security and no restriction against these assets during the financial year.

#### Assets subject to finance lease (Net carrying amount)

Other equipment	329	131	329	131
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#### Reconciliation of Infrastructure - (SRT Project) - 2025

	Infrastructure - SRT Project during the year	Total
Opening balance	4 009	4 009

#### Reconciliation of Infrastructure - (SRT Project) - 2024

	Infrastructure - SRT Project during the year	Total
Opening balance	2 399	2 399
Additions/capital expenditure	1 810	1 810
Other movements	(200)	(200)
	<b>4 009</b>	<b>4 009</b>

#### Expenditure incurred to repair and maintain property, plant and equipment

##### Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance

Buildings	3 660	2 111	3 660	2 111
Vehicles	1 057	102	1 057	102
Boats	1 475	240	1 475	240
Aircraft	472	302	472	302
Equipment & Furniture	1 960	2	1 960	2
	<b>8 624</b>	<b>2 757</b>	<b>8 624</b>	<b>2 757</b>

#### Other information

There are no delayed or halted projects in relation to property, plant and equipment. The proceeds from sale of property, plant and equipment in 2025 R1.388 million and 2024 R0.533 million.

During the current financial year, assets with a total carrying amount of R2,799 million, comprising of scrapped assets, were disposed of.

There were no impairments to revenue generated assets during the financial year.

During the current financial year certain assets' useful lives were revised. Refer to note 36 .

There were prior year errors. Refer note 35 .

## Notes to the Annual Financial Statements

	Economic entity		Controlling entity	
	2025 '000	2024 '000	2025 '000	2024 '000

### 11. Intangible assets

Economic entity	2025			2024		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Patents	386	(22)	364	386	(3)	383
Computer software	4 480	(2 255)	2 225	3 739	(2 033)	1 706
<b>Total</b>	<b>4 866</b>	<b>(2 277)</b>	<b>2 589</b>	<b>4 125</b>	<b>(2 036)</b>	<b>2 089</b>

Controlling entity	2025			2024		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Patents	386	(22)	364	386	(3)	383
Computer software	4 480	(2 255)	2 225	3 739	(2 033)	1 706
<b>Total</b>	<b>4 866</b>	<b>(2 277)</b>	<b>2 589</b>	<b>4 125</b>	<b>(2 036)</b>	<b>2 089</b>

#### Reconciliation of intangible assets - Economic entity - 2025

	Opening balance	Additions	Amortisation	Total
Patents	383	-	(19)	364
Computer software	1 706	570	(51)	2 225
	<b>2 089</b>	<b>570</b>	<b>(70)</b>	<b>2 589</b>

#### Reconciliation of intangible assets - Economic entity - 2024

	Opening balance	Additions	Amortisation	Total
Patents	-	386	(3)	383
Computer software	1 751	141	(186)	1 706
	<b>1 751</b>	<b>527</b>	<b>(189)</b>	<b>2 089</b>

#### Reconciliation of intangible assets - Controlling entity - 2025

	Opening balance	Additions	Amortisation	Total
Patents	383	-	(19)	364
Computer software	1 706	570	(51)	2 225
	<b>2 089</b>	<b>570</b>	<b>(70)</b>	<b>2 589</b>

## Notes to the Annual Financial Statements

	Economic entity		Controlling entity	
	2025 '000	2024 '000	2025 '000	2024 '000

### 11. Intangible assets (continued)

#### Reconciliation of intangible assets - Controlling entity - 2024

	Opening balance	Additions	Amortisation	Total
Patents	-	386	(3)	383
Computer software	1 751	141	(186)	1 706
	<b>1 751</b>	<b>527</b>	<b>(189)</b>	<b>2 089</b>

#### Pledged as security

No intangible assets were pledged as security and no restriction against these assets during the financial year.

### 12. Investment in Group Companies

Investment SRT	350	350	350	350
Provision For Impairment -SRT Investment	(350)	(350)	(350)	(350)
	-	-	-	-

Impairment on investment relates to Shark Repellent Technology and its subsidiary Shark Repellent Projects (Pty) Ltd.

### 13. Finance lease obligation

#### Minimum lease payments due

- within one year	156	72	156	72
- in second to fifth year inclusive	191	-	191	-
- later than five years	-	-	-	-

less: finance charges

	347	72	347	72
	(46)	(3)	(46)	(3)

#### Present value of minimum lease payments

	<b>301</b>	<b>69</b>	<b>301</b>	<b>69</b>
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Non-current liabilities

	191	-	191	-
Current liabilities	156	72	156	72
	<b>347</b>	<b>72</b>	<b>347</b>	<b>72</b>

Finance leases relate to IT and office equipment with lease term of 2 to 5 years. The liabilities under the finance lease are secured by the lessor's title to the assets.

### 14. Payables from exchange transactions

Trade payables	1 750	3 144	1 750	3 146
Sundry Creditor	876	777	876	777
Deposits received	700	499	700	499
Third parties	10	-	10	-
	<b>3 336</b>	<b>4 420</b>	<b>3 336</b>	<b>4 422</b>

### 15. Unspent conditional grants and receipts

The current year unspent grant relates to Enterprise Incubation Programme and Shark Repellent Project.



## Notes to the Annual Financial Statements

	Economic entity		Controlling entity	
	2025 '000	2024 '000	2025 '000	2024 '000

### 15. Unspent conditional grants and receipts (continued)

Unspent conditional grants and receipts comprises of:

#### Unspent conditional grants and receipts

Enterprise Incubation Programme (EIP) & Shark  
Repellent Cable Project (SRC)

1 461	1 461	1 461	1 461
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#### Movement during the year - Enterprise Incubation Programme (EIP) & Shark Repellent Technology (SRT)

##### Enterprise Incubation Programme (EIP)

57	57	57	57
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Subtotal

57	57	57	57
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##### Shark Repellent Cable Project (SRT)

1 404	1 404	1 404	1 404
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<b>1 461</b>	<b>1 461</b>	<b>1 461</b>	<b>1 461</b>
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### 16. Provisions

#### Reconciliation of provisions - Economic entity - 2025

	Opening Balance	Utilised during the year	Total
Provision for Leave Pay	4 918	5	4 923

#### Reconciliation of provisions - Economic entity - 2024

	Opening Balance	Utilised during the year	Total
Provision for leave pay	4 775	143	4 918

#### Reconciliation of provisions - Entity - 2025

	Opening Balance	Utilised during the year	Total
Provision for Leave Pay	4 918	5	4 923

#### Reconciliation of provisions - Entity - 2024

	Opening Balance	Utilised during the year	Total
Provision for leave pay	4 775	143	4 918

The provision disclosed are relating to short term benefits of the employee leave pay that the entity is liable for as at year 31 March 2025. The retirement benefits are disclosed in note19.

The entity did not raise the provision for performance bonuses because of the Circular - Guidelines for costing and budgeting for compensation of employees which was received from the Department of Economic Development and Environmental Affairs indicating that there will be no bonuses for financial years 2021/22 to 2023/24 .

### 17. Deposits payable

During the year, the entity leased the Springfield property hence, the increase in deposit payable for an amount of R0,062 million.

## Notes to the Annual Financial Statements

	Economic entity		Controlling entity	
	2025 '000	2024 '000	2025 '000	2024 '000

### 17. Deposits payable (continued)

#### Carrying amount of deposits payable

Opening balance	86	24	86	24
Increase/(decrease) in the carrying amount recognised in the period as a result of a change in the fair value of the assets to be distributed	5	62	5	62

<b>91</b>	<b>86</b>	<b>91</b>	<b>86</b>
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### 18. Project Funds

Port St Johns Project	30	30	30	30
Research Trust Fund Account	13	13	13	13

<b>43</b>	<b>43</b>	<b>43</b>	<b>43</b>
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### 19. Retirement benefits

#### 19.1 Defined benefit plan

##### 19.1.1 Post retirement medical aid plan

The economic entity provides post-retirement medical aid to retired employees. The entity contributes between 50% and 66.67% of the employee's premium to the medical aid scheme up to a maximum of R1 442 per member. The most recent actuarial valuations on the plan assets and defined obligation were carried out on 31 March 2025, regulated by the Actuarial Society of South Africa employed by ZAQ Consultants and Actuaries. The present value was measured using the Projected Unit Credit Method

The principal assumptions used for the purposes of the actuarial valuations are as follows:

#### Movements in the present value of the obligation

Opening defined benefit obligation	5 528	8 402	5 528	8 402
Interest on obligation	811	1 091	811	1 091
Benefits paid	(217)	(318)	(217)	(318)
Actuarial losses/(gains)	(390)	(3 892)	(390)	(3 892)
Current Service Cost	151	245	151	245

<b>5 883</b>	<b>5 528</b>	<b>5 883</b>	<b>5 528</b>
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#### Retirement benefit obligation -Medical aid obligation

Current portion	(219)	(228)	(219)	(228)
Non-current portion	(5 664)	(5 300)	(5 664)	(5 300)

<b>(5 883)</b>	<b>(5 528)</b>	<b>(5 883)</b>	<b>(5 528)</b>
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#### Key assumptions used

Assumptions used on last valuation on 2025

Discount rates used	13,28 %	15,00 %	13,28 %	15,00 %
General inflation	7,90 %	9,34 %	7,90 %	9,34 %
Medical aid inflation	9,40 %	10,84 %	9,40 %	10,84 %
Real rate (gap)	3,55 %	3,75 %	3,55 %	3,75 %

## Notes to the Annual Financial Statements

	Economic entity		Controlling entity	
	2025 '000	2024 '000	2025 '000	2024 '000

### 19. Retirement benefits (continued)

The mortality rate table used in post-retirement benefits is SA(85-90). These are the most commonly used tables in the industry. Mortality post-employment (for pensioners) has been based on the PA (90) ultimate mortality tables, rated down 1 year. No explicit assumption was made about additional mortality or health care costs due to AIDS. PA(90) refers to standard actuarial mortality tables for active members on a defined benefit plan where the chance of dying after early or normal retirement is expressed at each age for each gender. Other assumptions.

#### 19.1.2 Post retirement medical aid benefit

##### The charge recognised in the statement of financial performance

Interest on medical aid obligations	811	1 091	811	1 091
Current service costs	151	245	151	245
Actuarial (gains) losses	(390)	(3 892)	(390)	(3 892)
Benefits paid	(217)	(318)	(217)	(318)
	<b>355</b>	<b>(2 874)</b>	<b>355</b>	<b>(2 874)</b>

This charge is included in the employee benefit expense (Employee related costs) in the statement of financial performance.

##### The obligation in the Statement of financial position

Present value of obligation	5 833	5 528	5 833	5 528
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#### 19.1.3 Pension fund

The economic entity operates a closed pension fund for employees who retired before 01 July 1994. Under the plan these employees, or their beneficiaries, are entitled to pensions. The most recent actuarial valuations of plan asset and the present value of the defined benefit obligation was carried out at 31 March 2023 by Mr. S Reddy, Fellow of the Institute of Actuaries of South Africa. The pension payments have been outsourced to Old Mutual. The liability in respect of the payment of the pensions is fully underwritten by Old Mutual. Old Mutual provided values in respect of the assets and liabilities in respect of the pensioners.

With effect from the 1 March 2023, the administration and liability to provide pension to the funds pensioners was outsourced to Old Mutual. Therefore, there is no further liability to the entity in respect of the payment of pension. The only possible liability that will arise is for on-going fund expenses if the employer does not fund for the going fund expenses. As at reporting date KZN Sharks Board has not defaulted on any payments, therefore this possible liability cannot be quantified.

##### The entity's obligation in respect of the pension fund is

Fair value of Pension fund assets	1 385	1 411	1 385	1 411
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##### Movements in the present value of the obligation

Defined benefit obligation	1 252	1 267	1 252	1 267
	-	-	-	-
<b>Closing defined benefit obligation</b>	<b>1 252</b>	<b>1 267</b>	<b>1 252</b>	<b>1 267</b>

##### Movements in the present value of plan assets

Opening fair value of plan assets	1 411	1 515	1 411	1 515
Additional Contributions	118	172	118	172
	-	-	-	-

## Notes to the Annual Financial Statements

	Economic entity		Controlling entity	
	2025 '000	2024 '000	2025 '000	2024 '000

### 19. Retirement benefits (continued)

	-	-	-	-
Benefits paid	(145)	(165)	(145)	(165)
Fund expenses	(131)	(133)	(131)	(133)
Net Investment income	132	22	132	22
<b>Closing fair value of plan assets</b>	<b>1 385</b>	<b>1 411</b>	<b>1 385</b>	<b>1 411</b>

The fair value of plan assets are set out as following:

Old Mutual Pensioner Investment Policy	1 252	1 267	1 252	1 267
Cash at bank	142	164	142	164
Sundry debtors	1	1	1	1
Sundry creditors	(10)	(21)	(10)	(21)
	<b>1 385</b>	<b>1 411</b>	<b>1 385</b>	<b>1 411</b>

Valuation analysis of the pension fund is as follows:

	2025	2024	2025	2024
Present value of defined benefit obligation	(1 252)	(1 267)	(1 252)	(1 267)
Fair value of plan assets	1 385	1 411	1 385	1 411
<b>(Deficit)/Surplus</b>	<b>133</b>	<b>144</b>	<b>133</b>	<b>144</b>

#### Other

The short term benefits obligation relating to the employees at disclosed for leave pay provision, Refer to note 16

### 20. Investment revenue

#### Interest revenue

Bank	5	8	4	2
Interest - Investment	619	330	619	330
	<b>624</b>	<b>338</b>	<b>623</b>	<b>332</b>

### 21. Government grants & subsidies

#### Operating grants

Government grant	80 159	69 863	80 159	69 863
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#### Equitable Share

Included above, are the following grants and subsidies received:

Conditional grants received	80 159	69 863	80 159	69 863
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## Notes to the Annual Financial Statements

	Economic entity		Controlling entity	
	2025 '000	2024 '000	2025 '000	2024 '000

### 22. Revenue

Meshing fees	40 108	38 041	40 108	38 041
Entrance fees	448	485	448	485
Rental income	1 995	2 050	1 995	2 050
Bad debt recovered	-	1 998	-	1 998
Rental income	1 647	1 768	1 647	1 768
Hiring of facilities	432	524	432	524
Curio sales	56	110	56	110
Boat trips	1 146	1 079	1 146	1 079
Interest received - investment	624	338	623	332
Government grants & subsidies	80 159	69 863	80 159	69 863
Donations income	434	-	434	-
	<b>127 049</b>	<b>116 256</b>	<b>127 048</b>	<b>116 250</b>

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

Meshing fees	40 108	38 041	40 108	38 041
Entrance fees	448	485	448	485
Rental income	1 995	2 050	1 995	2 050
Bad debts recovered	-	1 998	-	1 998
Rental income	1 647	1 768	1 647	1 768
Hiring of facilities	432	524	432	524
Curio sales	56	110	56	110
Boat trips	1 146	1 079	1 146	1 079
Interest received - investment	624	338	623	332
	<b>46 456</b>	<b>46 393</b>	<b>46 455</b>	<b>46 387</b>

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

Government grants & subsidies	80 159	69 863	80 159	69 863
Donations income	434	-	434	-
	<b>80 593</b>	<b>69 863</b>	<b>80 593</b>	<b>69 863</b>

#### Donations income

A donation was received from the Department of Education. The associated costs were measured at fair value, as determined by Maritzburg Auctioneers.

## Notes to the Annual Financial Statements

	Economic entity		Controlling entity	
	2025 '000	2024 '000	2025 '000	2024 '000

### 23. Employee related costs

Salaries, wages and allowances	59 694	51 897	59 694	51 897
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#### Reconciliation of Employee related costs

Basic	29 391	27 664	29 391	27 664
Long service	382	357	382	357
Allowances (car, dive & acting)	6 376	4 875	6 376	4 875
Bonuses	2 277	2 272	2 277	2 272
Leave paid	245	390	245	390
Backpay	4	970	4	970
Leave without pay	(327)	(368)	(327)	(368)
Non-pensionable Allowance	9 691	8 841	9 691	8 841
Petrol Reimbursement	575	446	575	446
Overtime	674	654	674	654
Cellphone Allowance	161	142	161	142
UIF	304	304	304	304
Disability Medical Aid	446	494	446	494
Provident fund (company portion)	6 899	6 501	6 899	6 501
Skills levy	483	449	483	449
Leave Gratuity	-	169	-	169
Movement in leave pay provision	5	142	5	142
Arbitration settlement	92	156	92	156
COVID	1 335	(36)	1 335	(36)
Interest on Medical Aid Obligation	811	1 091	811	1 091
Actuarial (Gain)/loss on Medical Aid Obligation	(390)	(3 892)	(390)	(3 892)
Current Service Costs - Medical Aid	151	245	151	245
Benefits paid- Medical Aid obligation	(217)	(318)	(217)	(318)
Pension Fund Expenses	131	170	131	170
Pension Fund Contribution	195	172	195	172
Shortfall on pension fund	-	13	-	13
Pension Fund Plan	-	16	-	16
Actuarial Losses on Pension Fund	-	(22)	-	(22)
	<b>59 694</b>	<b>51 897</b>	<b>59 694</b>	<b>51 897</b>

Refer note 34 for Related Parties' Compensation.

### 24. Professional fees

Administration and management fees - third party	52	294	52	294
Administration and management fees - related party	5 606	3 983	5 606	3 983
	<b>5 658</b>	<b>4 277</b>	<b>5 658</b>	<b>4 277</b>

### 25. Research Cost

Research costs	-	200	-	200
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In an effort to pursue alternative non lethal methods to protect bathers from shark attacks, KZN Sharks Board is currently developing an electric shark repellent cable.

### 26. Finance costs

Other interest	65	183	65	183
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## Notes to the Annual Financial Statements

	Economic entity		Controlling entity	
	2025 '000	2024 '000	2025 '000	2024 '000
<b>27. Fuel and oil</b>				
Fuel and oil	3 625	4 236	3 625	4 236
<b>28. Repairs and maintenance</b>				
Buildings	3 660	2 111	3 660	2 111
Vehicles	1 057	102	1 057	102
Boats	1 475	240	1 475	240
Equipment & Furniture	472	302	472	302
Nets	1 960	2	1 960	2
	<b>8 624</b>	<b>2 757</b>	<b>8 624</b>	<b>2 757</b>

## Notes to the Annual Financial Statements

	Economic entity		Controlling entity	
	2025 '000	2024 '000	2025 '000	2024 '000
<b>29. General expenses</b>				
Accounting fees	-	18	-	-
Advertising	2 259	1 921	2 259	1 921
Auditors remuneration	2 206	2 079	2 206	1 993
Bank charges	113	133	108	128
Cleaning	1 601	899	1 601	899
Commission paid	-	19	-	19
Computer expenses	648	1 030	648	1 030
Consumables	1 538	5 204	1 538	5 204
Consumables- Cleaning	670	646	670	646
Delivery expenses	7	-	7	-
Fines and penalties	13	5	13	5
Canteen expenses	249	254	249	254
Catering	165	155	165	155
Equipment Hire	466	695	466	695
Insurance	1 483	1 291	1 483	1 291
Board Emoluments	1 963	2 076	1 963	2 076
Sundries_Bait	1 088	838	1 088	838
Medical expenses	76	30	76	30
Motor vehicle expenses	100	104	100	104
Postage and courier	11	4	11	4
Printing and stationery	96	230	96	230
Trademark renewals	-	98	-	98
Cost of Sale of goods/inventory	321	382	321	382
Security	2 480	2 286	2 480	2 286
Software Licences	1 660	1 210	1 660	1 210
Staff welfare	149	109	149	109
Subscriptions and membership fees	98	85	98	85
Telephones	432	540	432	540
Training	1 325	831	1 325	831
Travel - local	343	702	343	702
Travel - overseas	-	12	-	12
Electricity	3 008	2 833	3 008	2 833
Sewerage and waste disposal	1 837	1 301	1 837	1 301
Utilities - Rates	453	390	453	390
Uniforms	146	188	146	188
Research & Lab Costs	87	206	87	206
Craft & Radio Link License	18	65	18	65
Sundry Expenses	2	1	2	1
Official functions	3	6	3	6
Rental Expense	1 571	1 479	1 571	1 479
Strategy & Leadership	276	178	276	178
Other expenses*	447	1 788	447	1 788
	<b>29 408</b>	<b>32 321</b>	<b>29 403</b>	<b>32 212</b>

Other expenses\*

Other expenses comprised of largely cleaning and teas and coffee.

### 30. Fair value adjustments

Investment property (Fair value model)	(1 505)	2 090	(1 505)	2 090
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During the current period, the following fair value adjustments were recorded:

- Chartwell Flat: A devaluation of R2,050,000. Springfield Park: A devaluation of R1,518,412.75
- 24 Chimanimani Flat: A revaluation of R263,850

The net fair value adjustment amounts to a decrease of R1,504,562.65.

## Notes to the Annual Financial Statements

	Economic entity		Controlling entity	
	2025 '000	2024 '000	2025 '000	2024 '000
<b>31. Cash generated from operations</b>				
Surplus	6 446	11 005	6 399	11 107
<b>Adjustments for:</b>				
Depreciation and amortisation	10 675	11 194	10 675	11 194
Gain on sale of assets and liabilities	889	291	889	291
Fair value adjustments	1 505	(2 090)	1 505	(2 090)
Debt impairment	-	-	347	(14)
Movements in retirement benefit assets and liabilities	366	(2 918)	366	(2 918)
Movements in provisions	5	143	5	143
Non-cash donations income and other in-kind benefits	(434)	-	(434)	-
<b>Changes in working capital:</b>				
Inventories	(1 836)	102	(1 836)	102
Receivables from exchange transactions	(7 464)	(401)	(7 464)	(401)
Debt impairment	-	-	(347)	14
Prepayments	(2 373)	1 346	(2 373)	1 346
Deposits receivables	(8)	(61)	(8)	(61)
Payables from exchange transactions	(1 134)	(5 887)	(1 084)	(5 988)
Unspent conditional grants and receipts	-	(200)	-	(200)
Loan receivables - other receivables	-	-	-	(1 699)
	<b>6 637</b>	<b>12 524</b>	<b>6 640</b>	<b>10 826</b>

## 32. Auditors' remuneration

Internal Audit fees	410	664	410	578
External Audit fees	1 796	1 415	1 796	1 415
	<b>2 206</b>	<b>2 079</b>	<b>2 206</b>	<b>1 993</b>

## Notes to the Annual Financial Statements

	Economic entity		Controlling entity	
	2025 '000	2024 '000	2025 '000	2024 '000
<b>33. Commitments</b>				
<b>Authorised capital &amp; current expenditure</b>				
<b>Current Expenditure</b>				
• Approved and contracted	28 478	14 499	28 478	14 499
<b>Capital Expenditure</b>				
• Approved and contracted	5 558	12 785	5 558	12 785
<b>Total capital commitments</b>				
Current expenditure	28 478	14 499	28 478	14 499
Capital expenditure	5 558	12 785	5 558	12 785
	<b>34 036</b>	<b>27 284</b>	<b>34 036</b>	<b>27 284</b>
<b>Operating leases - as lessee (expense)</b>				
<b>Minimum lease payments due</b>				
- within one year	1 017	1 326	1 017	1 326
- in second to fifth year inclusive	3 673	3 640	3 673	3 640
- later than five years	4 714	5 764	4 714	5 764
	<b>9 404</b>	<b>10 730</b>	<b>9 404</b>	<b>10 730</b>

Operating lease received represent rentals receivable by the entity for certain of its properties. Lease agreements have terms from 1 to 5 years. There are no contingent rents receivable.

## Notes to the Annual Financial Statements

	Economic entity		Controlling entity	
	2025 '000	2024 '000	2025 '000	2024 '000

### 34. Related parties

Relationships  
Controlling entity

Economic Development, Tourism and Environmental  
Affairs

Board Members

KZN Sharks Board

Executive Management

KZN Sharks Board

Trade and Investment KZN

Under same control of EDTEA

Moses Kotane Institute

Under same control of EDTEA

Richards Bay Industrial Development Zone

Under same control of EDTEA

Ithala Development Finance Corporation

Under same control of EDTEA

KwaZulu-Natal Growth Fund

Under same control of EDTEA

KwaZulu Natal Tourism & Film Authority

Under same control of EDTEA

Dube Tradeport

Under same control of EDTEA

KwaZulu Natal Economic Regulatory Authority

Under same control of EDTEA

Ezemvelo KZN Wildlife

Under same control of EDTEA

The entity is a Schedule 3C Public Entity in terms of the PFMA and is therefore related to all entities and departments in the KZN Province.

#### Shark Repellent Technology Group - Subsidiary

KwaZulu-Natal Sharks Board owns controlling interest in Shark Repellent Technology (Pty) Ltd and its subsidiary Shark Repellent Projects (Pty) Ltd. There are transactions between the entity and the subsidiaries during the year. Refer note 7 for loan balances and provision. The entity has invested R1.1 million on behalf of the Shark Repellent Technology Group which was to be paid in August 2023. Interest of R 0.400 million has been earned and its used by the Shark Repellent Technology Group.

#### Department of Economic Development, Tourism and Environmental Affairs

The entity received grants of R80,159 million (2024: R69,863 million) from the Department for operating purposes.

Key management and other related party transactions

	Receivables from exchange transactions	Loans	Related party transactions
Shark Repellent Technology Group - Subsidiary *	1 409	9 005	10 414

Figures in Rand thousand

**34. Related parties (continued)****Remuneration of management****Management class: Board members****2025**

<b>Name</b>	<b>Board Retainer</b>	<b>Travel costs</b>	<b>Total</b>
Ms P Lugayeni - Chairperson	465	9	474
Mr BI Dladla - Deputy Chairperson	365	16	381
Ms R Naidoo	205	9	214
DR Holness	211	7	218
Mr P Zulu	249	13	262
Mr S Khoza	177	23	200
Ms S Ngcobo	165	9	174
Ms KG Mbonambi - Independent Audit Member	41	-	41
	<b>1 878</b>	<b>86</b>	<b>1 964</b>

**2024**

<b>Name</b>	<b>Board Retainer</b>	<b>Travel costs</b>	<b>Total</b>
Ms P Lugayeni - Chairperson	460	2	462
Mr BI Dladla - Deputy Chairperson	398	12	410
DR Holness	230	6	236
Ms R Naidoo	249	11	260
Mr P Zulu	270	(1)	269
Mr S Khoza	178	33	211
Ms S Ngcobo	165	8	173
Ms KG Mbonambi - Independent Audit Member	54	-	54
	<b>2 004</b>	<b>71</b>	<b>2 075</b>



## Notes to the Annual Financial Statements

Economic entity		Controlling entity	
2025 '000	2024 '000	2025 '000	2024 '000

### 35. Prior period error (continued)

The employee benefit obligation has misallocated non-current portion movement entries to current liabilities for the Present value obligation journal in 2024 for the medical aid obligation. The error resulted in a reclassification journal of R1,406 million from current liabilities of employee benefit to the non current liabilities of employee benefits.

#### Statement of financial performance

The bad debts were recovered of R1,998 million that were omitted due to cut off issues identified in the current year but relating to prior year. The omission resulted a debt provision made in 2023 for a municipality—originally written off as bad debt—was subsequently settled in 2024. The amounts recovered were not correctly classified, resulting in an omission of revenue and receipt from exchange transaction in the 2024 Statement of Financial Performance in revenue from exchange transaction being understated.

The Debt impairment were previously reported as R4,628 million, which omitted transactions adjusting this impairment to R0,014 million due to cut off issues identified in the current year but relating to prior year.

The depreciation and amortization of R0,019 million that were omitted due to cut off issues identified in the current year but relating to prior year. During the current year, an error amounting to R0,019 million of depreciation and amortisation expense was discovered relating to the prior financial year. This omission resulted from a CaseWare journal entry that was processed after the previous year-end and not reflected in the comparative figures.

Pension fund present value obligation adjustment not accounted for in 2024, resulting to movement of R0,543 million upon receiving the actuarial valuation reports of the pension funds in the current year. A present value obligation adjustment of R0.543 million related to the entity's defined benefit pension fund was omitted from the 2024 financial statements. The omission occurred because the actuarial valuation report was received after the Annual Financial Statements had been signed and issued. As this error was not identified until the current year—despite relating to the 2024 financial year—it constitutes a prior period.

The general expense of R0,879 million that were omitted due to cut off issues identified in the current year but relating to prior year. General Expenses amounting to R0.879 million was omitted from the financial statements due to invoices being received after the financial year-end. These invoices pertain to expenses that should have been accrued and include related corrections and reclassification journal entries. This omission constitutes a prior period error—being an omission of recognition of liabilities—that has been corrected retrospectively. As a result the comparative figures for affected prior period have been reinstated.

The unspent conditional grants were incorrectly reduced relating to the Infrastructure SRT project for R,1404 million and the provincial grants were also overstated by the same amount of R1,404 million, relating to government grants and subsidies line item in the statement of financial performance.

The Interest on investment of R0,062 million that were omitted due to cut off issues identified in the current year but relating to prior year. The Interest on investment of R0,062 million that were omitted due to cut off issues identified in the current year but relating to prior year. An amount of R0.062, previously classified as interest on investment, has been reclassified and included under "Provided Funds Held" as a result of findings from a fraud investigation. This adjustment corrects a prior period classification error.

The Loss on disposal of assets of R0,291 million that were omitted due to cut off issues identified in the current year but relating to prior year. The adjustment for proceeds of R0,515 million were not taken into account. R0,224 gain on disposal of assets was previously reported.

A professional fee expense of R0.011 was adjusted due to the late accrual of invoices that were received after the financial year-end. This adjustment corrects a prior-period error in the accrual journal and has been applied retrospectively. The comparative figures have been restated, with corresponding adjustments made to the opening balance of retained earnings as of the beginning of the earliest period presented.

The rental income of R0,002 million entries relating to 2024 that were omitted due to timing differences identified in the trial balance of accounting system and previously reported trial balance and these were identified in the current year but relating to prior year.

## Notes to the Annual Financial Statements

Economic entity		Controlling entity	
2025 '000	2024 '000	2025 '000	2024 '000

### 35. Prior period error (continued)

During the 2024 financial year, repairs and maintenance expenses for vehicles, land & buildings, and equipment totalling R0.006 million were omitted from the comparative period's financial statements. These costs were incurred in 2024 but not omitted to AFS due to . The omission occurred due to timing differences during financial statement preparation by an external third party and were subsequently corrected in the accounting system. As the error relates to the prior period and is material, it constitutes a prior period error under GRAP 3.

During the comparative period 2024, research cost expenditure amounting to R0.200 million was incorrectly capitalised as part of property, plant, and equipment (Research cable WIP). This misclassification resulted in understatement of research costs in the 2024 statement of financial performance, which requires that research costs be recognised as an expense when incurred.

#### Contingent Liabilities

The contingent liabilities were incorrectly disclosed in previous relating to litigations costs of R0,750 million for the tractor outdoor matter which has been withdrawn. This amount was expected legal costs on a claim and does not meet the definition of contingent liability.

#### Statement of Financial Position

	Previously reported R'000	Adjustments R'000	Reclassificati ons R'000	Restated R'000
Accumulated surplus	89 937	(4 498)	-	85 439
Cash and cash equivalents	5 946	(13)	-	5 933
Employee benefit asset	-	144	-	144
Prepayments	964	(638)	-	326
Receivables from exchange transactions	4 084	(1 514)	35	2 605
Property, plant and equipment	75 631	(200)	-	75 431
Employee benefit obligation - Current Liability	(1 634)	-	1 406	(228)
Employee benefit obligation - Non-Current Liability	(3 894)	-	(1 406)	(5 300)
Other financial liabilities	-	(2 446)	-	(2 446)
Payables from exchange transactions	(5 959)	1 574	(35)	(4 420)
Unspent-Conditional Grant	(57)	(1 404)	-	(1 461)
	-	-	-	-

#### Statement of Financial Performance

	Previously reported R'000	Adjustments R'000	Reclassificati ons R'000	Restated R'000
Bad debts recovered	-	(1 998)	-	(1 998)
Rental income	(2 048)	(2)	-	(2 050)
Investment revenue	(394)	62	-	(332)
Government grants & subsidies	(71 268)	1 404	-	(69 864)
(Gain)/Loss on disposal of assets and liabilities	(224)	515	-	291
Debt impairment	4 628	(4 614)	-	14
Depreciation and amortisation	11 175	19	-	11 194
Employee related costs	51 353	544	-	51 897
General expenses	33 091	(879)	-	32 212
Professional fees	4 265	12	-	4 277
Repairs and maintenance	2 751	6	-	2 757
Research costs	-	200	-	200
	-	-	-	-

## Notes to the Annual Financial Statements

Economic entity		Controlling entity	
2025 '000	2024 '000	2025 '000	2024 '000

### 36. Change in estimate

#### Property, plant and equipment

Thet reporting date the useful lives of assets in the categories stated below were revised. This is due to majority of these assets already enduring their economic life. It was prudent and feasible that useful lives of these assets be revised as the organisation has no intentions to sell/or is in no financial position to replace them. The effect of this revision decreased the depreciation charge for the current year and increased future years by R0,118 million. in the following classes:

The following is the effect of changes in estimate in asset classes:

	2025 - Economic entity	2024 - Economic entity	2025	2024
Other equipment and furniture	(51)	(34)	(51)	(34)
Motor vehicles & trailers	(62)	(8)	(62)	(8)
Boats Motors	(5)	(2)	(5)	(2)
	<b>(118)</b>	<b>(44)</b>	<b>(118)</b>	<b>(44)</b>

### 37. Fruitless and wasteful expenditure

Opening balance as previously reported	8	-	8	-
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The interest charges amount to R0.008 million was incurred from Ethekewini Municipality invoices which were initially addressed to an incorrect or unknown address, which caused a delay of approximately three months in resolving the issue. During this time, Ethekewini Electricity continued to levy interest on the outstanding invoices.

### 38. Risk management

#### Financial risk management objectives

The group's audit committee monitors and manages the financial risks relating to the operations of the group through internal risk reports such as fraud and risk register, compliance register and audit improvement strategy, which analyse exposures by degree and magnitude of risks.

#### Classes of financial instruments that are impacted

##### Financial assets

Receivable from exchange transactions	8 660	2 605	10 069	2 605
Cash and cash equivalents	8 757	5 962	8 731	5 933
Deposit receivables	505	444	505	444

##### Financial liabilities

Trade payables	3 336	4 420	3 336	4 420
Other financial liabilities	2 446	2 446	2 446	2 446
Distribution Payables	91	86	91	86

#### Liquidity risk

Liquidity risk is the risk the economic entity will not be able to meet its financial obligations as they fall due. The economic entity manages this risk by maintaining adequate reserves, furthermore the entity generates additional income through meshing fees, boat tours, venue hire, curio shop sale and rental income from investment property and by continually monitoring forecasts and cash flows. The entity has no borrowings in current year.

## Notes to the Annual Financial Statements

	Economic entity		Controlling entity	
	2025 '000	2024 '000	2025 '000	2024 '000

### 38. Risk management (continued)

#### Credit risk

Trade receivables consist primarily of municipalities. The credit risk is mitigated due to the key nature of the service rendered, such as meshing fees, boat tours, venue hire, curio shop sale and rental income from investment property by the economic entity and its contribution to coastal tourism.

#### The aging of trade and other receivables are

Current	2 483	2 101	2 483	2 101
Past due 0 - 30 days	1 946	299	1 946	299
Past due 31 - 120 days	5 772	205	5 772	205
More than one year	-	-	-	-
	<b>10 201</b>	<b>2 605</b>	<b>10 201</b>	<b>2 605</b>

Based on past experience, the entity believes that no impairment allowance is necessary of trade and other receivables except for those already provided for in note 4.

### 39. Going concern

We draw attention to the fact that at 31 March 2025, the entity had an accumulated surplus of R - 96,240 million and that the entity's total liabilities exceed its assets by R 96.240million.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The entity has also signed a funding agreement with EDTEA for the year 2025/26.

Based on assessment of future cashflows, the entity is confident of continued operations in the foreseeable future. In December 2017, the Executive Council resolved that the functions of KZN Sharks Board and KZN Wildlife be merged as one function. Both entities shall remain separate until the incorporate bill is passed by Provincial Legislature. EDTEA has established working streams to focus on the bill which includes the mandate of the KZN Sharks Board. Furthermore a grant has been gazetted through EDTEA to ascertain its continued operation for the next 12 months.

### 40. Approval of financial statements

The annual financial statements were approved by the Board on the 31st of May 2025.

### 41. Events after the reporting date

There were no significant events after the reporting date.

### 42. Other financial liabilities

An amount of R0.687 million ring-fenced by the management which includes accumulated interest of R0.062 million as this represents payments received from the officials provident fund. Refer to note 43

Provident fund	2025 - Economic entity (749)	2024 - Economic entity (749)	2025 (749)	2024 (749)
Provident fund				
Loan to/ (from) group companies	2025 - Economic entity -	2024 - Economic entity -	2025 (1 697)	2024 (1 697)
Loan to/ (from) group companies				

	Economic entity		Controlling entity	
	2025 '000	2024 '000	2025 '000	2024 '000

#### 43. Losses through criminal conduct

Opening balance as previously reported	448	-	448	-
<b>Opening balance as restated</b>	<b>448</b>	<b>-</b>	<b>448</b>	<b>-</b>
Add: Losses identified - current period	-	1 225	-	1 225
Less: Amounts recovered - current	-	(777)	-	(777)
<b>Closing balance</b>	<b>448</b>	<b>448</b>	<b>448</b>	<b>448</b>

A criminal case has been opened with regards to this loss due to alleged criminal activity by a former official.

Management became aware of criminal conduct by a former key member of management for R0.448 million previously reported in the fruitless and wasteful expenditure.

##### Details of amounts recovered

##### Current

Alledged criminal conduct	-	687	-	687
R0.687 million is ring-fenced account as this represents payments received from the officials provident fund. The investigation is currently with the SAPS and is ongoing				

##### Prior period

Alledged criminal conduct	-	90	-	90
R0.090 million was stopped before payment at the bank				

##### Disciplinary steps taken/criminal proceedings

Management became aware of criminal conduct perpetrated by a former key member of management. This involved the official allegedly making numerous payments to incorrect bank accounts and irregularly making payments to fictitious suppliers.

There no current year losses due to criminal conduct identified in 2025.

## Notes



[illegible]

**Venue:** 1a Herrwood Drive, Umhlanga  
**Show Times:** Tuesday to Thursday at 09h00 and 14h00  
First Sunday of the month at 14h00  
**Information and Bookings:** +27 (0) 31 566 0435

#### BOAT TOURS

**Venue:** Wilson's Wharf, Durban.  
**Departure Time:** Monday to Friday: 06h30 - Return Time: 08h30  
**Bookings Essential:** +27 82 403 9206  
Terms and Conditions apply  
**Tel:** +27 (0) 31 566 0400 **Fax:** +27 (0) 31 566 0499  
**Web:** [www.shark.co.za](http://www.shark.co.za)



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PR: 288/2025 ISBN: 978-1-83491-128-1



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