



Limpopo Tourism Agency
Annual Report
2023-2024

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PART A
ANNUAL REPORT

1. Part A: General information

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:	32 Dimitri Crescent, Platinum Park, Bendor x 68, Polokwane, 0699
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:	Standard Bank
Address of Bank:	76 Schoeman, Polokwane, 0699
Company Secretary:	T.G Kotsedi
Company Secretary's profession/ Designation:	Mr.

1.2. LIST OF ABBREVIATIONS / ACRONYMS

AA	-	Accounting Authority
AFS	-	Annual Financial Statements
AGSA	-	Auditor General of South Africa
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 Enterprise 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



1.3. FOREWORD BY THE HON. MEC FOR LEDET, MR. TSHITEREKE BALDWIN MATIBE

It is with great honour for me to present this audited annual report on the performance and activities of the Limpopo Tourism Agency (LTA) for the financial year 2023/24. The tourism sector continued to display resilience during the period under review with high performance to enhance the GDP of the province and that of the country. This is indicative of the fact that the sector has fully recovered from the 2020 outbreak of COVID-19 that had an impact on the economy. We are pleased that the province continues to do well having been within the top three most domestically visited destinations in the country.

LTA has implemented 21 domestic campaigns at the end of the 2023/24 Financial Year. These campaigns were in the form of the Easter, Winter, Tourism Month (Spring Campaign) and Summer campaigns. The campaigns have contributed largely to LTA's brand positioning and awareness. LTA continues to implement the tourism recovery plan and has resuscitated the implementation of the campaigns during the 2022/23 Financial Year.

The agency has conducted thirty-nine (39) marketing collaborations during the period under review. The highlight of these is the Limpopo Championship, which was conducted for six years and brought both domestic and international golfers. The tournament contributed immensely to the economy of the province in several ways, including creating jobs. The event was broadcast on DSTV's SuperSport channel which derived huge mileage for Limpopo as a tourism destination of choice in the country and the SADC subcontinent.

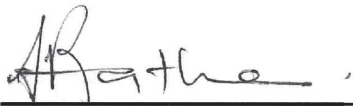
Support to Limpopo-based PSL teams was one of the major highlights which also brought great media and tourism transactions in the province. Some of the marketing collaborations the entity implemented, included Boxing Tournaments, Kudu Golf Tournament, Limpopo Holiday Fair, Phala Phala FM Royal Heritage Festival, Yellow Arum Lilly Festival, Collaboration with Women in Tourism in Limpopo on profiling of 25 Women in Tourism products.

Seventeen (17) Trade marketing platforms were implemented during the period under review. The platforms included World Travel Market (WTM) Africa, Africa's Travel Indaba and Meetings Africa. LTA has started engagements with the Limpopo Provincial Tourism Association (LPTA) and regional tourism associations, most of which were relaunched during Tourism Month, to collaborate in positioning destination Limpopo at trade fairs.

The entity supported 200 Small Medium and Micro Enterprises (SMMEs) during the period under review, exposing them to trade marketing platforms by reinforcing their marketing opportunities and profiling them. There has and will be bias to women-and youth-owned products. The SMME positioning is also meant to drive tourism recovery.

The World Travel & Tourism Council (WTTC) has revealed that the South African Travel & Tourism's GDP will drive the national economic recovery over the next decade. The forecast from WTTC's Economic Impact Report (EIR) shows that the South African Travel & Tourism sector is expected to grow at an average rate of 7.6% annually over the next decade, significantly outstripping the 1.8% growth rate of the country's overall economy. According to the report, by 2032, the sector's contribution to GDP could reach more than ZAR 554.6 billion (7.4% of the total economy), injecting nearly ZAR 287 billion into the national economy. It is anticipated that destination Limpopo will be among the major contributors in this regard.

Compliance and governance aspects by the Board remain critical compliance imperatives. To this end, we wish to congratulate the Board, Management and staff for attaining a clean audit opinion without any finding from the Auditor General of South Africa. Not only did the entity attain this milestone achievement but its marketing efforts yielded good results that saw it retain the top spot in domestic tourism in the country during the last quarter of the 2023/24 financial year. While we congratulate the entity on its performance, we wish to urge the Board and its administrative wing not to drop the ball but keep the momentum going into the future. I urge the Board to conduct its oversight and other fiducial responsibilities with diligence and skill.



T B Matibe

MEC for Limpopo Economic Development, Environment and Tourism



1.4. FOREWORD BY THE CHAIRPERSON OF THE BOARD

Introduction

The success of Limpopo Tourism Agency Board (LTAB) lies in the effective and efficient application of the corporate governance principles and practices that successful entities adhere to. The LTA Board's character can be described by three words, namely, expertise, quality, and vigour. The year under review, 2023/24, was an eventful and activity packed year after the devastation and distraction by the COVID-19 pandemic three years ago. True to its character, the Board got the ball rolling and put its shoulder to the wheel in ensuring that the entity discharges its mandate of marketing the province as a leading tourist destination in Southern Africa. The Board's primary objective is to oversee provision of sustainable tourism development, management and promotion thereof whilst equally giving attention to the provision for registration of tourism amenities according to the Act.

It is against this background that the LTA Board continues to make concerted efforts to transform the tourism industry in the province in an endeavour to fight the triple challenges of poverty, unemployment, and inequality. The Board has never been oblivious of this critical challenge. Our commitment to transform the tourism industry at the level of previously disadvantaged members of the society can be demonstrated by the fact that LTA continues to mentor and incubate emerging entrepreneurs by providing access to the market, by exposing them to platforms such as World Travel Market (WTM) Africa, Africa's Travel Market, Meetings Africa, Limpopo Holiday Fair, etc.

High level overview of the public entity's strategy and the performance of the public entity in its respective sector

The Agency remained focused on its mandate of destination marketing by developing mechanisms of resuscitating the tourism industry which was the worst affected by the pandemic a few years ago. We saw the Minister of Tourism, Ms. Patricia de Lille coming to meet with tourism stakeholders in the province on the 13th July 2023, a day before the presidential Imbizo, at Fetakgomo-Tubatse Municipality in Burgersfort. The Minister outlined several programmes of her department that tourism products can benefit from for improving their enterprises. The Shareholder, Member of the Executive Council (MEC) responsible for Limpopo Economic Development, Environment and Tourism (LEDET), Mr. Rodgers Monama, continued to provide support to the entity on a variety of issues. The Tourism Industry in the province has been a very key participant in the events that LTA facilitated, such as Limpopo Championship, Limpopo Youth Tourism Summit, Youth Golf Championship, Limpopo Tourism Holiday Fair, etc.

Strategic Relationships

The agency has a watertight relationship with Limpopo Women in Tourism to the extent of jointly selecting at least twenty-five (25) women owned enterprises in the province for profiling. This is seen as a huge milestone in the tourism sector as these products will not be the same any more after the completion of this process. The Board has no regrets supporting women in tourism because the sector is one of the world's largest generators of wealth and employment. The sector provides a wide range of income-generating opportunities for women, particularly in developing regions like ours. World Travel & Tourism Council (WTTC) has

revealed that the South African Travel & Tourism's GDP will drive the national economic recovery over the next decade. The forecast from WTTC's Economic Impact Report (EIR) shows that the South African Travel & Tourism sector is forecasted to grow at an average rate of 7.6% annually over the next decade, significantly outstripping the 1.8% growth rate of the country's overall economy. The report further states that women are almost twice as likely to be employers in tourism as compared to other sectors.

Tourism development and tourism should be infused in everybody's daily lives to help ignite economy in the rural communities. LTA will never succeed alone which makes the dictum true that tourism is everybody's business. Gratitude should also be given to members of the public who showed enthusiasm who still display their love for tourism since the outbreak of COVID-19 pandemic by participating in a variety of tourism activities such as game drives, mountain hikes and visits to restaurants and travel in general.

LTA continued with collaborations and partnerships with other key stakeholders which contribute to us achieving our mandate of destination marketing. Key among these include partnership with two Limpopo based DSTV Premiership clubs, namely, Polokwane City FC and Sekhukhune United FC. We also partnered with SA Tourism on various aspects such as Summer Campaign, and Limpopo Championship. We are grateful about the resilience displayed by the tourism sector in the country and our province despite having been disrupted by the COVID-19 pandemic three years ago.

The White Paper on Tourism emphasises cooperation amongst all sections of the society as it states that "Tourism should be Government led, Private sector driven, and Community based". This is the reason why the LTA Board worked so relentlessly to develop a marketing plan that is also outward looking to bring all the tourism stakeholders together to grow the industry and economy of our province.

The strategic focus over the medium to long term period

Transformation in the tourism industry remains a critical matter for debate despite significant improvements. The Board will develop mechanisms for empowering enterprises of people with disabilities by working with other departments including Provincial Treasury through LEDET. The Board will not take lightly of these conundrums and challenges but will make the necessary intervention to attempt resolving them. Heartening is the amount of Small Medium and Micro Enterprises (SMMEs) that the agency continued to expose at various platforms such as World Travel Market (WTM) Africa, Africa's Travel Indaba, Limpopo Tourism Holiday Fair during the period under review.

Challenges faced by Board

The Board is still committed to protecting its domestic and international market share and currently on domestic trips, the entity managed to retain its first position at the end on December 2023. The other challenge the agency faces, is that of empowering enterprises owned by people with disabilities in the province and an aggressive plan has been put in place to also identify these designate group and assist for proper compliance in order to trade with them.

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

- ✓ Integrating all the entity's systems
- ✓ Attaining exceptional performance
- ✓ Fighting of the triple challenges of poverty, unemployment, and inequality,
- ✓ Building strong partnerships with private sector and Local Government,
- ✓ Encouraging grading of tourism facilities,
- ✓ Intensifying efforts in research,
- ✓ Growing tourism,
- ✓ Enhancing market intelligence.

Conclusion and appreciation

I wish to, on behalf of the Board, express my gratitude to the following for having been on our side:

- 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 in the province.
- The tourism industry leaders and drivers for their continued support and technical advice on various tourism related matters.
- The unqualified audit opinion in the past financial year, would not have been possible had it not been for the continued cooperation among the various stakeholders including the Auditor General South Africa, Risk and Audit Committee, our internal auditors, LTA management and staff as well as the Shareholder. Success in this area calls for intensity in compliance to governance. Clean audit not a farfetched milestone as it is attainable.



K.A. Dipela
Board Chairperson



1.5. CHIEF EXECUTIVE OFFICER'S OVERVIEW

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 bednight 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 department has also worked hard around the recently launched Tourism Equity Fund strategy to ensure that our emerging tourism players also utilize this opportunity to advance tourism investment within the province because that will accelerate local economic development that results in job creation, eradication of poverty as well as addressing inequality within our society.

The department is engaging with all departmental parastatals to utilize the available resources to assist our SMME's to participate meaningfully in the scheme to advance rural and township economy. The most recent statistical release by South African Tourism indicates that Limpopo has returned to the top in terms of domestic travel. The statistics also shows that Limpopo continued to be the most visited Province in the first three months of 2024.

We attribute 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 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 enthusiast 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 Transfrontier 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.

The National Department of Tourism in partnership with Provinces established the Women in Tourism structures in all Provinces that are supported. Various empowerment programs have been implemented and recently more than 100 women -owned products were supported with capacity building to enhance their business and marketing skills. Limpopo Tourism Agency has in the 2023/ 2024 financial year assisted twenty-five (25) women-Owned Tourism Products with profiling and provision marketing assistance. There is a joint youth program with LEDET and the National Department of Tourism to raise awareness to youth on tourism opportunities through a career fair. During the year under review, more than five thousand youth were reached through this program. There are also dedicated programs to assist product owners to enhance universal access to cater for people living with disabilities.



Chief Executive Officer
Mr. M Ngobeni

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, which 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 entity for the financial year ended 31 March 2024.

Yours faithfully



Chief Executive Officer

Mr. M Ngobeni

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

Limpopo Tourism Agency falls under schedule 3C public entity in terms of PFMA

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 list tourism as 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
- 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 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

- 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

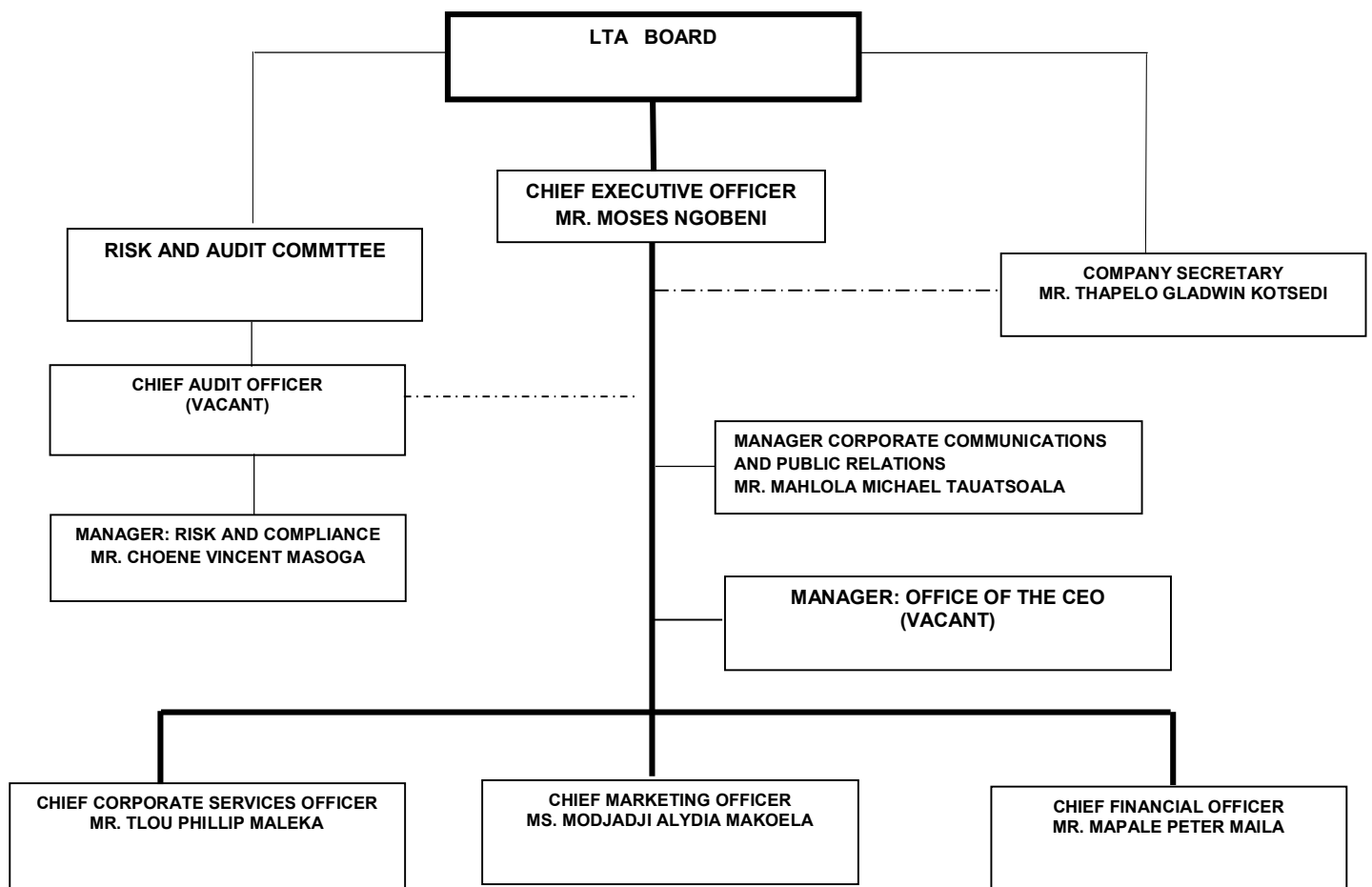
- National Tourism Sector Strategy 2016-2026 (NTSS) - sets out a vision for a “rapidly and inclusively growing tourism economy that leverages Limpopo’s depicted competitive edge within the Mega-Conservation of the Limpopo Tourism Growth Strategy and its unique clusters underpinned by business innovation 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



Executive Committee



Mr. Ngobeni M
Chief Executive Officer



Mr. Maila M.P
Chief Financial Officer



Mr. Maleka T.P
Chief Corporate Services Officer



Ms. Makoela M.A
Chief Marketing Officer



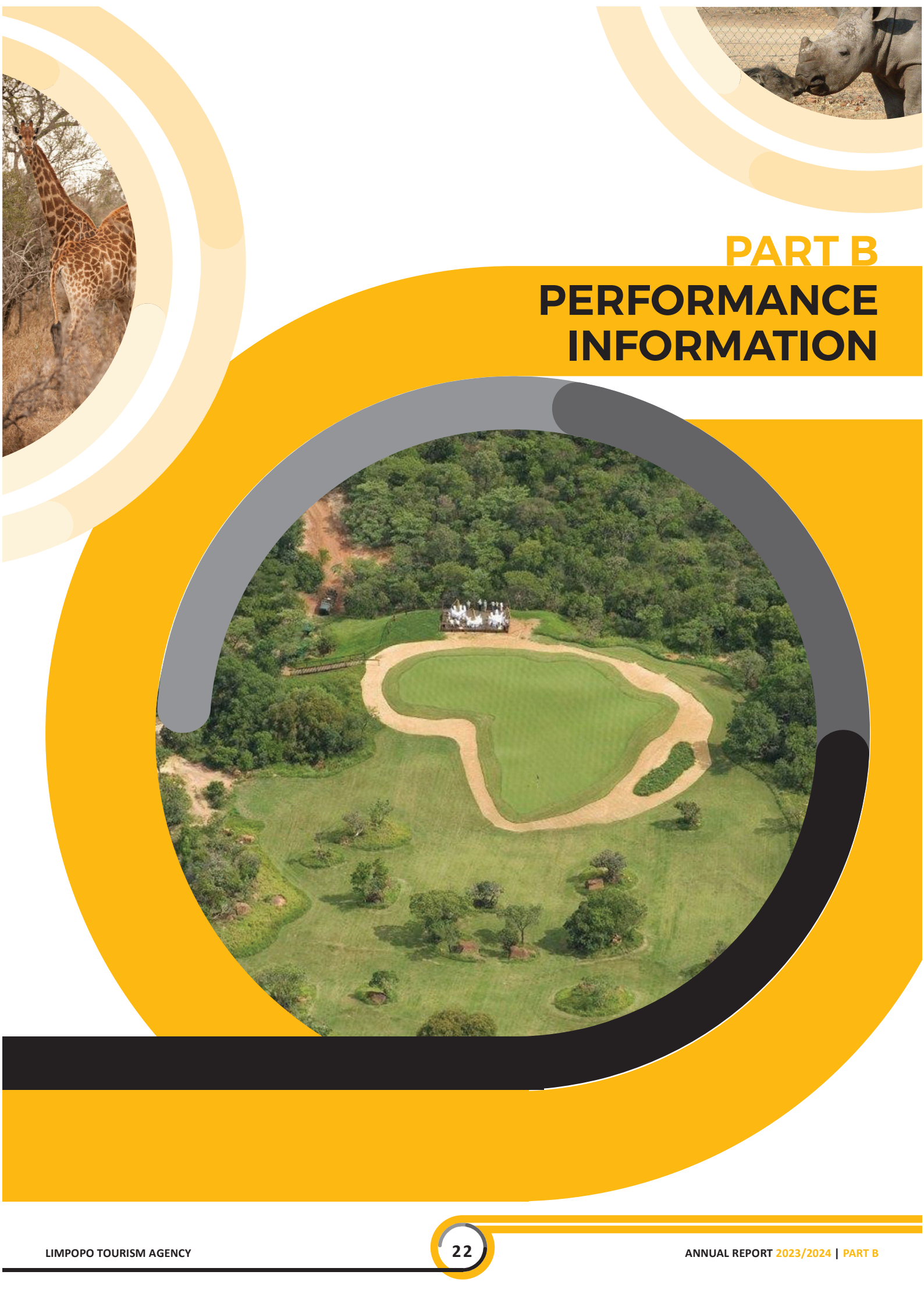
Mr. Kotsedi T.G
Company Secretary



Mr. Masoga C.V
Manager Risk & Compliance



Mr. Tauatsoala M.M
Manager Corporate
Communications & 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 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 auditor's report, without 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 the paragraph 18 and 19 in the Auditor General's report published as Part F (Annual Financial Statements) of the entity's annual report.

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. The believe that tourism is a highly resilient sector, has been proved correct in that almost all Provinces have now fully recovered in terms of domestic trips undertaken with Limpopo now toping all Provinces in this area. This is attributed to the adequate support the sector received to 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 South African Tourism, shows that by the end of December 2023 and the first three months of 2024, Limpopo had returned back to occupy first position in terms of domestic trips in the country followed by Gauteng and KZN. Limpopo attributes this speedy recovery to the partnership efforts with the private sector that continues to immense 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 a quarterly basis.

Organisational environment

The entity reviewed its organisational structure resulting in 64 positions, 48 positions were filled as at 31 March 2024 with a vacancy rate of 25%. The entity didn't achieve all its set targets for the year under review. The Information Communications Technology (ICT) Strategy was redesigning the LTA website to be more interactive. The ICT officials were capacitated to be appraised with the changes and developments in the ICT field, expand with the office 365 operating environment.

The Disaster Management Plan (DMP) was approved to capture in a single repository all the information that describes Limpopo Tourism Agency's ability to withstand disaster as well as the processes which must be followed to achieve disaster recovery. In an endeavour to comply to the requirements of the Skills Development Act no. 97 of 1998, ten (10) Internship candidates were appointed in the various fields' exposure within entity. The Internship programme is for a period of two years, 07 June 2023 to 06 June 2025.

The process of consultation with affected entities and government department on the process of reconfiguration has been concluded as per the EXCO Resolution No.20 of 2022/23. The next step is to factor the new mandate into the strategy to be developed at the start of the 7th Administration incorporating the new targets.

Key policy developments and legislative changes

The entity has updated most of the financial management policies in line with Provincial and National Treasury as guided by the Treasury guideline.

2.3. PROGRESS TOWARDS ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

Programme 1: Office of the CEO

MTSF Priority 1: Capable, ethical and development state.

Outcome: Improved governance, oversight, and intergovernmental coordination

The programme performed more than expected on its target of stakeholder engagement. The target was not measured in 2019/20 financial year but already implemented 35 stakeholder engagements, exceeded the expectations with three stakeholder engagements to date.

Programme 2: Corporate Services

MTSF Priority 1: Capable, ethical and development state.

Outcome: A professional, meritocratic, and ethical public administration

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 Outcome Indicators: skills development programs implemented, to date is 10, the target was introduced in 2022-2023. 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 40 youth were appointed from 2019-2020 to date in line with the Skills Development Act to gain practical work experience in the various fields within the entity.

It is the responsibility of this programme to ensure that all employees' performance contracts and compliance to disclosure of financial interest are signed within set time frames. The baseline of disclosure of financial interest signed is 100% which has been fully met to date 2023-2024 without challenges. Disciplinary cases adjudicated within 90 days, this indicator to date the target has been fully met at 100%. The outcome indicator employee's performance contracts signed within set time has been moved from the strategic plan to operational plan.

Outcome Indicator: Information, Communication, and technology strategy developed / implemented, 1 strategy developed, and 1 strategy implemented to date. The entity already achieved the new indicator introduced in 2023-2024 the development of the disaster management plan. The purpose of developing the disaster management plan is to guard against any potential natural disasters that may happen to the entity and the plan will only be activated once the natural disaster strike.

Programme 3: Financial Management

MTSF Priority 2: Economic growth and job creation.

Outcome: Improved financial governance

The programme is responsible for expenditure management, asset and budget management and preparation of the annual financial statement. The programme has been stagnant with unqualified audit opinion with matters for the past 5 years. The annual financial statements

and annual performance reports were in the past submitted with material misstatements. However, during 2021/22 the annual financial statements were submitted free from material misstatement. Furthermore, no finding was raised on the audit of compliance with legislation during 2021/22 and 2022/23 financial years. No irregular expenditure has been incurred to date. In addition, no material findings were identified on the reported performance information of Integrated Destination Marketing during 2022/23 financial year.

Expenditure in relation to the allocated Budget, to date the target has been fully met at 99%. Invoices paid within 30 days of receipt the entity is doing very well at 100%. New indicator budget spent on previous disadvantaged individuals (women, youth and persons with disabilities) was introduced in 2023-2024 planning period. To date the entity is performing well with regards to budget spend on women -owned enterprises, with regards to youth and persons with disabilities improvement is required.

Programme 4: Integrated Destination Marketing .

MTSF Priority 2 & 7: Economic growth and job creation: A better Africa and the world.

Outcome: Increase the tourism sector's contribution to inclusive economic growth.

Domestic Campaigns Implemented: LTA has implemented **21 domestic campaigns** at the end of 2023/24. These were in the form of the **Easter, Winter, Tourism Month and Summer campaigns**. The campaigns have contributed largely to LTA's brand positioning and awareness. However, they did not yield results in tourism transactions due to Covid-19 lockdowns between the 2020/21 and 2021/22 financial years. Digital platforms were largely used to achieve some of these campaign objectives. LTA is implementing a tourism recovery plan and has since resuscitated the implementation of these campaigns during the 2022/23 financial year. However, due to tourism demand post-pandemic, the implementation budget has since shrunk, and the tourist arrivals and domestic trips has not matched those prior to 2019.

Marketing Collaborations implemented: LTA has implemented **39 marketing collaborations** as of end-year 2023/24. The highlight of these is the Limpopo Championship, which was implemented during the five-year period and brought both domestic and international golfers and contributed immensely to the economy of the province in several ways including creation of jobs. The event was broadcast on DSTV's SuperSport channel which yielded a huge awareness of Limpopo as a tourism destination. The support of the Limpopo-based PSL teams was one of the major highlights which also brought about huge media and tourism transactions. Some of the marketing collaborations the entity implemented, are Boxing Tournament, Kudu Golf Tournament, Limpopo Holiday Fair, Phalaphala Royal Heritage, Yellow Arum Lilly, Collaboration with LIMWIT on profiling of 25 Women in Tourism products. The **Limpopo Holiday Fair was one of the key highlights for 2023/24**. The Limpopo Tourism Holiday Fair is one of the most successful partnerships between the government and the tourism industry. LTA has identified the Holiday Fair as one of the key platforms that should be utilised effectively to drive tourism

recovery and promote local tourism-based products. Through this initiative, the tourism industry has begun to show signs of recovery and so has the arrivals.

The Limpopo Holiday Fair has significantly grown over the years. During this period, it has also become a major marketing platform for SMMEs. LTA has taken a decision to place more emphasis on the domestic campaign since that is where the entity will derive more tourism arrivals and spending in the province. The Holiday Fair's intention is to showcase and promote tourism products to the local traveller. Therefore, it remains imperative that the government, through LTA, continues to provide support as part of the tourism transformation agenda.

Trade marketing platforms implemented: Seventeen (17) Trade marketing platforms were implemented as of end- year 2023/24. The highlights were the WTM Africa's Travel Indaba and Meetings Africa. Some of the trade shows were conducted virtually. These platforms are largely utilised to drive tourism recovery considering the negative impact of COVID-19. LTA has started engagements with the Limpopo Tourism Associations which were relaunched during Tourism Month, to work together as one brand in positioning Limpopo at trade fairs.

SMMEs supported: 200 SMMEs were supported as of end-year of 2023/24. The trade marketing platforms will reinforce marketing opportunities and profiling of SMMEs. There will also be bias to women- and youth-owned products. The SMME positioning is also meant to drive tourism recovery.

Impact studies conducted: 17 Impact studies were conducted as of end-year of 2023/24. These were to determine the economic impact of the tourism value chain brought about by marketing collaborations, whilst the other studies determined the tourism consumer behaviour in the Limpopo Province. The highlights of the impact studies show that there is an aggressive implementation of the COVID-19 recovery strategy as discovered by the tourism consumer satisfaction level studies conducted, as well as aggressive destination marketing in defending domestic tourist arrivals.

SUMMARY OF THE TARGETS

Indicator	2019/20	2020/21	2021/22	2022/23	2023/24	TOTAL	5-year Target
Number of Marketing Campaigns implemented	4	4	4	5	4	21	20
Number of Marketing Collaborations implemented	12	7	8	8	8	43	39
Number of Trade Marketing Platforms activated	10	1	4	4	5	24	17

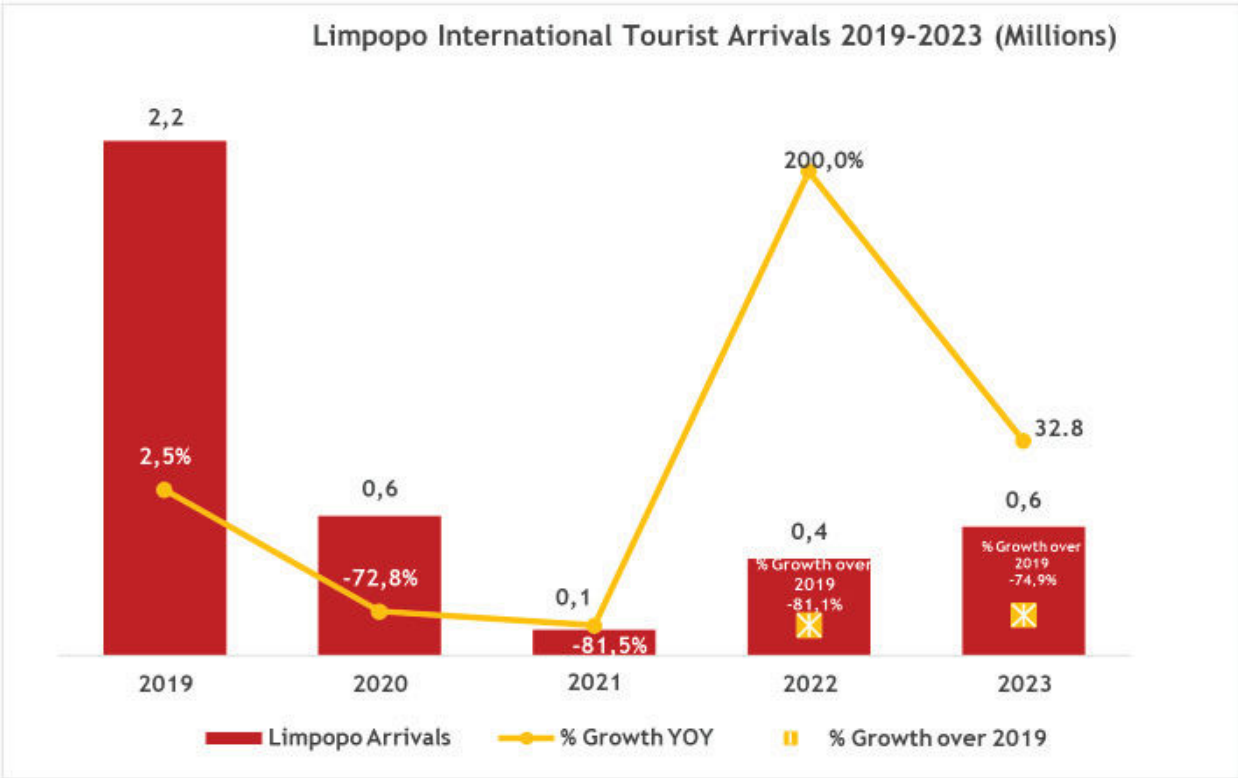
Number of SMME supported	-	-	-	99	125	224	200
Number of Impact Study Assessment conducted	2	2	3	4	6	17	22

Tourism performance in the past five years

International tourism performance

International tourist arrivals in Limpopo decreased by -72.5% due to COVID-19 travel restrictions. Limpopo is heavily affected, dropping from 2.2 million arrivals in 2019 to 561 700 in 2023. Limpopo went from -72.5% due to less arrivals in 2020 to 32.8% growth in 2023 because of tourism recovery plan. The tourism spend was recorded as R6.3 billion in 2023 as compared to R4 billion in 2022. The province stands at position five of the 9 provinces, which is a slight improvement from the previous year. This requires a destination strategy that focuses on international markets, especially the top 10 markets as articulated in South African Tourism performance reports. The top 10 attractions as depicted in the graph below, shows Kruger National Park as the most visited product by the international tourists. The following is the summary for the five-year international arrivals in Limpopo as per financial years and calendar years.

Limpopo Tourist Arrivals		Financial Year		
FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
2 108 448	170 003	171 727	303 371	518 725
Limpopo International Tourist arrivals by calendar year				
2019	2020	2021	2022	2023
2 200 000	600 000	112 785	421 656	561 700



Domestic tourism performance

Limpopo has recorded 8.5 million at the end of 2023/24 in terms of number of trips to the province and it leads all provinces in terms of Domestic recovery figures. This is attributed to the programmes implemented as per the five-year strategy plan. In 2023, Limpopo and Gauteng emerged as the leading main destination provinces, recording the highest number of overnight trips in terms of domestic trips from main destination (7.5 and 6.9 million, a +34.0% and +30.8% increase, respectively, from 2022). Limpopo also led in trips by destination province in 2023 at 9.3 million and trips by origin province at 7.7 million. Limpopo came 2nd to Gauteng in terms of Day trips at 20.3 million. Not only has Limpopo emerged as the leading main destination province but has also recorded the second highest overnight spend of ZAR 20.1 billion and the highest bed nights at 26.8 million. The following table shows performance in the past five years.

Limpopo Domestic Tourist arrivals by financial year period				
2019/2020	2020/21	2021/22	2022/23	2023/24
2 997 445	1 209 166	1 042 172	8 267 214	8 594 193

	2019/20	2020/21	2021/22	2022/23	2023/24
Eastern Cape	2,510,898	3,737,519	5,275,165	6,407,601	6,906,669
Free State	3,566,632	1,634,949	1,017,944	3,477,667	3,823,467
Gauteng	6,658,560	2,643,109	3,213,529	8,193,987	7,534,924
KwaZulu Natal	6,366,462	3,106,151	4,132,417	6,471,535	6,178,587
Limpopo	2,997,445	1,209,166	1,042,172	8,267,214	8,594,193
Mpumalanga	2,616,764	1,640,152	2,142,770	2,764,832	3,946,920
Northern Cape	1,106,724	289,077	777,776	772,507	1,419,922
North West	2,855,244	1,202,953	1,362,901	2,431,914	2,953,819
Western Cape	5,335,555	1,451,907	1,364,245	3,665,599	3,599,716
South Africa	34,014,285	16,914,983	20,328,919	42,452,856	44,958,215

2.4 INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

PROGRAMME 1: OFFICE OF CHIEF EXECUTIVE OFFICE

Purpose: 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: Chief Executive Office								
Outcome	Output	Output Indicator	Audited Actual performance 2021/2022	Audited Actual performance 2022/2023	Planned Annual Target 2023/2024	**Actual Achievement 2023/2024	Deviation from planned target and Actual Achievement 2023/2024	Reasons for deviations
Improved governance, oversight, and intergovernmental coordination	Stakeholders engaged	Number of tourism stakeholders engaged	11	8	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	2023/24			2022/23		
	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	1 273	1 273	-	1 231	1 243	(12)
Monitoring and Evaluation	1 848	1 920	(72)	1 530	1 541	(11)
Communications	805	805	-	448	448	-
Compensation of Employee	7 973	7 895	78	6 262	5 989	273
Capex	-	-	-	84	57	27
Total	11 905	11 893	12	9 555	9 278	277

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 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	*Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
A professional, meritocratic and ethical public administration	Disaster management plans developed	Number of disaster management plans developed	Not measured	Not measured	1	1	None	None
	Financial disclosure forms completed	Percentage compliance to disclosure of financial interest within the financial year	Not measured	100%	100%	100%	None	None
	Skills development programs implemented	Number of skills development programs implemented	Not measured	4	6	6	None	None
	Received disciplinary cases adjudicated	Percentage of received disciplinary cases adjudicated within 90 days	Not measured	100%	100%	100%	None	None
	ICT Strategy implemented	Number of ICT strategy implemented	Not measured	1	1	1	None	None

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	2023/24			2022/23		
	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	3 903	4 072	(169)	4 301	4 175	126
Human Resources Development	268	308	(40)	233	148	85
Professional fees	426	624	(198)	315	289	26
Employee wellness	103	104	(1)	112	110	2
Information Communication Technology	1 530	1 599	(69)	1 516	1 220	296
Compensation of Employees	10 191	10 237	(46)	10 165	10 058	107
Capex	214	190	24	2 054	1 218	836
Total	16 635	17 134	(499)	18 696	17 218	1 478

PROGRAMME 3: FINANCIAL MANAGEMENT

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

Subprogrammes:

- Financial Management: Financial Management is responsible for expenditure management, asset and budget management and preparation of the Annual Financial statement.
- 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 2021 / 2022	Audited Actual Performance 2022 / 2023	Planned Annual Target 2023 / 2024	*Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
Improve financial governance	Audit outcome	Unqualified audit opinion without matters maintained	Unqualified audit opinion with matters	Unqualified audit opinion with matters	Unqualified audit opinion without matters maintained	Unqualified audit opinion without matters maintained	Inadequate review of Annual Financial Statements resulted with misstatements	Review of Quarterly Financial Statements by both Internal Auditors and Provincial Treasury
	Allocated budget spent	Percentage of expenditure in relation to budget allocated.	97%	95%	99%	99%	None	None
	Received undisputed invoices paid	Percentage of invoices paid within 30 days of receipt.	Not measured	100%	100%	100%	None	None

Programme : Financial Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2021 / 2022	Audited Actual Performance 2022 / 2023	Planned Annual Target 2023 / 2024	*Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
	Budget spent on previous disadvantaged individuals (women, youth and persons with disability	Percentage s of budget spent on women - owned enterprises	Not measured	Not measured	40%	48%	8%	Variance of 8% resulted due to most of companies appointed are women owned
		Percentage s of budget spent on youth - owned enterprises	Not measured	Not measured	30%	9%	21%	Variance of 21% resulted due to most of service providers appointed are women owned enterprises.
		Percentage s of budget spent on persons with disabilities -owned enterprises	Not measured	Not Measured	2%	0	2%	Non-responsiveness to request for quotations/ bids by persons with disabilities

Linking performance with budgets

Programme/activity/ Objective	2023/24			2022/23		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Budget & Treasury	3 116	3 430	(313)	3 023	2 943	80
Supply Chain Management	150	150	-	93	93	-
Compensation of Employees	8 512	8 552	(40)	6 943	7 055	(112)
Capex	-	-	-	133	124	9
Total	11 779	12 132	(353)	10 192	10 214	(23)

Linking performance with budgets

Programme/activity/ Objective	2023/24			2022/23		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Budget & Treasury	3 116	3 430	(313)	3 023	2 943	80
Supply Chain Management	150	150	-	93	93	-
Compensation of Employees	8 512	8 552	(40)	6 943	7 055	(112)
Capex	-	-	-	133	124	9
Total	11 779	12 132	(353)	10 192	10 214	(23)

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 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	**Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
Increase the tourism sector's contribution to economic growth.	Domestic campaigns implemented	Number of domestic campaigns implemented	4	5	4	4	None	None
	Marketing collaborations implemented	Number of marketing collaborations implemented	8	8	8	8	None	None
	Trade marketing platforms activated	Number of trade marketing platforms activated	4	4	4	5	1	Over-achieved due to partnership with South African Tourism
	SMMEs business Supported	Number of SMMEs business supported	Not measured	99	70	125	55	The entity exceeded the target due to partnership with private sectors and municipalities

	Impact assessment studies conducted	Number of impact assessment studies conducted	3	4	6	6	None	None
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Linking performance with budgets

Programme/ activity/objectives	2023/24			2022/23		
	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	26 011	24 653	1 358	19 337	17 168	2 169
Destination information services and research	250	245	5	1 550	1 103	447
Divisional support	675	711	(36)	936	955	(19)
Compensation of Employees	14 951	14 910	41	14 886	15 199	(313)
Capex	-	-	-	145	160	(15)
Total	41 887	40 519	1 369	36 854	34 586	2 268

Strategy to overcome areas of underperformance.

To review the evaluation criteria in the following areas:

Improvement of functionality regarding empowerment of women, youth, and persons with disabilities.

2.5 REVENUE COLLECTION

	2023-2024			2022-2023		
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.

CAPITAL INVESTMENT

2.6 Capital investment, maintenance and assets management plan.

The asset management plan has been fully implemented. New assets to the value of R 190 000 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, R14 000 were identified and approved by the accounting authority in line with the entity's asset management policy. No disposal was conducted during financial year under-review.

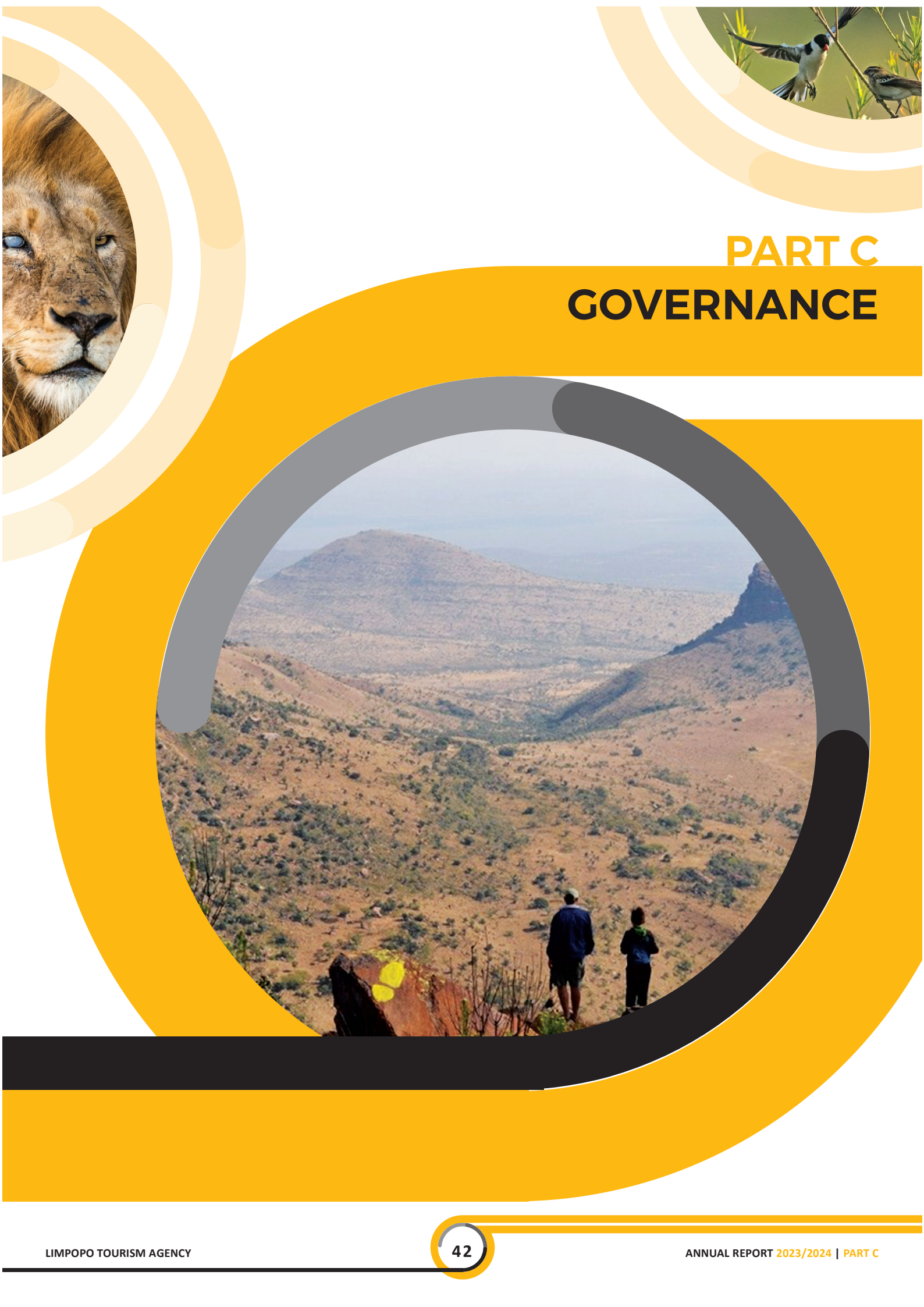
There was no loss due to theft. The assets register was updated regularly as and when assets are purchased and disposed. Depreciation was also updated quarterly. In terms of the assets assessment done, 90 % of the assets are still in good condition.

	2023-2024			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

Approved by



Mr.KA Dipela
Board Chairperson



PART C
GOVERNANCE



3. PART C: GOVERNANCE

BOARD MEMBERS



Mr. Dipela K.A.
Board Chairperson



Ms. Sibara L.G.
Deputy Chairperson



Mr. Tseli R.M.
Board Member



Ms. Boshielo M.J.
Board Member



Ms. Tlouane K.C.
Board Member



Cllr. Masoga M.C.
Board Member



Mr. Kovani W.S.
Board Member

3.1. INTRODUCTION

The entity is mandated by the Limpopo Tourism Act 4/2018 to provide for the development, management and promotion of sustainable tourism in Limpopo, to provide for registration of tourism businesses to provide for continued existence of the Limpopo Tourism Agency

On an annual basis, the Board enters into a performance agreement with the Shareholder, MEC, responsible for Economic Development, Environment and Tourism.

The performance agreement with the Shareholder laconically in the main captured the following: -

- Corporate goals and objectives,
- Relationship between the parties,
- Funding,
- Undertakings by the Board,
- Undertakings by the Shareholder,
- Auditing,
- Communication and reporting,
- Breach and dispute resolution.

The parties agreed that where the Shareholder would issue a directive not provided for in the planning document, viz; Annual Performance Plan, the Shareholder would guide accordingly inclusive of providing sufficient resources for the execution of the so directed function. The entity has been able to keep appraised the Shareholder on the progress of implementation of its work.

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 before Portfolio Committee on the following dates:-

Date of the meeting	Presentation
27 th October 2023	Annual Report 2022/2023
22 November 2023	First and second Quarter performance report
9 th April 2024	Annual Performance Plan 2024/2025
23 rd April 2024	Third and fourth Quarter Performance report

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

The entity was complimented for implementing all the targets and for the assistance given to SMME's in.

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 Portfolio 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	28 th July 2023
Second quarter	27 th October 2023
Third quarter	23 rd February 2024
Fourth quarter	30 th April 2024

3.4. THE ACCOUNTING AUTHORITY / BOARD

Introduction

Section 49(1) of the Public Finance Management Act 1/1999 (as amended) provides that “every public entity must have an authority which must be accountable for the purposes of this Act”. Section 2(a) provides that “if the Public entity has a board or other controlling body, that board or controlling body is the accounting authority for that entity”.

The Limpopo Tourism Agency has a board which has all legislative capacity to executive its functions as provided for in the Section 6 of the Limpopo Tourism Act 4/2018. In terms of Section 6 of the Act, the Board is mandated to do the following:-

- Market the province as a tourist destination.
- Market provincial tourism products and facilities.
- Develop and implement a marketing strategy for tourism.
- Advise the MEC on any matter relating to tourism marketing; and
- Perform any other function the MEC may assign or delegate to the Agency.

For the period under review, the accounting authority has expertly executed the functions and responsibilities with aplomb and within the purview of their authority as hereunder detailed:-

- Has ensured that it has full and effective control of the entity in that it delegated certain functions to the Chief Executive Officer and retained others. That although so delegated, the Accounting Authority remained responsible for the delegated functions.
- The Accounting Authority has had unfettered access to the entity's information, which helped in the decision-making process.
- The planning documents have been approved by the Accounting Authority which included the entity's budget.
- The Accounting Authority has monitored the performance of the entity through holding quarter performance meetings.
- When it comes to management of conflict of interest, there are measures put in place which included but not limited to annual declarations, all of which are reduced to writing.
- Annual General meeting has been attended by the Accounting Authority.
- The Annual Financial Statements have been accordingly guided by the Accounting Authority during preparation and were duly signed off by that office.
- The Accounting Authority has been sufficiently inducted.

- To the best of its ability, the Accounting Authority has maintained integrity, responsibility and accountability.
- In line with the King Code, the assessment of the Board will be conducted during its second year of existence as the current board's tenure started 01/06/2023.

Board Charter

The Board has as its guiding document, the Charter. The latter provides for the following in the nutshell: -

- Give effect to the executive council resolutions.
- Determines the entity's purpose, values and stakeholders.
- Determines the entity's ability to achieve its objectives and values.
- Evaluate, approve and monitor the strategies, policies, performance criteria and business plans.
- Safeguard succession plan of the executives and senior management.
- Guide and set the pace of the entity's current operations and future development.
- Regularly review and evaluate the strengths, weaknesses, opportunities and threats to LTA.
- Communicate promptly and with substance to the Shareholder and related stakeholders.
- Define levels of materiality, reserving specific powers to the Board and delegated other matters with the necessary written authority to management.
- Ensure effective, efficient and transparent system of financial and risk management, which includes the following:-
 - System of internal audit
 - An appropriate procurement and provisioning system
 - System of property evaluating of major capital projects before a final decision taken of the project.
- Take effective and provide steps to collect review and debts prevent irregular, fruitless and wasteful expenditure, safeguard compliance with legislation, consequence management.

The appointment of the Board is the absolute preserve of the Shareholder. The Board has ensured total compliance with the Charter.

Composition of the Board

The Limpopo Tourism Agency Board is constituted as follows:-

- Seven non-executive directors
- Two executive directors

Name	Designation (in terms of the Public Entity Board structure)	Date appoint ed	Date resign ed	Qualification s	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 01 June 2023	31 May 2023	<ul style="list-style-type: none"> • Courses passed: Private 1 &2 • Constitutional Law • African Law • English 1 • Criminal Law 	<ul style="list-style-type: none"> • Sports • Human Resources 	<ul style="list-style-type: none"> • Trustee of Bokamoso Investment Trust • Revolutionary Road Solutions • RRS • International Kaborona • ADAM 	<ul style="list-style-type: none"> • Destination Marketing (ex -officio) • Human Resources and Remunerati 	19

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area Expertise	Board of 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"> Interpretation of Statutes Family Law Afrikaans Political Science 1 & 2 Professional Sports Management Graduate Module Executive Sports Management Programme FIFA Futuro 3 Graduate 		<ul style="list-style-type: none"> Chairperson of Dipela Sports Events Cebo Manyapelo Foundation Dipela Farming Andrew Dipela Foundation 	<ul style="list-style-type: none"> ons (ex officio) 	
Chikane Albert Chikane	Deputy Chairperson Destination Marketing Committee Chairperson ,	01 December 2019	31 May 2023	<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 	5

Name	Designation of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board of 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			<p>and Evaluation</p> <ul style="list-style-type: none"> 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 		<ul style="list-style-type: none"> Cebisa Telecommunications The Megamillion Mobility The Megamillion Recycling The Megamillion Processing 810nity Mzanzi 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 appoint ed	Date resign ed	Qualification s	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g: Audit committee / Ministerial task team)	No. of Meetin gs attend ed
				Resources Managem t • Certificate in Corporate Governance				
Rembuluw ani Moses Tseli	Destination Marketing Chairperson	01 Decemb er 2019 01 June 2023	31 May 2023	<ul style="list-style-type: none"> • Master's in public manageme nt • Postgraduat e Diploma in Managemen t • Senior Primary Teacher's Diploma • Diploma in Municipal Governance • The advanced certificate in Governance 	<ul style="list-style-type: none"> • Educationist • Corporate Governance 		<ul style="list-style-type: none"> • Human Resources and Remunerati ons • Risk and Audit 	21

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board of Directorships (List the entities)	Other Committees or Task Teams (e.g: Audit committee / Ministerial task team)	No. of Meetings attended
Mathipe Orcillia Moganedi	Human Resources and Remunerations Chairperson Contracts Committee Chairperson	01 December 2019	31 May 2023	and Leadership <ul style="list-style-type: none"> • Master in Business Administration • Management Development Programme • Advanced Labour Relations Master' • Diploma in Human Resources • Bachelor of Education • Higher Diploma in Education • Bachelor of Arts Social Science 	<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 • Mapudi Phasaha Investment Holding • PhashComm Media • Entertainment • Mapudi Phash Resource • Sekhukhune Basadi Holding 	<ul style="list-style-type: none"> • Destination Marketing • Contracts 	4

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board of Directorships (List the entities)	Other Committees or Task Teams (e.g: Audit committee / Ministerial task team)	No. of Meetings attended
Keleabetswe Clementine Tlouane	Member	01 December 2019 01 June 2023	31 May 2023	<ul style="list-style-type: none"> • M ED in Environmental Education • B A in Education • Bachelor of Education • Management Programme • Diploma in Computer Literacy 	<ul style="list-style-type: none"> • Environmental list • Educationist 	<ul style="list-style-type: none"> • Shareholder's representative Limpopo Gambling Board 	<ul style="list-style-type: none"> • Destination Marketing • Contracts 	16
Cllr. Percy Faneriwa Mashimbye	Member	01 December 2019	31 May 2023	<ul style="list-style-type: none"> • Diploma in Human Resource Management • National Certificate on Executive Leadership Municipal Development Programme 	<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 	1

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board of 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"> • Certificate in Disaster Management • Certificate in Ethics Management in Local Government • Certificate in the Municipal Executive Leadership and Finance Management Programme 				
Lufuluvhi Grace Sibara	Deputy Chairperson Contracts Committee Chairperson ,	01 June 2023		<ul style="list-style-type: none"> • Honours of Arts • Bachelor of Arts • Secondary teachers Diploma • Basic computer 	<ul style="list-style-type: none"> • Tourism specialist • Marketing specialist • Educationist • Business 	<ul style="list-style-type: none"> • Hayani Guesthouse • Gracias Lifestyle and Solutions • SATOVITO • Limpopo Women in Tourism 	<ul style="list-style-type: none"> • Destination Marketing • Human Resources and Remunerations 	17

Name	Designation (in terms of the Public Entity Board structure)	Date appoint ed	Date resign ed	Qualification s	Area Expertise	Board of Directorships (List the entities)	Other Committees or Task Teams (e.g: Audit committee / Ministerial task team)	No. of Meetin gs attend ed
	Destination Marketing Committee member Human Resources and Remunerati ons Committee			<p>Literacy and Innovative teaching Methodolog y</p> <ul style="list-style-type: none"> • Certificate in Mining and Minerals • Business Plan Managemen t • Certificate 1000 Women Certificate Programme • Executive Developme nt Programme for Women in Tourism • Business and Financial 		<ul style="list-style-type: none"> • Tshisimani Women Investments 		

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board of Directorships (List the entities)	Other Committees or Task Teams (e.g: Audit committee / Ministerial task team)	No. of Meetings attended
Modile Juliet Boshielo	Risk and Audit Chairperson	01 June 2023		<ul style="list-style-type: none"> Management Course Masters in Financial Economics Postgraduate Diploma in Management Post Graduate Diploma in Economics Principles Bachelor of Arts Secondary Teachers Diploma Research on Education in South Africa 	<ul style="list-style-type: none"> Economist Financial management specialist Educationist Human Resource 	<ul style="list-style-type: none"> Pheladi and Sons PTY Ltd African Rainbow Minerals 	<ul style="list-style-type: none"> Human Resources and Remunerations Committee Contracts Committee 	17
William Stephen Kovani	Chairperson Human Resources and	01 June 2023		<ul style="list-style-type: none"> Baccalaureus Legum (LLB) 	<ul style="list-style-type: none"> Legal specialist 	Kovani Attorneys PTY LTD	<ul style="list-style-type: none"> Destination Marketing Contracts 	15

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area Expertise	Board of Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of Meetings attended
	Remunerations Committee			<ul style="list-style-type: none"> • Certificate in Legal Training 				
Cllr. Matome Calvin Masoga	Member	01 June 2023		<ul style="list-style-type: none"> • Senior Primary Teacher's Diploma • Advance Certificate in Education • Project Management in Public and Development • HIV and AIDS, Care and Counselling 	<ul style="list-style-type: none"> • Council • Political 	<ul style="list-style-type: none"> • SALGA Representative • Capricorn District Councillor 	<ul style="list-style-type: none"> • Destination Marketing • Contracts 	9
Moses Ngobeni	Chief Executive Officer	01 August 2021		<ul style="list-style-type: none"> • Bachelor of Administration • Higher Education Diploma 	<ul style="list-style-type: none"> • Administration • Management • Tourism 		<ul style="list-style-type: none"> • 	28

Name	Designation (in terms of the Public Entity Board structure)	Date appoint ed	Date resign ed	Qualification s	Area Expertise	Board of 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 Economic Development and 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 	N/A	<ul style="list-style-type: none"> 	26

- 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 per prescribed in the Limpopo Tourism Act 4 of 2018.

Board and Committees

The LTA Board has established the following Committees:-

- Risk and Audit
- Destination Marketing
- Human Resources and Remunerations
- Contracts

Hereunder is the list of members for each of the Committees, their roles and responsibilities as well as the number of meetings held.

Board / Committee	No. of meetings held	No. of members	Name of members
Board	9	8	KA Dipela (Chairperson) (01/12/2019 - 31/05/2023) CA Chikane (Deputy Chairperson) (01/12/2019 - 31/05/2023) MO Moganedi (01/12/2019 - 31/05/2023) RM Tseli (01/12/2019 - 31/05/2023) KC Tlouane (01/12/2019 - 31/05/2023) Cllr. PF Mashimbye (01/12/2019 - 31/05/2023) M Ngoben (Chief Executive Officer) MP Maila (Chief Financial Officer)
		9	KA Dipela (Chairperson) (re-appointed 01/06/2023) LG Sibara (Deputy Chairperson) (appointed 01/06/2023) RM Tseli (re-appointed 01/06/2023) KC Tlouane (appointed 01/06/2023) MJ Boshelo (appointed 01/06/2023) Cllr. MC Masoga (appointed 01/06/2023) WS Kovani (appointed 01/06/2023) M Ngoben (Chief Executive Officer) MP Maila (Chief Financial Officer)
Risk and Audit	7	4	CA Chikane (Chairperson) (01/12/2019 - 31/05/2023) RM Tseli Acting Chairperson) (01/06/2023 - 31/07/2023) F Malaza (01/11/2020 - 31/08/2023) JN Mpjane (01/11/2020 - 31/08/2023)
		4	MJ Boshelo (Chairperson) (appointed 08/08/2023) F Malaza (re-appointed 01/09/2023) JN Mpjane (re-appointed 01/09/2023) ND Tshithavhani (appointed 01/09/2023)
Destination Marketing	4	4	RM Tseli (Chairperson) (01/12/2019 - 31/05/2023) MO Moganedi (01/12/2019 - 31/05/2023) KC Tlouane (01/12/2019 - 31/05/2023) Cllr. PF Mashimbye (01/12/2019 - 31/05/2023)
		5	RM Tseli (Chairperson) (appointed 08/08/2023) KC Tlouane (appointed 08/08/2023) LG Sibara (appointed 08/08/2023) WS Kovani (appointed 08/08/2023) Cllr MC Masoga (appointed 08/08/2023)
Human Resources and Remunerations	5	3	MO Moganedi (Chairperson) (01/12/2019 - 31/05/2023) CA Chikane ((01/12/2019 - 31/05/2023) RM Tseli ((01/12/2019 - 31/05/2023)
		4	WS Kovani (Chairperson) (appointed 08/08/2023) RM Tseli (appointed 08/08/2023) LG Sibara (appointed 08/08/2023) MJ Boshelo (appointed 08/08/2023)
Contracts	2	4	MO Moganedi (Chairperson) ((01/12/2019 - 31/05/2023) CA Chikane ((01/12/2019 - 31/05/2023) KC Tlouane ((01/12/2019 - 31/05/2023) Cllr. PF Mashimbye (01/12/2019 - 31/05/2023)
		4	LG Sibara (Chairperson) (appointed 08/08/2023) CA Chikane (appointed 08/08/2023)
			KC Tlouane (appointed 08/08/2023) Cllr. MC Masoga (appointed 08/08/2023)

The LTA Board does not have alternate members, however all members of the Board are appointed by the Shareholders, MEC Shareholder, for the Department of Economic Development, Environment and Tourism.

Remuneration of Board members

- The remuneration of the Board is in terms of the instrument titled “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 was a representative of the South African Local Government Association until his resignation on 31/05/2023 and replaced by Cllr. Masoga M.C.

Non - Executive Members:

Name	Remuneration	Other allowance	Other re-imbursments	Total
Mr Dipela KA (Chairperson)	535,984		290,853	826,837
Ms Sibara LG (Deputy Chairperson)	133,888		15,040	148,928
Ms Boshielo MJ	114,908		10,900	125, 808
Mr Tseli RM	159,973		55,273	215,246
Mr Kovani WS	114,361		56,807	171,168
Mr Masoga MC (Cllr)	-		9,717	9,717
Ms Moganedi MO	23,345		8,843	32,188
Mr Chikane CA	46,016		41,333	
KC Tlouane (Shareholder representative)	-		-	-
Sub-total	1,128,475	-	488,766	1,617,241

Risk and Audit Committee:

Name	Remuneration	Other allowance	Other re-imbursements	Total
F Malaza (Risk and Audit)	62,124	3,100	8,744	73,968
JN Mpjane (Risk and Audit)	59,952	3,100	43,510	106,562
ND Tshithavhani (Risk and Audit)	22,047	-	10,523	32,570
Sub-total	144,123	6,200	62,777	213,100
Grand Total	1,272,598	6,200	551,543	1,830,341

3.5. RISK MANAGEMENT

- The entity had an approved risk management policy and strategy in place for the year under review.
- The entity conducted the risk regular assessments for the year. The main aim of conducting the assessment was to determine the effectiveness of the risk management strategy and to identify new and emerging risks. The strategic risk register was developed from the assessment.
- The entity has in place a Risk and Audit Committee whose role is to advise management and the Board on the overall system of risk management, especially the mitigation of unacceptable levels of risk.
- The Risk and Audit Committee's role is to further advise the entity on risk management and independent monitoring of the effectiveness of the system of risk management.
- The entity noted some progress in the management of risks, this has transmitted into some improvements in the entity's performance.

3.6. INTERNAL CONTROL UNIT

- The entity does not have an internal control unit in place. The responsibilities of the unit are performed by various divisions including amongst others, financial management, supply chain management and risk and compliance. The Internal Control Unit's main focus is to coordinate assurance and governance activities which will assist the Entity in maintaining a system of internal controls that are effective and efficient. The entity is currently in the process of finalising the appointment of an Internal Control Officer.
- The Committee has ensured that there was a system of internal controls designed to provide cost-effective assurance that assets are safeguarded against liabilities and that the working capital is efficiently managed. It can be confirmed that the system of internal control and risk management applied by Limpopo Tourism Agency during the financial year was effective, efficient and transparent.

3.7. INTERNAL AUDIT AND AUDIT COMMITTEES

Key activities and objectives of the internal audit unit.

The Internal Audit of the Entity was outsourced to Shumba Inc. The Internal Audit (IA) function is an independent, objective assurer and consulting activity designed to add value and improve LTA's operations. The objective of the IA function was to assist LTA to accomplish its objectives by bringing a systematic and disciplined approach to evaluating and improving the effectiveness of risk management, controls and governance processes. The Internal Audit function reviewed the following:

- The reliability and integrity of financial and operational information;
- Compliance with laws, regulations, policies and contracts;
- Safeguarding of assets;
- The economical and efficient use of resources;
- Establishment of operational goals and objectives; and
- Appropriateness of processes for the achievement of objectives. The primary role of the IA function was to assist the Entity, Risk and Audit Committee, and Executive Management in the effective discharge of their duties and responsibilities. The IA, through engagement with the internal stakeholders, formulated a three-year rolling plan which incorporated an annual plan which was approved by the Risk and Audit Committee. The appointed Internal Auditors reports at each Risk and Audit Committee meeting.

Summary of audit work done in 2023/24.

The Internal Auditors were appointed for a period 6 months effective from 1 December 2023 to 31 May 2024. The following areas were covered during the period 1 December 2023 to 31 March 2024:

- ICT Governance Review and ICT Security
- Reviewed of interim and annual Financial Statements
- Evaluate the adequacy and effectiveness of Supply Chain and Contract Management.
- Reviewed the performance information against the pre-determined objective (AOPO Q3 & 4).
- Reviewed Human Resources and Payroll Management.

The key activities and objectives of the Risk and Audit Committee are as follows:-

- Oversee performance of the entity
- Responsible for the risk management of the entity.
- Review of the Financial Statements
- Monitor and review the effectiveness of the Internal Audit.
- Approves the Audit Strategy of the External Auditors.
- Ensures compliance with laws and regulations relevant to the entity.

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

Name	Qualifications	Internal or external	If the internal, position in the public entity	Date appointed	Date Resigned	No. of Meetings attended
Mr. Chikane CA	<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 	External	N/A	01/08/2021	31/05/2023	2

Name	Qualifications	Internal or external	If the internal, position in the public entity	Date appointed	Date Resigned	No. of Meetings attended
	Development Programme • Strategic Human Resources Management • Certificate in Corporate Governance					
Ms F Malaza	• Chartered Accountant • Bachelor of Honours in Accounting Science • Bachelor of Accounting Science • Certificate of Theory in Accounting	External		01 December 2020 01 September 2023	31 August 2023	7
Mr JN Mpjane	• Chartered Accountant • Honours Bachelor of Accounting • Bachelor of Accounting Science	External		01 December 2020 01 September 2023	31 August 2023	7
Mr. RM Tseli	• Master in public management • Postgraduate Diploma in Governance and public Leadership • Senior Primary Teacher's Diploma • Diploma in Municipal Governance	External		01 June 2023	31 July 2023	2

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"> • Advanced Certificate in Governance and Leadership 					
Ms. Modile Juliet Boshielo	<ul style="list-style-type: none"> • Masters in Financial Economics • Postgraduate Diploma in Management • Post Graduate Diploma in Economics Principles • Bachelor of Arts • Secondary Teachers Diploma • Research on Education in South Africa 	External		08 August 2023		3
Mr. ND Tshithavhani	<ul style="list-style-type: none"> • Chartered Accountant • Honours in Accountancy • Bachelor of Commence • BBBEE Management Development • Advanced certificate in Auditing 	External		01 September 2023		2

3.8. COMPLIANCE WITH LAWS AND REGULATIONS

The Office of the Company Secretary has ensured that the Board is kept abreast with the legislative and industry trends through different engagements. In liaison with external stakeholders in the legal field peers and others including the Institute of Directors, to which Limpopo Tourism Agency is a member, the entity has been able operate free of non-compliance.

3.9. FRAUD AND CORRUPTION

- The entity has in place a fraud prevention policy that guides in dealing with any allegation of fraud and corruption. The Entity has a zero-tolerance stance on Fraud and Corruption
- The entity has in place the whistleblowing policy which guides on reporting any fraud and corruption allegations, the policy further ensures the protection of whistle-blowers.
- The fraud and allegations are reported on the Public Service Commission fraud hotline which is managed at the National and Provincial level by the Public Service Commission. There was no suspected, alleged and/or committed or reported case of fraud during the year.

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 be 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 assisted 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,
- Disclosed 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.
- Disclosed 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 ensure that these are used to deliver the entity's objectives.
- Maintained and review a risk register for the entity and identify 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 give due consideration to differing points of view on the Board and amongst members,

- Worked cooperatively with the shareholder, 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 entity has a fully-fledged of the Company Secretary and under the guidance of that office managed the following: -

- 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 oversees that a copy of the entity's Annual Financial Statements was shared, following the Public Finance Management Act 1/1999 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

This serves to confirm that as the Risk and Audit Committee, we have been able to comply with our responsibilities as provided for in section 51 (1) (a) (ii) of the Public Finance Management Act 1/1999 (as amended) read with Treasury Regulation 27.1.

Section 51 (1) (a) (ii) of the PFMA provides as follows “the Accounting Authority for a public entity must ensure that public entity has and maintains 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 section 76 and 77”.

Section 27.1.1 of the Treasury Instruction provides as follows “the accounting authority of a public entity must establish an audit committee as a subcommittee of the accounting authority” hence the Limpopo Tourism Agency Board has established the Risk and Audit Committee.

The Committee has adopted the guidelines, laconically termed the Risk and Audit Committee Charter, to guide it on how to execute its duties. In a nutshell, the main functions, of the committee are as follows: -

Role and functions of the Risk and Audit Committee.

- Maintained effective working relationships with the Board, Management, the Department and relevant stakeholders.
- Ensured that the Board addresses all of its duties and obligations during a financial year,
- Drafted an annual work plan with clear milestones that was informed the agenda items to be covered during the course of the year.
- Ensured that each Committee member for purposes of performing his or her role effectively obtained an understanding of all responsibilities of the Committee as well as business operations, operations and risks of the Limpopo Tourism Agency.
- Evaluated whether management was setting the appropriate “*procurement culture*” by implementing sound financial procurement policies and procedures.
- Took cognisance of the Agency’s policy supporting procurement from SMME businesses and historically disadvantaged businesses.
- Evaluated whether management followed appropriate tender processes as prescribed in policies and procedures.
- Oversaw the finalisation of complex and or unusual transactions such as long-term contracts.
- Regularly updated the Board about Committee activities and made appropriate recommendations.
- Performed other-oversight functions as requested by the Board.
- If required, recommended to the Board special investigations that might be necessary to enable the Committee to perform its functions.
- Evaluated the Committee’s own performance on a regular basis as recommended by the King Code.
- Ensured that the tenants and prescripts of the Public Finance Management Act 1/1999 (as amended) take precedence in case of any repugnancy with that Act.
- All aforementioned had been successfully monitored by the Committee.

Performance

Oversaw the general performance of the entity which includes but not limited to review of Performance Information and Quarterly Reports. The entity has been able to comply with submissions of the Quarterly Reports both to the Provincial Treasury and non-financial reports to the shareholder department.

Risk Management

- Ensured the implementation of a risk management framework that was 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 identification of events that may affect the achievement of LTA's objectives.
- Reviewed and assessed the processes 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.

The entity Audit Action Plan for both Internal and external audit findings have been adequately addressed except for the outstanding matter of the game auction which was under investigation.

Annual Financial Statements

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.

- Tax and litigation matters involving uncertainty.
- Major adjustments processed at year-end from an efficiency accountability and transparency point of view.
- Any changes in accounting policies and practices.
- Major judgemental areas for example those involving valuation of assets and liabilities; warranty, litigation; and other commitments and contingencies.
- Significant adjustments resulting from the audit.
- The basis on which the entity has been determined as a going concern.
- Capital adequacy; and Internal controls.
- Assessed whether the financial statements comply with appropriate accounting principles; and
- Reviewed the Annual Report before it was released and considered whether the information is understandable and consistent with members' knowledge about LTA and its operations.

The Committee unequivocally confirmed having adequately reviewed the entity's Annual Financial Statements 2023/24 and was satisfied of the quality of work. The Committee having considered the Annual Financial Statements and inputs from the Auditor General South Africa on Annual Financial Statements, concurred and agreed to accept the Annual Financial Statements for consideration by all fora.

Internal Audit

Monitored and reviewed the effectiveness of the internal audit function.

These included-

Internal Audit

Monitored and reviewed the effectiveness of the internal audit function.

These included-

- Participation in the appointment, promotion or dismissal of the Head of Internal Audit or considered internal audit services and assisting with determining his/her qualifications, reporting hierarchy and compensation, as well as outsourced internal auditors.
- Assessed whether the competency and resources at the disposal of the Internal Audit function are adequate for to fulfil its duties with due regard to the accounting and business skills and industry and technology-based expertise required.
- Assessed the role, mandate, and goals of the Internal Audit function and to take the necessary steps to ensure that it provides as a minimum the following: -

A reviewed of the “*tone at the top*” of the entity.

- An objective evaluation of the risk and internal control framework.
- A systematic analysis of the business processes and associated controls.
- Reviewed of the existence and value of assets and liabilities.
- A source of information on frauds and irregularities.
- Ad-hoc-reviewed of other areas where there is a concern or unacceptable level of risk.
- Reviewed of the compliance framework and specific compliance issues.
- Reviewed of operational and financial performance.
- Performance of efficiency and effectiveness reviewed as required terms of the PFMA.
- Recommended more efficient and effective use of resources.
- Assessed the accomplishment of corporate goals and objectives; and Feedback on adherence to LTA’s values and code of conduct/ethics.
- Reviewed and approved the Internal Audit Charter.
- Reviewed and approved of Internal Audit Plans and monitored whether they were sufficiently comprehensive and aligned with the strategic objectives of the entity.
- Monitored progress in terms of the adopted internal audit plan.
- Considered the reports received from Internal Audit on the results of its work as well as reviewed the adequacy of corrective action taken in response to significant internal audit findings.
- Reviewed the co-operation and co-ordination between the Internal and External audit functions and co-ordinating the Internal Audit work plan with External Auditors’.
- Evaluated the independence and effectiveness of the Internal Audit function in executing its mandate.

For the period under reviewe the Internal Audit has successfully executed the following work:-

- Reviewed of Internal Audit Charter
- Preparation of Internal Audit Coverage Plan
- Preparation and attendance of Audit and Risk Committee Meetings
- Interim Financial Statements reviewed
- Performance Information reviewed
- Human Resources Management audit reviewed
- Information Communications Technology Audit reviewed
- Supply Chain Management audit reviewed
- Integrated Destination Marketing Audit reviewed
- Inventory count and report writing reviewed
- Draft Annual Financial Statements reviewed
- Reviewed the Annual Performance Report, Annual Operational Plan and the 4th Quarter Performance report.
- Although the work was done, the late inclusion of the Internal Audit would have brought about a better perspective on other internal controls.

External Audit

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.

Met separately with the External Auditors to discuss any matters that the Committee or Auditors believe should be discussed in the absence of management.

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 judgments.

Monitored key matters arising out of the audit and monitor that these were followed up appropriately by management; and

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.

Compliance with laws and regulations

Took necessary steps to ensure that compliance with laws and regulations has been incorporated into and implemented as part of the system of risk management.

The Risk and Audit Committee performed as follows: -

- Reviewed and assessed the identification of all legislation applicable to LTA.
- Reviewed an analysis 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.
- Considered management's reporting and obtain separate evaluations and independent assurance on compliance.
- Obtained and reviewed regular updates from management and or LTA's legal counsel regarding compliance matters.
- That all regulatory compliance matters have been considered in the preparation of the financial statements.
- Reviewed the findings of any investigations by regulatory agencies,
- Ensured that Treasury Note/s on Annual Financial Statements audit should first be approved by the Risk and Audit Committee.
- Expressed a view on the effectiveness of the Chief Financial Officer and the Finance function.

Combined Assurance

The Committee reviewed and monitored the development of the Combined Assurance Model and ensured its implementation and compliance.

The Committee monitored implementation of the following: -

- Obtained from all functions within the agency, assurance on the adequacy and effectiveness of controls relating to risk management in the areas falling within the ambit of their mandate.
- Obtained assurance from internal audit on the adequacy and effectiveness of the combined assurance approach implemented by the organization.
- Monitored the relationship between the external auditors and internal auditors to ensure that an efficient audit model is applied.
- The Risk and Audit Committee reviewed the expertise, resources, and experience of the entity's finance function, and discloses the results of the review in the annual report.
- The Chief Executive Officer has allocated the responsibility of coordinating and collating the quarterly combined assurance report, to the Manager Risk and Compliance.
- The Board has adopted the Combined Assurance policy.

The work of the Committee was made easy by the commitment displayed by management, the ever-present members of the Committee who spared no sweat in ensuring that the objectives of the Committee as set for itself were not only achieved, but diligence and precision were all to fight for. Lastly, the unparalleled support from the Board will forever be the mainstay of our drive as the Committee.

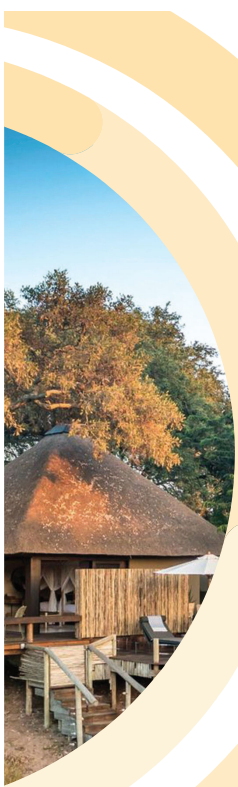
The Risk and Audit Committee held its special Committee sitting on 23/05/2024 where-in the Committee recommended the Annual Financial Statements 2023/24 to the Board for approval.



MJ Boshielo
Risk and Audit Committee Chairperson
Date: 31 July 2024

3.16 B-BBEE Compliance Performance Information

LTA 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 law	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 into partnership with the private sector	The entity has developed a sponsorship policy as a basis for entering partnerships with the private sector	The board has approved the sponsorship policy
Determining criteria for the awarding of incentives, grants and investment schemes in support of Board 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 entity had a staff compliment of 48 members after the resignation of two officials. No new appointments were made during the year under review.

Six skills development programmes were implemented for the year under review. The aim being to improve service delivery and keep staff abreast of new development. The said programmes are as follows:

- Professional Report Writing
- Digital Marketing
- Information Management Systems and Analysis
- Events Management and Impact Assessments
- Microsoft 365 Administration
- Advanced Procurement Module Training

A training on Microsoft 365 Administration was arranged for ICT officials to keep up with the immediate change in MS 365 office environment. The entity achieved 100% target on disclosures of Financial Interest to ensure transparency and ethics conduct from members of staff. Performance of staff was continuously monitored towards the achievement of the annual targets.

The policy review of the Compensation and Benefits remained a challenge for the entity since the organised Labour NEHAWU has pleaded for Basic Plus Benefits remunerations salary structure for employees in the bargaining forum. A comparative study on compensation and benefits was still work in progress at the end of financial year. Consultation with members of staff will be continued in the current financial year. The entity has implemented two wellness programmes for the year under review. In terms of the future plans the entity is in the process of implementing EXCO Resolution No.20 of 2022/23 on re-configuration of state-owned entities which will have an impact on the mandate and the organisational structure.

4.2 Human Resources Oversight Statistics

Personnel cost by programme/activity/objective

Programme/ activity	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel exp. as a % of total exp. (R'000)	No. of employees	Average personnel cost per employee (R'000)
Office of the CEO	11 898 547	7 895 305	66%	7	1127 901
Corporate Services	17 112 206	10 215 596	60%	14	729 685
Financial Management	12 131 916	8 551 691	70%	10	855 169
Integrated Destination Marketing	40 539 614	14 931 441	37%	17	878 320

Personnel cost by salary band

Level	Personnel Expenditure (R'000)	% of personnel exp. to total personnel cost (R'000)	No. of employees	Average personnel cost per employee (R'000)
Top Management	1 775 697	4%	1	1 775 697
Senior Management	6 320 979	15%	4	1 580 245
Professional qualified	17 408 719	42%	15	1 160 581
Skilled	8 928 347	21%	14	637 739
Semi-skilled	3 987 357	10%	9	443 040
Unskilled	818 911	2%	5	163 782
Stipend, Provident Fund and Salary Admin	2 354 022	6%		49 042
TOTAL	41 594 032	100%	48	866 542

Performance rewards

Programme/activity/objectives	Performance rewards	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost (R'000)
Top Management		1 775 697	0%
Senior Management	113 894	6 320 979	1.8%
Professional qualified	244 911	17 408 719	1.4%
Skilled	213 276	8 928 347	2.4%
Semi-skilled	122 107	3 987 357	3.1%
Unskilled	49 315	818 911	6.0%
Stipend, Provident Fund and Salary Admin		2 354 022	0.0%
TOTAL	743 503	41 594 032	1.8%

Training Costs

Programme / activity /objective	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training expenditure as a % of Personnel Coast	No. of employees trained	Avg training cost per employee
Office of the CEO	7 895 305			2	
Corporate Services	10 215 596	212 592	2.08%	7	30 370
Financial Management	8 551 691			10	
Integrated Destination Marketing	14 931 441			13	

Training programmes were paid from Corporate Services budget

Employment and vacancies

Programme/ activity/objective	2022/2023 No. of Employees	2023/2024 Approved Posts	2023/2024 No. of Employees	2023/2024 Vacancies	% of vacancies
Office of the CEO	6	10	7	3	30%
Corporate Services	14	20	14	6	30%
Financial Management	10	14	10	4	29%
Integrated Destination Marketing	20	20	17	3	15%

Programme/ activity/objective	2022/2023 No. of Employees	2023/2024 Approved Posts	2023/2024 No. of Employees	2023/2024 Vacancies	% of vacancies
Top Management	1	1	1	0	0%
Senior Management	4	4	4	0	0%
Professional qualified	15	19	15	4	21%
Skilled	16	23	14	9	39%
Semi-skilled	9	12	10	2	17%
Unskilled	5	5	4	1	20%
TOTAL	50	64	48	16	25%

During the financial year, the management moved staff internally to fill critical vacancies and reduce the increasing cost of employee's budget.

Employment changes

Salary Band	Employment at beginning of period	Appointment	Terminations	Employment at end of the period
Top Management	1	0	0	1
Senior Management	4	0	0	4
Professional qualified	15	0	0	15
Skilled	16	0	2	14
Semi-skilled	9	0	0	9
Unskilled	5	0	0	5
Total	50	0	2	48

Reasons for staff leaving

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

Two staff members resigned and the reasons for leaving were on getting better prospects outside of the entity

Labour Relations: Misconduct and disciplinary action

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

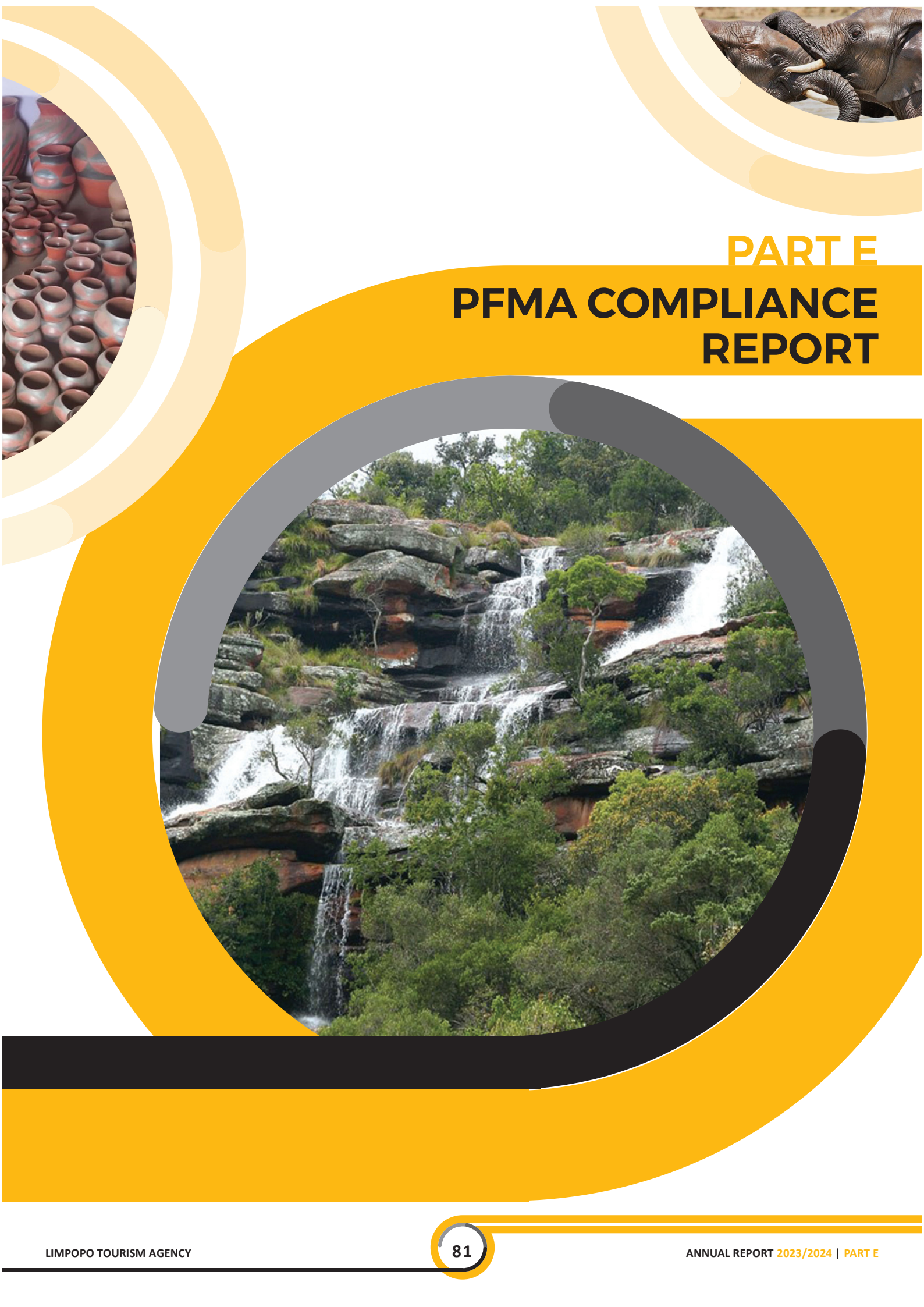
Equity Target and Employment Equity Status

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	0	0	0
Skilled	6	7	0	1	0	1	0	1
Semi-skilled	4	5	0	0	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
TOTAL	24	26	1	2	0	1	0	1

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	6	0	0	0	0	0	1
Skilled	8	10	0	1	0	1	0	1
Semi-skilled	6	6	0	0	0	0	0	1
Unskilled	4	5	0	0	0	0	0	0
TOTAL	23	28	0	1	0	1	0	4

Levels	Disabled Staff			
	Male		Female	
	Current	Target	Current	Target
Top Management	0	0	0	0
Senior Management	0	0	0	0
Professional qualified	0	0	0	1
Skilled	0	0	0	1
Semi-skilled	0	0	0	0
Unskilled	0	0	0	0
TOTAL	0	0	0	2

The entity could not fill any vacancies pending the reconfiguration process being undertaken, and the entity has in the meantime moved employees across the divisions to ensure that the mandate is carried out.



PART E

PFMA COMPLIANCE REPORT

5. PART E: PFMA COMPLIANCE REPORT

5.1 Information on irregular, fruitless and wasteful expenditure and material losses

Irregular expenditure

a) Reconciliation of irregular expenditure

Description	<u>2023/24</u> R'000	<u>2022/23</u> R'000
Opening balance		-
Adjustment to opening balance	-	-
Opening balance as restated	-	-
Add: Irregular expenditure confirmed	-	-
Less: Irregular expenditure condoned	-	-
Less: Irregular expenditure not condoned and removed	-	-
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recoverable and written off	-	-
		-
Closing balance	Nil	Nil

Reconciling Notes

Description	<u>2023/24</u> R'000	<u>2022/23</u> R'000
Irregular expenditure that was under assessment	-	-
Irregular expenditure that relates to the year and identified in the current year	-	-
Irregular expenditure for the current year	-	-
Total	Nil	Nil

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

Description	<u>2023/24</u> R'000	<u>2022/23</u> R'000
Irregular expenditure under assessment	-	-
Irregular expenditure under determination	-	-
Irregular expenditure under investigation	-	-
Total	Nil	Nil

c). Details irregular expenditure condoned.

Description	<u>2023/24</u> R'000	<u>2022/23</u> R'000
Irregular expenditure condoned	-	-
Total	Nil	Nil

d) Details irregular expenditure removed -(not condoned)

Description	<u>2023/24</u> R'000	<u>2022/23</u> R'000
Transactions incorrectly disclosed as irregular expenditure	-	-
Total	Nil	Nil

e. Details of irregular expenditure recoverable

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure recoverable	-	-
Total	Nil	Nil

f. Details irregular expenditure written off (irrecoverable)

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure written off	-	-
Total	Nil	Nil

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)

Description
None
Total

h. Details of irregular expenditure where an institution is involved in an inter-institutional arrangement (where such institution is responsible for the non-compliance).

None		

i. Details of disciplinary or criminal steps taken as a result of irregular expenditure.

disciplinary steps taken
None

Fruitless and wasteful expenditure

a). Reconciliation of fruitless and wasteful expenditure.

Description	<u>2023/2024</u> R'000	<u>2022/2023</u> R'000
Opening balance	369	492
Adjustment to opening balance	-	-
Opening balance as restated	-	-
Add: fruitless and wasteful expenditure confirmed	6	-
Less: fruitless and wasteful expenditure recoverable	(369)	(27)
Less: fruitless and wasteful expenditure not recoverable and written off	(6)	(81)
Closing balance	Nil	369

Reconciling notes

Description	<u>2023/2024</u> R'000	<u>2022/2023</u> R'000
Fruitless and wasteful expenditure that was under assessment	-	369
Fruitless and wasteful expenditure that relates to the prior year and identified in the current year	-	-
Fruitless and wasteful expenditure for the current year	-	-
Total	Nil	369

b). Details of fruitless and wasteful expenditure (under assessment, determination, and investigation)

Description	<u>2023/2024</u> R'000	<u>2022/2023</u> R'000
Fruitless and wasteful expenditure under assessment	369	369

Fruitless and wasteful expenditure under determination	-	-
Fruitless and wasteful expenditure under investigation	-	-
Total	Nil	369

c). Details of fruitless and wasteful expenditure recoverable

Description	<u>2023/2024</u> R'000	<u>2022/2023</u> R'000
Fruitless and wasteful expenditure recoverable	-	-
Total	Nil	Nil

d). Details of fruitless and wasteful expenditure not recovered and written off

Description	<u>2023/2024</u> R'000	<u>2022/2023</u> R'000
Fruitless and wasteful expenditure written off	6	Nil
Total	6	Nil

e). Details of 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 material losses through criminal conduct

Material losses through criminal conduct	2023/2024	2022/2023
--	-----------	-----------

	R'000	R'000
Theft	None	None
Other material losses	None	None
Less: Recoverable	None	None
Less: Not recoverable and written off	None	None
Total	Nil	Nil

b) Details of other material losses

Nature of other material losses	2023/2024	2022/2023
	R'000	R'000
	None	None
Total	Nil	Nil

C. Other material losses recoverable.

Nature of losses	2023/2024	2022/2023
	R'000	R'000
	None	None
Total	Nil	Nil

d. Other Material losses not recoverable and written off

Nature of losses	2023/2024	2022/2023
	R'000	R'000
	None	None
Total	Nil	Nil

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

Description	Number of invoices	Consolidated value
		R'000
Valid invoices received	527	R 31,744
Invoices paid within 30 days or agreed period	527	R 31,744
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 supplier	Type of procurement by other means	Contract number	Value of contract R'000
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	9180	R1 084 445.64

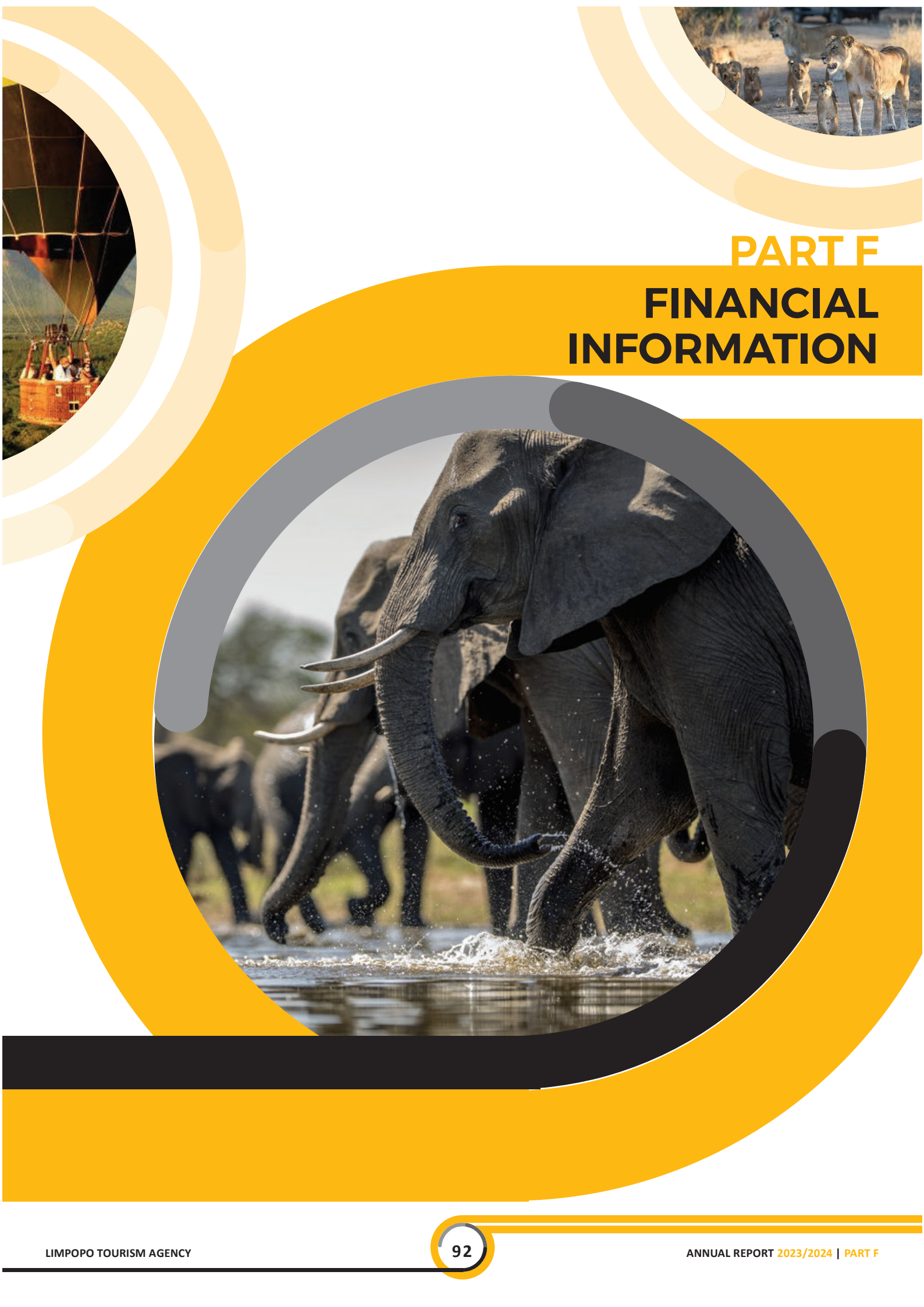
Sage SA (Pty) Ltd is the manufacturer and distributor of Sage Evolution application and licenses. The entity uses Sage Evolution application as its financial system. Renewal of annual licenses.	Sage South Africa	Sole Sourcing	9196	R226 112.00
Marketing Partnership with SABC to promote domestic tourism during Winter Campaign Launch @ Kruger National Park.	SABC	Sole Sourcing	9219	R276 000.00
CaseWare Africa, a division of Adapt IT Holdings Ltd, is the sole distributors of CaseWare software products in South Africa and the license is expiring, need to be renewed.	Adapt IT Holdings Ltd	Sole Sourcing	9265	R107 650.70
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	9370	R10 500.00
SA High Commission-Singapore in collaboration with MyArts International to hosted SA Focus Week attended by the CEO in Singapore. MyArts International was the sole provider of the event.	Artkulay - MyArts International	Sole Sourcing	9382	R67 545.00
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 for Board members and Executives for 2023/2024.	Institute of Directors	Sole Sourcing	9398	R56 160.00

Renewal of membership (2023) 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	9399	R 4 078.40
South African Tourism is responsible to coordinate and facilitated the WTM London Exhibition Show. It has exclusive rights as sole organizer of WTM London. The entity has targeted WTM London show as one of its strategic international events to promote Limpopo as a destination of choice.	South African Tourism	Sole Sourcing	9423	R101 124.00
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 Exhibition Show on the 26-28 February 2024. Synergy Business Events (Pty) Ltd will provide the entity with the floor space and exhibition stand for the entity to participate in the event.	Synergy Business Events	Sole Sourcing	9473	R280 151.04
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 Exhibition Show on the 26-28 February 2024. The entity has procured the additional sharers for the 2024 Meetings Africa show.	Synergy Business Events	Sole Sourcing	9490	R7 479.60

Partnership with Polokwane Municipality regarding utilization of the hospitality Suite during the home games of Limpopo-based clubs at Peter Mokaba stadium. Polokwane Municipality is the sole owner of Peter Mokaba Stadium.	Polokwane Municipality	Sole Sourcing	9556	R650 000.00
Procurement of airtime to flight a 30 second promotional video clip on the SABC Sport TV Channel during the home games of the Limpopo based soccer clubs.	SABC Sport	Single Sourcing	9568	R979 076.00
Renewal of Annual Software Licenses for the VIP Payroll System.	SAGE South Africa	Sole Sourcing	9574	R60 956.90
Total				R3 911 279.29

Contract variations and expansions

Project description	Name of the supplier	Contract modification type (Expansion of Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s	Value of current contract expansion or variation
				R'000	R'000	R'000
				-	-	-
Total				Nil	Nil	Nil



PART F
FINANCIAL
INFORMATION



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 103 to 150 which comprise the statement of financial position as at 31 March 2024, statement of financial performance, statement of changes in net assets, 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 entity as at 31 March 2024 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Public Finance Management Act 1 of 1999.

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
4. I am independent of the public 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 matter

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

Events after the reporting date

7. We draw attention to note 30 in the financial statements, which deals with subsequent events and specifically the possible effects of an event on the public entity. Our opinion is not modified in respect of this matter.

Other matter

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

Unaudited supplementary schedules

9. The supplementary information set out on pages 152 to 154 does not form part of the financial statements and is presented as an additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

Responsibilities of the accounting authority for the financial statements

10. 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 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.
11. In preparing the financial statements, the accounting authority is responsible for assessing the public 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 public 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

12. 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.
13. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 07 of the annexure to the auditor's report, forms part of our auditor's report.

Report on the annual performance report

14. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.
15. I selected the following material performance indicators related to programme 4: integrated destination marketing presented in the annual performance report for the year ended

31 March 2024. I selected those indicators that measure the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.

- Number of domestic campaigns implemented.
- Number of impact assessment studies conducted.
- Number of marketing collaborations implemented.
- Number of SMME business supported.
- Number of trade marketing platforms activated.

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

17. I performed procedures to test whether:

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

18. I performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.

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

Report on compliance with legislation

20. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The Accounting Authority is responsible for the public entity's compliance with legislation.
21. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
22. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
23. I did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

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

28. 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. I did not identify any significant deficiencies in internal control.

Auditor-General

Polokwane

31 July 2024



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 material performance indicators and on the public 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 public 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 public 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 a public 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statements. I am responsible for the direction, supervision and performance of the audit. I remain solely responsible for my audit opinion.

Communication with those charged with governance

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

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

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislations	Sections or regulations
Public Finance Management Act 1 of 1999	Section 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii); 53(4); Section 54(2)(c); 54(2)(d); 55(1)(a); 55(1)(b); Section 55(1)(c)(i); 56(1); 57(b); 66(4)
Treasury Regulations, 2005	Regulation 8.2.1; 8.2.2; 16A3.2; 16A3.2(a); Regulation 16A6.1; 16A6.2(a) 16A6.2(b); Regulation 16A6.3(a); 16A6.3(b); 16A6.3(c); Regulation 16A6.3(e); 16A6.4; 16A6.5; 16A6.6; Regulation 16A7.1; 16A7.3; 16A7.6; 16A7.7; Regulation 16A8.3; 16A8.4; 16A9.1(b)(ii); Regulation 16A9.1(d); 16A9.1(e); 16A9.1(f); Regulation 16A9.2; 16A9.2(a)(ii); 30.1.1; Regulation 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1; Regulation 31.1.2(c); 31.2.1; 31.2.5; 31.2.7(a); Regulation 33.1.1; 33.1.3
Companies Act 71 of 2008	Regulation 8.2.1; 8.2.2; 16A3.2; 16A3.2(a); Regulation 16A6.1; 16A6.2(a) 16A6.2(b); Regulation 16A6.3(a); 16A6.3(b); 16A6.3(c); Regulation 16A6.3(e); 16A6.4; 16A6.5; 16A6.6; Regulation 16A7.1; 16A7.3; 16A7.6; 16A7.7; Regulation 16A8.3; 16A8.4; 16A9.1(b)(ii); Regulation 16A9.1(d); 16A9.1(e); 16A9.1(f); Regulation 16A9.2; 16A9.2(a)(ii); 30.1.1; Regulation 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1; Regulation 31.1.2(c); 31.2.1; 31.2.5; 31.2.7(a); Regulation 33.1.3

Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations 2004	Regulation 17; 25(7A)
Second amendment National Treasury Instruction No. 5 of 202/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 202/21	Paragraph 2
National Treasury instruction No 5 of 2020/21	Paragraph 4.8; 4.9; 5.3
National Treasury Instruction No. 1 of 2021/22	Paragraph 4.1
National Treasury Instruction No. 4 of 2015/16	Paragraph 3.4
National Treasury SCM Instruction No. 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction No. 03 of 2021/22	Paragraph 4.1; 4.2 (b); 4.3; 4.4(a); 4.17; 7.2; 7.6
National Treasury SCM Instruction No. 11 of 2020/21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
Practice Note 11 of 2008/9	Paragraph 2.1; 3.1(b)

Practice Note 5 of 2009/10	Paragraph 3.3
Practice Note 7 of 2009/10	Paragraph 4.1.2
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulations, 2022	Paragraph 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulations, 2017	Paragraph 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; Paragraph 6.3; 6.5; 6.6; 6.8; 7.1; 7.2; 7.3; 7.5; Paragraph 7.6; 7.8; 8.2; 8.5; 9.1; 10.1; 10.2; Paragraph 11.1; 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

Limpopo Tourism Agency

Annual Financial Statements for the year ended March 31, 2024

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Integrated Destination Marketing
Board members	Mr. Dipela K.A (Chairperson) Ms. Sibara L.G (Deputy Chairperson) *Ms. Boshielo M.J Mr. Tseli R.M Mr. Kovani W.S Ms. Tlouane K.C -LEDET Representative **Mr. Masoga M.C (Cllr)- Representative of SALGA
Registered office	Southern Gateway Ext 4 N1 Main Road Polokwane 0699
Postal address	P O Box 2814 Polokwane 0700
Controlling entity	Limpopo Economic Development, Environment and Tourism
Bankers	ABSA Bank Limited
Auditors	Auditor General of South Africa Registered Auditors
Secretary	Mr. Kotsedi T.G
Preparer	The annual financial statements were independently compiled by: Mr. Maila MP-Chief Financial Officer

Limpopo Tourism Agency

Annual Financial Statements for the year ended March 31, 2024

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, 2024

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 represent the state of affairs of the entity as at the end of the financial year 2023/2024 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 places 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, 2025 and, in the light of this review and the current financial position, the Board is 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 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 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 103-150 which have been prepared on the going concern basis, were approved by the Board on 31 May 2024 and were signed on its behalf by:



Mr. Dipela K.A (Chairperson)
Designation

Limpopo Tourism Agency

Annual Financial Statements for the year ended March 31, 2024

Board Members' Report

The members submit their report for the year ended March 31, 2024.

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 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 aware of the subsequent event which arose after the reporting period, before the annual financial statements were authorised for issuance. For details refer to note 30.

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. Non current assets

No major changes in the nature of the non-current assets of the entity during the financial year under review, except for the transfer of properties at Vhembe office with the carrying value of R1 018 122. The properties were transferred to Vhembe local Municipality effective from 31 December 2023.

No changes in the accounting policy relating to the use of non-current assets.

6. Board Members

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

Name	Nationality	Changes
Mr. Dipela K.A (Chairperson)	South African	Re- appointed 01 June 2023
Ms. Sibara L.G (Deputy Chairperson)	South African	Appointed 01 June 2023
*Ms. Boshielo M.J	South African	Appointed 01 June 2023
Mr. Tseli R.M	South African	Re-appointed 01 June 2023
Mr. Kovani W.S	South African	Appointed 01 June 2023
Ms. Tlouane K.C -LEDET Representative	South African	Re-appointed 01 June 2023
**Mr. Masoga M.C (Cllr)-Representative of SALGA	South African	Appointed 01 June 2023

* Chairperson of Risk and Audit Committee

** Cllr- Councillor

Limpopo Tourism Agency

Annual Financial Statements for the year ended March 31, 2024

Statement of Financial Position as at March 31, 2024

Figures in Rand	Note(s)	2024	2023 Restated*
Assets			
Current Assets			
Inventories	5	35,017	95,709
Receivables from exchange transactions	6	51,172	56,649
Prepayments	4	424,473	401,914
Cash and cash equivalents	7	9,597,855	12,418,148
		10,108,517	12,972,420
Non-Current Assets			
Property, plant and equipment	3	3,063,529	5,087,985
Total Assets		13,172,046	18,060,405
Liabilities			
Current Liabilities			
Unspent funds to surrender	10	704,800	4,149,857
Payables from exchange transactions	13	8,643,796	6,082,415
Revenue payable to Provincial Treasury (PRF)	14	237,331	15,093
Unspent Earmarked grant	9	1,363,355	2,596,645
Provisions-Employee benefit-LSA	11	32,000	32,700
		10,981,282	12,876,710
Non-Current Liabilities			
Provisions-Employee benefit-LSA	11	399,000	370,000
Leave liability	12	647,130	704,800
		1,046,130	1,074,800
Total Liabilities		12,027,412	13,951,510
Net Assets		1,144,634	4,108,895
Reserves			
Revaluation surplus	8	-	940,704
Accumulated surplus		1,144,634	3,168,191
Total Net Assets		1,144,634	4,108,895

Limpopo Tourism Agency

Annual Financial Statements for the year ended March 31, 2024

Statement of Financial Performance

Figures in Rand	Note(s)	2024	2023 Restated*
Revenue			
Revenue from exchange transactions			
Other income	16	583,520	14,990
Sale of assets		-	42,252
Interest received	17	731,919	719,494
Total revenue from exchange transactions		1,315,439	776,736
Revenue from non-exchange transactions			
Transfer revenue			
Government grants & subsidies		55,944,000	53,474,000
Other revenue-service in kind	20	3,206,410	3,814,795
Earmarked funding-Marketing		24,897,645	19,226,355
Total revenue from non-exchange transactions		84,048,055	76,515,150
Total revenue	15	85,363,494	77,291,886
Expenditure			
Employee related costs	18	(41,719,981)	(38,819,758)
Board expenditure	19	(1,278,798)	(1,242,766)
Depreciation and amortisation		(1,164,295)	(614,420)
Office rental (operating lease) service kind	20	(3,206,410)	(3,814,795)
Impairment loss		(17,908)	-
Repairs and maintenance		(260,994)	(352,720)
General Expenses	21	(38,358,533)	(29,839,789)
Total expenditure		(86,006,919)	(74,684,248)
Operating (deficit) surplus		(643,425)	2,607,638
Write offs/scraping of assets		(14,059)	(2,328)
Acturial gain/(loss)-Employee benefits		45,726	81,543
Transfer of assets		(1,018,122)	-
Inventories losses/write-off		(18,943)	(1,011)
Gain/(loss) on sale of assets		-	8,657
		(1,005,398)	86,861
Surplus /(Deficit) for the year		(1,648,823)	2,694,503

Limpopo Tourism Agency

Annual Financial Statements for the year ended March 31, 2024

Statement of Changes in Net Assets

Figures in Rand	Revaluation reserve	Accumulated surplus / deficit	Total net assets
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 surplus-2023	940,704	-	940,704
Movement in retain surplus	-	(4,102,043)	(4,102,043)
Correction of error	-	(704,800)	(704,800)
Total changes	783,050	(2,112,340)	(1,329,290)
Restated* Balance at April 1, 2023	940,704	3,168,191	4,108,895
Changes in net assets			
Realisation of revaluation surplus	(352,764)	352,764	-
Derecognition of revaluation surplus	(587,940)	587,940	-
Net income (losses) recognised directly in net assets	(940,704)	940,704	-
Surplus for the year	-	(1,648,823)	(1,648,823)
	(940,704)	(708,119)	(1,648,823)
Movement during the year	-	(1,315,438)	(1,315,438)
Total changes	(940,704)	(2,023,557)	(2,964,261)
Balance at March 31, 2024	-	1,144,634	1,144,634
Note(s)	8		

Limpopo Tourism Agency

Annual Financial Statements for the year ended March 31, 2024

Cash Flow Statement

Figures in Rand	Note(s)	2024	2023 Restated*
Cash flows from operating activities			
Receipts			
Grants		82,205,000	75,297,000
Interest income		731,919	719,494
Other receipts		548,881	2,570,561
		<u>83,485,800</u>	<u>78,587,055</u>
Payments			
Employee related costs		(41,760,218)	(38,139,848)
Suppliers		(35,852,391)	(28,756,657)
Board expenses		(1,334,844)	(1,186,720)
Funds surrendered to Provincial Treasury		(4,572,067)	(10,025,267)
		<u>(83,519,520)</u>	<u>(78,108,492)</u>
Net cash flows from operating activities	23	(33,720)	478,563
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(189,928)	(1,559,213)
Cash flows from financing activities			
Unspent earmarked grant surrendered		(2,596,645)	(95,473)
Net increase/(decrease) in cash and cash equivalents		(2,820,293)	(1,176,123)
Cash and cash equivalents at the beginning of the year		12,418,148	13,594,271
Cash and cash equivalents at the end of the year	7	9,597,855	12,418,148

Limpopo Tourism Agency

Annual Financial Statements for the year ended March 31, 2024

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	-	-	-	543,404	543,404	
Interest received	-	-	-	731,919	731,919	
Total revenue from exchange transactions	-	-	-	1,275,323	1,275,323	

Revenue from non-exchange transactions

Transfer revenue

Government grants	57,344,000	(1,400,000)	55,944,000	55,944,000	-	
Earmarked funding-marketing	22,761,000	3,500,000	26,261,000	26,261,000	-	
Total revenue from non-exchange transactions	80,105,000	2,100,000	82,205,000	82,205,000	-	
Total revenue	80,105,000	2,100,000	82,205,000	83,480,323	1,275,323	

Expenditure

Employee related costs	(43,357,000)	1,730,000	(41,627,000)	(41,594,032)	32,968	34
Board fees	(1,446,000)	167,202	(1,278,798)	(1,278,798)	-	
Repairs and maintenance	(300,000)	38,698	(261,302)	(260,994)	308	
Administrative Expenses	(11,972,000)	(590,900)	(12,562,900)	(13,460,886)	(897,986)	34
Earmarked funds-Collaborative Marketing	(22,761,000)	(3,500,000)	(26,261,000)	(24,897,645)	1,363,355	34
Total expenditure	(79,836,000)	(2,155,000)	(81,991,000)	(81,492,355)	498,645	
Surplus for the year	269,000	(55,000)	214,000	1,987,968	1,773,968	

Statement of Financial Position

Assets

Non-Current Assets

Property, plant and equipment	(269,000)	55,000	(214,000)	(189,927)	24,073	34
Total Assets	(269,000)	55,000	(214,000)	(189,927)	24,073	

Limpopo Tourism Agency

Annual Financial Statements for the year ended March 31, 2024

Accounting Policies

Figures in Rand	Note(s)	2024	2023
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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, provincial entity makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables 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, 2024

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 11 - 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.

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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.

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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
Cash and cash equivalent	Financial asset measured at amortised cost

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

Class	Category
Payable from exchange transactions	Financial liability 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.

Limpopo Tourism Agency

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Accounting Policies

1.7 Financial instruments (continued)

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.

Gains and losses

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

Impairment and uncollectibility of financial assets

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

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly OR through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly OR by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Financial assets measured at cost:

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

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Accounting Policies

1.7 Financial instruments (continued)

Derecognition

Financial assets

The entity derecognises financial assets using trade date accounting.

The entity derecognises a financial asset only when:

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

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

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

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

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

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

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

Financial liabilities

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

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

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1.7 Financial instruments (continued)

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

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.

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.

Limpopo Tourism Agency

Annual Financial Statements for the year ended March 31, 2024

Accounting Policies

1.9 Inventories (continued)

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.

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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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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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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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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 25.

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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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 with requirement 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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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

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

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

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

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.

Limpopo Tourism Agency

Annual Financial Statements for the year ended March 31, 2024

Accounting Policies

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:

- 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.

Limpopo Tourism Agency

Annual Financial Statements for the year ended March 31, 2024

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Figures in Rand	2024	2023
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2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the entity has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 25 (as revised): Employee Benefits	April 1, 2023	The impact of the standard is not material.
• GRAP 1 (amended): Presentation of Financial Statements	April 1, 2023	The impact of the standard is not material.

2.2 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after April 1, 2024 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 104 (as revised): Financial Instruments	April 1, 2025	Unlikely there will be a material impact

Limpopo Tourism Agency

Annual Financial Statements for the year ended March 31, 2024

Notes to the Annual Financial Statements

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3. Property, plant and equipment

	2024		2023	
	Cost / Valuation	Accumulated depreciation and impairment	Carrying value	Cost / Valuation
			Accumulated depreciation and impairment	Carrying value
Leasehold property	-	-	-	1,628,995
Furniture and fixtures	1,743,983	(1,321,446)	422,537	1,757,049
Motor vehicles	361,419	(295,339)	66,080	361,419
Office equipment	351,734	(209,142)	142,592	383,576
IT equipment	4,137,155	(1,869,892)	2,267,263	3,998,328
Mobile office and containers	34,555	(34,554)	1	34,555
Communication equipment	342,175	(177,119)	165,056	322,257
Total	6,971,021	(3,907,492)	3,063,529	8,486,179
			(3,398,194)	5,087,985

Limpopo Tourism Agency

Annual Financial Statements for the year ended March 31, 2024

Notes to the Annual Financial Statements

Figures in Rand

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Write-offs	Transfers	Depreciation	Impairment loss	Total
Leasehold improvement	1,628,995	-	-	(1,018,122)	(610,873)	-	-
Furniture and fixtures	499,451	-	(1,008)	-	(75,906)	-	422,537
Motor vehicles	96,801	-	-	-	(30,721)	-	66,080
Office equipment	177,874	-	(10,176)	-	(25,106)	-	142,592
IT equipment	2,501,913	170,009	(2,874)	-	(383,877)	(17,908)	2,267,263
Mobile office and containers	1	-	-	-	-	-	1
Communication equipment	182,950	19,919	-	-	(37,813)	-	165,056
	5,087,985	189,928	(14,058)	(1,018,122)	(1,164,295)	(17,908)	3,063,529

Limpopo Tourism Agency

Annual Financial Statements for the year ended March 31, 2024

Notes to the Annual Financial Statements

Figures in Rand

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Revaluations	Foreign exchange movements	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 offices 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

Rental leases (Head Office, and Vhembe VICs)

The entity has entered into a lease agreement with Makhado municipality for a period of 99 years, with effect from 30 May 2003 at an annual rental of R1. The board has approved the transfer of all properties at Makhado Information Centre to Makhado Local Municipality effective from 31 December 2023. The transfer is based on Council Resolution A.325, 29.08.2000 and A.7.2901.02 as well as paragraph 4 of the service level agreement between Makhado Local Municipality and Limpopo Tourism Agency.

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.

Limpopo Tourism Agency

Annual Financial Statements for the year ended March 31, 2024

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4. Prepayments

The pre-payments consists of microsoftware licenses (microsoftware 365 amount to R45 356.78, & mimecast license to the amount of R131 711.12), TV license R530, and portion of partnership fee paid to Polokwane City amounting to R246 875. The amount of prepayment for Polokwane City is based on the period that coincide with the conclusion of PSL season in May 2024. Therefore, the expenditure is falling in the new financial year, 2024/25.

5. Inventories

Stationery	16,230	73,964
Cleaning materials	18,787	21,745
	35,017	95,709

Reconciliation Inventory-consumable stores

Opening balance	95,709	80,699
Purchases during the period	457,831	475,650
Inventories expensed during the year	(499,580)	(459,629)
Obsolete inventories written off	(18,943)	(1,011)
	35,017	95,709

Inventories recognised as an expense during the year	499,580	459,629
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The entity has during the period under review purchased the inventories (consumables) to the value of R457 831. The inventories consists of stationery to the value of R418 312 and R39 519 for cleaning materials. The inventories expensed during the period under review amounts to R499 580 comprising of stationery to the value of R457 102 and cleaning material amounting to R42 478.

The cost of inventories is assigned using first- in, first- out (FIFO) method in the distribution of the inventory. The expense is recognised when goods are distributed to the divisions within the entity. The inventory to the value of R18 943 was found to be obsolete and written off.

6. Receivables from exchange transactions

Employee costs in advance	-	231
Other receivables	50,132	20,288
Study assistance	1,040	36,130
	51,172	56,649

Other receivables related to recoveries for cell-phone excess from other staff members.

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:

7. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	108	465
Bank balances	9,597,747	12,417,683
	9,597,855	12,418,148

Limpopo Tourism Agency

Annual Financial Statements for the year ended March 31, 2024

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8. Revaluation reserve

The revaluation surplus related to the valuation of Makhado leasehold properties which took place in 2022/23 financial year. The said properties were transferred to Makhado Local Municipality including revaluation surplus amounting to R587 940.

Revaluation surplus relating to property, plant and equipment

Opening balance	940,704	157,654
Reversal of previous year revaluation surplus	-	(157,654)
Revaluation surplus-2023	-	940,704
Realisation of revaluation surplus	(352,764)	-
Derecognition of revaluation surplus	(587,940)	-
	-	940,704

9. Unspent earmarked grant

Earmarked grant

Unspent conditional grant

Unspent grant - Marketing	1,363,355	2,596,645
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Movement during the year

Balance at the beginning of the year	2,596,645	95,473
Grant received during the year	26,261,000	21,823,000
Unspent funds surrendered	(2,596,645)	(95,473)
Income recognition during the year	(24,897,645)	(19,226,355)
	1,363,355	2,596,645

The grant is ring fenced funds 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 revenue in the statement of financial performance.

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

10. Funds to surrender

Unspent funds to surrender	704,800	4,149,857
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Reconciliation of funds to surrender

Cash and cash equivalent	9,597,855	12,418,148
Add receivables	475,646	458,563
Less current liabilities	(10,276,482)	(8,726,854)
Less committed expenditure	-	(704,800)
Add back non-current liabilities-capped leave 2023-Refer to Note 27	-	704,800
	(202,981)	4,149,857

Recalculated liability-Surrender to provincial Treasury as per the table below

Opening balance	4,149,857	-
Less amount surrendered to Provincial Treasury	(3,445,057)	-
	704,800	-

Limpopo Tourism Agency

Annual Financial Statements for the year ended March 31, 2024

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10. Funds to surrender (continued)

The entity is required in terms of National Treasury Instruction No.12 of 2020/2021 to declare any surplus or deficit annually from the period 1 August to 30 September of each year, using its audited annual financial statements as the basis for the calculation of surpluses or deficits.

During financial year under review the entity has recorded a cash deficit amounting to R202 981. Consequently, no amount will be declared for surrender to the Provincial Treasury during the financial year under review. Despite this deficit, the entity still owes the Provincial Treasury R704 800 from the previous year, which was erroneously deducted from the surrender amount. Refer to the above table for recalculation of the liability and prior period error, Note 27.

11. Provisions-Employee benefit-LSA

Reconciliation of employee benefits -long service awards - 2024

	Opening Balance	Movement during the period	Paid out during the year	Total
Employee benefit- long service awards	402,700	50,098	(21,798)	431,000

Reconciliation of provisions - long service award-2023

	Opening balance	Movement during the period	Total
Employee benefit- long service	407,000	(4,300)	402,700
Non-current liabilities		399,000	370,000
Current liabilities		32,000	32,700
		431,000	402,700

The long service awards represent the estimates of the entity's liabilities as valued by professional valuers annually. ZAQ Consultants and Actuaries have been appointed to estimate the present value of long service awards liability 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 past service liabilities at the valuation date and the projected annual expenses in the following year of the valuation date.

The long service benefits are awarded in the form of a certificate to those employees who completed 10 years service and in the form of cash to employees who completed 20 years of uninterrupted service.

Valuation assumptions.

In estimating the liability for long service awards and leave benefits a number of assumptions are required. GRAP 25 places the responsibility on management to set these assumptions as guided by the principles set out in GRAP 25 and in discussion with the actuary.

The key assumptions/variables are detailed below as follows:

1) Financial assumptions/variables.

a) Discount Rate

The discount rates of 11.57% for long service awards and 12.50% 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.

Limpopo Tourism Agency

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11. Provisions-Employee benefit-LSA (continued)

b) Benefit 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 benefit inflation rate of 6.53% for long service awards and 7.13% for capped leave derived from the relationship between the (Yield curve based) Conventional Bond Rate for each relevant time period and the (yield curved based) Inflation linked Bond rate for each relevant period's time.

The assumptions for long services awards and capped leaves reflect a net effective discount rates of 4.73% and 5.02% respectively.

Retirement Age.

a) Average Retirement Age

The normal retirement age for all active employees is 65.

b) Pre-Retirement Mortality

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

Sensitivity analysis

The following assumptions were used to calculate liabilities:

-20% increase/decrease on the assumed level of withdrawal rates.

-1% increase/decrease in the benefit inflation rate.

-1% increase/decrease in the assumed level of risk-free interest rates.

Withdrawal rate.

Deviation from the assumed level of withdrawal experience of the eligible employees will have a large impact on the actual cost to the organisation. If the actual rates of withdrawal turn out to be higher than the rates assumed in the valuation basis, then the cost to the organisation in the form of benefits will reduce and vice versa.

Financial Results:

	<u>Long Service Awards & Leave Accruals</u>	
Opening net liability 1 April 2023	402 700	725 200
Current Service Cost (31 March 2024)	27 600	0
Interest Cost (31 March 2024)	41 600	79 400
Benefits paid	(21 798)	(28 976)
Actuarial gain/(loss)	(19 102)	(26 624)
Accrued liability-31 March 2024	431 000	749 000

12. Leave liability

Limpopo Tourism Agency

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12. Leave liability (continued)

The accrued leave liability represents the estimates of the entity's liabilities as valued by professional valuers annually. ZAQ Consultants and actuaries have been appointed to estimate the present value of the accrued capped leave liabilities in the financial year under review. The total accrued liability as per the actuarial report amounts to R749 000 which is classified between current and non-current liabilities. A total of R647 130 is classified as non-current liability and R101 870 as current liabilities.

The accrued leave liability relates to the capped leave accumulated prior to 2014. The HR manual, section 5.2.7 states that accumulated leave prior to 2014 may be taken partially or in full at subsequent convenient time for Limpopo Tourism Agency. It further states that, in case of employee's termination of service, retirement, permanent disability or death, all accumulated leave at that date will be capitalised and be paid to the employee, or in case of death to his/her estate or to the designated dependent/s.

13. Payables from exchange transactions

Trade payables	5,859,474	3,130,474
Works-man Compensation	-	187,036
Accrued staff S&T control account	83,916	130,048
Accrued-13th cheque	703,079	670,081
Leave accrual	1,997,327	1,887,732
Accrued salary control account	-	20,998
Accrued-Board S&T control account	-	56,046
	8,643,796	6,082,415

The payables from exchange transactions comprises of trade payables, staff and board accruals.

14. Revenue payable to Provincial Revenue Fund

Revenue payable	237,331	15,093
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Revenue collected on behalf of Department

Opening balance	15,093	13,975
Revenue collected during the year	1,502,597	987,934
Revenue paid over to Provincial Revenue Fund	(1,280,359)	(986,816)
	237,331	15,093

Revenue payable to Provincial Revenue Fund is revenue received from exchange transactions. The entity has collected revenue from rental (MTN) amounting to R187 158 and interest received from the bank to the amount of R731 919. Furthermore the entity received a refund from Department of employment and Labour to the amount of R 543 404, relating to injury on duty for one of the former employee. The table above illustrates the reconciliation of revenue collected and surrendered to the Provincial Treasury through Limpopo Economic Development, Environment and Tourism.

15. Revenue and other income

Other income	583,520	14,990
Other income-sale of assets	-	42,252
Interest received	731,919	719,494
Government grants & subsidies	55,944,000	53,474,000
Revenue-Service in kind	3,206,410	3,814,795
Grant Marketing-Conditional	24,897,645	19,226,355
	85,363,494	77,291,886

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

Limpopo Tourism Agency

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Figures in Rand	2024	2023
15. Revenue and other income (continued)		
Other income	583,520	14,990
Other income -sale of assets	-	42,252
Interest received	731,919	719,494
	1,315,439	776,736

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

Revenue

Transfer revenue

Government grant and subsidies	55,944,000	53,474,000
Revenue-Service in kind	3,206,410	3,814,795
Conditional grant-Marketing	24,897,645	19,226,355
	84,048,055	76,515,150

16. Other income

Recoveries-	583,520	14,990
Sale of assets	-	42,252
	583,520	57,242

Other income consists of a claim related to Injury on duty from Department of Employment and Labour amounting to R543 404 and retention amount for refurbishment of Makhado Visitors Information Centre to the amount of R40 116.

17. Interest received

Interest revenue

Bank	731,919	719,494
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Total interest income derives from credit balance in the bank.

18. Employee related costs

Basic salary	25,055,153	23,696,782
Medical aid - company contributions	699,876	887,562
UIF	95,341	87,068
WCA	191,764	187,036
SDL	130,071	114,768
Leave provision charge	107,524	563,812
Provident fund contribution	2,948,219	2,861,210
Long-service awards	69,200	48,000
13th cheque	1,699,051	1,714,633
Housing and travel allowances	1,365,570	1,617,815
Internship stipend	579,844	365,040
Performance bonus	716,487	-
	33,658,100	32,143,726

Remuneration of Chief Executive Officer

Annual Remuneration	1,434,474	899,158
Housing/travel allowance	120,000	40,000
Annual/performance Bonus	88,683	-
Contributions to UIF, Medical and Pension Funds	132,540	37,471
Acting allowance	-	125,810
	1,775,697	1,102,439

Limpopo Tourism Agency

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18. Employee related costs (continued)

Remuneration of Chief Financial Officer

Annual Remuneration	1,291,052	1,186,221
Housing/travel allowance	96,000	140,000
Annual/performance bonus	115,239	72,148
Contributions to UIF, Medical and Pension Funds	70,924	66,718
	1,573,215	1,465,087

The annual/performance bonus includes R38 610 for the former CFO.

Remuneration of Executive Managers

Annual Remuneration	3,888,288	3,433,948
Housing/travel allowance	223,800	209,800
Annual/performance Bonuses	273,976	179,072
Contributions to UIF, Medical and Pension Funds	326,905	267,705
Acting allowance	-	17,981
	4,712,969	4,108,506

19. Board fees

Board fees	1,272,598	1,205,566
Cell phone allowances	6,200	37,200
	1,278,798	1,242,766

The Board fees comprise of retainer, sitting fees and cell phone/data allowance.

20. Service in-kind

The nature and type of major class of service in-kind received, is as follows:

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

Service in kind rental-revenue and expense	3,206,410	3,814,795
The entity receives service in kind from Department of Public Works in the form of a free rental office. 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.

3,206,410	3,814,795
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21. General expenses

Auditors remuneration	2,547,563	2,274,970
Bank charges	43,558	42,529
Cleaning	125,183	213,403
Computer expenses	1,599,168	1,237,228
Consulting and professional fees	916,263	617,038
Supplies and consumables	726,238	726,284
Interest, penalties and fines paid	5,876	-
Insurance	280,815	93,001
Accommodation, conferences and workshops	850,950	863,923
Fleet expenses	150,284	92,860
Marketing research, trade shows and events	6,959,511	4,167,387

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Figures in Rand	2024	2023
21. General expenses (continued)		
Marketing campaigns and branding	17,708,964	13,452,959
Recruitment cost	120,408	187,803
Postage and courier	-	1,566
Printing and stationery	511,272	459,087
Security costs	1,299,435	1,127,393
Staff welfare expenses	43,237	49,704
Subscriptions and membership fees	101,459	73,112
Telecommunication costs	758,482	915,565
Staff training expenses	212,592	128,788
Subsistence & travel expenses	1,548,200	1,444,076
Electricity expenses	539,457	396,700
Uniforms	-	6,326
Tourism information services & Regional activities	229,171	650,510
Study assistance	95,713	60,349
Employee wellness	103,622	109,508
Rental lease-copier machines	76,249	-
Public relations and communications	804,863	447,720
	38,358,533	29,839,789
22. Auditors' remuneration		
Internal audit fees	94,745	-
External audit fees	2,452,817	2,274,970
	2,547,562	2,274,970
23. Cash (used in) generated from operations		
(Deficit) surplus	(1,648,823)	2,694,503
Adjustments for:		
Depreciation and amortisation	1,164,295	614,420
Write offs/scrapping of assets	14,059	2,328
Transferred of assets	1,018,122	-
Impairment loss	17,908	-
Funds surrendered to Provincial Revenue Fund	(4,725,416)	(10,025,272)
Lease revenue-service in kind	3,206,410	3,814,795
Movement leave liabilities-non current	(57,670)	28,800
Employee benefits- long service awards	28,300	(4,300)
Lease expense-service in kind	(3,206,410)	(3,814,795)
Inventory losses or write-off	18,943	1,011
Unspent conditional grant-marketing	1,363,355	2,596,645
Other non-cash items-Disposal	-	28,241
Non-cash movement- leave	(54,024)	-
Changes in working capital:		
Inventories	60,692	(15,010)
Receivables from exchange transactions	5,477	(33,007)
Receivables from non-exchange transactions	-	2,508,423
Prepayments	(22,559)	(51,512)
Payables from exchange transactions	2,561,383	2,132,175
Movement in revenue payable to Provincial Revenue Fund	222,238	1,118
	(33,720)	478,563

Limpopo Tourism Agency

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24. Commitments		
Operating commitments		
Outstanding orders per division as at 31 March 2024		
• Office of the CEO	-	18,581
• Corporate services	-	44,797
• Financial Mngement	27,194	-
• Integrated Destination Marketing	3,038,348	1,052,782
	3,065,542	1,116,160
Contractors already contracted for		
• Provision for hygiene	487,785	28,280
• Website development, design and hosting	511,590	105,900
• Vehicle tracking	6,686	1,043
• Provision for security services at Makhado Office	327,435	654,871
• Provision for actuarial services	58,650	12,535
• Provision for advert space on electronic billboard	-	113,507
• BEBEE Compliance verification	252,368	-
• Upgrading of internet Connection Braek Out	370,692	49,789
• Telephone system and IP phone	240,891	511,040
• Media intelligence services	14,375	201,250
• Mimecast licences	225,790	451,581
• Provision for insurance services	467,434	748,249
• Provision for security services at Head Office	1,782,000	2,754,000
• Provision for internal audit services	90,448	819,357
• Development of ICT strategy	-	290,235
• Rental of two Copier Machines	410,454	-
• Southern Africa PGA Tour	7,000,000	14,000,000
	12,246,598	20,741,637
Total operational commitments		
Outstanding orders	3,065,542	1,116,160
Contractors already contracted for	12,246,598	20,741,637
	15,312,140	21,857,797

Limpopo Tourism Agency

Annual Financial Statements for the year ended March 31, 2024

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25. Contingent liabilities

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

The entity had a labour related matter concerning 5 employees, Ms Mokgadi Reginah Ratlabala and 4 others, under case number JR 559/2020. The case was heard on 8 August 2023. On January 2024 the Court issued a Court Order which pronounced and declared the affected employees' case withdrawn, and archived. However, the attorneys of the applicants have notified the entity of the intention to reopen the matter.

Limpopo Tourism Agency

Annual Financial Statements for the year ended March 31, 2024

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26. Related parties

Relationships	
Parent Department	Limpopo Economic Development Environment and Tourism
Free office rental -service in kind	Department of Public Works
Board members	Mr. Dipela K.A (Chairperson) Ms. Sibara L.G (Deputy Chairperson) Mr. Kovani W.S Ms. Boshielo M.J Mr. Tseli R.M Ms. Tlouane K.C Mr Masoga M.C (Cllr)
Risk and Audit Committee	Ms Malaza F Mr. Mpjane J.N
Members of key Management	Mr. Tshithavhani N.D Mr. Ngobeni N -Chief Executive Officer Mr. Maila M.P -Chief Financial Officer Mr. Kotsedi T.G -Company Secretary Ms. Makoela M.M -Chief Marketing Officer
Close family member of key Management	Mr. Maleka T.P -Chief Corporate Services Officer Boity Events Projects and Supplies

Related party transactions

Limpopo Economic Development, Environment and Tourism (Grant & subsidies)	55,944,000	53,474,000
Limpopo Economic Development, Environment and Tourism (Earmarked grant)	26,261,000	21,823,000
Department of Public Works (service in kind)	3,206,410	3,814,795
Limpopo Economic Development Environment and Tourism (Microsoft 365)	498,925	334,043
Boity Events Projects and Supplies-(close family member of key management)	33,066	-

The entity has received grant from Limpopo Economic Development, Environment and Tourism (LEDET) comprising 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 R498 925 for micro-soft 365 and Boity Events Projects and supplies for service rendered to the amounts of R33 066.

Related party balances-payables to Provincial Revenue Fund

Unspent earmarked payable to Provincial Revenue Fund	1,363,355	2,596,645
Collected revenue payable to Provincial Revenue Fund	237,331	15,093
Unspent grant to be surrendered to Provincial Revenue Fund	704,800	4,149,857

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

Service in kind-Department of Public Works

Service in kind-revenue	3,206,410	3,814,795
Service in kind-expenditure	(3,206,410)	(3,814,795)

The entity receives service in kind from Department of Public Works in the form of a free rental office. 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 is 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.

Limpopo Tourism Agency

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26. Related parties (continued)

Remuneration of board members

Board members

2024

Name	Fees	Re- imbursement	Total
Mr Dipela K.A (Chairperson)	535,984	290,853	826,837
Ms. Sibara L.G (Deputy Chairperson)	133,888	15,040	148,928
Ms. Boshielo M.J	114,908	10,900	125,808
Mr. Tseli R.M	159,973	55,273	215,246
Mr. Kovani W.S	114,361	56,807	171,168
Mr. Masoga M.C (Cllr)	-	9,717	9,717
Mr. Chikane C.A	46,016	41,333	87,349
Ms. Moganedi M.O	23,345	8,843	32,188
	1,128,475	488,766	1,617,241

2023

Name	Fees	Cellphone/Data	Re- imbursement	Total
Mr Dipela K.A (Chairperson)	581,492	10,200	255,670	847,362
Mr Chikane C.A (Deputy Chairperson)	203,844	7,200	106,286	317,330
Ms Moganedi M.O	140,432	7,200	42,950	190,582
Mr Tseli R.M	165,423	7,200	81,836	254,459
Mr Mashimbye P.F (Cllr)	-	-	7,151	7,151
	1,091,191	31,800	493,893	1,616,884

The board payments consists of sitting, and retainer fees as well as re-imbursement on travelling costs.

Remuneration of Risk and Audit Committee

2024

Name	Fees	Cellphone/Data	Re- imbursement	Total
Ms. Malaza F	62,124	3,100	8,744	73,968
Mr. Mpjane J.N	59,952	3,100	43,510	106,562
Mr. Tshithavhani N.D	22,047	-	10,523	32,570
	144,123	6,200	62,777	213,100

2023

Name	Fees	Cellphone/Data	Re- imbursement	Total
Ms. Malaza F	44,751	1,800	2,263	48,814
Mr. Mpjane J.N	27,046	1,800	13,538	42,384
Mr. Modipane T.C	42,578	1,800	-	44,378
	114,375	5,400	15,801	135,576

Limpopo Tourism Agency

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26. Related parties (continued)

Management class: Senior management

2024

Name	Basic salary	Annual/p-bonus	Backpay	Housing/travel allowances	Cash component/gratuity	Medical aid	Provident fund	UIF	Total
Mr. Ngobeni M (CEO)	1,045,107	88,683	19,087	120,000	370,280	50,685	79,815	2,040	1,775,697
Mr. Maila M.P (CFO)	897,138	76,628	21,318	96,000	372,596	-	68,884	2,040	1,534,604
Ms. Lion N-former (CFO)	-	38,610	-	-	-	-	-	-	38,610
Mr. Kotsedi T.G (CS)	960,604	122,843	23,968	55,800	447,132	-	73,843	2,040	1,686,230
Ms. Makoela M.M (CMO)	872,754	74,126	16,763	72,000	334,339	45,832	66,714	2,040	1,484,568
Mr. Maleka T.P (CCSO)	901,591	77,007	21,400	96,000	309,737	65,172	69,224	2,040	1,542,171
	4,677,194	477,897	102,536	439,800	1,834,084	161,689	358,480	10,200	8,061,880

2023

Name	Basic salary	Annual bonus	Back pay	Housing/travel allowance	Cash component and gratuity	Acting allowance	Medical aid	Provident fund	UIF	Total
Mr. Ngobeni M (CEO)	738,005	-	32,636	40,000	128,517	76,738	10,822	25,460	1,190	1,053,368
Mr. Maila M.P (CFO)	836,918	72,148	28,859	140,000	320,444	-	-	64,933	1,785	1,465,087
Mr. Kotsedi T.G (CS)	894,061	77,074	30,830	55,800	434,692	-	-	69,367	1,785	1,563,609
Ms. Makoela M.M(CMO)	625,642	29,489	11,322	58,000	250,202	-	30,844	47,772	1,338	1,054,609
Mr. Maleka T.P (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

Limpopo Tourism Agency

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27. Prior period errors

The prior period error relates to surrender of funds to Provincial Treasury note 8; contingent asset, Inventory, employee related cost and actuarial gains, reclassification between inventory write off and note cash item note 23 and Commitments note 24.

Surrender of funds to Provincial Treasury.

The entity erroneously understated the funds surrendered to Provincial Treasury by R 704 800 for 2023 financial year. The error pertains to capped leave accumulated before April 2014. The amount is classified as non current liabilities in the statement of financial position.

Contingent asset.

The entity did not disclose the contingent asset during the previous financial period. The contingent asset relates to payment of salary to an employee who was injured on duty during 2019/20 financial year. The entity lodged a claim with Department of Employment and Labour in 2019 and the receipt of the claim was acknowledged in February 2020. The refund amounting to R543 404, which was contingent upon the outcome of the assessment received in October 2023.

Inventories- Note 3

The inventory reconciliation for 2023 was incorrectly disclosed in Note 3, however it does not require any adjustment in the annual financial statements, it is only for the disclosure note. Furthermore, the inventory has been reclassified between stationery and cleaning material in Note 3.

Employee related costs and Actuarial gains-Long service award leave liability.

The entity did not disclose the actuarial gain/(loss) under other comprehensive income in the prior year and employee related costs was understated by R 81 543.

Reclassification between inventory write off and non-cash item Note 23.

Inventory to the amount of R1 011 for prior year was incorrectly included in the non cash item (disposal of asset).

Commitments

The entity did not disclose commitment for Southern Africa PGA Tour (Sunshine Tour) during the 2022/23 financial year. The Commitments in the prior year was understated by R14 000 000.

The impact of the error (s) results in adjustment as follows:

Limpopo Tourism Agency

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(continued)

Statement of financial position

2023

	Note	As previously reported	Correction of error	Restated amount
Unspent funds to Provincial Treasury	10	(3,445,057)	(704,800)	(4,149,857)
Accumulated surplus		(3,872,991)	704,800	(3,168,191)
		(7,318,048)	-	(7,318,048)

Statement of financial performance

2023

	Note	As previously reported	Correction of error	Restated amount
Employee related costs	18	(38,738,215)	(81,543)	(38,819,758)
Actuarial gain/(loss)		-	81,543	81,543
		(38,738,215)	-	(38,738,215)

Limpopo Tourism Agency

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28. 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 March 31, 2024	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchange transactions	8,643,798	-	-	-
Revenue payable to Provincial Treasury	237,331	-	-	-
Unspent earmarked grant	1,363,355	-	-	-
employee benefits-long service award	32,000	-	-	-
Unspent funds to be surrendered	704,800	-	-	-

At March 31, 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	15,093	-	-	-
Unspent earmarked grant	2,596,645	-	-	-
Employee benefits-long service award	32,700	-	-	-
Unspent funds to be surrendered (restated refer to note 27 above)	4,149,857	-	-	-

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 end are as follows:

Financial instrument	2024	2023
Cash and cash equivalent	9,597,855	12,418,148
Receivables from non-exchange transactions	51,172	56,649
Prepayments	424,473	401,914

29. Going concern

The accounting authority remains confident that funds will be available to finance future operations of the entity, to such an extend, 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.

Limpopo Tourism Agency

Annual Financial Statements for the year ended March 31, 2024

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30. Events after the reporting date

There are two events arose after the reporting date, before the Board authorise the annual financial statements for issue.

- The nature of the two events are adjusting events which were disclosed in the annual financial statements before the Board authorise for issue on 31 May 2024. The events are listed here-under as follows:

1. Fruitless and wasteful expenditure.

- The Board has approved the write off of fruitless and wasteful expenditure to the amount of R5 876. The expenditure relates to the CCMA award regarding performance bonus for 2018/19 financial year. The investigation report was concluded and signed off by the CEO on 21 May 2024. The Board approved the write off of the expenditure on 27 May 2024.

2. Limpopo Economic Development, Environment and Tourism (LEDET) vs Limpopo Tourism Agency (LTA).

- Subsequent to financial year end, (31 March 2024) LTA received a letter from LEDET signed by the HOD on 27 May 2024 confirming the withdrawal of the claim amounting to R2 737 960 (both capital R1 673 430 and interest R1 064 530) against LTA. Furthermore, the letter states that LTA remove the contingent liability from its books. The contingent liability related to 2022/23 financial year after the Auditor General of South Africa raised it against LTA.

Limpopo Tourism Agency

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31. Irregular Expenditure and Fruitless and wasteful expenditure

Opening balance as previously reported	2024	2023
Add: Fruitless and wasteful expenditure identified - current period	0	0
Less: Amount write off	5,876	-
Closing balance	(5,876)	-
	0	0

The entity incurred a fruitless and wasteful expenditure during the period under review as disclosed in the above table. The fruitless and wasteful expenditure is interest relating to the CCMA award regarding performance bonus for 2018/19 financial year.

Details of fruitless and wasteful expenditure

	Disciplinary steps taken/criminal proceedings
Interest on performance bonus regarding CCMA award.	None

Amount written-off

After the investigations, the Board approved the write-off of the expenditure amounting to R5 876.

Limpopo Tourism Agency

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32. 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	1,987,968	6,346,048
Basis differences	(2,021,688)	(5,867,485)
Net cash flows from operating activities	(33,720)	478,563

Investing activities

Actual amount as presented in the budget statement	(189,928)	(1,559,213)
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Financing activities

Actual amount as presented in the budget statement	(2,596,645)	(95,473)
Net cash generated from operating, investing and financing activities	(2,820,293)	(1,176,123)

33. Deviation from supply chain management regulations

Treasury Regulation 16A6.4 and PFMA instruction Note no.3 of 2021/22, section 4.1. prescribes that if in a specific case it is impractical to invite competitive bids, the accounting officer or accounting authority may procure the required goods or services by other means, provided that the reasons for deviating from inviting competitive bids are recorded and approved by the accounting officer or accounting authority. The Instruction note further states that all deviations must be reported to the Provincial Treasury as well as Auditor General of SA within 14 days.

The entity has during financial year under review procured the required goods and services through deviation processes. A total of 14 bids to the value of R3 911 279 were procured by other means (deviation) and reported to Provincial Treasury as well as Auditor General of SA in line with PFMA Instruction Note no 3 of 2021/22. A detailed information regarding the deviation is included in the annual report under section of Supply Chain Management, procurement by other means.

34. Budget differences

Material differences between budget and actual amounts

The material differences are explained below as follows:

1. Administrative cost

The entity has over spent by R897 986 which represent 7 percent of the total allocated budget for administrative costs. The over-spending is due to unanticipated legal fees amounting to R740 836 and diesel for stand by generator costing R157 150 which was necessitated by load shedding.

2. Earmarked funding

The under spending of R1 363 355 representing 5 percent of the total earmarked funds, was due to an additional allocation of R 3,500 000 during budget adjustment. These funds were intended for marketing Limpopo as a preferred tourism destination through media buys during Limpopo DSTV premier league games which was not fully implemented as initially planned for owing to challenges brought about by non-compliance in procurement from the partners.

3. Payment of capital assets

The underspending of R 24 073, representing 11 percent of the budgeted amount resulted from saving on procurement of laptops for employees. Out of the capital expenditure budget of R214 000, only R189 927 was spent.

Differences between budget and actual amounts basis of preparation and presentation

The budget and the accounting bases differ. The annual financial statements for the entity prepared on the accrual basis using the classification based on the nature of expenses in the statement of financial performance. The statement of financial performance differs from the statement of comparison of budget and actual amount, which is approved on the cash basis using the economic classifications.

Limpopo Tourism Agency

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34. Budget differences (continued)

Changes from the approved budget to the final budget

The entity's approved budget was R80 105 000 including the ear-marked funding for collaborative marketing to the amount of R22 761 000 (for the period 1 April 2023 to 31 March 2024). During budget adjustment the entity received additional funds to the amount of R3,500 000 for marketing Limpopo as preferred tourism destination through media buys during Limpopo DSTV Premier league games. Furthermore, the entity surrendered R1 400 000 from Cost of Employees budget allocation. The entity's final budget as at 31 March 2024 amounts to R82 205 000.

The changes between the approved and final budget are a consequence of additional funds during budget adjustment. For details on these changes please refer to Statement of Comparison of budget and actuals on page 9.

35. BBBEE Performance

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

7 Annexures

7.1. Annexure A: Statement of responsibility and confirmation of accuracy

Statement of responsibility and confirmation of accuracy for the annual report

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

All information and amounts disclosed in the annual report is consistent with the annual financial statements audited by the Auditor General 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, which 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 entity for the financial year ended 31 March 2024.

Yours faithfully



Chief Executive Officer
Mr. Ngobeni M
30 July 2024



Chairperson of LTA Board
Mr. Dipela KA
30 July 2024

7.2 Annexure B: Report of the Audit Committee attached, refer to page 67 - 72.

7.3 Annexure C: Specimen of the Annual Report

7.4 Annexure D: Template of reporting Compliance to the BBBEE Commission

The entity conducts Broad-based Black Economic Empowerment (BBBEE) assessment to measure compliance in line with BBBEE Act 53 of 2003.

The BBBEE scorecard was used to assesses the entity's structure of business according to **ownership, management control, skills development, enterprise and supplier development, and socio-economic development**. The scorecard below represents the entity's compliance with the BBBEE Act.

Amended COGP Generic Specialised Enterprise Overall Scorecard



Dashboard	Charts & Tables	Scorecard	Client Details	Financial	YES	Management Control	Skills Development	Enterprise & Supplier Dev	Socio-economic Dev	Document Checklist	Versions
Overall Scorecard - Limpopo Tourism Agency - BEE Level Before Discount: 8, After Discount: NC									Verification Agency: JS BEE Solutions		
									Analyst Name: Sidney Kabwe		
									Date Completed: 07 December 2023		
									Technical Signatory: Johannes Seretloe		
									Date Signed Off: 09 January 2024		

Limpopo Tourism Agency qualifies and is measured as a Generic Specialised Enterprise

Element Weight	Criteria	Indicator	Indicator Weight	Target	Actual	Score	Element Score	Min 40% achieved?
Management Control 200								
20	Board Participation	Exercisable Voting Rights of Black Board Members	2,00	50,00%	100,00%	2,00	15,74	
		Exercisable Voting Rights of Black Women Board Members	1,00	25,00%	33,33%	1,00		
	Executive Management	Black Exec. Directors as a % of all Exec. Directors	2,00	50,00%	100,00%	2,00		
		Black Women Exec. Directors as a % of all Exec. Directors	1,00	25,00%	0,00%	0,00		
		Black Exec. Management as a % of Other Executive Management	2,00	60,00%	100,00%	2,00		
		Black Women Exec. Management as a % of Other Executive Management	1,00	30,00%	33,33%	1,00		
	Senior Management	Black employees in Senior Management	2,00	60,00%	56,93%	1,90		
		Black Women employees in Senior Management	1,00	30,00%	24,90%	0,83		
	Middle Management	Black employees in Middle Management	2,00	75,00%	59,91%	1,60		
		Black Women employees in Middle Management	1,00	38,00%	20,14%	0,53		
Junior Management	Black employees in Junior Management	2,00	88,00%	83,25%	1,89			
	Black Women employees in Junior Management	1,00	44,00%	43,71%	0,99			
	Disabled Employees	Black disabled employees	2,00	2,00%	0,00%	0,00		
Skills Development 300								
26	Expenditure on any Learning Programme	Expenditure on Learning Programmes for black people*	9,00	6,00%	1,44%	2,16	8,13	No
		Expenditure on Learning Programmes for disabled black employees	4,00	0,30%	0,00%	0,00		
	Learnerships	Number of black people participating in learnerships	6,00	2,50%	2,40%	5,97		
		Number of black previously unemployed learnerships - 18(2)	6,00	2,50%	0,00%	0,00		
Bonus Points			Number of black people absorbed at the end of Learnerships	5,00	100,00%	0,00%	0,00	
Enterprise & Supplier Development 400								
50	Preferential Procurement	BEE Procurement Spend with Empowering Suppliers	5,00	80,00%	92,06%	5,00	30,79	Yes
		Procurement Spend with Empowering Suppliers qualifying as QSEs	4,00	15,00%	10,46%	2,79		
		Procurement Spend with suppliers qualifying as EMEs	5,00	15,00%	72,11%	5,00		
		BEE Procurement Spend with Empowering Suppliers Min 51% black owned	11,00	40,00%	84,00%	11,00		
		Procurement Spend with Empowering Suppliers Min 30% black women owned	5,00	12,00%	52,50%	5,00		
		B-BBEE Procurement with Designated Group suppliers Min 51% black owned	2,00	2,00%	4,19%	2,00		
	Supplier Development	Supplier Development contributions	15,00	0,20%	0,00%	0,00	No	No
	Enterprise Development	Enterprise Development contributions and Sector specific Programmes	5,00	0,10%	0,00%	0,00		
	Bonus Points	Graduation from Enterprise Development to Supplier Development beneficiary	1,00	Yes	No	0,00		
		Created one or more jobs as a result of SD&ED initiatives	1,00	Yes	No	0,00		
Socio-Economic Development 300								
5	Contributions	Annual value of SED contributions	5,00	0,10%	0,00%	0,00	0,00	
100			109,00				54,66	
100	YES Initiative	1.5 x YES Target and 5% Absorption	3,00	Yes	No	0,00	0,00	
100			112,00				54,66	

Note: This is not a BEE Certificate but is an indicative score for estimation purposes only

Comment:

	Before discount	After BEE Level Discount & YES Enhancement
BEE Recognition Level	8	NC
% Recognition	10%	0%
Empowering Supplier Status		Yes



BROAD-BASED BEE VERIFICATION CERTIFICATE

WE CERTIFY THAT

LIMPOPO TOURISM AGENCY

Southern Gateway Ext 4, N1 Main Road, Polokwane, 699

REG No: N/A | VAT No: N/A

Has been assessed and verified with the B-BBEE Act (No. 53 of 2003) and the Amended B-BBEE Codes of Good Practice, Gazette 36928, Specialised Enterprise and has achieved the following:

B-BBEE STATUS LEVEL: NC

B-BBEE PROCUREMENT RECOGNITION LEVEL: 0%



ELEMENT	WEIGHTING	ACHIEVED
OWNERSHIP	N/A	N/A
MANAGEMENT CONTROL	20.00	15.74
SKILLS DEVELOPMENT	25.00	8.13
ENTERPRISE & SUPPLIER DEV	50.00	30.79
SOCIO-ECONOMIC DEV	05.00	0.00
TOTAL	100.00	54.66

PARTICIPATED IN Y.E.S. INITIATIVE	NO
ACHIEVED Y.E.S. TARGET & 2.5% ABSORPTION	NO
ACHIEVED 1.5 X Y.E.S. TARGET & 5% ABSORPTION	NO
ACHIEVED DOUBLE Y.E.S TARGET & 5% ABSORPTION	NO

CERTIFICATE NUMBER	LTAGEN24JS
BLACK OWNERSHIP %	N/A
BLACK FEMALE OWNERSHIP %	N/A
BLACK DESIGNATED GROUP %	N/A
MODIFIED FLOW THROUGH PRINCIPLE	NO
EXCLUSION PRINCIPLE USED	NO
EMPOWERING SUPPLIER	YES
DISCOUNTING PRINCIPLE USED	YES
ALL PRIORITY ELEMENTS ACHIEVED	NO
EFFECTIVE DATE	09 JAN 2024
EXPIRY DATE	08 JAN 2025
BEE CATEGORY	GENERAL- SPECIALISED GENERIC
MEASUREMENT PERIOD	01 APRIL 2022 – 31 MARCH 2023


JOE SERETLOE
VERIFICATION MANAGER


B-BBEE Rating Agency
BVA 265

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