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ANNUAL REPORT 2022/2023



Limpopo Tourism agency
Annual Report
2022-2023

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PART A

ANNUAL REPORT

1.1. Public entity's general information

Registered name:	Limpopo Tourism Agency
Registration numbers and / or other relevant numbers:	Schedule 3C PFMA
Registered office address:	Southern Gateway Ext. 4, N1 Main Road Polokwane 0700
Postal address:	P. O. Box 2814 POLOKWANE 0700
Contact telephone numbers:	+27 15 293 3600
Email address:	info@golimpopo.com
Website address:	www.golimpopo.com
External Auditor's name	Auditor General South Africa
External Auditor's address	32 Dimitri Cres, Polokwane, 0699
Name of Bank:	ABSA Bank Limited
Address of Bank	76 Schoeman, Polokwane, 0699
Company Secretary	T.G Kotsedi
Company Secretary's profession/ Designation	Mr.

1.2. List of Abbreviations / Acronyms

CEO - Chief Executive Officer

CFO- Chief Financial Officer

Cllr.-Councillor

CoE- Compensation of Employees

CPPP - Community Private Public Partnership

CS - Corporate Services

DPSA-Department of Public Service and Administration

DSTV-Digital Satellite Television

EAP - Employee Assistant Programme

EEP - Employee Equity Plan

FC-Football club

FIFA- Federation International Football Association

GRAP-Generally Recognised Accounting Practice

ICT - Information Communication Technology

IDM- Integrated Destination Marketing

LEDET - Limpopo Economic Development, Environment and Tourism

LTA - Limpopo Tourism Agency

MEC-Member of the Executive Council

MICE - Meetings Incentives Conference and Exhibitions (Business Tourism)

MPL- Member of the Provincial Legislature

MTEF - Medium Term Expenditure Framework

NTSS - National Tourism Sector Strategy

PPP - Public-Private Partnership

SAT - South African Tourism

SATAVITO- South African Township and Village Tourism Organisation

SEDA- Small and enterprises Development Agency

SEZ - Special Economic Zones

SMMEs - Small Medium and Micro Enterprises

SATSA- Southern Africa Tourism Services

STATSSA - Statistics South Africa

UNWTO - The United Nations World Tourism Organisation

VFR - Visiting Friends and Relatives

VIC- Visitor Information Centre

WTD-World Tourism Day

FOREWORD BY THE MEC

The 2022/23 Financial Year became the turning point in the entire travel and tourism sector, recording considerable recovery from the effects of the Covid 19 Pandemic. Limpopo Province got its fair share of the positive spin offs post the pandemic with the province becoming the third most visited province in South Africa. This, however, came with huge responsibility as the people of this province looked to the Limpopo Tourism Agency to move with speed and create a conducive environment for job opportunities throughout the entire tourism value chain, given the share of the spoils presented by the recovery.



We all agree that Travel & Tourism enable socio-economic development, job creation and poverty reduction. This in turn drives prosperity and significant positive social impact, providing unique opportunities to women, minorities, and young people who remain vulnerable to all socio-economic ills plaguing our society. Most importantly is that the benefits of Travel & Tourism spread far beyond its direct impact in terms of GDP and employment, with indirect gains extending through the entire travel ecosystem as well as the supply chain linkages to other sectors.

It is uncontested that throughout the world, tourism has shown resilience by defying the odds during difficult times. The tourism sector remains the only sector that employs a disproportionately high percentage of women, black women in particular who continue to be the face of poverty in South Africa. In both developed and less developed economies including ours, Travel & Tourism typically employs a far higher proportion of women than other sectors.

We congratulate the newly appointed Board of Directors of the Limpopo Tourism Agency led by Chairperson Ntate Andrew Dipela. We are confident with the mix of skill, expertise of the sector, gender and age, the Board has all that it takes to take Limpopo Tourism Agency to the next trajectory working together with the CEO Ntate Moses Ngobeni and his team.

We are pleased to see the light at the end of the tunnel after LTA obtained unqualified audit opinion with matters of emphasis. This is the step in the right direction towards obtaining the clean audit. We are confident that with the new vigour and energy that is displayed by all of us, we can indeed achieve clean audit.

I hereby present 2022/23 Financial Year Annual Report for the Limpopo Tourism Agency.

Thank you

GR Monama
MEC for Economic Development, Environment and Tourism

1.4. Foreword by the Chairperson

The 2022/23 marks the second year since the tourism sector was hit and affected by the COVID-19 pandemic. The outbreak and its effects were felt across the whole tourism value chain. Reflecting on the status of the industry prior COVID 19 pandemic, international visitors to Limpopo Province contributed R5.5 billion to the economy of which R7.9 million was earned from bed night stays (average four nights per tourist) in 2018, while domestic trips contributed R4.7 billion to the economy.

According to research study by Statistics South Africa at national and provincial level since lockdown in March 2020, many tourism businesses were in great distress with staff (especially part-time, seasonal workers) retrenched or put on unpaid leave. This resulted in many people within the tourism industry losing income. Tourism is a highly resilient sector and with adequate support the sector is gradually bouncing back. With the support of the Department of Tourism (NDT), South African Tourism (SAT), Private sector, Limpopo Economic Development, Environment and Tourism (LEDET) and Limpopo Tourism Agency (LTA) worked hard to engage with the industry to implement the developed and adopted National Tourism Sector Recovery Plan. The framework was guided by the United Nations World Tourism Organisation (UNWTO) call of action to mitigate on the Socio-economic Impact of COVID-19 and accelerate recovery published on the 1st of April 2020, as well as the Tourism Sector Recovery Plan developed at national level driven by the Department of Tourism (NDT).

It is worth stating that diverse product offerings within the five different districts show that Waterberg received the most visitors to the hot springs of Bela-Bela (Forever Resorts) and surrounding resorts that attract scores of family holiday makers into this region. The region also attracts safari lovers, outdoor enthusiast coming for outdoor activities including golf in the wild where the region boosts magnificent golf and game courses that are unique and pristine.

The marketing collaborations that the entity implemented included the 5th Limpopo Championship, Kremetart Cycling Race, Hanglip 54th Golf Day, Limpopo Holiday Fair, Kudu Championship, Boxing Tournament, World Intellectual Property Organisation (WIPO) Summer School, launch of the Golf Passport to enhance the economic spin-offs within the golf market. The Agency also participated in a collaboration with Koro Creek Bushveld Golf Estate for another edition of Kudu Amateur Golf Championship. A convention was organised to resuscitate packaged routes to ensure marketability of destination Limpopo.

The entity aggressively conducted marketing activities by participating at tradeshow outside the province to attract both international and domestic tourists to the province. LTA participated in the World Travel Market Africa (WTM) in Cape Town, Africa's Travel Indaba in Durban, Ongwendiva Trade Fair in Namibia, Sanganai/Hlanganani Trade show in Zimbabwe and Meetings Africa in Johannesburg at Sandton.

The third quarter is known to be one of the high seasons on the tourism calendar. It was during this period when LTA participated in the national launch of Tourism Month that took place in the Western Cape Province in September 2022. This was preceded by the



provincial edition of the launch that took place in August at Kalahari Waterfront in the Vhembe District. This was also later followed by the World Tourism Day Celebrations on the 27th September 2022 in the Western Cape Province. Provincial Tourism Month activities were wrapped up in style when Limpopo played host to Miss Heritage Global Pageant at Kalahari Waterfront.

The Agency partnered with SA Tourism on various aspects such as, during the third quarter when the entity enhanced ours with their Summer Campaign in December 2022. It was important for us to also participate in the provincial flagship events such as Mapungubwe Arts and Limpopo Marula Festivals in the third and fourth quarters respectively. It is always critical for us to participate in these mass events as they present an opportunity for the entity to market Limpopo as the leading tourist destination in the subcontinent, SADC.

The entity supported the Deputy Minister during his stakeholder engagement with tourism stakeholders at the Maruleng Municipality in Hoedspruit in the fourth quarter of the period under review. It was prudent for the Deputy Minister, Mr. Fish Mahlalela, to interact with stakeholders in that part of the province given the area's impact and contribution to tourism economy. The Deputy Minister was taken to some of the attractions in the area including Aerotel Hoedspruit and the newly refurbished East Gate Airport, which is the busiest in the province.

The Board will not relent until the industry is totally transformed as that is our obligation and part of our mandate too. We will utilise other platforms for further engagements with stakeholders in the tourism space.

The Board continues being committed to protecting its domestic and international market share but will also endeavour to regain its position as the top visited province in the country on the domestic tourism front. We are, however, content with our performance as we ended the financial year within the top three most visited domestically and still second from Gauteng in respect of international arrivals.

The following policy directives are still paramount to Limpopo Tourism Agency (LTA):

- ✓ Achieving clean Audit,
- ✓ Integrating all the entity's systems,
- ✓ Attaining exceptional performance,
- ✓ Fighting triple challenges of poverty, unemployment, and inequality,

- ✓ Building strong partnerships with private sector and Local Government (Municipalities and SALGA),
- ✓ Encouraging grading of tourism facilities,
- ✓ Intensifying efforts in research,
- ✓ Growing tourism through collaborations and partnerships,
- ✓ Enhancing market intelligence.

As I conclude, I wish to, on behalf of the Board, express my gratitude to the following for always supporting us in our marketing efforts:

- Shareholder, the Honorable MEC for Limpopo Economic Development, Environment and Tourism (LEDET), Mr. Rodgers Monama, Management and staff of his department for continued support, guidance, and provision of space for the Board to fulfil its mandate.
- Media in general to have given us coverage to expose the Agency's activities in the country and beyond, thereby promoting our great province, its people with their diverse cultures, icons and a myriad of attractions. This will help the tourism sector to grow despite COVID-19.
- The captains and drivers of the tourism industry for their continued support and technical advice on various tourism related matters.
- The unqualified audit opinion in the past financial year, would again not have been possible to achieve, had it not been for the continued cooperation among the various stakeholders including the Auditor General, our internal auditors, the Shareholder department, LEDET and LTA management and staff. Success in this area calls for intensity in compliance to governance. Clean audit is still an attainable goal.



Mr. K.A. Dipela
Chairperson of LTA Board



1.5. Chief Executive Officer's Overview

The Member of the Executive Council (MEC) responsible for Economic Development, Environment and Tourism, the Hon Rodgers Monama (MPL)

The Chairperson of Limpopo Tourism Agency Board, Mr. Andrew Dipela and Members of the Board. It is an honour for me, on behalf of Limpopo Tourism Agency (LTA) management and staff, to present the 2022/23 Annual Report to you.

Part of our responsibility to the Board and the Shareholder is to ensure maximum accountability in the execution of the Agency's mandate in respect of the Limpopo Tourism Act No. 4 of 2018. To this end, we wish to, as part of the fulfilment of this responsibility, submit our full account of the activities of the Agency for the financial year 2022/23.

Tourism was one of the most affected sectors by the COVID-19 pandemic and the outbreak was felt across the whole tourism value chain. It is however important to reflect on what the status of the industry was prior COVID 19 pandemic. On provincial level, Limpopo's international visitors contributed R5.5B to the economy and R7.9M was earned from bed night stays (average four nights per tourist) in 2018. Domestic trips contributed R4.7bn to the economy. Research conducted on national and provincial level since lockdown in March 2020, clearly indicated that many tourism businesses were in great distress with staff (especially part-time, seasonal workers) retrenched or put on unpaid leave. This resulted in many people within the tourism industry losing income. However, since tourism is a highly resilient sector, it is encouraging to report that the adequate support rendered to the sector made it possible for the sector to bounce back strongly.

The most recent statistical release by Statistic South African, shows that in 2020, Eastern Cape received 18,2% and became the most visited destination for overnight trips followed by Limpopo with 18,0%, while in **2021, the most visited Province was Limpopo with 20,3%** followed by Gauteng at 15,1%. The statistics also shows that Limpopo continued to be the most visited Province in the first 10 months of the 2022 calendar year. LTA attributes this speedy recovery to the partnership efforts with the private sector that continue to immerse our visitors with the best and unforgettable experiences. The diverse

product offerings within the five different District Municipalities from Waterberg that receives the most visitors to the hot springs of Bela-Bela and surrounding resorts that attract scores of family holiday makers into this region. The region also attracts safari lovers, outdoor enthusiasts coming for outdoor activities including sports tourism from golf in the wild where the region boasts magnificent golf and game courses that are unique in their own rights, to other sporting activities and festivals that continues to impact on the local economy of the Province.

The year began with so much vigour and enthusiasm opening the year with the fourth edition of Limpopo Championship, an internationally accredited four-day tournament that was hailed a resounding success, with Poland's Mateusz Gradecki finishing on 19 under par thus winning the tournament. During the same period, the Agency partnered other stakeholders such as Limpopo Economic Development, Environment and Tourism (LEDET) and Ba-Phalaborwa Municipality to stage the 16th edition of Limpopo Marula Festival. The launch of the Limpopo golf-passport App and campaign is also gaining traction across the province and soon to be launched in Gauteng, Mpumalanga and Free State as part of activating the Intra-Provincial collaborations with neighbouring provinces.

During the year under review, the Agency participated fully in the three main trade shows at Meetings Africa in Gauteng which is Limpopo's major source market for the domestic market, WTM Africa in Cape Town which creates strong linkages with the Western Cape routes that are linked to Hoedspruit and Kruger National Park through Eastgate Airport as well as the Africa's Travel Indaba that links Africa and the world. These platforms continues to create marketing avenues for our SMME's that are progressively recovering from the pandemic.

Partners of Limpopo Championship staged the first-ever Limpopo Championship Youth Tournament, played at Koro Creek Golf and Bushveld Estate on Friday the 17th June 2022. This was done as part of the legacy programme of the annual Limpopo Championship co-sanctioned by the Sunshine Tour. The youth tournament, a one-day showcase, featured 40 junior amateur golfers from across the Limpopo province and was played on one of the best golf courses in the region. LTA partnered with Kremetart Cycle Race organizers for the 30th edition of the race after a long two-year break caused by the outbreak of Covid-19. The event took place in the Vhembe Region at Louis Trichardt under Makhado Municipality in the unique mountainous Soutpansberg range of the Vhembe region within the UNESCO declared Vhembe Biosphere Reserve on Saturday, 11 June 2022.

The province has also experienced another milestone in hosting another international film star, Tom Cruise, who is a producer and actor of note who started shooting movies since 1981. He was hosted together with his crew around Hoedspruit that annual hosts film stars for a maximum period of three months and that was a big boost to tourism in the area. While this was a private initiative between the film companies and the tourism products, Limpopo as a destination, stands to derive a huge mileage upon release of this film. LTA would like to collaborate with unique products and create film packages to attract more film stars in the destination. The province is unique with its picturesque and it has become a favourable destination for leisure and adventure travellers worldwide.

The province was abuzz with so many activities in the build-up to the first year of hosting the Miss Heritage Global at the unique rural facility of Kalahari Waterfront Hotel in the outskirts of Thohoyandou that saw the province hosting more than 20 pageants from across 20 countries. The Agency welcomed the first group of pageants on the 14th September 2022 at the Ranch-Protea Hotel outside Polokwane. LTA also organised excursions to various attractions including Bakone Malapa Open Air Cultural Museum, Mapungubwe National Park and World Heritage Site as well as the Kruger National Park to give the pageants memorable experience of the province. The crowning event which was widely covered through various media platform was held on the 24th of September and promoted destination Limpopo as a destination with the capacity to host international events on this magnitude.

Limpopo Wildlife Resorts (LWR) gave access to identified Provincial Resorts and Nature Reserves from the 11th-17th September 2022 as part of Tourism Month awareness. All provincial parks and resorts participated in this initiative to encourage citizens in the province to visit the provincial reserves to create awareness about the importance of preserving the heritage. The Wildlife Mahala Week dates were chosen deliberately to coincide with the South African National Parks Week which commenced on 11 until 16 September 2022.

LTA supported Koro Creek Bushveld Golf Estate when the establishment hosted its premier annual flagship golf event, the Limpopo Kudu Betterball Amateur Championship from 17-19 November 2022. Koro Creek Bushveld Golf Estate is an exclusive golf development facility situated in the historic town of Modimolle (formerly known as Nylstroom) in Limpopo Province.

The Agency was grateful to receive droves of soccer lovers that descended to Polokwane for the MTN 8 Cup semi-final played at Peter Mokaba Stadium on Saturday, 22 October 2022. Thanks to the partnership with Polokwane

Municipality to drive sports tourism which continue to create attractive packages for teams to bring major tournaments to the Peter Mokaba sport precinct for economic activities. Limpopo Tourism Agency also wishes to congratulate Sekhukhune United FC for reaching the finals of the Nedbank Cup and most importantly retaining their DSTV Premiership status in the 2023/24 season.

LTA and the tourism sector in the province welcomed the festive season by hosting the 6th annual Limpopo Tourism Holiday Fair held from 27-29 October 2022 at Savannah Mall, Polokwane. The Holiday Fair is an initiative of LTA, in partnership with the Limpopo Provincial Tourism Association (LPTA) and Polokwane Tourism Association (PTA) intended to position Limpopo tourism to the domestic market. This also aims to give tourism products market access to showcase their offerings to the local market. LTA and LPTA as partners intend to use the fair as a foundation and building block for the mega consumer exhibition platform of the province. In the same vein the Agency successfully launched its summer campaign as an initiative to promote and drive domestic or inbound tourism during the festive season. The campaign was launched on the 10th November 2022 at Meloding Guest House, Bela-Bela. The Agency collaborated with Limpopo Economic Development, Environment and Tourism (LEDET), National Department of Tourism (NDT), South African Tourism (SAT), Limpopo Provincial Tourism Association (LPTA) to drive tourism numbers to the province. The campaign was launched later in December at Boiketlong Entertainment Park to augment the provincial campaign where South African Tourism deployed unemployed youth to be active in various areas of the province.

The Agency participated in the 2022 edition of the Mapungubwe Arts Festival which annually draws more people to the province. LTA also launched the 5th edition of Limpopo Championship on the 3rd February 2023 at Euphoria Golf and Lifestyle Estate.

I wish to thank all the stakeholders who contributed meaningfully to all the successes and achievements of the entity during the year under review and hope to see the prevalence of the same spirit in future. These include but not limited to the following:

The Board of LTA for its visionary leadership, support, and guidance.

The LTA Executive Management and the entire staff for putting shoulder to the wheel thereby displaying their dedication and commitment to the course that continues to give LTA positive audit outcome that steadily propels the entity towards a clean audit outcome.

My colleagues, CEOs from other tourism authorities in other Provinces, for their willingness to always share good practices on how best to advance and grow the tourism economy in the country.

My colleagues, CEOs of other state-owned entities in our Province, for their support.

Members of the media for continuously covering our events and exposing Limpopo's undiscovered gems to the world.

LTA's esteemed lifetime partners, the ever-hard-working tourism industry with the different formations.

As an entity we value the strong partnerships that we have with the various industry players and together we continue to position Limpopo as a destination of choice being counted among the top three destinations in the country on both domestic trips and international arrivals.

A handwritten signature in black ink, consisting of a stylized 'M' inside a circle followed by a large, flowing 'S' shape.

Mr. M. Ngobeni
Chief Executive officer

1.6. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF THE ACCURACY OF 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 of South Africa.

The annual report is complete, accurate and is free of 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 F) have been prepared in accordance with the Generally Recognised Accounting Practice (GRAP) 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 2023.

Yours faithfully



Moses Ngobeni
Chief Executive Officer
25 August 2023



Mr. K.A. Dipela
Chairperson of LTA Board
25 August 2023

1.7. Strategic Overview

Vision

To position Limpopo as a leading tourism destination in Southern Africa.

Mission

To promote and offer a sustainable and diverse tourism experience through strategic marketing (destination marketing) and support and facilitate tourism development programmers, collaborations with stakeholders and sector transformation.

Values

Core Value	Description
Integrity	Conduct beyond reproach will be deployed by staff and Board
Respect	Display respect in dealing with all stakeholders, be they colleagues, other departments, business partners in the tourism industry or Limpopo, which is best displayed through effective listening and communication, as well as seeking first to understand them before being understood.
Excellence	The entire LTA organisation shall continually strive for service excellence delivery towards all our tourists.
Responsibility	All tourism development, management and activities shall deliver on all areas of economic, social, environmental and personal, growth sustainability
Communication	LTA will strive to communicate effectively and efficiently within and outside the organisation
Accountability	The obligation of an individual or organisation to account for its actions (Financials, Performance and Social), accepts responsibility for their disclosed results in a transparent manner.
Learning Organisation	Culture of continuous improvement by adopting best practices.

1.8. Legislative and other Mandates

CONSTITUTIONAL MANDATE:

The provisions of the Constitution of the Republic of South Africa (No. 108 of 1996):

Constitution of the Republic of South Africa, Act 108/1996, Section 21 of Chapter 2 provides for the right to freedom of movement and residence.

Chapter 3, Section 41(1) sets out the relationship and principles underlying cooperation and assigning functions between the various spheres of government. Part A of Schedule 4 lists tourism as a functional area of concurrent national and provincial legislative competence.

LEGISLATION DEFINING THE LIMPOPO TOURISM AGENCY MANDATE:

The National Development Plan (NDP) recognizes tourism as one of the main drivers of employment and economic growth and envisages the promotion of South Africa as a major tourist and business events destination.

The following Acts are relevant at the provincial level:

- Public Finance Management Act 1/1999 (as amended)
- Companies Act 71/2008
- The white paper on Development and promotion of Tourism in South Africa, 1996
- Tourism Act 3/2014

Limpopo Tourism Act 2018 (Act No.4 of 2018)

Section 6 provides the functions of the Agency. The Agency must:

- Market the province as a tourist destination
- Market provincial tourism products and facilities
- Develop and implement a marketing strategy for tourism that promotes-

- The objects of this Act; and
- The provincial tourism sector strategy
- Advise the MEC on any matter relating to tourism marketing; and
- Perform any other function, the MEC may assign or delegate to the Agency

Legislation informing the delivery of the core mandate:

- Various legislation pertaining to the governance and control environment and institutional arrangements.
- All national and provincial legislation and regulations, and all municipal bylaws applicable to Limpopo Tourism Agency or the areas in which it operates.

UPDATED POLICY MANDATES:

There are no updates to the policy mandates presented in the 2020-2025 Strategic Plan, which reflects as follows: -

- National Development Plan, Vision 2030 (2012) (NDP) - seeks to eliminate poverty and sharply reduce inequality and unemployment by 2030. The National Development Plan (NDP) recognizes tourism as one of the main drivers of employment and economic growth and envisages the promotion of South Africa as a major tourist and business events destination.
- The Medium-Term Strategic Framework 2019-2024 (MTSF) - which gives effect to the electoral mandate and is framed around seven national priorities for the period 2024. Limpopo Tourism Agency contributes to three MTSF priorities:
 - a) Priority 1 - A capable, ethical, and developmental State
 - b) Priority 2 - Economic transformation and job creation; and
 - c) Priority 7 - A better Africa and world
- National Tourism Sector Strategy 2016-2026 (NTSS) - sets out a vision for a “rapidly and inclusively growing tourism economy that leverages Limpopo’s depicted competitive edge within the Mega-Conservation of the Limpopo Tourism Growth Strategy and its unique clusters underpinned by business innovation and service excellence”.
- Domestic Marketing Strategy - To grow the visitor economy by stimulating demand through effective tourism marketing and promotion in line with National Tourism Sector Strategy.
- Tourism Grading Council of South Africa (TGCSA) grading criteria 2019 - seeks to advance and maintain a recognizable,

credible, and globally benchmarked system of quality assurance for accommodation and venues in South Africa.

- Public Finance Management Act 1/1999(as amended) - To regulate financial management in the national government and provincial governments, to ensure that all revenue, expenditure, assets, and liabilities are managed efficiently and effectively, to provide for responsibilities of persons entrusted with financial management in those governments and to provide for matters connected therewith.
- Limpopo Tourism Growth Strategy (2017) - The Limpopo Tourism Growth Strategy was reviewed during the 2017/2018 financial year and will guide tourism growth and development as outlined in the Limpopo Tourism Act 2018 (Act No. 4 of 2018) aligned to the NTSS. The Limpopo's Tourism Growth Strategy (TGS) vision is:

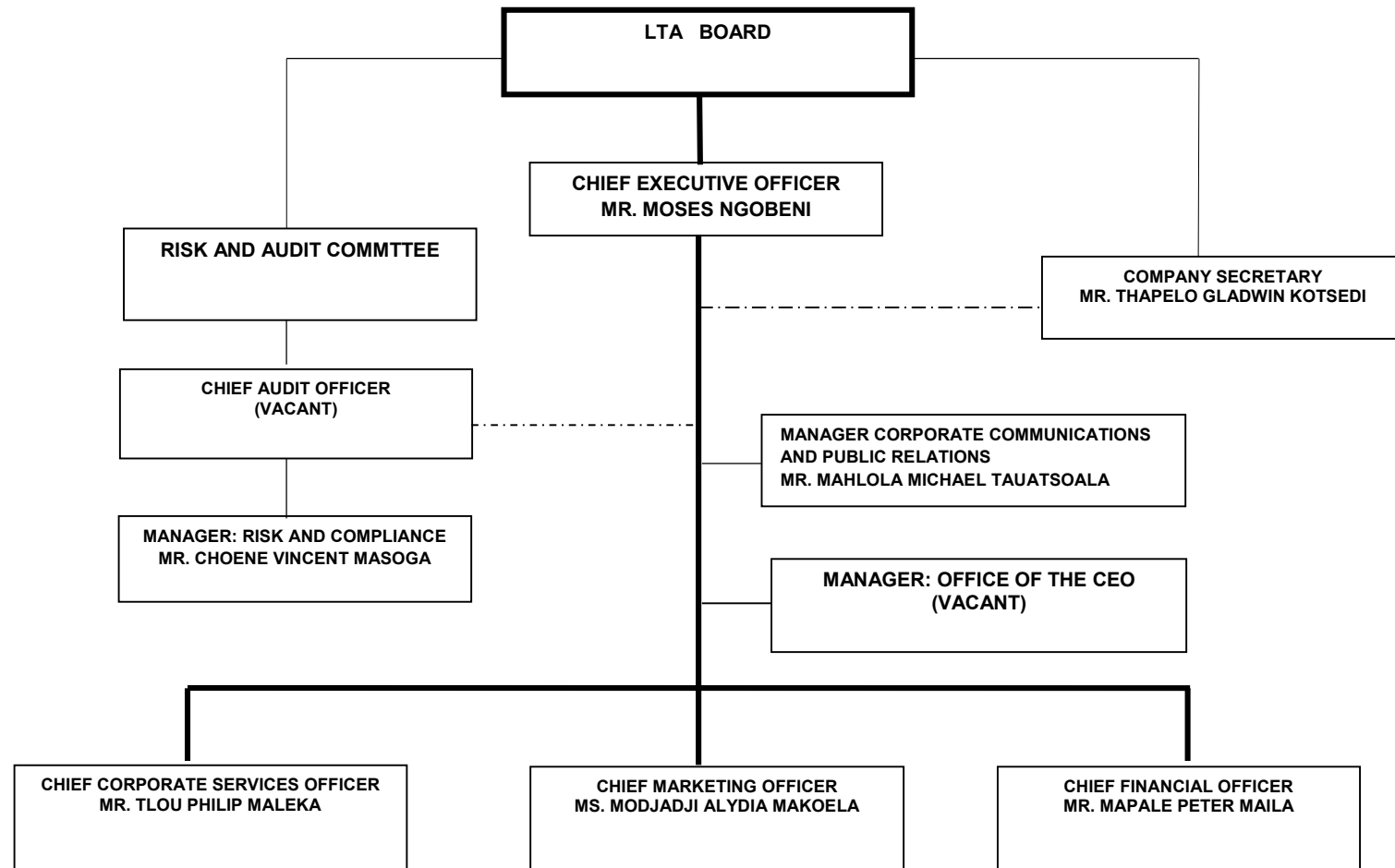
“A rapidly and inclusively growing tourism economy that leverages Limpopo's competitive advantages in nature, culture and heritage, supported by innovative products and service excellence.”

Towards achieving the vision, the Limpopo Tourism Growth Strategy is founded on the implementation of priority actions within the six clusters embedded in the unique wildlife settings offered in the mega conservation areas of Limpopo. These clusters are:

- Culture and Heritage
 - Family and Recreation
 - Sport and Wildlife
 - Safari and Hunting
 - Business and Events
 - Special Interest
-
- Limpopo Development Plan (LDP) - gives directive for the implementation of high impact growth catalytic projects across all sectors of the economy.

- The White Paper on the Development and Promotion of Tourism in South Africa (1996) - sets out a framework and guidelines for tourism development and promotion in South Africa.
- Tourism Black Economic Empowerment Charter (BEE Charter) - which aims to not only make South African tourism globally competitive but to open the benefits of tourism to previously disadvantaged individuals and therefore promote inclusivity.

1.9. Organisational Structure





Mr. M. Ngobeni
Chief Executive Officer



Ms. M.A Makoela
Chief Marketing Officer



Mr. T.P Maleka
**Chief Corporate Services
Officer**



Mr. M.P Maila
Chief Financial Officer



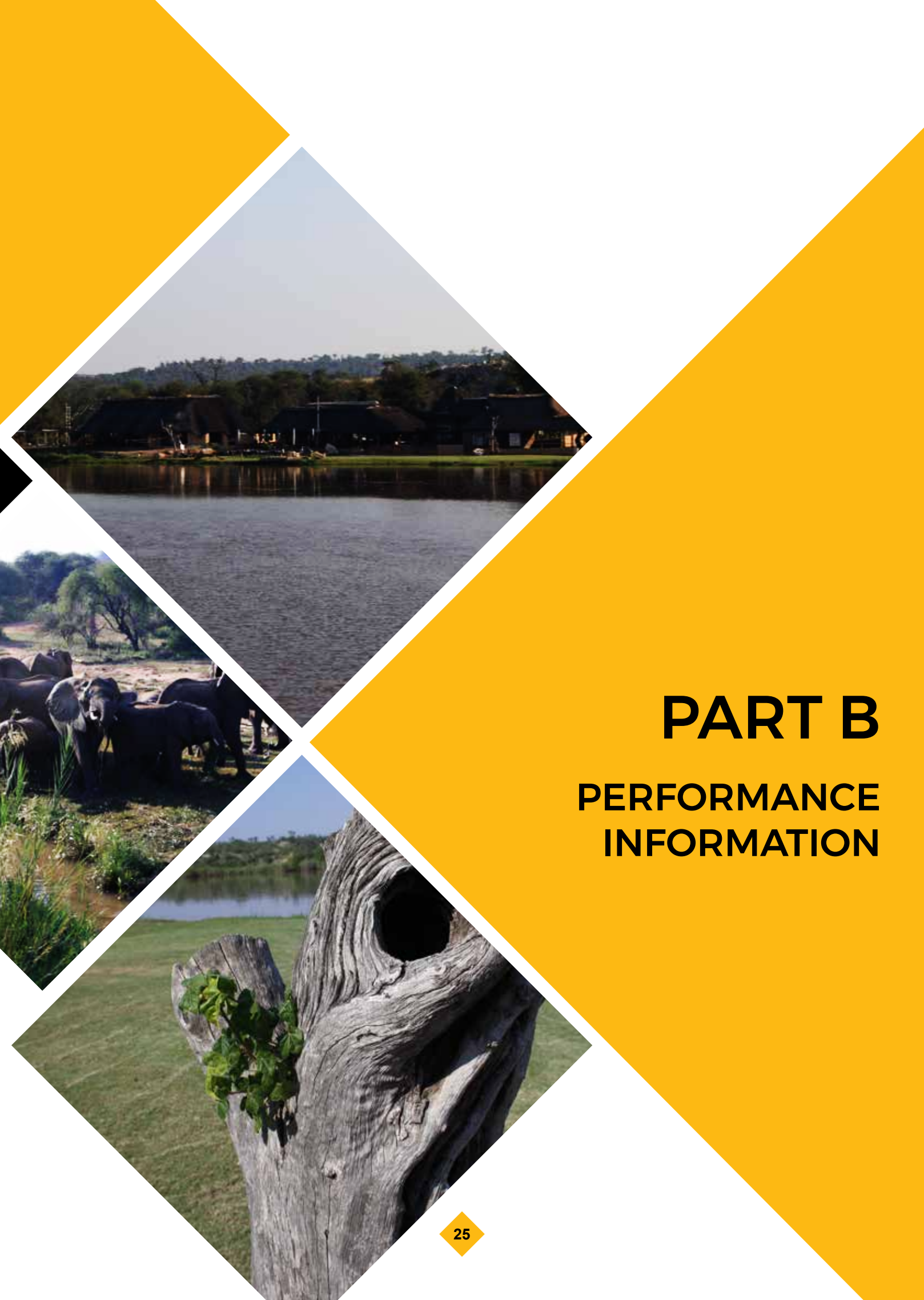
Mr. T.G Kotsedi
Company Secretary



Mr. C.V Masoga
Manager Risk & Compliance



Mr. M. M Tauatsoala
**Manager Corporate
Communication & PR**



PART B

PERFORMANCE INFORMATION

2. PART B: PERFORMANCE INFORMATION

2.1. AUDITOR-GENERAL' S REPORT: PREDETERMINED OBJECTIVES

The AGSA/auditor currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the auditor's report. Reference is made to pages 98 to 110 of the Auditors Report, Part F: Annual Financial Statements of the entity.

2.2. OVERVIEW OF THE ENTITY'S PERFORMANCE

Service Delivery Environment

The Tourism was one of the most affected sectors by the COVID-19 pandemic and the outbreak was felt across the whole tourism value chain. It is however important to reflect on what the status of the industry was prior COVID 19 pandemic. On provincial level Limpopo's international visitors contributed R5.5B to the economy and R7.9M was earned from bed night stays (average four nights per tourist) in 2018. Domestic trips contributed R4.7bn to the economy.

Research conducted on national and provincial level since lockdown in March 2020, clearly indicated that many tourism businesses were in great distress with staff (especially part-time, seasonal workers) retrenched or put on unpaid leave. This resulted in many people within the tourism industry losing income. It is however believed that since tourism is a highly resilient sector, that with adequate support the sector can bounce back strongly. With the support of the National Department of Tourism (NDT), South African Tourism (SAT), the Private sector role players, both my department and Limpopo Tourism Agency (LTA) worked hard with a process to engage with the industry to implement the developed and adopted National Tourism Sector Recovery Plan. The framework was guided by the UNWTO Call of Action to Mitigate the Socio-Economic Impact of COVID-19 and Accelerate Recovery published on the 1st of April 2020, as well as the tourism sector recovery plan development at national level driven by the Department of Tourism (NDT).

The most recent statistical release by Statistic South African, shows that in 2020, Eastern Cape received 18,2% and became the most visited destination for overnight trips followed by Limpopo with 18,0%, while in 2021, the most visited Province was Limpopo with 20,3% followed by Gauteng at 15,1%. The statistics also shows that Limpopo continued to be the most visited Province in the first 10 months of the year. We attribute this speedy recovery to the partnership efforts with the private sector that continues to immerse our visitors with the best and unforgettable experiences. The diverse product offerings within the six different District Municipalities from Waterberg that receives the most visitors to the hot

springs of Bela-Bela and surrounding resorts that attract scores of family holiday makers into this region. The region also attracts safari lovers, outdoor enthusiasts coming for outdoor activities including golf in the wild where the region boasts magnificent golf and game courses that are unique in their own rights.

Limpopo is also home to the Greater Limpopo Trans-frontier Park incorporating the Do Limpopo in Mozambique and Gonarezhou National Park in Zimbabwe providing cross border excursions, the various activities within the Magoebaskloof area within the R71 Road commonly known as the home of the silver mist with various activities from hiking within the Escarpment area with unique waterfalls, unparalleled topography with protea flowers and unique grass land ideal for photography tourism.

In the area of SMME support, the entity was able to surpass its targets largely because of the industry being operational after the harsh realities of COVID 19 pandemic. In the overall, the relationship between the entity and the industry has improved tremendously with regular updates conducted on quarterly basis.

Organisational environment

The entity managed to fill the critical vacant positions of the Chief Executive Officer, Chief Marketing Officer and Senior Manager Budget and Treasury. The entity has been able to achieve all its set targets for the year under review. The entity was also able to develop the Information Communications Technology (ICT) Strategy. The vacancy rate on funded vacant posts at the end of March 2023 was at 4% which was as a result of terminations and providence. The entity was able to resolve all the outstanding issues on irregular and fruitless and wasteful expenditures.

The entity has been able to capacitate the Financial Management division with the anticipation that the entity will realise a better performance outcome. The entity has accordingly aligned its policies with the new regulations on Supply Chain Management (SCM). The entity has achieved its expenditure target of 95 %. The development of the sponsorship policy by the entity has assisted in the management of partnerships with the stakeholders, an area that has in the past brought about challenges in the procurement space. Going forward, the entity will put more focus on timeous planning in different spheres of operation, inclusive of the area of procurement and project management.

The approved positions on the structure are 77 and only 50 positions have been filled due to the cost of employee budget reduction. The computation are as follows, out of 50 positions 25 are female and 25 are male. The entity has appointed two (2) females at Senior Management Level during the year under review and one (1) female at management level. The entity also embarked on the

recruitment of youths through the internship programme that will run over a period of two years, to this end, LTA continues with the recruitment of ten (10) interns for the outer years. In line with the Employment Equity Plan in place, efforts will be intensified in the quest to recruit people living with disability.

The entity has commenced with the process of reconfiguration through the assistance of the shareholder department since a new function was added as per the EXCO Resolution No.20 of 2022/23.

Key policy developments and legislative changes

The entity has updated most of the Human Resources policies in line with the Department of Public Service and Administration (DPSA) as well as the financial policies in line with Provincial and National Treasury as guided by the Treasury guidelines and PFMA.

2.3. PROGRESS TOWARDS ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

Impact

Research conducted on national and provincial level since lockdown in March 2020, clearly indicated that many tourism businesses were in great distress with staff (especially part-time, seasonal workers) retrenched or put on unpaid leave. This resulted in many people within the tourism industry losing income. It is however believed that since tourism is a highly resilient sector, that with adequate support the sector can bounce back strongly. With the support of the National Department of Tourism (NDT), South African Tourism (SAT), the Private sector role players, both my department and Limpopo Tourism Agency (LTA) worked hard with a process to engage with the industry to implement the developed and adopted National Tourism Sector Recovery Plan. The framework was guided by the UNWTO Call of Action to Mitigate the Socio-Economic Impact of COVID-19 and Accelerate Recovery published on the 1st of April 2020, as well as the tourism sector recovery plan development at national level driven by the Department of Tourism (NDT).

Outcomes

Improved governance, oversight, and intergovernmental coordination,
A professional, meritocratic, and ethical public administration maintained,
Improved financial governance and
Increase the tourism sector's contribution to economic growth.

Through the governance structure of the entity, strides were made to ensure that clean governance and administration take precedence in its operations. Evidence of the afore said can be traced in the audit outcome of the entity which was an unqualified audit opinion. In this area work continues to be done to improve the audit outcomes of the entity to a better audit opinion. Both the governance structure and staff continue to fill the necessary governance documents which includes but not limited to code of

conduct and declaration of interest on a regular basis. The

Regarding the progress made towards the achievement of five (5) year targets, the programme performed more than expected on its target of stakeholder engagements. The target was not measured in 2019/20 financial year. For the years 2021/22 to 2022/23 the entity implemented twenty-seven (27) stakeholder engagements, with an overachievement of three (3) targets. The entity had a targeted forty (40) stakeholder engagements in a period of five years. The strategic Plan was amended due to development of new policies, viz, the Economic Reconstruction and Recovery Plan as well as the Tourism Sector Recovery Plan, and the following output indicators were removed from the Strategic Plan to the Operational Plan, reduction in incidents of corruption, achievement of performance targets and number of strategic risks mitigated.

Programme 2 Corporate Services. The programme is responsible for effective management of the human capital, Legal services and ICT in the entity and aligns itself with MTSF 1 capable, ethical and development state. The programme is critical in facilitating implementation of the entity's skills development to improve service delivery and keep the staff abreast of new developments and new ICT development. The entity managed to achieve its plans through the following Output Indicators, number of skills development programs implemented, this indicator was reviewed 2022/23 and four (4) skills development programmes were implemented. It is anticipated that the target of 16 training and development programmes will be met at the end of the five-year strategic plan. Continuous skills development of staff is critical to enhance the capabilities of members of staff to be professional in the delivery of service of increasing visitor experience that contributes to inclusive economic growth. Priorities in relation to job creation of women and youth were met through internship programme, a totality of ten youth (4 males and 6 females) were appointed for a period of twenty-four months (two years) in line with the Skills Development Act to gain practical work experience in the various fields within the entity and two female Candidates were appointed in the vacant positions of Manager Supply Chain Management , Senior Manager Budget and Treasury, Chief Marketing Officer in line with the Employment Equity Act no.55 of 1998. It is the responsibility of this programme to ensure that all employees' performance contracts and compliance to disclosure of financial interest on signed within set time frames. The baseline of each outcome indicates 100% (51/51) (reviewed 2022/2023) which has been fully met during the end of the financial year which will ensure that a professional, meritocratic, and ethical public administration outcome is achieved.

Percentage of received disciplinary cases adjudicated within 90 days, this indicator was reviewed 2022/23 and to date the target has been fully met. Challenges: Though the entity did not have any challenge Chairpersons of hearings, should there be an increase in disciplinary cases, the availability of internal Chairpersons could pose a burden in completing the cases within 90 days of receipt. The requests could be made to other public entities to avail employees who usually serve as Chairpersons.

Outcome Indicator: Information, Communication, and technology strategy developed. The indicator was reviewed in 2022/23, the target was achieved in the fourth quarter of 2022/23. Prior to the review, the previous indicator was Number of ICT digitisation programme implemented. The entity will implement the developed ICT strategy in the outer years. The Output indicator, number of ICT digitalisation programmes implemented was moved from the APP to Operational Plan.

Programme 3 Financial Management. The programme is responsible for effective, efficient and sound financial management and accountability within the entity. The programme was planned to achieved 3 targets, and all were achieved. However, the entity has been stagnant in audit outcome(unqualified with matters) for the past 3 years. The main challenge for the entity to achieve a unqualified audit outcome without matters is performance information. The AFS were submitted free from material misstatements and no paragraph in compliance with legislation. Management must focus more on the performance information, particularly IDM in order to achieve unqualified audit outcome without matters.

The programme consist os three indicators.viz:

Unqualified audit outcome maintained , the entity has been stagnant on unqualified audit outcome with matters for the past 3 years. However, there is a great improvement in the preparation of financial statements, wherein 2021/22 annual financial statements were submitted free from material misstatements.

Percentage of expenditure in relation to the allocated Budget: - this indicator was reviewed 2022/23 from 100% spent on budget to 95%. To date the target has been achieved.

Percentage of invoices paid within 30 days of receipt: -this is a new target introduced in 2022/23 financial year.The entity has achieved the target in terms of payment of invoices within 30 days of receipt. 30% procurement spending on black, youth, disabled and women was moved from Strategic Plan to Operational Plan.

Programme 4: Intergated Destination Marketing .The easing of Covid-19 restriction for the financial year under review allowed the Tourism industry to roll out key indoor and outdoor activations that include eight marketing collaborations. The marketing collaborations took advantage of the alert level that allowed physical participation and as such the entity implemented the Limpopo Championship, Kremetart Cycling Race, Hanglip 54th Golf Day, Limpopo Holiday Fair, Kudu Championship, Boxing Tournament, World Intellectual Property Organisation (WIPO) Summer School, launch of the golf Passport to enhance the economic spin-offs within the golf market. A convention was convened to resuscitate packaged routes to ensure marketability of destination Limpopo.

The entity further went on to conduct aggressive marketing through participation at tradeshow outside the province to attract both international and domestic tourists to the province. LTA participated in the World Travel Market Africa (WTM) in Cape Town, Africa's Travel Indaba in Durban, Ongwendiva Trade Fair in Namibia, Sanganai/Hlanganani Trade show in Zimbabwe and Meetings Africa in Johannesburg at Sandton. The target on SMME's business support was reviewed in 2022-2023. The entity planned to support 70 SMME's in the year under review, due to activation demands following the re-opening of trade after a period of three-year lull and partnerships with municipalities and the Tourism Associations exceeded the planned target by 49 SMMEs supported. The targets on the number of business events awareness programmes implemented and platforms utilised to disseminate information were removed from the Strategic Plan. The entity achieved 4 impact assessment studies as planned. The entity planned to achieve four domestic campaigns and exceeded the target by one.

2.4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION -

PROGRAMME 1: OFFICE OF CHIEF EXECUTIVE OFFICER

Purpose of the programme: Provide the capacity to the entity to deliver on its mandate.

Sub-programmes:

- **Board Support:** it to ensure efficient Board Leadership of the agency in compliance with relevant legislative prescripts.
- **Monitoring and Evaluation:** it ensures effective and efficient monitoring of the performance of the entity.
- **Internal Audit and Risk:** it provides risk management and compliance services.
- **PR and Corporate Communications:** provides communication services internally and externally with various stakeholders.

Outcome: Improved governance, oversight, and intergovernmental coordination

Outcomes, Outputs, Output indicators, Targets and Actual Achievements table

Programme 1: Office of the Chief Executive Officer								
Outcome	Output	Output Indicator	Audited Actual performance 2020/2021	Audited Actual performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target and Actual Achievement 2022/2023	Reasons for deviations
Improved governance, oversight, and intergovernmental coordination	Stakeholders engaged	Stakeholder engagements hosted	8	11	8	8	None	None

Under programme 1, throughout the four quarters the entity achieved 100% of the set targets. The table above provides details of performance against outputs and targets.

Linking performance with budgets

Programme / activity/ objective	2022/23			2021/22		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Board Support	1 231	1 243	(12)	1 528	1 727	(199)
Monitoring and Evaluation	1 530	1 541	(11)	404	481	(77)
Communications	448	448	-	557	557	-
Compensation of Employee	6 262	5 989	273	6 618	5 840	778
Capex	84	57	27	123	119	4
Total	9 555	9 278	277	9 230	8 724	506

PROGRAMME 2: CORPORATE SERVICES

Purpose: Provide effective and efficient human resources and organisational support services in the entity.

Subprogrammes:

- **Administration:** render support and auxiliary services.
- **Human Resources:** provides human resources management services.
- **Information Communication Technology:** provides information technology services.
- **Legal Services:** provides strategic legal advice and support services.

Strategic Plan Outcomes: A professional, meritocratic and ethical public administration

OUTCOMES, OUTPUTS, OUTPUTS INDICATORS, TARGETS AND ACTUAL ACHIEVEMENTS

Programme: Corporate Services								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	*Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
A professional, meritocratic and ethical public administration	Performance contracts signed	Percentages of employees performance contracts signed within set time frames	Not measured	Not measured	100%	100%	None	None
	Financial disclosure forms completed	Percentage compliance to disclosure of financial interest within the financial year	Not measured	Not measured	100%	100%	None	None
	Skills development programs implemented	Number of skills development programs implemented	Not measured	Not measured	4	4	None	None

Programme: Corporate Services								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	*Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
	Disciplinary cases adjudicated within 90 days	Percentage of received disciplinary cases adjudicated within 90 days	Not measured	Not measured	100%	100%	None	None
	Strategy developed	Information, Communication, and technology strategy developed	Not measured	Not measured	1	1	None	None

Programme 2 Corporate Services achieved 100% of the planned targets during the year under review. The table above provides details of performance against outputs and targets.

Linking performance with budgets

Programme /activity/objective	2022/2023			2021/2022		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Human Resources Management	4 301	4 175	126	3 623	3 625	(2)
Human Resources Development	233	148	85	64	64	-
Professional fees	315	289	26	13	13	-
Employee wellness	112	110	2	99	97	2
Information Communication Technology	1 516	1 220	296	1 096	1 094	2
Compensation of Employees	10 165	10 058	107	9 655	9 986	(331)
Capex	2 054	1 218	836	592	573	19

Total	18 696	17 218	1 478	15 142	15 452	(310)
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PROGRAMME 3: FINANCIAL MANAGEMENT

Purpose: Ensure sound financial governance and accountability in the entity.

Subprogrammes:

- Financial Management: provide sound financial management and accountability in the entity.
- Supply Chain Management: provide a procurement system, which is fair, equitable, transparent, competitive, and cost-effective.

Strategic Plan Outcomes: Improved financial governance.

OUTCOMES, OUTPUTS, OUTPUTS INDICATORS, TARGETS AND ACTUAL ACHIEVEMENTS

Programme : Financial Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	*Actual Achievement 2022/2023 <u>until the date of re-tabling</u>	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Improve financial governance	Audit outcomes	Unqualified audit opinion maintained	Unqualified audit opinion obtained	Unqualified audit opinion obtained	Unqualified audit opinion maintained	Unqualified audit opinion maintained	None	None

Programme : Financial Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	*Actual Achievement 2022/2023 <u>until the date of re-tabling</u>	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
	Allocated budget spend	Percentage of expenditure in relation to budget allocated.	81%	97%	95%	95%	None	None
	Received undisputed invoices paid	Percentage of invoices paid within 30 days of receipt.	-	-	100%	100%	None	None

Financial Management programme achieved all planned 2022-2023 financial year targets.

Linking performance with budgets

Programme/activity/ Objective	2022/2023			2021/2022		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Financial Management	3 023	2 943	80	3 165	3 128	37
Supply Chain Management	93	93	-	75	72	3
Compensation of Employees	6 943	7 055	(112)	6 538	5 283	1 255
Capex	133	124	9	66	65	1
Total	10 192	10 214	(23)	9 844	8 548	1 296

PROGRAMME 4: INTEGRATED DESTINATION MARKETING

Purpose: The programme's main purpose is to market Limpopo as a leading tourism destination to domestic, regional, and international markets.

Subprogrammes:

- Destination Marketing Services: this sub-programme aims to market the province.
- Destination information Services: provide information management services and disseminate same to tourists.

OUTCOMES, OUTPUTS, OUTPUTS INDICATORS, TARGETS AND ACTUAL ACHIEVEMENTS

Programme 4: Integrated Destination Marketing								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Increase the tourism sector's contribution to economic growth.	Domestic campaigns implemented	Number of domestic campaigns implemented	4	4	4	5	1	The entity exceeded the target by 1 due to domestic campaign with South African Tourism
	Marketing collaborations implemented	Number of marketing collaborations implemented	7	8	8	8	None	None
	Trade marketing platforms activated	Number of trade marketing platforms activated	1	4	4	4	None	None
	SMMEs business Supported	Number of SMMEs business supported	Not measured	Not measured	70	99	29	The entity exceeded the targets by 29 SMMEs due to activation demands following the

Programme 4: Integrated Destination Marketing								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
								re-opening of trade after a period of three-year lull and partnerships with municipalities and the Tourism Associations
	Impact assessment studies conducted	Number of impact assessment studies conducted	2	3	4	4	None	None

Linking performance with budgets

	2022/2023	2021/2022
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Programme/ activity/objectives	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
destination marketing services	19 337	17 168	2 169	16 491	16 308	183
Destination information services and research	1 550	1 103	447	940	938	2
Divisional support	936	955	(19)	410	500	(90)
Compensation of Employees	14 886	15 199	(313)	14 502	14 032	470
Capex	145	160	(15)	138	118	20
Total	36 854	34 586	2 268	32 481	31 896	585

Strategy to overcome areas of underperformance.

The following are strategies to address under performance.

- The entity has filled the critical vacant positions of Chief Executive Officer, Chief Marketing Officer and Senior Manager Budget and Treasury which will assist the entity in achieving its strategic objectives including improved audit outcomes.
- The entity will embark on standardization of critical performance targets by engaging with the National Department of Tourism a process that will assist in ensuring that the national and provincial sector targets are aligned.

2.5. Revenue Collection

	2022-2023			2021-2022		
Sources of revenue	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	0	0	0	0	0	0
Total	0	0	0	0	0	0

The entity has no revenue activity; therefore, no revenue was collected during the financial year under review except for credit interest received, as well as recoveries from employees.

2.6. CAPITAL INVESTMENT

	2021/2022			2022/2023		
Infrastructure projects	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Total	0	0	0	0	0	0

Assets management plan

The asset management plan has been fully implemented. New assets to the value of R1 559 million were procured during the year under review.

Asset verification was conducted twice in line with the asset management policy. Write offs to the value of R0,02k were identified and approved by the accounting authority in line with the entity's asset management policy.

Disposal was conducted through auction during the month of September 2022 with the total sales value of R0,81k. Asset verification was conducted twice during the financial year under review, which is in line with asset management policy. Write offs to the value of R0,02k were identified during the asset verification processes and were written off after approval by the accounting authority.

There was no loss due to theft. The assets register was updated regularly as and when assets are purchased and disposed.

Depreciation was also updated quarterly. In terms of the assets assessment done, 90 % of the assets are still in good condition.

Approved by



DIPELA K.A
CHAIRPERSON OF THE BOARD
LIMPOPO TOURISM AGENCY

31/05/2023

DATE

PART C

GOVERNANCE

3. PART C: GOVERNANCE

Board Members



Mr. Dipela K.A
Chairperson of the Board



Mr. Chikane C.A
Deputy Chairperson of the Board



Ms. Moganedi M. O
Board Member



Mr. Tseli R.M
Board Member



Cllr. Mashimbye P.F.
Board Member



Ms. Tlouane K, C
Board Member

3.1. INTRODUCTION

The Board has ensured that the entity's governance prescripts have been complied with. The Board continues to be governed by the Limpopo Tourism Act 4 of 2018, the Companies Act 8 of 2018, Public Finance Management Act 1 of 1999 as amended and principles of the King's Report on corporate governance. During the year under review, the Board's decisions and resolutions were arrived at after careful analysis of data and applicable legislation. The Board has ensured submission of well researched documents and sources to the legislative forums. The Board executed its fiduciary duties in line with the Performance Agreement signed with the Executive Authority.

3.2. PORTFOLIO COMMITTEES

The Portfolio Committee on Economic Development, Environment and Tourism has exercised its oversight role through evaluating the performance of the entity during the quarterly Committee meetings where the entity tabled its strategic documents. The Portfolio Committee monitors the implementation of the targets set and the compliance documents as presented.

The entity appeared at the Portfolio Committee on 04/10/2022 to present the 2021/22 Annual Report as well as the First Quarter Performance Report 2022/23 with the following key outcomes: -

- 100 Percent reduction on incidents of corruption
- Eleven Stakeholder Engagements hosted.
- 91.30% Performance targets achieved.
- Three Strategic Risks mitigated.
- Three ICT Digitalisation programmes implemented.
- Unqualified Audit Opinion obtained.
- 97% Expenditure against budget
- 100% of 30% Procurement spending on Black, Youth, Disabled and Women.
- Three Research studies conducted.
- Twenty Platforms utilised to disseminate Tourism Information.
- Four Brand Awareness Campaigns implemented.
- Eight Collaborations implemented.
- One Business Event awareness programme implemented.
- Four Trade Marketing Platforms activated.

The entity presented the 1st Quarter Performance Report 2022/23 with the following highlights: -

- Held two stakeholder engagement events.
- 100% of employees' performance contracts signed with in the set time frames.
- 100% compliance to disclosure of financial interest within the financial year
- One skills development program implemented.
- 100% received disciplinary cases adjudicated within 90 days.
- 30 expenditures in relation to the allocated budget
- 100 invoices paid within 30 days of receipt.
- One domestic campaign implemented.
- Two marketing collaborations implemented.
- Two trade Marketing platforms activated.
- Eighteen SMMEs businesses supported.
- One impact assessment study conducted.
- 100% overall performance targets achieved.

The Committee made in the main, the following inputs: -

That the entity should ensure that collaborations with stakeholders and partnerships are impactful in the implementation of the core mandate and achieving economic goals of the sector. That there should be improvement in the number of business events awareness campaigns to raise the profile of the province. The research projects of the entity should assist the province in developing robust, articulate, and impactful marketing strategies. The entity should report on the implementation of the Legislature Committees' resolutions. That LTA should provide a detailed report on how to monitor the Tourism Safety Program. That the contractual arrangements or partnership of the department with the football clubs (Baroka FC and Marumo Gallants FC) must comply in terms of tax. The transformation of tourism industry should be prioritized, and necessary capacity building should be done as well as to support tourism SMME's and in general all SMME support which is important.

The entity appeared twice during the year under review to the Standing Committee on Public Accounts for the 2018/19, 2019/20 and 2021/22 financial years reports. The Standing Committee on Public Accounts has directed the entity to finalise all unresolved fruitless and wasteful expenditures.

3.3. Executive Authority

Section 9 of the Limpopo Tourism Act 4 of 2018 enjoins the Executive Authority the responsibility of appointment of the Board for the entity. The Executive Authority has entered into a performance agreement with the Board where on a quarterly basis the entity is required to submit performance reports. A total of four performance reports were presented to the Executive Authority and were monitored by the Monitoring and Evaluation unit within the Executive Authority's office.

Four quarterly reports were submitted to the Executive Authority on the following dates:

- First-quarter on the 28th July 2022
- Second-quarter on the 28th October 2022
- Third quarter on the 24th February 2023
- Fourth quarter on the 28th April 2023

3.4. THE ACCOUNTING AUTHORITY / THE BOARD

Introduction

The Board is the accounting authority of a public entity. The Board of the entity constitutes a fundamental base for the application of corporate governance principles in the public entity. The entity is being headed by and controlled by an effective and efficient Board, comprising of the appropriate mix of executive and non-executive directors representing the necessary skills to strategically guide the public entity. The majority of the members are non-executive in order to ensure independent and objective in decision-making. The Board has the responsibility for the performance of the public entity and is fully accountable to the public entity and Shareholder for such performance. The Board, as its fiduciary duty, gives strategic direction to the entity.

During the period under review, the Accounting Authority considered and approved the following documents/submissions:

- Write off Assets on 26/05/2022.
- Human Resources Policy review on 26/05/2022
- Limpopo Transversal Procurement Policy 26/05/2022
- LTA Preferential Procurement Policy on 01/11/2022
- Sponsorship Policy on 01/11/2022
- Asset Management Policy review on 01/11/2022
- Telecommunications Policy review on 01/11/2022
- Board Charter on 02/03/2023
- Destination Marketing Committee Charter on 02/03/2023
- Risk and Audit Committee Charter on 02/03/2023
- Human Resources and Remuneration Committee Charter on 02/03/2023
- Delegation of Authority on 02/03/2023
- Code of Conduct on 02/03/2023
- Five (5) Year Strategic Plan 2019/20 - 2024/25 document on 02/03/2023
- Annual Performance Plan 2023/24 on 02/03/2023
- Procurement Plan on 02/03/2023
- Internet Policy review on 02/03/2023
- Firewall Policy review on 02/03/2023
- Baseline Security Policy review on 02/03/2023

- Antivirus and Malware Policy review on 02/03/2023
- SMME Marketing Policy 02/03/2023
- Impact Assessment Framework on 02/03/2023
- Risk Management Framework on 02/03/2023
- Whistle Blowing Policy on 02/03/2023.
- Risk Assessment on 02/03/2023
- Operational Plan on 02/03/2023

The role of the Board is as follows: -

In executing its fiduciary duties, the Board has ensured that it gives proper guidance to the entity.

In exercising its powers, the Board is enjoined by sections 49 - 51 of the Public Finance Management Act 1 of 1999 (PFMA) (as amended).

The relevant provisions of the PFMA are detailed hereunder as follows: -

Section 49 of the PFMA provides amongst others the following: -

- 1) Every public entity must have an authority which must be accountable for the purposes of this Act.
- (2) If the public entity—
 - (a) has a board or other controlling body, that board or controlling body is the accounting authority for that entity; or
 - (b) does not have a controlling body, the chief executive officer, or the other person in charge of the public entity is the accounting authority for that public entity unless specific legislation applicable to that public entity designates another person as the accounting authority.

Section 50 of the PFMA provides amongst others the following: -

- (1) The accounting authority for a public entity must—
 - (a) exercise the duty of utmost care to ensure reasonable protection of the assets and records of the public entity.
 - (b) act with fidelity, honesty, integrity and in the best interests of the public entity_in managing the financial affairs of the public entity.

- (c) on request, disclose to the executive authority responsible for that public entity or the legislature to which the public entity is accountable, all material facts, including those reasonably discoverable, which in any way may influence the decisions or actions of the executive authority or that legislature; and
 - (d) seek, within the sphere of influence of that accounting authority, to prevent any prejudice to the financial interests of the state.
- (2) A member of an accounting authority or, if the accounting authority is not a board or other body, the individual who is the accounting authority, may not—
- (a) act in a way that is inconsistent with the responsibilities assigned to an accounting authority in terms of this Act; or
 - (b) use the position or privileges of, or confidential information obtained as, accounting authority or a member of an accounting authority, for personal gain or to improperly benefit another person.
- (3) A member of an accounting authority must—
- (a) disclose to the accounting authority any direct or indirect personal or private business interest that that member or any spouse, partner or close family member may have in any matter before the accounting authority; and
 - (b) withdraw from the proceedings of the accounting authority when that matter is considered unless the accounting authority decides that the member's direct or indirect interest in the matter is trivial or irrelevant.

Section 51 of the PFMA provides amongst others the following: -

- (1) An accounting authority for a public entity—
 - (a) must ensure that that public entity has and maintains—
 - (i) effective, efficient and transparent systems of financial and risk management and internal control.
 - (ii) a system of internal audit under the control and direction of an audit committee complying with and operating in accordance with regulations and instructions prescribed in terms of sections 76 and 77; and
 - (iii) an appropriate procurement and provisioning system which is fair, equitable, transparent, competitive, and cost-effective.
 - (iv) a system for properly evaluating all major capital projects prior to a final decision on the project.
 - (b) must take effective and appropriate steps to—
 - (i) collect all revenue due to the public entity concerned; and
 - (ii) prevent irregular expenditure, fruitless and wasteful expenditure, losses resulting from criminal conduct, and expenditure not complying with the operational policies of the public entity; and
 - (iii) manage available working capital efficiently and economically.
- (c) is responsible for the management, including the safeguarding, of the assets and for the management of the revenue, expenditure and liabilities of the public entity.

- (d) must comply with any tax, levy, duty, pension and audit commitments as required by legislation.
 - (e) must take effective and appropriate disciplinary steps against any employee of the public entity who—
 - (i) contravenes or fails to comply with a provision of this Act.
 - (ii) commits an act which undermines the financial management and internal control system of the public entity; or
 - (iii) makes or permits an irregular expenditure or a fruitless and wasteful expenditure.
 - (f) is responsible for the submission by the public entity of all reports, returns, notices and other information to Parliament or the relevant provincial legislature and to the relevant executive authority or treasury, as may be required by this Act; [Para. (f) substituted by s. 29 of Act No. 29 of 1999.]
 - (g) must promptly inform the National Treasury on any new entity which that public entity intends to establish or in the establishment of which it takes the initiative, and allow the National Treasury a reasonable time to submit its decision prior to formal establishment; and
 - (h) must comply, and ensure compliance by the public entity, with the provisions of this Act and any other legislation applicable to the public entity.
- (2) If an accounting authority is unable to comply with any of the responsibilities determined for an accounting authority in this Part, the accounting authority must promptly report the inability, together with reasons, to the relevant executive authority and treasury.

The Board has for the period under review ensured that the aforementioned sections of the PFMA are well complied with as the guiding legislative imperatives of its existence.

The Board has amongst others, overseen the implementation of the following deliverables: -

- (a) Marketing the province as a tourist destination.
- (b) Marketing provincial tourism products and facilities.
- (d) Advised the MEC on any matter relating to the tourism marketing; and
- (e) Performed the functions the MEC had assigned or delegated to the Agency.

That the entity is at all material times compliant with, to the laws and prescripts governing the tourism industry.

Board Charter

The Board has approved its terms of reference colloquially named the Charter. In a nutshell the essentials of the Charter captured the following: -

mandate, the frequency of its meetings, the quorum of the meetings, declaration of interest, and the threshold of decision making by the Board.

Composition of the Board

Name	Designation (in terms of the Public Entity Board structure)	Date appoint ed	Date resign ed	Qualificatio ns	Area Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g: Audit committee / Ministerial task team)	No. of Meetin gs attend ed
Khiba Andrew Dipela	Chairperson	01 Decemb er 2019		• RPL in Public Admin	• Sports Marketing • Media and Communicatioins • Marketing and Branding	• Trustee of Bokamoso Investment Trust • Revolutionary Road Solutions • RRS International • Kaborona • ADAM • Chairperson of Dipela Sports Events • Cebo Manyapelo Foundation • Dipela Farming • Andrew Dipela Foundation	• Destination Marketing (ex -officio) Human Resources and Remunerations (ex -officio)	14

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g: Audit committee / Ministerial task team)	No. of Meetings attended
				<ul style="list-style-type: none"> Professional Sports Management Graduate Module Executive Sports Management Programme FIFA Futuro 3 Graduate IOD Director 				
Chikane Chikane Albert	Deputy Chairperson Destination Marketing Committee Chairperson ,	01 December 2019		<ul style="list-style-type: none"> Master's in public administration Post Graduate Diploma in Monitoring 	<ul style="list-style-type: none"> Human Resource specialist Strategist 	<ul style="list-style-type: none"> Future Fleet Holdings Kekhumo Investment Holding Pty Ltd Bahale Property Investment 	<ul style="list-style-type: none"> Contracts Human Resources and Remunerations 	20

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g: Audit committee / Ministerial task team)	No. of Meetings attended
	Risk and Audit Committee Chairperson			<ul style="list-style-type: none"> and Evaluation • Advanced Programme in Project Management • B Juris • Advance Labour Law Programme • Business Management Development Programme • Executive Development Programme • GCRA Executive 		<ul style="list-style-type: none"> • Cebisa Telecommunications • The Megamillion Mobility • The Megamillion Recycling • The Megamillion Processing • 810nity • Mzansi E Mobility • The Megamillion Commodities • The Megamillion Minerals • The Megamillion Holding • Southern African Seeds 		

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g: Audit committee / Ministerial task team)	No. of Meetings attended
				Leadership Development Programme • Strategic Human Resources Management • Certificate in Corporate Governance				
Rembuluwani Moses Tseli	Destination Marketing Chairperson	01 December 2019		• Postgraduate Diploma in Management • Senior Primary Teacher's Diploma	• Educationist • Corporate Governance	•	• Human Resources and Remunerations	16

Name	Designation (in terms of the Public Entity Board structure)	Date appoint ed	Date resign ed	Qualificatio ns	Area Expertise	of Board Directorships (List the entities)	Other Committees or Task Teams (e.g: Audit committee / Ministerial task team)	No. of Meetin gs attend ed
				<ul style="list-style-type: none"> Diploma in Municipal Governance The advanced certificate in Governance and Leadership 				
Mathipe Orcillia Moganedi	Human Resources and Remunerati ons Chairperson Contracts Committee Chairperson	01 Decemb er 2019		<ul style="list-style-type: none"> Master in Business Administration Management Development Programme Advanced Labour Relations 	<ul style="list-style-type: none"> Entrepreneurship Educationist 	<ul style="list-style-type: none"> Mapudi Furniture and Hardware National Retailer Empowerment Forum Mabogote Properties Phasha Shopping Centre Phasha Property Investment 	<ul style="list-style-type: none"> Destination Marketing 	17

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g: Audit committee / Ministerial task team)	No. of Meetings attended
				<ul style="list-style-type: none"> • Master' Diploma in Human Resources • Bachelor of Education • Higher Diploma in Education • Bachelor of Arts Social Science 		<ul style="list-style-type: none"> • Mapudi Phasaha Investment Holding • PhashComm Media Entertainment • Mapudi Phash Resource • Sekhukhune Basadi Holding 		
Keleabetswe Clementine Tlouane	Member	01 December 2019		<ul style="list-style-type: none"> • M ED in Environmental Education • B A in Education • Bachelor of Education • Management Programme 	<ul style="list-style-type: none"> • Environmentalist • Educationist 	<ul style="list-style-type: none"> • Shareholder's representative Limpopo Gambling Board 	<ul style="list-style-type: none"> • Destination Marketing • Contracts 	11

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g: Audit committee / Ministerial task team)	No. of Meetings attended
				<ul style="list-style-type: none"> Diploma in Computer Literacy 				
Cllr. Percy Faneriwa Mashimbye	Member	01 December 2019		<ul style="list-style-type: none"> Diploma in Human Resource Management National Certificate on Executive Leadership Municipal Development Programme Certificate in Disaster Management Certificate in Ethics 	<ul style="list-style-type: none"> Council Political 	<ul style="list-style-type: none"> SALGA Representative Collins Chabane Municipal Councillor 	<ul style="list-style-type: none"> Destination Marketing Contracts 	6

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g: Audit committee / Ministerial task team)	No. of Meetings attended
				Management in Local Government • Certificate in the Municipal Executive Leadership and Finance Management Programme				
Moses Ngobeni	Acting Chief Executive Officer	01 August 2021		• Bachelor of Administration • Higher Education Diploma • Diploma in Economic Development and	• Administration • Management • Tourism	•	•	18

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g: Audit committee / Ministerial task team)	No. of Meetings attended
				<ul style="list-style-type: none"> Management Course in the Introduction to Marketing Management Executive Management Programme 				
Mapale Peter Maila	Chief Financial Officer	01 February 2022		<ul style="list-style-type: none"> Bachelor of Commerce Degree Post Graduate Diploma in Public Management 	<ul style="list-style-type: none"> Financial management 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> 	21

- Alternate members; not applicable.
- The appointment of the Board processed by the Member of the Executive Council responsible for Limpopo Economic Development, Environment and Tourism. The Board on quarterly basis attends the Board meetings as per prescribed in the Limpopo Tourism Act 4 of 2018.

Board and Committees

Board / Committee	No. of meetings held	No. of members	Name of members
Board	8	8	KA Dipela CA Chikane MO Moganedi RM Tseli KC Tlouane Cllr. PF Mashimbye M Ngobeni (Chief Executive Officer appointed 01/11/2022) MP Maila (Chief Financial Officer ** 27/01/2022) **
Risk and Audit	7	4	CA Chikane F Malaza TC Modipane (resigned on 31/12/2022) JN Mpjane
Contracts	1	4	MO Moganedi CA Chikane KC Tlouane Cllr. PF Mashimbye
Human Resources and Remunerations	4	3	MO Moganedi (appointed 27/01/2022) CA Chikane RM Tseli

Board / Committee	No. of meetings held	No. of members	Name of members
Destination Marketing	4	4	RM Tseli MO Moganedi KC Tlouane Cllr. PF Mashimbye

Remuneration of board members

- The remuneration of the Board is in terms of the 2019 Remunerations Levels; Service Benefit Packages for Office Bearers of Certain Statutory and Other Institutions, Category C1 as determined by the National Treasury Central Evaluation Committee.
- Ms Tlouane K.C is from the Shareholder Department and Cllr. Mashimbye P.F is a representative of the South African Local Government Association.

Non - Executive Members:

Name	Remuneration	Other allowance	Other re-imbursements	Total
KA Dipela (Chairperson)	581,492	10,200	255,670	847,362
CA Chikane (Deputy Chairperson)	203,844	7,200	106,330	317,330
MO Moganedi	140,432	7,200	42,950	190,582
RM Tseli	165,423	7,200	81,836	254,459
PF Mashimbye (Cllr)	-	-	7,151	7,151
KC Tlouane (Shareholder representative)	-	-	-	-
Total	1,091,191	31,800	493,893	1,616,884

Risk and Audit Committee:

Name	Remuneration	Other allowance	Other re-imbursements	Total
F Malaza (Risk and Audit)	44,751	1,800	2,263	48,814
TC Modipane (Risk and Audit)	27,048	1,800	-	28,846
JN Mpjane (Risk and Audit)	42,578	1,800	13,538	57,916
Total	114,375	5,400	15,801	135,576
Grand Total	1,205,566	37,200	509,694	1,752,460

3.5. RISK MANAGEMENT

- Ensured the implementation of a risk management framework that is designed to identify potential events that may affect LTA's report management of risks to be within LTA's risk tolerance, in order to provide reasonable assurance regarding the achievement of the organisation's objectives.
- Assessed the internal control environment of LTA, including the risk tone of the organisation, the existing risk management framework and risk tolerance, integrity and ethical values.
- Fostered an understanding by management, of the business objectives of LTA that may be affected by potential events.
- Reviewed and assessed the identification of events that may affect the achievement of LTA's objectives.
- Reviewed and assessed the process for the analysis of the risks, in terms of likelihood and impact.
- Reviewed and monitored the process for the selection of risk responses - avoiding, accepting, reducing or sharing risks.
- Overseen the establishment and implementation of policies and procedures to help ensure that the risk responses are effectively carried out.
- Monitored the entire risk management process through considering management reporting and separate evaluations and independent assurance.
- Ensured that IT risks form part of the risk management activities of the entity.

3.6. INTERNAL CONTROL UNIT

The entity does not have an internal control unit; however, the responsibilities of the unit are performed by various divisions including amongst others, financial management, supply chain management and risk and compliance.

3.7. INTERNAL AUDIT AND AUDIT COMMITTEES

During the period review, the entity did not have Internal Auditors until 13/03/2023.

The table below provides detailed information on the Risk and Audit Committee members.

Name		Qualifications	Internal or external	If internal, position in the public entity	Date appointed	Date Resigned	No. of Meetings attended
Mr. CA Chikane		<ul style="list-style-type: none">• Master's in public administration• Post Graduate Diploma in Monitoring and Evaluation• Advanced Programme in Project Management• B Juris• Advance Labour Law Programme• Business Management Development Programme• Executive Development Programme• GCRA Executive Leadership Development Programme• Strategic Human Resources Management	External	N/A	01/08/2021		7

Name		Qualifications	Internal or external	If the internal, position in the public entity	Date appointed	Date Resigned	No. of Meetings attended
		<ul style="list-style-type: none"> • Certificate in Corporate Governance 					
Ms F Malaza		<ul style="list-style-type: none"> • Chartered Accountant • Bachelor of Honours in Accounting Science • Bachelor of Accounting Science • Certificate of Theory in Accounting 	External	N/A	01 December 2020		7
Mr TC Modipane		<ul style="list-style-type: none"> • Chartered Accountant • Bachelor of Commerce Honours Accounting • Bachelor of Commerce Accounting • Higher Diploma in Auditing • Certificate in Financial Modelling • Certificate in Business Development Systems • Certificate in Effective Audit Committees 	External	N/A	01 December 2020	31/12/2022	2
Mr JN Mpjane		<ul style="list-style-type: none"> • Chartered Accountant • Honours Bachelor of Accounting 	External	N/A	01 December 2020		6

Name		Qualifications	Internal or external	If the internal, position in the public entity	Date appointed	Date Resigned	No. of Meetings attended
		• Bachelor of Accounting Science					

3.8. COMPLIANCE WITH LAWS AND REGULATIONS

The Limpopo Tourism Agency has been established by section 5 of the Limpopo Tourism Act 2 of 2009. The current legislation of the entity is the Limpopo Tourism Act 4/2018 after the repeal of the Limpopo Tourism Act 2/2009. The entity has put measures in place in the form of policies to ensure compliance with all the applicable legislation.

3.9. FRAUD AND CORRUPTION

During the year under review, no case of fraud or corruption was reported giving the entity a nil report on fraud and corruption cases.

3.10. MINIMISING CONFLICT OF INTEREST

The LTA policies require that all employees including those charged with Supply Chain Management responsibilities, disclose all their interests. That where there is potential for conflict is identified, an employee concerned was recused from discharging any responsibility that would give rise to such conflict of interest. Measures are put in place to disclose cases of conflict of interest. No conflict of interest was reported by the member/s of the Board on all matters which the Board considered during the year under review.

3.11. CODE OF CONDUCT

- Strived to achieve the vision and the mission of LTA and to uphold its core values,
- Ensured that all LTA activities are in compliance with founding legislation and policies,
- Ensured proper media management.
- Acted with honesty, fairness and openness in all dealings as representatives of the entity,
- Maintained a professional level of courtesy, respect and objectivity in all LTA activities,
- Upheld, and assist other LTA Members of the Board and staff in upholding the highest standards of professional conduct,

- Conducted themselves in a manner which does not damage or undermine the reputation of LTA or its staff, avoiding actual impropriety and any appearance of improper behavior,
- Committed to disclose any instance of fraud, corruption or maladministration on the Board or within LTA.
- Exercised the power vested in them as Board Members for the good of all staff members of LTA rather than to secure any benefit or advantage to the Board Member, his/her immediate family or business connection.
- Committed to disclose conflicts of interest promptly or when the conflict of interest arises
- Avoided accepting gifts and/or hospitality that might reasonably be thought to influence their judgment.
- Respected the appropriate confidentiality of the content of Board documentation, discussions, decisions and correspondence, accepting that open consultation is important for the Board's decision making and its engagement with all members.
- Ensured that LTA is complying with the founding Act and other relevant legislation
- Acted prudently and with probity to protect all financial assets and resources of the entity and ensured that these are used to deliver the entity's objectives.
- Maintained and reviewed a risk register for the entity and identified actions to mitigate risks.
- Ensured co-operation of all Board members to manage the Board's own operations,
- Strived to attend all Board meetings and contribute to the meetings,
- Made informative decisions and gave due consideration to differing points of view on the Board and amongst members,
- Worked cooperatively with the shareholder in recognizing their role and responsibilities.
- Participated in the Board performance appraisal and succession planning.

3.12. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

No cases of health hazards were evidenced during the year under review in the work environment.

3.13. COMPANY SECRETARY

The Board has performed its functions duly guided by the Company Secretary; -

- Provided the Board collectively and individually with guidance as to their duties, responsibilities, and powers.
- Consistently made the members aware of any law relevant to or affecting the entity.
- Ensured that there were no failures on the part of the entity and members to comply with all the relevant legislation and related legislations of the entity.
- Ensured that Minutes of all meetings, Board Meetings and the Meetings of any Committees, or the entity's Risk and Audit Committee, were properly recorded following the Act.
- Ensured that the Board oversee that a copy of the entity's Annual Financial Statements was sent, following the Companies Act, to the Auditor General, Provincial Treasury and Shareholder Department.

3.14. SOCIAL RESPONSIBILITY

No social responsibility imperatives had been undertaken by the entity during the year under review.

3.15. RISK AND AUDIT COMMITTEE REPORT

The report accounts for the Committee's work for the period ended 31/03/2023.

RISK AND AUDIT COMMITTEE MEMBERS AND ATTENDANCE

The Risk and Audit Committee meetings were held as hereunder detailed: -

- Four (4) Risk and Audit Committee meetings.
- Three (3) special Risk and Audit Committee meetings.

The detailed attendance information by members of the Risk and Audit Committee during the year 2022/23 is captured hereunder follows: -

Risk and Audit Committee

Name	Designation	No. of Meetings attended	Date appointed	Date Resigned
Mr. C.A Chikane	Chairperson	7	01August 2021	N/A
Ms. F Malaza	Committee member	7	01 November 2020	N/A
Mr. TC Modipane	Committee member	2	01 November 2020	31/12/2022
Mr. JN Mpjane	Committee member	6	01 November 2020	N/A

Risk and Audit Committee executed the following responsibilities: -

- Oversaw the general performance of the entity which includes but not limited to review of Performance Information and Quarter Reports.
- Ensured the implementation of a risk management framework that is designed to identify potential events that may affect LTA, management of risks to be within LTA's risk tolerance, in order to provide reasonable assurance regarding the achievement of the organisation's objectives.
- Understood and assessed the internal control environment of LTA, including the risk tone of the organisation, the existing risk management framework and risk tolerance, integrity and ethical values.
- Understood and fostered an understanding by management, of the business objectives of LTA that may be affected by potential events.
- Reviewed and assessed the process for the analysis of the risks, in terms of likelihood and impact.
- Reviewed and monitored the process for the selection of risk responses - avoiding, accepting, reducing or sharing risks.

- Oversaw the establishment and implementation of policies and procedures to help ensure that the risk responses are effectively carried out;
- Monitored the entire risk management process through considering management reporting and separate evaluations and independent assurance.
- Ensured that IT risks form part of the risk management activities of the entity.
- Reviewed the interim (financial statements) as well as annual financial statements and determined whether they are complete and consistent with the information known to committee members, focusing on the implementation of new systems.
- Monitored judgemental areas for example those involving valuation of assets and liabilities; warranty, litigation; and other commitments and contingencies; Significant adjustments resulting from the audit.
- Assessed whether the financial statements comply with appropriate accounting principles; and reviewed the annual report before its release and considered whether the information is understandable and consistent with members' knowledge about LTA and its operations.
- Reviewed of the compliance framework and specific compliance issues.
- Reviewed of operational and financial performance.
- Approved the Audit Strategy document.
- Oversaw the External Auditors' proposed audit scope and approach and consider whether any unjustified restrictions or limitations have been placed on the scope of the audit.
- Reviewed the engagement letter of the External Auditor covering the fees and terms of engagement.
- Reviewed the performance of the External Auditors.
- Considered any problems identified in the going concern statement or statement of internal control.
- Considered any contentious accounting treatments, significant unusual transactions, or areas of accounting judgements.
- Resolved complaints, whether received from inside LTA or outside, on accounting practices, content or audit of the financial statements, internal financial controls or any related matter/s.
- Reviewed and analysed of the risks associated with non-compliance with the legislation identified as a basis for how these should be managed.
- Oversaw the establishment and implementation of policies and procedures to help ensure that compliance is effectively carried out.
- Expressed a view on the effectiveness of the Chief Financial Officer and the Finance function.

Effectiveness of internal controls procedures

The Committee has guided that there was a system of internal control designed to provide cost effective assurance that assets are safeguarded against liabilities and that the working capital was efficiently managed. The Committee confirmed that the system of internal control and risk management applied by Limpopo Tourism Agency during the financial year was effective, efficient and transparent.

The Committee has at all times used the following: the Public Finance Management Act 1/1999 as well as the King Code in its quest to ensure the development of the following:

- A risk-based audit action plan,
- The Risk Register.

Internal Audit

The entity did not have an Internal Audit function until appointment on March 2023.

Evaluation of Annual Financial Statements

The Risk and Audit Committee had devoted time to ensure that the following were achieved:

-

- Ensured proper compilation of the Annual Financial Statements by management.
- Reviewed and discussed the Annual Financial Statements to be included in the Annual Report.
- Reviewed and discussed the Annual Performance Report.
- Reviewed changes in the accounting policies and practices.
- That the Limpopo Tourism Agency complied with legal and regulatory provisions; and
- Reviewed the External Auditors' Management Report and responses.

Integrity of the Annual Report

The Risk and Audit Committee has expressed satisfaction to the integrity of the Annual Report on the performance of the Agency. The Risk and Audit continues to monitor the processes and procedures currently in place to ensure improvement and consistency in the quality and integrity of performance information.

More focus has been put on performance information as the area which in the past has been an area of concern.

Auditor General of South Africa

The overall audit outcome of the entity is unqualified with material findings. The audit outcome of the entity has remained the same as the previous year. The Auditor General South Africa has identified material misstatements in the financial statements submitted for auditing. The material misstatements constitute non-compliance with section 55(1)(b) of the Public Finance Management Act 1 of 1999 (PFMA).

Conclusion

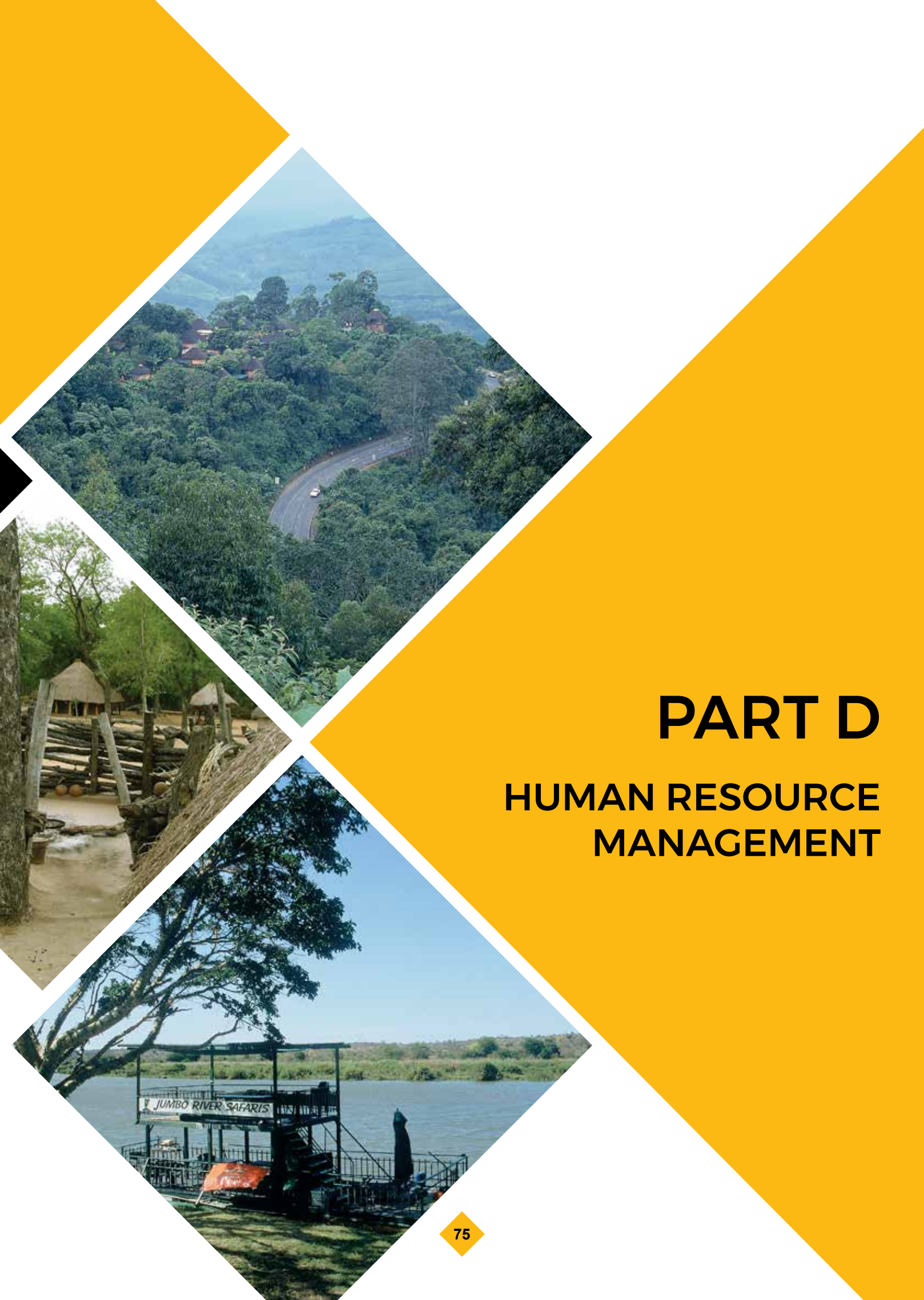
The committee welcomes the audit outcome of unqualified audit opinion with material findings, management is urged to develop an audit action plan to mitigate the misstatements regarding disclosures on receivables, funds to be surrendered and contingencies. I take this opportunity to appreciate the commitment shown by the Committee, the staff the unparalleled support from the Board as well as the guidance from the Shareholder.



M.J Boshielo
Risk and Audit Committee Chairperson
Limpopo Tourism Agency
28 July 2023

3.16 B-BBEE Compliance Performances information

The entity applied relevant Code of Good Practice (B-BBEE Certificate Levels 1-8) with regards to the following		
Criteria	Response Yes/No	Discussion
Determining qualification criteria for the issuing of licences, concessions, or other authorisations in respect of economic activity in terms of any laws?	No	
Developing and implementing a preferential procurement policy?	yes	The board has approved a Preferential Procurement Policy-2022
Determining qualification criteria for the sale of state-owned enterprises	N/A	
Developing criteria for entering partnership with the private sectors?	The entity has developed a sponsorship policy as a basis for entering partnerships with the private sector	The board has ap[proved the sponsorship policy
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment ?	Yes	Implementation of a new Preferential Procurement Policy-2022



PART D

HUMAN RESOURCE MANAGEMENT

4. Part D: Human Resources Management

4.1 Introduction

The following key positions were filled during 2022/2023 financial year:

- Chief Executive Officer
- Chief Marketing Officer
- Senior Manager: Budget and Treasury
- Manager: Supply Chain Management

The filling of the critical executive positions has brought stability to the entity as the positions were vacant for over a year. The Financial management division has also been beefed up to ensure improved service delivery.

The entity has partnered with Productivity to implement the Work Place Challenge (WPC) programme. To this end the following deliverables have been accomplished:

- The Management Systems training focused on implementing continuous improvement in an organisation which requires a transformation of the organisation's culture. It takes exceptional measures to make the transformation complete and successful.
- The Goal alignment module helps the organization and managers to clearly define and share their performance expectations. If management is not clear on the organizational goals, employees end up interpreting expectations on their own and set individual goals that may not match up with their team or organizational goals. This leads to lack of alignment and poor performance outcomes.

The Board resolved that there be an alignment of the LTA policies to those of government. The timing of the resolution of the Board was further strengthened by the decision taken by the Provincial EXCO through EXCO resolution 20 of 2022/23 on the reconfiguration of Provincial Public Entities. The Shareholder was consulted to assist with the alignment process and the entity was advised to do its own study on the government policies and get approval through the accounting authority.

By then of the financial year, the entity was in a process of engaging the Government Employee Pension Fund (GEPF) on the procedure for participation in the government pension fund.

4.2. Human Resources Oversight Statistics

Personnel cost by programme / activity / objective

Programme	Total Expenditure for the entity (R)	Personnel Expenditure (R)	Personnel exp. as a % of total exp. (R)	No. of employees	Average personnel cost per employee (R)
Office of the CEO	9 231 052	5 989 089	65%	6	998 182
Corporate Services	17 179 797	10 058 363	59%	14	718 455
Financial Management	10 249 359	7 054 665	69%	10	705 467
Integrated Destination Marketing	34 490 378	15 198 954	44%	20	759 948

Personnel cost by salary band

Level	Personnel Expenditure (R)	% of personnel exp. to total personnel cost (R)	No. of employees	Average personnel cost per employee (R)
Top Management	1 102 440	3%	1	1 102 440
Senior Management	5 573 593	15%	4	1 393 398
Professional qualified	15 724 880	41%	15	1 048 325
Skilled	8 642 468	23%	16	540 154
Semi-skilled	4 433 690	12%	9	492 632
Unskilled	1 079 236	3%	5	215 847
Stipend, Provident Fund and Salary Admin	1 744 765	5%	(50)	34 895
TOTAL	38 301 072	100%	50	766 021

Performance rewards

Programme	Performance rewards	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost (R'000)
Top Management	None	None	None
Senior Management	None	None	None
Professional qualified	None	None	None
Skilled	None	None	None
Semi-skilled	None	None	None
Unskilled	None	None	None
TOTAL	None	None	None

Training Costs

Directorate/ Business Unit	Personnel Expenditure (R)	Training Expenditure (R'000)	Training expenditure as a % of personnel	No. of employees trained	Avg training cost per employee
Office of the CEO	5 989 089			2	
Corporate Services	10 058 363	87 971	0,87%	4	21 993
Financial Management	7 054 665	40 816	0,58%	6	6 803
Integrated Destination Marketing	15 198 954			14	

In- house training programmes were paid from Corporate Services budget

Employment and vacancies

Programme/activity/objective	2021/2022 No. of Employees	2022/2023 Approved Posts	2022/2023 No. of Employees	2022/2023 Vacancies	% of vacancies
Office of the CEO	6	9	6	3	33%
Corporate Services	17	23	14	9	39%
Financial Management	8	15	10	5	33%
Integrated Destination Marketing	19	30	20	10	33%

Programme	2021/2022 No. of Employees	2022/2023 Approved Posts	2022/2023 No. of Employees	2022/2023 Vacancies	% of vacancies
Top Management	0	1	1	0	0%
Senior Management	3	4	4	0	0%
Professional qualified	13	28	15	13	46%
Skilled	17	23	16	7	30%
Semi-skilled	11	13	9	4	31%
Unskilled	6	8	5	3	38%
Total	50	77	50	27	35%

Employment changes

Salary Band	Employment at beginning of period	Appointment	Terminations	Employment at end of the period
Top Management	0	1	0	1
Senior Management	3	1	0	4
Professional qualified	13	2	0	15
Skilled	17	0	1	16
Semi-skilled	11	0	2	9
Unskilled	6	0	1	5
Total	50	4	4	50

Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	1	0%
Resignation	2	4%
Dismissal	0	0%
Retirement	1	2%
Ill health	0	0%
Expiry of contract	0	0%
Other	0	0%
Total	4	8%

Explanation: Two prioritised positions will be filled during 2023/24 financial year, the other two will be considered after the re-organisation of the entity.

Labour Relations: Misconduct and disciplinary action

Nature of disciplinary Action	Number
Verbal Warning	0
Written Warning	2
Final Written warning	0
Dismissal	0

Equity Target and Employment Equity Status

Levels	MALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	1	0	0	0	0	0	0
Senior Management	3	2	0	0	0	0	0	0
Professional qualified	10	11	1	1	0	1	0	1
Skilled	6	7	0	1	0	1	0	1
Semi-skilled	4	5	0	0	0	0	0	1
Unskilled	0	2	0	0	0	0	0	0
TOTAL	24	28	1	2	0	2	0	3

Levels	FEMALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	0	0	0	0	0	0	0
Senior Management	1	1	0	0	0	0	0	1
Professional qualified	4	11	0	1	0	1	0	1
Skilled	10	10	0	1	0	1	0	1

Semi-skilled	5	6	0	0	0	0	0	1
Unskilled	5	6	0	0	0	0	0	0
TOTAL	25	34	0	2	0	2	0	4

Levels	Disabled Staff			
	Male		Female	
	Current	Target	Current	Target
Top Management	0	0	0	0
Senior Management	0	0	0	1
Professional qualified	0	0	0	1
Skilled	0	0	0	1
Semi-skilled	0	0	0	1
Unskilled	0	0	0	0
TOTAL	0	0	0	4

The current cost of employee budget is 54% of the total budget and the entity is constraint to fill all positions. As and when the budget becomes available, the positions will be filled in line with the equity targets. Provide explanations for major variances between target and current and attempts made by the public entity to address the variances.



PART E

PFMA COMPLIANCE REPORT

5. PART E: PFMA COMPLIANCE REPORT

5.1 INFORMATION ON IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURES AND MATERIAL LOSSES

Irregular expenditure

a). Reconciliation of irregular expenditure

Description	<u>2022/23</u> R'000	<u>2021/22</u> R'000
Opening balance	426	1 221
Prior period error	-	-
As restated	426	1 221

Add: Irregular expenditure confirmed	-	168
Less: Irregular expenditure condoned	(425)	(956)
Less: Irregular expenditure not condoned and removed	-	-
Less: Irregular expenditure incorrectly disclosed	(1)	(7)
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recovered and written off	-	-
Closing balance	-	426

Reconciling Notes

Description	<u>2022/23</u> R'000	<u>2021/22</u> R'000
Irregular expenditure that was under assessment in 2022/23	-	-
Irregular expenditure that relates to 2021/22 and identified in 2022/23	-	-
Irregular expenditure for the current year	-	168
Total	Nil	168

b). Details of current and previous year irregular expenditure (under assessment, determination, and investigation)

Description	<u>2022/23</u> R'000	<u>2021/22</u> R'000
-------------	-------------------------	-------------------------

Irregular expenditure under assessment	-	-
Irregular expenditure under determination	-	168
Irregular expenditure under investigation	-	-
Total	Nil	168

c). Details of current and previous year irregular expenditure condoned.

Description	<u>2022/23</u> R'000	<u>2021/22</u> R'000
Irregular expenditure condoned	(425)	(956)
Total	(425)	(956)

d) Details of current and previous year irregular expenditure removed -(not condoned)

Description	<u>2022/23</u> R'000	<u>2021/22</u> R'000
Transactions incorrectly disclosed as irregular expenditure	(1)	(7)
Total	(1)	(7)

e. Details of current and previous year irregular expenditure recovered.

- None

f. Details of current and previous year irregular expenditure written off (irrecoverable)

- None

g. Details of non- compliance cases where an institution is involved in an inter- institutional arrangement (where such institution is not responsible for the non- compliance.

- None
- h. Details of non- compliance cases where an institution is involved in an inter- institutional arrangement (where such institution is responsible for the non- compliance.
 - None
- i. Details of current and previous year disciplinary or criminal steps taken as a result of irregular expenditure.
 - None

Fruitless and wasteful expenditure

a). Reconciliation of fruitless and wasteful expenditure.

Description	<u>2022/23</u> R'000	<u>2021/22</u> R'000
Opening balance	492	621
Add: fruitless and wasteful expenditure confirmed	-	-
Less: fruitless and wasteful expenditure written off	-	(27)
Less: fruitless and wasteful expenditure recoverable	-	(81)
Less: transactions incorrectly classified as fruitless and wasteful expenditure and were written off	(123)	(21)
Closing balance	369	492

The remaining balance related to OD matter which the entity is claiming from the Department of employment and labour.

Reconciling notes

Description	<u>2022/23</u> R'000	<u>2021/22</u> R'000
Fruitless and wasteful expenditure that was under assessment in 2021/22	-	492
Fruitless and wasteful expenditure that relates to 2021/22 and identified in 2022/23	-	-
Fruitless and wasteful expenditure for the current year	-	-
Total	Nil	492

b). Details of current and previous year Fruitless and wasteful expenditure (under assessment, determination, and investigation)

Description	<u>2022/23</u> R'000	<u>2021/22</u> R'000
Fruitless and wasteful expenditure that under assessment	369	492
Fruitless and wasteful expenditure determination	-	-
Fruitless and wasteful expenditure investigation	-	-
Total	369	492

c). Details of current and previous year irregular expenditure recovered.

Description	<u>2022/23</u> R'000	<u>2021/22</u> R'000
Fruitless and wasteful expenditure recovered	-	27

Total	-	27
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d). Details of current and previous year irregular expenditure not recovered and written off.

Description	<u>2022/23</u> R'000	<u>2021/22</u> R'000
Fruitless and wasteful expenditure written off	-	Nil
Total	-	Nil

e). Details of current and previous year disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure.

Disciplinary steps taken. None

Additional disclosure relating to material losses in terms of PFMA Section 55 (2) (b)(i)&(iii)

A. Details of current and previous year material losses through criminal conduct

No material losses through criminal conduct reported as of the reporting date.

B. Details of other material losses

None

C. Other material losses recovered.

None

d. Other Material losses written off.

none

5.2 information on late and / or non-payment of suppliers.

Description	Number of invoices	Consolidated value
		R'000
Valid invoices received	510	R 29,443
Invoices paid within 30 days or agreed period	510	R 29,443
Invoices paid after 30 days or agreed period	0	0
Invoices older than 30 days or agreed period (unpaid and without dispute)	0	0
Invoices older than 30 days or agreed period (unpaid and in dispute)	0	0

5.3 Information on Supply Chain Management

Procurement by other means

Project description	Name of the supplier	Type of procurement by other means	Contract number	Value of contract R

Marketing Partnership Agreement with Reed Venue Management to participate in the 2022 WTM Africa Travel. LTA's participation was to showcase Limpopo's tourism offerings to the international and domestic trade to position the province as a leading tourism destination in Southern Africa. The service provider has the sole rights to organize the WTM Africa Event.	Reed Venue Management (Pty) Ltd	Sole Sourcing	8649	R452 099.50
Marketing Partnership Agreement with Sunshine Tour to host the Limpopo Championship Golf Tournament. The event is sanctioned by the Sunshine Tour who the sole organizers of the tournament in the continent.	Southern Africa PGA Tour T/A Sunshine Tour	Sole Sourcing	8650	R7 000 000.00
LEDET has appointed the service provider by means of competitive bidding process to co-ordinate Marquee and hospitality packages for the festival. The entity has been granted approval to participate in the event in terms SCM prescripts.	Be-Sure Events Solutions (Pty) Ltd	Sole Sourcing	8659	R500 000.00
Marketing Partnership with Phalaphala FM to promote domestic tourism during Limpopo Marula Festival 2022 Campaign.	SABC	Sole Sourcing	8667	R25 392.00
Marketing Partnership with Thobela FM to promote domestic tourism during Limpopo Marula Festival 2022 Campaign.	SABC	Sole Sourcing	8668	R33 137.25

Marketing Partnership with Mungana FM to promote domestic tourism during Limpopo Marula Festival 2022 Campaign.	SABC	Sole Sourcing	8669	R28 048.50
Marketing Partnership with Capricorn FM Commercial Radio Station to promote domestic tourism during Marula Festival 2022 Campaign.	Capricorn FM (Pty) Ltd	Sole Sourcing	8670	R29 735.55
Marketing Partnership with Phalaborwa VW Crew for Limpopo Marula Festival 2022 Campaign.	Phalaborwa VW Crew	Sole Sourcing	8671	R29 600.00
Partnership Agreement to participate at WTM Africa. The service provider has the sole rights to organize the WTM Africa Event.	Reed Venue Exhibitions (Pty) Ltd	Sole Sourcing	8672	R16 560.00
Participation at Africa Travel Indaba 2022 event. Entity has secured an A3 full page advertorial space with Africa Travel Indaba daily news for the duration of the exhibition. Sola Media has been appointed as a sole provider to manage the Indaba daily News.	Sola Media (Pty) Ltd	Sole Sourcing	8682	R68 827.50
South African Tourism has appointed Synergy Business Events (Pty) Ltd as the sole service provider to plan and manage all elements of operations and logistics in the execution of Meetings Africa Travel Indaba 2022. Synergy Business Events (Pty) Ltd has supplied the entity with the floor space and exhibition stand.	Synergy Business Events (Pty) Ltd	Sole Sourcing	8690	R990 442.10

Sage SA (Pty) Ltd is the manufacturer and distributor of Sage Evolution application and licenses. The entity uses Sage Evolution application as its financial system.	Sage SA (Pty) Ltd	Sole Sourcing	8722	R208 853.99
Marketing Partnership with Energy FM during Kremetart Cycling. The partnership proposal, station demographic, listener statistics are the differentiators between Energy FM and other community radio stations. Their unique and singular capacity met the requirements of the campaign.	Misacron	Sole Sourcing	8755	R45 000.00
There is only one Institute of Directors in Southern Africa and it is only institute that represents directors, professionals, business leaders and those charged with governance duties in their individual capacities in Southern Africa. Corporate membership renewal during 2022 for 16 members.	Institute of Directors	Sole Sourcing	8756	R37 280.00
Renewal of Corporate Membership with Euphoria Golf Estate in order to continue marketing LTA's brand to both local and international golfers hosted at this prestigious and uniquely designed golf course.	Euphoria Golf Estate (Pty) Ltd	One Quotation	8764	80 000.00
CFO is a member of the Southern African Institute of Business Accountants. Renewal of membership and SAIBA has sole rights.	South African Institute for Business Accountants	Sole Sourcing	8768	5 375.00

Service provider is the sole distributor of Case Software and Licenses. The entity uses Caseware application for preparation of annual statements and such the license for the application was due for renewal as from 01 July 2022 to 30 June 2023 cycle.	Adapt IT (Pty) Ltd	One Quotation	8772	97 864.25
CFO is a member of SAIBA and required to be compliant with the Continuing Professional Development (CPD). The CPD ensures members to be proficient and competent in a working environment. SAIBA has sole rights.	South African Institute for Business Accountants	Sole Sourcing	8774	4 948.00
Renewal of membership of Mr. C.V Masoga who is affiliated to this professional body which has exclusive rights on the membership of the body.	The Institute of Risk Management SA	Sole Sourcing	8804	2 450.00
Post Psychiatric Assessment conducted by Dr MM Kewana as the nature of assessment required the historical record of the patient. Dr Kewana has assessed the patient on the previous occasions.	Luckyvest 26	Sole Sourcing	8805	8 625.00
Repairing the damaged UPS parts that are covered by warranty and replaced at no cost except travelling costs.	TESCOM SA	Sole Sourcing	8824	8 280.00
Registration fee for the officials attending the conference. The Association has exclusive rights over the delegates attending the conference.	Southern African Association for the Conference Industry	Sole Sourcing	8825	10 800.00
Repairing of two Canon Cameras. Service provider is the official service	Camera Tek (Pty) Ltd	Sole Sourcing	8830	7 793.75

centre for Canon Photo/Video products in the country.				
Printers needed to be stripped and assessed. It was impractical to invite different service provider to strip and assess.	Bucan Office Equipment	Sole Sourcing	8832	9 780.49
M. C.V Masoga attending annual conference on fraud. The Institute has exclusive rights on the attendance of the conference. Only members allowed.	Association of Certified Fraud Examiners SA	Sole Sourcing	8870	7 500.00
M. C.V Masoga attending annual conference on Audit and Risk. The Institute has exclusive rights on the attendance of the conference. Only members allowed.	Chartered Institute of Gov Finance, Audit & Risk Officers (CIGFARO)	Sole Sourcing	8872	7 381.00
Renewal of membership of Mr. T.P Maleka and Mr. Chris Ramoshaba who are affiliated to this professional body which has exclusive rights on the membership of the body.	Institute of People Management	Sole Sourcing	8875	3 678.40
Partnership with Sunday World Heroic Women as part of celebrating Women's Month which is exclusive flagship published solely by the service provider.	Fundudzi Media	Sole Sourcing	8866	175 000.00
Partnership with SABC on Beyond the Headline Tourism Month Hike as part of celebrating Tourism Month.	South African Broadcasting Corporation	Sole Sourcing	8894	150 000.00
Partnership with SABC for One-hour Pop-up Live OB's and Inserts during the Tourism Month Campaign on SABC TV	South African Broadcasting Corporation	Sole Sourcing	8899	374 026.00

Shows and Soapies. SABC has exclusive rights.				
Partnership with NCRF broadcasting in the main languages in Limpopo, .i.e., Sepedi, Xitsonga and Tshivenda during Tourism Month doing interviews, billboards advertisements and live broadcast.	National Community Radio Forum	Sole Sourcing	8904	90 000.00
Partnership Agreement with Polokwane Tourism Association in hosting the Annual Limpopo Holiday Fair. The Association has exclusive rights as the sole organiser of the event.	Polokwane Tourism Association	Sole Sourcing	8929	R300 000.00
Two Finance Staff Members attended Public Sector Clean Audit Turnaround Indaba. The service provider has exclusive hosting rights.	Audit Roundtable (Pty) Ltd	Sole Sourcing	8952	R 18 397.70
Renewal of membership for Manager: Risk & Compliance. ACFE has exclusive rights.	Association of Certified fraud Examiners	Sole Sourcing	8966	R 3 610.00
Service Provider has exclusive rights to all exhibition management related items specific to Indaba events. Synergy was appointed by SAT through a public bidding process.	Synergy Business Events (Pty) Ltd	Sole Sourcing		R486 809.49
Renewal of membership of Mr. C.V Masoga who is affiliated to this professional body which has exclusive rights on the membership of the body.	The Institute of Risk Management SA	Sole Sourcing	9114	R2 609.99
Partnership - Limpopo Golf Passport APP launch -17-18 March 2023. Golf APP	David Riddle Golf Distributors	Sole Sourcing	9118	R265 600.00

inverted & developed by the service provider.				
Southern African Association for Conference Industry is the only recognized professional association of business events industry in South Africa. LTA is affiliated to the association and membership is renewable annually. SAACI has exclusive rights.	Southern African Association for Conference Industry	Sole Sourcing	9131	R7 050.00
Total				R 11 592 555.46

Contract variations and expansions
None

6. Part F: Financial information

6.1. Report of the External Auditor

6.2. Annual Financial Statement



PART F

FINANCIAL INFORMATION

6. PART F FINANCIAL INFORMATION

6.1. REPORT OF THE EXTERNAL AUDITOR

Report of the auditor-general to the Limpopo Provincial Legislature on Limpopo Tourism Agency

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Limpopo Tourism Agency set out on pages 97 to 153, which comprise the statement of financial position as at 31 March 2023, the statement of financial performance, statement of changes in net assets and cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Limpopo Tourism Agency as at 31 March 2023 and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Companies Act 71 of 2008 (Companies Act).

Basis for opinion

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

Emphasis of matters

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

Significant uncertainties

6. With reference to note 22 of the financial statements, the entity is currently involved in litigation with some employees. The entity also received a claim from the Limpopo Department of Economic Development, Environment and Tourism. The ultimate outcome of these matters

cannot presently be determined and no provision for any liability that may result has been made in the financial statements.

Budget differences

7. With reference to note 29 to the financial statements, the entity materially underspent on the earmarked funding allocation received by R2 596 645.

Restatement of corresponding figures

8. As disclosed in note 24 to the financial statements, the corresponding figures for 31 March 2022 were restated as a result of an error in the financial statements of the entity at, and for the year ended, 31 March 2023.

Responsibilities of the accounting authority for the financial statements

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

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

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

Report on the audit of the annual performance report

13. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for selected programme presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.

14. I selected the following programme presented in the annual performance report for the year ended 31 March 2023 for auditing. I selected a programme that measures the entity's performance on its primary mandated functions and that is of significant national, community or public interest.

Programme	Page numbers	Purpose
Programme 4 – Integrated destination marketing	17-20	The programme's main purpose is to market Limpopo as a leading tourism destination to domestic, regional, and international markets.

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

16. I performed procedures to test whether:

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

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

18. I did not identify any material findings on the reported performance information of integrated destination marketing.

Other matters

19. I draw attention to the matter below.

Achievement of planned targets

20. The annual performance report includes information on reported achievements against planned targets and provides explanations for overachievements. This information should be considered in the context of the material findings on the reported performance information.

Material misstatements

21. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of integrated destination marketing. Management subsequently corrected all the misstatements and I did not include any material findings in this report.

Report on compliance with legislation

22. 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.

23. 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.

24. 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.

25. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual financial statements

26. The financial statements submitted for auditing were not fully prepared in accordance with the prescribed financial reporting framework, as required by section 55(1) (a) and of the PFMA.

Material misstatements of current assets, liabilities and disclosure items identified by the auditors in the submitted financial statement were corrected, resulting in the financial statements receiving an unqualified audit opinion.

Other information in the annual report

27. The accounting authority is responsible for the other information included in the annual report which includes the directors' report and the audit committee's report. The other information referred to does not include the financial statements, the auditor's report and the selected programme presented in the annual performance report that have been specifically reported on in this auditor's report.
28. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation, do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
29. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
30. 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

31. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
32. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the opinion and material findings on compliance with legislation included in this report. 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.

33. Management did not adequately exercise oversight responsibility regarding financial reporting, compliance and related internal controls. Material misstatements were identified by the auditors in the submitted financial statements which were subsequently corrected.
34. The entity did not establish an internal audit unit in the current year that provides an independent assessment of the entity's governance, risk management, internal control processes and financial reporting to external stakeholders.

Auditor-General

Polokwane

31 July 2023



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 financial statements and the procedures performed on reported performance information for selected programmes and on the entity's compliance with selected requirements in key legislation.

Financial statements

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

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

Communication with those charged with governance

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

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

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act No.1 of 1999 (PFMA)	Section 51(1)(a)(iv); 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii) Section 53(4) Section 54(2)(c'); 54(2)(d) Section 55(1)(a); 55(1)(b); 55(1)(c)(i) Section 56(1); 56(2) Section 57(b); Section 66(4)
Treasury Regulations for departments, trading entities, constitutional institutions and public entities (TR)	Treasury Regulation 8.2.1; 8.2.2 Treasury Regulation 16A 3.1; 16A 3.2; 16A 3.2(a); 16A 6.1; 16A6.2(a) & (b); 16A6.2(e);16A 6.3(a); 16A 6.3(a)(i); 16A 6.3(b); 16A 6.3(c); 16A 6.3(d); 16A 6.3(e); 16A 6.4; 16A 6.5; 16A 6.6; TR 16A.7.1; 16A.7.3; 16A.7.6; 16A.7.7; 16A 8.2(1); 16A 8.2(2); 16A 8.3; 16A 8.3(d); 16A 8.4; 16A9.1(b)(ii); 16A9.1; 16A9; 16A9.1(c); 16A 9.1(d); 16A 9.1(e); 16A9.1(f); 16A 9.2; 16A 9.2(a)(ii); TR 16A 9.2(a)(iii) Treasury Regulation 30.1.1; 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1 Treasury Regulation 31.1.2(c') Treasury Regulation 31.2.1; 31.2.5; 31.2.7(a) Treasury Regulation 31.3.3 Treasury Regulation 33.1.1; 33.1.3
Companies Act No.71 of 2008	Section 45(2); 45(3)(a)(ii); 45(3)(b)(i); 45(3)(b)(ii); 45(4) Section 46(1)(a); 46(1)(b); 46(1)(c') Section 112(2)(a); Section 129(7)
Public service regulation	Public service regulation 13(c);18; 18 (1) and (2);
Prevention and Combating of Corrupt Activities Act No.12 of 2004 (PRECCA)	Section 34(1)

Legislation	Sections or regulations
Construction Industry Development Board Act No.38 of 2000 (CIDB)	Section 18(1)
CIDB Regulations	CIDB regulation 17; 25(1); 25 (5) & 25(7A)
PPPFA	Section 1(i); 2.1(a); 2.1(b); 2.1(f)
PPR 2017	Paragraph 4.1; 4.2 Paragraph 5.1; 5.3; 5.6; 5.7 Paragraph 6.1; 6.2; 6.3; 6.5; 6.6; 6.8 Paragraph 7.1; 7.2; 7.3; 7.5; 7.6; 7.8 Paragraph 8.2; 8.5 Paragraph 9.1; 9.2 Paragraph 10.1; 10.2 Paragraph 11.1; 11.2 Paragraph 12.1 and 12.2
PPR 2022	Paragraph 3.1 Paragraph 4.1; 4.2; 4.3; 4.4 Paragraph 5.1; 5.2; 5.3; 5.4
PFMA SCM Instruction no. 09 of 2022/2023	Paragraph 3.1; 3.3 (b); 3.3 (c); 3.3 (e); 3.6
National Treasury Instruction No.1 of 2015/16	Paragraph 3.1; 4.1; 4.2

Legislation	Sections or regulations
NT SCM Instruction Note 03 2021/22	Paragraph 4.1; 4.2 (b); 4.3; 4.4; 4.4(a); 4.4 (c) -(d); 4.6 Paragraph 5.4 Paragraph 7.2; 7.6
NT SCM Instruction 4A of 2016/17	Paragraph 6
NT SCM Instruction Note 03 2019/20	Par 5.5.1(vi); Paragraph 5.5.1(x);
NT SCM Instruction Note 11 2020/21	Paragraph 3.1; 3.4 (a) and (b); 3.9; 6.1;6.2;6.7
NT SCM Instruction note 2 of 2021/22	Paragraph 3.2.1; 3.2.2; 3.2.4(a) and (b) ; 3.3.1; 3.2.2 Paragraph 4.1
PFMA SCM Instruction 04 of 2022/23	Paragraph 4(1); 4(2); 4(4)
Practice Note 5 of 2009/10	Paragraph 3.3

Legislation	Sections or regulations
PFMA SCM instruction 08 of 2022/23	Paragraph 3.2 Par. 4.3.2; 4.3.3
Competition Act	Section 4(1)(b)(ii)
NT instruction note 4 of 2015/16	Paragraph 3.4
Second amendment of NTI 05 of 2020/21	Paragraph 4.8; 4.9 ; 5.1 ; 5.3
Erratum NTI 5 of 202/21	Paragraph 1
Erratum NTI 5 of 202/21	Paragraph 2
Practice note 7 of 2009/10	Paragraph 4.1.2

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

6.2. Annual Financial Statement

Limpopo Tourism Agency

Annual Financial Statements for the year ended March 31, 2023

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Integrated Destination Marketing
Board members	KA Dipela (Chairperson) CA Chikane (Deputy Chairperson) MO Moganedi RM Tseli KC Tlouane PF Mashimbye (Cllr)
Registered office	Southern Gateway Ext 4 N1 Main Road Polokwane 0699
Postal address	P O Box 2814 Polokwane 0700
Bankers	ABSA Bank Limited
Auditors	Auditor General of South Africa Registered Auditors
Secretary	TG Kotsedi
Preparer	The annual financial statements were internally compiled by: Maila MP-Chief Financial Officer

Limpopo Tourism Agency

Annual Financial Statements for the year ended March 31, 2023

Index

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

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Limpopo Tourism Agency

Annual Financial Statements for the year ended March 31, 2023

Board Members' Responsibilities and Approval

The Board is required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the board to ensure that the annual financial statements fairly present the state of affairs of the entity as at the end of the financial year 2022/2023 and the results of its operations and cash flows for the said period. The external auditors are engaged to express an independent opinion on the annual financial statements and were given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Board acknowledges that they are ultimately responsible for the system of internal financial control established by the entity and place considerable importance on maintaining a strong control environment. To enable the Board to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the entity and all employees are required to maintain the highest ethical standards in ensuring that the entity's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the entity is on identifying, assessing, managing and monitoring all known forms of risks across the entity. While operating risks cannot be fully eliminated, the entity endeavours to minimise it by ensuring that the appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within the predetermined procedures and constraints.

The Board is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute assurance against material misstatement or deficit.

The Board has reviewed the entity's cash flow forecast for the year to March 31, 2024 and, in the light of this review and the current financial position, they are satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

The entity is wholly dependent on the Limpopo Department of Economic Development Environment and Tourism (LEDET) for continued funding of operations. The annual financial statements are prepared on the basis that the entity is a going concern. This basis presumes that funds will be available to finance future operations of the entity, to such an extent, the Limpopo Department of Economic Development Environment and Tourism (LEDET) has confirmed the funding for Limpopo Tourism Agency for the foreseeable future and a letter to that effect has been received. The entity has neither the intention nor the need to liquidate or curtail materially the scale of the entity.

The Board is responsible for the financial affairs of the entity.

The external auditors are responsible for independently reviewing and reporting on the entity's annual financial statements.

The annual financial statements set out on page 4, which have been prepared on the going concern basis, were approved by the board on 31 May 2023 and were signed on its behalf by:



KA Dipela (Chairperson)
Designation

Limpopo Tourism Agency

Annual Financial Statements for the year ended March 31, 2023

Board Members' Report

The members submit their report for the year ended March 31, 2023.

1. Review of activities

Main business and operations

The entity is engaged in integrated destination marketing of the Limpopo Province. The operating results and state of affairs of the entity are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

2. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations of the entity, to such an extent, the Limpopo Department of Economic Development Environment and Tourism (LEDET) has confirmed the funding for Limpopo Tourism Agency for the foreseeable future and a letter to that effect has been received.

3. Subsequent events

The Board is not aware of any matter or circumstance arising since the end of the reporting period.

4. Accounting policies

The annual financial statements have been prepared in accordance with the South African Statements of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board as the prescribed framework by National Treasury.

5. Board Members

The members of the board of the entity during the period under review are as follows:

Name

KA Dipela (Chairperson)

* CA Chikane (Deputy Chairperson)

MO Moganedi

RM Tseli

KC Tlouane

** PF Mashimbye (Cllr)

* Chairperson of Risk and Audit Committee

** Cllr- Councillor

6. Secretary

The secretary of the entity is TG Kotsedi of:

Business address

Southern Gateway Ext 4
N1 Main Road
Polokwane
0699

Limpopo Tourism Agency

Annual Financial Statements for the year ended March 31, 2023

Board Members' Report

7. Board fees

None executive

	Board fee	Cellphone/ Data	Re- imbursement	Total package 2023	Total package 2022
Non-executive members					
Dipela KA-Chairperson	581,492	10,200	255,670	847,362	686,476
Chikane CA-Deputy Chairperson	203,844	7,200	106,286	317,330	298,284
Mogamedi MO	140,432	7,200	42,950	190,582	157,398
Tseli RM	165,423	7,200	81,836	254,459	275,296
Mashimbye PF (CIIR)	-	-	7,151	7,151	5,109
Mothapo MRM (Kgoshigadi)	-	-	-	-	105,744
	1,091,191	31,800	493,893	1,616,884	1,528,307
Risk and Audit Committee					
Malaza F	44,751	1,800	2,263	48,814	38,920
Modipane TC	27,046	1,800	-	28,846	36,811
Mpjane JN	42,578	1,800	13,538	57,916	42,794
	114,375	5,400	15,801	135,576	118,525
	1,205,566	37,200	509,694	1,752,460	1,646,832

Limpopo Tourism Agency

Annual Financial Statements for the year ended March 31, 2023

Board Members' Report

Board fees (continued)

	Basic Salary	Allowances	Company contributions	13 cheque/ p/bonus	Acting allowance	Total package 2023	Total package 2022
Chief Executive Officer							
Ngobeni M	899,158	40,000	37,471	-	76,738	1,053,367	827,159
Maleka TP-Acting CEO	-	-	-	-	49,072	49,072	-
Ramakuela NK-Acting CEO	-	-	-	-	-	-	54,725
	899,158	40,000	37,471	-	125,810	1,102,439	881,884
Chief Financial Officer							
Maila MP	1,186,221	140,000	66,718	72,148	-	1,465,087	315,135
	1,186,221	140,000	66,718	72,148	-	1,465,087	315,135
Executive managers							
Kotsedi TG-Company Secretary	1,359,584	55,800	71,151	77,074	-	1,563,609	1,490,205
Maleka TP-Chief Corporate Services Officer	1,187,198	96,000	116,599	72,509	-	1,472,306	1,409,859
Makoela MM-Chief Marketing Officer	887,166	58,000	79,955	29,489	-	1,054,610	686,169
Dr Musitha M-Acting Chief Marketing Officer	-	-	-	-	17,981	17,981	47,949
	3,433,948	209,800	267,705	179,072	17,981	4,108,506	3,634,182
	5,519,327	389,800	371,894	251,220	143,791	6,676,032	4,831,201

Limpopo Tourism Agency

Annual Financial Statements for the year ended March 31, 2023

Statement of Financial Position as at March 31, 2023

Figures in Rand	Note(s)	2023	2022 Restated*
Assets			
Current Assets			
Inventories	3	95,709	80,699
Receivables from exchange transactions	4	56,649	23,642
Receivables from non-exchange transactions	5	-	2,508,423
Prepayments		401,914	350,402
Cash and cash equivalents	6	12,418,148	13,594,271
		12,972,420	16,557,437
Non-Current Assets			
Property, plant and equipment	2	5,087,985	3,234,063
Total Assets		18,060,405	19,791,500
Liabilities			
Current Liabilities			
Unspent funds to surrender	9	3,445,057	9,210,628
Payables from exchange transactions	11	6,082,415	3,950,239
Revenue payable to Provincial Treasury (PRF)	12	15,093	13,975
Unspent funds to be surrendered-Earmarked	8	2,596,645	95,473
Employee benefits -Long service awards	10	32,700	22,000
		12,171,910	13,292,315
Non-Current Liabilities			
Employee benefits -Long service awards	10	370,000	385,000
Leave liabilities		704,800	676,000
		1,074,800	1,061,000
Total Liabilities		13,246,710	14,353,315
Net Assets		4,813,695	5,438,185
Reserves			
Revaluation reserve	7	940,704	157,654
Accumulated surplus		3,872,991	5,280,531
Total Net Assets		4,813,695	5,438,185

Limpopo Tourism Agency

Annual Financial Statements for the year ended March 31, 2023

Statement of Financial Performance

Figures in Rand	Note(s)	2023	2022 Restated*
Revenue			
Revenue from exchange transactions			
Other income		14,990	20,542
Sale of assets		42,252	-
Interest received	14	719,494	374,752
Total revenue from exchange transactions		776,736	395,294
Revenue from non-exchange transactions			
Transfer revenue			
Government grants & subsidies		53,474,000	48,855,778
Other revenue-service in kind		3,814,795	3,196,257
Earmarked funding-Marketing		19,226,355	17,745,749
Total revenue from non-exchange transactions		76,515,150	69,797,784
Total revenue	13	77,291,886	70,193,078
Expenditure			
Employee related costs	15	(38,738,215)	(34,404,405)
Board expenditure	16	(1,242,766)	(1,316,367)
Depreciation and amortisation		(614,420)	(640,152)
Lease rentals (operating lease) service kind		(3,814,795)	(3,196,257)
Impairment loss		-	(23,763)
Repairs and maintenance		(352,720)	(420,388)
General Expenses	18	(29,839,789)	(26,812,911)
Total expenditure		(74,602,705)	(66,814,243)
Operating surplus		2,689,181	3,378,835
Writte offs/scrapping of assets		(2,328)	(131,377)
Transfer of assets		-	(138,399)
Inventories losses/write-downs		(1,011)	-
Gain/(loss) on sale of assets		8,657	-
		5,318	(269,776)
Surplus for the year		2,694,503	3,109,059

Limpopo Tourism Agency

Annual Financial Statements for the year ended March 31, 2023

Statement of Changes in Net Assets

Figures in Rand	Revaluation reserve	Accumulated surplus / deficit	Total net assets
Balance at April 1, 2021	269,774	11,645,840	11,915,614
Changes in net assets			
Surplus for the year	-	3,109,059	3,109,059
Realisation of revaluation reserve	(33,722)	-	(33,722)
Derecognition of revaluation reserve-transferred assets	(78,398)	-	(78,398)
Movement in retain surplus	-	(9,474,368)	(9,474,368)
Total changes	(112,120)	(6,365,309)	(6,477,429)
Restated* Balance at April 1, 2022	157,654	5,280,531	5,438,185
Changes in net assets			
Surplus for the year	-	2,694,503	2,694,503
Movement during the year	(157,654)	-	(157,654)
Revaluation reserve-2023	940,704	-	940,704
Movement in retain surplus	-	(4,102,043)	(4,102,043)
Total changes	783,050	(1,407,540)	(624,490)
Balance at March 31, 2023	940,704	3,872,991	4,813,695
Note(s)	7		

Limpopo Tourism Agency

Annual Financial Statements for the year ended March 31, 2023

Cash Flow Statement

Figures in Rand	Note(s)	2023	2022 Restated*
Cash flows from operating activities			
Receipts			
Grants		75,297,000	66,697,000
Interest income		719,494	374,752
Other receipts		2,570,561	592,049
		78,587,055	67,663,801
Payments			
Employee related costs		(38,139,848)	(35,257,298)
Suppliers		(28,756,657)	(26,135,705)
Board expenses		(1,186,720)	(1,316,367)
Surrender to Provincial Treasury		(10,025,267)	(374,752)
		(78,108,492)	(63,084,122)
Net cash flows from operating activities	20	478,563	4,579,679
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(1,559,213)	(874,155)
Cash flows from financing activities			
Unspent earmarked grant surrendered		(95,473)	(5,429,228)
Net increase/(decrease) in cash and cash equivalents		(1,176,123)	(1,723,704)
Cash and cash equivalents at the beginning of the year		13,594,271	15,317,975
Cash and cash equivalents at the end of the year	6	12,418,148	13,594,271

Limpopo Tourism Agency

Annual Financial Statements for the year ended March 31, 2023

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

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

Statement of Financial Performance

Revenue

Revenue from exchange transactions

Other income	-	-	-	14,990	14,990	
Sale of assets	-	-	-	42,252	42,252	
Interest received	-	-	-	719,494	719,494	
Gains on disposal of assets	-	-	-	8,657	8,657	
Total revenue from exchange transactions	-	-	-	785,393	785,393	

Revenue from non-exchange transactions

Transfer revenue

Government grants & subsidies	54,874,000	(1,400,000)	53,474,000	53,474,000	-	
Earmarked funding-marketing	21,823,000	-	21,823,000	21,823,000	-	
Total revenue from non-exchange transactions	76,697,000	(1,400,000)	75,297,000	75,297,000	-	

Total revenue	76,697,000	(1,400,000)	75,297,000	76,082,393	785,393	
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Expenditure

Employee related costs	(39,656,000)	1,400,000	(38,256,000)	(38,301,072)	(45,072)	
Board fees	(1,058,816)	(184,050)	(1,242,866)	(1,242,766)	100	
Repairs and maintenance	(500,000)	134,000	(366,000)	(352,720)	13,280	
General Expenses	(11,385,184)	192,050	(11,193,134)	(10,613,432)	579,702	
Earmarked funds-Collaborative Marketing	(21,823,000)	-	(21,823,000)	(19,226,355)	2,596,645	30

Total expenditure	(74,423,000)	1,542,000	(72,881,000)	(69,736,345)	3,144,655	
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Surplus for the year	2,274,000	142,000	2,416,000	6,346,048	3,930,048	
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Statement of Financial Position

Assets

Non-Current Assets

Property, plant and equipment	(2,274,000)	(142,000)	(2,416,000)	(1,559,213)	856,787	30
Total Assets	(2,274,000)	(142,000)	(2,416,000)	(1,559,213)	856,787	

Limpopo Tourism Agency

Annual Financial Statements for the year ended March 31, 2023

Accounting Policies

Figures in Rand	Note(s)	2023	2022
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1. Significant accounting policies

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

1.1 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).

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.

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

1.2 Presentation currency

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

1.3 Going concern assumption

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

1.4 Materiality

Material 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. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

1.5 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Trade receivables, loans and other receivables

The entity assesses its trade receivables, 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, management 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 and loans and receivables is calculated on an individual basis, based on historical loss events, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the trade receivables.

Fair value estimation

The carrying value of trade receivables and payables are assumed to approximate their fair values. The short term receivables and payables are not discounted.

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 assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of tangible assets.

Limpopo Tourism Agency

Annual Financial Statements for the year ended March 31, 2023

Accounting Policies

1.5 Significant judgements and sources of estimation uncertainty (continued)

Employee benefits

Employee benefits were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of employee benefits are included in note 10 - Employee benefits.

Allowance for doubtful debts

For accounts receivable, an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

1.6 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

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

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

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

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

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

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

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment except for leasehold property is carried at cost less accumulated depreciation and any impairment losses. Leasehold property is carried at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Limpopo Tourism Agency

Annual Financial Statements for the year ended March 31, 2023

Accounting Policies

1.6 Property, plant and equipment (continued)

Any increase in an asset's carrying amount, as a result of a revaluation, is credited directly to a revaluation surplus. The increase is recognised in surplus or deficit to the extent that it reverses a revaluation surplus of the same asset previously recognised in surplus or deficit. When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of revaluation will be eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in surplus or deficit in the current period. The decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

The revaluation surplus in statement of changes in net assets is related to a specific item of property, plant and equipment is transferred directly to retained income when the asset is derecognised.

Leasehold improvements are written off over the expected period of the relevant lease agreement or the useful life of the asset if it is shorter than the lease period.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

Item	Depreciation method	Average useful life
Communication equipment	Straight-line	5-8 years
Leasehold property	Straight-line	10-20 years
Furniture and fixtures	Straight-line	5-15 years
Motor vehicles	Straight-line	5-10 years
Office equipment	Straight-line	5-12 years
IT equipment	Straight-line	5-8 years
Mobile offices and containers	Straight-line	10-15 years

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the entity. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

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

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.7 Financial instruments

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

Limpopo Tourism Agency

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Accounting Policies

1.7 Financial instruments (continued)

Classification

The entity has the following types of financial assets and financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Receivables from exchange transactions	Financial asset measured at amortised cost
Payables from exchange transactions	Financial asset measured at amortised cost
Cash and cash equivalent	Financial asset measured at amortised cost

Initial recognition

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

The entity recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

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

Subsequent measurement of financial assets and financial liabilities

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

- Financial instruments at amortised cost.

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

Presentation

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

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

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

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

1.8 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.

Limpopo Tourism Agency

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Accounting Policies

1.8 Leases (continued)

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, 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.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

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.

Any contingent rents are expensed in the period in which they are incurred.

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.

1.9 Inventories

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

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

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

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

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

Current replacement cost is the cost the entity incurs to acquire the asset on the reporting date.

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

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

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

The expenses are recognised when goods are distributed, or related services are rendered. The amount of any write down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write down or loss occur. The amount of any reversal of any write-down of inventories, arising from increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.10 Impairment of non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

Identification

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

The entity assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the entity estimates the recoverable service amount of the asset.

Limpopo Tourism Agency

Annual Financial Statements for the year ended March 31, 2023

Accounting Policies

1.10 Impairment of non-cash-generating assets (continued)

Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

The present value of the remaining service potential of a non-cash-generating assets is determined using the following approach:

Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the current reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the entity would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

Restoration cost approach

Restoration cost is the cost of restoring the service potential of an asset to its pre-impaired level. The present value of the remaining service potential of the asset is determined by subtracting the estimated restoration cost of the asset from the current cost of replacing the remaining service potential of the asset before impairment. The latter cost is determined as the depreciated reproduction or replacement cost of the asset, whichever is lower.

Service units approach

The present value of the remaining service potential of the asset is determined by reducing the current cost of the remaining service potential of the asset before impairment, to conform to the reduced number of service units expected from the asset in its impaired state. The current cost of replacing the remaining service potential of the asset before impairment is determined as the depreciated reproduction or replacement cost of the asset before impairment, whichever is lower.

Recognition and measurement

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

An impairment loss is recognised immediately in surplus or deficit.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the entity recognises a liability only to the extent that is a requirement in the Standards of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

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Accounting Policies

1.10 Impairment of non-cash-generating assets (continued)

Reversal of an impairment loss

The entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Redesignation

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

1.11 Compound instruments

Compulsory convertible preference shares [Compulsory convertible debentures] are compound instruments, consisting of a liability component and an equity component. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible debt. The difference between the proceeds of issue of the convertible instruments and the fair value assigned to the liability component, representing the embedded option to convert the liability into equity of the entity, is included in equity.

Combined units are compound instruments, consisting of a debenture (liability) component and a share (equity) component. The debentures are carried at amortised cost, and any premium or discount on issue is written off over the redemption period using the effective interest rate method.

Issue costs are apportioned between the liability and equity components of the compound instruments based on their relative carrying amounts at the date of issue. The portion relating to the equity component is charged directly against equity.

1.12 Employee benefits

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

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Annual Financial Statements for the year ended March 31, 2023

Accounting Policies

1.12 Employee benefits (continued)

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognises 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 benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognises the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which an entity provides post-employment benefits for one or more employees.

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.

Long service award obligations are measured on a basis that reflects:

- estimated future salary increases;
- 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.

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Annual Financial Statements for the year ended March 31, 2023

Accounting Policies

1.13 Contingent assets and liabilities

Contingencies are recognised when:

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

The amount of a contingency is the best estimate of the expenditure expected to be required to settle the obligation.

No obligation arises as a consequence of the sale or transfer of an operation until the entity is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 22.

1.14 Commitments

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

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.15 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

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

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

Measurement

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

1.16 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by an entity, which represents an increase in net assets, other than increases relating to contributions from owners.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

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Annual Financial Statements for the year ended March 31, 2023

Accounting Policies

1.16 Revenue from non-exchange transactions (continued)

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the entity.

When, as a result of a non-exchange transaction, the entity recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Transfers

Apart from Services in kind, which are not recognised, the entity recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

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

Services in-kind

Except for financial guarantee contracts, the entity recognise services in-kind that are significant to its operations and/or service delivery objectives as assets and recognise the related revenue when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

Where services in-kind are not significant to the entity's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the entity discloses the nature and type of services in-kind received during the reporting period.

1.17 Fruitless and wasteful expenditure

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

All expenditures relating to fruitless and wasteful expenditure are 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 in the statement of financial performance.

1.18 Irregular expenditure

Irregular expenditure means expenditure, other than unauthorised expenditure, incurred in contravention of or that is not in accordance of with arequirement of any applicable legislation, including:

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

National Treasury practice note no.4 of 2008/09 which was issued in terms of sections 76(1) to 76 (4) of the PFMA requires the following:

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Annual Financial Statements for the year ended March 31, 2023

Accounting Policies

1.18 Irregular expenditure (continued)

Irregular expenditure that was incurred and identified during current financial year and which was condoned before the year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such instances, no further action is also required with the exception of updating the note to the financial statements.

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

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

The irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

1.19 Budget information

Entity is typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by the entity shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The annual financial statements and the budget are not prepared on the same basis of accounting. The actual financial statement information is therefore presented on comparable basis to the budget information. The comparison and the reconciliation between the statement of financial performance and the budget for the reporting period have been included in the statement of comparison of budget and actual amounts.

1.20 Related parties

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

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

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

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

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

1.21 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:

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Accounting Policies

1.21 Events after reporting date (continued)

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

The 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.

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Annual Financial Statements for the year ended March 31, 2023

Notes to the Annual Financial Statements

Figures in Rand

2023

2022

2. Property, plant and equipment

	2023			2022		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Leasehold property	1,628,995	-	1,628,995	2,398,911	(1,470,730)	928,181
Furniture and fixtures	1,757,049	(1,257,598)	499,451	2,320,892	(1,717,276)	603,616
Motor vehicles	361,419	(264,618)	96,801	361,419	(233,898)	127,521
Office equipment	383,576	(205,702)	177,874	370,729	(217,763)	152,966
IT equipment	3,998,328	(1,496,415)	2,501,913	2,566,387	(1,367,194)	1,199,193
Mobile office and containers	34,555	(34,554)	1	34,555	(34,554)	1
Communication equipment	322,257	(139,307)	182,950	334,541	(111,956)	222,585
Total	8,486,179	(3,398,194)	5,087,985	8,387,434	(5,153,371)	3,234,063

Limpopo Tourism Agency

Annual Financial Statements for the year ended March 31, 2023

Notes to the Annual Financial Statements

Figures in Rand

2. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Revaluations	Write offs	Depreciation	Total
Leasehold improvement	928,181	-	-	940,704	-	(239,890)	1,628,995
Furniture and fixtures	603,616	-	(25,564)	-	(5)	(78,596)	499,451
Motor vehicles	127,521	-	-	-	-	(30,720)	96,801
Office equipment	152,966	51,121	(577)	-	(2,320)	(23,316)	177,874
IT equipment	1,199,193	1,508,092	(6)	-	(3)	(205,363)	2,501,913
Mobile office and containers	1	-	-	-	-	-	1
Communication equipment	222,585	-	(3,100)	-	-	(36,535)	182,950
	3,234,063	1,559,213	(29,247)	940,704	(2,328)	(614,420)	5,087,985

Limpopo Tourism Agency

Annual Financial Statements for the year ended March 31, 2023

Notes to the Annual Financial Statements

Figures in Rand

2. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Transfers	Write offs	Depreciation	Impairment loss	Total
Leasehold improvement	1,337,671	-	(138,399)	-	(271,091)	-	928,181
Furniture and fixtures	699,413	-	-	(6,430)	(89,366)	(1)	603,616
Motor vehicles	158,242	-	-	-	(30,721)	-	127,521
Office equipment	204,214	7,219	-	(13,125)	(45,342)	-	152,966
IT equipment	785,601	717,431	-	(111,735)	(168,343)	(23,762)	1,199,193
Mobile offices and containers	1	-	-	-	-	-	1
Communication equipment	108,456	149,505	-	(87)	(35,289)	-	222,585
	3,293,598	874,155	(138,399)	(131,377)	(640,152)	(23,763)	3,234,063

Rental leases (Head Office, and Vhembe VICs)

The entity has entered into a lease agreement with Makhado municipality for a period of 99 years, effect from 30 May 2003 at an annual rental of R1. The properties have been revalued during the financial year under review, using a professional valuer, UniqueCo Property Valuers. The valuation was conducted during the month of March 2023. The valuer used the Estimated Replacement Improvemet cost less accumulated depreciation and impairment plus land valuation approaches for the valuation of the properties.

The carrying amount of an asset has increased as a result of a revaluation.

The entity further entered into a free lease agreement with Department of Public Works with effect from October 2018. The service in kind is considered in line with GRAP 23, section 6.4 which states that an entity shall recognise services in kind that are significant to its operations and/or service delivery objectives. Refer to note 12.

Limpopo Tourism Agency

Annual Financial Statements for the year ended March 31, 2023

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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3. Inventories

Consumable stores	95,709	80,699
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Reconciliation Inventory-consumable stores

Opening balance	80,699	110,413
Adjustment during the year	98,092	25,017
Inventories expensed during the year	(82,071)	(54,731)
Obsolete Inventory-written off	(1,011)	-
	95,709	80,699

4. Receivables from exchange transactions

Employee costs in advance	231	620
Other receivables	20,288	-
Study assistance	36,130	23,022
	56,649	23,642

Credit quality of trade and other receivables

The credit quality of trade and other receivables that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

5. Receivables from non-exchange transactions

LEDET -outstanding debts	-	2,508,423
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Reconciliation-receivables from non-exchange transactions

Opening balance	2,508,423	2,508,423
Amount received	(2,508,423)	-
	-	2,508,423
	-	-

6. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	465	290
Bank balances	12,417,683	13,593,981
	12,418,148	13,594,271

7. Revaluation reserve

Opening balance	157,654	269,774
Reversal of previous year revaluation surplus	(157,654)	(33,722)
Derecognition of revaluation reserve-transferred properties	-	(78,398)
Revaluation surplus for 2023	940,704	-
	940,704	157,654

The revaluation reserve relates to the valuation of leasehold properties at Makhado Regional Office during financial year under review. The carrying amount of an asset has increased as a result of a revaluation and the increase of R940 704 is credited directly to a revaluation surplus. The previous revaluation surplus for the same assets is reversed against the retained surplus/(deficit).

Limpopo Tourism Agency

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Figures in Rand	2023	2022
8. Unspent funds to be surrendered-Earmarked		
Earmarked grant		
Unspent earmarked grant		
Unspent grant - Marketing	2,596,645	95,473
Movement during the year		
Balance at the beginning of the year	95,473	5,429,228
Grant received during the period	21,823,000	17,841,222
Unspent funds surrendered to Provincial Treasury	(95,473)	(5,429,228)
Income recognition during the year	(19,226,355)	(17,745,749)
	2,596,645	95,473

The grant is earmarked for collaborative marketing, of the Limpopo Province, both locally and internationally. The grant is initially recognised as a liability in the statement of financial position and subsequently as a revenue in the statement of financial performance.

The unspent grant is surrendered to the Provincial Treasury through Limpopo Department of Economic Development Environment and Tourism (LEDET).

9. Funds to surrender

Unspent grant to surrender		
Unspent funds to surrender	3,445,057	9,210,628
Terms and conditions		
Reconciliation of funds to surrender		
Cash and cash equivalent	12,418,148	13,594,271
Add receivables	458,563	374,044
Less current liabilities	(8,726,854)	(3,972,239)
Less committed expenditure	(704,800)	(785,448)
	3,445,057	9,210,628

The entity annually declares all surpluses or deficits to the relevant Treasury from the period 1 August to 30 September of each year, using its audited annual financial statements as the basis for calculation of surpluses or deficits. The entity surrenders for re-depositing into the Provincial Revenue Fund, all surpluses that were realised in a particular financial year.

Included in the funds to surrender note are amounts related to unspent earmarked funding amount to R2 596 645, revenue collected on behalf of LEDET R15 093 and capped leaves to the value of R704 800 which the entity is intended to payout in 2023/24 financial year.

Limpopo Tourism Agency

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10. Employee benefits -Long service awards

Reconciliation of employee benefits -long service awards - 2023

	Opening Balance	Provision adjustment	Total
Employee benefit- long service awards	407,000	(4,300)	402,700

Reconciliation of employee benefits -long service awards - 2022

	Opening Balance	Provision adjustment	Total
Employee benefit- long service	341,000	66,000	407,000
Non-current liabilities		370,000	385,000
Current liabilities		32,700	22,000
		402,700	407,000

The long service awards represent the estimates of the entity's liability as valued by professional valuers annually. The entity values the long service awards using a professional valuer. ARCH Actuarial Consulting has been appointed to estimate the present value of long service awards and leave accruals in the financial year under review. The liabilities are classified between current and non-current and are accounted as such in the statement of financial position.

Methodology.

The projected Unit Credit Method has been used to determine the present value of the long service awards liability and the related current service and interest.

For each employee, this projection is based on the probability of being employed at each service award date, taking into account the assumed rates of withdrawal, early retirement and death.

Key assumptions.

The key assumptions are detailed below as follows:

1) Financial assumptions.

a) Discount Rate

The discount rates of 10.77% for long service award and 11.10% for capped leave accruals have been used. These yields were obtained by calculating the duration of the liability and then taking the yield from the yield curve at that duration using an iterative process, because the yield depends on the duration which in turn depends on the liability. The corresponding liability weighted index-linked yield is 4.62% on long service awards and 4.65% on capped leave accruals.

b) CPI Inflation Rate.

The assumption is required to reflect the estimated growth in the awards values for the long services award liability and growth in capped leave accrual earnings of the eligible employees until retirement.

The expected CPI inflation assumptions of 5.40% for long service award and 5.69% obtained for capped leave were obtained from the differential between market yields on index-linked bonds 4.62% and 4.65% respectively. Therefore, expected inflation is determined as $((1+10.77\%-0.50\%)/(1+4.62\%)-1)$ for long service award and $((1+11.10\%-0.50\%)/(1+4.65\%)-1)$ for capped leave.

The assumptions reflects a net discount rates of 5.09% and 4.14% respectively.

Demographic Assumptions.

Demographic assumptions are required about the future characteristics of current employees who are eligible for long service awards as well as capped leave.

Limpopo Tourism Agency

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10. Employee benefits -Long service awards (continued)

a) Average Retirement Age

The normal retirement age of employees is 65. It has been assumed that employees will retire at age 65 on average , which thus assumes that expected rates of ill-health and early retirement are nil.

b) Pre-Retirement Mortality

70% of SA 85-90 (light), adjusted for female lives.

Comparison of valuation assumptions long service awards and capped leaves

The table below present comparison of assumptions in the current and previous valuation dates:

Long service award

Assumprions	31 March 2023	31 March 2022
Discount rate	10.77%	10.19%
CPI inflation rate (long-term)	5.40%	5.41%
Net discount rate	5.09%	4.53%
Average retirement age	65	
Pre-retirement mortality	70% of SA 85-90 (light)	

Capped leave

Assumption	31 March 2023	31 March 2022.
Discount rate	11.10%	10.38%
General earning inflation rate (long-term)	5.69%	6.57%
Net discount rate	4.14%	3.58%
Average retirement age	65	
Pre-retirement mortality	70% of SA 85-90 (light)	

Sensitivity analysis on the unfunded accrued liability (long service award).

The table below indicates, for example if CPI is one percentage point greater than the long term assumption made, the liability will be 8% higher than (5.41%) above.

a) Assumptions	Change	Liability	Change
Central assumptions		402 700	
CPI inflation rate	+1%	430 900	7%
	-1%	377 400	-6%
Discount rate	+1%	377 000	-6%
	-1%	431 700	7%
Average retirement age	+2 yrs	465 700	16%

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10. Employee benefits -Long service awards (continued)

	-2 yrs	364 700	-9%
Withdrawal rates	x2	364 800	-9%
	x0.5	424 900	6%

Sensitivity analysis on the unfunded accrued liability (Capped leave)

The table below indicates, for example if CPI is one percentage point greater than the long term assumption made, the liability will be 11% higher than 6.57 % above.

b) Assumptions	Change	Liability	Change
Central assumptions		725 200	
General earnings inflation rate	+1%	799 100	10%
	-1%	659 900	-9%
Discount rate	+1%	660 100	-9%
	-1%	800 000	10%
Average retirement age	+2 yrs	679 900	-6%
	-2 yrs	775 600	7%
Withdrawal rates	x2	752 900	4%
	x0.5	709 400	-2%

Financial Results:

	Long Service Awards	Leave Accruals
Opening net liability 1 April 2022	407 000	697 000
Expense (Service service and interest cost)	70 000	71 000
Actuarial gain/(loss)	(52 300)	(29 243)
Expected benefit vesting	(22 000)	(13 557)
Closing accrued liability	402 700	725 200

11. Payables from exchange transactions

Trade payables	3,130,474	1,628,209
Workman Compensation	187,036	178,506
Accrued staff S&T control account	130,048	77,748
Accrued-13th cheque	670,081	578,089
Leave accrual	1,887,732	1,475,090
Accrued salary control account	20,998	12,597
Accrued-Board S&T control account	56,046	-
	6,082,415	3,950,239

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12. Revenue payable to Provincial Revenue Fund

Revenue payable	15,093	13,975
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Revenue collected on behalf of Department

Opening balance	13,975	176,358
Revenue collected during the period	987,934	535,741
Revenue collected and surrendered to Provincial Revenue Fund	(986,816)	(698,124)
	15,093	13,975

Revenue payable to Provincial Revenue Fund is revenue received from exchange transactions. The entity has collected revenue from recoveries, rental (MTN') and interest received from the bank. The table below illustrates the reconciliation of revenue collected and surrendered to the Provincial Treasury through Limpopo Department of Economic Development Environment and Tourism. Revenue collected on behalf of Department compromise of:

13. Revenue and other income

Other income	14,990	20,542
Other income-sale of assets	42,252	-
Interest received	719,494	374,752
Government grants & subsidies	53,474,000	48,855,778
Revenue-Service in kind	3,814,795	3,196,257
Grant Marketing-Conditional	19,226,355	17,745,749
	77,291,886	70,193,078

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

Other income	14,990	20,542
Other income -sale of assets	42,252	-
Interest received	719,494	374,752
	776,736	395,294

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

Transfer revenue

Government grant and subsidies	53,474,000	48,855,778
Revenue-Service in kind	3,814,795	3,196,257
Conditional grant-Marketing	19,226,355	17,745,749
	76,515,150	69,797,784

14. Interest received

Interest revenue

Bank	719,494	374,752
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Total interest income derives from credit balance in the bank.

Limpopo Tourism Agency

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Notes to the Annual Financial Statements

Figures in Rand	2023	2022
15. Employee related costs		
Basic salary	23,696,782	22,955,979
Medical aid - company contributions	887,562	843,945
UIF	87,068	91,332
WCA	187,036	178,506
SDL	114,768	113,068
Leave provision charge	534,569	(605,277)
Provident fund contribution	2,861,210	2,333,571
Long-service awards	(4,300)	66,000
13th cheque	1,714,633	1,566,287
Housing benefits and other allowances	1,617,815	1,308,793
Internship stipend	365,040	721,000
	32,062,183	29,573,204

Remuneration of Chief Executive Officer

Annual Remuneration	899,158	672,938
Allowances	40,000	-
Contributions to UIF, Medical and Provident Fund	37,471	744
Acting allowance	125,810	208,202
	1,102,439	881,884

The CEO's remuneration comprises of acting allowances for two officials, Mr Maleka TP and Mr Ngobeni M.

Remuneration of Chief Finance Officer

Annual Remuneration	1,186,221	217,550
Allowances	140,000	24,000
13th Cheques/Performance Bonuses	72,148	-
Contributions to UIF, Medical and Provident Fund	66,718	11,297
Acting allowance	-	62,287
	1,465,087	315,134

Remuneration of Executive Managers

Annual Remuneration	3,433,948	2,768,046
Allowances	209,800	231,800
13th Cheques/Performance Bonuses	179,072	188,261
Contributions to UIF, Medical and Provident Fund	267,705	200,731
Leave gratuity	-	197,853
Acting Allowance	17,981	47,492
	4,108,506	3,634,183

Included in the remuneration of Executive Managers is an acting allowance for Senior Manager Marketing to the amount of R17 981.

16. Board fees

Board fees	1,205,566	1,310,967
Cell phone allowances	37,200	5,400
	1,242,766	1,316,367

Board fees comprises of retainer and sitting fees as well as cell phone allowance.

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17. Service in-kind

The nature and type of major classes of services in-kind received, are as follows:

Services in-kind that are significant to the entities operations and/or service delivery objectives

Service in kind rental-revenue and expense	3,814,795	3,196,257
The entity receives service in kind from Department of Public Works in the form of a free rental office accomodation. The calculation of the service in kind amount is based on the average rates of office rental of the same size.		

The service in kind is considered as significant to the operations of the entity and service delivery objectives.

	3,814,795	3,196,257
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18. General expenses

Auditors remuneration	2,274,970	2,637,817
Bank charges	42,529	38,608
Cleaning	213,403	225,642
Computer expenses	1,237,228	1,040,121
Consulting and professional fees	617,038	59,435
Supplies and consumables	726,284	246,608
Insurance	93,001	151,505
Accommodation, conferences and workshops	863,923	348,435
Fleet expenses	92,860	72,399
Marketing research, trade shows and events	4,167,387	1,600,390
Marketing campaigns and branding	13,452,959	15,645,424
Recruitment cost	187,803	218,183
Postage and courier	1,566	-
Printing and stationery	459,087	257,553
Security costs	1,127,393	995,326
Staff welfare expenses	49,704	12,783
Subscriptions and membership fees	73,112	168,761
Telecommunication costs	915,565	1,133,148
staff training expenses	128,788	32,119
Subsistence & travel expenses	1,444,076	840,365
Electricity expenses	396,700	384,509
Uniforms	6,326	-
Tourism information services & Regional activities	650,510	-
Study assistance	60,349	49,751
Employee wellness	109,508	97,479
Public relations and communications	447,720	556,550
	29,839,789	26,812,911

19. Auditors' remuneration

Internal audit fees	-	488,972
External audit fees	2,274,970	2,148,845
	2,274,970	2,637,817

Limpopo Tourism Agency

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20. Cash generated from operations		
Surplus	2,694,503	3,109,059
Adjustments for:		
Depreciation and amortisation	614,420	640,152
Write offs/scraping of assets	2,328	269,776
Impairment loss	-	23,763
Funds surrendered to Provincial Revenue Fund	(10,025,272)	(375,861)
Lease revenue-service in kind	3,814,795	3,196,257
Movements in leave liabilities-non current	28,800	51,870
Movements in employee benefits- long service awards	(4,300)	66,000
Lease expense-service in kind	(3,814,795)	(3,196,257)
Unspent conditional grant-marketing	2,596,645	95,473
Other non-cash items-Disposal	29,252	-
Changes in working capital:		
Inventories	(15,010)	29,714
Receivables from exchange transactions	(33,007)	71,507
Receivables from non-exchange transactions	2,508,423	500,000
Prepayments	(51,512)	1,206,665
Payables from exchange transactions	2,132,175	(946,056)
Movement in revenue payable to Provincial Revenue Fund	1,118	(162,383)
	478,563	4,579,679

21. Commitments

Operating commitments already contracted for

Contracts with suppliers

• Provision for hygiene	28,280	197,960
• Website development, design and hosting	105,900	241,852
• Vehicle tracking	1,043	3,421
• Provision for security services-Makhado	654,871	982,306
• Provision for actuarial services	12,535	25,070
• Provision for advert space on electronic billboard	113,507	66,240
• Partnership with PSL soccer clubs	-	380,000
• Upgrading of internet	49,789	142,017
• Telephone system and IP Phone	511,040	-
• Media intelligence services	201,250	-
• Mimecast licences	451,581	-
• Provision for insurance services	748,249	-
• Provision for security services-H/O	2,754,000	-
• Provision for Internal audit services	819,357	-
• Development of ICT strategy	290,235	-
• Outstanding orders	1,116,160	214,222
	7,857,797	2,253,088

Total operational commitments

Contracts with suppliers	7,857,797	2,253,088
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22. Contingent liabilities

LTA vs Ms Mokgadi Reginah Ratlabala and 4 others, under case number JR 559/2020.

The entity has a labour related matter concerning 5 employees, Ms Mokgadi Reginah Ratlabala and 4 others, under case number JR 559/2020. The applicants have since lodged a review application at labour court in Johannesburg, Gauteng province, against the arbitration decision of the Commission of Conciliation, Mediation and Arbitration (i.e. CCMA) in Polokwane.

The dispute relates to a question of law and is not a claim sound in money. The matter has been set down for hearing at the Labour Court, Gauteng Province on 8 August 2023.

LTA and LEDET matter relating to animals auction

The entity received a claim from LEDET for the amount of R2 737 960. The amount emanated from the payment by LEDET on behalf of LTA to Antherstone private land owners as a result of a court order. The function of reserves was at the time with LTA however it is currently with LEDET.

23. Related parties

Relationships	
Parent Department	Limpopo Department of Economic Development Environment and Tourism
Free rental office accommodation-service in kind	Department of Public Works
Members of key Management	Ngobeni M-Chief Executive Officer Maila MP-Chief Financial Officer Makoela M-Chief Marketing Officer Maleka TP-Chief Corporate Services Officer
Board Members	Dipela KA-Chairperson Chikane CA-Deputy Chairperson Mogamedi MO Tseli RM Tlouane KC Mashimbye PF-(Cllr) Malaza F Mpjane JN Modipane TC
Risk and Audit Committee	

Related party transactions

Limpopo Economic Development Environment & Tourism-(Grants and subsidies)	53,474,000	48,855,778
Limpopo Economic Development Environment & Tourism-(Earmarked grant)	21,823,000	17,841,222
Department of Public works-Service in kind	3,814,795	3,196,257
Limpopo Economic Development Environment & Tourism-(Micro soft 365)	334,043	-

The entity has received grant from Limpopo Economic Development Environment and Tourism (LEDET) comprises of equitable share and earmarked funding for marketing collaboration. The entity entered into a free rental agreement for office accommodation(service in kind) with Department of public works. The service in kind amounts are accounted for in the statement of financial performance as revenue as well as expenditure. Furthermore, the entity has reimbursed LEDET an amount of R334 043 for micro soft 365.

Related party balance-receivables

Receivable from LEDET	-	2,508,423
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Related party balances-payables to Provincial Revenue Fund

Unspent earmarked funding-payable to Provincial Treasury	2,596,645	95,473
Collected revenue payable to Provincial Revenue Fund	15,093	13,975
Unspent funds to surrender	3,445,057	9,210,628

Related party balances-payables comprises of unspent earmarked funds, revenue collected and unspent operational grant to be surrendered to Provincial Revenue Fund.

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23. Related parties (continued)

Department of Public works

Service in kind -rental revenue	3,814,795	3,196,257
Service in kind -rental expense	3,814,795	3,196,257

The entity receives service in kind from Department of Public Works in the form of a free rental office accommodation. The entity has further recorded revenue and expenses in terms of GRAP 23, section 6.4 which states that an entity shall recognise service in kind that are significant to its operations and/or service delivery objectives. The said amounts are accounted for in the statement of financial performance as revenue as well as expenditure.

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23. Related parties (continued)

Remuneration of board members

Board members

2023

	Board fees	Cellphone/Data	Re- imbursement (S&T)	Total
Name				
Mr Dipela KD (Chairperson)	581,492	10,200	255,670	847,362
Mr Chikane CA (Deputy Chairperson)	203,844	7,200	106,286	317,330
Ms Moganedi MO	140,432	7,200	42,950	190,582
Mr Tseli RM	165,423	7,200	81,836	254,459
Mr Mashimye PF (Cllr)	-	-	7,151	7,151
	1,091,191	31,800	493,893	1,616,884

2022

	Board fees	Re- imbursement (S&T)	Total
Name			
Mr Dipela KA (Chairperson)	535,067	151,409	686,476
Mr Chikane CA (Deputy Chairperson)	217,089	81,195	298,284
Ms Moganedi MO	135,829	21,569	157,398
Mr Tseli RM	215,952	59,344	275,296
Mr Mashimbye PF (Cllr)	-	5,109	5,109
Ms Mothapo MRM (Kgoshigadi)	97,782	7,962	105,744
	1,201,719	326,588	1,528,307

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23. Related parties (continued)

Remuneration of Risk and Audit Committee

2023

Name	Fees	Cell phone/data	Re- imbursement (S&T)	Total
Malaza F	44,751	1,800	2,263	48,814
Mpjane JN	27,046	1,800	13,538	42,384
Modipane TC	42,578	1,800	-	44,378
	114,375	5,400	15,801	135,576

2022

Name	Fees	Cell phone/data	Re- imbursement (S&T)	Total
Malaza F	37,120	1,800	-	38,920
Mpjane JN	37,120	1,800	3,874	42,794
Modipane TC	35,011	1,800	-	36,811
	109,251	5,400	3,874	118,525

The remunerations of the Risk and Audit committee comprises of fees, data allowance and reimbursement for travelling.

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23. Related parties (continued)

Management class: Senior management

2023

Name	Basic Salary	Annual bonus	Back pay	Travel allowance	Cash component and gratuity	Acting allowance	Medical aid	Provident fund	UIF	Total
Ngobeni M (CEO)	738,005	-	32,636	40,000	128,517	76,738	10,822	25,460	1,190	1,053,368
Maila MP (CFO)	836,918	72,148	28,859	140,000	320,444	-	-	64,933	1,785	1,465,087
Kotsedi TG (CS)	894,061	77,074	30,830	55,800	434,692	-	-	69,367	1,785	1,563,609
Makoela MM (CMO)	625,642	29,489	11,322	58,000	250,202	-	30,844	47,772	1,338	1,054,609
Maleka TP (CCSO)	844,089	72,509	26,020	96,000	317,089	49,072	49,556	65,258	1,785	1,521,378
DR Musitha M (Acting CMO)	-	-	-	-	-	17,981	-	-	-	17,981
	3,938,715	251,220	129,667	389,800	1,450,944	143,791	91,222	272,790	7,883	6,676,032

2022

Name	Basic salary	Annual bonus	Back pay	Housing & Travel allowance	Cash component and gratuity	Acting allowance	Medical aid	Provident fund	UIF	Total
Maila MP (CFO)	136,410	-	10,250	24,000	70,892	62,287	-	10,999	297	315,135
Kotsedi TG (CS)	868,916	73,404	11,933	55,800	412,303	-	-	66,064	1,785	1,490,205
Ramakuela N (CMO)	270,788	45,470	6,431	80,000	262,284	54,725	-	20,309	887	740,894
Maleka TP (CCSO)	821,361	69,387	11,280	96,000	300,601	-	46,996	62,448	1,785	1,409,858
Dr Musitha M (Acting CMO)	-	-	-	-	-	47,949	-	-	-	47,949
	2,097,475	188,261	39,894	255,800	1,046,080	164,961	46,996	159,820	4,754	4,004,041

Included in the 2023 remuneration under acting allowance column, is an acting allowance for Mr Ngobeni M and , Mr Maleka TP as (CEOs) and Dr Musitha M as acting CMO.

Included in the 2022 remuneration under acting allowance column, is an acting allowance for Mr Maila MP acting CFO, Mr Ramakuela N acting CEO, and Dr Musitha M as acting CMO.

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24. Prior period errors

The prior period error relates to incorrect classification of funds to be surrendered to Provincial Treasury. There was an impact on accumulated surplus and current liabilities.

The below table represents how the reclassification have effected the statement of financial position.

Statement of financial position

Funds to be surrendered-(current liability)	-	(9,210,628)
Retain surplus	-	9,210,628

Presented below are those items in the Related party disclosue note, statement of financial position that have been affected by prior-year adjustments. The entity has further reclassified receivables from exchange and non-exchange transactions. The below tables represent how the reclassifications have effected in the statement of financial position.

Related party transactions-2021/22

The related party transactions includes both the board and senior management as follows:

Board fees	R1 528 307
Risk and Audit Committee	R 118 525
Senior management	R4 004 041

The disclosure note has since adjusted.

Statement of financial position

2022

	Note	As previously reported	Re-classification	Restated
Receivables		2,532,065	(2,532,065)	-
Receivables from exchange transactions		-	23,642	23,642
Receivables from non-exchange transactions		-	2,508,423	2,508,423
		2,532,065	-	2,532,065

Limpopo Tourism Agency

Annual Financial Statements for the year ended March 31, 2023

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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25. Risk management

Financial risk management

Liquidity risk

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments.

Cash flow forecasts are prepared.

The table below analyses the entity's financial liabilities which will be settled on a gross basis into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 31 March 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchange transactions	6,082,416	-	-	-
Revenue payable to Provincial Revenue Fund (PRF)	15,093	-	-	-
Unspent earmarked grant	2,596,645	-	-	-
Employee benefits-Long service awards	32,700	-	-	-
Funds to surrender	3,445,507	-	-	-
At March 31, 2022	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchange transactions	3,950,240	-	-	-
Revenue payable to Provincial Revenue Fund (PRF)	13,975	-	-	-
Unspent earmarked grant	95,473	-	-	-
Employee benefits-Long service awards	22,000	-	-	-
Funds to surrender	9,210,628	-	-	-

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The entity only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

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

Financial assets exposed to credit risk at year month period as follows:

Financial instrument	2023	2022
Cash and cash equivalent	12,418,148	13,594,271
Receivables from exchange transactions	56,649	2,532,065
Prepayments	401,914	350,402

26. Going concern

The accounting authority remains confident that funds will be available to finance future operations of the entity, to such an extent, the Limpopo Economic Development, Environment and Tourism has confirmed the funding for Limpopo Tourism Agency for the foreseeable future and a letter to this effect has been received.

27. Irregular Expenditure and Fruitless and wasteful expenditure

	2023	2022
Description		
Irregular Expenditure	-	-
Fruitless and wasteful expenditure	-	-

Limpopo Tourism Agency

Annual Financial Statements for the year ended March 31, 2023

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
27. Irregular Expenditure and Fruitless and wasteful expenditure (continued)		
Closing balance	0	0

The entity did not incur irregular expenditure and fruitless and wasteful expenditure during the period under review.

28. Reconciliation between budget and cash flow statement

Reconciliation of budget surplus/deficit with the net cash generated from operating, investing and financing activities:

Operating activities

Actual amount as presented in the budget statement	6,346,048	3,401,094
Basis differences	(5,867,485)	1,178,585
Net cash flows from operating activities	478,563	4,579,679

Investing activities

Actual amount as presented in the budget statement	(1,559,213)	(874,155)
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Financing activities

Actual amount as presented in the budget statement	(95,473)	(5,429,228)
Net cash generated from operating, investing and financing activities	(1,176,123)	(1,723,704)

29. Budget differences

Material differences between budget and actual amounts

The information below explains the material variances between the final budget and actual amounts as presented in the statement of comparison between the budget and the actual amounts.

1. Earmarked funding

The under expenditure of R 2,596 645 which represent 12 percent was occasioned by R2 million initially allocated to Limpopo based PSL Clubs and later towards end of financial year (02 March 2023) reprioritized to other projects.

2. Payment of capital assets

The underspending of R 831 431 which represent 41 percent resulted from saving on procurement of two (2) servers. The two servers were budgeted for R2 million.



Final BEE Verification Report

LIMPOPO TOURISM AGENCY

08 March 2023

1. Details of Measured Entity:

Company Name	LIMPOPO TOURISM AGENCY
Trade Name	LIMPOPO TOURISM AGENCY
Address	Southern Gateway Ext. 4,N1 Main Road Polokwane
Registration Number	N/A
Vat Number	N/A

2. Scorecard Overview:

Equity Ownership	N/A
Management Control	0.00
Skills Development	0.00
Enterprise & Supplier Development	0.00
Socio Economic Development	0.00
TOTAL SCORE	0.00

3. B-BBEE Status:

BEE Recognition Level	0%
BEE Status	Non- Compliant
Black Ownership	N/A
Black Female Ownership	N/A
Empowering Supplier	YES
Designated Group Supplier	NO
Applicable Scorecard	Specialised - Generic (Revised Codes) - R2
Applicable BEE Codes	DTI Generic Code
Verification Date	06 February 2023
Certificate Number	12567
Verification Analyst	Alice Nkosi
Technical Signatory	Hlumelo Mavume

4. Scorecard Summary:

Management Control

Sub-Element	Indicator	Weighting Points	Compliance Target	Actual	Score
Board Participation	Exercisable voting rights of black board members as a percentage of all board members	2	50.00%	0.00%	0.00
	Exercisable voting rights of black female board members as a percentage of all board members	1	25.00%	0.00%	0.00
	Black persons who are executive directors as a percentage of all executive directors	2	50.00%	0.00%	0.00
	Black female executive directors as a percentage of all executive directors	1	25.00%	0.00%	0.00
Other Executive Management	Black Other Executive Management as a percentage of all Other Executive Management	2	60.00%	0.00%	0.00
	Black female Other Executive Management as a percentage of all Other Executive Management	1	30.00%	0.00%	0.00
Senior Management	Black employees in Senior Management as a percentage of all Senior Management	2	60.00%	0.00%	0.00
	Black female Employees in Senior Management as a percentage of all Senior Management	1	30.00%	0.00%	0.00
Middle Management	Black Employees in Middle Management as a percentage of all Middle Management	2	75.00%	0.00%	0.00
	Black female Employees in Middle Management as a percentage of all Middle Management	1	38.00%	0.00%	0.00
Junior Management	Black Employees in Junior Management as a percentage of all Junior Management	2	88.00%	0.00%	0.00
	Black female Employees in Junior Management as a percentage of all Junior Management	1	44.00%	0.00%	0.000
Disabled	Black Employees with disabilities as a percentage of all employees	2	2.00%	0.00%	0.00
					0.00

Skills Development

Sub-Element	Indicator	Weighting Points	Compliance Target	Actual	Score
Skills Development Expenditure	Skills Development Expenditure on Learning Programmes specified in the Learning Programme Matrix for black people as a percentage of Leivable Amount	9	6.00%	0.00%	0.00
	Skills Development Expenditure on Learning Programmes specified in the Learning Programme Matrix for black employees with disabilities as a percentage of Leivable Amount	4	0.30%	0.00%	0.00
Learnerships	Number of black people participating in Learnerships, Apprenticeships and Internships as a percentage of total employees	6	2.50%	0.00%	0.00
Unemployed Learners	Number of black unemployed people participating in training specified in the Learning Programme Matrix as a percentage of total employees	6	2.50%	0.00%	0.00
Bonus Points	Number of black people absorbed by the Measured and Industry Entity at the end of the Learnerships programme	5	100.00%	0.00%	0.00
					0.00

Enterprise Supplier Development

Sub-Element	Indicator	Weighting Points	Compliance Target	Actual	Score
Preferential Procurement	B-BBEE Procurement Spend from all Empowering Suppliers based on the B-BBEE Procurement Recognition Levels as a Percentage of Total Measured Procurement Spend	5	80.00%	0.00%	0.00
	B-BBEE Procurement Spend from all Empowering Suppliers that are Qualifying Small Enterprises based on the applicable B-BBEE Procurement Recognition Levels as a percentage of Total Measured Procurement Spend	4	15.00%	0.00%	0.00
	B-BBEE Procurement Spend from Exempted Micro-Enterprise suppliers based on the applicable B-BBEE Procurement Recognition Levels as a percentage of Total Measured Procurement Spend	5	15.00%	0.00%	0.00
	B-BBEE Procurement Spend from all Empowering Suppliers that are at least 51% black owned based on the applicable B-BBEE Procurement Recognition Levels as a percentage of Total Measured Procurement Spend	11	40.00%	0.00%	0.00
	B-BBEE Procurement Spend from all Empowering Suppliers that are at least 30% Black Women Owned based on the applicable B-BBEE Procurement Recognition Levels as a percentage of Total Measured Procurement Spend	5	12.00%	0.00%	0.00
Bonus Points	B-BBEE Procurement Spend from Designated Group Suppliers that are at least 51% Black owned based on the B-BBEE Recognition Level	2	2.00%	0.00%	0.00
Supplier Development	Annual value of all Qualifying Supplier Development Contributions made by the Measured Entity as a percentage of the target	15	2.00%	0.00%	0.00
Enterprise Development	Annual value of Enterprise Development Contributions and Sector Specific Programmes made by the Measured Entity as a percentage of the target	5	1.00%	0.00%	0.00
Bonus Points	Bonus point for graduation of one or more Enterprise Development beneficiaries to graduate to the Supplier Development level	1	Yes	No	0.00
	Bonus point for creating one or more jobs directly as a result of Supplier Development and Enterprise Development initiatives by the Measured Entity	1	Yes	No	0.00
					0.00

Socio-Economic Development

Sub-Element	Indicator	Weighting Points	Compliance Target	Actual	Score
SED Contributions	Annual value of all Socio-Economic Development Contributions made by the Measured Entity as a percentage of the target	5	1.00%	0.00%	0.00
					0.00

Youth Employment Service Initiative (Y.E.S)

Sub-Element	Indicator	Weighting Points	Compliance Target	Actual	Score
Y.E.S - Bonus Points	Achieved 1.5 x Y.E.S Employment Target	3	100.00%	0.00%	0.00
	Achieved 2 x Y.E.S Absorption Target		2.50%	0.00%	
					0.00

TOTAL BEE SCORE	0.00 Points
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DISCOUNTED BROAD BASED CONTRIBUTION LEVEL

Non Compliant

YOUTH EMPLOYMENT SERVICE	NO
PROCUREMENT LEVEL	0%
EMPOWERING SUPPLIER	YES
DESIGNATED GROUP SUPPLIER	NO

