

SAMSA ANNUAL REPORT 2023 | 24



STEADY WAVES AHEAD
SAFE SHIPS • CLEAN SEAS

SAMSA GENERAL INFORMATION

The Nature of Business and Principal Activities:

The South African Maritime Safety Authority (SAMSA) is a public entity under the Department of Transport. It was established on the 1st of April 1998 in terms of the SAMSA Act (Act No.5 of 1998). SAMSA's mandate is to ensure the safety of life and property at sea, the prevention and combating of pollution of the marine environment by ships and the promotion of the Republic's maritime interests.

Registered Office

146 Lunnon Road
Hillcrest
Pretoria
0083
Republic of South Africa

Head Office Pretoria

(City of Tshwane)

Tel: +27 (0) 12 366 2600 | **Fax:** +27 (0) 12 366 2601

Email: service@samsa.org.za

Website: www.samsa.org.za

Auditors: Auditor-General of South Africa

Bankers: ABSA and FNB

ABSA: Absa, 1st Floor, 1 Central Square, Menlyn
Maine, 210 Amarand Avenue, Menlyn, Pretoria
0181

FNB: FNB Bankcity Simmonds Street,
Johannesburg Gauteng 2001

Company Secretary: Ms. Mahlodi Moffat



STEADY WAVES AHEAD.

It only takes one wave to spark a ripple that can reach every corner of the globe.

We are that wave.

Situated at the heart of the maritime world, on the southern tip of Africa, we stand as the gateway to the global seas.

As wave-makers of progress, we propel growth and innovation, unlocking new opportunities that reach far beyond our shores.

Contents



Our Business

What We Do	006
Legislative Responsibility Scope	007
Search & Rescue Responsibility Area	008
Inland Waterways Responsibility	009
SAMSA's Regulatory Work	010
National Government Obligations	012
International Obligations	015
Vision, Mission and Values	016
Situational Analysis	018
Our Stakeholders	021
Core Operating Model	022
Our Footprint	023
Our Organisational Structure	024
Our Board of Directors	025
Executive Management	027
Our Chairperson's Report	028
Our CEO's Report	032

Performance

Corporate Performance Information	036
Strategic Challenge 1	038
Strategic Challenge 2	040
Strategic Challenge 3	041
Strategic Challenge 4	042
Strategic Challenge 5	043
Strategic Challenge 6	052
Strategic Challenge 7	053
Human Capital Management Performance	055
Enterprise Risk Management Report	086
Corporate Social Investment Report	077
Maritime Awareness	081

This document outlines SAMSA's journey in ensuring a safe and sustainable maritime industry. The document outlines the strategies that ensure our seas remain secure, efficient, and thriving. Explore how we're shaping policy, driving innovation, and fostering international cooperation as we play our part in the complex world of maritime regulation. Together, we are safeguarding the world's oceans and setting the course for tomorrow's maritime success.

Governance

Corporate Governance Report	084
Compliance with Laws and Regulations	103
Fraud and Corruption	108
Code of Conduct	109
Our ARC Report	110

Financials

Statement of Responsibility	114
Auditor-General's Report	115
Our CFO's Report	124
PFMA Compliance Report	131
Annual Financial Statements	143
Accounting Policies	156
Notes to Financial Statements	194
Appendix I	232
Abbreviations	237

WHO WE ARE WHAT WE DO

SAMSA is a public entity that derives its legislative mandate from the South African Maritime Safety Authority Act No. 5 of 1998. It is responsible for executing the following legislative mandate objectives as set out in the Act:

1. To ensure safety of life and property at sea.
2. To prevent and combat pollution of the marine environment by ships.
3. To promote the Republic's maritime interests.

Additionally, Section 7 (1) of the Act provides that "the Minister may give the Authority written directions regarding the performance of its duties," and in terms of Section 356 of the Merchant Shipping Act, 1951 (Act no: 57 of 1951), the Minister promulgated the Merchant Shipping (National Small Vessel Safety) regulations 2007. This expanded SAMSA's obligations to include small vessel activities across South Africa's inland waters.

SAMSA is also responsible for monitoring the activities of sea going vessels, small vessels in our inland waterways. SAMSA also has an obligation to conduct maritime search and rescue and ensuring safe navigation through the Centre for Sea Watch and Response.

In terms of the Public Finance Management Act No. 1 of 1999 ("PFMA"), the South African Maritime Safety Authority (SAMSA) is a Schedule 3A Public entity.

SAMSA fulfils its mandate by executing/administering the following main legislative instruments:

- South African Maritime Safety Authority Act, 1998 (Act 5 of 1998)
- South African Maritime Safety Authority Levies Act, 1998 (Act 6 of 1998)
- Ship Registration Act, 1998 (Act 58 of 1998)
- Merchant Shipping Act, 1951 (Act 57 of 1951)
- Marine Traffic Act, 1981 (Act 2 of 1981)
- Maritime Zones Act, (Act 15 of 1994)
- Wreck and Salvage Act, 1996 (Act 94 of 1996)
- South African Maritime and Aeronautical Search and Rescue Act, 2002
- Merchant Shipping (Safe Container Convention) Act 2011
- Merchant Shipping (Civil Liability Convention) Act 2013
- Marine Pollution (Control and Civil Liability) Act 6 of 1981
- Marine Pollution (Prevention of Pollution from Ships), 1986 (Act 2 of 1986)
- Marine Pollution (Intervention) Act 64 of 1987

LEGISLATIVE RESPONSIBILITY SCOPE

South Africa occupies an important maritime geo-location in the Southern hemisphere, a country position at the foot of the African continent surrounded by three oceans. As a result of its location and trade flows, South Africa plays a strategic role in the global maritime network.

ATLANTIC OCEAN

INDIAN OCEAN

3000KMS

ANTARCTIC OCEAN



SEARCH AND RESCUE RESPONSIBILITY AREA



South Africa's area of responsibility for Search and Rescue is 27.7 Million Km² – an area that is almost five (5) percent of the earth.

SAMSA, through its Centre for Sea Watch and Response, operates a fully functional Maritime Rescue Coordination Centre (MRCC), ensuring 24/7 monitoring and rapid intervention for maritime safety. This advanced system plays a dual role: not only does it manage the safety of life at sea, but it also oversees South Africa's Sea Watch operations, maintaining surveillance of the country's vast maritime domain.

The MRCC operates in full compliance with the Department of Transport's South African Search and Rescue (SASAR) Act, ensuring the safety of all life at sea within our territorial waters and beyond. By integrating Sea Watch and Response with rescue coordination, SAMSA provides a comprehensive approach to maritime safety and security, enabling real-time monitoring, vessel tracking, and swift response to emergencies.

INLAND WATERWAYS RESPONSIBILITY



SAMSA plays a crucial role in regulating small vessels operating on inland waterways across South Africa. As part of its mandate, SAMSA ensures that these vessels comply with national safety standards, helping to prevent accidents and safeguard lives. This includes overseeing vessel registration, licensing, and ensuring that operators meet safety and competency requirements.

SAMSA also monitors adherence to safety equipment standards, navigational rules, and environmental protection measures. By enforcing these regulations, SAMSA contributes to the safe and sustainable use of South Africa's inland waterways, ensuring both recreational and commercial activities are conducted responsibly and securely.



SAMSA'S REGULATORY WORK

SAMSA's regulatory responsibility as a technical agency of the Department of Transport is to draft technical legislation and regulations for processing by the Department of Transport. The legislation is derived from the internationally binding instruments that govern international shipping mainly adopted by IMO, ILO and other international governing bodies to ensure safety of shipping and the protection of the marine environment.

It also has a regulatory responsibility to implement, monitor compliance and conduct enforcement of these international instruments Once they are passed into South African law. The above responsibility is carried out using the following activities:

1. Flag State Survey Activities

South Africa, as a Flag State is obliged to ensure that all ships that fly its flag and South African seafarers comply with international regulations as stated above. In carrying out these international obligations, SAMSA uses a survey regime that requires SAMSA to inspect all ships, ships installations, ship construction, ship operations, loading etc. Each Inspection is governed by a specific regulation contained in the Merchant Shipping Act or Marine Pollution Acts contained in the schedule to the SAMSA Act.

2. Port State Control Inspections

South Africa, as a Port State is required to ensure that all ships visiting its ports comply with international mandatory instruments. These are the same instruments that the South African flagged vessels must comply with. SAMSA uses a Port State Control Inspection regime that is administered regionally via a Memorandum of Understanding on Port State Control.

South Africa belongs to two MOU's, the Indian Ocean and the Abuja MOU on Port State Control and is required to report its activities to both. The MOU's consolidate their reporting to IMO and South Africa must uphold its obligations in this regard.

3. Marine Environment Protection

South Africa is required to ensure protection of the marine

environment from pollution by ships. This is achieved by ensuring compliance and enforcement of Marine Environment Protection laws as contained in the schedule to the SAMSA Act. SAMSA conducts surveys on ships and ships installations, administers the countries Marine contingency plan, and it also manages pollution when pollution incidents have occurred by implementing the incident management system (IMS).

4. Investigate Casualties and Incidents

SAMSA is required to investigate casualties or incidents in terms of Section 264 of the Merchant Shipping Act 57 of 1951.

5. Manage Safety of Boating (Small Vessels)

In terms of its additional mandate as contained in the National Small Vessel Safety Regulations, SAMSA is required to conduct surveys of all small vessels, certification of skippers, develop and amend policy. SAMSA also regulates the training, appointment and auditing of external surveyors, auditing schools, examiners and authorised agencies.

6. Detentions

A ship/vessel is detained if, because of its non-compliance with applicable legislation, poses a threat to safety of life at sea, or maritime security, or poses a serious risk of pollution of the marine environment.

7. Administration of Admission of Contraventions

It is part of a procedure followed by SAMSA after discovering contravention by a vessel, such as a pollution incident or any other non-adherence. This is done in order to facilitate quick resolution to the contraventions and avoid the court processes that are based on the Criminal Procedure Act. The master is required to sign the Admission of Contravention and release the vessel to sail on whilst SAMSA completes the investigation to either refund part of the deposit or forfeit the whole fine.

8. Sea Watch and Response

SAMSA is required to ensure the Maritime Domain Awareness (MDA) by being able to account for all ships, and

SAMSA'S REGULATORY WORK

shipping activities along the South African coast. In terms of international law, ships are supposed to be on a continuous voyage along any coastal state waters and only stop when the coastal state gives permission to do so. In this regard SAMSA through the Centre for Sea Watch and Response operates a complete Automatic Identification System (AIS), Long Range Identification and Tracking (LRIT) system, administers aids to navigation (Lighthouses, buoys) and issue navigational and weather warnings .

The Centre is also responsible for implementing maritime security activities by coordinating the clearance of the international ships that visit South African Ports.

The Centre hosts the Maritime Rescue Coordination Centre (MRCC) is fully functional, operates 24/7, with the focus primarily on the safety of life at sea, and complies with the requirements of the South African Aeronautical and Maritime Search and Rescue (SASAR) Act, 2002. This entails interaction with the various government and non-government entities involved with maritime rescue at sea.

9. Seafarer Training and Certification

In compliance with the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers Convention (STCW) and local legislation (Training and Manning Regulations), SAMSA is required to ensure a system to develop and approve training syllabus, accredit training institutions, accredit medical practitioners and conduct examinations for competence of seafarers inline with international standards.

SAMSA is also required to maintain the register of all South African seafarers and confirm integrity of the certification, by verifying certificates authenticity upon request.

10. Seafarer Welfare and Maritime Occupational Health and Safety

International Labour Organisation (ILO) sets standards that govern seafarer welfare including insurances for seafarers, conditions on board, hours of rest, repatriation of remains, etc. All ships must comply with these standards.

SAMSA performs audits of stevedoring and ship repair

facilities to ensure that safety standards are adhered during work performance of on ships in port, and that they comply with the requirements of maritime Occupational Safety Regulations and relevant codes.

SAMSA is also responsible for dealing with seafarer complaints relating to Chapter 4 of the Merchant Shipping Act 1951, the Maritime Labour Convention (MLC) and Work in Fishing Convention.

11. Naval Architecture

SAMSA is required to ensure that ships are designed and constructed, to always maintain the Stability integrity in all loading conditions in terms of stability and construction regulations. In this regard SAMSA must approve all design and construction drawings and ensure that ships are constructed as per those drawings.

12. Fishing Safety and Awareness

Its focus is to administer safety of fishing vessels and fishermen at sea, conduct maritime safety awareness, implementation of international and national maritime policies and regulations to improve the living conditions of fishermen.

13. Radio Services

SAMSA discharges its radio survey and inspection mandate as legislated in terms of the Merchant Shipping Act, MS (Radio installations) Regulations, MS (National small vessel safety) Regulations, MS (EPIRB registration) Regulations.

SAMSA supports the work of Department of Communications at International Telecommunications Union (ITU) to ensure compliance with Conventions to which the South African government is a party. SAMSA also has an MOU with ICASA in terms of which it carries out inspections.

14. Ship Registry

United Nations Convention on Laws of the Seas (UNCLOS) requires that every ship must fly a flag of the state in which it is registered (Flag State). South Africa is required to register all ships that fly its flag, administer all private interest (Mortgage) and maintain the Ship Register. This is carried out in terms of the Ship Registration Act.



NATIONAL GOVERNMENT OBLIGATIONS



The South African Maritime Safety Authority (SAMSA) is a Schedule 3A public entity in terms of the Public Finance Management Act No. 1 of 1999 ("PFMA"). Led by the Department of Transport, it is among other national public entities that together constitute an important part of South Africa's participation on global, continental, and regional maritime transport platforms aimed at developing and regulating maritime transportation.

Maritime transport is international in nature and requires strong multinational cooperation to make sure that standardised approaches, international conventions and systems for safe, clean, sustainable, secure shipping and seafaring are established and adhered to across the globe.

As SAMSA enters the last year of the Medium-Term Strategic Framework (MTSF 2019-24), the entity has the responsibility of contributing to transformation of the fortunes of the country's maritime Industry. The MTSF sets out the targeted outcomes for the medium term and provides a national framework for all government plans at the national, provincial, and local government to deliver within their scope of competence. The MTSF therefore enables policy coherence, alignment and coordination across government plans as well as ensuring an effective system for allocating government resources to its priority outcome areas.

Below are the seven (7) government priorities:

- Priority 1: A Capable, Ethical and Developmental State
- Priority 2: Economic Transformation and Job Creation
- Priority 3: Education, Skills, and Health
- Priority 4: Consolidating the Social Wage through Reliable and Quality Basic Services
- Priority 5: Spatial Integration, Human Settlements and Local Government
- Priority 6: Social Cohesion and Safe Communities
- Priority 7: A better Africa and World

The Minister of Transport identified (5) five strategic thrusts that will guide the department for the next five years. These are the prioritised strategic thrusts.

- Pillar 1: Enhancing South Africa's Shipping Register
- Pillar 2: Mainstreaming maritime through empowering historically disadvantaged persons to access opportunities, support development of seafarers, and facilitate youth involvement in the maritime industry through recreation and economic opportunities.
- Pillar 3: Rolling out coastal shipping and creating partnerships to ensure a sustainable support system to enable effective implementation. The end goal is to have a Southern Africa Development Community (SADC) region-wide coastal shipping market, encompassing all offshore shipping activities in particularly the oil and gas sector (oil rigs, offshore supply vessels, offshore bunkering activities).
- Pillar 4: Create programmes to elevate fluvial transport and open new economic opportunities by maximising the use of inland waterways.
- Pillar 5: Unlocking the maritime sector for economic stimulation and recreation

SAMSA'S RESPONSIBILITY AS PART OF THE COMPREHENSIVE MARITIME TRANSPORT POLICY (CMTP).

The South African Comprehensive Maritime Transport Policy (CMTP) serves as the embodiment of Government's commitment to the growth, development, and transformation of South Africa's maritime transport sector. It represents South Africa's long-term vision, the underpinning philosophy and principles that inform its development and the direction that Government has committed to take the sector to reach its full potential.

CMTP provides an elaboration to the declared policy directives of the 1996 White Paper on National Transport, the National Development Plan and the other coterie of interventionist programmes.

The strategic objectives of the CMTP are:

- a) To develop and grow South Africa to be an International Maritime Centre (IMC) in Africa serving its maritime transport customers and world trade in general.
- b) To contribute in Government's efforts of ensuring the competitiveness of South Africa's international trade by providing customer focused maritime transport infrastructure and services through an innovative, safe, secured, reliable, effective, profitable and integrated maritime supply chain, infrastructure and systems including safety of navigation.
- c) To promote the growth and broadened participation of local entrepreneurs in the shipping industry, marine manufacturing and related subsector businesses, while vigorously promoting the increase of ships under the South African flag registry through incentives and continuous improvement in ship registration.
- d) To promote marine transport, manufacturing and related services.
- e) To provide guidance to the maritime transport sector stakeholders and customers about institutional arrangements, governance and regulatory interventions while ensuring effective and efficient co-ordination across Government on matters of common interest to the growth of the maritime transport sector.
- f) To provide a clear framework around which operators, customers, investors and funders can freely participate in maritime transport market to improve growth, performance and competitiveness of the total Maritime Transport sector.
- g) Establish where feasible a sustainable funding and financing mechanisms and or facility for the growth of the broader maritime transport sector to facilitate infrastructure development and possible acquisition of ships and equipment necessary to meet the needs of customers in particular and the South African economy in general.
- h) To create and enhance viable and sustainable opportunities for historically disadvantaged entrepreneurs especially, women and youth to participate in maritime transport initiatives.
- i) To ensure efficient and effective regulation and clear separation between maritime operations and maritime regulation and these to be reflected in the institutional and governance frameworks.
- j) From an economic development perspective, create conducive climate for South African perishable goods businesses to take part in the global perishable products market either as producers or as consumers.
- k) Develop modalities for the creation of a national shipping carrier to serve South Africa's economic and trade interests.
- l) Develop and maintain a competitive ship registration system.

SAMSA identified priorities from government that will guide us and support delivery of prioritised outcomes over the next five (5) years are the following:

- 1) Reducing the risk of accidents and casualties in the maritime transport sector
- 2) Reducing the risk of ship sourced pollution and degradation of the maritime environment.
- 3) Supporting the beneficial development and transformation of the maritime sector, with a primary focus on ship registry development
- 4) Facilitating the creation of maritime jobs and contributing to the reduction of unemployment
- 5) Supporting initiatives to increase the number of highly competent and globally competitive South African seafarers.
- 6) Ensuring that SAMSA contributes to an effective government that delivers on the mandated services to South African citizens and the global maritime stakeholders.



SAMSA'S INTERNATIONAL COOPERATION AND OBLIGATIONS

South Africa is a signatory to bilateral and multilateral agreements that advance development and technical maritime cooperation with other countries and their relevant institutions.

SAMSA, therefore, working under the leadership of the Department of Transport and in collaboration with other public entities, participates and executes nationally adopted obligations and critical agreements on global, continental, and regional maritime transport arrangements aimed at developing and regulating international shipping, flowing from the following institutions:

1. International Maritime Organization (IMO)

The purpose of the IMO, as summarized by Article 1(a) of the Convention, is "to provide machinery for cooperation among governments in the field of governmental regulation and practices relating to technical matters of all kinds affecting shipping engaged in international trade; and to encourage and facilitate the general adoption of the highest practicable standards in matters concerning maritime safety, efficiency of navigation and prevention and control of marine pollution from ships". The organization is also empowered to deal with administrative and legal matters related to these purposes.

South Africa has been a member of the IMO since 1995, which is a specialised agency of the United Nations (U.N.) for setting international standards and regulations for international shipping covering ship safety, seafarer qualifications, preventing pollution from ships, maritime security, search and rescue, and the efficiency of shipping.

2. International Labour Organization (ILO)

The ILO is a specialised agency of the U.N. for promoting workers' rights. It encourages decent employment opportunities, enhances social protection and strengthens dialogue on work-related issues.

3. International Association of Marine Aids to Navigation and Lighthouse Authorities (IALA)

IALA ensures that all seafarers are provided with effective and harmonised marine Aids to Navigation services worldwide that ensure the safety of life and property at sea.

4. International Communication Union (ITU)

ITU is a specialised agency of the U.N. that is responsible for issues concerning information and communication technologies, including coordinating the shared global use of the radio spectrum, promoting international cooperation in assigning satellite orbits, and assisting in the development and coordination of worldwide technical standards.

5. The Abuja and Indian Ocean Port State Control Memorandum of Understanding (MOU)

South Africa is a signatory and active member the Indian Ocean and Abuja regional MOU's, on Port State Control (PSC). The two MOU's enable SAMSA to exercise control over foreign ships visiting South African ports by conducting inspections, which are meant to verify compliance with the international maritime conventions. The inspection regime is guided by the IMO's resolution on Procedures for Port State Control.

6. The Association of African Maritime Administrations (AAMA)

The Association of African Maritime Administrations (AAMA) was officially established at the 2nd Heads of Maritime Administrators held on 23 November 2013. All countries that are members of the African Union (AU) are welcomed as members of AAMA. Although 33 of the 54 member states are coastal countries, the Association took a firm decision to ensure the inclusion of landlocked countries because of the importance of the inland waterways that they administer. South Africa is the Secretariat of AAMA.

The aim of AAMA

- To promote the development of Africa's maritime safety and environmental regulatory framework.
- To collaborate in the development of Africa's maritime technical competence.
- To promote the harmonization of Africa's maritime system for greater competitiveness on a global basis.
- To promote the sharing of best practices among Africa's Maritime Administrations in order to enable the growth of the African maritime sector.
- To enhance continental collaboration to build consensus on issues of common interest in the maritime sector.



Mission.

"To provide leadership in maritime safety, prevent and combat marine pollution for a sustainable maritime environment whilst supporting an innovative, progressive and a vibrant maritime economy".

Vision.

"The Authority championing South Africa's maritime ambitions to be an **International Maritime Centre** by 2030".

Values.

The core philosophy and values that guide and underlie each activity we undertake and how we behave as individuals and collectively when creating value for our stakeholders are as follows:

D	-	E	T	H	I	C	S
Diversity							Strength in our diversity as a true South African entity.
Enterprising							Forward thinking and innovative in our business solutions.
Teamwork							Recognising the support of others in building the future.
High Performance							Delivering service excellence.
Integrity							Our business conduct and credibility beyond reproach.
Caring							Respect and caring for our employees.
Sustainability							Acting responsibly and ensuring lasting continuance of all our well meant efforts and the environment within which we operate.



OUR SITUATIONAL ANALYSIS

P E S T E L

EXTERNAL ENVIRONMENTAL ANALYSIS

Political Factors	Impact on SAMSA
National Treasury policies e.g., PFMA procurement rules that apply to Regulators like SAMSA, even though they are not dependent on the fiscus.	Constraints on revenue increases and procurement regulations, which lead to difficulty in mandate delivery, attracting and retaining critical skills.
Global and regional political instability (e.g. Ukraine and Russian War, the Red Sea Crisis).	Increased maritime activities leading increase in maritime safety risk exposure.
South Africa's re-election to the IMO Council	Undermines the promotion of the country's maritime interests
Uncertainty in government policies such as taxation on ship registration.	Affects the growth of the South African Ship Register.
Economic Factors	Impact on SAMSA
Maritime trade disruptions - Black and Red Sea food exports due to war in Ukraine.	Declining seaborne trade to mainly developing countries which rely on this trade, including South Africa.
Weakened container shipping markets	Maritime freight rates increasing, therefore increasing the cost of trade by an average of 5%*. UCTAD
Social Factors	Impact on SAMSA
Inequality and transformation within maritime sector	Maritime industry benefits not shared equitably.
Spread of communicable diseases, e.g. Monkey pox, Ebola.	Interruption in maritime activities
Technological Factors	Impact on SAMSA
Cyber security threats.	Cyber threats have an adverse impact on business systems, which can create regulatory and confidentiality challenges.
Rapid advancement of technology, especially Artificial Intelligence, Robotics and automated vessels.	New developments and technologies will require revised processes and skill sets within SAMSA.
Environmental Factors	Impact on SAMSA
The introduction and implementation of the 2023 IMO Strategy on Reduction of GHG Emissions from Ships"	Non compliance with the requirements that might have a negative perception of the country by the global community. Increased costs of shipping due to higher costs of cleaner fuels which in turn will affect the costs of goods.
Changing global weather patterns.	Adverse impact on the maritime sector because on the safety of passengers and vessels.

OUR SITUATIONAL ANALYSIS

Legal Factors	Impact on SAMSA
Proposed Merchant Shipping Bill 2022, currently in cabinet	Improved maritime regulations and administration in line with the mandate requirements.
Proposed Marine Oil Pollution (Preparedness, Response and Cooperation) Bill, currently in cabinet	Improved marine environment regulations in line with the mandate requirements.



OUR SITUATIONAL ANALYSIS

INTERNAL ENVIRONMENTAL ANALYSIS

The internal situational analysis interrogates the level, quality and appropriateness of current organisational resources and capabilities against optimal organisational requirements for gaining a sustainable advantage and maximising the achievement of the SAMSA mission. This analysis has been undertaken to develop a deep insight into the strategic strengths and weaknesses of SAMSA.

Strengths

- SAMSA is viewed as a 'go to' authority in terms of maritime industry knowledge and expertise..
- The entity has a national footprint through operating offices well positioned in all the commercial ports in South Africa which enables the entity to fully execute its mandate and reach all its stakeholders.
- The entity employs more than 200 maritime technical experts in different roles ranging from vessels surveying, port state inspections, maritime environment protection, maritime search and rescue, maritime domain awareness, casualty investigations, maritime examinations and certification, maritime legislation, and maritime industry development.

Weaknesses

- Scarce and aging skilled maritime technical workforce to assist the entity to deliver on its core mandate. The maritime technical human resources required to fully execute the mandate is scarce due to a low base of qualified marine engineers and deck officers within the country and since most of the qualified seafarers are employed at sea by shipping companies.
- Inadequate funding to capacitate and resource on maritime infrastructure and equipment to the full requirements of the entity's mandate as per the Act. The limitation on funding also has a huge impact on the entity's ability to attract and retain scarce technical skills in critical positions.
- SAMSA's enabling Information Communication Technology (ICT) systems and Business Processes are not adequately integrated and automated to enable the entity to fully optimise the existing information for decision-making to improve corporate performance to enhance customer and stakeholder experience.
- Lack of a leadership culture and a values system to provide the organisation with direction, delivery on the SAMSA strategy and capacity to motivate employees to perform at their optimal performance.

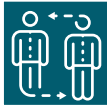
OUR STAKEHOLDERS



Maritime Industry



Community



Partners



Labour Associations



Customers



Employees



Suppliers

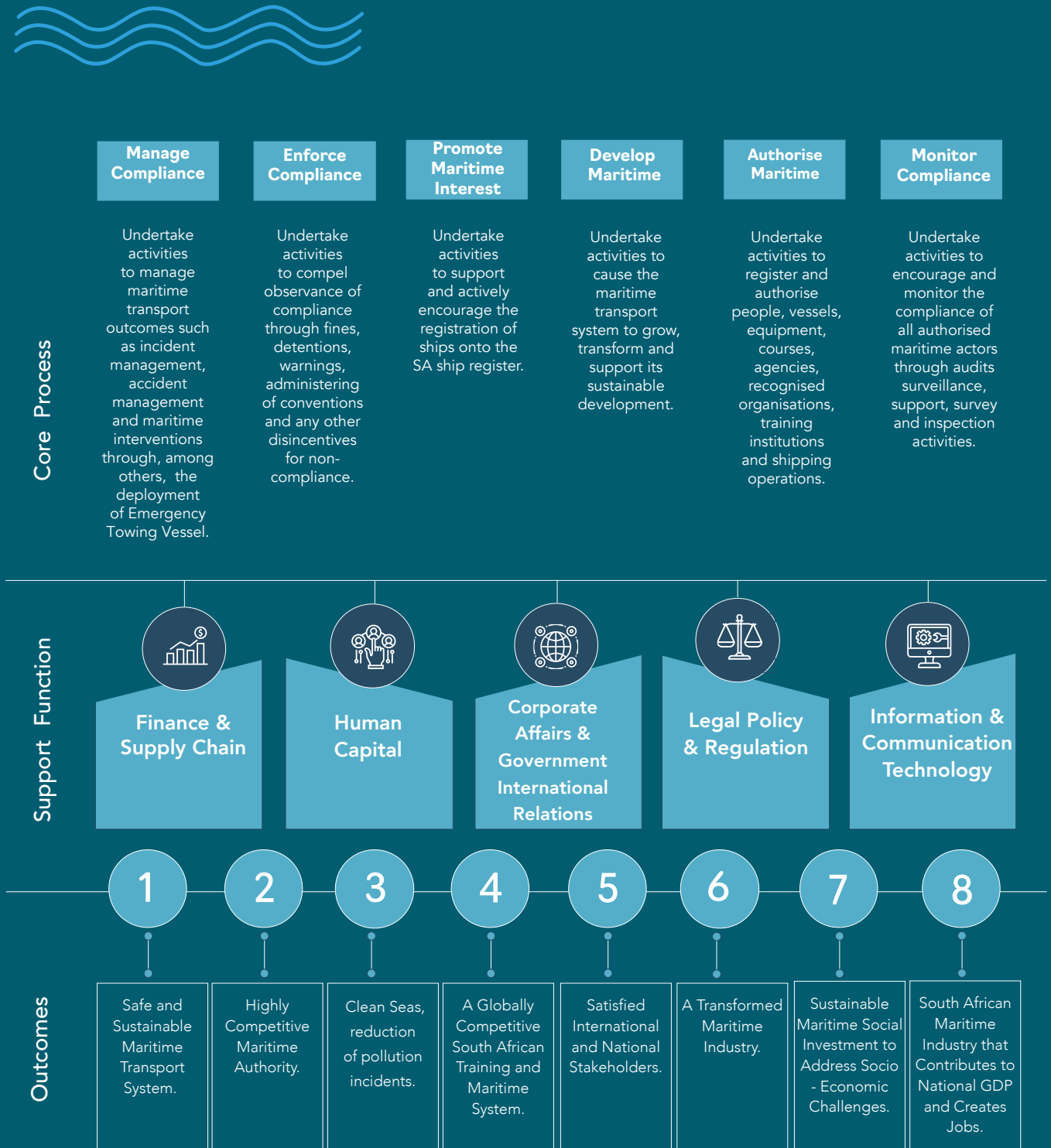


Governments

SAMSA is responsible for ensuring safe and efficient operations in South African waters for the maritime industry, community, and the general public. It partners with international organizations like the International Maritime Organization (IMO) and the Association of African Maritime Administrations to improve maritime safety and environmental protection. Labour associations and unions work with SAMSA to ensure fair working conditions and proper certification for seafarers. Customers include shipowners, shipping agents, and port users. SAMSA's employees carry out regulatory functions, while suppliers provide necessary tools and infrastructure. The South African government ensures SAMSA's activities align with national legislation and priorities for economic development, safety, and environmental protection.



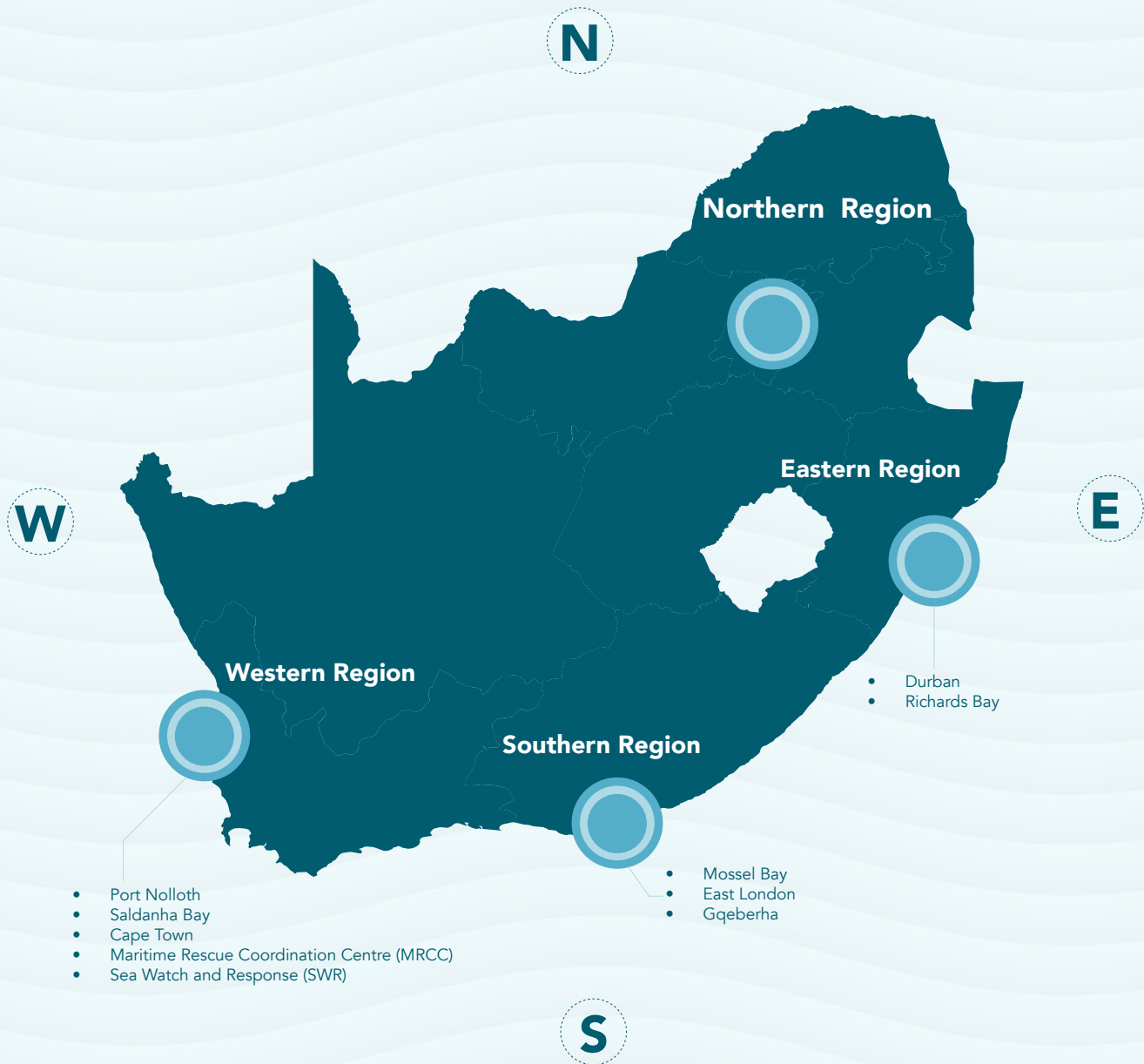
OUR OPERATING MODEL



OUR FOOTPRINT

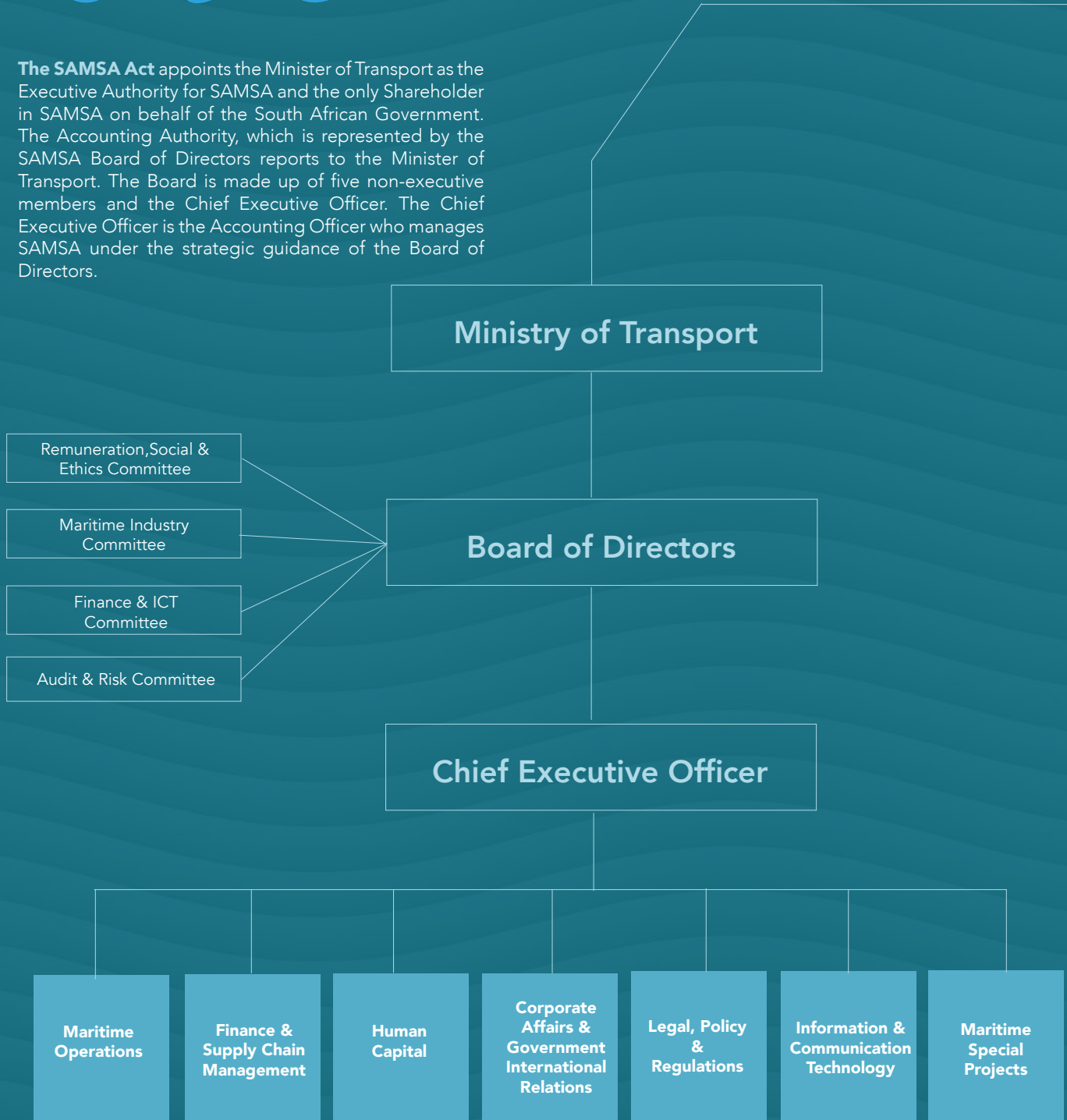


SAMSA's offices of operations are divided by regions in South Africa.



OUR ORGANISATIONAL STRUCTURE

The SAMSA Act appoints the Minister of Transport as the Executive Authority for SAMSA and the only Shareholder in SAMSA on behalf of the South African Government. The Accounting Authority, which is represented by the SAMSA Board of Directors reports to the Minister of Transport. The Board is made up of five non-executive members and the Chief Executive Officer. The Chief Executive Officer is the Accounting Officer who manages SAMSA under the strategic guidance of the Board of Directors.



OUR BOARD OF DIRECTORS



Mr Mahesh Fakir
Chairperson



Mr Tau Morwe
Deputy Chairperson



Ms Nogolide Nojozi
Board Member



Dr Natalie Skeepers
Board Member



Mr Sihle Nguse
Board Member



Adv. Nosipho Sobekwa
Board Member



Mr Metse Ralephenya
Executive Authority
Representative



Ms Mahlodi Moffat
Acting Company Secretary





OUR EXECUTIVE MANAGEMENT



Mr Tau Morwe
Acting Chief Executive
Officer



Mr Sobantu Tilayi
Chief Operations Officer



Ms Mbalenhle Golding
Chief Financial
Officer



Mr Tebogo Ramatjie
Acting Executive
Corporate Affairs



Mr Boetse Ramahlo
Executive Policy , Legal and
Regulations



Ms Pervahnee Naidoo
Acting Chief Human Capital
Officer



Mr Ndzimeni Ramungondo
Chief Information Officer



Mr Roland Shortt
Acting Executive
Manager: MSP





CHAIRPERSON'S REPORT



I am pleased to present the 2023/24 Annual Report on behalf of the Board of the South African Maritime Safety Authority (SAMSA). This report reflects SAMSA's progress, achievements and challenges during a year of significant transition and renewed focus. It provides an overview of our strategic direction, performance, and the steps we have taken to ensure SAMSA's continued effectiveness and improvement as a maritime safety regulator in promoting maritime safety, environmental protection, and South Africa's maritime interests.

On 1 September 2023, the Minister of Transport, Hon. Lydia Sindisiwe Chikunga, M.P, appointed a new SAMSA Board, marking a pivotal moment for the organisation. The new Board, now just a year old, inherited a complex set of challenges and committed itself to guiding SAMSA through its current phase of stabilisation and renewal. At the outset, a major challenge was the resignation of the acting CEO who was the Chief Financial Officer at the time, compounding a leadership crisis as a number of other executives were suspended at the time. Besides a leadership vacuum, SAMSA had also suffered cyber-attacks at the beginning of that financial year which consequentially caused delays in administrative and service delivery processes.

HIGH-LEVEL OVERVIEW OF SAMSA'S STRATEGY AND PERFORMANCE

Our strategic focus is anchored in our mission to provide leadership in maritime safety, prevent and combat marine pollution, and support SA maritime interests. The past year has been marked by several key initiatives and decisions aimed at aligning SAMSA's internal operations with our broader strategic goals.

A major milestone was the appointment of the Board Deputy Chairperson, Mr. Tau Morwe as Acting CEO, effective from 4 October 2023. His leadership has been instrumental in stabilising SAMSA, addressing immediate operational needs, and initiating a thorough recruitment process for key executive positions, whilst taking forward CCMA and other

legal challenges. His leadership and guidance through this transitional period has facilitated both internal stability and external effectiveness.

The performance of SAMSA in the year under review is at 72%, which while still concerning, does reflect an improvement. The Board will seek to improve performance further through better alignment between SAMSA's mandate and its strategy during the formulation of its new 5-year Strategic Plan that will be also align with the strategic goals and targets of the Seventh Administration of our Democratic State. Already, mandate analysis has been conducted within the organisation to redirect SAMSA's organisational focus and effort on its mandate as per its founding legislation and better refine the key performance indicators.

One of our significant achievements this year was the sale of the SA Agulhas. This strategic move aligns with our goal of enhancing financial sustainability by reducing high ongoing costs while ensuring continued support for South African seafarer training and flagging requirements.

STRATEGIC RELATIONSHIPS

The strength of SAMSA's relationships with the government entities, industry stakeholders, and community groups is crucial to our success. Over the past year, we have focused on reinforcing these relationships to support our mission and strategic objectives. Our engagement with the Executive Authority and other key public enterprises has been productive, contributing to our efforts to address regulatory challenges and promote maritime safety.

Against the backdrop of the Red Sea shipping crisis, the Board considered Presidential and Ministerial concerns around the alleged imposed Moratorium in Algoa Bay relating to offshore bunkering. In his SONA 2024, President Ramaphosa said: "With the current conflict in the Middle East affecting shipping traffic through the Suez Canal, South Africa is well positioned to offer bunkering services for ships that will be rerouted via our shores." The Board thus resolved to mandate

the Acting CEO to consult industry stakeholders, ensure that the organisation continue to perform its functions within its legislative mandate, and undertake to issue bunkering permissions. A Marine Notice was issued in this regard.

CHALLENGES FACED BY THE BOARD

The year presented several challenges, including the need to address leadership transitions and financial stability. One major challenge was the resignation of the previous acting CEO who was the Chief Financial Officer at the time, which required immediate action to ensure continuity and stability within the organisation.

We were confronted with the issue of multiple suspended Executives whose matters were still being considered, and in stabilising the organisation, the Board implemented the Disciplinary Committee Chairperson's recommendation of reinstating the Chief Operations Officer and initiated a comprehensive recruitment process for vacant Executive positions and other key Senior Management positions. Whilst some of these were delayed by CCMA proceedings, most processes for filling key posts are underway, with the key post of CFO having been filled.

Additionally, we have ensured the improvement of our financial sustainability through cost reduction strategies and revenue-enhancing measures. Concerns with non-approval of SAMSA tariff increases in the year necessitated engagements with relevant stakeholders, including the Ministry of Finance, with the aim of ensuring that the organisation is financially stable and enabled to deliver on its obligations. In this regard, Samsa through Board action, initiated and obtained the necessary approvals for long awaited tariff increases, which through collection over time, will begin to stabilise the organisations finances.

The Board has taken a deliberate decision to ensure that the coming months address the application of consequence management on responsible officials who incurred irregular, fruitless & wasteful expenditure dating back from the calendar year 2014 in line with National Treasury Regulations in the quest to address the internal control deficiencies and re-establish expenditure discipline.

Despite the delay in the process, the successful conclusion of the 2022/23 Annual Report and the subsequent Annual General Meeting taking place in November 2023 after a 2-year non-compliant absence, bear testimony to the progress made in restoring organisational stability and administrative normality.

Cyber-attacks suffered at the beginning of the financial year required the organisation to enhance its cyber security measures to avert the repeat as well as securing effective backup storage facilities in ensuring assimilation of operations should there be inadequacy in the controls in place.

STRATEGIC FOCUS FOR THE MEDIUM TO LONG TERM

Looking forward, SAMSA's strategic focus will include expanding the South African ship registry, enhancing seafarer training, and supporting coastal community development. We are committed to advancing initiatives to strengthen the maritime sector and contribute to national economic development. Our focus will also be on ensuring compliance with international maritime conventions and aligning with the Department of Transport's maritime initiatives.

Our medium to long-term strategy will involve continued stakeholder engagement and a focus on achieving the objectives outlined in our Annual Performance Plan and Strategic Plan. We aim to address regulatory and operational challenges while fostering innovation and growth within the maritime industry.

The Cape Sea route has seen increased vessel traffic which has created the need for the country to provide increased servicing of vessels, crew changes as well as provisioning. While this provides an opportunity for enhancement of our maritime economic growth, the situation necessitates a strategic approach to offshore bunkering services as well as the highest standards of maritime safety and environmental protection. SAMSA, in collaboration with the Executive Authority are looking into addressing this opportunity while assessing the risks attached.

In the months to come, Samsa will also have to address the transfer of the marine pollution function from DFFE to Samsa, assistance to the DOT as regards the domestication of IMO conventions within national legislation, as well as with addressing the IMO's audits and enhancing South Africa's role and standing in the IMO.

Climate change and the resulting severe weather occurrences at sea (among other factors) have produced increasing number of incidents resulting in loss of life, damage to vessels and cargo, pollution incidents, loss of containers in our waters, as well as the increased need for coordination of rescue efforts. Samsa will have to engage with Government and other stakeholders to achieve greater capacitation of functions relating to maritime disaster management and prevention.



APPRECIATION

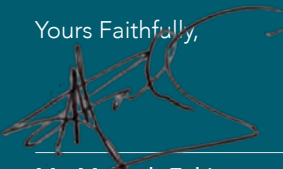
Sadly, we have lost South African seafarers during the course of the year, with the sinking of the Lepanto and we express our heartfelt condolences to the families of these seafarers and others affected.

I would like to extend my gratitude to the staff of SAMSA in general, in the vital work you do for South Africa as a maritime safety regulator and for your efforts in continuing to strive to achieve excellence in performing your duty to the nation.

I also extend my gratitude to several individuals and groups whose support has been instrumental in our progress. First, to the former Minister of Transport, Lydia Sindisiwe Chikunga for her support and confidence in the new Board. I acknowledge the dedication of Mr. Tau Morwe, whose leadership as Acting CEO has been crucial in stabilising the organisation and driving key initiatives. My thanks also go to my fellow Board members Mr Tau Morwe (Deputy Chair), Mr. Sihle Nguse, Dr Natalie Skeepers, Adv. Nosipho Sobekwa, and Ms Nogolide Nojozi for their contributions to our success.

On behalf of SAMSA Board and all at SAMSA, we extend our heartfelt congratulations to Minister Barbara Creecy, as well as Deputy Minister Mkhuleko Hlengwa as the heads of our Executive Authority in the seventh administration of democratic South Africa. We look forward to a productive and collaborative relationship with you and the Department of Transport. I am confident that with your continued support and guidance, SAMSA will continue to thrive and make meaningful contributions to South Africa's maritime sector.

Yours Faithfully,



Mr. Mahesh Fakir
Chairperson: SAMSA Board of Directors





CHIEF EXECUTIVE OFFICER REPORT



During this reporting period, the global shipping industry faced significant challenges, including disruptions from the Russia-Ukraine conflict, Israel and Palestine war, shifts in trade patterns, and the critical need for decarbonization in line with international environmental commitments. SAMSA navigated these challenges while striving to meet its strategic objectives and support the growth of South Africa's maritime industry.

OPERATIONAL PERFORMANCE

Over the past year, SAMSA has navigated a complex operating environment, influenced by both global maritime trends and national priorities. We continue to deliver on our mandates of ensuring the safety of life and property at sea, prevention of marine pollution from ships, and promotion of South Africa's maritime interests. Our commitment to maritime safety was demonstrated through rigorous enforcement of international maritime standards and robust inspection programs. We conducted 14,499 statutory surveys to ensure the seaworthiness of vessels operating under the South African flag, we improved our performance by 9% compared to the previous year. We further responded to 275 alerts and successfully saved 411 lives through MRCC.

On marine pollution prevention, we recorded a 3.47% positive variance in the reduction of marine pollution incidents as a result we achieved a rate of 0.53 incidents against our target of below 4. This significant achievement reflects our commitment in implementing key marine pollution initiatives and strengthening enforcement measures in collaboration with our industry partners. The introduction of the OPRC Bill represents a pivotal shift in our mandate 2. The bill, which seeks to amend the SAMSA Act, expands our responsibilities to include prevention, preparedness, response, and combating pollution from ships, seaports, oil handling facilities, and offshore installations. The function is currently located at DFFE. SAMSA is proactively preparing for these expanded duties.

We continued to support the growth and transformation of South Africa's maritime sector during this period. We also facilitated initiatives aimed at enhancing the South African Ship Register and promoting the maritime industry as a key driver of economic growth. The registration of one additional merchant vessel onto the South African Ship Register during the financial year was one of our notable milestones.

FINANCIAL PERFORMANCE STRATEGIC OVERVIEW

The financial performance of SAMSA in the 2023-2024 financial year was marked by continued efforts to enhance fiscal discipline and sustainability. Despite revenue pressures due to external economic conditions, SAMSA managed to maintain financial stability through stringent cost-containment measures and improved financial management practices. Key financial highlights include:

- A significant improvement in our cash cover ratio, which increased to five months, well above the target of three months. This was achieved through prudent financial management and the disposal of non-core assets, including the SA Agulhas vessel.
- Challenges remain in addressing audit findings, with a 74% implementation rate of action plans, below the 100% target. Nonetheless, SAMSA has made significant strides in strengthening internal controls, particularly in supply chain management and financial reporting.

HUMAN CAPITAL AND ORGANISATIONAL DEVELOPMENT

SAMSA's human capital strategy in the 2023-2024 financial year focused on addressing critical skills shortages and improving employee engagement. The organisation's headcount stood at 302 employees by the end of March 2024, reflecting a steady effort to align our workforce with strategic priorities.

Leadership challenges at SAMSA have been a significant concern for years, as highlighted by the instability created by not having a permanent CEO for more than 7 years. This has led to deep-rooted issues within the organisation. To address this, a leadership culture-shaping programme is being currently reviewed for implementation in the 2024-25 financial period. The implementation of the Culture Shaping Program will be central to our efforts to foster a positive organizational culture and improve employee satisfaction. This year, 81.2% of employees reported satisfactory engagement levels, exceeding our target of 70%. We also saw a significant reduction in scarce skills turnover, with an attrition rate of 4.1%, well below the targeted 10%.

Our Employee Wellness Program continues to be a cornerstone of our human capital strategy, offering comprehensive support to employees and their families. The overall utilization rate of the wellness program remains above global averages, indicating strong engagement with these resources.

CONSTRAINTS AND STRATEGIC CHALLENGES ENCOUNTERED

SAMSA faced several challenges in the 2023-2024 financial year, among which were the following:

- *Legislative and Regulatory Framework*- One of the key challenges faced by SAMSA is the outdated maritime legislation, which requires urgent review. The slow domestication of international conventions into local laws has also hindered our ability to fully enforce maritime regulations. SAMSA is working closely with the Department of Transport to expedite the review and update of relevant legislation.
- *Human Capital Management* - The scarcity of technical skilled maritime professionals remains a significant challenge for SAMSA. The Authority is in the process of exploring various initiatives to attract and retain critical technical skills, including the introduction of a training programme.
- *Funding Constraints* - Funding constraints continued to challenge SAMSA's operations, particularly in acquiring necessary resources for aerial surveillance and emergency response. The delay in tariff approvals resulted in a significant loss of revenue. Despite these challenges, SAMSA managed to close the financial year with a positive cash cover for five months, attributed to cost containment measures and prudent financial management.
- *Cyber Attack* - SAMSA is still addressing the negative impact of a cyber incident in April 2023, which has led to the reallocation of resources to restore our ICT environment and put necessary cyber security measures in place, conduct vigorous cyber security training and invest more on our ICT infrastructure.

SAMSA is committed to addressing these challenges by advocating for necessary legislative reforms and exploring alternative funding models to ensure the long-term sustainability of the organization. We will also continue to focus on enhancing our maritime capabilities through strategic partnerships and international cooperation.

KEY STRATEGIC INITIATIVES

SAMSA's strategic initiatives during the 2023-2024 financial year were aligned with our 2020 – 2025 Strategy, which aims to establish South Africa as an International Maritime Centre by



the end of this decade in line with Department of Transport's 2030 Vision. Below are some of the key strategic initiatives:

- SAMSA continues to implement strategic initiatives aimed at positioning South Africa as a leading maritime nation globally. The 2030 vision guides our efforts in transforming the maritime sector, fostering economic growth, and enhancing South Africa's competitiveness on the international stage.
- In terms of building strong strategic partnerships and international cooperation, SAMSA continues to strengthen its partnerships at both the national and international levels. These partnerships are essential for enhancing our capacity to respond to maritime incidents, improving our regulatory framework, and promoting South Africa's maritime interests on the global stage.
- We intensified our efforts to promote maritime careers and education, collaborating with various stakeholders to enhance the skills and competencies of South African seafarers as part of the promotion of the South African maritime industry development.
- SAMSA continued to lead efforts in maritime environmental protection, responding effectively to potential pollution threats.
- We continued to strengthen legislative reforms by accelerating the review and domestication of maritime legislations and regulations to align with international standards and improve enforcement capabilities.
- Investing in Human Capital has become a priority. Efforts are made to attract, retain, and develop maritime technical skills, including reviewing the remuneration framework and enhancing the work environment as part of one of our strategies going forward.

FORWARD-LOOKING AND CONCLUSION

As we move into the next financial year, SAMSA remains committed to advancing South Africa's maritime ambitions. Our strategic focus will be on enhancing the competitiveness of the South African maritime industry, promoting the growth of the South African Ship Register, and ensuring that our maritime safety and pollution prevention measures meet the highest international standards. The road ahead is both challenging and exciting. We anticipate steady growth in the shipping industry, increased focus on environmental sustainability, and continued efforts to modernize our legislative framework. We look forward to working with all our stakeholders to achieve our shared goals.

ACKNOWLEDGEMENTS

I would like to thank all SAMSA employees for their contribution towards achieving our set mandate despite challenges, union leadership, our customers, and South Africa at large.

Gratitude goes to the former Minister of Transport Ms. Sindisiwe Chikunga, Deputy Minister of Transport Mr Lisa Mangcu, the current Director-General Adv James Mlawu and DOT senior management for their guidance and unwavering support. To ensure that we remain guided on the strategic direction, we extend our sincere gratitude to the SAMSA Board of Directors and its committees for their unwavering commitment and support. We remain grateful to the continued support from our stakeholders and industry partners.

EVENTS AFTER REPORTING DATE

Management welcomes the appointment of the Minister of Transport, Ms Barbara Creecy and the Deputy Minister Mr Mkhuleko Hlengwa on the 3 July 2024.

The process of stabilising the entity by filling critical vacancies is at an advance stage. The CFO position has been filled, and the new CFO has started work on the 1 April 2024.

We started working on the establishment of the Board Maritime Industry and Regulatory Committee to assist the Board in carrying out its function. We also conducted a mandate analysis for the Authority, and that is expected to assist in the realignment and reorganisation project of the entity's resources. The Mandate Analysis output will help shape the discussion at the upcoming Board Strategic planning session.

In July 2024, the Department of Transport approved tariff increases of 9.2% for 2023/24 and 10% for 2024/25, and a zero increase for 2025/26. While this approval falls short of SAMSA's initial request, we are happy to report that this approval will make a huge impact on the operations of the Authority

Recruitment processes for other executive positions, including Company Secretary, Executive Maritime Special Project, Executive Corporate Affairs and Chief Human Capital Officer, are under way.



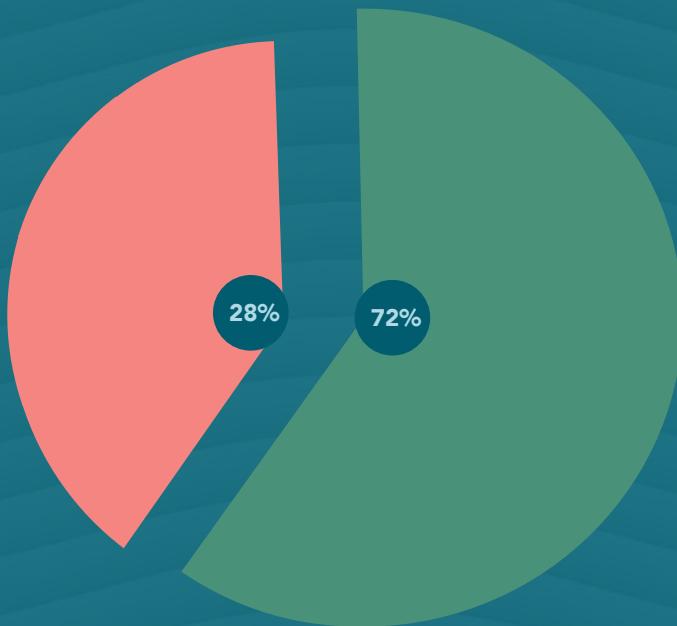
Mr Tau Morwe
Chief Executive Officer (Acting)



PERFORMANCE OVERVIEW

CORPORATE PERFORMANCE INFORMATION DASHBOARD

The following report provides an account of progress on SAMSA's predetermined objectives as outlined in the 2023/2024 Annual Performance Plan.



SAMSA ACHIEVED

72%

**OF ITS KEY
PERFORMANCE
INDICATORS
TARGETS**

● Achieved
● Not Achieved



PERFORMANCE INFORMATION

STRATEGIC CHALLENGE 1

STRATEGIC FOCUS AREA 1. Managing risks with regards to maritime safety of property, equipment, seafarers							
Key Performance Indicator	Annual Performance Plan		Annual Performance Progress Report				Additional Comments on the performance
	Description	Baseline	Annual Target	Actual Performance	Annual Variance	Trend	Reason for Variance against the target
1	Reportable maritime Incident rate from all types of vessels.	14.10 Maritime	Below 20 Reportable Maritime Incident rate	Achieved 13.27 Maritime Incident rate against a target of Below 20 Reportable Maritime Incident Rate	+6.73 (positive variance) Maritime Incident rate	▲	Reduction in maritime incidents due to corrective actions such as maritime awareness and concentrated inspections bearing positive results.
2	High priority foreign vessels inspected under Port State responsibility.	100% High priority foreign vessels Inspected under Port State responsibility.	100% Watchlist foreign vessels inspected under Port State responsibility.	Achieved 100% High priority foreign vessels inspected under Port State responsibility	No Variance	▲	To seek engagements with the IMO representatives on key areas of collaboration with a focus on technical assistance to improve our Port state inspection capability as a country in line with the new trends.

● Achieved

● Not Achieved

PERFORMANCE INFORMATION

STRATEGIC CHALLENGE 1

STRATEGIC FOCUS AREA 1. Managing risks with regards to maritime safety of property, equipment, seafarers							
Key Performance Indicator	Annual Performance Plan		Annual Performance Progress Report				Additional Comments on the performance
	Description	Baseline	Annual Target	Actual Performance	Annual Variance	Trend	Reason for Variance against the target
3	Reportable maritime fatalities rate from all types of vessels.	1.77 Maritime	Below 4 Reportable maritime fatalities rate from all types of vessels.	Achieved 2.03 rate against a target of below 4 Maritime Fatality rate	+1.97 (positive variance) Maritime Fatality rate	▲	Reduction in maritime incidents due to corrective actions such as maritime awareness, concentrated inspections bearing positive results.
4	Number of reportable Gender Based Violence (GBV) cases attended to and resolved.	New Indicator.	All reportable GBV cases attended to and resolved. No cases have been reported	Achieved All reportable GBV cases attended to and resolved.	No Variance No cases have been reported	▲	No cases have been reported.

Achieved

Not Achieved



PERFORMANCE INFORMATION

STRATEGIC CHALLENGE 2

STRATEGIC FOCUS AREA 2 : The State of the South Africa Maritime Education Training and Certification system							
To give full and complete effect to the relevant provisions of the STCW Convention in South Africa, in accordance with regulation 1/8 of the Convention, and Section A-1/7, paragraphs 4 to 6 of the Code. South Africa's last report on Independent Evaluation accepted by the Panel of Competent persons was in September 2006, thus posing the risk of being removed from the STCW Whitelist if an acceptable report is not submitted before the MSC implements the provision of Regulation 1/7.3 of the STCW Convention.							
Key Performance Indicator	Annual Performance Plan		Annual Performance Progress Report				Additional Comments on the performance
No	Description	Baseline	Annual Target	Actual Performance	Annual Variance	Trend	Reason for Variance against the target
1	Status of South Africa International Convention of Standards of Training, Certification and Watch keeping for Seafarers (STCW) Whitelist.	South Africa on the International Convention of Standards of Training, Certification and Watch Keeping for Seafarers (STCW) Whitelist.	Maintain the South Africa International Convention of Standards of Training, Certification and Watch Keeping for Seafarers. (STCW) Whitelist Status	Achieved (South Africa on the International Convention of Standards of Training, Certification and Watch Keeping for Seafarers. (STCW) Whitelist Status)	No Variance	▲	No Variances (South Africa remains on the International Convention of Standards of Training, Certification and Watch Keeping for Seafarers. (STCW) Whitelist Status) SAMSA to continue with the maturing of the Maritime Education Training System through the continuous improvement of the Quality Standard System.

● Achieved

● Not Achieved

PERFORMANCE INFORMATION

STRATEGIC CHALLENGE 3

STRATEGIC FOCUS AREA 3: Managing risks with regards to prevention and combating of maritime environment pollution by ships.									
Vessel operations pose a risk to the marine environment as they discharge harmful emissions from daily release of various substances. Intentional and unintentional discharges of oil, chemical cargo residues, garbage and cleaning agents, anti-fouling paint, exhaust and other air emissions and nonindigenous species from ballast water have an ongoing adverse impact on life in the world's seas									
Key Performance Indicator	Annual Performance Plan		Annual Performance Progress Report				Additional Comments on the performance		
	No	Description	Baseline	Annual Target	Actual Performance	Annual Variance	Trend	Reason for Variance against the target	
1		Reportable Maritime Pollution incidents rate from all types of vessels	1.12 Reportable Maritime pollution incidents rate from all types of vessels.	Below 4 Reportable Maritime pollution incidents rate from all types of vessels.	Achieved 0.53 rate against a target of below 4 Reportable Maritime pollution incidents rate from all types of vessels.	+3.47 (positive variance) Reportable Maritime pollution incidents rate from all types of vessels.	▲	Implementation of various key maritime pollution initiatives across the country to ensure the reduction of the Maritime Pollution incidents.	SAMSA to continue with key maritime pollution initiatives across the country, incorporate a new enforcement plan with our partners in the maritime pollution value chain, provision of safety resources and retention of key technical skills.

● Achieved
● Not Achieved



PERFORMANCE INFORMATION

STRATEGIC CHALLENGE 4

STRATEGIC FOCUS AREA 4: South Africa has outdated maritime legislation.

The outdated legislation needs to be prioritised for urgent reviewing also considering the International Conventions that South Africa recently acceded to, but not domesticated expeditiously into local laws, to ensure execution of enforcement. Penalties for transgression of legal requirements are also very low in comparison with other countries and environmental laws and, thus, is not a real deterrent for offenders. For South Africa, through SAMSA, to realise the above mandates; all acceded to conventions must be ratified and domesticated into national laws. Current principal Acts and Regulations are also outdated and must be amended to ensure standards of surveys are consistent and in line with latest technological developments and industry best practice.

Key Performance Indicator		Annual Performance Plan		Annual Performance Progress Report				Additional Comments on the performance
No	Description	Baseline	Annual Target	Actual Performance	Annual Variance	Trend	Reason for Variance against the target	
1	Number of maritime legislations, regulations updated and submitted to the Department of Transport	Three (3) sets of amendment Regulations namely: Merchant Shipping (Crew Accommodation) Draft Regulations seeks to repeal the 1961 Regulations; The Merchant Shipping (Safety of Navigation) Amendment Regulations seeks to amend the 1968 Regulations; The Merchant Shipping (Dangerous Goods) Amendment Regulations seeks to amend the 1997 Regulations.	Three (3) maritime legislation and regulations updated and sent to the Department of Transport for processing.	Achieved A Draft Notice in terms of section 2A(2) of the Marine Pollution (Prevention of Pollution from Ships) Act, 1986 The Merchant Shipping (Training, Certification and Safe Manning) Amendment Regulations, 2021; and The Merchant Shipping (National Small Vessel Safety) Regulations, 2007	No Variance	▲	No Variance (Three (3) sets of amendment Regulations finalised and submitted for processing to the Department of Transport	SAMSA resolved to address the urgent issue of the backlog on legislation through the following actions: 1. Formalisation of the legislation and regulations approval process 2. Board communication to the Minister of Transport on the backlogs and the prioritisation on the outstanding legislations and regulations.

PERFORMANCE INFORMATION

STRATEGIC CHALLENGE 5

STRATEGIC FOCUS AREA 5: To be an International Maritime Centre by the year 2030, capable of delivering on its mandate.									
SAMSA needs to be appropriately resourced and capacitated, with complete and correct financial resources, manpower, skills, and technology. SAMSA therefore seek to reconcile its internal resources and capabilities with the services and technical support demands placed on the entity so that it is best able to meet current and future strategic obligations over the next five (5) years. Due to a lack of enough resources, a significant number of surveys are outsourced to third parties, such as Authorised Agencies (small vessels), External Surveyors or Recognised Organisations (Classification Societies). Should any incident occurring, the ability of SAMSA to respond is limited, due to lack of resources and capability. Emergency Response capability such as vessels or aircraft are outsourced from third parties and these assets are not readily available for immediate use.									
Key Performance Indicator		Annual Performance Plan		Annual Performance Progress Report					
No	Description	Baseline	Annual Target	Actual Performance	Annual Variance	Trend	Reason for Variance against the target	Additional Comments on the performance	
1	Percentage achievement against the approved ICT Plan.	New Indicator	95% implementation of the approved Annual ICT Plan aligned to the Digital Strategy	Not Achieved 42% implementation achieved against a target of 95% of the approved ICT Plan aligned to Digital Strategy.	53% negative variance in the implementation of the approved ICT Plan aligned to Digital Strategy	▲	The non achievement of the planned deliverables can be attributed to the following: 1.Time required to restore the ICT environment after the April 2023 Cyber incident. 2.Limited human resources in ICT environment due to non-filling of vacancies because of noncompetitive salaries being offered by SAMSA	An ICT mitigation plan been developed and currently being implemented with outstanding deliverables scheduled to be completed by 31 July 2024	
Achieved Not Achieved									



PERFORMANCE INFORMATION

STRATEGIC CHALLENGE 5

STRATEGIC FOCUS AREA 5: To be an International Maritime Centre by the year 2030, capable of delivering on its mandate.

SAMSA needs to be appropriately resourced and capacitated, with complete and correct financial resources, manpower, skills, and technology. SAMSA therefore seek to reconcile its internal resources and capabilities with the services and technical support demands placed on the entity so that it is best able to meet current and future strategic obligations over the next five (5) years. Due to a lack of enough resources, a significant number of surveys are outsourced to third parties, such as Authorised Agencies (small vessels), External Surveyors or Recognised Organisations (Classification Societies). Should any incident occurring, the ability of SAMSA to respond is limited, due to lack of resources and capability. Emergency Response capability such as vessels or aircraft are outsourced from third parties and these assets are not readily available for immediate use.

Key Performance Indicator		Annual Performance Plan		Annual Performance Progress Report				
No	Description	Baseline	Annual Target	Actual Performance	Annual Variance	Trend	Reason for Variance against the target	Additional Comments on the performance
2	Cash Cover	1.84 Cash cover period.	Cash cover for three (3) months.	Achieved Cash cover for five (5) months.	Cash cover for two (2) months (positive variance)	▲	1.Improved due to cost containment measures, 2.Proceeds from disposal of SA Agulhas	None.

● Achieved

● Not Achieved

PERFORMANCE INFORMATION

STRATEGIC CHALLENGE 5

STRATEGIC FOCUS AREA 5: To be an International Maritime Centre by the year 2030, capable of delivering on its mandate.									
The outdated legislation needs to be prioritised for urgent reviewing also considering the International Conventions that South Africa recently acceded to, but not domesticated expeditiously into local laws, to ensure execution of enforcement. Penalties for transgression of legal requirements are also very low in comparison with other countries and environmental laws and, thus; is not a real deterrent for offenders. For South Africa, through SAMSA, to realise the above mandates; all acceded to conventions must be ratified and domesticated into national laws. Current principal Acts and Regulations are also outdated and must be emended to ensure standards of surveys are consistent and in line with latest technological developments and industry best practice.									
Key Performance Indicator		Annual Performance Plan		Annual Performance Progress Report			Additional Comments on the performance		
No	Description	Baseline	Annual Target	Actual Performance	Annual Variance	Trend	Reason for Variance against the target		
3	Percentage implementation of action plans to address audit findings	53% implementation of action plans to address audit findings	100% implementation of action plans to address audit findings	Not Achieved 74% implemented against target 100% of action plans to address findings of the prior year audit.	26% negative variance in the implementation of action plans to address audit findings	▲	The following were the key findings not yet addressed: 1. There was no independent quality assessment review performed on the Internal Audit within the previous 5 years . 2. Inadequate information technology disaster recovery processes. 3. A process to identify and maintain sensitive information not documented.	The following will be the corrective actions to address the key audit findings. 1. Awaiting testing disaster recovery plan by the 30 June 2024. 2. Approval of the Data Classification Policy by December 2024. 3. Independent Quality assessment for internal audit been now included in the new terms of reference for the procurement of a service provider.	

● Achieved
● Not Achieved



PERFORMANCE INFORMATION

STRATEGIC CHALLENGE 5

STRATEGIC FOCUS AREA 5: To be an International Maritime Centre by the year 2030, capable of delivering on its mandate.

The outdated legislation needs to be prioritised for urgent reviewing also considering the International Conventions that South Africa recently acceded to, but not domesticated expeditiously into local laws, to ensure execution of enforcement. Penalties for transgression of legal requirements are also very low in comparison with other countries and environmental laws and, thus; is not a real deterrent for offenders. For South Africa, through SAMSA, to realise the above mandates; all acceded to conventions must be ratified and domesticated into national laws. Current principal Acts and Regulations are also outdated and must be emended to ensure standards of surveys are consistent and in line with latest technological developments and industry best practice.

Key Performance Indicator	Annual Performance Plan		Annual Performance Progress Report				Additional Comments on the performance
	Description	Baseline	Annual Target	Actual Performance	Annual Variance	Trend	Reason for Variance against the target
4	Percentage reduction of cases of wasteful and fruitless expenditure.	77,2% reduction of cases of wasteful and fruitless expenditure.	75% reduction of cases of wasteful and fruitless expenditure	Not Achieved 50.6% achieved against a target of 75% reduction of cases of wasteful and fruitless expenditure	24.4% reduction of wasteful and fruitless expenditure.	▲	The following controls are in the process of being implemented: 1. The SCM unit is in the process of streamlining the SCM process through the office of the CFO. While the SCM policy is under redesign. 2. The Office of the CFO issues Process Circulars to the SAMSA community to give clear guidance on process and is also developing templates for such process for immediate implementation. 3. Consequence management need to be enforced by recovering the fruitless and wasteful expenditure from responsible personnel – this will be based on the investigation report on fruitless and wasteful expenditure.

PERFORMANCE INFORMATION

STRATEGIC CHALLENGE 5

STRATEGIC FOCUS AREA 5: To be an International Maritime Centre by the year 2030, capable of delivering on its mandate.							
The outdated legislation needs to be prioritised for urgent reviewing also considering the International Conventions that South Africa recently acceded to, but not domesticated expeditiously into local laws, to ensure execution of enforcement. Penalties for transgression of legal requirements are also very low in comparison with other countries and environmental laws and, thus; is not a real deterrent for offenders. For South Africa, through SAMSA, to realise the above mandates; all acceded to conventions must be ratified and domesticated into national laws. Current principal Acts and Regulations are also outdated and must be amended to ensure standards of surveys are consistent and in line with latest technological developments and industry best practice.							
Key Performance Indicator	Annual Performance Plan		Annual Performance Progress Report				Additional Comments on the performance
	Description	Baseline	Annual Target	Actual Performance	Annual Variance	Trend	Reason for Variance against the target
5	Percentage reduction of cases of irregular expenditure.	14,2%reduction of cases of irregular expenditure	75% reduction of cases of irregular expenditure	Not Achieved 32,9% against a target reduction of cases of irregular expenditure	42,1% reduction of cases of irregular expenditure	▲	1.Still some contracts incurring irregular expenditure. 2.New suppliers appointed. 3.Delays in transfer to new suppliers
1.The SCM policy is in the process of being updated with a target of end Nov 2024. 2.SCM is focusing on timeous contract renewals and putting more contracts in place to ensure good coverage of SAMSA requirements (ongoing). This will eliminate irregular expenditure resulting from utilising expired contracts. 3.There is an additional compliance checking step in SCM before approval of any procurement by the SCM Compliance Specialist, which can prevent irregular expenditure							

Achieved

Not Achieved



PERFORMANCE INFORMATION

STRATEGIC CHALLENGE 5

STRATEGIC FOCUS AREA 5: To be an International Maritime Centre by the year 2030, capable of delivering on its mandate.						
The outdated legislation needs to be prioritised for urgent reviewing also considering the International Conventions that South Africa recently acceded to, but not domesticated expeditiously into local laws, to ensure execution of enforcement. Penalties for transgression of legal requirements are also very low in comparison with other countries and environmental laws and, thus; is not a real deterrent for offenders. For South Africa, through SAMSA, to realise the above mandates; all acceded to conventions must be ratified and domesticated into national laws. Current principal Acts and Regulations are also outdated and must be emended to ensure standards of surveys are consistent and in line with latest technological developments and industry best practice.						
Key Performance Indicator		Annual Performance Plan		Annual Performance Progress Report		
No	Description	Baseline	Annual Target	Actual Performance	Annual Variance	Trend
6	Percentage compliance to 30-day payment requirement.	88, 3% compliance to 30-day payment requirement.	100% Compliance to 30-day payment requirement	Not Achieved 97.61% achieved against a target of 100% compliance to 30 day payment requirement.	2.39% negative variance to compliance to the 30-day payment requirement	▲
					Negatively affected by the following 1.Cyber-attack in financial period. 2.Payment process inefficiencies, delays in signing of invoice by managers.	The following controls are in the process of being implemented: 1. Purchase orders to specify that invoices will only be paid if they are submitted to SAMSA payment email. 2. Once the invoice is received, Finance will be able to share the invoice with the end user for approval and record it on the invoice register. 3. Finance will be able to know all invoices that are due for payment and make necessary follow ups with end users. 4. It will also eliminate the situation where end users sit with invoices in their email box while finance is not aware. 5. This process will be communicated to employees via CFO Asikhulume Flash & finance will be strict on this to enforce compliance the process (target date: 31 May 2024).

PERFORMANCE INFORMATION

STRATEGIC CHALLENGE 5

STRATEGIC FOCUS AREA 5: To be an International Maritime Centre by the year 2030, capable of delivering on its mandate.									
The outdated legislation needs to be prioritised for urgent reviewing also considering the International Conventions that South Africa recently acceded to, but not domesticated expeditiously into local laws, to ensure execution of enforcement. Penalties for transgression of legal requirements are also very low in comparison with other countries and environmental laws and, thus, is not a real deterrent for offenders. For South Africa, through SAMSA, to realise the above mandates; all acceded to conventions must be ratified and domesticated into national laws. Current principal Acts and Regulations are also outdated and must be emended to ensure standards of surveys are consistent and in line with latest technological developments and industry best practice.									
Key Performance Indicator	Annual Performance Plan			Annual Performance Progress Report				Additional Comments on the performance	
	Description	Baseline	Annual Target	Actual Performance	Annual Variance	Trend	Reason for Variance against the target		
7	Percentage resolution of reported incidents of corruption	No cases reported through the formal Whistle blowing channel.	100% resolution of reported incidents of corruption	Achieved 100% resolution of reported incidents of corruption - No cases reported through the formal Whistle Blowing channel	No Variance	▲	None No cases reported through the normal Whistle Blowing channel	None	
8	Report on the Ethical Status of SAMSA	REMCO Charter been extended to include social and ethics incidents and frequent reports provided.	Operations of Ethics committees monitored in line with the plan.	Achieved Operations of ethics committees monitored in line with the Plan.	No Variance	▲	None Operations of ethics committees monitored in line with the Plan.	The Annual report showcase the status quo of SAMSA's social and ethics	
Achieved Not Achieved									



PERFORMANCE INFORMATION

STRATEGIC CHALLENGE 5

STRATEGIC FOCUS AREA 5: To be an International Maritime Centre by the year 2030, capable of delivering on its mandate.							
The outdated legislation needs to be prioritised for urgent reviewing also considering the International Conventions that South Africa recently acceded to, but not domesticated expeditiously into local laws, to ensure execution of enforcement. Penalties for transgression of legal requirements are also very low in comparison with other countries and environmental laws and, thus; is not a real deterrent for offenders. For South Africa, through SAMSA, to realise the above mandates; all acceded to conventions must be ratified and domesticated into national laws. Current principal Acts and Regulations are also outdated and must be emended to ensure standards of surveys are consistent and in line with latest technological developments and industry best practice							
Key Performance Indicator	Annual Performance Plan		Annual Performance Progress Report				Additional Comments on the performance
No	Description	Baseline	Annual Target	Actual Performance	Annual Variance	Trend	Reason for Variance against the target
9	Scarce Skills Turnover rate	New Indicator	Below 10 % Scarce Skills Turnover rate.	Achieved Scarce Skills Attrition Rate < /= 5.9 %	Scarce Skills Attrition Rate < /= 4.1 %	▲	Scarce skills allowance is pending based on the solutions that will be presented.
10	Human Resources Recruitment Turnaround period.	New Indicator	Below 60 days Recruitment turnaround period.	Not Achieved 73 days Recruitment turnaround period.	13 days (above the target) Recruitment turnaround period	▲	1. Conclusion of the disciplinary process delayed the recruitment. 2. Scarcity of the skills in the market, 3. SAMSA value proposition to potential candidates. The entity took a decision to address all the outstanding vacancies immediately with a special focus on maritime operations

● Achieved

● Not Achieved

PERFORMANCE INFORMATION

STRATEGIC CHALLENGE 5

STRATEGIC FOCUS AREA 5: To be an International Maritime Centre by the year 2030, capable of delivering on its mandate.

The outdated legislation needs to be prioritised for urgent reviewing also considering the International Conventions that South Africa recently acceded to, but not domesticated expeditiously into local laws, to ensure execution of enforcement. Penalties for transgression of legal requirements are also very low in comparison with other countries and environmental laws and, thus; is not a real deterrent for offenders. For South Africa, through SAMSA, to realise the above mandates; all acceded to conventions must be ratified and domesticated into national laws. Current principal Acts and Regulations are also outdated and must be amended to ensure standards of surveys are consistent and in line with latest technological developments and industry best practice

Key Performance Indicator	Annual Performance Plan		Annual Performance Progress Report				Additional Comments on the performance	
	No	Description	Baseline	Annual Target	Actual Performance	Annual Variance		Trend
11	Percentage of SAMSA Employees engagement		New Indicator	70% of SAMSA Employees engagement at a Satisfactory level	Achieved 81.2% of employees satisfactorily engaged.	11.2% of employees satisfactorily engaged	▲	Corporate Training Plan in line with the skills audit and culture shaping corporate programme/ is being implemented

Achieved

Not Achieved



PERFORMANCE INFORMATION

STRATEGIC CHALLENGE 6

STRATEGIC FOCUS AREA 6: To enhance the competitiveness of South Africa's Maritime industry and exploit the potential for job creation, transformation, and economic contribution to the country's Gross Domestic Product.

South Africa is strategically positioned where the Indian Ocean, the Atlantic Ocean and the Southern Seas meet to create a unique sea trade route, oceans, and marine ecosystem. The country has jurisdiction over one of the largest Exclusive Economic Zones (EEZ) in the world, wherein its waters stretch over 200 nautical miles (370.4 km), with a depth of 5,700m and with more than 65% of this area deeper than 2,000m. The EEZ is traversed by international merchant ships transporting global trade goods from the far East to Africa, the Americas and Europe; as well as ships performing a diverse number of knowledge gathering, recreational and economic offshore operational activities. The South African oceans economy and coastal economic assets, resources, goods, and services of the country, which include fisheries, ports, harbours, trade, recreation, and tourism; make up approximately 43% of the country's Gross Domestic Product (GDP) production system, of which 25% is from direct economic benefits while 18% is derived from indirect benefits.

Key Performance Indicator		Annual Performance Plan		Annual Performance Progress Report				
No	Description	Baseline	Annual Target	Actual Performance	Annual Variance	Trend	Reason for Variance against the target	Additional Comments on the performance
1	Fast Track the implementation of the Maritime Transformational Agenda in collaboration with Strategic Partners.	The Maritime Transformational Agenda and Strategy to be approved by EXCO.	25% implementation of the Maritime Transformational Strategy Action Plan	Achieved 25% implementation of the Maritime Transformational Strategy Action Plan.	No Variance	▲	None	None
2	Number of merchant vessels registered onto the South Africa Ship register.	One merchant vessel registered onto the South Africa Ship register	One merchant vessel registered onto the South Africa Ship register.	Achieved One merchant vessel registered onto the South Africa Ship register.	No Variance	▲	None	Continuous engagements with the key stakeholders to resolve issues on taxation

● Achieved

● Not Achieved

PERFORMANCE INFORMATION

STRATEGIC CHALLENGE 7

STRATEGIC FOCUS AREA 7: To be an International Maritime Centre by the year 2030, SAMSA will have to be focused on fulfilling its critical role in the country's maritime ecosystem									
SAMSA will have to systematically identify, understand, and interact with its stakeholders to solicit for collaboration and support in the implementation of initiatives to ensure maritime safety, prevention of pollution of the marine environment and to promote the country's maritime interests.									
Key Performance Indicator		Annual Performance Plan		Annual Performance Progress Report					
No	Description	Baseline	Annual Target	Actual Performance	Annual Variance	Trend	Reason for Variance against the target	Additional Comments on the performance	
1	Percentage of implementation of the SAMSA Ecosystem Map/ Vision in line with the Strategy.	New Indicator	50% implementation of the SAMSA Ecosystem Map/Vision in line with the Plan.	Achieved 50% implementation of the SAMSA Ecosystem Map/ Vision in line with the Plan.	No Variance	▲	None	None	

Achieved

Not Achieved





HUMAN CAPITAL MANAGEMENT PERFORMANCE



HUMAN CAPITAL MANAGEMENT PERFORMANCE

The aim of the Centre for Human Capital is to implement people solutions that enable the business to achieve its strategic objectives. The purpose of this document is to provide a review of the implementation of Human Capital practices in SAMSA during the 2023/24 financial year. To fully discharge this, Human Capital has positioned itself as a strategic partner that delivers measurable value-adding solutions to the company.

This will be achieved inter alia through living up to the following performance expectations:

- 1. Understanding business deliverables
- 2. Increasing stakeholder's satisfaction
- 3. Creating bench strength
- 4. Increasing value in service deliver

The following strategies were identified as of priority areas for the FY2023/2024:

- a. Design strategies to attract and retain maritime technical skills.
- b. Good governance in line with National legislation and framework.
- c. Ensure that SAMSA receives an Unqualified Audit Opinion.
- d. Implement the Culture Shaping Programme.
- e. Implement an HR Information Management System.

The impact of HC's business plan will be measurable in:

- Improved recruitment time.
- Developed and implemented Customised HC solutions.
- People and leadership capability developed.
- Improved Employee engagement.
- Successful implementation of the SAMSA structure and deployment of personnel.

HEAD COUNT AND THE NUMBER OF APPROVED POSITIONS ON THE STRUCTURE

The staff complement as at the end of March 2024 was 302. For the organization to achieve the strategic objectives set for the five (5) years business planning period, a capacity plan was developed in alignment with the SAMSA's 5-year strategy as follows

2021	2022	2023	2024	2025
345	345	345	345	345

EMPLOYEE WELLNESS PROGRAMME

Employee wellness is currently outsourced and includes a comprehensive EAP offering available to both employees and family members. The Table below provides a list of the services provided and utilised by SAMSA employees during the 2023/24 financial year compared to the corresponding period a year ago. (FY2022/2023).

Hits	2022/23	2023/24
Drugs & Alcohol	0	4
Self-Development	0	8
Grief/Bereavement	28	9
Anger Management	0	1
Marital Relationships	0	2
Family Relationships	42	24
Relationships	0	27
Stress and burnout	24	10
Work-Related Stress	36	13
Anxiety	1	10
Behavioural Issues	0	23
Legal	1	0
Depression	2	36
Trauma	34	0
Fitness	1	0
Suicide	2	0
Total	171	167

1. The Table shows a utilisation of 167 hits for the FY2023/24 which is only slightly less than the previous financial year (171 hits). The SAMSA utilisation/uptake rate stands at 8%, compared to the global average of between 3% to 5 %.
2. Reported incidents of depression, relationships concerns, and behavioural issues have increased significantly compared with those of the past year.
3. There are significantly fewer reported issues related to Work stress/burnout issues, grief and bereavement and family relationships compared to the previous year. Also, there were no reported incidents of trauma, and which has seen a substantial reduction compared to the previous year.
4. A single case of tuberculosis infection was reported, and the necessary protocols put in place. Screening of employees was completed, which revealed no spread to other employees. The infected employee is being treated accordingly in line with national health guidelines.
5. A SAMSA Wellness Day was held on 15 September 2023 covering a range of topics including Financial Wellness (Budgeting), Mental Wellness, Stress/Burnout, Wills and Fitness (Related to working from home, exercises), because of



EMPLOYEE WELLNESS PROGRAMME

- the trends in the FY2022/2023.
- 6. The trends for the FY23/24 suggest that EAP interventions to address mental wellness, psychosocial well-being and interpersonal relationships will be required to address the most dominant concerns.
 - 7. In addition, interventions that employees have requested for FY2024/2025 will focus on equipping managers with relevant skills and increasing awareness on menopause, grief counselling, retirement planning, diversity, and inclusion.
 - 8. Compared to global trends, SAMSA's above average utilisation/update rate during this period suggests that employees at SAMSA are less resistant to EAP interventions and are maximising the benefits.

HUMAN CAPITAL MANAGEMENT POLICIES

The following Human Capital policies were reviewed in the FY2023/2024 and the status as at the end of March is provided in the Table below.

The following Policies under review:		
No	Policy Name	Status
1	Acting Policy	Reviewed Policy presented to REMCO for consideration
3	Remuneration Policy	Policy is approved by the Board. Waiting for the signed copy
4	Retirement Fund Policy	Submitted to EXCO for approval
5	Relocation Policy	Policy was reviewed and submitted to SPC for recommendations

HUMAN CAPITAL MANAGEMENT PERFORMANCE

Personnel Cost by Programme/ Activity / Objectives

Programmes	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel Expenditure as a % of Total Expenditure	No of employees	Average Personnel Cost per Employee (R'000)
Focus Area 1	401 208	116 390	29,0%	130	895
Focus Area 2	401 208	13 086	3,3%	22	595
Focus Area 3	401 208	7 691	1,9%	4	1 923
Focus Area 4	401 208	15 371	3,8%	12	1 281
Focus Area 5	401 208	77 783	19,4%	96	810
Focus Area 6	401 208	25 594	6,4%	27	948
Focus Area 7	401 208	12 96	3,2%	11	1 179
TOTAL		268 882		302	



HUMAN CAPITAL MANAGEMENT PERFORMANCE

Personnel Cost by Salary Band

Level	Personnel Expenditure ('000)	% of Personnel Expenditure to Total Personnel Cost	No of employees	Personnel Costs per Level (R'000)
Top Management	268 882	1,37%	1	3 687
Senior Management	268 882	7,44%	8	20 015
Professionally Qualified	268 882	56,16%	113	151 005
Skilled Technical	268 882	22,17%	85	59 618
Semi-Skilled	268 882	9,29%	67	24 985
Unskilled	268 882	1,60%	19	4 313
Temporary Workers	268 882	1,96%	9	5 259

Performance Rewards

Level	Performance Rewards (R'000)	Personnel Expenditure (R'000)	% of performance rewards to total personnel costs
Top Management	0	268 882	0%
Senior Management	0		0%
Professional qualified	0		0%
Skilled	0		0%
Semi-Skilled	0		0%
Unskilled	0		0%
Total	0	268 882	0%

HUMAN CAPITAL MANAGEMENT PERFORMANCE

Training Cost					
Programme/Activity/Objective	Personnel Expenditure R('000)	Training Expenditure R('000)	Training Expenditure as a % of Personnel Cost	No of employee trained	Avg training cost per employee (R'000)
Long Term Training (6 months-3 years)	268 882	1 044 294	23%	34	30 714
Short Term Training (1-5 days)		1 652 309	37%	199	8 303
Grand Total Spending		2 696 603	60%	233	11573

Employment and Vacancies					
Occupational Level	2022/2023 No of employees	2023/2024 Approved Posts	2023/2024 No of employees	2023/2024 Vacancies	% of Vacancies of Total Approved Posts
Top Management	1	2	1	1	0,29%
Senior Management	10	13	8	5	1,45%
Professional Qualified	112	138	107	31	8,99%
Skilled	83	99	81	18	5,22%
Semi-Skilled	64	74	61	13	3,77%
Unskilled	19	19	19	0	0,00%
Fixed Term	9		25		0,00%
TOTAL	298	345	302	68	19,71%

* The total approved posts stated above at 345 include all non-permanent staff (i.e. contract workers, temporary workers, interns, workplace exposure).



HUMAN CAPITAL MANAGEMENT PERFORMANCE

Changes in the employment profile were due to the number of terminations from both Technical (Scarce and Critical skills) and Support functions

Employment Changes				
Salary Band	Employment at the beginning of period	Appointments	Terminations	Employment at the end of the period
Top Management	1	0	0	1
Senior Management	10	0	2	8
Professional Qualified	112	12	17	107
Skilled	83	7	9	81
Semi -Skilled	64	3	6	61
Unskilled	19	0	0	19
Fixed	9	22	6	25
TOTAL	298	44	40	302

HUMAN CAPITAL MANAGEMENT PERFORMANCE

Changes in the employment profile were due to the number of terminations from both Technical (Scarce and Critical skills) and Support functions

Reasons For Staff Leaving		
Reason	Number	% of total no. of staff leaving
Death	3	0,9%
Resignation	26	8.6%
Dismissal	0	0.0%
Retirement	5	1.6%
Ill Health	0	0,0%
Expiry of contract	3	0.9%
Other*	3	0.9%
TOTAL	40	13.2%

*Other refers to employees vacating positions due to promotions or grade change.

Labour Relations: Misconduct and Disciplinary Action	
Nature of disciplinary action	Number
Verbal Warning	0
Written Warning	1
Final written Warning	1
Dismissal	0



HUMAN CAPITAL MANAGEMENT

EMPLOYEE EQUITY

Equity Target and Employment Equity Status

The Annual EE Report was submitted to the Department of Employment and Labour in December 2023.

Equity Target and Employment Equity Status										
Males										
Occupational Levels	African		Coloured		Indian		White		Foreign National	
	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target
Top management	1	1	0	0	0	0	0	0	0	0
Senior management	4	5	0	3	0	0	1	1	0	0
Professionally Qualified	44	55	14	15	1	2	20	23	3	3
Skilled Technical	30	40	7	6	1	1	2	3	1	1
Semi-Skilled	17	26	1	3	0	1	0	0	0	0
Unskilled	2	2	0	0	0	0	0	0	0	0
Temporary Workers	3	2	0	0	0	0	0	0	0	0
TOTAL	101	131	22	27	2	4	23	27	4	4

HUMAN CAPITAL MANAGEMENT

EMPLOYEE EQUITY

Equity Target and Employment Equity Status										
Females										
Occupational Levels	African		Coloured		Indian		White		Foreign National	
	Current	Target	Current	Target	Current	Target	Current	Target	Current	Target
Top management	0	1	0	0	0	0	0	0	0	0
Senior management	3	3	0	0	0	0	0	0	0	0
Professionally Qualified	22	29	1	2	2	2	5	7	1	1
Skilled Technical	38	36	4	5	1	1	1	2	0	0
Semi-Skilled	37	33	9	7	1	1	2	6	0	0
Unskilled	16	16	1	1	0	0	0	0	0	0
Temporary Workers	6	8	0	1	0	0	0	0	0	0
TOTAL	122	126	15	16	4	4	8	15	1	1



HUMAN CAPITAL MANAGEMENT PERFORMANCE

Equity Target and Employment Equity Status				
Current Versus Target (People Living with Disabilities)				
Occupational Levels	Male		Female	
	Current	Target	Current	Target
Top management	0	0	0	0
Senior management	0	0	0	0
Professionally Qualified	2	1	0	0
Skilled Technical	3	2	0	0
Semi-Skilled	0	0	2	2
Unskilled	0	0	2	2
Temporary Workers	0	0	0	0
TOTAL	5	3	4	4

HUMAN CAPITAL MANAGEMENT PERFORMANCE

ACHIEVEMENTS

The following highlights were achieved in the reporting period:

1. The submission of the Workplace Skills Plan (WSP) to Transport Education and Training Authority (TETA) before the 30th of April 2024.
2. Completion of the Internal Employee Skills Audit.
3. Approved for implementation of Employment Equity plan for FY23/24.
4. Completion of the Employee Engagement Survey
5. Completion of Salary Benchmarking
6. Commencement of SAGE 300 (HRIS) project.

CHALLENGES

The following challenges were experienced in the reporting period:

1. Delayed implementation of the HR systems.
2. Limited sourcing of scarce and technical skills from previously disadvantaged groups
3. Increasing attrition among the technical skills categories.
4. Lack of representation of females at management level as well as employees living with disabilities at all levels which has an impact on employment equity and transformation.
5. Budgetary constraints on training initiatives aligned to the Culture Shaping project resulting in it being put on hold.
6. Increased number of surveyors resigning, due to dissatisfaction with their salary and benefits.

FUTURE HC PLANS/GOALS

1. Implementation of the revised Re-organisation/Re-alignment Project for a fit-for-purpose and sustainable SAMSA workforce.
2. Implementation of the Culture Shaping Programme in stages and in areas of priority, to address key management and leadership capability to ensure the presence of an engaged and motivated workforce.
3. Embedment of the SAMSA Competency Framework to facilitate the building of new capabilities in our workforce.
4. Automation of the current performance management system to improve efficiencies.
5. Development of Remuneration strategies based on the outcomes of a salary benchmarking exercise to attract and retain key skills.



HUMAN CAPITAL MANAGEMENT PERFORMANCE

No	Output Indicator	Output Indicator	Annual Target	Actual	Variance	Status	Status	Reasons for variance
1	Scarce Skills Turnover Rate	New Indicator	Below 10% scarce skills turnover rate	Achieved Scarce Skills Attrition Rate < /=5.9%	Scarce Skills Attrition Rate < /=4.1%		1.Scarce Skills Allowance is pending based on the solutions that will be presented	Implement recommendations of salary benchmarking
2	Human Resources Recruitment turnaround period	New Indicator	Below 60 days Recruitment turnaround period	Not achieved 73 days Recruitment turnaround period	13 days (above the target) Recruitment turnaround period		1.Conclusion of disciplinary process delayed the recruitment. 2.Scarcity of the skills in the market	The entity took a decision to address all outstanding vacancies immediately with a special focus on maritime operations
3	Percentage of SAMSA employees engagement	New Indicator	70% of SAMSA employees engagement satisfactory level	Achieved 81.2% of employees satisfactorily engaged	11.2% of employees satisfactorily engaged		1.Corporate training Plan in line with the skills audit and culture shaping corporate programme is being implemented	None

- Achieved
- Not Achieved

SAMSA ENTERPRISE RISK REPORT



ENTERPRISE RISK MANAGEMENT REPORT

Effective risk management is fundamental to the mandate activities of South Africa Maritime Safety Authority (SAMSA). While SAMSA remains committed to deliver on its mandate objectives within the Board of Directors determined risk appetite, the entity is mindful of achieving these objectives in line with the interests of all stakeholders.

SAMSA seeks to achieve an appropriate balance between risk and outcomes delivery and continue to build and enhance the risk management capabilities that assist in delivering our strategic plans in a controlled environment.

Responsibility and accountability for risk management resides at all levels within the Authority, from the Board down through the organisation to each function/unit manager and risk specialist. Our risk management approach ensures consistent and effective management of risk and provides for appropriate accountability and oversight.

Our risk universe constitutes the risks that are relevant to our strategy and mandate objectives delivery as per SAMSA Act 5 of 1998. These top enterprise risks require focused

management because they represent material impacts to the strategy. We regularly scan the environment for changes to ensure that our risk universe remains relevant.

The risk universe is managed through a lifecycle, from identification to reporting.

Risk exposures are managed through different techniques and are monitored against a risk appetite that supports our strategy. Through the embedding of our values and ethics policies, compliance training and whistle-blowing programmes, our employees are empowered to act with confidence, drive meaningful behavioural changes and place the client at the centre of everything they do.

The purpose of this report is to provide an update of progress made in the mitigating of SAMSA strategic risks, key realised risks in the delivery of the mandate objectives, emerging risks, and progress on the implementation of the SAMSA risk management maturity roadmap to ensure the achievement of the SAMSA Enterprise Risk Management Policy, and strategy objectives.

Below is an overview of the SAMSA Risk Universe per risk categories in line with the Board signed risk appetite and threshold framework.



ENTERPRISE RISK MANAGEMENT REPORT

THE TOP RISKS FACING THE SOUTH AFRICAN MARITIME SAFETY AUTHORITY (SAMSA)

Our enterprise risk process involves a deep analysis into the internal and external factors that influence our operating context. These risks have a material impact, based on their estimated severity and likelihood, and are referred to as our enterprise risks. Through a prioritisation exercise, we identify those risks that require additional management focus, which are referred to as our top enterprise risks as shown below.

Item	Risk Identified	Risk Status (Residual Risk Rating)
1	Significant adverse maritime events - A significant event leading to serious maritime casualties, loss of life and damage or total loss of property	●
2	Inadequate Enforcement - An inadequate regulatory and enforcement environment can lead to an incident causing loss of life and property.	●
3	Inadequacies in the Maritime Education and Training system resulting in poorly trained seafarers and inadequate welfare conditions onboard ships can lead to loss of life and property	●
4	Seafarer Certification - Inability of Flag State to issue Certificates of Competence, Certificates of Proficiency and Ancillary Certificates to Seafarers, leading to unemployment of South African Seafarers.	●
5	Non-compliance with international and national obligations by SAMSA.	●
6	Lack of leadership capacity - The three top leadership layers, i.e., the Board, the Executive team, and the Manco team not effective and not leading ethically.	●
7	Greenhouse Gas emissions causing pollution and ultimately contributing significantly to climate change. Air pollution - Air emissions	●
8	Litigation against SAMSA because of inconsistent application of legislation and outdated legislation leading to an impact on international shipping and financial losses.	●
9	Failure of ICT Infrastructure and non-availability of Business Applications.	●
10	Cyber Security and data privacy - Interruption of ICT services due to cyber security related incidents. Logistical attacks (hacking, malware)	●
11	Inability to grow the Ship Register - Deregistration of vessels and Stagnation of the Ship Register	●
12	Limited Maritime Skills to deliver on the mandate objectives	●
13	Fraud and corruption - Seafarer Certificates and Vessel Certificates are issued fraudulently	●

*The risks shown above are all above the SAMSA tolerance level thus immediate mitigation actions required to treat these risks to a tolerance level acceptable by the Board in with the RAT Framework.

- Priority Level 1 (Catastrophic)
- Priority Level 2 (Critical)



ENTERPRISE RISK MANAGEMENT REPORT

Mandate Objective	Risk Identified	Mitigation/Action Plan	Action Owner	Timelines	Resources Impact (Costs)
To ensure safety of life and property at sea	Significant adverse maritime events - A significant event leading to serious maritime casualties, loss of lives and damage or total loss of property. Examples include collisions, grounding, sinking, etc	Maritime Capacity (Resources) Plan - Intervention capability [Advanced MDA technologies, Incident Management Systems, access to Patrol Vessels, Rotary and Fixed Wing Aircraft and UAVs (Short-, Medium- & Long-Term Plan)	DCOO	31 July 2024	To be confirmed once the plan been finalised
		Regional Co-operation Agreements that allow us to better coordinate any emergency response and monitoring activities.	DCOO & Executive Head Corporate Affairs	30 October 2024	None
		Formalisation of the Legislation Framework to ensure legislation domestication flowing from IMO/ ILO/IALA to improve the regulatory environment.	Ex Policy Legal & Regulations & DCOO	31 March 2025	None
		Conduct a coastal ATON Risk Assessment to evaluate the volume of traffic and the degree of risk along the South African coast to identify areas of high risk and whether additional vessel traffic services or Traffic Separation Schemes are required to ensure better safety of navigation.	Head of Sea Watch and Response	31 March 2025 *Dependency on external stakeholders	TBC
		Develop and Implement a Maritime Safety Programme for the next three years.	DCOO	30 August 2024	TBC

ENTERPRISE RISK MANAGEMENT REPORT

Mandate Objective	Risk Identified	Mitigation/Action Plan	Action Owner	Timelines	Resources Impact (Costs)
To ensure safety of life and property at sea	Inadequate enforcement environment - An inadequate regulatory and enforcement environment can lead to an incident causing loss of life and property	Develop comprehensive training programs for maritime personnel, offer incentives to attract and retain skilled professionals, and collaborate with educational institutions to address skill gaps.	Executive Human Resources and COO	30 August 2024	To be confirmed once the plan been finalised
		Engage with the National Prosecuting Authority to enable SAMSA to prosecute non-compliance by ships, owners, and crew.	DCOO and Exec PLR	30 September 2024	Travel costs. R30 000.00
		Review the organisations' structure, conduct a needs assessment to establish the best capacity and skills model for Maritime Operations, especially that of the Technical Service Unit, to ensure proper oversight of RO's and to provide technical support to Maritime Operations.	CEO	31 March 2025	TBC
		Develop a supplementary oversight inspection program for all convention ships entitled to fly the South African Flag, which fall outside of any statutory surveys to ensure that South African ships maintain the highest safety standards and crew competence.	DCOO	30 November 2024	To be confirmed once the program been finalised



ENTERPRISE RISK MANAGEMENT REPORT

Mandate Objective	Risk Identified	Mitigation/Action Plan	Action Owner	Timelines	Resources Impact (Costs)
To ensure safety of life and property at sea	Fraud and corruption - Seafarer Certificates and Vessel Certificates are issued fraudulently. Several cases have already been reported to SAMSA by both Training Institutions and DFFE.	Complete an emergency procurement of a proven "off-the shelf" system that is already in use by other flag states and implement within the shortest timeframe possible (3-9 months) that will allow for a stable environment and the printing of seafarers and vessels certificates.	COO and CIO	31 March 2025	To be confirmed once the plan been finalised
To prevent and combat pollution of the marine environment by ships	Greenhouse Gas emissions causing pollution and ultimately contributing significantly to climate change	1.Compliance on Reception facilities 2.Continue with Port State Control Inspections using qualified Port State Control Officers, focusing on MAR	DCOO	Ongoing	None
	Air pollution - Air emissions				
	Spillage and Marine Litter - Operational/ deliberate/ discharge/ accidental spillage and Marine litter (garbage) via Accidental nurdle spill/pellets	1.Implementation plan and motivate to DOT for the transfer of the equipment and additional funding to manage the warehouse and equipment 2.Implement an electronic system that will issue Verified Gross Mass Certification for Type 2 Service Providers	DCOO DCOO & CIO	30 August 2024 31 March 2025	None To be confirmed once the business been finalised

ENTERPRISE RISK MANAGEMENT REPORT

Mandate Objective	Risk Identified	Mitigation/Action Plan	Action Owner	Timelines	Resources Impact (Costs)
To promote the Republic's Maritime Interests	Non delivery of SAMSA Mandate's third objective by neglecting other maritime sub sectors such as fishing.	1.To resuscitate and capacitate fishing sub-unit. 2.Fishing Sector Development Programme	CEO and COO	31 March 2025	TBC
	Inability to grow the Ship Register - Deregistration of vessels and Stagnation of the Ship Register	1.To develop and implement the South African National Ships Register Strategy	COO	31 March 2025	-
Governance and Administration	Lack of leadership capacity Inappropriate tone at the Top – Executives' lack of a unified view, expression, and failure to live organisational values that set the tone for the rest of the organisation Infighting and politics Behaviour of Executive and Senior management members bringing the organisation into disrepute. Culture of silence - Employees too scared to speak up when they see something wrong in the organisation	1.Develop and Implement Leadership Culture Change Programme	CEO	30 September 2024	To be confirmed once the business been finalised



ENTERPRISE RISK MANAGEMENT REPORT

Mandate Objective	Risk Identified	Mitigation/Action Plan	Action Owner	Timelines	Resources Impact (Costs)
Governance and Administrations	Unsupported strategy Strategy not supported by the right culture	1.Strategy Change Management Programme including the Mandate analysis, KPI review and strateg	CEO and Senior Manager Strategy.	30 August 2024	-
	Failure of ICT Infrastructure and non-availability of Business Applications	1.Address all the backup and replication challenges. 2.Complete implementation of the DR capability 3.Migrate additional critical systems (HR and AIS) to the Cloud 4.Conduct Cloud service benchmarking in preparation for the procurement of the SAMSA Cloud hosting solution. 5.Test restore from backups (Cloud and Tape) including testing failover of the Primary environment to VDC. 6.Implementation of the approved disaster recovery policy and IT recovery plan	CIO	30 August 2024	None

SAMSA CORPORATE SOCIAL INVESTMENT REPORT



SAMSA CORPORATE SOCIAL INVESTMENT REPORT

SAMSA's vision and objective is to lead and champion South Africa's maritime interests as custodian and steward of maritime policy, to be the vigorous promoter of the maritime sector and give full and complete effect to its obligations for the benefit of all stakeholders.

Among key goals of SAMSA's mission is to deliver services related to public awareness and education in marine safety and pollution prevention, and as such, SAMSA Corporate Social Investment (CSI) initiatives encompass projects that are outward focused, for the purpose of achieving a sustained improvement in socio-economic conditions of the target beneficiaries.

The SAMSA CSI projects concerned adhere to, as underpinned by a credible developmental approach. The approach is aimed at ensuring that CSI programmes at SAMSA support an operating environment that is conducive to doing sustainable business in South Africa.

SAMSA's CSI Focus Areas



Education



Water Skills Development



Entrepreneurial development



Employee voluntarism

SAMSA's CSI strategic focus is on Education, Water Sport Development, Entrepreneurial Development, Employee Voluntarism and Special Projects and closely aligned to the overall objectives of Government, wholly undergirded by the principles of Batho Pele.

Education

The aim of the project is to bring about and enhance public awareness about the maritime industry to South African communities, especially against the backdrop that there are far fewer educational institutions (both at basic and tertiary level) that currently offer maritime sector related education and training courses. The aim is to better equip communities, but particularly those in or closest to where SAMSA operates, with all relevant, material basic education and training with a view to also enabling them to identify and positively exploit maritime business opportunities.

Water sport development is now referred to as Water Skills Development

SAMSA, through its CSI has identified water sport as a developmental initiative, as it has an opportunity to bring talent to those communities leaving next to dams. It also offers an opportunity to open tourism initiatives that can also create jobs.

It also covers safety aspects as most children, particularly in African communities; drown in rivers and dams due to a lack of water survival skills. Water skills that SAMSA's CSI offer in terms of awareness include basic swimming, lifeguard training, and deep-sea diving.

Entrepreneurial development

Over the past decade, there has been a gradual shift in CSI practices, especially towards practices of more strategic and

SAMSA CORPORATE SOCIAL INVESTMENT REPORT

impactful programs. In SAMSA CSI's approach, entrepreneurship looks at empowerment related to communities in the entity's area of operation, to start businesses relating to maritime, such as boat building and repair.

Employee Voluntarism

The initiative is aimed at encouraging SAMSA employees to identify projects and programs that render community assistance. This program is normally in collaboration with SAMSA's Human Capital. Through the initiative, SAMSA encourages staff to join forces with the organization with the objective of assisting in creating awareness of what is done in the CSI's space. The project allows the employees to be seasoned ambassadors in their own communities

CORPORATE SOCIAL INVESTMENT AND SUSTAINABILITY IN LINE WITH THE NATIONAL PRIORITIES ON ECONOMIC GROWTH AND TRANSFORMATION

Nelson Mandela Month Drowning Prevention Campaign

The purpose of this campaign held in Gauteng, in partnership with the National Sea Rescue Institute (NSRI) over four (4) months, from 31 August to 09 November 2023, was to create awareness among particularly young people at basic education level about Drowning and the important role knowledge, awareness, and behaviour have in the prevention of drownings.

Key objectives of the campaign, launched with the theme: "The Legacy Lives on Through You" for alignment with its association and launch during the annual United Nations (UN) declared Nelson Mandela Day in August, were to:

- Provide Water Safety Education Lessons to 10,000 persons in Drowning Prevention in the Gauteng Region, focusing on the risks specific to the Gauteng Region.
- Identify and assess key areas where the deployment of 46 Pink Rescue Buoys could be implemented in the Gauteng region.
- Provide 460 Survival Swimming Lessons
- Orientate 46 Drowning Prevention Champions (Pink Rescue Buoy Volunteers; Water Safety Education Volunteer and Bystander Rescue Training)

The initiatives received significant positive reception from communities involved, as evidenced by the ready acceptance by schools to participate as well as the number of pupils facilitated to partake. For example, statistically a total 7121 young people – all school children – participated in the water safety education lessons, while 200 benefited directly from survival swimming lessons.

Maritime Awareness, Outreach and Youth Development

To properly manage the campaign for effect maximization, the campaign events held at four (4) difference venues, including Hartbeespoort dam, the Iphuteng Primary School, Glen Austin Primary School and another, were spread out over seven (7) days in four (4) months, between 31 August, 11, 27 and 28 September, as well as 19 October and 09 November, wherein groups of youths averaging between 250 and 500 per session were interacted with.

This project was in line not only to the SAMSA mandate of ensuring Safety of property and lives at sea but also it was within the Inland Waterway strategy launched by the National Department of Transport in 2021.





MARITIME AWARENESS REPORT



SAMSA MARITIME AWARENESS REPORT

BUILDING A MARITIME NATION: CREATING AWARENESS AND EMPOWERING FUTURE SEAFARERS.

In 2023/24, SAMSA continued to champion maritime awareness and education across South Africa, aiming to boost public understanding and drive economic growth through job creation. Our Maritime Awareness Programme reached new heights, inspiring the next generation of maritime professionals and promoting marine safety.

Key initiatives under this programme focused on building capacity, career development, and inclusivity, ensuring all South Africans can benefit from maritime opportunities. Managed by the Maritime Awareness, Outreach and Youth Development function, the programme especially targets youth, exposing them to career paths within the maritime sector and the broader oceans economy.

MARITIME AWARENESS AND PUBLIC EDUCATION PROGRAMME ON DAILY THETHA - SABC 1 TELEVISION PROGRAMME

In 2023, SAMSA featured its Maritime Awareness Programme on SABC 1's popular youth talk show, Daily Thetha. This platform allowed SAMSA to engage young South Africans in discussions about the maritime industry and its opportunities, aligning with their mission of promoting industry awareness, job creation, and skills development.

The show highlighted various career paths, from seafaring to port management and marine conservation. With studio guests from the maritime sector. The interactive segment enabled real-time engagement with the audience. This exposure significantly boosted awareness of the maritime sector, inspiring many young viewers to consider it as a career option.

DAY OF THE SEAFARER COMMEMORATION EVENT

A highlight of our programme was the annual Day of the Seafarer Commemoration, celebrating seafarers' contributions to global trade. This year's event featured a maritime careers exhibition, offering young people, especially from disadvantaged backgrounds, a chance to explore maritime careers.

Over 310 learners and 30 educators attended, interacting with industry experts, seafarers, and training institutions. The exhibition showcased ship navigation, engineering, logistics, and environmental protection, sparking interest in maritime careers. Attendees were also offered bursaries and giveaways through SAMSA's partners, including AMSOL, the KZN Department of Transport, DUT, SAPS Water Wing, and the SA Navy.

WORLD MARITIME DAY

The 2023 World Maritime Day celebrated SAMSA's dedication to raising maritime sector awareness, focusing on marine pollution with the theme "MARPOL at 50 – Our Commitment Goes On." This highlighted the IMO's ongoing environmental protection efforts. The 2024 theme, "Navigating a Sustainable Future: Safety First," will emphasize sustainability and responsibility in maritime operations.

The event, co-organized by SAMSA and the Department of Transport, featured a successful maritime careers exhibition. It provided students, educators, and professionals with insights into green maritime technologies, marine conservation, and port management, along with networking and educational opportunities.

SAMSA MARITIME AWARENESS REPORT

HONOURING CAREER EXHIBITIONS INVITATIONS AND MINISTERIAL/ PRESIDENTIAL IMBIZOS

In addition to these flagship events, SAMSA participated in several special career exhibitions across the country, targeting coastal and rural areas where opportunities to access career information are often limited. These exhibitions were also integrated into Ministerial and Presidential Imbizos, which created further awareness of the maritime sector's potential as a driver of economic growth. development. Other projects that SAMSA shone brightest in terms of maritime awareness and honouring invitations to exhibit and give presentations included the EmpowaYouth Week in Orange Farm and the Arcelor Mittal Foundation Saldanha Bay Science Centre Career Expo in Saldanha Bay.

At the imbizos, SAMSA supported the shareholder, Department of Transport, and shared the platforms with other government stakeholders to ensure that maritime careers were highlighted as a key component of South Africa's national development goals. The Presidential Imbizo in KwaZulu-Natal and Mpumalanga provinces were particularly noteworthy, as SAMSA's presence helped draw attention to the critical role the maritime

ANGLING EXPO: ENGAGING COASTAL COMMUNITIES

SAMSA participated in the Angling Expo, providing a unique opportunity to engage with coastal communities and promote both recreational fishing and maritime careers. The event highlighted the economic and recreational benefits of angling, with a focus on sustainable fishing, marine conservation, and career opportunities in areas like fisheries management, marine biology, and oceanography. SAMSA's presence helped connect with sea-dependent communities, exploring ways to support their livelihoods through the maritime economy. The boating team led the efforts, supported by the Maritime Awareness Programme, targeting the fishing and boating community.

LOOKING AHEAD: EMPOWERING THE NEXT GENERATION

The achievements of our Maritime Awareness Programme in 2023/24 have laid a strong foundation for future growth. Moving forward, SAMSA will continue to expand its reach, with plans to roll out more career exhibitions, public safety campaigns, and targeted programs that encourage participation in the maritime industry. We remain committed to empowering young South Africans to pursue careers in the maritime sector, fostering a new generation of seafarers, engineers, environmental specialists, and leaders.



SAMSA CORPORATE GOVERNANCE REPORT



SAMSA'S CORPORATE GOVERNANCE REPORT

SAMSA Corporate Governance is based on good governance principles as espoused in King IV, which are aimed at the promotion of ethical and effective leadership while observing the entity values that include integrity, caring and sustainability.

The entity began the 2023/24 financial year suffering cyber-attacks in the first quarter which led to disruptions and delays in statutory processes. Despite this impasse, the controls in place as well as formulated systems fortunately enabled seamless continuation of operations, albeit with some delays.

Following the term of the erstwhile Board of Directors under chairpersonship of Ms Nthato Minyuku ending in September 2023, the current Board of Directors, who assumed their responsibilities soon after with the mission "here to serve", began a trajectory of embedding ethical work environment and stabilising the organisation. The resignation of the acting CEO who was the CFO at the time necessitated the Board to appoint the Deputy Chairperson to undertake the role of the acting CEO in the quest to ensure stability.

Since assuming the acting CEO role, the Deputy Chairperson has ensured that the senior Management positions are filled, this included the position of the CEO which was advertised in the last quarter, as well as the CFO who resumed her responsibilities at the beginning of the ongoing financial year. Working with the acting CEO and the Board, the CFO has ensured improvements in financial reporting as well as reduction of irregular and wasteful expenditure and application of consequence management.

This report aims demonstrate to stakeholders how inculcated good governance principles continued to enable SAMSA towards attainment of consecutive unqualified audit opinion, and stabilise organisational performance.

REPORTING TO PARLIAMENT PORTFOLIO COMMITTEE

Parliament exercises its oversight function to the SAMSA through the Portfolio Committee on Transport. In the year under review, the Authority has reported to the Portfolio Committee as per invites and have attended meetings for tabling and deliberation of strategic documents. The SAMSA Accounting Authority has ensured that the Portfolio Committee receive the required reports timeously to enable the Committee to exercise its oversight effectively.

The previous Board, represented by the then Deputy Chairperson, appeared before the Committee in the first quarter reporting on the various challenges that the organisation was addressing, which included the plans underway to stabilise the organisation and the cost containment strategy. SAMSA was invited in the last quarter to present the 2023/24 annual report to which the new Board Chairperson together with Management represented the entity.

REPORTING TO EXECUTIVE AUTHORITY

SAMSA continued to work closely with its Executive Authority, the Department of Transport (DoT). The parties signed the shareholder's compact at the beginning of the financial year which sought to guide the relationship between the parties at strategic and operational level and ensuring strengthened corporate governance processes while reflecting the expectations and responsibilities of each party. The Authority strives to be accountable and transparent with the Executive Authority which is demonstrated by regular bilateral meetings held, as and when the need arose for discussion of strategic matters as well as timeous submission of required reports.

In the year under review, the parties have held a total of two (2) meetings that included participation in SAMSA strategic planning, conversely, the Executive Authority has invited the SAMSA to its strategic session for appropriate inclusivity on maritime issues.



SAMSA'S CORPORATE GOVERNANCE REPORT

ACCOUNTING AUTHORITY

On 01 September 2023, current SAMSA Board of Directors were appointed as per the provisions of the SAMSA Act of 1998. With the term of the retired Board of Directors ending on 31 August 2023 while the appointment process of the new Board was underway, the Minister of Transport extended the Board term up until the process was concluded. The table below illustrates the previous and the current SAMSA Board of Directors.

RETIRED BOARD OF DIRECTORS	CURRENT BOARD OF DIRECTORS
(August 2020 – September 2023)	(01 September 2023 to date)
Ms Nthato Minyuku (Chair)	Mr Mahesh Fakir (Chair)
Mr Tau Morwe (Deputy Chair)	Mr Tau Morwe (Deputy Chair)
Ms Lindelwa Dlamini	Adv Nosipo Sobekwa
Adv Eva Khosa	Ms Nogolide Nojozi
Mr Lucas Haluodi	Dr Natalie Skeepers
Mr Bheka Zulu	Mr Sihle Nguse

The Board Members have been carefully selected with expertise cutting across different sectors (as per the SAMSA Act) to ensure suitability when performing their roles and fiduciary responsibilities, which covers industry knowledge, legal and governance. The scope of authority, responsibility, as well as functioning of the Board is contained in a formal Board charter which is reviewed annually.

Upon appointment, the Board underwent an induction session, and in addition, held a strategy review session examining how decisions are made, and reviewed the Authority's values and principles, ensuring that a culture of integrity permeates across the organisation. Ethical standards are clearly articulated and supported as an integral part of conducting business.

The Board committed to ensure that a high ethical culture and professionalism as well as adherence to laws and regulations are infused in all organisational processes - this includes engagements with stakeholders. Active measures have been taken where deemed necessary by the Board in the quest to stabilise the organisation and compliance with approved code of conduct.

RESPONSIBILITIES

The Board serves as the focal point and custodian of corporate governance in the organisation. The SAMSA Board recognises that the good governance requires high commitment to integrity, and comprehensive stakeholder engagement. The Board accepts its accountability and responsibility for the affairs of the Authority. The Board charter, which is reviewed regularly, encompasses the roles and responsibilities as per section 15 of SAMSA act of 1998 as well as other relevant legislation and recommended principles as follows:

- Retain full and effective control of the entity;
- Exercise leadership, integrity and judgement in directing the entity so as to achieve sustainability for the Authority.
- Be responsible for implementing and fulfill the responsibilities as defined in the SAMSA act;

SAMSA'S CORPORATE GOVERNANCE REPORT

- Appoint the Chief Executive Officer and determine SAMSA values and the strategy to achieve its purpose;
- Approve, on an annual basis, the annual performance plan, budgets and reporting framework of SAMSA;
- Monitor and evaluate the implementation of strategies, policies and management performance criteria and business plans;
- Identify key risk areas and performance indicators of the entity in order for it to achieve its objectives in a sustainable manner so as to enhance stakeholder value;
- Regularly review processes and procedures to ensure effectiveness of internal systems of control and accept responsibility for the total process of risk management;
- Ensure that the SAMSA complies with all relevant laws, regulations and leading practices;
- Ensure that technology and systems are adequate to run SAMSA properly and for it to provide world class services through efficient use of its assets, processes and human resources;
- Regularly assess Board performance and effectiveness as a whole, and that of individual directors, including that of the Chief Executive Officer;
- Ensure that SAMSA communicates with shareholders and relevant stakeholders openly and promptly;
- Review the shareholders compact and any amendments thereof prior to submission to the Executive Authority for conclusion;
- Recommend proposals of transaction in terms of S54 of the PFMA to the Executive Authority;

BOARD CHARTER

As per the recommendary principles, SAMSA Board has reviewed its Charter that was established as a framework within which it operates, and also guide the decision-making parameters. The Charter set out the roles and responsibilities to ensure that all Board members are aware of their individual and collective responsibilities, and also outline the delegated powers conferred upon the below established Board Committees amongst others. The Board and governance Committees meet four times a year, and special meetings are convened as necessary to consider specific urgent matters which may arise between scheduled meetings.

- Remuneration, Social & Ethics Committee
- Finance & ICT Committee
- Maritime Industry Committee
- Audit & Risk Committee

COMPOSITION OF THE BOARD

SAMSA Board composition is regulated by section 12 of the SAMSA Act as amended from time to time. The Board comprises of non executive directors with a balance of skills and knowledge that include Maritime, Corporate Governance, labour relations expertise. The Chief Executive Officer (the "CEO") is an ex officio member of the Board as provided in section 12 of the SAMSA Act.



SAMSA'S CORPORATE GOVERNANCE REPORT

Details of the individual members attendance:								
BOARD	Member Name	Designation	Date Appointed	Date Resigned/ Terminated	Qualifications	Area of Expertise	Other Committees	No of Board Meetings Attended
	Mahesh Fakir	Chairperson	01-09-2023	Active	MBA, MSc in Civil Engineering, MSc Development Finance, PGDip Civil Engineering, Bsc Civil Engineering, National Diploma Electrical Engineering	Maritime Trade and Logistics, Design and Delivery of Infrastructure Projects	MIC	7
	Tau Morwe	Deputy Chairperson	01-09-2023	Active	BA in Economics, Data Processing / Computer Specialist Certificate	Development economics, Policy formulation and implementation, Supply Chain Management, Logistics, Management Information Systems, and Business Turnaround Strategies	MIC, Acting CEO	8
	Nosipho Sobekwa	Board Member	01-09-2023	Active	BA, BPROC, LLB, and LLM; Diplomas in Legislative Drafting, Marine Surveys, Yachts & Small Craft Surveys	Maritime Law, Environmental Law, Pollution Control, International Environmental Law, Economics of Ports and Harbors, International Trade, Maritime Transport Economics, Carriage of Goods by Sea	MIC, REMCO & Fin & ICT	7

SAMSA'S CORPORATE GOVERNANCE REPORT

Details of the individual members attendance:								
BOARD								
Member Name	Designation	Date Appointed	Date Resigned/ Terminated	Qualifications	Area of Expertise	Other Committees	No of Board Meetings Attended	
Nogolide Nojozi	Board Member	01-09-2023	Active	Master's degree in Public and Development Management	Strategic Leadership and Corporate Governance	REMCO & Fin & ICT	6	
Natalie Skeepers	Board Member	01-09-2023	Active	Ph.D. in Engineering Management, Masters Degree Safety,Health and Environment,BTech Environmental Health, National Diploma in Public Health,MPhil HIV/AIDS Management in Workplace Post Graduate Diploma HIV/AIDS, Leadership Development Programme	Governance, Risk & Compliance, Workplace Safety & Health	MIC, REMCO & Fin & ICT	6	
Sihle Nguse	Board Member	01-09-2023	Active	BCom degree international business Diploma tourism Certificate labour relations Certificate public relations	Labour Relations, Research, Tourism Development and Youth Career Development	Audit & Risk, REMCO & Fin & ICT	6	



SAMSA'S CORPORATE GOVERNANCE REPORT

Details of the individual members attendance:							
BOARD	Member Name	Designation	Date Appointed	Date Resigned/ Terminated	Qualifications	Area of Expertise	No of Board Meetings Attended
	Metse Ralephenya	Executive Authority Representative	01-09-2023	Active	Post-Graduate Diploma in Public Policy and Development Administration Masters in Maritime Studies (in progress)	Policy Development, Public Administration	7
	Nthato Minyuku	Chairperson	17-08-2020	30-09-2023	Masters of Management (in process) Masters City Planning & Urban Design Bachelor of Architectural Studies (BAS) Architecture Short Course in Public Administration	Project Management, Reputation Management, Business Strategy, Infrastructure Development,	4
	Lindelwa Dlamini	Board Member	17-08-2020	30-09-2023	Master of Science Degree in Environmental Management, Bachelor of Science in Environmental and water science; Bachelor of Science Degree in Environmental and Science	Environmental & Compliance Management, Auditing Processes, Strategy & Policy Development	5

SAMSA'S CORPORATE GOVERNANCE REPORT

Details of the individual members attendance:								
BOARD								
Member Name	Designation	Date Appointed	Date Resigned/ Terminated	Qualifications	Area of Expertise	Other Committees	No of Board Meetings Attended	
Bheka Zulu	Board Member	17-08-2020	30-09-2023	PhD in Ocean Economy, Master of Commerce:Maritime Studies,MBA: Entrepreneurial Studies, BTech in Strategic Management and Finance, Post Grad Diploma: Public Management, National Diploma: Maritime Studies, National Diploma: Office Administration, Efficient Deck Rating ,Global Maritime Distress and Safety Systems Certificate, Certificate in Maritime Pilotage	Maritime Business Development, Projects Management, Human Resource Development, Seafarer Development, Stakeholder Management	MIC, Finance	4	
Eva Khosa	Board Member	17-08-2020	30-09-2023	LLB, Diploma in Labour Law, BA Honours in Human Resource Management: Labour Relations Certificate in Gender Policy Management,Post Higher Education Diploma, Degree in English & Psychology	Labour Relations, Mediation, Labour laws Legislation, Human Resource Management, Policy Development	MIC	5	



SAMSA'S CORPORATE GOVERNANCE REPORT

Details of the individual members attendance:								
BOARD	Member Name	Designation	Date Appointed	Date Resigned/ Terminated	Qualifications	Area of Expertise	Other Committees	No of Board Meetings Attended
	Lucas Haluodi	Board Member	17-08-2020	30-06-2023	Postgraduate: Maritime Affairs, Postgraduate: Shipping Management Certificate H.N.Diploma in Maritime studies, National Diploma in Maritime studies	Maritime Development, Logistics, Shipping	Audit & Risk	2
	Mthunzi Madiya	Executive Authority Representative	17-08-2020	30-09-2023	Bachelor of Social Science Honours Degree - Post Graduate Diploma in Business Management Bcom Honours Degree ,BPhil Honours Degree in Maritime Economic Studies Commercial Capability Certificate Port Management Certificate	Liquid Bulk Business and Policy development, Port Infrastructure, Port Commerce Stakeholder Management and Project Development & Management	Executive Authority Representative	5

SAMSA'S CORPORATE GOVERNANCE REPORT

Details of the individual members attendance:								
BOARD								
Member Name	Designation	Date Appointed	Date Resigned/ Terminated	Qualifications	Area of Expertise	Other Committees	No of Board Meetings Attended	
Ndzimeni Ramugondo	Acting CEO	02-12-2022	31-05- 2023	Masters: Professional Practice in ICT; Master of Business Leadership	Information and Communication Technology	Acting CEO	1	
Zamachonco Chonco	Acting CEO	01-06-2023	30-10-2023	CA (SA) Public Practice Examination Auditing Bachelor of Commerce: Accounting; Certificate of Theory in Accountancy	Governance & Compliance, Auditing, Strategy, Organisational Development	Acting CEO	4	

CEO serves at all Board and Committees as ex-officios, except for ARC and REMCO where they attend as Invitees
Executive Authority Representative attend all Board and Committee meetings
Committees
MIC: Maritime Industry Committee
Fin & ICT: Finance and ICT Committee
REMCO: Remuneration, Social and Ethics Committee
ARC: Audit & Risk Committee

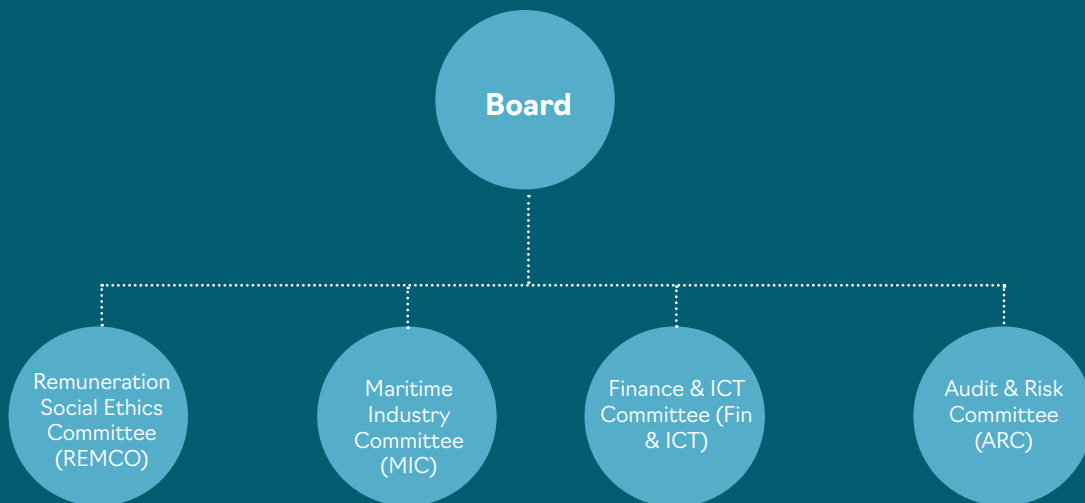


SAMSA'S CORPORATE GOVERNANCE REPORT

SAMSA is a schedule 3A public entity in terms of the Public Finance Management Act of 1999, and fully state-owned. It reports to Minister of the Department of Transport as a Shareholder Minister.

Board and its Committees

SAMSA Board, including the CEO, are appointed by the Minister of Transport in terms of the SAMSA Act of 1998 as amended. The Board has delegated certain of its functions to the committees.



SAMSA'S CORPORATE GOVERNANCE REPORT

SAMSA Board has established the Committees to assist in the execution of its responsibilities. The Committees are conferred with delegated powers outlined in the Charters approved by the Board. Each Committee's terms of reference set out the delegated authority in respect of decision-making, responsibility and fulfilment of its duties. The Board has satisfied itself that each Committee, is comprised of the necessary knowledge, skills, experience and capacity to execute its duties effectively.

The Board has overarching authority to review the composition of the Committee membership as and when it is necessary. The evaluation process allows the Board to evaluate the performance and effectiveness of each Committee. The Board charter prescribes that the performance of each of the Committees is to be evaluated regularly to ensure that the composition, mandate and authority of each Committee enables it to provide effective assistance to the Board. The potential impact on availability of members arising from cross-membership between Committees is managed by the Company Secretariat through scheduling of meetings.

The Board considers the responsibilities of each member and the ability to serve adequately on each committee when making appointments to Committees. The Board has ensured that no two Committees have jurisdiction over the same matter, where there is overlapping of duties, the Board has ensured that the Committees hold joint meetings bi-annually or as and when necessary.

Members of the executive and senior Management are invited to attend Committee meetings either by standing invitation or as and when invited to provide pertinent information and insights in their areas of responsibility. The delegation of the Board's authority in defined areas to Committees does not absolve the Board from their respective accountabilities to ensure the discharge of their duties and responsibilities. The Committees are provided with independent experts as and where there is a need to provide the Committee with technical and professional advice.

Each Committee Chairperson provides the report at all ordinary meetings of the Board for approval and to appraise the Board on the work undertaken by Committees. The Charter serve as a reference guide to ensure good governance and ethical decision-making and prescribes the conflict-of-interest disclosure processes as well as the evaluation process of assessing the effectiveness of the Board.

The Board has unfettered powers to direct and control the business of the entity and has ensured that effective control over the direction and performance of the SAMSA is retained by the Board.

Below are the current standing Committees with respective terms of reference detailing their role and functions.

REMUNERATION SOCIAL & ETHICS COMMITTEE

The Remuneration, Social & Ethics Committee ("REMCO") is a constituted Board Committee that was established to review and provide oversight in the Human Capital area to ensure that the entity is on par with good practice and adherence to Labour relations legislation. The Committee is established to assist and make recommendations to the Board on all matters relating to human capital, including remuneration issues; as well as consideration of Policies for Board approval. The Committee also reviews the application of ethical conduct and reviews ethics reports periodically. Ten (10) meetings were held in the year under review in which the Committee reviewed various Human Capital policies to ensure alignment with good practice and legislation. The table below illustrate Committee membership and meeting attendance.



SAMSA'S CORPORATE GOVERNANCE REPORT

Member Name	Date Appointed	Resignation / Termination Date	No of Board Meetings Attended
Natalie Skeepers	12 October 2023	Active	6
Nogolide Nojozi	19 February 2024	Active	1
Nosipo Sobekwa	19 February 2024	Active	1
Sihle Nguse	19 February 2024	Active	1
Dorothy Khosa*	17 August 2020	30 September 2023	4
Lindiwe Ndziba*	24 February 2021	28 February 2024	9
Kokodi Morobe*	24 February 2021	28 February 2024	8
Phindile Mthethwa*	28 February 2023	28 February 2024	9

*The term of the members ended on 30 September and 28 February 2024

FINANCE & ICT COMMITTEE

The Finance and ICT Committee ("Fin & ICT") is a constituted Board Committee that was established to review and provide oversight of the financial affairs of the entity; and the technology-based issues including research and innovation investments. The Board has a fiduciary duty to protect the assets of the entity and also ensures responsible financial reporting. In King IV, it is recommended that the Board exercise oversight of technology and information management to ensure that it supports the Entity in implementation of its strategy, approves policies that provide direction to employment of technology and information.

The Committee assist the SAMSA Board to discharge its fiduciary responsibilities and oversight in financial reporting and ICT Governance. Four (4) meetings were held in the year under review, the Committee deliberated on quarterly reports as well as Annual Financial statements and ICT Governance reports. The table below illustrate Committee membership and meeting attendance.

Member Name	Date Appointed	Resignation / Termination Date	No of Board Meetings Attended
Nogolide Nojozi	01 October 2023	Active	2
Natalie Skeepers	19 February 2024	Active	1
Nosipo Sobekwa	19 February 2024	Active	1
Sihle Nguse	19 February 2024	Active	1
Bheka Zulu *	17 August 2020	30 September 2023	2
Prittish Dala*	24 February 2021	28 February 2024	3

SAMSA'S CORPORATE GOVERNANCE REPORT

Member Name	Date Appointed	Resignation / Termination Date	No of Board Meetings Attended
Faizal Docrat*	24 February 2021	28 February 2024	3
Molefi Nkhabu*	24 February 2021	28 February 2024	3

*Term ended

MARITIME INDUSTRY COMMITTEE

The Maritime Industry Committee ("MIC") is a constituted Board Committee established to facilitate and consultation on maritime research matters of government and international partners as well as other appropriate bodies. The MIC also oversee the development and implementation of industry-focused strategies and make recommendations to the Board. 4 meetings were held in the year under review in which the Committee considered progress reports on implementation of the SAMSA mandate including the Ship registry and safety incidents. The table below illustrate meeting attendance and Committee membership that includes the Chairperson of the Board.

Member Name	Date Appointed	Resignation / Termination Date	No of Board Meetings Attended
Nosipo Sobekwa	12 October 2023	Active	2
Lucas Haluodi*	17 August 2023	30 June 2023	2
Bheka Zulu*	17 August 2023	30 September 2023	2
Lindelwa Dlamini*	17 August 2023	30 September 2023	2
Jeremy Marrilier*	24 February 2021	28 February 2024	3
Innocentia Motau*	24 February 2021	28 February 2024	3
Mahesh Fakir	19 February 2024	Active	1
Natalie Skeepers	19 February 2024	Active	1

*Term ended

AUDIT & RISK COMMITTEE

The Audit Committee is considered a crucial element of Corporate Governance. The Committee is established as per section 77 of the PFMA to assist the Board to fulfil its oversight responsibility ensuring the integrity of financial reporting, the effectiveness of risk and compliance management, as well as internal control processes. The composition and the functioning of the Audit & Risk Committee firmly adheres to the requirements of the section 77 of the PFMA. The Accounting Authority ensured adequate induction and ensured members' completion of general disclosure of interests upon appointment.



SAMSA'S CORPORATE GOVERNANCE REPORT

The Audit & Risk Committee comprised of three (3) members inclusive of one non-executive Board member as provided in the PFMA. The Committee has held four (4) meetings in the year under review, to consider the 2023/24 quarterly reports and Internal Audit assessment reports. The Committee has also considered the combined assurance plan for a concerted approach to all activities of internal and external assurance providers. The term of the Independent Committee members was renewed on February the 28th 2024 for a period of three years.

To heighten the significance of the Board accountability in risk governance, the Committee incorporates risk management to ensure that, the risk issues are not trivialised, and that the implementation supports achievement of strategic objectives. The effectiveness of the Audit & Risk Committee oversight has enhanced the functioning of the organisational processes and procedures in the year under review.

Internal Audit

The Internal Audit services are outsourced, the function of which is to provide an independent review of Authority's systems and processes, reporting functionally to the Audit & Risk Committee. The independent function also provides forensic investigation services and assesses risk as well as internal audit activities. SAMSA internal Audit function evaluates the control environment and assists the Audit and Risk Committee to fulfil its responsibilities. The authority and responsibility of the unit is outlined in the Internal Audit Charter which is approved by the Committee. The objective of the IA is to provide independent, objective assurance and consulting services designed to add value and improve SAMSA's operations. The function assists the authority to accomplish its objectives by bringing a systematic disciplined approach to evaluate and improve the effectiveness of risk management, internal controls and governance processes.

Internal Audit Key Activities

The Internal Audit unit, by agreement with internal stakeholders, developed an annual work plan which was approved by the Audit and Risk Committee. The unit executed the risk-based audits assignment as per the annual plan. Included in the areas audited are Performance Information and the activities outlined below.

- a. Financial Statements
- b. Supply Chain Management
- c. Business Continuity Management
- d. Information Technology Risk Assessment and Ransomware
- e. Human Resource Management
- f. Project Audits
- g. Receivables Verification.

The results of those audits indicated some control weakness and management undertook to address those identified weaknesses, through a comprehensive action plan. The recommendations regarding identified weaknesses in internal controls, risk management and governance processes are provided to management.

The Audit and Risk Committee is responsible for oversight of Internal Audit. Its responsibilities are evaluation and contribution to the improvement of governance, risk management and control processes, as well as the following

- Periodically review and approve the Internal Audit Charter and amendments thereto.
- Monitor and review the effectiveness of the Internal Audit function including compliance with the International Standards for the Professional Practice of Internal Auditing, the Code of Ethics and the definition of internal auditing

SAMSA'S CORPORATE GOVERNANCE REPORT

- Obtain annually from the CAE confirmation regarding the independence, objectivity and competency of the Internal Audit Function.
- Review and approve the Rolling 3-Year Strategic and Annual risk-based Internal Audit Coverage Plans and changes to these plans, ensuring that material risk areas are included.
- Make recommendations on the adequate and appropriate budget and resourcing of Internal Audit.
- Promote the adequacy of the status and authority of the Internal Audit function.
- Review and discuss with the CAE the scope of work of Internal Audit, the significant issues identified as a result of its work and management's responses to their findings and recommendations.
- The Committee, through the Chairperson, engage with Internal Audit on a regular basis, to discuss any matters that the Committee or Internal Audit believes should be discussed privately.

The table below discloses relevant information on the Audit & Risk committee members

Member Name	Qualifications	Internal or external	Date appointed	Date Resigned /Date Termination	No of Board Meetings Attended
Nick Nicholls	CA (SA) Bachelor of Commerce - Computer Audit Qualification	External	20-02-2021	Active	4
Fikile Mkhize	Master of Business Leadership, Bcom, Managing Managers for Results, Sirdar Applied Directorship Programme, Board Leadership Programme	External	20-02-2021	Active	4
Sihle Nguse	BCom degree international business Diploma tourism Certificate labour relations Certificate public relations	External	31-10-2023	Active	2
Nogolide Nojozi*	Master's degree in Public and Development Management	External	03-10-2023	31-10-2023	1
Mervyn Burton*	CA (SA)	External	09-10- 2020	31-08-2023	1
Lucas Haluodi*	Postgraduate:Maritime Affairs, Postgraduate: Shipping Management, Certificate H.N. Diploma in Maritime studies, National Diploma in Maritime studies	External	09-10-2020	30-06-2023	0

*The term of the Mr Burton Committee Chairperson ended in August 2023, Mr Nicholls was therefore appointed as the Chairperson

*Mr Haluodi was serving as the Non-Executive Board Member, his term as the Board member was terminated at the end of the first quarter

*Ms Nogolide Nojozi was appointed to serve as the chairperson of finance & ICT Committee, she was replaced by Mr Nguse as a member of the Audit & Risk Committee



SAMSA'S CORPORATE GOVERNANCE REPORT

BOARD REMUNERATION

The remuneration of the Board and Committee members or advisory experts is determined by the Executive Authority which is reviewed annually in consultation with the Minister of Finance. Members who are employed by an organ of state are not eligible to remuneration, or any allowance, but are reimbursed for out-of-pocket expenses incurred while executing the entity duties. Below table illustrate the total remuneration paid to each Board member served in the year under review.

BOARD	Details of the individual members attendance:			
Member Names	Remuneration	Other Allowances	Other Reimbursement	Total
Maresh Fakir	R145 672.92	R28 731.00	R10 688.10	R185 092.02
Tau Morwe*	R93 646.50	R38 308.00	R0	R131 954.50
Nosipho Sobekwa	R109 254.25	R57 883.00	R1 135.00	R168 272.25
Nogolide Nojozi	R109 254.25	R67 460.00	R0	R176 714.25
Natalie Skeepers	R109 254.25	R88 298.00	R1 599.11	R199 151.36
Sihle Nguse	R109 254.25	R38 308.00	R860.37	R148 422.62
Nthato Minyuku	R124 862.50	R39 992.00	R0	R164 854.50
Bheka Zulu	R93 646.50	R78 300.00	R0	R171 946.50
Lindelwa Dlamini	R93 646.50	R57 462.00	R3 097.15	R154 205.65
Eva Khosa	R93 646.50	R107 031.00	R0	R200 677.50
Lucas Haluodi	R46 823.25	R28 731.00	R0	R75 554.25

*Remuneration exclude his remuneration as the acting Chief Executive Officer

COMPLIANCE WITH LAWS AND REGULATIONS

The SAMSA has continued to demonstrate its commitment to being a responsible corporate citizen by ensuring adherence to relevant laws and regulations. The Accounting Authority has in the current year, reviewed and approved policies in line with amendments in relevant statutes and regulations to ensure equity, fair remuneration, as well as health and safety over and above others.

FRAUD AND CORRUPTION

The SAMSA has zero tolerance to corruption and fraud. The staff members are encouraged to report suspected fraud, unethical behaviour, and/or financial misconduct through a toll-free whistle-blower line managed by an independent external service provider. All reports of suspected behaviour are shared with the Audit & Risk Committee and they provide the comprehensive

SAMSA'S CORPORATE GOVERNANCE REPORT

report to the Board for implementation of recommendations where required. The Board continues to deliberate on regular reports from the independent providers with regards to corrective measures undertaken against responsible officials on reported malfeasance.

MINIMISING CONFLICT OF INTEREST

The authority has approved policies in place to minimise conflict of interest. The employees including the Board, are required to complete the conflict-of-interest disclosure annually. The Accounting Authority understands that when dealing with matters where one is conflicted, the objectivity and ability to act independently might be impaired, therefore conflict of interest is a standing agenda item for all Board and Committee meetings wherein interests are declared at the start of the meeting. Each approved charter provides processes in cases where interests are declared.

CODE OF CONDUCT

SAMSA's Board of Directors have set a high ethical tone since appointment, to ensure that the principles of professionalism and integrity are entrenched in the operating environment. The contracts and partnership agreements with external stakeholders also provide for undertaking to adherence to required conduct.

SAMSA's Accounting Authority believe in continuous engagement with employees and ensuring that the employees are heard. Regular staff meetings are conducted, and staff members are provided with platforms such as employee surveys where they can raise opinions towards continuous improvement of processes.

HEALTH AND SAFETY AND ENVIROMENTAL ISSUES THAT AFFECT THE ENTITY

SAMSA strives for the highest standard of health and safety in all its operating environment. Periodic assessments to ensure compliance with the Occupational Health and Safety Act are undertaken on a regular basis in all premises. Proactive staff workshops are undertaken periodically to ensure that compliance with regulations is not a tick-box exercise but a concerted effort of safeguarding the health and wellbeing of the staff.

COMPANY SECRETARY

The role of the Company Secretary is to ensure that Board decisions are followed and implemented. Though inexhaustive, the duties of the Company Secretary are as per provisions of section 88 of the Companies Act. For effectiveness and efficiency, Board and Committee members have unrestricted access to the Company Secretariat office. The Company Secretariat ensures that the Board Members are kept appraised of any relevant governance practices and have access to professional advisers at the SAMSA as and when required.

SOCIAL RESPONSIBILITY

SAMSA's Corporate Social responsibility is centred on development on education, water sport and entrepreneurial as well as employee voluntarism and special projects that are closely aligned to the overall objectives of Government underpinned by the principles of Batho Pele. The authority's mission is to deliver services related to public awareness and education in marine safety and pollution prevention, and as such, SAMSA Corporate Social Investment (CSI) initiatives encompass projects that are outward focussed, for the purpose of achieving a sustained improvement in socio-economic conditions of the target beneficiaries. The SAMSA CSI projects are underpinned by a credible developmental approach that is aimed at ensuring that



SAMSA'S CORPORATE GOVERNANCE REPORT

the programmes support an operating environment that is conducive to doing sustainable business. The authority ensures and acknowledges that its initiatives driving responsible corporate citizenship should be sustainable for significant impact on the maritime sector of the country.

RISK MANAGEMENT

The Accounting Authority is responsible for the oversight of the governance of risk as per recommendary principles and practices in King iv report. The Board has reviewed the Risk Implementation strategy at the beginning of the year as well as policies in place. The strategic risk assessments are undertaken at the beginning of the first quarter to determine the risk and opportunities in order develop mitigations towards achievement of the strategy.

Design and implementation of risk management is assigned to Management who reports to the Accounting Authority through the Audit and Risk Committee, which is delegated to provide oversight on behalf of the Board. Risk management is part of daily operations, and the strategic risk register adopted at the beginning of the financial year, is determined through the approved strategic and annual operational plans.

The Accounting Authority has exercised ongoing oversight to avert any business disruptions especially during the cyber-attacks suffered by the entity in the first month of the financial year, the required improvements were undertaken to limit business disruptions and prevent future attacks. To ensure a proactive response, the Cybersecurity Incident Management Process (CIMP) was invoked to guide the process of containing, eradication and restoration of services while business continuity plans were being invoked.

The Audit and Risk Committee provides an independent review of the Risk Management systems in place and provides regular reports to the Board on the monitoring of the implementation of the mitigations in place - as risk mitigation is considered a key to successful service delivery. A comprehensive risk management is provided in the following pages outlining activities undertaken in the year.

CONCLUSION

While there is a lot of work to be done to bring the authority to full stabilisation, the Board is satisfied with the improvements and the manner in which the Authority has applied the requirements of the SAMSA Act and relevant regulations to achieve better performance and that more effective controls are in place. The governance processes are regularly reviewed to align with legislative and regulatory changes to ensure that business processes remain relevant.

With the appointment of the Deputy Chair as the acting CEO 'holding the fort' up until the appointment of the new CEO, the Accounting Authority ensured that SAMSA remain committed to good governance practices while performing his oversight responsibilities. This culminated in the attainment of an unqualified audit opinion, as well as improved performance in the year under review.

COMPLIANCE WITH LAWS AND REGULATIONS



COMPLIANCE WITH LAWS AND REGULATIONS

SAMSA complied with all the necessary financial reporting standards and legislation during the 2023/2024 financial year. These include the Public Finance Management Act No 1 of 1999, National Treasury Regulations, Preferential Procurement Policy Framework Act, and standards of Generally Recognised Accounting Practice.

IMO Conventions to which South Africa Is a Party

IMO Conventions	Domestic Legislation	Remarks
SOLAS Convention SOLAS Protocol	Merchant Shipping Act, 1951	The Merchant Shipping (Training, Certification and Safe Manning) Regulations, 2021 has been reviewed and submitted to the DoT in March 2024 for further processing and promulgation.
Load Line Convention 1966	Merchant Shipping Act, 1951	Tonnage Measurement of South African Registered vessels is carried out in terms of 1966 Convention. South Africa will have to consider acceding to the 1988 protocol with a view to bringing our load line assignment regime in line with latest international regime.
Tonnage Convention 1969	Merchant Shipping Act, 1951	The MSA is subject to a complete review process and it is envisaged that any amendments to SOLAS could be addressed through this process.
COLREGS Convention 1972	Merchant Shipping (Collision Regulations) 1996	The MS (Collision and Distress Signals) Regulations, 2005 published under GNR. 566 of 17 June 2005 have been reviewed and amended in 2022
CSC Convention 1972	Merchant Shipping (Safe Container Convention) Act 2011	There is an existing legislation: Merchant Shipping (Safe Container Convention) Act, 2011 which emanates from the 1972 Convention. Therefore, South Africa may need to review its legislation against the 1993 amendments.

COMPLIANCE WITH LAWS AND REGULATIONS

IMO Conventions	Domestic Legislation	Remarks
Search and Rescue Convention 1971	South African Maritime Aeronautical Search and Rescue Act 2002	No regulations have been developed or reviewed under this legislation (Act)
STCW - Convention 1978	Merchant Shipping Act, 1951	The Merchant Shipping (Training, Certification and Safe Manning) Regulations, 2021 has been reviewed and submitted to the DoT in March 2024 for further processing and promulgation;
MARPOL 73/78 (Annexures I,II,III & V)	Marine Pollution (Prevention of Pollution from Ships) Act, 1986	The Act is under parliamentary review and amendment.
London Convention	Dumping at Sea Control Act 1980	Act is administered by the DEA.
Intervention Convention 1969 Intervention Convention 1973	Merchant Shipping (Intervention) Act 1987	No regulations have been developed or reviewed under this legislation during the period under review.
CLC Protocol 1992	Merchant Shipping (CLC) Act 2013	South Africa is not a party to the 2001 Bunker convention which imposes similar obligations on ship owners as those imposed under the CLC protocol. It would be prudent to accede 2001 Bunker Convention.
IOPC	Merchant Shipping (IOPC Fund) Act 2013 Merchant Shipping Contribution Act 2013-Treasury legislation Merchant Shipping (IOPC Fund)	South Africa has already adopted Protocols to CLC and IOPC Fund and came up with national legislation. However, the cover from IOPC Fund may not be sufficient in other circumstances to pay for damage caused by pollution of marine environment. Therefore, the 2003 Protocol serves as a top-up cover by the Fund.



COMPLIANCE WITH LAWS AND REGULATIONS

IMO Conventions	Domestic Legislation	Remarks
MARPOL 73/78 (ANNEXURE VI)	No Domestic Legislation	The Amendment Bill of Act 2, 1986 which is undergoing Parliamentary review and amendment process, seeks to incorporate Annex VI of MARPOL.
MARPOL 73/78 (ANNEXURE IV)	No Domestic Legislation	The Amendment Bill of Act 2, 1986 which is undergoing Parliamentary review and amendment process, seeks to incorporate Annex IV of MARPOL
The Nairobi International Convention on the Removal of Wrecks, 2007.	Wreck and Salvage Act.	There has been many salvage operations in South Africa either from the ship that is stranded or seeking salvage assistance. The laws governing salvage and its operations sometimes are rendered insufficient. If the Convention is adopted, it may require the enactment of a stand-alone Act which will deal with salvage only. Further, there would be a need to repeal provisions of salvage activities under the current Wreck and Salvage Act. South Africa has acceded to the Nairobi Convention on Wreck Removal as such the current Act may have to be amended in future to address NWR convention.
Cape Town Agreement 2012 / Safety in Fishing Convention.	No Domestic Legislation.	The Convention has not yet entered into force, will enter into force when the required number of Countries have ratified the Convention.
Ballast Water Management Convention.	No Domestic Legislation.	The Draft Bill is under development for domestication of the Convention into Law.
STCW-F 1995.	No Domestic Legislation.	The Merchant Shipping (Training, Certification and Safe Manning) Regulations, 2021 has been reviewed to give effect to the STCW-F 1995 Convention and submitted to the DoT in March 2024 for further processing and promulgation

COMPLIANCE WITH LAWS AND REGULATIONS

IMO Conventions	Domestic Legislation	Remarks
Seafarers Identification Document Convention (ILO Convention).	No Domestic Legislation.	Convention for not having their Seaman's Record Book. If the Convention is adopted, it would be a relief to South Africa COC holders and can sail freely to any jurisdiction without fear of being reprimanded for not having proper papers. This convention is product of the ILO and as such would be administered by the Department of Labour.
SUA 1988 SUA Protocol 1988.	Protection of Constitutional Democracy Against Terrorist and Related Activities Act, 2004 – Intergovernmental legislation.	No Regulations have been developed or reviewed under the legislation during the period in review
LLMC 1996.	No Domestic Legislation.	South Africa has never been a State Party to LLMC. However, the Merchant Shipping Act has provisions for limits of the shipowner's liability but is still based on the 1976 provisions. This may put the shipowner in danger of not being able to benefit from the latest limits of liability as provided for by the 1996 Protocol. DoT has elected to amend the Merchant Shipping Act to align with the new LLMC limits.

Legislation currently with the State Law Advisor

Merchant Shipping and Ship Registration Amendment Bill, (Seafarer Accident Insurance Measures).



FRAUD AND CORRUPTION

In compliance with the PFMA and the Treasury Regulations, SAMSA has undertaken the development of a Fraud Prevention Plan. SAMSA has also developed and is implementing a Whistle Blowing Policy.

The main principles of the Fraud Prevention Plan are the following:

- * Creating a culture which is intolerant to fraud and corruption.
- * Deterrence and prevention of fraud and corruption.
- * Detection of fraud and corruption.
- * Investigating detected fraud and corruption.
- * Taking appropriate action against fraudsters and corrupt individuals, e.g. prosecution, disciplinary action, etc.
- * Applying sanctions, which include redress in respect of financial losses.

The internal whistle blowing mechanism was not fully utilized by staff, and the few cases of alleged corruption are currently being investigated.

To further encourage employees to utilize the Whistle Blowing tool, in a responsible manner, services of an external service provider have been enlisted, and the entire SAMSA workforce is currently being workshopped on this service.

Minimising Conflict of Interest

In managing conflict of interest in the organisation, SAMSA officials are guided by the Code of Conduct Policy approved by Board, and Conduct Policy approved by Board in 2016, and a Practice Note Number: SCM 4 of 2003 "Code of conduct for Supply Chain Management Practitioners" issued by National Treasury.

Furthermore, SAMSA's Recruitment and Selection Policy provides for pre-screening of candidates to ensure that only suitable individuals are brought into the organization. Once employees join the Authority, they are further required to complete their Declaration of Interest forms.

SAMSA staff also participate in various Supply Chain Management (SCM) related internal committees such as Bid Evaluation Committee (BEC), Bid Adjudication Committee (BAC), etc. and their participation in these committees is preceded by the completion and signing of disclosure of interest forms.

In the year under review, SAMSA implemented a targeted vetting project covering mainly the SCM environment. An investigation was conducted where conflict of interest was detected and the employment contract was ended.

SAMSA has an approved Code of Conduct policy which governs employees' behaviour and how to do business.

CODE OF CONDUCT

The Policy covers the topics mentioned below:

- Relationship with the Public.
- Personal conduct and private interests.
- Performance of duties including Whistleblowing process.
- Relationship among colleagues.
- Remuneration work and private work outside SAMSA.
- Compliance.
- Confidentiality.
- Conflict of interest.

The Code of Conduct is linked to the Disciplinary Policy in that should one breach the Code of Conduct, the following procedure shall be followed:

1. Investigation.
2. Disciplinary hearing.
3. Implement outcome of hearing.

HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

In living up to the letter of our values "SAMSA cares", the health and safety of employees is a priority not only for purpose of compliance with the Occupational Health and Safety Act 85 of 1993 but as a moral obligation to employees. We have created a working environment that is conducive to all employees to be productive by doing the following:

- Safety Representatives were appointed to manage the safety of all employees.
- The first aid boxes are in place in case of injuries on duty.
- The first aiders were appointed and trained.
- Fire marshals were appointed and trained.
- A policy has been developed.
- Each office has an evacuation plan and drills are regularly conducted.
- The safety committee and 4 regional sub committees have been put in place.

The above are amongst some of the major issues that makes SAMSAs environment conducive to its employees.

Non-Compliance to the above-mentioned items results in penalties being instituted to SAMSA by the Department of Labour as laid down in section 38 of OHS Act no 85 of 1993 as amended.





AUDIT & RISK COMMITTEE REPORT

FOR THE YEAR ENDED 31 MARCH 2024

We are pleased to present our report for the Financial Year ended 31 March 2024.

The Audit and Risk Committee consists of the members listed hereunder and meets at least four (4) times per annum as per its board approved terms of reference, the term of member Lucas Haluodi ended in 30 June 2023. During the 2023/24 financial year, four (4) meetings were held. The Audit and Risk Committee was effective for the whole year ending March 2024. For the year under review, which is from the 1st of April 2023 to the 31st of March 2024, four (4) meetings were held as follows:

AUDIT & RISK COMMITTEE		Details of the individual members attendance:
Date	Type of Meeting Ordinary / Special	Members Attended
05 July 2023	Ordinary	Mervyn Burton (Chairperson) Nick Nicholls Fikile Mkhize
11 October 2023	Ordinary	Nick Nicholls (Chairperson) Fikile Mkhize, Nogolide Nojozi
04 December 2023	Ordinary	Nick Nicholls Fikile Mkhize Sihle Nguse
19 March 2024	Ordinary	Nick Nicholls Fikile Mkhize Sihle Nguse

AUDIT & RISK COMMITTEE RESPONSIBILITY

The Audit and Risk Committee reports that it has complied with its responsibilities arising from Section 51(a) of the Public Finance Management Act and Treasury Regulation 27.1.10. It has adopted appropriate formal terms of reference as its Charter, and developed an annual work plan, has regulated its affairs in compliance with this charter/work plan and has discharged all its responsibilities as contained therein. The Committee has complied with all the respective requirements of its prescripts as stated above.

THE EFFECTIVENESS OF INTERNAL CONTROL

Our review of the findings of the Internal Audit work, which was based on the risk assessments conducted for the entity which were then raised with the Board and corrective steps are still to be implemented or are being implemented to minimise the risks.

SAMSA received an unqualified opinion on its Annual Financial Statements.

The system of internal controls is designed to provide cost-effective assurance that assets are safeguarded and that liabilities and working capital are efficiently managed. The system applied by the Board over financial risk and risk management still requires much further improvement.

In line with the Public Finance Management Act (PFMA) and the King Governance Code on Corporate Governance requirements, Internal Audit provides the Audit and Risk Committee and Board with reports towards the internal controls becoming appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes as reported by both Internal Audit and the Auditor General. Internal Audit has carried out reviews in 2023/24 based on the risk profile of the entity. Some of the audits highlighted fundamental or significant issues in respect to risk, governance and control.

Based on the assessments conducted we found that overall SAMSA has poor governance and risk management procedures in place.

From the audit reports of the Internal Auditors, and the AGSA management report, it was noted that significant matters were reported especially related to the Supply Chain and Information Technology areas. Controls implemented need to be sustainable. There are several issues that compromise this sustainability. These include systems, processes, and capacity. All business processes have and are continuously being reviewed and amended where necessary. Accordingly, we are not satisfied that the current system of internal control for the year under review was efficient and effective.

IN-YEAR MANAGEMENT AND MONTHLY/QUARTERLY REPORT

The Board has submitted the quarterly finance and performance reports to the Executive Authority. The Audit and Risk Committee is satisfied with the content and quality of the quarterly reports prepared and issued by the Board. The auditor general has reported weaknesses in the performance and Supply Chain Management systems and procedures which must be addressed to increase the integrity of interim reporting.

EVALUATION OF FINANCIAL STATEMENTS

We have:

- Reviewed and discussed the audited Annual Financial Statements to be included in the Annual Report, with the Auditor-General of South Africa, management and the Board;
- Reviewed the Auditor-General's management report and management's responses thereto;
- Reviewed the Board's compliance with legal and regulatory provisions; and

- Reviewed significant adjustments resulting from the audit. We have reviewed the audited Annual Financial Statements prepared by the Board.

EXTERNAL AUDITOR'S REPORT

We have reviewed the Exco's implementation plan for audit issues raised in the prior year. We will continue to monitor managements' responses to audit findings and Exco's improvement plan and report our progress findings quarterly to the board.

The Audit and Risk Committee concurs and accepts the Auditor's-General's conclusions on the Annual Financial Statements and is of the opinion that the audited Annual Financial Statements be accepted and read together with the report of the Auditor-General.

This Audit and Risk Committee is concerned that long outstanding vacancies remain, the Chief Executive Officer (CEO) position is still vacant. This severely impacts leadership. For this entity to be successful, SAMSA needs to ensure that best-practice governance principles are in place and that both key positions are filled and effective succession is in place.

The Audit and Risk Committee is concerned that the going concern status of the entity negatively affects the ability of the entity to sustain mandated service delivery.

The Audit and Risk Committee is committed to ensuring that the appropriate control measures are effective, efficient, and transparent, however, this can only be achieved through the dedicated commitment of management. The Audit and Risk Committee will endeavour to use combined assurance principles to follow up on all assurance providers' findings to attain "clean" governance, especially within the SCM and IT. We thank Management for achieving an unqualified opinion on the AFS. We thank the AGSA for assisting the organisation, from a rigorous audit approach and comprehensive report of the negative findings



RG Nicholls CA(SA)RA
Audit & Risk Committee Chairperson





FINANCIALS

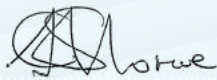
FOR THE YEAR ENDED 31 MARCH 2024



STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

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

- All information and amounts disclosed in this annual report is consistent with the annual financial statements audited by the Auditor General.
- The annual report is complete, accurate and is free from any omissions.
- The annual report has been prepared in accordance with the guidelines and format as issued by National Treasury.
- The Annual Financial Statements have been prepared in accordance with the standards applicable to the public entity.



Acting Chief Executive Officer
MR TAU MORWE



Board Chairperson
MR. MAHESH FAKIR

AUDITOR GENERALS REPORT

FOR THE YEAR ENDED 31 MARCH 2024



AUDITOR-GENERAL'S REPORT

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE SOUTH AFRICAN MARITIME SAFETY AUTHORITY

REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS

OPINION

1. I have audited the financial statements of the South African Maritime Safety Authority set out on pages 149 to 231, which comprise a statement of the financial position as at 31 March 2024, a statement of financial performance, a statement of changes in net assets, a cash flow statement and a 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 South African Maritime Authority as of 31 March 2024 and its financial performance and cash flows for the year then ended in accordance with the Generally Recognised Accounting Practice (SA standards of GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

BASIS FOR OPINION

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the 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 MATTERS

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

CONTINGENCIES

7. With reference to note 31 to the financial statements, the public entity is the defendant in a legal claim instituted by a supplier where SAMSA has filed an application for the review and setting aside of the Heads of Agreement. The matter is still in litigation and the ultimate outcome of the matter could not be determined as yet and no provision for any liability that may result from the claim was made in the financial statements.
8. With reference to note 31 to the financial statements, summons were issued against the public entity to claim for damages related to bunkering activities. The plaintiff is claiming approximately R44 million. The entity has filed court papers with the intention to defend the claim. The ultimate outcome of the matter could not be determined and no provision for any liability that may result from the claim was made in the financial statements.

IRREGULAR EXPENDITURE

9. As disclosed in note 37 to the financial statements, irregular expenditure of R18 912 000 was incurred in the current year, due to non-compliance with procurement regulations.

AUDITOR-GENERAL'S REPORT

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE SOUTH AFRICAN MARITIME SAFETY AUTHORITY

RESPONSIBILITIES OF THE PUBLIC ENTITY FOR THE FINANCIAL STATEMENTS

- 10. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the requirements of the PFMA; and for such internal control as the Accounting authority determines is necessary to enable the preparation of 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 7, forms part of our auditor's report.

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

- 14. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected strategic focus areas presented in the annual performance report. The Accounting Authority is responsible for the preparation of the annual performance report.
- 15. I selected the following strategic focus areas presented in the annual performance report for the year ended 31 March 2024 for auditing. I selected strategic focus areas that measures the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.

Strategic focus	Page numbers	Purpose
Strategic focus area 1- Maritime safety Managing risks with regards to maritime safety of life and property, equipment, seafarers, and pollution incidents from vessels.	5 -6	To safeguard life and property across the maritime transportation environment such that there is a reduced occurrence of maritime fatalities and maritime incidence and accidents in South African waters. SAMSA anticipate ensuring safe shipping in South African waters with minimum pollution from vessels and a secure maritime environment.



AUDITOR-GENERAL'S REPORT

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE SOUTH AFRICAN MARITIME SAFETY AUTHORITY

Strategic focus	Page numbers	Purpose
Strategic focus area 3 - Maritime pollution Managing risks with regards to prevention and combating of maritime environment pollution by ships.	8	To ensure Clean Seas through enforcing regulations to avert the introduction of invasive species into the maritime environment, stop unauthorised ocean dumping of hazardous substances and prevent oil and chemical spills from vessels. SAMSA shall approve the way potential pollutants are handled and discharged and improve the standards relating to managing noxious, oil and other chemical discharges by providing a framework for the disposal of waste, ballast water, and hazardous and noxious substances at sea.

16. I evaluated the reported performance information for the selected strategic focus area against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.
17. I performed procedures to test whether:
- the indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives.
 - all the indicators relevant for measuring the public entity's performance against its primary mandated and prioritised functions and planned objectives are included
 - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements.
 - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated.
 - the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents.
 - the reported performance information is presented in the annual performance report in the prescribed manner 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 for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.
19. I did not identify any material findings on the reported performance information for the selected strategic focus areas as indicated above.

AUDITOR-GENERAL'S REPORT

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE SOUTH AFRICAN MARITIME SAFETY AUTHORITY

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

Revenue management

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

Expenditure management

25. Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R18 912 000 as disclosed in Note 37 to the annual financial statements, as required by section 51 (1)(b)(ii) of the PFMA. The majority of the irregular expenditure was caused by payments made on expired contracts, no contracts in place, and tax non-compliances.

Procurement and contract management

26. Some of the invitations for competitive bidding were not advertised for a required minimum period, as required by Treasury Regulation 16A6.3(c).

OTHER INFORMATION IN ANNUAL REPORT

27. The accounting authority is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected strategic focus areas presented in the annual performance report that have been specifically reported on in this auditor's report.
28. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation does not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
29. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected strategic focus area presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
30. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance



AUDITOR-GENERAL'S REPORT

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE SOUTH AFRICAN MARITIME SAFETY AUTHORITY

and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected, this will not be necessary.

INTERNAL CONTROL DEFICIENCIES

31. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
32. The matters reported below are limited to the significant internal control deficiencies that resulted in opinion and the material findings on compliance with legislation included in this report.
33. Management did not implement adequate compensating controls around the revenue management system, to ensure that the debt collection process is carried out as intended by the finance policy.
34. Effective controls have not been adequately implemented to ensure that all relevant laws and regulations are being complied when procuring goods and services, and irregular expenditure continues to be incurred by the entity due to non-compliance with Treasury regulations.

OTHER REPORTS

35. I draw attention to the following engagements conducted by various parties. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
36. An independent consultant investigated an allegation of financial misconduct and fraud by SAMSA officials. The investigation was concluded on three (3) executives suspended in April 2021, and conclusions of investigations were made in April 2022 and resulted in disciplinary actions being conducted. In the 2023-24 financial year it was noted that one (1) executive has been reinstated and two (2) have been terminated with one matter being referred to the CCMA.

Auditor-General

Pretoria

31 July 2024



AUDITOR-GENERAL'S REPORT

ANNEXURE TO THE AUDITORS 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

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

FINANCIAL STATEMENTS

2. 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 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

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

3. I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also provide the accounting authority with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.



AUDITOR-GENERAL'S REPORT

AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

Compliance with legislation — selected legislative requirements

The selected legislative requirements are as follows:

Legislation	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(3)(c)
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(a); 16A6.3(b); Regulation 16A6.3(c); 16A6.3(e); 16A6.4; 16A6.5; Regulation 16A6.6; 16A.7.1; 16A.7.3; 16A.7.6; Regulation 16A.7.7; 16A8.3, 16A8.4; 16A9.1(b)(ii) Regulation 16A 9.1(d); 16A9.1(e), 16A9.1(f); Regulation 16A9.2; 16A9.2(a)(ii); 30.1.1; 30.1.3(a); Regulation 30.1.3(b); 30.1.3(d); 30.2.1; 31.2.1; Regulation 31.2.5; 31.2.7(a); 32.1.1(a) 32.1.1.(b) Regulation 32.1.1(c); 33.1.1(a); 33.1.3
Companies Act 71 of 2008	Section 45(2); 45(3)(a)(ii); 45(3)(b)(i); 45(3)(b)(ii); Section 45(4); 46(1)(a); 46(1)(b); 46(1)(c); Section 112(2)(a); 129(7);
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 Instruction No. 1 of 2021/22	Paragraph 4.1
National 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; 4.4(a), 4.17; 7.2; Paragraph 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 1 1 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

AUDITOR-GENERAL'S REPORT

AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

Legislation	Sections or regulations
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1 (a); 2.1 (f)
Preferential Procurement Regulations, 2022	Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulations, 2017	Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; Regulation 6.5; 6.6; 6.8; 7.1; 7.2; 7.3; 7.5; 7.6; 7.8; Regulation 8.2; 8.5; 9.1; 9.2; 10.1; 10.2; 11.1; 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)



CHIEF FINANCIAL OFFICER'S REPORT

FOR THE YEAR ENDED 31 MARCH 2024





CHIEF FINANCIAL OFFICER'S REPORT

FOR THE YEAR ENDED 31 MARCH 2024

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

The analysis of the financial performance for the year ended 31 March 2024 focuses on the key line items of the statements of financial performance and financial position which management consider material to stakeholders' understanding of SAMSA's financial performance. The following review should be read together with the Annual Financial Statements as well as the Summary of the Statement of Financial Performance and Financial Position, and Cashflow Statement respectively.

FINANCIAL PERFORMANCE OVERVIEW

Revenue (excl. other income)

R713,0 million ▲ 11,3%

Operating surplus

R81,6 million ▲ (2023: R29,8m)

Total Net Assets

R246,6 million ▲ 65,9%

Operating Expenditure

R660,3 million ▲ 9,5%

Net Surplus / (Deficit) for the Year

R98,0m ▲ (2023: R38,1m)

A summary of the financial performance for the 2023/2024 financial year is as follows:

- SAMSA reported a net surplus of R98.0m. The main reasons for the surplus are the savings in the compensation of employees budget due to vacancies in the process of being filled as well as the proceeds on the disposal of the SA Agulhas vessel, amounting to R45 million.
- SAMSA levies revenue improved by 8.6%, due to a 4% increase in volumes compared to the previous year, as well as the 6.16% tariff increase implemented in January 2023.
- Vessel management revenue increased due to the Africana Engines Project, which has now been completed

REVENUE ANALYSIS

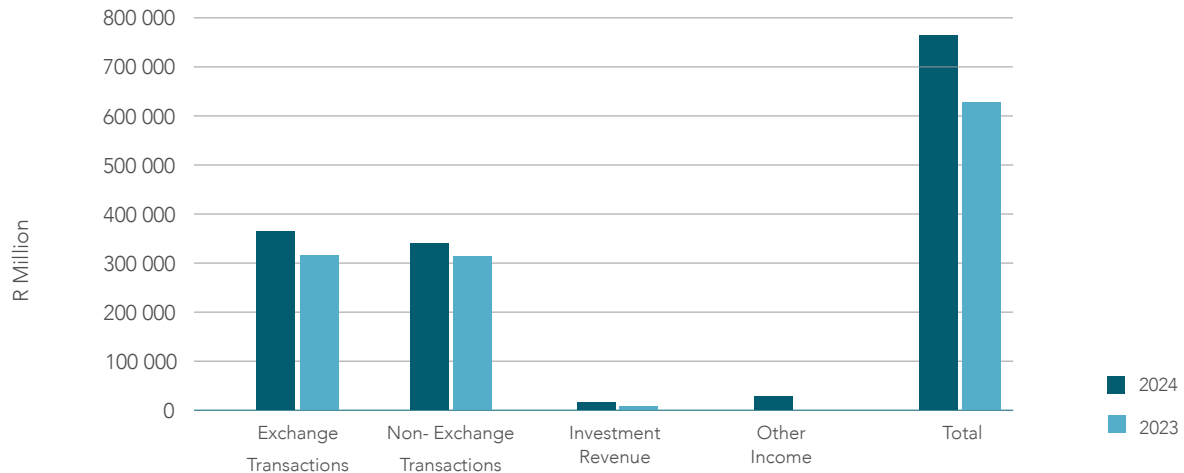
- Revenue for the period increased by 11.3% to R713.0m (2023: R640.5m).
- SAMSA levies revenue increased by 8.6%, due to higher volumes and the tariff increase.
- Direct user charges increased by 3.3% from prior year due to the tariff increase, partially offset by lower bunkering revenue.
- Fines, penalties, and forfeits relating to the Maritime Fund decreased from R7.7m to R1.9m (75.3%), due to a reduced number of ships issued with contravention notices.
- Vessel management revenue relating to the MLRF vessels was 17.2% higher than the previous year due to additional funding received for the Africana engines project.



CHIEF FINANCIAL OFFICER'S REPORT

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

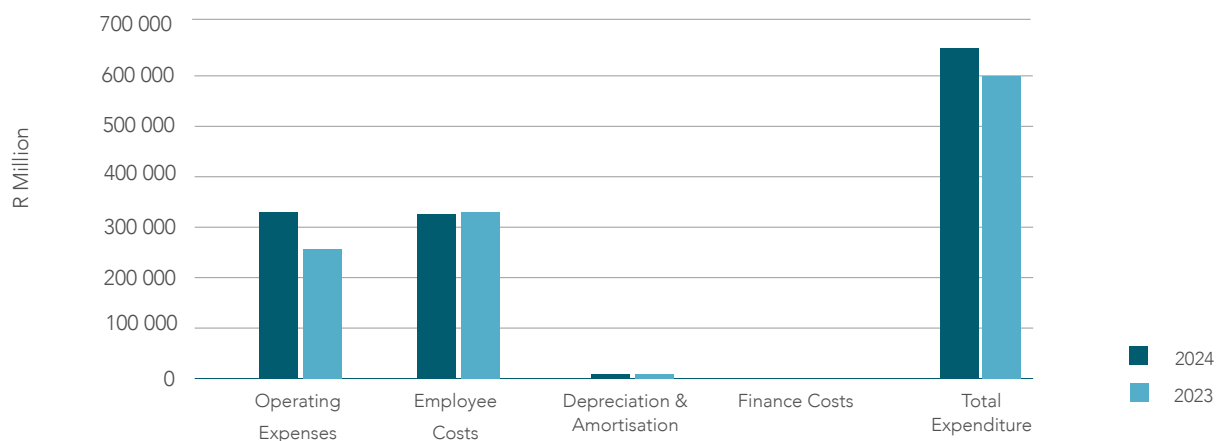
REVENUE ANALYSIS



EXPENDITURE

Total expenditure for the year increased by 9.5% to R660.3m (2023: R603.2m). This increase is mainly due to an increase of R36.2m in the MLRF vessel expenditure. There has also been an increase in expenditure due to the relaxing of the robust cost containment measures implemented in the previous financial years, to ensure that SAMSA can achieve its mandate.

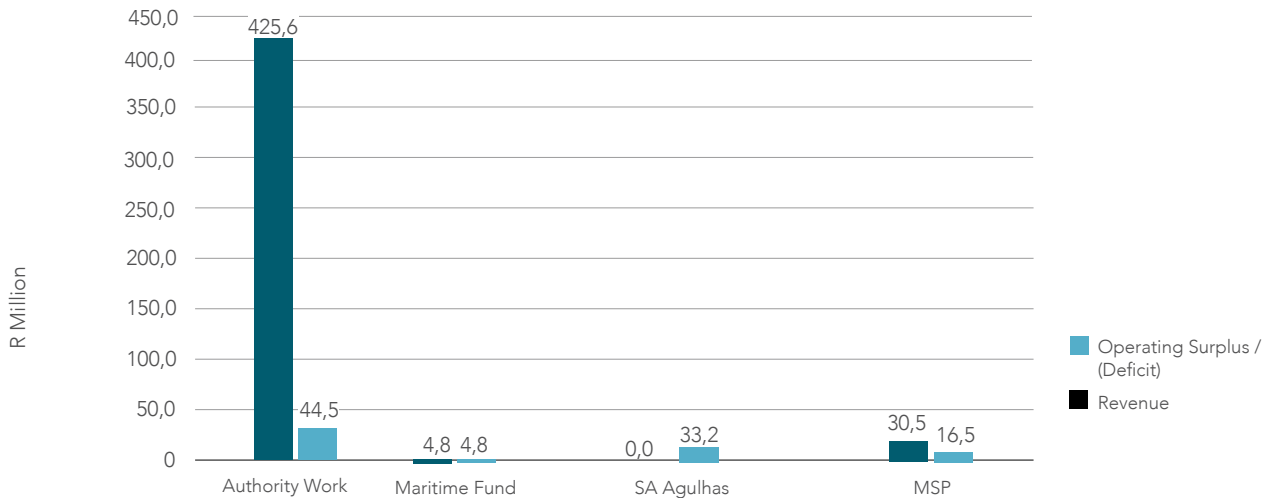
EXPENDITURE ANALYSIS



CHIEF FINANCIAL OFFICER'S REPORT

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

DIVISIONAL PERFORMANCE



The Authority work of SAMSA resulted in an operating surplus of R44.5m. This was due to the effect of the tariff increase implemented in Jan/Feb 2023, higher volumes, as well as continued cost containment implemented.

The SA Agulhas reported a surplus of R32.2m. This is due to the proceeds of R45 million on the disposal of the vessel. Maritime Special Projects (MSP) contributed R16.5 million to the surplus of SAMSA during the financial year.

OVERVIEW: STATEMENT OF FINANCIAL POSITION

The accumulated surplus increased to R245.4m (2023 restated: R147.4m)

The SAMSA cash position has improved to R172.4m (2023: R97.9m). This is due to the improved financial performance for the year. The Maritime Fund cash position has increased to R41.2m (2023: R36.8m), while the MLRF bank account decreased to R47.7m (2023: R89.1m).

Debtor turnover days increased to 53 days (2023: 37 days), which was due to payments from TNPA only received after year-end.

IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

Irregular expenditure of R18,9m and fruitless expenditure of R0,016m was incurred during the financial year. SAMSA has appointed a service provider to conduct a determination and assessment test for the irregular and fruitless expenditure incurred. The scope incorporates the identification of root causes and responsible officials in order to effect the necessary consequence management leading up to the condonation of the irregular expenditure and recovery/writeoff of fruitless expenditure.

Internal controls are being strengthened to ensure that adequate processes and systems are in place to prevent the recurrence of irregular, fruitless and wasteful expenditure. This includes a review of the SCM policy, development of standard operating procedures and capacitating the SCM unit to ensure a functional SCM environment with clear processes in place.



CHIEF FINANCIAL OFFICER'S REPORT

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

FUTURE OUTLOOK

The financial position of the entity has continued to improve, and renewed focus can now be given to operational effectiveness. The work to optimise the entity's current revenue streams and realise new revenue generating opportunities will continue to ensure the financial sustainability of the entity.

We are committed to the following priorities:

- Optimising revenue management by unlocking new revenue streams and maximising revenue fully within the existing streams;
- Transitioning from the robust cost containment initiatives to more sustainable cost saving strategies to ensure SAMSA has adequate resources to fulfil its mandate and other global initiatives;
- Continuing to align the supply chain/procurement and cost drivers to support our mandate

APPRECIATION

I extend my gratitude to the SAMSA Board of Directors, the Board Committees and my colleagues in the Executive Committee for their ongoing guidance and support throughout the year. I value the relationships with our shareholder, stakeholders and industry partners who recognise the opportunities that our regulatory work affords to South Africa at large.

Lastly, to my Finance and SCM team who constantly strive towards best practice standards and disclosure, I truly appreciate your commitment in maintaining an unqualified audit outcome.

Chief Financial Officer
Ms. MBALENHLE GOLDING CA(SA)



PFMA COMPLIANCE REPORT

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AND MATERIAL LOSSES

Irregular expenditure

a) Reconciliation of irregular expenditure

Description	2023/2024 R '000	2022/2023 R '000
Opening balance	590 446	606 574
Add: Irregular expenditure confirmed	18 912	13 277
Less: Irregular expenditure condoned	-	(29 405)
Less: Irregular expenditure not condoned and removed	-	-
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recovered and written off	-	-
Closing balance	609 359	590 446

Reconciling notes

Description	2023/2024 R '000	2022/2023 R '000
Irregular expenditure that was under assessment in previous year	-	-
Irregular expenditure that relates to previous year and identified in current year	-	39
Irregular expenditure for the current year	18 912	13 238
Total	609 359	590 446

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

Description ¹	2023/2024 R '000	2022/2023 R '000
Irregular expenditure under assessment	-	-
Irregular expenditure under determination	18 912	13 277
Irregular expenditure under investigation	-	-
Total ²	18 912	13 277

¹Group similar items

²Total unconfirmed irregular

PFMA COMPLIANCE REPORT

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

c) Details of current and previous year irregular expenditure condoned

Description	2023/2024 R '000	2022/2023 R '000
Irregular expenditure condoned	-	29 405
Total	-	29 405

The Irregular Expenditure condoned relates to irregular expenditure for 2014 – 2016. National Treasury requested SAMSA to submit the irregular expenditure for condonement per year for it to process systematically.

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

Description	2023/2024 R '000	2022/2023 R '000
Irregular expenditure NOT condoned	-	-
Total	-	-

Include discussion here where deemed relevant.

e) Details of current and previous year irregular expenditure recovered

Description	2024 R '000	2023 R '000
Irregular expenditure recovered	-	-
Total	-	-

Include discussion here where deemed relevant.

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

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

Include discussion here where deemed relevant.



PFMA COMPLIANCE REPORT

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

ADDITIONAL DISCLOSURE RELATING TO INTER-INSTITUTIONAL ARRANGEMENTS

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
Total
<i>Include discussion here where deemed relevant.</i>

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

Description	2023/2024 R '000	2022/2023 R '000
Procurement relating to vessel management services on behalf of the MLRF	3 370	1 801
Total	3 370	1 801
<i>Include discussion here where deemed relevant</i>		

i) Details of current and previous year disciplinary or criminal steps taken as a result of irregular expenditure

Description
None
<i>Include discussion here where deemed relevant.</i>

FRUITLESS AND WASTEFUL EXPENDITURE

Description	2023/2024 R '000	2022/2023 R '000
Opening balance	11 031	11 011
Add: Fruitless and wasteful expenditure confirmed	16	20
Less: Fruitless and wasteful expenditure written off	-	-
Less: Fruitless and wasteful expenditure recoverable	-	-
Closing balance	11 047	11 031
<i>Include discussion here where deemed relevant.</i>		

PFMA COMPLIANCE REPORT

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Reconciling notes

Description	2023/2024 R '000	2022/2023 R '000
Fruitless and wasteful expenditure that was under assessment in previous year	-	-
Fruitless and wasteful expenditure that relates to previous and identified in current year	-	2
Fruitless and wasteful expenditure for the current year	16	18
Total	16	20

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

Description ³	2023/2024 R '000	2022/2023 R '000
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	16	20
Fruitless and wasteful expenditure under investigation	-	-
Total⁴	16	20

Include discussion here where deemed relevant.

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

Description	2023/2024 R '000	2022/2023 R '000
Fruitless and wasteful expenditure under recovered	-	-
Total	-	-

Include discussion here where deemed relevant.

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

Description	2023/2024 R '000	2022/2023 R '000
Fruitless and wasteful expenditure written off	-	-
Total	-	-

Include discussion here where deemed relevant.

³Group similar items

⁴Total unconfirmed fruitless and wasteful expenditure (assessment), losses (determination), and criminal conduct (investigation)



PFMA COMPLIANCE REPORT

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

SUPPLY CHAIN MANAGEMENT

Procurement by other means - (Limited Bidding and Deviations)

Project Description	Name of supplier	Type of procurement by other means	Contract Number	Value of contract R '000
Generator maintenance/ diesel refuelling	Diesel Electric Services	Business Continuity/ Impractical	0015986	635
Generator maintenance/ diesel refuelling	Diesel Electric Services	Business Continuity/ Impractical	0015990	15
System license	Adapt IT (Pty) Ltd	Single Sole	0015994	356
Refridgerator repairs: Strip & quote	Coastal Marine and Industrial Refrigeration CC	Business Continuity/ Impractical	0015996	33
Email restoration	Solvue IT (Pty) Ltd	Emergency	0016008	155
Partnership	National Sea Rescue Institute	Business Continuity/ Impractical	0016010	236
Maintanance of building	All Top Properties	Business Continuity/ Impractical	0016079	19
Printing services	Government Printing Works	Business Continuity/ Impractical	0016106	70
Office Lease agreement	Rickett Sales (Pty) Ltd	Business Continuity/ Impractical	0016107	16,292
Printing services	Government Printing Works	Business Continuity/ Impractical	0016118	4,000
Printing services	Government Printing Works	Business Continuity/ Impractical	0016143	600
Partnership	National Sea Rescue Institute	Business Continuity/ Impractical	0016144	200
Generator maintenance/ diesel refuelling	Diesel Electric Services	Business Continuity/ Impractical	0016160	44
Office Lease agreement	All Top Properties	Business Continuity/ Impractical	0016168	40,790
Catering	Nto's Catering Services cc	No Sufficient Responses	0016175	50
Catering	Link Gibson Nge Logistics cc	No Sufficient Responses	0016177	70
PABX systems	Nashua Zululand	Business Continuity/ Impractical	0016182	62

PFMA COMPLIANCE REPORT

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Project Description	Name of supplier	Type of procurement by other means	Contract Number	Value of contract R '000
Hydroboiler service	Burgess and Partners Pty Ltd	Limited Sourcing	0016183	12
HR Case	Tokiso Dispute Settlement cc	Business Continuity/ Impractical	0016213	806
Space planner	Utere Properties (Pty) Ltd	No Sufficient Responses	0016219	166
Removal services	Eleanor Relocations and Removals	Business Continuity/ Impractical	16225	341
Generator maintainance/ diesel refuelling	Diesel Electric Services	Business Continuity/ Impractical	16229	886
Generator maintainance/ diesel refuelling	Diesel Electric Services	Business Continuity/ Impractical	16230	50
Radio equipment maintainance	Labcom Technologies	Single Sole	16233	23
Crowdstrike	Nascent Group (Pty) Ltd	Business Continuity/ Impractical	16239	1,328
Boatshow	Messe Frankfurt South Africa	Business Continuity/ Impractical	16240	56
Telephone maintainance	Plus 1X Communications (PTY) LTD	Business Continuity/ Impractical	16243	5
ICT License & support	Onsoft (Pty) Ltd	Single Sole	16244	988
ICT License	OYNETEC (PTY) LTD	Single Sole	16245	144
Door Maintainance	Bhekumuzi Protection Services (Pty) Ltd	Urgent	16246	8
Servers	Itgility (Pty) Ltd	Business Continuity/ Impractical	16253	245
HR system	HR Focus Holdings (Pty) Ltd	Single Sole	16256	60
Recruitment	Ludonga Consulting Partners	Business Continuity/ Impractical	16285	54
Maintanance of building	Pana-Ora Lugreeling	Emergency	16294	2



PFMA COMPLIANCE REPORT

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Project Description	Name of supplier	Type of procurement by other means	Contract Number	Value of contract R '000
Catering	The Kitchen Babes (Pty) Ltd	No Sufficient Responses	16295	48
Recruitment	Makhado Consulting PTY LTD	Business Continuity/ Impractical	16316	33
Email restoration	Solvue IT (Pty) Ltd	Emergency	16323	243
Scarves	Nyalu Communications	Urgent	16352	46
Great Plains	Braintree by Vox Telecom	Business Continuity/ Impractical	16369	518
Electrical work - Generator	SOJAJI (PT) LTD	Urgent	16374	7
Restoring of the SIOMS	Afrisonga (Pty) Ltd	Emergency	16396	867
Facilitator services	Lenomo SAS CC	Business Continuity/ Impractical	16403	242
CPUT Preferred for bursary recipient	J & D Ship Services	Business Continuity/ Impractical	16405	3
Recruitment	Only Recruitment (Pty) Ltd	Business Continuity/ Impractical	16408	24
Sole provider	ERSBIO (Pty) Ltd	Single Sole	16413	3
Generator maintenance/ diesel refuelling	Diesel Electric Services	Landlord Preferred	16422	13
CPUT Preferred for bursary recipient	J & D Ship Services	Business Continuity/ Impractical	16426	2
CPUT Preferred for bursary recipient	J & D Ship Services	Business Continuity/ Impractical	16428	3
Legal services	THAKADU INC	Business Continuity/ Impractical	16432	653
Install and supply EK 80 equipment on Africana	MRAD	Sole Provider	10017612	4,293
Gyro repairs replacement on Africana	Mackay Marine SA	Sole Provider	10019023	352
Port main engine starting fault on Sarah Baartman	Hiotek	Exceptional Case	10017725	313
Naval Artichecture and inclining experience on Africana	Triton	Exceptional Case	10017597	313
Upgrading of power management system on Victoria Mxenge	Kaltron Electrical Engineering	Sole Provider	10017630	259
Repair cooling water leak into the oil sump on Victoria	Brink Diesel	Exceptional Case	10017854	247
Replacement of fuel rail on Ellen Khuzwayo	Rolls Royce Solution	Sole Provider	10017622	238

PFMA COMPLIANCE REPORT

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Project Description	Name of supplier	Type of procurement by other means	Contract Number	Value of contract R '000
Cylinder head gaskets spares for Ellen Khuzwayo	MTU	Sole Provider	10018977	167
Additional work to PO 10016981, servicing for overhaul of the AC alternator on Africana	Electra Rewinding	Exceptional Case	10017621	148
Repairs of steering gear on Africana	PETEC	Urgent	10018693	137
Troubleshoot and repair outboard engine on Africana	SA Cape Marine	Exceptional Case	10017574	135
Supply of MTU filters on Ellen khuzwayo	MTU	Sole Provider	10018672	103
Additional work to AFCN RFQ 6212 - inclining experience	Triton Naval Architects	Exceptional Case	10018590	93
Replacement of the valve block on Africana	6sigma	Exceptional Case	10017806	79
Additional work to AFCN RFQ 6202 - DC Generator heat exchangers overhaul on Africana	Cape Armature Winders	Exceptional Case	10017624	78
Maxsea software repairs on Ellen Khuzwayo	Taylor Marine	Sole Provider	10018975	69
MTU to supply fuel high pressure pipes on Ellen Khuzwayo	MTU	Sole Provider	10018018	65
MTU to supply fuel high pressure pipes on Ellen Khuzwayo	MTU	Sole Provider	10018018	65
Skipper course for 6 crew members on	SSTG Institution	Sole Provider	10019067	63
Skipper course for 7 crew members on Africana	SSTG Institution	Sole Provider	10019211	62
Diving service on Ellen khuzwayo	ATLATECH	Urgent	10018017	46
Diving service on Ellen khuzwayo	ATLATECH	Urgent	10018017	46
Conduct Repairs on Radars on Lilian Ngoyi	Radio Holland	Exceptional Case	10018045	43
Renew and program computer for spectrum monitoring system on Ruth First	SPECTRUM	Sole Provider	10019083	38
Supply main engine intercoolers to Lilian Ngoyi	MTU	Sole Provider	10017911	36



PFMA COMPLIANCE REPORT

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Project Description	Name of supplier	Type of procurement by other means	Contract Number	Value of contract R '000
Oily water separator calibration on Ellen and Sarah Baartman	O&O ANALYSIS	Sole Provider	10018880	36
Additional work with reference to PO 10016097 - Repairs to the laundry room bulkheads on Victoria Mxenge	Trevshan	Exceptional Case	10017755	35
Repairs on port mtu engine alternator on Ruth First	Coastal Marine	Exceptional Case	10017803	31
Additional work Kingklip and Leervis Sarah Baartman	GEMINI	Sole Provider	10018337	31
Drager repairs on Africana	Drager South Africa	Sole Provider	10017789	30
Repairs of spectrum converters on Ellen Khuzwayo	SPECTRUM	Sole Provider	10018976	28
Ecdis course for 3 crew members on Africana	SSTG Institution	Exceptional Case	10019778	27
Conduct repairs on main airconditioning on Victoria Mxenge	Coastal Marine	Urgent	10018268	27
Repairs for MTU alternators on Ruth First	CMIR	Exceptional Case	10017805	26
Repairs of MTU thermal actuator on Ellen Khuzwayo	MTU	Sole Provider	10018604	24
Ship security officer and radar navigation course for a crew member on Ellen Khuzwayo	SAMTRA	Exceptional Case	10017511	24
Supply orings on Victoria Mxenge	MTU	Sole Provider	10018805	24
Repairs on port engine starting fault on Sarah Baartman	Hiotek	Exceptional Case	10017725	23
Repair spectrum CPU's on Victoria Mxenge	SPECTRUM	Sole Provider	10018145	23
Supply and install Fire pump volute casing	VIBETECH	Exceptional Case	10017900	22
Replacement of Radars on Ruth First	Radio Holland	Exceptional Case	10018973	20
Supply high fuel pressure pump to Africana	SA Cape Marine	Exceptional Case	10017452	20
Repairs to the windlass on Victoria Mxenge (Additional work to PO 10017262)	Trevshan	Exceptional Case	10017767	17

PFMA COMPLIANCE REPORT

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Project Description	Name of supplier	Type of procurement by other means	Contract Number	Value of contract R '000
Conduct repairs on the spectrum alarm monitoring system on Victoria Mxenge.	SPECTRUM	Sole Provider	10018257	16
Fabricate pipes and brackets to fit the new generation gysers on Ruth First	Trevshan Marine	Urgent	10017943	16
Fabricate pipes and brackets to fit the new generation gysers on Ruth First	Trevshan Marine	Urgent	10017943	16
Repair of leaking petrol on tank on Lilian Ngoyi	SA Cape Marine	Exceptional Case	10017799	15
Investigate and repair overcurrent problems on Victoria Mxenge	HIOTEK	Exceptional Case	10018046	14
Ecdis course for a crew member on Africana	SAMTRA	Exceptional Case	10017594	11
Ecdis course for 1 crew member	SAMTRA	Exceptional Case	10018521	11
Fault finding and repairs of spectrum monitoring system on Lilian Ngoyi	Spectrum	Sole Provider	10017659	10
Ecdis course for 1 crew member	SSTG	Exceptional Case	10019115	10
Ecdis course for 1 crew member on Africana	SSTG Institution	Exceptional Case	10019052	10
Ecdis course for 1 crew member on Lilian Ngoyi	SSTG Institution	Exceptional Case	10019115	10
Remove and transport the intercooler from Victoria Mxenge at Quay 500 to Lillian Ngoyi at Simonstown	Brink Diesel	Urgent	10017658	10
Advanced fire fighting course for crew memeber on Africana	SAFMA	Exceptional Case	10017904	10
Repairs of the spectrum alarm monitoring system on Lilian Ngoyi	SPECTRUM	Sole Provider	10018974	9
Supply hydraulic hoses for the palfinger on Lilian Ngoyi	SA Cape Marine	Urgent	10017775	9
Repairs of spectrum alarm monitoring system on Ellen Khuzwayo	SPECTRUM	Sole Provider	10018978	7
Repairs of MTU engines alarms on Ellen Khuzwayo	MTU	Sole Provider	10018561	7
Fault finding the earth fault on the 24 volts system and repairs on Victoria Mxenge	Hiotek	Exceptional Case	10017517	6



PFMA COMPLIANCE REPORT

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Project Description	Name of supplier	Type of procurement by other means	Contract Number	Value of contract R '000
Maxsea software transfer on Ruth First	Taylor Marine	Sole Provider	10018840	6
Additional work to ELKY DEC 2444 Radio Survey	MNS	Exceptional Case	10018700	6
Mtu to set up pitch propeller creep on Lilian Ngoyi	MTU	Sole Provider	10017513	6
Conduct main engines alarms simulation and shutdowns Ruth First	MTU	Sole Provider	10018234	6
Conduct repairs on main engine alarms on Lilian Ngoyi	MTU	Sole Provider	10018481	6
Repairs of alarms on Victoria Mxenge	MTU	Sole Provider	10018701	6
Supply the new Lithium battery for the EPIRB on Lilian Ngoyi	Marine Navigation System	Exceptional Case	10017804	5
Supply and renew the EPIRB hydrostatic release unit	Marine Navigation System	Urgent	10018501	5
Call out conduct settings and software update on the AIS on Lillian Ngoyi	DYNAMIC MARINE	Exceptional Case	10018016	4
Repairs and update charts on the workboat on Lilian Ngoyi	Taylor Marine	Exceptional Case	10017764	4
Additional work on repairs to fit pressure stats on Victoria Mxenge	Coastal Marine	Exceptional Case	10018103	4
CISC training for crew	CPUT	Exceptional Case	10018101	4
Competency in Security awareness course for 1 crew member	SAMTRA	Exceptional Case	10018105	4
Competency in survival craft course for 1 crew member	CPUT	Exceptional Case	10018407	4
Skipper course for 2 crew members on Africana	SSTG Institution	Sole Provider	10019066	3
Security awareness course for a crew member on Africana	SAMTRA	Exceptional Case	10018472	1
TOTAL				79 730

PFMA COMPLIANCE REPORT

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

SUPPLY CHAIN MANAGEMENT

Contract variations and expansions

Project Description	Name of supplier	Contract modification type (Expansion or Variation)	Contract Number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation R '000
Security services	ADT Security	Variation	15992	8	-	1
Cleaning services	GCA Tradings (Pty) Ltd	Variation	16124	201	-	25
Office Lease agreement	Rickett Sales (Pty) Ltd	Variation	16134	6 575	-	117
Microsoft License support	Altron TMT (Pty) Ltd	Expansion	16210	10 693	3 477	178
Electrical work - UPS	Atayanda Holdings (Pty) Ltd	Variation	16214	316	-	13
Security services	Tincol Group (Pty) Ltd	Variation	16270	2 367	-	330
Alarm services	DAKKA Security Service T/A Code Blue Monitor	Variation	16301	20	-	1
Microsoft License support	Altron TMT (Pty) Ltd	Expansion	16339	10 693	-	842
IFW assesment	Modern Intelligence Consulting	Variation	16343	275	-	40
Variation - Generator installation	Intuthuko Yezwe Project (Pty) Ltd	Variation	16389	353	-	52
Cleaning services	Nathan Moodleys Enterprise	Variation	16393	330	-	29
Extension of work	Office of the Auditor General	Expansion	16436	5 866	-	467
TOTAL				37 028	3 477	2 094





FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024



ACCOUNTING AUTHORITY'S RESPONSIBILITIES AND APPROVAL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

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

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

The Accounting Authority acknowledges that it is ultimately responsible for the system of internal financial control established by the entity and place considerable importance on maintaining a strong control environment. To enable the Accounting Authority to meet these responsibilities, the Accounting Authority 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 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 risk across the entity. While operating risk cannot be fully eliminated, the

entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Accounting Authority 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 financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The Accounting Authority has reviewed the entity's cash flow forecast for the year to 31 March 2025 and, in the light of this review and the current financial position, it 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 internally generated revenue for continued funding of operations. The financial statements are prepared on the basis that the entity is a going concern and that the entity has neither the intention nor the need to liquidate or curtail materially the scale of the entity.

The external auditors are responsible for independently reviewing and reporting on the entity's financial statements. The financial statements have been examined by the entity's external auditors and their report is presented on page 115.

The financial statements set out on pages **149 - 231** which have been prepared on the going concern basis, were approved by the Accounting Authority on 30 July 2024 and were signed on its behalf by:

Board Chairperson
MR. MAHESH FAKIR

ACCOUNTING AUTHORITY'S REPORT

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

The Authority submits its report for the year ended 31 March 2024.

1. INCORPORATION

The entity was incorporated on 1 April 1998 and obtained its certificate to commence business on the same day.

2. REVIEW OF ACTIVITIES

Main business and operations

SAMSA is South Africa's maritime authority and safety agency under the Ministry of Transport, with a primary role in:

Regulatory, Enforcement and Compliance Services

- Ensuring maritime (ships, ports, off-shore) and inland waterways (boating) safety
- Protection of marine environment from pollution by ships
- Provision of maritime search and rescue coordination and maritime emergency response services
- Development of seafarer skills, training, certification and welfare standards (including the fishing sub-sector)

Strategic Maritime Interests Promotion

- Development, growth and transformation of the maritime sector, particularly ensuring:
- Promote the awareness of the potential of, and the opportunities in, the maritime sector to contribute to the overall development of South Africa
- Grow the domestic maritime industry and its ship registry
- Ensure adequate and competitive skills and an inclusive sector with women and black participants in maritime jobs, professions and business opportunities
- Maritime Security and Communications
- Ensure effective maritime (transport) security infrastructure and services (Long Range Identification and Tracking - LRIT) on behalf of the country
- Ensure availability of effective and modern global maritime communications systems
- Key participation at Maritime Security Advisory Committee (MSAC) and Maritime Security Coordination Center (MSCC)
- International Relations
- Represent South Africa's interests at key global maritime and regional forums

The Authority is also the custodian of the Maritime Fund, which was established by section 38 of the SAMSA Act. The Maritime Fund consists of funds earned through penalties, fines and forfeiture for contraventions of maritime legislation.

Net surplus of the entity was 98 004 000 (2023: surplus 38 073 000 (restated, details included in Note 34)).



ACCOUNTING AUTHORITY'S REPORT

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

3. GOING CONCERN

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

4. SUBSEQUENT EVENTS

The Accounting Authority is not aware of any matter or circumstance arising since the end of the financial year.

5. ACCOUNTING POLICIES

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

6. ACCOUNTING AUTHORITY

The Accounting Authority of the entity during the year and to the date of this report is as follows:

M Fakir	Board Chairperson	Appointed 1 September 2023
TC Morwe	Deputy Board Chairperson	Appointed 10 January 2023; Acting CEO from 4 October 2023
NC Skeepers	Board Member	Appointed 1 September 2023
NA Sobekwa	Board Member	Appointed 1 September 2023
S Nguse	Board Member	Appointed 1 September 2023
NF Nojozi	Board Member	Appointed 1 September 2023
N Minyuku	Board Chairperson	Until 26 September 2023
LN Dlamini	Board Member	Until 26 September 2023
L Haluodi	Board Member	Until 26 June 2023
ED Khosa	Board Member	Until 26 September 2023
CB Zulu	Board Member	Until 26 September 2023
N Ramugondo	Acting Chief Executive Officer	From 1 Dec 2022 until 31 May 2023
Z Chonco	Acting Chief Executive Officer	From 1 June 2023 until 3 October 2023

ACCOUNTING AUTHORITY'S REPORT

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

7. SECRETARY

The position of secretary of the entity is currently held in an acting capacity by Ms M Moffat.

8. CORPORATE GOVERNANCE

General

The Accounting Authority is committed to business integrity, transparency and professionalism in all its activities. As part of this commitment, the Accounting Authority supports the highest standards of corporate governance and the ongoing development of best practice.

Board of directors

The Board:

- retains full control over the entity, its plans and strategy;
- acknowledges its responsibilities as to strategy, compliance with internal policies, external laws and regulations, effective risk management and performance measurement, transparency and effective communication both internally and externally by the entity;
- is of a unitary structure comprising of non-executive directors, all of whom are independent directors as defined in the Code.

Chairperson and Chief Executive

The Chairperson is a non-executive and independent director (as defined by the Code).

The roles of Chairperson and Chief Executive are separate, with responsibilities divided between them, so that no individual has unfettered powers of discretion.

Non-Executive Meetings

The Accounting Authority has met on nine (9) separate occasions during the financial year, which includes five (5) special board meetings. The Accounting Authority schedules to meet at least four (4) times per annum.

Non-executive directors have access to all members of management of the entity.

Audit and risk committee

The Audit and Risk Committee is chaired by Mr RG Nicholls (independent ARC Chair) and comprises of one non-executive director, Mr S Nguse, as well as one additional independent member, Ms F Mkhize.

Internal Audit

The entity has outsourced its internal audit function to A2A Kopano Inc.

9. CONTROLLING ENTITY

The entity's Executive Authority is the Minister of Transport.



ACCOUNTING AUTHORITY'S REPORT

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

10. BANKERS

The Authority's bankers, which are approved by National Treasury, are ABSA and First National Bank (FNB).

11. AUDITORS

Auditor-General South Africa will continue in office for the next financial year.

STATEMENT OF FINANCIAL POSITION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

	Note(s)	2024 R '000	2023 Restated R '000
Assets			
Current Assets			
Inventories	4	495	436
Receivables from exchange transactions	5	9 898	6 637
Receivables from non-exchange transactions	6	58 410	40 232
Prepayments	7	9 044	11 401
Cash and cash equivalents	8	266 334	228 855
		344 181	287 561
Non-Current Assets			
Property, plant and equipment	2	15 829	12 587
Intangible assets	3	388	226
		16 217	12 813
Total Assets		360 398	300 374
Liabilities			
Current Liabilities			
Payables from exchange transactions	9	99 660	137 943
Taxes and transfers payable (non-exchange)	10	253	559
VAT payable	11	172	-
Employee benefit obligation	12	731	647
Unspent conditional grants and receipts	13	5 002	5 003
		105 818	144 152
Non-Current Liabilities			
Employee benefit obligation	12	8 024	7 670
Total Liabilities		113 842	151 822
Net Assets		246 556	148 552
Reserves			
Revaluation reserve	14	1 127	1 127
Accumulated surplus		245 429	147 425
Total Net Assets		246 556	148 552



STATEMENT OF FINANCIAL PERFORMANCE

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

	Note(s)	2024 R '000	2023 Restated' R '000
Revenue - exchange transactions	16	355 526	312 260
Revenue - non exchange transactions	16	340 956	319 905
Cost of sales	17	(80)	(106)
Net Revenue		696 402	632 059
Other income	18	45 479	930
Operating expenses	19	(325 684)	(266 488)
Employee Costs	20	(329 201)	(330 632)
Depreciation and amortisation	21	(5 402)	(6 061)
Operating surplus		81 594	29 808
Investment revenue	24	16 511	8 291
Fair value adjustments	25	(94)	(8)
Finance costs	26	(7)	(18)
Surplus for the year		98 004	38 073

STATEMENT OF CHANGES IN NET ASSETS

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

	Revaluation reserve R '000	Accumulated surplus/(deficit) R '000	Total net assets R '000
Opening balance as previously reported	1 127	109 394	110 521
Adjustments			
Correction of errors (Note 34)	-	(42)	(42)
Balance at 01 April 2022 as restated*	1 127	109 352	110 479
Changes in net assets			
Surplus for the year	-	38 073	38 073
Total changes	-	38 073	38 073
Opening balance as previously reported	1 127	147 683	148 810
Adjustments			
Correction of errors 34	-	(258)	(258)
Balance at 1 April 2023 as restated*	1 127	147 425	148 552
Changes in net assets			
Surplus for the year	-	98 004	98 004
Total changes	-	98 004	98 004
Balance at 31 March 2024	1 127	245 429	246 556
Notes	14		



CASH FLOW STATEMENT

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

	Note(s)	2024 R '000	2023 Restated R '000
Cash flows from operating activities			
Receipts			
SAMSA Levies		321 040	322 629
Other Charges		356 923	321 762
Interest income		16 511	8 291
		694 474	652 682
Payments			
Employee Costs		(329 201)	(330 632)
Finance costs		(7)	(18)
Other payments		(363 898)	(255 538)
		(693 106)	(586 188)
Net cash flows from operating activities	27	1 368	66 494
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(8 433)	(2 901)
Proceeds from sale of property, plant and equipment	2 & 18	45 000	17
Purchase of other intangible assets	3	(456)	(9)
Net cash flows from investing activities		36 111	(2 893)
Net increase / (decrease) in cash and cash equivalents		37 479	63 601
Cash and cash equivalents at the beginning of the year		228 855	165 254
Cash and cash equivalents at the end of the year	8	266 334	228 855

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

BUDGET ON ACCRUAL BASIS

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
	R '000	R '000	R '000	R '000	R '000	

Statement of Financial Performance

Revenue

Revenue from exchange transactions

Direct User Charges	64 236	-	64 236	59 883	(4 353)
Vessel Management Services	215 585	-	215 585	278 300	62 715
SA Agulhas Fees	3 962	-	3 962	-	(3 962)
Government Service Fees	18 737	-	18 737	17 343	(1 394)
Other Income	641	-	641	563	(78)
Interest received - investment	1 500	-	1 500	16 511	15 011
Total revenue from exchange transactions	304 661	-	304 661	372 600	67 939

Revenue from non-exchange transactions

Taxation revenue

SAMSA Levies	352 793	-	352 793	339 089	(13 704)
Grant revenue	-	-	-	1	1

Transfer revenue

Fine, Penalties and Forfeits	-	-	-	1 866	1 866
Total revenue from non-exchange transactions	352 793	-	352 793	340 956	(11 837)
Total revenue	657 454	-	657 454	713 556	56 102

Expenditure

Personnel	(382 510)	-	(382 510)	(329 201)	53 309
Advertising & Promotions	(959)	-	(959)	(881)	78
Audit Fees - External	(7 033)	-	(7 033)	(7 327)	(294)
Audit Fees - Internal	(1 536)	-	(1 536)	(593)	943
Cleaning	(1 503)	-	(1 503)	(440)	1 063
Commission paid	(10 143)	-	(10 143)	(9 745)	398
Computer expenses	(5 170)	-	(5 170)	(5 515)	(345)



STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

BUDGET ON ACCRUAL BASIS

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
	R '000	R '000	R '000	R '000	R '000	
Conferences and seminars	(1 674)	-	(1 674)	(1 000)	674	
Consulting fees	(8 644)	-	(8 644)	(10 366)	(1 722)	
Depreciation and amortisation	(8 410)	-	(8 410)	(5 402)	3 008	
Directors Remuneration	(1 500)	-	(1 500)	(2 358)	(858)	
Donations / Social Responsibility	(1 072)	-	(1 072)	(349)	723	
Insurance	(3 410)	-	(3 410)	(2 976)	434	
Lease charges	(558)	-	(558)	(893)	(335)	
Legal expenses	(3 174)	-	(3 174)	(9 043)	(5 896)	
License fees	(12 699)	-	(12 699)	(14 731)	(2 032)	
Mileage Claims and Surveyor Costs	(2 429)	-	(2 429)	(1 470)	959	
Office Alterations and Repairs and Maintenance	(8 318)	-	(8 318)	(9 355)	(1 037)	
Office Security	(4 111)	-	(4 111)	(1 800)	2 311	
Printing and stationery	(5 896)	-	(5 896)	(3 159)	2 737	
Provision of Data	(1 108)	-	(1 108)	(956)	152	
Rent	(38 282)	-	(38 282)	(32 488)	5 794	
Research Programme	(3 759)	-	(3 759)	(825)	2 934	
SA Agulhas expenses (excluding salaries)	(5 190)	-	(5 190)	(5 613)	(423)	
Scholarship Programme	(2 800)	-	(2 800)	(1 104)	1 696	
Staff recruitment and relocation	(2 339)	-	(2 339)	(969)	1 370	
Staff training	(4 478)	-	(4 478)	(2 937)	1 541	
Staff welfare	(626)	-	(626)	(485)	141	
Telecommunication costs	(2 156)	-	(2 156)	(4 172)	(2 016)	
Trave - Local	(7 299)	-	(7 299)	(11 566)	(4 267)	
Travel - Overseas	(4 299)	-	(4 299)	(3 292)	1 007	
Vessel Management Expenses	(94 744)	-	(94 744)	(164 910)	(70 166)	
Water and electricity	(5 406)	-	(5 406)	(4 535)	871	
Other Expenditure	(13 595)	-	(13 595)	(9 911)	3 684	
Total expenditure	(656 830)	-	(656 830)	(660 367)	(3 537)	
Operating surplus	624	-	624	53 189	52 565	
Gain on disposal of assets and liabilities	-	-	-	44 916	44 916	
Fair value adjustments	-	-	-	(94)	(94)	
Finance cost	-	-	-	(7)	(7)	
	-	-	-	44 815	44 815	
Surplus	624	-	624	98 004	97 380	

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

BUDGET ON ACCRUAL BASIS

Actual Amount on Comparable	624	-	624	98 004	97 380
Basis as Presented in the Budget and Actual Comparative Statement					

Material variances between actual and budget are explained in Appendix 1 to the Annual Financial Statements.



SIGNIFICANT ACCOUNTING POLICIES

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

1. SIGNIFICANT ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION

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. They are presented in South African Rand.

These accounting policies are consistent with the previous year.

New GRAP standards and interpretations:

At the date of authorisation of these annual financial statements, there are GRAP standards and interpretations which were gazetted by the Minister of Finance but were not effective for the financial year under review. These standards are as follows:

GRAP 1 - Presentation of Financial Statements (amendments related to going concern)

The objective of this Standard is to prescribe the basis for presentation of general purpose financial statements, to ensure comparability both with the entity's financial statements of previous years and with the financial statements of other entities. Issued by the ASB in November 2022 and no effective date been determined by the Minister of Finance. The entity will assess the impact of the standard on its financial statements

GRAP 103 - Heritage Assets

The objective of this Standard is to prescribe the accounting treatment for heritage assets and related disclosure requirements. This standard will replace the current GRAP 103. It is not expected to have a material effect on the entity. Issued by the ASB in June 2022 and no effective date has been determined by the Minister of Finance

GRAP 104 - Financial Instruments

The objective of this Standard is to establish principles for recognising, measuring, presenting and disclosing financial instruments. This standard will replace the current GRAP 104. The entity will assess the impact of the standard on its financial statements. Issued by the ASB in April 2021 and the effective date is 1 April 2025.

GRAP 105 - Transfer of Functions Between Entities Under Common Control

The objective of this Standard is to establish principles and requirements for the acquirer and transferor in a transfer of functions between entities under common control and its effects. This standard will replace the current GRAP 105. The entity will assess the impact of the standard on its financial statements. Issued by the ASB in February 2024 and no effective date has been determined by the Minister of Finance..

SIGNIFICANT ACCOUNTING POLICIES

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

GRAP 106 - Transfer of Functions Between Entities Not Under Common Control

The objective of this Standard is to establish principles and requirements for the acquirer in a transfer of functions between entities not under common control and its effects. This standard will replace the current GRAP 106. The entity will assess the impact of the standard on its financial statements. Issued by the ASB in February 2024 and no effective date has been determined by the Minister of Finance.

GRAP 107 - Mergers

The objective of this Standard is to establish principles and requirements for the combined entity and combining entities in a merger and its effects. This standard will replace the current GRAP 107. The entity will assess the impact of the standard on its financial statements. Issued by the ASB in February 2024 and no effective date has been determined by the Minister of Finance.

GRAP 2023 - Improvements to Standards of GRAP (2023)

The entity will assess the impact of the improvements to the standards of GRAP on its financial statements. Issued by the ASB in November 2023 and no effective date has been determined by the Minister of Finance.

iGRAP 22 - Foreign Currency Transactions and Advance Consideration

This Interpretation addresses how to determine the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or revenue on the derecognition of a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration in a foreign currency. The entity will assess the impact of the interpretation on its financial statements. Issued by the ASB in October 2023 and no effective date has been determined by the Minister of Finance.

1.2 PRESENTATION CURRENCY

These 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

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.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence.



SIGNIFICANT ACCOUNTING POLICIES

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

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

1.5 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:

Fair value estimation

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the entity for similar financial instruments.

Impairment testing

The entity reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time.

Useful lives of assets

The entity assesses at each reporting date whether there is any indication that the entity expectations about the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the entity revises the expected useful life accordingly. The change is accounted for as a change in an accounting estimate.

Post retirement benefits

The present value of the post-retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post-retirement obligations.

The entity determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the

SIGNIFICANT ACCOUNTING POLICIES

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the entity considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in Note 12.

Effective interest rate

The entity used the prime interest rate to discount future cash flows.

Allowance for doubtful debts

On debtors 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. An allowance for doubtful debt is raised for amounts owing in excess of 120 days.

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, its 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



SIGNIFICANT ACCOUNTING POLICIES

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

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 is carried at cost less accumulated depreciation and any impairment losses except for land and buildings which are carried at revalued amount being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

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 decrease of the same asset previously recognised in surplus or deficit.

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 equity related to a specific item of property, plant and equipment is transferred directly to retained earnings when the asset is derecognised.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings as the asset is used. The amount transferred is equal to the difference between depreciation based on the revalued carrying amount and depreciation based on the original cost of the asset.

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

ACCOUNTING POLICIES

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

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

Item	Depreciation method	Average useful life
Buildings	Straight line	21 years
Leasehold property	Straight line	4 - 11 years
Furniture and fixtures	Straight line	5 - 22 years
Motor vehicles	Straight line	5 - 12 years
Office equipment	Straight line	6 - 13 years
IT equipment	Straight line	4 - 11 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 entity assesses at each reporting date whether there is any indication that the entity expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the entity revises the expected useful life and/or residual value accordingly. The 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.

The entity separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 2).

1.7 INTANGIBLE ASSETS

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either



ACCOUNTING POLICIES

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or

- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and
- the cost or fair value of the asset can be measured reliably.

The entity assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

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

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

ACCOUNTING POLICIES

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Item	Depreciation method	Average useful life
Computer software	Straight line	4 - 7 years

Intangible assets are derecognised:

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

The gain or loss arising from the derecognition of an intangible assets is included in surplus or deficit when the asset is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

1.8 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.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

A concessionary loan is a loan granted to or recieved by an entity on terms that are not market related .

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- It is settled at a future date.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity



ACCOUNTING POLICIES

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

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.

A financial asset is:

- Cash
- a residual interest of another entity; or
- a contractual right to:
 - receive cash or another financial asset from another entity; or
 - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity .

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial

ACCOUNTING POLICIES

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

instrument or its issuer, or factors affecting all similar financial instruments traded in the market.
A financial asset is past due when a counterparty has failed to make a payment when contractually due.

A residual interest is any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

- equity instruments or similar forms of unltlsed capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the entity designates at fair value at initial recognition; or
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
 - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
 - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
 - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
 - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

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 / liability measured at amortised cost



ACCOUNTING POLICIES

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Receivables from non-exchange transactions

Financial asset / liability measured at amortised cost

Financial instruments

Financial asset / liability measured at fair value

Initial recognition

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

The entity recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

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

Subsequent measurement of financial assets and financial liabilities

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

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

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

Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the entity establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the entity uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on entity-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, an entity calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data.

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

Gains and losses

ACCOUNTING POLICIES

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

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

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

Impairment and uncollectibility of financial assets

The entity 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 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.

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.

Dividends or similar distributions 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



ACCOUNTING POLICIES

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

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.

1.9 STATUTORY RECEIVABLES

Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

Carrying amount is the amount at which an asset is recognised in the statement of financial position.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount (for purposes of this Standard) for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

1.10 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.

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.

1.11 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.

ACCOUNTING POLICIES

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

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

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

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

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

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

The cost of inventories - books 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.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the 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 occurs. The amount of any reversal of any write-down 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.

1.12 IMPAIRMENT OF CASH-GENERATING ASSETS

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

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

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

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

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

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

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



ACCOUNTING POLICIES

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

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

Useful life is either:

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

Identification

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

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

Irrespective of whether there is any indication of impairment, the entity also tests a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period..

Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the entity estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the entity applies the appropriate discount rate to those future cash flows.

Basis for estimates of future cash flows

In measuring value in use the entity:

- base cash flow projections on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset. Greater weight is given to external evidence;
- base cash flow projections on the most recent approved financial budgets/forecasts, but excludes any estimated future cash inflows or outflows expected to arise from future restructuring's or from improving or enhancing the asset's performance. Projections based on these budgets/forecasts covers a maximum period of five years, unless a longer period can be justified; and
- estimate cash flow projections beyond the period covered by the most recent budgets/forecasts by extrapolating the projections based on the budgets/forecasts using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. This growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used, unless a higher rate can be justified.

Composition of estimates of future cash flows

Estimates of future cash flows include:

- projections of cash inflows from the continuing use of the asset;
- projections of cash outflows that are necessarily incurred to generate the cash inflows from continuing use of the asset (including cash outflows to prepare the asset for use) and can be directly attributed, or allocated on a reasonable and consistent basis, to the asset; and
- net cash flows, if any, to be received (or paid) for the disposal of the asset at the end of its useful life.

ACCOUNTING POLICIES

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Estimates of future cash flows exclude:

- cash inflows or outflows from financing activities; and
- income tax receipts or payments.

The estimate of net cash flows to be received (or paid) for the disposal of an asset at the end of its useful life is the amount that the entity expects to obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the estimated costs of disposal.

Discount Rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

Recognition and measurement (individual asset)

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

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease.

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

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

Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the entity determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the entity use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.



ACCOUNTING POLICIES

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

Reversal of impairment loss

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

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable 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 cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

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

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

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.

ACCOUNTING POLICIES

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

1.13 IMPAIRMENT OF NON-CASH-GENERATING ASSETS

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

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

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation). Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

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

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

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life. Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Useful life is either:

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

Designation

At initial recognition, the entity designates an asset as non-cash-generating, or an asset or cash-generating unit as cash generating. The designation is made on the basis of an entity's objective of using the asset.

The entity designates an asset or a cash-generating unit as cash-generating when:

- its objective is to use the asset or a cash-generating unit in a manner that generates a commercial return; such that
- the asset or cash-generating unit will generate positive cash flows, from continuing use and its ultimate disposal, that are expected to be significantly higher than the cost of the asset.

The entity designates an asset as non-cash-generating when its objective is not to use the asset to generate a commercial return but to deliver services.

An asset used with the objective of generating a commercial return and service delivery, is designated either as a cash-generating asset or non-cash-generating asset based on whether the entity expects to use that asset to generate a commercial return. When it is not clear whether the objective is to use the asset to generate a commercial return, the entity designates the asset as a non-cash-generating asset and applies this accounting policy, rather than the accounting policy on Impairment of Non-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.



ACCOUNTING POLICIES

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Irrespective of whether there is any indication of impairment, the entity also tests a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period..

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.

Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

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.

ACCOUNTING POLICIES

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

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.

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.

Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

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

1.14 EMPLOYEE BENEFITS

Identification

Employee benefits

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

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

Post-employment benefits are employee benefits (other than termination benefits and short-term employee benefits) that are payable after the completion of employment.

Other long-term employee benefits are all employee benefits other than short-term employee benefits, post-employment benefits and termination benefits.

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either: (a) an entity's decision to terminate an employee's employment before the normal retirement date; or (b) an employee's decision to accept an offer of benefits in exchange for the termination of employment.



ACCOUNTING POLICIES

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Classification of plans

A binding arrangement is an arrangement that confers enforceable rights and obligations on the parties to the arrangement as if it were in the form of a contract. It includes rights from contracts or other legal rights.

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

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

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Net defined benefit liability (asset)

The net defined benefit liability (asset) is the deficit or surplus, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling.

The deficit or surplus is: (a) the present value of the defined benefit obligation; less (b) the fair value of plan assets (if any); plus (c) any liability that may arise as a result of a minimum funding requirement.

The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

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

Plan assets comprise: (a) assets held by a long-term employee benefit fund; and (b) qualifying insurance policies.

Assets held by a long-term employee benefit fund are assets (other than nontransferable financial instruments issued by the reporting entity) that: (a) are held by an entity (a fund) that is legally separate from the reporting entity and exists solely to pay or fund employee benefits; and (b) are available to be used only to pay or fund employee benefits, are not available to the reporting entity's own creditors (even in liquidation), and cannot be returned to the reporting entity, unless either: (i) the remaining assets of the fund are sufficient to meet all the related employee benefit obligations of the plan or the reporting entity; or (ii) the assets are returned to the reporting entity to reimburse it for employee benefits already paid.

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in GRAP 20) of the reporting entity, if the proceeds of the policy: (a) can be used only to pay or fund employee benefits under a defined benefit plan; and (b) are not available to the reporting entity's own creditors (even in liquidation) and cannot be paid to the reporting entity, unless either: (i) the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or (ii) the proceeds are returned to the reporting entity to reimburse it for employee benefits already paid.

Defined benefit cost

Service cost comprises: (a) current service cost, which is the increase in the present value of the defined benefit obligation resulting from employee service in the current period; (b) past service cost, which is the change in the present value of the defined benefit obligation from employee service in prior periods, resulting from a plan amendment (the introduction or withdrawal of, or changes to, a defined benefit plan) or a curtailment (a significant reduction by the entity in the number of employees covered by a plan); and (c) any gain or loss on settlement.

Net interest on the net defined benefit liability (asset) is the change during the period in the net defined benefit liability (asset) that arises from the passage of time.

ACCOUNTING POLICIES

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Remeasurements of the net defined benefit liability (asset) comprise: (a) actuarial gains and losses; (b) the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and (c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).

Actuarial gains and losses are changes in the present value of the defined benefit obligation resulting from: (a) experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred); and (b) the effects of changes in actuarial assumptions.

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

A settlement is a transaction that eliminates all further legal or constructive obligations for part or all of the benefits provided under a defined benefit plan, other than a payment of benefits to, or on behalf of, employees that is set out in the terms of the plan and included in the actuarial assumptions.

Short-term employee benefits

Recognition and measurement

All short-term employee benefits

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:

- a. 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.
- b. As an expense, unless another Standard of GRAP requires or permits the inclusion of the benefits in the cost of an asset.

Short-term paid absences

The entity recognises the expected cost of short-term employee benefits in the form of paid absences as follows:

- a. in the case of accumulating paid absences, when the employees render service that increases their entitlement to future paid absences; and
- b. in the case of non-accumulating paid absences, when the absences occur.

The entity measures the expected cost of accumulating paid absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period.

Bonus, incentive and performance related payments

The entity recognises the expected cost of bonus, incentive and performance related payments when, and only when:

- a. the entity has a present legal or constructive obligation to make such payments as a result of past events; and
- b. a reliable estimate of the obligation can be made. A present obligation exists when, and only when, the entity has no realistic alternative but to make the payments.

Post-employment benefits: Defined benefit plans

Recognition and measurement

The entity determines the net defined benefit liability (asset) with sufficient regularity that the amounts recognised in the financial statements do not differ materially from the amounts that would be determined at the end of the reporting period.



ACCOUNTING POLICIES

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Accounting for the constructive obligation

The entity accounts not only for its legal obligation under the formal terms of a defined benefit plan, but also for any constructive obligation that arises from the entity's informal practices. Informal practices give rise to a constructive obligation where the entity has no realistic alternative but to pay employee benefits.

Statement of financial position

The entity recognises the net defined benefit liability (asset) in the statement of financial position. When the entity has a surplus in a defined benefit plan, it measures the net defined benefit asset at the lower of: the reporting entity's own creditors (even in liquidation), and cannot be returned to the reporting entity, unless either:

- a. the surplus in the defined benefit plan; and
- b. the asset ceiling, determined using the discount rate specified. Any adjustments arising from the limit is recognised in surplus or deficit..

Asset recognition ceiling: When a minimum funding requirement may give rise to a liability

If the entity has an obligation under a minimum funding requirement to pay contributions to cover an existing shortfall on the minimum funding basis in respect of services already received, the entity determines whether the contributions payable will be available as a refund or reduction in future contributions after they are paid into the plan. To the extent that the contributions payable will not be available after they are paid into the plan, the entity recognises a liability when the obligation arises. The liability reduces the defined benefit asset or increases the defined benefit liability so that no gain or loss is expected to result when the contributions are paid.

Recognition and measurement: Present value of defined benefit obligations and current service cost

Actuarial valuation method

The entity uses the projected unit credit method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost.

Attributing benefit to periods of service

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, the entity attributes benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, the entity attributes benefit on a straight-line basis from: required to settle the obligation resulting from employee service in the current and prior periods.

- a. the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); until
- b. the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

ACCOUNTING POLICIES

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

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

Actuarial assumptions: Mortality

The entity determines its mortality assumptions by reference to its best estimate of the mortality of plan members both during and after employment.

Actuarial assumptions: Discount rate

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

Actuarial assumptions: Salaries, benefits and medical costs

The entity measures its defined benefit obligations on a basis that reflects:

- a. the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the end of the reporting period;
- b. any estimated future salary increases that affect the benefits payable;
- c. the effect of any limit on the employer's share of the cost of the future benefits;
- d. contributions from employees or third parties that reduce the ultimate cost to the entity of those benefits; and
- e. 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:
 - i. those changes were enacted before the end of the reporting period; or
 - ii. historical data, 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.

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

Past service cost and gains and losses on settlement

- When determining past service cost, or a gain or loss on settlement, the entity remeasures the net defined benefit liability (asset) using the current fair value of plan assets and current actuarial assumptions (including current market interest rates and other current market prices), reflecting:
 - a. the benefits offered under the plan and the plan assets before the plan amendment, curtailment or settlement; and
 - a. the benefits offered under the plan and the plan assets after the plan amendment, curtailment or settlement

Past service cost

The entity recognises past service cost as an expense at the earlier of the following dates:

- a. when the plan amendment or curtailment occurs; and



ACCOUNTING POLICIES

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

- b. when the entity recognises related restructuring costs or termination benefits.

Gains and losses on settlement

The entity recognises a gain or loss on the settlement of a defined benefit plan when the settlement occurs.

Recognition and measurement: Plan assets

Fair value of plan assets

The fair value of any plan assets is deducted from the present value of the defined benefit obligation in determining the deficit or surplus.

Components of defined benefit cost

The entity recognises the components of defined benefit cost in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset, as follows:

- a. service cost
- b. net interest on the net defined benefit liability (asset); and
- c. remeasurements of the net defined benefit liability (asset)

Current service cost

The entity determines current service cost using actuarial assumptions determined at the start of the reporting period. However, if the entity remeasures the net defined benefit liability (asset) in accordance with the section on Past service cost gains and losses on settlement, it determines current service cost for the remainder of the reporting period after the plan amendment, curtailment or settlement using the actuarial assumptions used to remeasure the net defined benefit liability (asset) in accordance with the section on Past service cost gains and losses on settlement (part b).

Net interest on the net defined benefit liability (asset)

The entity determines net interest on the net defined benefit liability (asset) by multiplying the net defined benefit liability (asset) by the discount rate specified.

To determine net interest, the entity uses the net defined benefit liability (asset) and the discount rate determined at the start of the reporting period. However, if the entity remeasures the net defined benefit liability (asset) in accordance with the section on Past service cost gains and losses on settlement, the entity determines net interest for the remainder of the reporting period after the plan amendment, curtailment or settlement using:

- a. the net defined benefit liability (asset) determined in accordance with the section on Past service cost gains and losses on settlement (part b); and
- b. the discount rate used to remeasure the net defined benefit liability (asset) in accordance with the section on Past service cost gains and losses on settlement (part b).

ACCOUNTING POLICIES

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

In applying this, the entity also takes into account any changes in the net defined benefit liability (asset) during the period resulting from contributions or benefit payments.

Remeasurements of the net defined benefit liability (asset)

Remeasurements of the net defined benefit liability (asset) comprise:

- a. actuarial gains and losses
- b. the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and
- c. any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).

Presentation

Components of defined benefit cost

The entity recognises service cost, net interest on the net defined benefit liability (asset) and remeasurements in surplus or deficit..

Other long-term employee benefits

Recognition and measurement

For other long-term employee benefits, the entity recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- a. service cost;
- b. net interest on the net defined benefit liability (asset); and
- c. remeasurements of the net defined benefit liability (asset).

Termination benefits

Recognition

The entity recognises a liability and expense for termination benefits at the earlier of the following dates: (a) when the entity can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of GRAP 19 and involves the payment of termination benefits.

Measurement

The entity measures termination benefits on initial recognition, and measures and recognise subsequent changes, in accordance with the nature of the employee benefit, provided that if the termination benefits are an enhancement to post-employment benefits, the entity applies the requirements for post-employment benefits. Otherwise:

- a. If the termination benefits are expected to be settled wholly before twelve months after the end of the reporting period in which the termination benefit is recognised, the entity applies the requirements for short-term employee benefits.
- b. If the termination benefits are not expected to be settled wholly before twelve months after the end of the reporting period, the entity applies the requirements for other long-term employee benefits.



ACCOUNTING POLICIES

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

1.15 PROVISIONS AND CONTINGENCIES

Provisions are recognised when:

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

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating surplus.

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision. A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
 - the activity/operating unit or part of a activity/operating unit concerned;
 - the principal locations affected; the location, function, and approximate number of employees who will be compensated for services being terminated;
 - the expenditures that will be undertaken; and when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the entity

ACCOUNTING POLICIES

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 31.

Levies

A levy is an outflow of resources embodying economic benefits that is imposed by governments on entities in accordance with legislation (i.e. laws and/or regulations), other than:

- those outflows of resources that are within the scope of other Standards, and
- fines or other penalties that are imposed for breaches of the legislation.

Government refers to government, government agencies and similar bodies whether local, national or international.

The obligating event that gives rise to a liability to pay a levy is the activity that triggers the payment of the levy, as identified by the legislation.

The entity does not have a constructive obligation to pay a levy that will be triggered by operating in a future period as a result of the entity being economically compelled to continue to operate in that future period. The preparation of financial statements under the going concern assumption does not imply that the entity has a present obligation to pay a levy that will be triggered by operating in a future period.

The liability to pay a levy is recognised progressively if the obligating event occurs over a period of time (i.e. if the activity that triggers the payment of the levy, as identified by the legislation, occurs over a period of time).

If an obligation to pay a levy is triggered when a minimum threshold is reached, the corresponding liability is recognised when that minimum threshold is reached.

The entity recognises an asset if it has prepaid a levy but does not yet have a present obligation to pay that levy.

1.15 COMMITMENTS

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

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.

1.17 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 municipality 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.



ACCOUNTING POLICIES

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

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.

Revenue from exchange transactions include the following categories:

- Direct user charges
- Vessel management services
- SA Agulhas fees
- Government service fees

Measurement

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

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by .

Interest, royalties and dividends

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

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

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

1.18 REVENUE FROM NON-EXCHANGE TRANSACTIONS

ACCOUNTING POLICIES

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

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.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arise when the entity can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Expenses paid through the tax system are amounts that are available to beneficiaries regardless of whether or not they pay taxes.

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

Tax expenditures are preferential provisions of the tax law that provide certain taxpayers with concessions that are not available to others. The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

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

The main revenue from non-exchange transactions earned by the entity, is SAMSA levies, which are charged in terms of the SAMSA levies Act, 1998.

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.



ACCOUNTING POLICIES

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

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.

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.

Fines

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

Assets arising from fines are measured at the best estimate of the inflow of resources to the entity.

Where the entity collects fines in the capacity of an agent, the fine will not be revenue of the collecting entity.

Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

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 disclose the nature and type of services in-kind received during the reporting period.

ACCOUNTING POLICIES

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

1.19 INVESTMENT INCOME

Investment income is recognised on a time-proportion basis using the effective Interest method.

1.20 ACCOUNTING BY PRINCIPALS AND AGENTS

Identification

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

Identifying whether an entity is a principal or an agent

When the entity is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether an entity is a principal or an agent requires the entity to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

Binding arrangement

The entity assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement.

Where the terms of a binding arrangement are modified, the parties to the arrangement re-assess whether they act as a principal or an agent.

Assessing which entity benefits from the transactions with third parties

When the entity in a principal-agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If the entity concludes that it is not the agent, then it is the principal in the transactions.

The entity is an agent when, in relation to transactions with third parties, all three of the following criteria are present:

- It does not have the power to determine the significant terms and conditions of the transaction.
- It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
- It is not exposed to variability in the results of the transaction.



ACCOUNTING POLICIES

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Where the entity has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that it is an agent. The entity applies judgement in determining whether such powers exist and whether they are relevant in assessing whether the entity is an agent.

Recognition

The entity, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

The entity, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

The entity recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

1.21 TRANSLATION OF FOREIGN CURRENCIES

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At each reporting date:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in surplus or deficit in the period in which they arise.

When a gain or loss on a non-monetary item is recognised directly in net assets, any exchange component of that gain or loss is recognised directly in net assets. When a gain or loss on a non-monetary item is recognised in surplus or deficit, any exchange component of that gain or loss is recognised in surplus or deficit.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

ACCOUNTING POLICIES

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

1.22 COMPARATIVE FIGURES

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

1.23 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised. All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the Statement of Financial Performance in the year the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

Fruitless and wasteful expenditure is recorded in the Annual Financial Statements when it is either:

- under assessment, determination, and investigation;
- transferred to receivables for recovery; or
- written off if it is not recoverable.

A separate register is maintained for historical fruitless and wasteful expenditure incurred in previous reporting periods and not addressed.

1.24 IRREGULAR EXPENDITURE

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

- a. this Act; or
- b. the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act.

Annexure A to the National Treasury instruction no. 4 of 2022/2023: PFMA Compliance and reporting framework requires the following:

For determining whether irregular expenditure occurred, the following must be present:

- a. expenditure incurred in contravention of, or not in accordance with legislation; and
- b. expenditure must have been recognised in the statement of financial performance or liability recognised in the statement of financial position (where expenditure is not reflected in the statement of financial performance). The earlier of an invoice or payment will trigger irregular expenditure for these transactions. the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act.

Irregular expenditure when incurred and confirmed is recorded in the annual financial statement disclosure. This relates to irregular expenditure incurred in the current financial year, with a one financial year comparative analysis.

Irregular expenditure for the previous financial year (comparative amounts) must be recognised in the period in which they occurred as follows:

- irregular expenditure incurred and confirmed in the previous financial year;
- irregular expenditure that was under assessment in the previous financial year and confirmed in the current financial year;
- irregular expenditure that was not discovered in the previous financial year and identified and confirmed in the current financial year; and
- irregular expenditure payments relating to multi-year contracts that was not condoned or removed.



ACCOUNTING POLICIES

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

1.25 SEGMENT INFORMATION

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

SAMSA has only one reportable segment..

Measurement

The amount of each segment item reported is the measure reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance. Adjustments and eliminations made in preparing the entity's financial statements and allocations of revenues and expenses are included in determining reported segment surplus or deficit only if they are included in the measure of the segment's surplus or deficit that is used by management. Similarly, only those assets and liabilities that are included in the measures of the segment's assets and segment's liabilities that are used by management are reported for that segment. If amounts are allocated to reported segment surplus or deficit, assets or liabilities, those amounts are allocated on a reasonable basis.

If management uses only one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities in assessing segment performance and deciding how to allocate resources, segment surplus or deficit, assets and liabilities are reported in terms of that measure. If management uses more than one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities, the reported measures are those that management believes are determined in accordance with the measurement principles most consistent with those used in measuring the corresponding amounts in the entity's financial statements.

1.26 RESEARCH AND DEVELOPMENT EXPENDITURE

Expenditure on research is recognised as an expense when it is incurred. An asset arising from development is recognised when:

- It is technically feasible to complete the asset so that it will be available for use or sale
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

1.27 BUDGET INFORMATION

Entity is subject to budgetary limits in the form of appropriations or budget authorisations by the Accounting Authority and the Executive.

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

ACCOUNTING POLICIES

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

The approved budget is prepared on an accrual basis and presented by programmes linked to performance outcome objectives. The approved budget covers the fiscal period from 1/04/2023 to 31/03/2024.

The financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

The Statement of comparative and actual information has been included in the financial statements as the recommended disclosure when the financial statements and the budget are on the same basis of accounting as determined by National Treasury.

Comparative information is not required.

1.28 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.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

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 management in their dealings with the entity.

The entity is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the entity to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the entity is exempt from the disclosures in accordance with the above, the entity discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its financial statements.



ACCOUNTING POLICIES

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

1.29 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.

1.30 ROUNDING OFF

All figures in the financial statements were rounded off to the nearest thousand and are indicated by R'000.

1.31 BAD DEBTS

It is the policy of the Authority to handle each potential bad debt case or impairment allowance on merit. A provision is made for all debtors which are likely not going to be paid over to SAMSA. Where there is objective evidence and indications to the impairment of a debt, such debts are written off.

1.32 TAX

The Authority is exempt from income tax in terms of section 10(1)(CA)(i) of the Income Tax Act, 1962 (Act No. 58 of 1962).

The Authority is registered as an employer in terms of the PAYE provisions of the Income Tax Act.

As from 01 April 2005 the Authority has been de-registered from VAT, although the Authority is still liable for VAT on imported goods and services.

1.33 PREPAYMENTS

Prepayments are payments made in advance for products and services that have not been delivered for which SAMSA expects the delivery in the next financial period. Prepayments are recognised as current assets and are not discounted as the discounting effect thereof is considered immaterial.

1.34 CONDITIONAL GRANTS

The Authority recognises the asset (cash) upon receipt of the grant and will recognise a corresponding liability to the extent that the Authority

ACCOUNTING POLICIES

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

has not yet met the conditions attached to the grant. When conditions of the grant have been met, the applicable amounts will be recognised in the statement of financial performance.



NOTES TO FINANCIAL STATEMENTS

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

2. PROPERTY, PLANT AND EQUIPMENT

	2024			2023		
	Cost / Valuation R '000	Accumulated depreciation and accumulated impairment R '000	Carrying value R '000	Cost / Valuation R '000	Accumulated depreciation and accumulated impairment R '000	Carrying value R '000
Land	448	-	448	448	-	448
Buildings	4,935	(2 615)	2 320	4 935	(2 304)	2 631
Leasehold property	9 391	(8 916)	475	9 414	(8 842)	572
Furniture and fixtures	16 287	(13 746)	2 541	16 833	(13 453)	3 380
Motor vehicles	5 245	(5 066)	179	5 245	(4 894)	351
Office equipment	7 276	(5 536)	1 740	6 375	(5 022)	1 353
IT equipment	38 531	(30 405)	8 126	32 001	(28 313)	3 688
SA Agulhas - Ship	-	-	-	30 348	(30 184)	164
Total	82 113	(66 284)	15 829	105 599	(93 012)	12 587

NOTES TO FINANCIAL STATEMENTS

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT - 2024

	Opening Balance R '000	Additions R'000	Disposals R '000	Depreciation R '000	Total R '000
Land	448	-	-	-	448
Buildings	2 631	-	-	(311)	2 320
Leasehold property	572	-	-	(97)	475
Furniture and fixtures	3 380	-	(11)	(828)	2 541
Motor vehicles	351	-	-	(172)	179
Office equipment	1 353	1 021	(17)	(617)	1 740
IT equipment	3 688	7 412	(31)	(2 943)	8 126
SA Agulhas - Ship	164	-	(24)	(140)	-
	12 587	8 433	(83)	(5 108)	15 829



NOTES TO FINANCIAL STATEMENTS

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT - 2023

	Opening Balance R '000	Additions R'000	Disposals R '000	Depreciation R '000	Total R '000
Land	448	-	-	-	448
Buildings	2 941	-	-	(310)	2 631
Leasehold property	1 088	34	-	(550)	572
Furniture and fixtures	4 326	112	(10)	(1 048)	3 380
Motor vehicles	649	-	-	(298)	351
Office equipment	1 339	663	(2)	(647)	1 353
IT equipment	3 976	2 058	(3)	(2 343)	3 688
Ship - SA Agulhas	808	34	-	(678)	164
	15 575	2 901	(15)	(5 874)	12 587

Pledged as security

No assets are pledged as security.

Revaluations

Land and buildings are re-valued independently every 5 years. No revaluations were done during the current financial year. Land and buildings were last valued in 2021.

The effective date of the revaluations was Wednesday, 31 March 2021. Revaluations were performed by independent valuer, Mr Stow (Professional Valuer, SACPPV Reg. No. 6651/0), of Spectrum Valuation & Asset Solutions (Pty) Ltd. Spectrum Valuation & Asset Solutions (Pty) Ltd is not connected to the entity.

The valuation was performed using the income capitalised method, and the following assumptions were used:

Capitalisation rate:	10.3%
Comparable rentals:	R125 per square meter
Expenditures:	16.8%; R16.19 per square meter
Area vacancies:	3%.

These assumptions were based on current market conditions at the time of valuation.

NOTES TO FINANCIAL STATEMENTS

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Details of properties

	2024 R '000	2023 R '000
East London office Terms and conditions		
- Purchase price: 1 December 2008	4 334	4 334
- Additions since purchase or valuation	1 050	1 050
	5 384	5 384

Expenditure incurred to repair and maintain property, plant and equipment

	2024 R '000	2023 R '000
Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance		
Buildings	1	1
Leasehold property	-	100
Furniture and fixtures	1	2
Motor vehicles	183	251
Office equipment	74	221
IT equipment	68	381
SA Agulhas - ship	118	304
	444	1 260

A register containing the information required by the PFMA is available for inspection at the registered office of the entity.



NOTES TO FINANCIAL STATEMENTS

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

3. INTANGIBLE ASSETS

	2024			2023		
	Cost R '000	Accumulated Amortisation and Accumulated Impairment R '000	Carrying value R '000	Cost R '000	Accumulated Amortisation and Accumulated impairment R '000	Carrying value R '000
Computer software, other	17 764	(17 376)	388	17 308	(17 082)	226

	Opening balance R '000	Additions R '000	Amortisation R '000	Total R '000
Reconciliation of intangible assets - 2024				
Computer software, other	226	456	(294)	388

	Opening balance R '000	Additions R '000	Amortisation R '000	Total R '000
Reconciliation of intangible assets - 2023				
Computer software, other	404	9	(187)	226

4. INVENTORIES

	2024 R '000	2023 R '000
Finished goods	495	436
Inventories recognised as an expense during the year	80	106

This represents the seafarer record books that are used by SAMSA in its course of business and in line with the certifications and accreditations it provides.

NOTES TO FINANCIAL STATEMENTS

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

5. RECEIVABLES FROM EXCHANGE TRANSACTIONS

	2024 R '000	2023 R '000
Trade debtors	8 552	5 497
Deposits	2 487	2 142
Sundry Receivables	619	171
Maritime Fund Receivables	206	167
Provision for doubtful debts	(1 644)	(1 087)
Staff debtors	330	156
Discounting of receivables	(652)	(409)
	9 898	6 637
Statutory receivables included in receivables from exchange transactions above are as follows		
Direct User charges	2 783	5 019
Financial asset receivables included in receivables from exchange transactions above	7 115	1 618
Total receivables from exchange transactions	9 898	6 637

Statutory receivables general information

Transaction(s) arising from statute

Direct user charges are charged based on section 44 of the SAMSA Act (Act No. 5 of 1998), which states: The Authority may make determinations imposing charges and specifying the persons by whom, and the times when, such charges are payable.

Determination of transaction amount

The direct user charges included in the financial statements are based on the Determination of charges issued on 6 January 2023, effective from 1 February 2023.

Basis used to assess and test whether a statutory receivable is impaired

Statutory receivables older than 120 days have been impaired.

Fair value of trade and other receivables

The fair value of trade debtors have been derived by calculating the present value of the amounts owing using the current prime interest rate on the assumption that they will be paid within 30 days after year-end.



NOTES TO FINANCIAL STATEMENTS

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Trade and other receivables past due but not impaired

Trade and other receivables which are less than 3 months past due are not considered to be impaired. At 31 March 2024, the following amounts were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

	2024 R '000	2023 R '000
1 month past due	3 361	327
2 months past due	135	158
3 months past due	69	61

Trade and other receivables provision

As of 31 March 2024, a portion of trade and other receivables were impaired and provided for.

The carrying amount of trade and other receivables are denominated in the following currencies:

Rand	9 898	6 637
------	-------	-------

Reconciliation of provision for impairment of trade and other receivables

	2024 R '000	2023 R '000
Opening balance	(1 087)	(1 148)
Provision for impairment	(712)	(300)
Amounts written off as uncollectible	155	361
	(1 644)	(1 087)

NOTES TO FINANCIAL STATEMENTS

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

6. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

	2024 R '000	2023 R '000
Receivables from non-exchange transactions		
Fines, penalties and forfeits	1 145	1 016
SAMSA Levies	57 265	39 216
	58 410	40 232
Statutory receivables included in receivables from non-exchange transactions above are as follows:		
Fines, penalties and forfeits	1 145	1 016
SAMSA Levies	57 265	39 216
	58 410	40 232
Total receivables from non-exchange transactions	58 410	40 232

Statutory receivables general information

Transaction(s) arising from statute

SAMSA levies are charged based on section 2 of the SAMSA Levies Act (1998), which states: The Authority may make determinations imposing levies and specifying the persons by whom, and the times when, such levies are payable.

Fines, penalties and forfeits relate to amounts charged for contraventions of the relevant laws, as set out in section 38 of the SAMSA Act (1998).

Determination of transaction amount

The SAMSA levies included in the financial statements are based on the Determinations of levies issued on 15 December 2022, implemented with effect from 1 January 2023.

Basis used to assess and test whether a statutory receivable is impaired

Statutory receivables older than 120 days have been impaired.



NOTES TO FINANCIAL STATEMENTS

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

The carrying amount of other receivables from non-exchange transactions are denominated in the following currencies

Rand	58 410	40 232
------	--------	--------

7. PREPAYMENTS

The amount represents goods and services which were paid for in advance and were delivered or provided for after year-end respectively. In each and every instance, there was a requirement for payment to be made in advance and thus in compliance with Treasury Regulations.

The prepayments amount consists mainly of software licences and insurance for the assets and resources of the entity.

	2024 R '000	2023 R '000
Prepayments	9 044	11 401

8 . CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

	2024 R '000	2023 R '000
Cash on hand	23	47
Bank balances	266 311	228 808
	266 334	228 855

Cash and cash equivalents held by the entity that are not available for use by the economic entity

Maritime Fund	41 182	36 846
MLRF funds	47 711	89 103
Unspent conditional grants and receipts	5 002	5 003

The bank balances consisted of current accounts and call accounts.

NOTES TO FINANCIAL STATEMENTS

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates:

	2024 R '000	2023 R '000
Credit rating		
BB - (ABSA)	264 928	227 679
BB - (FNB)	1 383	1 129
	266 311	228 808

9. PAYABLES FROM EXCHANGE TRANSACTIONS

	2024 R '000	2023 R '000
Trade payables	24 832	12 684
Lease liability	7 146	6 495
Accrued leave pay	30 900	29 130
Other payables	22 807	19 369
Creditors discounting	(269)	(122)
Travel credit card	654	635
Other Creditors - MLRF	13 590	69 752
	99 660	137 943

10. TAXES AND TRANSFERS PAYABLE (NON-EXCHANGE)

Trade payables from non-exchange transactions	2024 R '000	2023 R '000
Maritime Fund revenue received in advance	253	559

The funds for non-exchange transactions were collected for the Maritime Fund fines and penalties, but the cases have not been finalised as yet, or the appeal period of three (3) months have not lapsed at year end.



NOTES TO FINANCIAL STATEMENTS

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

11. VAT PAYABLE

	2024 R '000	2023 R '000
VAT on imported goods and services	172	-

12. EMPLOYEE BENEFIT OBLIGATIONS

Defined benefit plans - General information

Post-employment medical aid subsidy policy

Employees who came from the original National Department of Transport will receive a post-employment subsidy of 2/3rds (subject to a maximum subsidy) of the contribution payable (excluding top-up products and Vitality) should they be a member of a medical scheme at retirement.

Continuation members and their eligible spouses receive a 2/3rds subsidy, limited to the maximum subsidy.

Upon a member's death-in-service, surviving dependants are entitled to commence receipt of the same post-employment subsidy. Upon a member's death-in-retirement, surviving dependants are entitled to continue to receive the same subsidy.

Apart from one continuation member, all post-employment subsidies are subject to a maximum of R 3,931.45 per member per month, for the year ending 31 March 2025. This maximum subsidy amount increases annually on 1 April in line with Medical Price Index inflation, which has been assumed to equal Consumer Price Index (CPI) inflation plus 1% over the long term.

These yields were obtained by calculating the duration of the total liability and then taking the fixed-interest and index-linked yields from the respective yield curves at that duration using an iterative process (because the yields depend on the duration, which in turn depends on the liability).

The amounts recognised in the statement of financial position are as follows:

	2024 R '000	2023 R '000
Carrying value		
Present value of the unfunded liability	(8 755)	(8 317)
Non-current liabilities	(8 024)	(7 670)
Current liabilities	(731)	(647)
	(8 755)	(8 317)

NOTES TO FINANCIAL STATEMENTS

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

The link between reimbursement right and the related obligation is that the obligation caters for the monthly payment of a portion of the medical aid contributions post retirement.

Changes in the present value of the defined benefit obligation are as follows:

Opening balance	8 317	8 366
Current service cost	76	115
Interest cost	895	828
Actuarial (gains) / losses	91	(437)
Expected employer payments / (benefits)	(624)	(555)
	8 755	8 317

Net expense recognised in the statement of financial performance are as follows:

	2024 R '000	2023 R '000
Service cost	76	115
- Current service cost	76	115
Net interest on the net defined benefit liability (asset)	895	828
Remeasurements of the net defined benefit liability (asset)	91	(437)
- Actuarial gains and losses arising from:	91	(437)
- Basis changes: increases in net discount rates	(439)	(679)
- Changes in inflationary assumptions	455	60
- Changes to membership profile different from assumed	98	154
- Actual benefits vested, different than expected	(23)	28
Expected employer payments / (benefits)	(624)	(555)
	438	(49)

Calculation of actuarial and losses

Actuarial (gains) losses – Obligation	91	(437)
---------------------------------------	----	-------



NOTES TO FINANCIAL STATEMENTS

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Key assumptions used

Assumptions used at the reporting date:

Average retirement age	65,00	65,00
Discount rates used	12,46%	11,19%
Health care cost inflation rate	8,02%	7,26%
Maximum subsidy inflation rate	7,52%	6,76%
Continuation of membership at retirement	100,00%	100,00%
In service members	9,00	9,00

Average retirement age:

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

The basis on which the discount rate has been determined is as follows:

GRAP 25 stipulates that the choice of this rate should be derived from government bond yields consistent with the estimated term of the post-employment liability. However, where there is no deep market in government bonds with a sufficiently long maturity to match the estimated term of all the benefit payments, current market rates of the appropriate term should be used to discount shorter term payments, and the discount rate for longer maturities should be estimated by extrapolating current market rates along the yield curve.

Consequently, a discount rate of 12.46% per annum has been used. The corresponding index-linked yield at this term is 5.11%. These rates do not reflect any adjustment for taxation. These rates were deduced from the interest rate data obtained from the Johannesburg Stock Exchange after the market close on 28 March 2024.

These yields were obtained by calculating the duration of the total liability and then taking the fixed-interest and index-linked yields from the respective yield curves at that duration using an iterative process (because the yields depend on the duration, which in turn depends on the liability).

Health care cost inflation rate:

This assumption is required to reflect estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs (for example, due to technological advances or changes in utilisation patterns). Any assumption regarding future medical scheme contribution increases is therefore subjective.

A health care cost inflation rate of 8.02% has been assumed. This is 1.50% in excess of expected CPI inflation over the expected term of the liability, namely 6.52%. A larger differential would be unsustainable, eventually forcing members to less expensive options. This implies a net discount rate of 4.11% which derives from $((1 + 12.46\%)/(1 + 8.02\%)) - 1$.

NOTES TO FINANCIAL STATEMENTS

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

The inflation assumption of 6.52% was obtained from the differential between market yields on index-linked bonds consistent with the estimated term of the liabilities (5.11%) and those of fixed interest bonds (12.46%) with a risk premium adjustment for the uncertainty implicit in guaranteeing real increases (0.50%). This was therefore determined as follows: $((1+12.46\%-0.50\%)/(1+5.11\%))-1$.

The next contribution increase was assumed to occur with effect from 1 January 2025.

Maximum subsidy inflation rate:

This assumption is required to reflect estimated future changes in the maximum amount to which subsidies are limited. This maximum amount is set at R 3,931.45 per family per month for the year ending 31 March 2025.

This maximum subsidy amount increases annually on 1 April in line with Medical Price Index inflation, which has been assumed to equal Consumer Price Index (CPI) inflation plus 1% over the long term. Thus a maximum subsidy inflation assumption of 7.52% per annum was used. The next increase to the maximum subsidy was assumed to occur with effect from 1 April 2025.

Continuation of membership:

It has been assumed that 100% of in-service members will remain on SAMSA's health care arrangement should they stay until retirement.

Sensitivity analysis

Healthcare cost trends

Assumed healthcare cost trends rates have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed healthcare cost trends rates would have the following effects:

	One percentage point increase R'000	One percentage point decrease R'000
2024		
Effect on the service cost	9	(10)
Effect on interest cost	43	(48)
Effect on defined benefit obligation	406	(450)
2023		
Effect on the service cost	10	(13)
Effect on interest cost	43	(48)
Effect on defined benefit obligation	384	(436)

The results presented in the note are based on a number of assumptions. The extent to which the actual liability faced in the future by SAMSA differs from these results will depend on the extent to which actual experience differs from the assumptions made.



NOTES TO FINANCIAL STATEMENTS

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

The table above indicates, for example, that if medical inflation is one percentage point greater than the long-term assumption made, the liability will be R406 000 higher than that shown.

There were no changes from the previous year in the methods and assumptions used in preparing the sensitivity analyses.

Discount rate

Assumed discount rate have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed discount rate would have the following effects:

	One percentage point increase R'000	One percentage point decrease R'000
2024		
Effect on the service cost	(12)	15
Effect on interest cost	(12)	13
Effect on defined benefit obligation	(762)	902
2023		
Effect on the service cost	(17)	21
Effect on interest cost	(12)	11
Effect on defined benefit obligation	(763)	914

The table above indicates, for example, that if the discount rate is one percentage point greater than the long-term assumption made, the liability will be R762 000 lower than that shown.

There were no changes from the previous year in the methods and assumptions used in preparing the sensitivity analyses.

Post-employment mortality

Assumed post-employment mortality have a significant effect on the amounts recognised in surplus or deficit. A one year change in assumed post-employment mortality would have the following effects

	One year increase R'000	One year decrease R'000
2024		
Effect on the service cost	(2)	2
Effect on interest cost	(30)	31
Effect on defined benefit obligation	(286)	285

NOTES TO FINANCIAL STATEMENTS

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

	One year increase R'000	One year decrease R'000
2023		
Effect on the service cost	(4)	3
Effect on interest cost	(29)	29
Effect on defined benefit obligation	(272)	273

The post-employment mortality adjustment of 1 year decrease, for example, assumes that someone aged 70 will experience the mortality of someone aged 69. The liability is expected to increase under this scenario because members are expected to live longer.

There were no changes from the previous year in the methods and assumptions used in preparing the sensitivity analyses.

Membership continuation

Assumed membership continuation percentage have a significant effect on the amounts recognised in surplus or deficit. A ten percentage point change in assumed membership continuation would have the following effects:

	Assumption is 100%	Ten percentage point decrease R'000
2024		
Effect on the service cost	-	(7)
Effect on interest cost	-	(17)
Effect on defined benefit obligation	-	(167)
2023		
Effect on the service cost	-	(11)
Effect on interest cost	-	(27)
Effect on defined benefit obligation	-	(158)

The table above indicates that if membership continuation is ten percentage points lower than the long-term assumption made, the liability will be R167 000 lower than that shown. The assumption used is 100%, therefore the sensitivity analyses only includes a decrease.

There were no changes from the previous year in the methods and assumptions used in preparing the sensitivity analyses.

Defined contribution plans

The entity is under no obligation to cover any unfunded benefits.



NOTES TO FINANCIAL STATEMENTS

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

13. UNSPENT CONDITIONAL GRANTS AND RECEIPTS

The amounts recognised in the income statement during the course of the financial year related to the grant given to SAMSA by the Office of the Premier: Eastern Cape for the Maritime Youth Development Programme, which was utilised in line with the grant conditions.

Unspent conditional grants and receipts comprises of:

	2024 R '000	2023 R '000
Unspent conditional grants and receipts		
Office of the Premier: Eastern Cape	5 002	5 003
Movement during the year		
Balance at the beginning of the year	5 003	5 004
Income recognition during the year	(1)	(1)
	5 002	5 003

These amounts are invested in a ring-fenced investment until utilised

14. REVALUATION RESERVE

No revaluations were carried out during the current financial year. The balance below relates to the revaluation of the East London building in previous years.

	2024 R '000	2023 R '000
Opening balance	1 127	1 127

15. CHANGE IN ACCOUNTING ESTIMATES

The useful lives of all asset classed have been reviewed which resulted in the extension of the useful lives of certain assets. The effect of this change in accounting estimates has resulted in a decrease in depreciation. The effect on the current and future years is shown below:

	2024 R '000	Future Periods
Statement of Financial Performance and Statement of Financial Position		
Motor vehicles: Accumulated Depreciation	12	(12)
Motor vehicles: Depreciation	(12)	12

NOTES TO FINANCIAL STATEMENTS

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Leasehold improvements: Accumulated Depreciation	209	(209)
Leasehold improvements: Depreciation	(209)	209
Equipment: Accumulated Depreciation	24	(24)
Equipment: Depreciation	(24)	24
Computer Equipment: Accumulated Depreciation	462	(462)
Computer Equipment: Depreciation	(462)	462
Furniture & Fittings : Accumulated Depreciation	55	(55)
Furniture & Fittings : Depreciation	(55)	55
	-	-

16. REVENUE

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

	2024 R '000	2023 R '000
Direct user charges	59 883	57 955
Vessel Management Services - MLRF	278 300	237 325
SA Agulhas Fees	-	259
Government Service Fees	17 343	16 721
	355 526	312 260

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

SAMSA Levies	339 089	312 229
Grant revenue	1	1
Transfer revenue		
Fines, Penalties and Forfeits	1 866	7 675
	340 956	319 905

Invoices for which no charges were levied

In line with Regulation 71 of the Determination of Charges (Government Gazette No. 47823 of 6 January 2023), SAMSA waived charges



NOTES TO FINANCIAL STATEMENTS

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

(revenue of the entity) amounting to R370 641 (2022/23: R782 007).

17. COST OF SALES

The cost relates to books that were used in generating revenue for the entity

	2024 R '000	2023 R '000
Sales of goods		
Cost of goods sold	80	106

18. OTHER INCOME

	2024 R '000	2023 R '000
Decrease in provision for doubtful debts	-	61
Decrease in post retirement medical liability	-	49
TETA contributions	544	659
Gain or loss on disposal of assets and liabilities	44 916	2
Credit balances prescribed	19	162
	45 479	930

19. OPERATING EXPENSES

		2024 R '000	2023 R '000
Advertising		881	1 748
Auditors remuneration	22	7 920	8 193
Bank charges		483	407
Debt Impairment		155	361
Cleaning		440	467
Commission paid		9 745	8 976
Computer expenses		5 515	5 810
Consulting and legal fees		19 409	13 455
Discount allowed		3 031	2 269

NOTES TO FINANCIAL STATEMENTS

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Donations	349	-
Entertainment	1	1
Gifts	127	-
Insurance	2 976	2 303
Conferences and seminars	1 000	148
Lease charges	893	472
Motor vehicle expenses	728	830
Recruitment and relocation costs	969	475
Publications	2 823	2 436
Postage and courier	159	153
Printing and stationery	3 159	4 484
Protective clothing	197	100
Repairs and maintenance	9 355	2 791
Lease rentals on operating leas	32 488	37 828
Research and development costs	825	1 653
Office security	1 800	1 633
Staff welfare	485	448
Subscriptions and membership fees	252	339
Telephone and fax	4 172	3 465
Parking expenses	1	1
Training	2 937	1 349
Travel - local	11 566	8 060
Travel - overseas	3 292	426
Partnership programme	1	1
Water and electricity	4 535	3 999
Uniforms	-	9
SA Agulhas costs	5 613	4 980
Board remuneration and expenses	2 358	2 157
Vessel management expenses - MLRF	164 910	125 708
Bouquets and wreaths	176	164
Library books	-	20



NOTES TO FINANCIAL STATEMENTS

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Licences	14 731	12 677
Projects	-	75
Mileage claims and surveyor costs	1 470	1 432
Implementation costs	956	870
VAT on imports	238	159
Scholarship programme	1 104	2 662
Other expenses	-	26
Loss on exchange differences	464	468
Increase in provision for doubtful debts	557	-
Increase in post retirement medical liability	438	-
	325 684	266 488

20. EMPLOYEE RELATED COSTS

	2024 R '000	2023 R '000
Basic	193 679	197 227
Medical aid - company contributions	2 974	2 999
Unemployment Insurance Fund	645	673
Workmen's Compensation Act	399	463
Skills Development Levy	2 146	2 170
Leave pay charge	2 681	2 397
Cellphone allowance	1 833	1 838
Defined contribution plans	18 944	19 375
Long-service awards	173	263
13th Cheques	17 426	16 969
Car allowance	388	416
Housing benefits and allowances	146	158
Crew salaries - MLRF	87 767	85 684
	329 201	330 632
Average number of employees		
SAMSA: Average number of employees (incl SA Agulhas crew)	312	324
MLRF: Average number of employees	158	163

NOTES TO FINANCIAL STATEMENTS

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

	470	487
--	-----	-----

21. DEPRECIATION AND AMORTISATION

	2024 R '000	2023 R '000
Property, plant and equipment	5 108	5 874
Intangible assets	294	187
	5 402	6 061

22. AUDITORS' REMUNERATION

	2024 R '000	2023 R '000
External audit fees	7 327	6 766
Internal audit fees	593	1 427
	7 920	8 193

23. OPERATING LEASE

	2024 R '000	2023 R '000
Premises		
Contractual amounts	32 488	37 828

Office Buildings

Cape Town

The entity entered into a lease agreement with Spear One for Cape Town offices. The initial lease agreement is for 5 (five) years which commenced on 1 March 2022. The termination date is 28 February 2027 with an escalation rate of 7% per annum.

Cape Town - DCOO Office

The entity entered into a lease agreement with Spear One for Cape Town offices. The initial lease agreement is for 5 (five) years which commenced on 1 March 2022. The termination date is 28 February 2027 with an escalation rate of 7% per annum.

Cape Town - MRCC



NOTES TO FINANCIAL STATEMENTS

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

The entity entered into a lease agreement for part of Tyger Hills Office Park with Parkdev. Initial lease period is for 5 (five) years which commenced on the 1 February 2018 and expired on 31 January 2023. The contract was renewed for a further 5 (five) years which commenced on 1 February 2023. The termination date is 31 January 2028 with an escalation rate of 8% per annum.

Durban

The entity entered into a lease agreement with Cardinal Properties for its offices in Durban. The initial lease is for 5 (five) years which commenced on 1 January 2024. The termination date is 31 December 2028 with an escalation rate of 8% per annum.

Gqeberha

The entity entered into a lease agreement with Rikett Sales for Gqeberha port and regional offices, the initial lease period is for 5 years which commenced on 1 July 2023 and the termination date is 30 June 2028 with the escalation of 8% per annum.

Mossel Bay

The entity entered into a lease agreement with Plaza Aquada cc. The initial lease agreement is for 3 (three) years which commenced on 1 February 2022. The termination date is 31 January 2025 with an escalation rate of 6% per annum.

Port Nolloth

The entity entered into a lease agreement with South African Post Office SOC Limited, the initial lease agreement is for 5 (five) years which commenced on 1 October 2022. The termination date is 30 September 2027 with an escalation rate of 8% per annum.

Pretoria

The entity entered into a lease agreement with All Top Properties. The initial lease period is for 9 years and 11 months which commenced on the 1 September 2013 and expired on 31 July 2023. The contract was renewed for a further 5 (five) years which commenced on 1 August 2023. The termination date is 31 July 2028 with an escalation rate of 8% per annum.

Richards Bay

The entity entered into a lease agreement with Tuzi Gazi Waterfront (Pty) Ltd, the initial lease agreement is for 5 (five) years which commenced on 1 August 2022. The termination date is 31 July 2027 with no escalation.

Saldanha

The entity entered into a lease agreement with National Port Authority for its offices in Saldanha Bay. The initial lease was for 5 (five) years which commenced on 1 October 2014 and expired on 30 September 2019. National Treasury has approved an extension of the contract for a

NOTES TO FINANCIAL STATEMENTS

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

5 (five) year period. The entity has entered into a contract with NPA which expired on 31 March 2024.

	2024 R '000	2023 R '000
--	----------------	----------------

Future minimum lease rentals payable under non-cancellable operating leases as at 31 March 2024 are as follows:

Up to 1 year	41 287	33 638
2 to 5 years	102 994	72 839
	144 281	106 477

Office Equipment

The entity has commercial leases on certain office equipment. These leases have an average of between 2 and 5 years with no renewal option included in the contracts. There are no renewal restrictions placed upon the lessee by entering into these leases.

Future minimum lease rentals payable under non-cancellable operating leases on equipment as at 31 March 2022 are as follows:

Up to 1 year	996	29
2 to 5 years	1 412	-
	2 408	29

24. INVESTMENT REVENUE

	2024 R '000	2023 R '000
Interest revenue		
Bank	16 511	8 291

The full amount included in Investment revenue arose from exchange transactions.

25. FAIR VALUE ADJUSTMENTS

	2024 R '000	2023 R '000
Fair value - creditors	148	49
Fair value - debtors	(242)	(57)



NOTES TO FINANCIAL STATEMENTS

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

	(94)	(8)
--	------	-----

26. FINANCE COST

	2024 R '000	2023 R '000
Trade and other payables	7	18

27. CASH GENERATED FROM OPERATIONS

	2024 R '000	2023 R '000
Surplus / (Deficit)	98 004	38 073
Adjustments for:		
Depreciation and amortisation	5 402	6 061
Profit on sale of assets and liabilities	(44 916)	(2)
Movements in retirement benefit assets and liabilities	438	(49)
Changes in working capital:		
Inventories	(59)	(138)
Receivables from exchange transactions	(3 261)	(622)
Other receivables from non-exchange transactions	(18 178)	9 384
Prepayments	2 357	2 536
Payables from exchange transactions	(38 284)	12 476
VAT payable	172	-
Taxes payable (non-exchange)	(306)	(1 224)
Unspent conditional grants and receipts	(1)	(1)
	1 368	66 494

NOTES TO FINANCIAL STATEMENTS

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

28. FINANCIAL INSTRUMENTS DISCLOSURE

Categories of financial instruments

Financial assets

2024	At amortised cost	Total
Trade and other receivables from exchange transactions	9 898	9 898
Other receivables from non-exchange transactions	58 410	58 410
Cash and cash equivalents	266 334	266 334
	334 642	334 642

Financial liabilities

2024	At amortised cost	Total
Trade and other payables from exchange transactions	99 660	99 660
Taxes and transfers payable (non-exchange)	253	253
	99 913	99 913

Financial assets

2023	At amortised cost	Total
Trade and other receivables from exchange transactions	6 637	6 637
Other receivables from non-exchange transactions	40 232	40 232
Cash and cash equivalents	228 855	228 855
	275 724	275 724

Financial liabilities

2023	At amortised cost	Total
Trade and other payables from exchange transactions	137 943	137 943
Taxes and transfers payable (non-exchange)	559	559
	138 502	138 502



NOTES TO FINANCIAL STATEMENTS

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

29. RISK MANAGEMENT

Financial risk management

The entity's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

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 and credit facilities.

Cash flow forecasts are prepared to give an indication of periods during which liquidity problems are expected.

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.

Trade receivables comprise a large individual customer and numerous small customers. Management evaluated credit risk relating to customers on an ongoing basis. Assessment of the credit quality of the customer, taking into account its financial position, past experience and other factors are used to asses credit risk of trade receivables. The utilization of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards.

Financial assets exposed to credit risk at year end were as follows:

	2024 R '000	2023 R '000
Financial instrument		
Cash and cash equivalents	266 334	228 855
Trade and other receivables	68 308	46 869

Market risk

Interest rate risk

As the entity has no significant interest-bearing assets, the entity's income and operating cash flows are substantially independent of changes in market interest rates.

Foreign exchange risk

NOTES TO FINANCIAL STATEMENTS

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

The entity does not hedge foreign exchange fluctuations.

The entity reviews its foreign currency exposure, including commitments on an ongoing basis.

30. COMMITMENTS

	2024 R '000	2023 R '000
Authorised operational expenditure		
Already contracted for but not provided for	-	-
- Expenditure - SAMSA	118 203	72 023
- Expenditure - MLRF	54 608	111 335
	172 811	183 358
Total operational commitments		
Already contracted for but not provided for	172 811	183 358

This committed expenditure relates to operational expenditure in future financial years and will be financed by available retained surpluses, existing cash resources and funds internally generated.

31. CONTINGENCIES

All necessary steps are taken to manage risks inherent in contracting with third parties and other stakeholders. An assessment was carried out at financial year end to determine the probability of a dispute that could lead to financial loss to SAMSA.

Breach of Heads of Agreement:

A combined summons was issued against SAMSA by a supplier for breach of a Heads of Agreement between SAMSA and the supplier. The supplier has instituted a legal claim in the amount of R10.6 million and ancillary costs. SAMSA has filed court papers with the intention to defend the claim. It is not possible at this stage to estimate the outcome of the matter.

Rebate agreement:

SAMSA entered into a rebate agreement with a shipping company whereby the company will place cadets on their cruise ships, and will in turn receive rebates on the SAMSA levies. SAMSA queried the requested rebate for the financial year, as no evidence was provided for placements of cadets as per the signed MoU. This issue has not been finalised and the amount payable is estimated at R0.3 million.



NOTES TO FINANCIAL STATEMENTS

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

CCMA and labour court matters:

Five (5) former SAMSA employees have lodged claims at the CCMA and Labour Court against SAMSA. It is estimated that the possible claims, if successful, will not exceed R4.6 million. It is not yet possible to ascertain the likelihood of the claims being successful.

Taxed bill of costs:

In a judgement handed down by the High Court, Pretoria, SAMSA was ordered to pay the costs of the applicant, including the cost of 2 counsels, where relevant. SAMSA will pay the costs as outlined in the judgement upon receipt of a taxed bill of costs. The bill of costs is calculated at an amount of R2.0 million, but the final amount payable will only be confirmed once taxed by the Taxing Master.

Claim for damages - bunkering activities:

A summons was issued against SAMSA to claim for damages related to bunkering activities. The plaintiff is claiming approximately R44 million. SAMSA has filed court papers with the intention to defend the claim. It is not possible at this stage to estimate the outcome of the matter.

Surrender of surpluses

The entity annually declares all surpluses or deficits to National Treasury, from the period 1 August to 30 September of each year, using its audited annual financial statements as the basis for calculation of surpluses or deficits.

The entity submits requests to National Treasury to retain surpluses in terms of section 53(3) of the PFMA, as and when appropriate. Failure by the entity to submit a surplus retention request to National Treasury by 30 September each year will result in the entity having to surrender the surplus to the relevant Revenue Fund by 30 November, unless there has been a delay in the finalisation of the audit.

In the case of a delay in the finalisation of the audit –

- (a) a letter is sent to National Treasury by the 30th September explaining the delay.
- (b) a surplus retention request is submitted to National Treasury within 30 days of finalising the audit.

The surplus as at 31 March 2024 is calculated at R228,8 million.

32. RELATED PARTIES

SAMSA is a Schedule 3A public entity in terms of the Public Finance Management Act (Act 1 of 1999, as amended) and reports to the Department of Transport. It is therefore related to all National spheres of government, including other public entities reporting to the Department of Transport.

NOTES TO FINANCIAL STATEMENTS

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

During the year, the entity continued to provide maritime and rescue coordination and other services on behalf of the Department of Transport as agreed in the memorandum of understanding signed between the entity and the department respectively. Fees for those services received from the department amounted to R17.3 million in the current financial year (2022/23: R16.7 million).

The entity also has an agreement with the National Ports Authority (NPA) for the collection of SAMSA levies. NPA charges a commission of 2.5% for the collection of the levies and the revenue collected during this year was R339.1 million (2022/23: R312.2 million). Commission charged on the transactions amounted to R9.7 million (2022/23: R9.0 million)

The transactions handled on behalf of the Department of Transport which relates to our administration of the Maritime Fund and the financial statements are disclosed as part of this annual report. Emoluments and other payments made to executives and board members are shown on a separate disclosure below.

The entity has a contract with the Marine Living Resources Fund (MLRF), under the auspices of the Department of Forestry, Fisheries and the Environment (DFFE) for the management of their vessels. A management fee of R30.5 million (2022/23: R29.0 million) was received during the financial year.

	2024 R '000	2023 R '000
Related party balances		
Transnet National Ports Authority (TNPA)	57 265	39 216
Marine Living Resources Fund (MLRF)	(13 590)	(69 752)
Department of Transport (DoT)	4 681	318
The balances for MLRF excludes the effect of the purchase order commitments related to the MLRF agreement, which will reduce the amount payable by R5.8 million (2022/23: R12.4 million). The net amount payable, taking the commitments into account, will be (R7.8 million) (2022/23: (R57.4 million)).		

Amounts included in Trade receivable (Trade Payable) regarding related parties

	2024 R '000	2023 R '000
Amounts included in Trade receivable (Trade Payable) regarding related parties		
Transnet National Ports Authority (TNPA)	57 265	39 216
Department of Transport (DoT)	4 681	196



NOTES TO FINANCIAL STATEMENTS

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

33. MANAGEMENT EMOLUMENTS

Executive Management

2024	Basic Salary	Cellphone Allowance	Pension paid	Acting Allowance	Travel Allowance	13th Cheque	Long service award	Other	Total
	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000
TC Morwe - Acting Chief Executive Officer (From 4 October 2023)	1 568	-	-	-	-	-	-	-	1 568
B A Ramahlo - Executive: Policy, Legal and Regulations	2 064	27	227	-	3	191	-	-	2 512
S Tilayi - Chief Operations Office	2 328	40	439	-	60	236	7	235	3 345
Z Chonco - Chief Financial Officer (Acting CEO from 1 Jun 2023 - 3 Oct 2023; Resigned 20 Oct 2023)	898	15	169	140	2	171	-	240	1 635
N Ramugondo - Chief Information Officer (Acting CEO from 1 Dec 2022 - 31 May 2023)	1 548	27	227	59	7	148	-	-	2 016
L Mashishi - Chief Human Capital Officer	1 860	27	217	-	-	173	-	130	2 407
V F Keller - Deputy Chief Operations Officer	1 827	27	334	-	-	180	-	-	2 368
V G September - Executive: Corporate Affairs	1 587	27	187	-	-	147	-	-	1 948
R Shortt - Acting Executive: Maritime Special Projects (Jan 2023 - Mar 2024)	1 287	11	-	256	-	107	-	-	1 661
J Goodey - Acting CFO from 20 Oct 2023 - 31 Mar 2024	676	5	76	97	2	-	-	-	856
L Mudau - Acting Company Secretary from 1 Nov 2023 - 15 Feb 2024	284	3	33	63	-	-	-	-	383
M Moffat - Acting Company Secretary from 18 Mar 2024	31	-	4	7	-	-	-	-	42
	15 958	209	1 913	622	74	1 353	7	605	20 741

NOTES TO FINANCIAL STATEMENTS

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

2023	Basic Salary R '000	Cellphone Allowance R '000	Pension paid R '000	Acting Allowance R '000	Travel Allowance R '000	13th Cheque R '000	Long service award R '000	Other R '000	Total R '000
S Tilayi - Chief Operations Office	2 175	38	409	-	60	221	-	18	2 921
B A Ramahlo - Executive: Policy, Legal and Regulations	1 934	25	218	-	4	179	-	19	2 379
I Calvert - Executive: Maritime Special Projects (Deceased Jan 2023)	1 244	20	254	-	-	193	5	261	1 977
M V Raphadu - Company Secretary (Dismissed Dec 2022)	1 422	19	265	-	-	206	-	383	2 295
Z Chonco - Chief Financial Officer (Acting CEO from 1 Apr 2022 - 30 Nov 2022)	1 516	25	284	233	-	150	-	17	2 225
N Ramugondo - Chief Information Officer (Acting CEO from 1 Dec 2022 - 31 Mar 2023)	1 393	25	262	107	-	139	-	17	1 943
L Mashishi - Chief Human Capital Office	1 742	25	197	-	-	163	-	18	2 145
V F Keller - Deputy Chief Operations Officer	1 709	25	320	66	3	169	3	18	2 313
V G September - Executive: Corporate Affairs	1 496	25	168	162	-	139	-	18	2 008
R Shortt - Acting Executive: Maritime Special Projects (Jan 2023 - Mar 2023)	328	3	-	60	-	101	-	-	492
	14 959	230	2 377	628	67	1 660	8	769	20 698



NOTES TO FINANCIAL STATEMENTS

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Non-executive remuneration

2024	Member's fees R '000	Committees fees R '000	Travel costs R '000	Total R '000
Board Members:				
M Fakir - Board Chairperson	146	29	11	186
T C Morwe	94	38	-	132
S Nguse	109	38	1	148
N F Nojozi	109	68	-	177
N C Skeepers	109	88	1	198
N A Sobekwa	109	58	1	168
N Minyuku - Board Chairperson (until Sept 2023)	125	40	-	165
L N Dlamini	94	57	3	154
L Haluodi	46	29	-	75
E D Khosa	94	107	-	201
B Zulu	94	78	-	172
Audit and Risk Committee Members:				
M R Burton	-	39	-	39
S F Mkhize	-	38	1	39
R G Nicholls	-	60	1	61
REMCO members				
K Morobe	-	77	-	77
P M Mthethwa	-	86	-	86
L Ndziba	-	105	-	105
MIC members				
J M Marillier	-	29	-	29
I I S Motau	-	29	-	29

NOTES TO FINANCIAL STATEMENTS

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Finance and IT Committee members

P Dala	-	29	-	29
F Docrat	-	59	-	59
M D Nkhabu	-	29	-	29
	1 129	1 210	19	2 358

2023	Member's fees R '000	Committees fees R '000	Total R '000
------	-------------------------	---------------------------	-----------------

Board members:

N Minyuku (Chairperson)	250	50	300
T Morwe	47	10	57
L N Dlamini	187	79	266
L Haluodi	187	96	283
E D Khosa	187	89	276
B Zulu	187	119	306

Audit and Risk Committee Members:

M R Burton	-	160	160
S F Mkhize	-	57	57
R G Nicholls	-	57	57

REMCO members

V L Mthethwa	-	29	29
K Morobe	-	48	48
L Ndziba	-	57	57
P M Mthethwa	-	10	10

MIC members

J M Marillier	-	38	38
I I S Motau	-	38	38



NOTES TO FINANCIAL STATEMENTS

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

	-	-	-
Finance and IT Committee members			
P Dala	-	38	38
F Docrat	-	88	88
M D Nkhabu	-	48	48
	1 045	1 111	2 156

34. PRIOR YEAR ADJUSTMENTS

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior-year adjustments:

Note	As Previously Reported R '000	Correction of error R '000	Reclassification R '000	Restated R '000
Statement of financial position				
2022				
Accumulated Surplus	(109 394)	42		(109 352)
2023				
Trade receivables	5 853	(356)	-	5 497
Maritime Fund receivables	1 157	26	(1 016)	167
Fines, penalties and forfeits	-	-	1 016	1 016
Trade payables	(13 395)	711	-	(12 684)
Lease liability	(3 222)	(3 273)	-	(6 495)
Accrued leave pay	(28 491)	(639)	-	(29 130)
Other creditors - MLRF	(73 025)	3 273	-	(69 752)
Accumulated surplus	(147 683)	258	-	(147 425)
	(258 806)			(258 806)

NOTES TO FINANCIAL STATEMENTS

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Note	As Previously Reported R '000	Correction of error R '000	Reclassification R '000	Restated R '000
Statement of financial performance				
2023				
Revenue from exchange transactions	309 154	3 106		312 260
Revenue from non-exchange transactions	319 879	26		319 905
Cost of sales	(106)	-		(106)
Other income	930	-		930
Operating expenses	(263 800)	(2 688)		(266 488)
Employee costs	(329 958)	(674)		(330 632)
Depreciation and amortisation	(6 061)	-		(6 061)
Other non-operating items	8 251	14		8 265
Surplus for the year	38 289	(216)		38 073

Adjustments

The main causes of the prior year adjustments were as follows:

- Operating lease straight-lining for MLRF. The straight-lining adjustment was not taken into account in previous years, and has now been corrected.
- Expenses not accrued for in prior years. This relates to invoices received after finalisation of the previous year financial statements.
- Receivables corrections related to prior years. This relates to adjustments where customers provide proof of payments made in prior years.
- Correction to prior year leave accrual. The prior year leave balances included leave days taken related to the current financial year. The leave balances were corrected, which impacted on the leave accrual.

35. GOING CONCERN

As at 31 March 2024, the entity had cash and cash equivalents to the value of R266.3 million.

We also draw attention to the fact that at 31 March 2024, the entity had an accumulated surplus of R245.4 million and that the entity's total assets exceed its liabilities by R246.6 million.

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



NOTES TO FINANCIAL STATEMENTS

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

36. EVENTS AFTER THE REPORTING DATE

There were no reportable events after the reporting date.

37. IRREGULAR EXPENDITURE AND FRUITLESS AND WASTEFUL EXPENDITURE

Information regarding the opening balances of the irregular expenditure and fruitless and wasteful expenditure is included on the Annual Report.

	2024 R '000	2023 R '000
Irregular expenditure	15 542	11 476
Irregular expenditure - MLRF	3 370	1 801
Fruitless and wasteful expenditure	16	20
	18 928	13 297

Restatement of prior year balances

Previously stated - Irregular expenditure - MLRF	-	1 762
Restatement - incurred in prior year, identified in current year	-	39
	-	1 801

Previously stated - Fruitless and wasteful expenditure	-	32
Restatement - incurred in prior year, identified in current year		2
Refund of interest paid received from supplier	-	(14)
	-	20

38. ACCOUNTING BY PRINCIPALS AND AGENT

The entity is a party to a principal-agent arrangement. The arrangement is with Transnet National Ports Authority (TNPA). The entity is the principal in this arrangement.

Details of the arrangement(s) is|are as follows:

TNPA collects the SAMSA levies from vessels entering South Africa's territorial waters, and pays the levies over to SAMSA. There has been no changes to the terms and conditions during the reporting year.

NOTES TO FINANCIAL STATEMENTS

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

The entity is the principal, as it directs the TNPA to undertake transactions (collection of the SAMSA levies) on behalf, and for the benefit, of SAMSA. The risks related to the arrangement is that TNPA could pay over less than the allocated amount to SAMSA, or that all levies are not collected from the vessels. The benefit to SAMSA is that it would require a significant investment in resources to collect the levies on its own.

Entity as principal

Resources (including assets and liabilities) of the entity under the custodianship of the agent

There are no resources that have been recognised by agent in its financial statements.

Fees Paid

	2024 R '000	2023 R '000
Fee paid as compensation to the agent	9 745	8 976

Resource and/or cost implications for the entity if the principal-agent arrangement is terminated

The resource and/or cost implications for the entity if the principal-agent arrangement is terminated, will include additional employees to be appointed and the procurement of a system to track all vessels entering South Africa's territorial water, or to interface with the TNPA system.

39. GUARANTEES

	2024 R '000	2023 R '000
81059816160 SA Mutual Life Assurance	36	36
81059928877 Lofty Nel Properties	3	3
81059928876 Tuzi Gazi Waterfront	5	5
81059926905 Portnet Saldanha	3	3
	47	47

The guarantees relate to the rental of properties.



APPENDIX 1 TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

APPENDIX 1

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

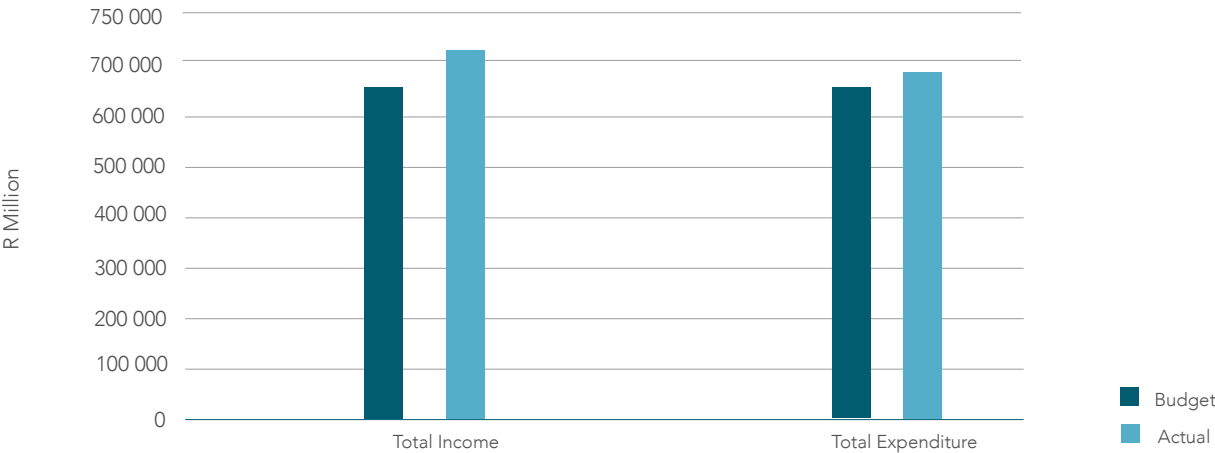
BUDGET VARIANCES – EXPLANATION FOR THE PERIOD ENDED 31 MARCH 2024

1. SUMMARY

	Budget	Actual	Variance	Variance
	R '000	R '000	R '000	%
Total Income	657 454	713 556	56 102	8.5%
Total Expenditure	656 830	660 367	(3 537)	(0.5%)

2. TOTAL INCOME

Total income of R713.6 million was 8.5% higher than the budget. This was mainly due to higher revenue for vessel management services, as



well as interest received.
The variances of the main income items are as follows:

2.1 SAMSA levies

SAMSA levies were R13.7 million (3.9%) below budget. Although volumes were slightly higher than budget, the budgeted tariff increase had not been approved as yet, resulting in the shortfall.

2.2 Direct user charges



APPENDIX 1

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Direct user charges were R4.4 million (6.8%) lower than budget. This was mainly due to the budgeted tariff increase not being approved and implemented.

2.3 Vessel management services

Vessel management services were R62.7 million (29.1%) higher than budget. The budget for vessel management services was prepared based on normal operations. It did not take into account the Africana engines project. The higher than budgeted revenue is due to additional funds required to complete the project.

2.4 Fines & penalties

Fines & penalties relates to amounts paid to the Maritime Fund, which is not budgeted for.

3. TOTAL EXPENDITURE

The total actual expenditure was R3.5 million (0.5%) higher than budget. This was mainly due to additional vessel management expenses, specifically related to the Africana engines project, partially off-set by savings due to staff vacancies and cost containment measures. The reasons for the over and under expenditure in different cost line items are analysed below:

3.1 Personnel

Personnel cost was R53.3 million (13.9%) lower than budget. This was due to a number of staff vacancies during the financial year

3.2 Consulting fees

Consulting fees were R1.7 million (19.9%) higher than budget. This was due to additional spending on consultants during and following the cyber-attack experienced in April 2023.

3.3 Legal fees

Legal fees were R5.9 million (185%) higher than budget. The budget for legal fees is an estimate based on historic costs. The current year legal requirements were significantly higher than the past.

3.4 Licenses and computer expenses

Licenses and computer expenses were R2.4 million (13.4%) higher than budget. This is due to various software licenses procured or renewed during the year, including Microsoft licenses and additional security licences following the cyber-attack experienced in April 2023.

APPENDIX 1

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

3.5 Telecommunication costs

Telecommunication costs were R2.0 million (93.5%) higher than budget. This was partially due to the usage of data cards following the cyber-attack in April 2023.

3.6 Travel and accommodation

Local travel and accommodation was R4.3 million (58.4%) higher than budget, while overseas travel and accommodation was R1.0 million (23.5%) lower than budget. The overspending is due to increased activities and travel required to achieve the entity's objectives. Travel cost is still significantly lower than before Covid-19 and the resultant lockdown.

3.7 Cost containment and optimisation

The entity continued with its focus on cost containment and optimisation. This resulted in underspending against budget on a number of line items, including the following:

- Office security
- Printing and stationery
- Rent
- Research programme
- Staff training and scholarship programme
- Other expenditure

4. CAPITAL EXPENDITURE

4.1 Capital Expenditure for the financial year is analysed below:

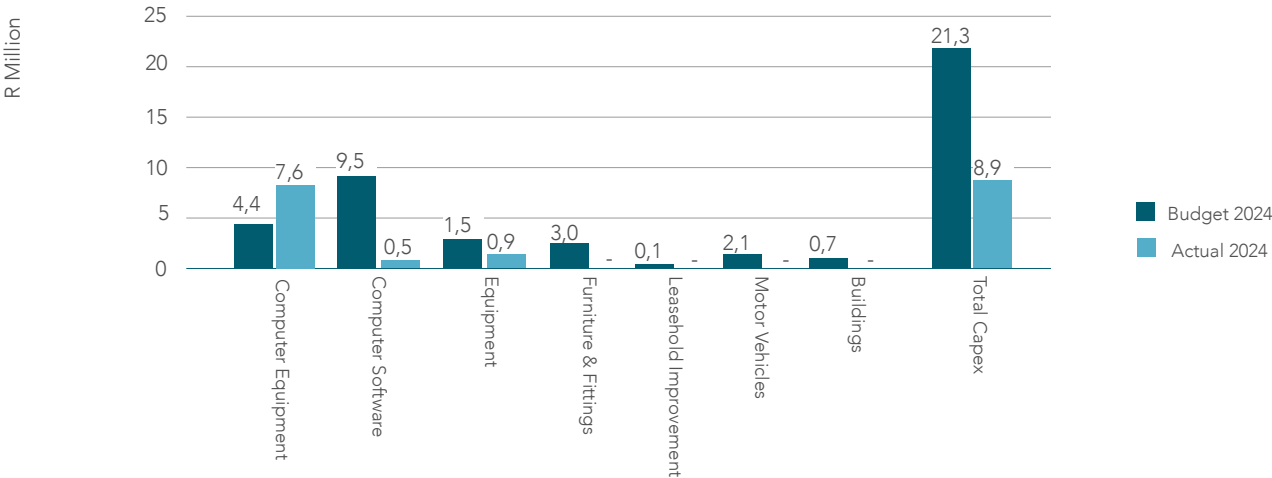


APPENDIX 1 TO THE ANNUAL FINANCIAL STATEMENTS

BUDGET VARIANCES - EXPLANATIONS FOR THE PERIOD ENDED 31 MARCH 2024

Asset class	Budget 2024	Actual 2024	Variance	Variance
	R '000	R '000	R '000	%
Computer equipment	4 358	7 412	(3 054)	(70.1%)
Computer software	9 500	456	9 044	95.2%
Equipment	1 519	1 021	498	32.8%
Furniture and fittings	3 000	-	3 000	100.0%
Leasehold property	60	-	60	100.0%
Motor vehicles	2 109	-	2 109	100.0%
Buildings	749	-	749	100.0%
Total	21 295	8 889	12 406	58.3%

4.2 The savings from other categories were utilised to procure additional computer equipment. Lower spending in previous years due to the financial position of the entity resulted in a number of older computer equipment items needing to be replaced.



4.3 The reason for the variance between the actual and budgeted capex is that the actual capex spending was not carried out in line with the approved capex budgets and plans. This was partly due to the financial position of the entity, but investment in ICT and operational equipment is required to ensure the entity can achieve its mandate.

LIST OF ABBREVIATIONS

2050 AIMS	2050 Africa Integrated Maritime Strategy
4IR	4th Industrial Revolution
AAMA	The Association of African Maritime Administrations
AGSA	Auditor General South Africa
AGSA	Auditor-General of South Africa
AMD	Africa's Maritime Domain
AMSOL	African Marine Solutions
ARC	Audit & Risk Committee
ASB	Accounting Standards Board
AU	African Union
BAC	Bid Adjudication Committee
BCLME	Benguela Current Large Marine Ecosystems
BCM	Business Continuity Management
BEC	Bid Evaluation Committee
CAE	Chief Audit Executive
CCMA	Commission for Conciliation, Mediation and Arbitration
CEMZA	Combined Exclusive Maritime Zone of Africa
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIMP	Cybersecurity Incident Management Process
CIO	Chief Information Officer
CMTP	Comprehensive Maritime Transport Policy
COO	Chief Operations Officer
COVID-19	Coronavirus Disease 2019
CPI	Consumer Price Index



LIST OF ABBREVIATIONS

CPUT	Cape Peninsula University of Technology
CSI	Corporate Social Investment
CSIR	Council for Scientific and Industrial Research
CT	Cape Town
DBN	Durban
DCOO	Deputy Chief Operations Officer
DFFE	Department of Forestry, Fisheries and the Environment
DoT	Department of Transport
DUT	Durban University of Technology
EAP	Employee Assistance Programme
EDD	Economic Development Department
EE	Employment Equity
EEZ	Exclusive Economic Zone
EL	East London
EVP	Employee Value Proposition
EXCO	Executive Committee
FIFO	First-in First-Out
Fin & ICT	Finance & ICT Committee
FY	Financial Year
GBV	Gender Based Violence
GDP	Gross Domestic Product
GMN	Global MTCC Network
GRAP	Generally Recognised Accounting Practice
HC	Human Capital
HNS	Hazardous and Noxious Substances
IALA	International Association of Marine Aids to Navigation and Lighthouse Authorities

LIST OF ABBREVIATIONS

ICT	Information Communication Technology
IESBA	International Independence Standards
ILO	International Labour Organization
IMC	International Maritime Centre
IMO	International Maritime Organization
IOMOU	Indian and Abuja Ocean Memorandum of Understanding
IPAP	The Industrial Policy Action Plan
ISA	International Standards on Auditing
ISPS	International Ship and Port Facility Security
ITU	International Communication Union
JTWG	ILO/IMO Joint Technical Working Group
KPI	Key Performance Indicator
LNG	Liquefied Natural Gas
LRIT	Long Range Identification and Tracking
MAS	Maritime Assistance Services
MB	Mossel Bay
MDA	Maritime Domain Awareness
MedEvac	Medical Evaluations
MFA	Multi-Factor-Authentication
MIC	Maritime Industry Committee
MLRF	Marine Living Resources Fund
MOU	The Abuja and Indian Ocean Port State Control Memorandum of Understanding
MRCC	Maritime Rescue and Coordination Centre
NOSCP	National Oil Spill Contingency Plan
NSRI	National Sea Rescue Institute
PAYE	Pay as You Earn



LIST OF ABBREVIATIONS

SABC	South African Broadcasting Corporation
SAPS	South African Police Service
SB	Saldanha Bay
SCM	Supply chain management
SDG	Sustainable Development Goals
SEZ	Special Economic Zones
SLA	Service Level Agreement
SMART	Specific, Measurable, Achievable, Realistic and Timely
SMME	Small, Medium and Micro-Enterprises
SOLAS	Safety of Life at Sea
SONA	State of the Nation Address
SOP	Standing Operating Procedures
SPC	SAMSA Policy Committee
SRR	South African Strengthening of Relative Rights
SSA	State Security Agency
STCW	International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978
STCW - T	Seafarers' Training, Certification and Watchkeeping Code
SWC	Sea Watch and Response
TETA	Transport Education Training Authority
TNPA	Transnet National Ports Authority
UPS	Uninterrupted Power Supply
UWC	The University of Western Cape
VAT	Value Added Tax
WSP	Workplace Skills Plan

