



UGU South Coast Tourism (Pty) Ltd
Address 16 Bisset Street, Port Shepstone,
4240, KwaZulu-Natal, South Africa
Phone +27 39 682 7944
Facsimile +27 39 682 1034
Email info@tourismsouthcoast.co.za

WWW.TOURISMSOUTHCOAST.CO.ZA



UGU SOUTH COAST TOURISM

DRAFT ANNUAL REPORT

(Approved by the Board of Directors 17 December 2021)

July 2020 - June 2021

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1. FOREWORD BY THE BOARD CHAIRPERSON

Leaders and economists across the globe have largely admitted that the COVID-19 crisis will leave the global economy in a state not seen since the Great Depression of 1929. The full impact of COVID-19 on the tourism sector is still uncertain but undoubtedly, the sector has been the biggest casualty of the current crisis internationally and locally. The United Nations Conference on Trade and Development (UNCTAD) listed South Africa as one of the top 15 countries that is being negatively impacted by the near-closure of the international travel industry during the pandemic. According to a report published by the International Finance Corporation (IFC) in October 2020, 92% tourism businesses in South Africa had seen a 50% or more drop in revenue, 58% of businesses were unable to service their debts and 61% of businesses were unable to cover fixed costs, 28% of businesses had closed and 5% of those were left with no option but to close permanently.

Sound business practice requires that current year outcomes be compared to those of the prior year and that forecasts map the way forward for the ensuing years. In referring back to the 2020 Chairperson's Foreword, one cannot help but feel like we have been stuck in a time warp.

The year 2021 remained difficult for our country and the tourism industry. We continued living through, with and affected by the Covid-19 virus as it found ways to mutate, draw closer and become more successful at wreaking havoc. In turn, we had to become more vigilant, more resilient, more obedient and had to find better ways to service the tourism industry and desperately try to maintain South Coast market share.

The cashflow challenges that had threatened the service delivery and sustainability of the company in 2020, did not let up. The district municipality continued to experience financial strain and receipt of grant funding due from the two larger local municipalities was severely delayed. Juggling the cash flow became a daily necessity, critical if we were to avoid penalties, not incur fruitless and wasteful expenditure and be able to settle indebtedness in full and on time whilst doing our utmost to continue to promote the destination.

Achieving a reasonable percentage of the Annual Performance Plan again relied on focused publicity and being able to leverage on local, provincial and national partnerships. Fortunately, the low touch economy enabled savings to be made in the move away from print to digital media. Although it did not become fully operational in the year under review, a start was made on developing an inclusive digital App for the South Coast destination. Completion is targeted for December 2021.

As tourism is the economic lifeline for many small to medium sized businesses in the KZN South Coast and accounts for hundreds of jobs, our objective going forward remains to work towards the recovery of tourism in our region and to assist businesses to continue operating.

Austerity measures were successfully implemented and we remain ever vigilant in identifying further ways to reduce operating costs without detracting from the critical task at hand. Currently, the district and local municipalities are working on a proposed amalgamation of Ugu South Coast Tourism with our sister municipal entity, Ugu South Coast Development Agency. The prime aim is to achieve economies of scale that reduce the burden of funding. We are actively involved in the Technical and Political Change Committees and are keeping our focus on ensuring the best outcome. It should be noted that sustainability and reliability are key in funding service delivery.

I continue to be proud of the service delivery, honesty and integrity of the organisation. I thank Board members for their valued inputs and consistent oversight and Management for meeting the key objectives and for their ability to adapt and remain focused. I also take this opportunity to thank the greater tourism family, our municipalities and tourism businesses, for their loyal support of the organisation and its area committees during these years of lean.



EJ CRUTCHFIELD
Chairperson of the Board

2. REPORT OF THE CHAIRPERSON OF THE AUDIT AND PERFORMANCE AUDIT COMMITTEE

We are pleased to present our report for the financial year 01 July 2020 to 30 June 2021

Audit committee members and attendance

The Audit Committee consists of four independent members listed hereunder and is required to meet at least four (4) times per annum as per its approved terms of reference. During the current year four (4) meetings were held as follows:

- 20 August 2020
- 13 December 2020
- 16 March 2021
- 18 June 2021

Name of the members	Number of Meetings attended
Ms Bongeka Jojo – Chairperson	4
Mr Ashley Gonzalves – (Appointed March 2021)	2
Mr Zwile Zulu	4
Ms Leah Khumalo	4
Ms Chantel Elliott – (Contract ended December 2020)	2

Audit committee responsibility

The Audit Committee reports that it has adopted appropriate formal terms of reference as its Audit Committee charter, and regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The Audit Committee also reports that it has complied with its responsibilities arising from section 166 of the MFMA and Treasury Regulation 3.1

The efficiency and effectiveness of internal controls

In line with section 62(c) (ii) of the MFMA, Internal Audit provides the Audit Committee and management with reasonable assurance that the internal controls are adequate and effective. This is achieved by approval of a risk based Internal Audit plan, Internal Audit assessing the adequacy of the controls mitigating the risks and the Audit Committee monitoring implementation of corrective actions.

The Audit Committee has considered the work performed by Internal Audit on a quarterly basis. The Audit Committee notes that there has been improvement in internal controls in the areas of financial reporting, performance reporting and compliance with legislation.

Report of the Auditor – General South Africa (AGSA)

The Audit Committee has:

- Reviewed the AGSA's management report and management responses there to;
- On a quarterly basis reviewed the entity's implementation plan for all the issues raised by the AGSA in the prior year;

Evaluation of annual financial statements

The Audit Committee has:

- Reviewed and discussed the audited annual financial statements to be included in the annual report, and
- Reviewed the AGSA's management report and management's response thereto;
- Reviewed changes in accounting policies and practices;
- Reviewed the entity's compliance with legal and regulatory provisions;
- Reviewed significant adjustments resulting from the audit.
- Considered the report and audit opinion of the Auditor-General on the financial statements and performance information.

The Audit Committee concurs with and accepts the Auditor-General's report on the annual financial statements, and have recommended that the audited annual financial statements should be read together with the report of the Auditor-General's and should be accepted.



B JOJO CA (SA)

Chairperson of the Audit Committee

13 December 2021

3. OVERVIEW BY THE CHIEF EXECUTIVE OFFICER

Ugu South Coast Tourism (USCT) is an entity of Ugu District Municipality with the mandate to grow tourism in the region. Guided by economic development objectives; USCT positions the KZN South Coast as a tourist destination of choice to potential visitors. Through operating the Marketing & Communications, Tourism Development and Finance & HR functions; our key priority areas are to:

1. Attract and **increase the number of tourists** to the destination
2. Support the development of innovative and unique tourism products in order to extend the **geographical spread** of tourists across the destination – thus encourage transformation and attract potential investments
3. Ensure the availability of **visitor information infrastructure**
4. Ensure the availability of **world class tourist services**

During the 2020/21 financial year, as the global tourism industry was reeling from the negative economic impact of the Covid-19 pandemic, USCT remained focused on positioning the *Paradise of the Zulu Kingdom* as an accessible, year-round destination with diverse experiences. Based on the Tourism Recovery Strategy, focus was on attracting domestic tourists to come and experience the abundance of adventure experiences which include outdoor, coastal and rural activities. These offerings rendered the destination attractive to city dwellers who were cooped up during the different levels of lockdown.

Various marketing platforms and initiatives were utilized to promote the KZN South Coast as a destination of choice. These included,

- advertising on the social media, publications and radio platforms
- implementing themed seasonal campaigns
- providing local tourism businesses with platforms to promote their products
- familiarizing the tourism trade and media about the destination
- implementing effective Public Relations initiatives to communicate with internal and external stakeholders

Throughout all lockdown levels USCT was hard at work, engaging with stakeholders in order to source interventions and support measures for tourism businesses in the KZN South Coast in this period of crisis. We engaged closely with tourism businesses to provide support interventions and to make sure that they comply with the Tourism Industry Standard Protocols for COVID-19 operations. Support included handling a variety of enquiries that were brought to our attention and facilitating access to business grants and other business intervention programmes.

Our *Great Drives Out* routes are an expansion of the geographical footprint to promote diverse experiences focusing on rural and Agri-tourism development. To support rural tourism development and extend the geographical footprint of tourists to rural communities USCT worked closely with tourist attractions and community-based initiatives in rural communities. These included KwaXolo Caves, KwaNzimakwe Multi-trails and Ntelezi Msani Heritage Centre. Developmental interventions such as creating awareness about tourism and training were provided in order to make sure these products meet the tourism industry standards. Through USCT destination marketing strategy that positions the KZN South Coast as a destination with diverse experiences, these products have drawn the attention of tourists and the media. Efforts were further undertaken to identify routes and Agri-tourism attractions that have the potential to attract tourists in rural communities. This process went hand in hand with creating awareness about tourism and supporting SMMEs in those communities.

A business decision was made to restructure the organization and this led to the closing of Visitor Information Centers (VIC) and the retrenchment of staff. The need to respond to the changes brought by the Covid-19 pandemic, the decline in numbers of walk-in enquiries that were received through the VICs as well as financial conditions, played a major role in coming to this decision. To disseminate information, USCT strengthened the use of our digital platforms through which visitors can access information on accommodation facilities, attractions and other tourism business services. USCT handed over the VIC office at the centre of Margate to the police to ensure the visibility of police. Such collaborative efforts with stakeholders such as the police and the private sector proved positive in addressing the safety of tourists around Margate Beach as such challenges have a negative impact on the image of the KZN South Coast as a tourist destination of choice.

USCT continued to address services related to municipal services as they play a huge role in the efforts to grow tourism. Challenges related to water shortages in the district attracted negative publicity both in the social media and on national television particularly during the December holiday season. This was further exacerbated by the challenges presented by Covid-19 as tourism businesses suffered from the closure of beaches during this important season.

Due to financial constraints, including the challenges related to the Covid-19 pandemic, USCT could not fully deliver on the scorecard as some municipalities paid towards the end of the financial year and one did not pay at all. To deliver on the scorecard, USCT relied heavily on key stakeholders such as TKZN and EDTEA.

4. PERFORMANCE AND SUPPORTING INFORMATION

4.1. MARKETING & COMMUNICATIONS

BRAND POSITIONING

Focus was placed on positioning the KZN South Coast as

- a premier beach destination with a focus on nature tourism – abundant nature offerings and outdoor experiences both on land and in water
- an accessible, year-round, leisure destination of choice in South Africa, with diverse outdoor experiences
- an affordable family destination
- a destination with rich cultural and heritage offerings
- an ideal destination for small, intimate meetings and conferences
- a destination that lends itself to social distancing without disrupting the visitor experience.

Advertising & Promotions

While operating on a risk adjusted budget; through negotiated price packages, USCT used different media platforms that could provide value for money to promote the KZN South Coast as a destination with diverse experiences. Additional social media posts and newsletter mentions were negotiated as a value add for the advertising spend.

Publications

Adverts were placed in Getaway Digital and Cape(town) and Flysafair platforms promoting rural tourism products, off-road adventures, diving, nature activities and 'safecations'. Golf adverts were placed online with Compleat Golfer and included social media posts to promote "The Golf Coast". Focusing on the KZN South Coast residents, adverts were also placed in the local newspapers, South Coast Herald and Mid-South Coast Mail to create awareness about the importance of tourists in our destination. USCT also revamped its billboards at Dezzi Raceway in order to strengthen the KZN South Coast brand exposure to the car racing market.

Adverts were also placed in the following publications:

- Ugu Eyethu
- The Southern Explorer.
- Dirty Boots Adventure Guide
- Travel Ideas

Q1 Inflight (FlySafair) / DPS EDITORIAL + FP + Emailer – Online Collateral
UGU2345124 SaFair Sept 2020

15-09-2020

• Advert Full Page

South Coast
PARADISE OF THE ZULU KINGDOM

The ultimate 'safe-cation' holiday destination...

ENJOY THE OUTDOORS & EXPLORE OUR PLAYGROUND!

The KZN South Coast is the ultimate 'safe-cation' holiday destination this summer, with plenty of outdoor activities on offer. Relaxation, sports or extreme adventure can be found within this pristine coastal region. Golfing, driving, snorkelling, fishing, cliffhanging, cave walks, heritage tours and self-road adventures – the KZN South Coast has it all!

TOUR 360

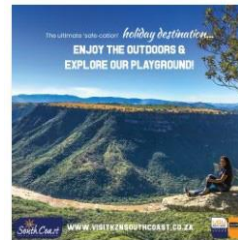
IT'S PARADISE

UGU SOUTH COAST TOURISM

South Africa

Please call us on 039 682 7944 or visit our website for more information on our venues and great destinations!
WWW.VISITKZNSOUTHCOAST.CO.ZA

fishNET



• Full Page Full Colour – 210mm x 275mm

South Coast
PARADISE OF THE ZULU KINGDOM

A green for every golfer
A ROUND FOR EVERY SEASON*

With the KZN South Coast's year-round warm weather, sunny skies, and magnificent ocean and coastal forest backdrop, you'll never feel blue on these greens!

Boasting 11 quality golf courses along the 120-kilometre coastal stretch, you're spoilt for choice when it comes to teeing off on the #GoSouthCoast. Whether you're looking to improve your short-game on a nine-hole midsie course, or stretch your competitive muscles on an 18-hole championship course, the Paradise of the Zulu Kingdom has a round for you.

Off the greens, this coastal haven keeps on giving. Blue Flag beaches, world-renowned dive sites and the phenomenal #SardineRun can be found shoreside. Then head inland for gorge swings, downhill, ziplines and more! It's time to #GoSouthKZN for something new, something adventurous and something truly memorable!

WE ENCOURAGE VISITORS TO TAKE A MOMENT AND explore!

IT'S PARADISE UGU SOUTH COAST TOURISM South Africa

Please call us on 039 682 7944 or visit our website for more information on our venues and great destinations! Get the free "Explore KZN South Coast" app online today.
WWW.VISITKZNSOUTHCOAST.CO.ZA



South Coast
PARADISE OF THE ZULU KINGDOM

For year-round ocean activities & adventure...
DIVE INTO THE KZN SOUTH COAST

Along the KZN South Coast's 120km coastline, you can find top-quality beaches - five of them Blue Flag - perfect for year-round snorkelling, swimming, surfing, paddling and fishing. Tidal pools offer protected bathing with the two Marine Protected Areas considered world-class dive sites. The cooler months bring sightings of the annual whale migration and The Sardine Run - a must-see natural spectacle.

YOUR 365 UGU SOUTH COAST TOURISM South Africa

Please call us on 039 682 7944 or visit our website for more information on our venues and great destinations!
WWW.VISITKZNSOUTHCOAST.CO.ZA

Radio Advertising

USCT advertised on the following radio stations:

Kaya FM – Commercial Radio Station

Broadcast area: Gauteng

Messaging: #GoSouthKZN #WozaForWinter to educate the Gauteng listeners about the magic of winter on the KZN South Coast and why now is the best time of the year to #GoSouthKZN, perfect beach conditions and the sardine run

Package: 4 paid slots and 2 complimentary slots, including an interview of the CEO during a prime-time show.

The following were the scripts for the 4 paid slots:

1. "Beat the chill this winter by heading to the KZN South Coast where it's always beach weather! With two world-renowned dive sites at Aliwal Shoal and Protea Banks, you can experience the famous #SardineRun from an underwater perspective. Take the opportunity to swim among the many ocean creatures found in two of the country's beautiful Marine Protected Areas. Take a dive and #GoSouthKZN!"

2. "With its magnificent natural scenery, year-round warm climate and welcoming communities, the KZN South Coast is the ultimate film destination. Diverse aquatic and hinterland locations, cultural sites and dramatic landscape create the perfect backdrop, with an experienced filmmaking community always on hand. From international feature films through to environmental documentaries, filmmakers can #GoSouthKZN for a professional, affordable and scenic location".
3. "Adventure awaits you on the KZN South Coast where rural tourism experiences abound in the hinterland. #GoSouthKZN and explore the KwaXolo Caves, home to San artwork dating back centuries. Enjoy a guided tour of the culturally-iconic KwaNzimakwe Multi-Trails or scenic Nyandezulu Experience. Immerse yourself in local tradition at Ntelezi Msani Heritage Centre. #WozaForWinter to the KZN South Coast – we have it all!"
4. "Swap your winter gloves and scarves for boardshorts and bikinis as you #WozaForWinter to the warm KZN South Coast. Get your front-row seats to the #GreatestShoalOnEarth where dolphins, whales, sharks and sea birds put on a once-in-a-lifetime display with the world-famous #SardineRun. Watch the action from the land or get up close with a dive in two Marine Protected Areas. #GoSouthKZN"

East Coast Radio: A KwaZulu Natal based commercial radio station with an audience of approximately 5 million. It is one of the largest regional radio stations in South Africa.

Broadcast Area: KwaZulu-Natal, certain areas of the Eastern Cape and smaller portions of Swaziland

Package: 4 paid slots and 8 complimentary repeats.

The following was the script for the 4 paid slots:

- "The skies are sunny, the sea is warm, and fish are ready to be reeled in.... #WozaForWinter to the KZN South Coast! With the most tidal pools in KZN, endless fishing spots, five Blue Flag beaches, two Marine Protected dive sites and front-row seats to the Greatest Shoal on Earth, the world-renowned Sardine Run, the KZN South Coast is the ultimate family-friendly holiday destination".

Outdoor Advertising – Street Poles in Durban



Copies and Press Releases Published

USCT presented press releases and copy in a number of exclusive publications to showcase the diversity of experiences and reposition the KZN South Coast to the domestic market after the effects of Covid-19. The following are some of the copies and press releases that were published:

1. Top 10 must-try activities on the KwaZulu-Natal Upper South Coast
2. KZN South Coast seeks expert advice for enhanced tourism safety amidst new Covid-19 variant
3. Sea views and savings with KZN South Coast's incredible mid-week 'workation' specials
4. Ntelezi Msani cultural commemoration celebrates #KZNSouthCoast heritage this March

5. In the mood for adventure? The KZN Lower South Coast has 10 unmissable opportunities!
6. 10 Amazing Facts
7. 7 Extreme Adventures
8. Things to do under R150
9. 10 Must try days trips
10. Top 20 Hiking spots
11. 9 Reasons of the South Coast is a top 10 Film Destination
12. The 20 Best Family friendly activities to enjoy.
13. KZN South Coast bolstering the region's sports tourism by leveraging the Ugu Sports and Leisure Centre
14. Media Alert - MEC visit the KZN South Coast
15. KZN South Coast is ready to welcome an influx of Easter holiday visitors
16. #InTheSpotlight: 15 things you need to know about the KZN Mid-South Coast
17. 11 reasons to #Visit the beautiful #KZNSouthCoast beaches
18. The #KZNSouthCoast's top spots for those following the 'wellness tourism' trend (22 April 2021)
19. Vote for Umtentweni to be the Kwêla Dorp van die Jaar!
20. KZN South Coast chosen as the location for shooting the latest season of SABC's The Longest Date
21. 10 epic mountain bike trails to explore on the #KZNSouthCoast
22. Ugu South Coast Tourism launches #GoSouthKZN destination video to showcase local treasures
23. Secure your front-row seats along the #KZNSouthCoast for the 2021 #SardineRun
24. Here are 5 great reasons to go camping on the #KZNSouthCoast
25. Top angler shares 5 tips for the ultimate #GoSouthKZN fishing trip

10 Amazing Facts about the KZN South Coast

The KwaZulu-Natal (KZN) South Coast, a renowned domestic holiday destination, is one of some of the country's most interesting and diverse sites and activities. This Tourism Month, we're celebrating by sharing the top 10 amazing facts about the region!



1. The KZN South Coast has the highest number of blue flag beaches in KZN
 Within KZN, there are 6 Blue Flag beaches – an internationally-recognised demarcation of quality – and 5 of these are located on the KZN South Coast. With golden sands and the warm, Indian Ocean, visitors enjoy bathing, surfing, snorkelling and living along this beautiful coast.



2. The KZN South Coast is home to the smallest desert in the world
 Situated just 10 kilometres from Port Edward is the Red Desert. Stretching 200 metres in diameter, this recently-proclaimed nature reserve is also the world's smallest desert, and the site of many archaeological discoveries.



3. The KZN South Coast is also known as 'The Golf Coast'
 With 11 golf courses alongside oceans and

coastal forests, there is a green for every golfer. The diverse courses can be found at Umkomaas, Scottburgh, Selborne Park, Umdoni, Port Shepstone, Harding, Margate, Southbroom, San Lameer, Port Edward and the Wild Coast Sun.



4. The KZN South Coast has two of the world's top dive sites and Marine Protected Areas
 Aliwal Shoal just 5km offshore of the Umkomaas River; and Protea Banks, 8km off Shelly Beach, are both world-revered dive sites, home to a number of ocean creatures. These wondrous ocean sites are both Marine Protected Areas and have prompted numerous international documentaries and attracted an influx of global tourists.



5. The KZN South Coast has the only MSA-approved racing track in KZN
 Dezi Raceway in Port Shepstone is the only Motorsport South Africa (MSA)-approved racing track in the province, and the host of numerous prestigious motorsport events. The track includes two purpose-built drift circuits for high-octane entertainment!



6. The KZN South Coast enjoys the annual Sardine Run
 #GreatestShoalOnEarth
 Winter brings the planet's biggest biomass migration close inshore of the region, giving visitors front-row seats to the ocean-based feeding frenzy. This is a must-see annual spectacle, as shoals of silver fish are followed by bigger fish, sharks, dolphins, whales and sea birds.



7. The KZN South Coast has the highest gorge swing in the world
 The Wild Gorge Swing in Oribi Gorge is the highest swing of its kind in the world. Located at the top of Lehr's Waterfall, the swing is the equivalent of launching off a 55-storey building (165 metres). A definite bucket list addition for any thrill-seeker.



8. The KZN South Coast has the most tidal pools in KZN
 This family-friendly swimming destination has several tidal pools which provide sheltered beach swimming regardless of the surf conditions.



9. The KZN South Coast witnesses annual Humpback Whale migration
 Between June and December, more than

30 000 Humpback Whales participate in the annual migration which can be viewed from any of the 58 KZN South Coast beaches, and the many oceanside restaurants and cafés.



10. The KZN South Coast is an affordable holiday destination
 With so many unique, family-friendly holiday activities, and a variety of accommodation options, the KZN South Coast is also an incredibly affordable domestic destination for the entire family. With 2020 proving a financially-constrained time for many South Africans, the area is emerging as a prime holiday spot for those wanting to maximise on family time, without breaking the budget.

"These are just a selection of the many unique and enriching sites and activities that can be found on the KZN South Coast," explained CEO of Ugu South Coast Tourism, Phelisa Mangou. "As an affordable destination offering all manner of nature-based, outdoor activities, the region is the perfect location for those wanting to unwind and reconnect with family after a challenging year. This truly is #ParadiseForEveryone."

USCT is continuously encouraging all tourism establishments to adhere to the strict TBSCSA (Tourism Business Council of South Africa)-developed Covid-19 health and safety protocols, which have received the stamp of approval from the World Travel & Tourism Council. This ensures a 'safefaction' for all visitors.

For more information on the KZN South Coast, download the free 'Explore KZN South Coast' app from Google Play and Apple stores or visit www.visitkznsouthcoast.co.za. Alternatively, follow 'South Coast Tourism' on Facebook and YouTube or @infosouthcoast on Twitter and Instagram. - Olivia Jones Communication

R: The placing of individuals on Broad in lockdown Level 1, many will have been taking annual opportunity of the Province, taking open spaces to explore within the country. However, the interrupted season means that many are having to make the most of events go much further, with affluently a major contribution towards the existing KZN Coast. As with many return-based activities, it is related and activities enjoy provides tourists will also, yet collaborative family experience.

The KZN South Coast has long been a key destination for local and international visitors, and its continued status as one of our best stay-go without compromising the many accommodation facilities and activities," explained CEO of Uyo Spitz Coast Tourism

DCT, Pheliso Maseko: "The area's affluently, coupled with the positive nature-based activities, has seen a spike in local tourism over the years where visitors from great distances come to spend time soaking in food and relaxation in one of the country's most scenic locations."

[illegible]

he KZN South Coast has long been a key destination for local and international visitors, and its continued to retain the popular family holiday spot without overlooking the many accommodation venues, its art and culture," explained CEO of Uptu South Coast Tourism (SCCT), Phyllis Mnguni. "The area's affordability, coupled with the incredible nature-based activities, has seen a spike in local tourism activity. We want to share some of these great options with South Africans seeking for fun and relaxation in one of the country's most pitc locations."

1

Varmon Creeks Nature Reserve in Scottburgh

This is a stunning coastal forest with many hiking trails that give visitors the chance to see a range of birds and wildlife. Great for a family day out and picnic in nature.

Cost: R30 per adult, R15 for children 12
Contact: 033 074 2222 or 073 911 8200
or email argus@blackhillsreservewildlife.com
Website: www.blackhills.co.za

2

TC Robertson Nature Reserve in Scottburgh. This is another beautiful coastal forest on the south bank of the Mqumbazi/Umzimvubu River. There are many great trails and picnic spots, just a 10-minute walk from the beach.

Cost: R30 per vehicle with 5 passengers, R10 more for an additional passenger.

Contact: 062 406 9891 or info@robertson-nature.co.za

3
Unzumber Surf Camp
 Run by Ali & Rob, owners of SA Surfari and South African Surf Tours, visitors can hire out surfboards from the Unzumber Surf House. Those willing to pay a bit more can learn to surf with a few lessons.
 Cost: R150 for board hire
 Contact: 073 536 4728
www.unzumber.com.au

K.J.N. Smith: Content not to be used without explicit written consent of the author(s).

[illegible][illegible][illegible]

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Two side-by-side images of a blue, multi-armed starfish-like organism, likely a brittle star, against a dark background. The organism has a central disk and several long, thin arms extending outwards.




KZN tourism industry ready for Easter

the 1990s. The company's 1990 sales of \$1.2 billion were up from \$1.1 billion in 1989. The company's 1990 earnings of \$1.2 billion were up from \$1.1 billion in 1989. The company's 1990 earnings of \$1.2 billion were up from \$1.1 billion in 1989.

NTANDUYENKOSI SLAMINI
ntanduyenkosi.danab@unisa.ac.za

[illegible]

Fourth, Kaul, improving the Solihull Park Estate Beach from 1986.

[illegible][illegible]

LOCAL
Tourists
hosted by
Tautou
K/IN on a
speed boat
during the

Tourism KZN goes all out to woo visitors to province

WYANDOWENKOSI DLAMINI

The landfill, classified by the K22N statute as delivery of the message, the person has it all when it comes to art.

The artist is currently on assignment to complete a brief installation for the vast and recently leased K22N Art Court with the idea of showcasing art and outdoor activities to local elites.

Teacher K22N, a study of the K22N curriculum of Economic Development Teachers and Environmental Affairs (E.A.), explained the Teacher Court with South Africa (John K22N, Nani).

Shari and middle grades started a K22N Court, which date back to 1992 and are an attempt to help.

Knowing the heart, the experience of a direct dose, a really successful with having a progressive and well-meaning the work with cultural heritage.

[illegible][illegible]

“We are also working flat out to expand the region’s tourism reach beyond holiday tourism and targeting business tourism, events tourism and film production. This will all be great for the future of the KZN South Coast communities and its economy.”

[illegible]

SEASONAL CAMPAIGNS

Spring Campaign

The Spring Campaign always coincides with the launch of the Tourism Month (September). The 2020 theme for the tourism month was *Tourism and Rural Development*, and focus was around activities to empower and uplift the lives of rural communities. The MEC for Economic Development, Tourism & Environmental Affairs (EDTEA), Nomusa Dube-Ncube launched the Tourism Month in the KZN South Coast on the 12th of September at KwaXolo Caves. The visit by the MEC created an impressive marketing exposure for the destination and instilled hope to local tourism products. In addition to the Tourism Month, the KZN South Coast was getting ready to welcome visitors after lockdown for the long weekend and short school holiday.

More delights on the coast

It is Tourism Month and the KwaZulu-Natal South Coast is a perfect local holiday destination

THE KwaZulu Natal South Coast, a renowned scenic holiday destination, is home to some of the country's most interesting and diverse sites and activities.

This Tourism Month, we're celebrating by sharing facts about the region.

The KZN South Coast has the highest number of Blue Flag beaches (an internationally recognised demonstration of quality) and five of these are located on the South Coast.

With golden sun and the warm Indian Ocean, visitors will soon be able to enjoy bathing, surfing, snorkelling and diving along this beautiful coast after lockdown.

The South Coast also has two of the world's top dive sites and Marine Protected Areas. Alval Island is just five kilometres offshore of the Umhlangas River and Protea Banks is eight kilometres off Shelly Beach.

Both are world-renowned dive sites, home to a number of ocean creatures. These wonderful ocean sites are both Marine Protected Areas and are protected by numerous international conventions and attract an influx of global tourists.

Off the beach, the South Coast has the only thoroughbred South African approved racing track in the province.

Dezi Raceway in Port Shepstone is the host of numerous prestigious motorsport events, and is a track for all purposes, both dirt and tarmac, or high-octane entertainment.

The annual Sardine Run, "Greatest Shoal Out" is a highlight of the year on the South Coast. Winter brings the planet's biggest biomass migration close to shore, giving visitors front row seats to the ocean-based feeding frenzy. This is a mind-boggling spectacle, as schools of silver fish are followed by bigger fish, sharks, dolphins, whales and sea birds.

The South Coast also has the most tidal pools in the province. This family-friendly swimming destination has many tidal pools which provide natural beach swimming regardless of the surf conditions.



Margate beach. The South Coast has the most tidal pools in KZN. PHOTO: JUSTIN KLUSENER PHOTOGRAPHY



The South Coast is an affordable holiday destination.

Overall, the South Coast is an affordable holiday destination. With so many unique, family-friendly holiday activities, and a variety of ocean recreation options, the South Coast is an incredibly affordable domestic destination for the entire family. With 2020 proving a financially con-

strained time for many South Africans, the area is emerging as a prime holiday spot for those wanting to maximize on family time without breaking the budget.

"These are just a selection of the many unique and exciting sites and activities that can be found on the KZN South Coast," said CEO of

Uga South Coast Tourism, Pheliso Mngoma.

"As an affordable destination offering all manner of nature-based outdoor activities, the region is the perfect location for those wanting to unwind and reconnect with family after a challenging year. This truly is a wonderful experience."

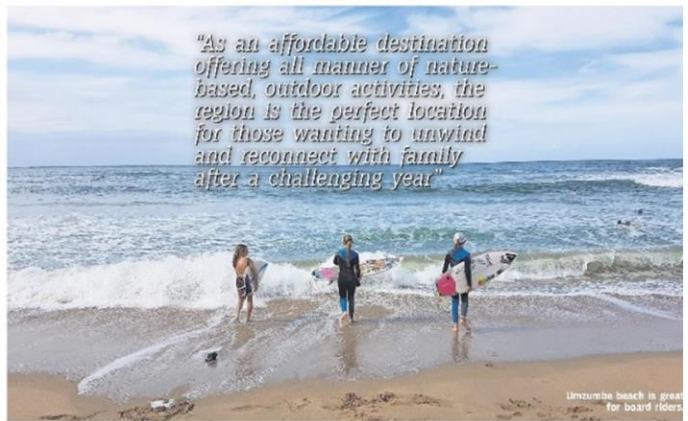
USCT encourages all tourism establishments

to adhere to the strict Tourism Business Council of South Africa developed Covid-19 health and safety protocols, which have received the stamp of approval from the World Travel and Tourism Council. This ensures a safe and happy time can be had by all visitors.

For more information on the KZN South

Coast, download the free Explore KZN Sea Coast app from Google Play and Apple stores visit www.kznsouthcoast.co.za. Alternatively, follow South Coast Tourism Facebook and YouTube, or @kznsouthcoast on Twitter and Instagram.

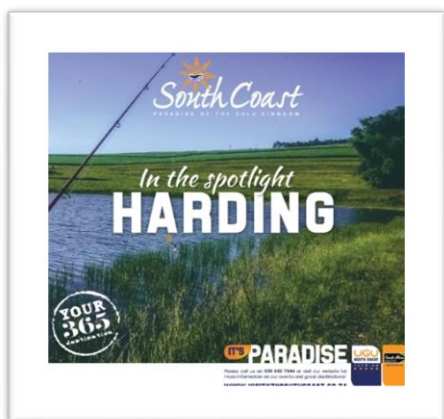
—Suppli



Umhlanga beach is great for board riders.

Summer Campaign

The theme for the Summer Season was “Celebrate Summer” #ThokozelaIhlobo and it was mainly communicated on the social media and in press releases. #InTheSpotlight hashtag was also launched using digital marketing platforms to profile different KZN South Coast towns. This followed the SABC 2 Morning Live weekend feature #Smalltown of choice, where they profile small towns in South Africa and ask viewers to share some information, interesting facts, pictures, or some of the gems found in the profiled town. The information is shared on their Twitter page, @MorningLive SABC and helps in drawing attention of the viewers to the specific town or area. South Coast’s towns such as Hibberdene, Uvongo and Umzumbe were featured in this programme. Through #InTheSpotlight USCT highlighted the different towns’ offerings, sites & gems and unique attractions suited to all budgets as we were attracting visitors to these towns for the holiday season.



Easter Campaign - Autumn

The Easter Campaign focused on Tourist Friendly Awareness aimed at

- Reassuring visitors that the KZN South Coast is ready for them. Messaging to the visitors included the use of the phrase “Safe-Cation” and being “holiday ready” alluding to the COVID-19 safety protocols. It also focused on the KZN South Coast offering numerous outdoor activities and the attractions being ready to give visitors a warm welcome back to the coast.
- Preparing KZN South Coast residents for the influx of visitors to the coast, reminding them about the vital role that tourism plays in the economy of the district. Messaging to residents reminded of COVID-19 safety protocols and the importance of adhering to them and safe signaling to ensure that visitors are safe. Locals were also encouraged to give visitors a warm welcome and be ambassadors for the area. KZN South Coast businesses were made aware of the USCT platforms in place to support them, such as the COVID-19 protocol video and COVID-19 portal on the USCT corporate website.

Leading to the Easter break, USCT embarked on a paid radio campaign to further enhance the Tourist Friendly Awareness Campaign through Vuma FM, Radio Sunny South and Ugu Youth Radio. A series of paid interviews, live reads and social media posts were booked between 5 – 26 March.

A press release titled “KZN South Coast seeks expert advice for enhanced tourism safety amidst new Covid-19 variant” received extensive media coverage. This message positioned USCT as being proactive and leading in promoting Covid-19 safety protocols.



Numerous media houses featured this message and these included;

- Business Events Africa, I Love ZA – 08 February
- Rising Sun (Chatsworth) online, Marketing Spread, My PR, My Durban, My ZA – 09 February
- South Africa Today, Channel Africa Radio, Gateway Africa – 10 February
- Woza Weekend – 16 February
- Rising Sun (Overport) – 18 February
- Channel Africa Radio, Africa Midday – 23 February
- Channel Africa Radio, Africa Digest – 23 February
- Channel Africa Radio, Africa Rise & Shine – 24 February
- Eldos FM Radio, Rising Sun (Chatsworth) print – 02 March
- Rising Sun (North Coast) print – 03 March
- Rising Sun (Overport) print – 04 March
- Rising Sun (Merebank) print, Rising Sun (Chatsworth) online, Rising Sun (Merebank) print, Rising Sun (Mid-South Coast) – 09 March

Winter Campaign

#SardineRun

The sardines took over the shoreline in their numbers creating excitement. Big shoals of sardines were seen along the entire shoreline, with netting taking place at Scottburgh, Pennington and Ramsgate beaches. We leveraged on last year's bumper Sardine Run with PR, advertising and social media posts. #HeadSouthforOurWinter #WozaForWinter #GoSouthKZN #TheGreatestShoalOnEarth #OurSouthKZN and #GoSouthKZN hashtags, attracting attention to the KZN South Coast were launched. A variety of press releases related to the activities on offer were also issued to the media.

The South African "Mermaid"; Freediving Champion Beth Neal, captured a footage of the KZN South Coast's Sardine Run. The video footage of this incredible oceanic migration which has become synonymous with the KZN South Coast was shared in the social media and it attracted international attention. USCT also worked in partnership with marine biologists, dive influencers, skippers and seine netters on the Sardine Run, once again we were able to get accurate and updated information and media content.



#ExtendYourStay

To encourage people to extend their stay when they #GoSouthKZN over the winter period,

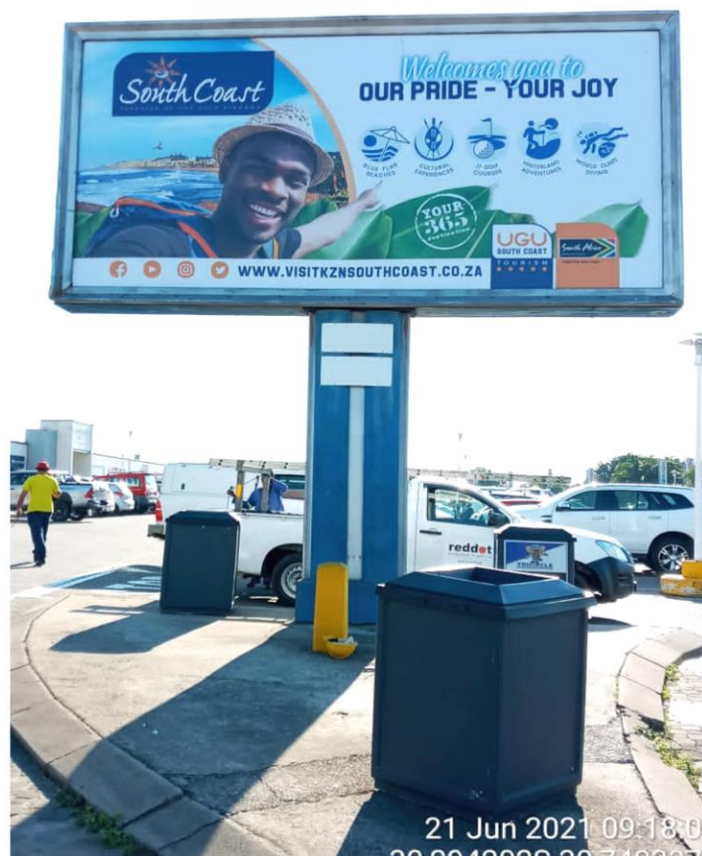
#ExtendYourStay hashtag was launched in early June with a series of social media posts and these were also amplified through PR and digital promotion.

Tourist Friendly Awareness Campaign

The Tourist Friendly Awareness campaign forms part of ongoing marketing efforts aimed at

Reassuring visitors that the KZN South Coast is ready for them.

- Messaging to the visitors included the use of the phrase “Safe-Cation” and being “holiday ready” alluding to the COVID-19 safety protocols. It also focused on the KZN South Coast offering numerous outdoor activities and the attractions being ready to give visitors a warm welcome back to the coast. It included the use of local radio, print and billboards alluding to the numerous outdoor activities and the KZN South Coast tourism attractions being ready to give visitors a warm welcome back to the coast.
- Preparing KZN South Coast residents for the influx of visitors to the coast, educating them about the tourism attractions in their backyard, reminding them about the vital role that tourism plays in the economy of the district while also highlighting the role every person on the south coast plays to contribute to the success of tourism in the area. Messaging to locals reminded of COVID-19 safety protocols and the importance of adhering to them and safe signaling to ensure that visitors are safe. Locals were also encouraged to give visitors a warm welcome and be ambassadors for the area. Adverts were placed in the local media which included the South Coast Herald and were translated into IsiZulu and placed in Ugu Eyethu.
- Tourism businesses were made aware of the resources such as the COVID-19 protocol video and COVID-19 portal that USCT had put in place to support them on the USCT corporate website.



KZN SOUTH COAST TOURISM PROMOTES RURAL DEVELOPMENT

Together, let us welcome tourists with our traditional South Coast hospitality this season!

With our many natural attractions, heritage sites and outdoor activities, it's no surprise that tourism is the lifeblood of the beautiful KZN South Coast. Let's take pride in our heritage this Tourism Month by sharing our rural and agri-tourism initiatives far and wide!

IT'S PARADISE

Be a proud ambassador, get the free app - download it now 'Explore KZN South Coast' #KZNSouthCoast

Please call us on **039 682 7944** or visit our website for more information on our venues and great destinations!
WWW.VISITKZNSOUTHCOAST.CO.ZA

BEACH ACTIVATIONS

Seasonal Activations

Through Supply Chain Management (SCM) processes, USCT secured the services of a service provider to facilitate beach activations. The service provider would secure sponsorships and ensure that visitor entertainment at prime beaches is provided at no cost to USCT. USCT on the other hand secured dates with the municipalities and the service provider paid the required fees directly to the municipalities. Activations were planned to take place at the following beaches;

- Hibberdene
- Ramsgate
- Uvongo
- Margate
- St Michael's
- Sunwich Port
- South Port
- Port Edward
- Scottburgh

Unfortunately, due to the closure of the beaches on certain days during the December holiday season, leading to the announcement of Level 3 lockdown and the ultimate closure of the beaches, activations did not place. The complications related to Covid-19 affected the implementation of seasonal beach activations throughout the financial year in general.

TRADE & MEDIA FAM TRIPS

Familiarization trips (Fam Trips) are a great way to gain publicity from the media or inspire packaging of the area's attractions by tour operators, and ultimately receive exposure for the destination. USCT participated in a national trade fam trip and also hosted top journalists from different media houses who wrote about the destination. USCT further leveraged on the established relations with South African Tourism (SAT)

and Tourism KwaZulu Natal to host trade and media fam trips that were paid for by these stakeholders in order to create exposure for KZN South Coast.

Media Hosting

As press releases were disseminated to a variety of national media and USCT social media pages, this generated interest from different journalists to want to experience the KZN South Coast themselves. In certain instances, interviews were arranged with product owners. The following media were hosted:

Megazone FM

Kovesh Nadasen from Megazone FM, a radio station from Umhlanga Ridge, KwaZulu-Natal (frequency 104.8fm) had a weekend visit to the South Coast. On air interviews were held with tourism products such as Tuscany By the Sea, MacBanana, Riverbend Crocodile Farm, and KwaXolo Caves. There were also on-air giveaways.

IOL Travel

Clinton Moodley, a journalist from Independent Online visited the South Coast on the 05th September 2020. Some of the products he visited included the Waffle House and Riverbend Crocodile Farm. Clinton wrote an article about his experience on the South Coast with this headline: 'WATCH: Killer crocs and waffles to die for on the South Coast'.

Link: <https://www.iol.co.za/travel/south-africa/kwazulu-natal/watch-killer-crocs-and-waffles-to-die-for-on-the-south-coast-6b73376f-e0ed-429d-85b3-32fbd91dc6d3>



Picture: Clinton Moodley.

Independent on Saturday

Tanya Waterworth, a Durban based Chief Reporter & Journalist from Independent on Saturday visited KwaXolo Caves on the 13th September 2020. She wrote an article based on her KwaXolo Caves 350m hiking experience.

Link: <https://www.iol.co.za/ios/news/adventure-on-the-south-coast-875a621d-81e3-4600-bcfb-3c872655d57c>



Views from the cave of the valley below. Picture: Tanya Waterworth

TKZN MEC visit to the KZN South Coast

USCT and TKZN invited Media to be part of the MEC Nomusa Dube-Ncube's Tourism Month launch on the KZN South Coast. Through this visit, the KZN South Coast received extensive media coverage which included, but not limited to the following:

1. SABC News
2. East Coast Radio
3. Ukhozi FM
4. Gagasi FM
5. Responsible Traveler
6. Rising Sun
7. South Coast Herald
8. Tourism Update
9. My PR
10. My Durban
11. Ehowzit
12. South Coast Fever, and a lot more



MEC at KwaXolo Caves. Picture: USCT

Media 24 Video Shooting

USCT collaborated with TKZN to host two journalists, Tando Guzana and Saara Mowlana from Media 24. Media 24 covered attractions such as Ntelezi Msani in Umzumbe, Sao Jao Monument, The Red Desert Nature Reserve, and Beaver Creek Coffee Estate. This was a video shooting tour targeting the digital footprint.



Traditional dancers at Ntelezi Msani - Media 24 video shooting

Vuma FM Fam Trip

USCT in partnership with TKZN hosted 7 radio presenters from Vuma FM 103.0 on a three-day fam trip. The radio station is an English and IsiZulu inspirational lifestyle commercial and popular radio station in Durban. The visited and most enjoyed attractions on this three-day tour included Mac Banana Adventures, Port Edward Red Desert, Beaver Creek Coffee Farm, KwaXolo Caves Adventures, Oribi Vulture Viewing Hide, and Wild 5 Extreme Adventures. This tour gave the KZN South Coast great media exposure and helped to create a strong domestic market. The radio station held an interview on the destination offerings and state of readiness with USCT CEO prior to the Fam trip. Vuma FM shared their experiences on their social media platforms where every tourist product they visited was profiled. When the presenters returned to the studio, they continued to punt the KZN South Coast for the rest of the week.



Hosting Zakes Bantwini & SuperSport

USCT in partnership with TKZN and KwaXolo Caves Adventures hosted SuperSport presenters and Mr. Zakhele Madida (professionally known as Zakes Bantwini). Zakes Bantwini is a popular, multi-award winning South African musician, record producer and businessman from KwaMashu. He had visited the KZN South Coast on the 6th and 7th November to shoot a video and to experience the area. They visited Oribi Gorge Wild 5 Extreme Adventures and KwaXolo Caves Adventures. Zakes Bantwini was impressed by KwaXolo Caves Adventures and intends to do business in the area. Business engagements are being held between him and the operator of KwaXolo Caves to discuss future plans for an event at KwaXolo Caves Adventures.



Zakes Bantwini & SuperSport Crew at KwaXolo Caves

South African Tourism (SAT) Summer Campaign

SAT facilitated a Summer Campaign which involved taking winners of a competition to visit all provinces of South Africa for experience and filming. Working closely with SAT to facilitate the program in KZN; TKZN assisted by putting together two itineraries that included the KZN South Coast. The groups were divided into two and they took pictures and did filming during their visit. Their itineraries were;

Itinerary 1

Filming crew (Library Team)

Dates: 23 - 28 February 2021

For the Library Team SAT wanted new places, scenery, hidden gems and not the usual. USCT facilitated a visit to the Red Desert Nature Reserve, Lake Eland Game Reserve and Ntelezi Msani Heritage Centre

Itinerary 2

The “Convoy” group (Winners and SAT members)

Date: 23 - 25 March 2021

For the Convoy group SAT wanted rural experiences and some of the highlights that they visited were: KwaNzimakwe for a Cultural Experience, KwaXolo Caves and Wild 5 for adventure. They ended the trip with an ocean experience.

Itinerary 3

SAT Content Creation Team

Date: will be visiting the South Coast on the 28 - 29 March 2021

The itinerary included: The Red Desert, São Jao Memorial Monument, Beaver Creek Coffee Farm.



Red Desert



Lake Eland Game Reserve

An NUR, The Light – SABC 3

On the 25 to 26th February 2021 An NUR, The Light visited the KZN South Coast to do a travel feature on the South Coast's best attractions. An NUR, The Light broadcasts on SABC 3 at 06h30am every Sunday.

USCT CEO was interviewed on the South Coast attractions and highlighted beach experience, Oribi Gorge, Golf Courses, Sardine Run, Agri-Tourism products and rural products. Mr. Dave Watson was also interviewed about the history of the area which involved the Port Shepstone lighthouse and its establishment in the 1800's; i.e. how the harbour was established, what items were imported/exported commercially from the harbour to Port Shepstone. The interview also included the historical and/or present activity at the Umzimkhulu River, and the Norweigan settlers who arrived here around that time, and the Norwegian Settlers Church in Marburg in 1882.

The team also filmed other attractive features such as the views of the beach and tidal pools, lifeguards, the sunset, sunrise areas and landscapes which can be viewed from the beach.



KZN Has-It-All Activation – Hosting Kaya FM

Working in partnership with TKZN on the KZN Has It All Activation; USCT hosted Kaya FM on a media tour for four days and three nights. Kaya FM is a Gauteng based regional radio station with predominantly black, urban listeners between the ages of 25 to 49. The fam trip took place from the 19th – 22nd March 2021. The four days was packed with numerous experiences, which included

- an ocean safari,
- the gorge swing,
- hiking KwaXolo Caves,
- horses riding on Trafalgar's blue flag beach, and more

On 22nd March, Kaya FM hosted an outside broadcast from the San Lameer Country Club. The Celebrity Presenter Unathi hosted her regular live show *“Midday Joy with Unathi”* between 12h00 and 15h00 where USCT CEO and the MEC of Tourism Mr. Ravi Pillay were interviewed. USCT CEO was interviewed by the following media houses:

- A live interview on Kaya FM
- SABC News

- Print Media – Beeld Newspaper and The Witness
- TKZN's Digital Team

Glow TV

USCT facilitated an itinerary of Glow TV journalists as the TV channel was working on a 14-episode travel and food show for USA and Canadian audiences. The call-to-action and places of interest in South Africa included

1. Accommodation (spa/lifestyle e.g., yoga and health retreats)
2. History (local)
3. Culture (local)
4. Food (local and gourmet)
5. Entertainment

USCT grasped this fantastic opportunity in hosting film producer Maria Isabella Valaskatzis and cameraman Kundai. Based on the above requirements a 3-day and 2-nights itinerary was prepared and included,

- KwaXolo Caves
- Ntelezi Msani Heritage Centre
- Lake Eland Game Reserve
- The Vulture Hide
- Croc World in Scottburgh, and
- Ocean Safari.



Oribi Gorge – Lake Eland



Ocean Safari – off Shelly Beach

Products also received social media coverage during the trip. Maria is considering hosting a cooking show at KwaXolo Caves, nothing has been confirmed to date.



South Coast Cuisine Media Fam Trip

The KZN South Coast is renowned for its beautiful sites and unique activities, but many visitors are delighted to discover that the region offers top-quality food and is boasting a wealth of incredible flavours. The multi-cultural heritage of the KZN South Coast has resulted in a delightful fusion of tastes and flavours. Added to this is the fact that chefs can incorporate world-class agricultural produce as well as a variety of seafood options, all of which are found right here on the KZN South Coast. This was the reason USCT hosted a cuisine fam trip from the 4-6 June 2021. We hosted Vivaga Thambiran, Group Editor of the Rising Sun and Lutho Pasiya, Independent Media Multimedia Food and Drink Journalist. Journalist enjoyed a feast of different tastes during their 3-day stay.

Al Jazeera TV

Al Jazeera TV came to the KZN South Coast and filmed two separate inserts, one was on the Sardine Run and the other on agritourism. USCT provided flights for the team to capture aerial footage, unfortunately, the flights did not take place due to no show of sardines at the time. The film crew was also hosted on a boat to film the netting with USCT's sardine run partner and expert Dr Ryan Daly. The second insert focused on agritourism and the growing coffee plantations; interviews were set up at Beaver Creek.

Trade engagement and hosting

Africa Personalized Travel & Tours

USCT hosted Africa Personalized Travel & Tours a Cape Town based Tour Operator who had visited the South Coast to identify routes for packaging. The Tour Operator specializes in managing pre-packaged tours and custom itineraries for individuals, couples, families, private groups, coach tours, team building exercises and MICE. They normally package for the international market and recently had an enquiry for a KZN South Coast package. USCT had the opportunity to showcase many of diverse product offerings which included, coastal, hinterland and Agri tourism products.



Beaver Creek Coffee Farm



Wild 5 Adventures

KZN/USCT Local Trade Engagement

In May 2021 product owners were invited to participate in the half day trade engagement hosted by TKZN which took place at St Michaels Sands Hotel. The objective of the engagement was to present the performance of the TKZN marketing campaign 2020 and discuss the following;

- Brand KZN Performance tracker study presentation
- Collaboration for the new campaigns
- Ongoing specials and deals to be loaded on TKZN website and other social channels (Facebook, Instagram, etc.)
- Involvement in activations
- Involvement in agents and media hosting

This session was fairly attended by members of the trade within the KZN South Coast, due to COVID protocols the number of attendees were also limited.



Virtual Speed Marketing Fam Trips

Physical visits and experiencing the region first-hand remain the most powerful sales tool. While it is important to invite buyers to the region and showcase the variety of excellent offerings in terms of accommodation, scenery, activities, and food and to unlock the tourism potential of a region and to achieve regional growth; with the onset of the COVID-19 pandemic, we found ourselves in a very different and fast changing world which required doing things differently using technology. In order to keep interest going and make productive use of South Africa's lockdown period, USCT in partnership with TKZN and SATSA hosted the KZN South Coast Virtual FAMs as a value add to the existing partnership agreement.

The first virtual fam trip was hosted in July 2020 and the main purpose was to showcase KwaZulu-Natal tourism attractions to 75 buyers from across South Africa. The invitation was open to any KwaZulu-Natal product, but space was limited to 15 products per region. USCT invited 30 South Coast products and SATSA was responsible for the shortlisting of participants. USCT made a presentation to the buyers about the KZN South Coast as a tourist destination, focusing on the diversity of the destination while the individual product owners presented their product service offerings and experiences.

The second virtual fam trip was hosted in May 2021 and was bigger and focused than the first. In preparation for the Virtual FAMs, a total of 64 products around the KZN

South Coast, were carefully selected for participation in four (4) virtual tours based on Wi-Fi accessibility, product relevance and route category placement. Participants were taken on a virtual journey, connecting buyers and sellers across the globe to create new business opportunities for tourism products while promoting the KZN South Coast as tourism destination.

Extensive preparation was undertaken for this particular fam trip and this included

- Training focused on the use of Zoom technology and how to best deliver a virtual product pitch using any tools they have (video, website presentation or photo presentation) to assist them to present. Online Meeting Protocols for products to look at before the meeting were provided. A tourism industry specialist, coach, and mentor took the products through the dos and don'ts on an elevator pitch, to enable showcasing the uniqueness of your product and how it could fit into packages of the area.
- Production of an online brochure to ensure that all products selected to participate receive exposure. The online brochure was shared with products and buyers prior to the event and again, together with the slide deck and videos, post the meeting.

A total of 105 buyer registration was received. 6 out of our 9 provinces were represented by buyers with the majority being Gauteng and Western Cape based. We were also excited to have hosted buyers from UK, USA, and Zimbabwe. The successful Virtual Fam Trips took place as follows:

Upper Coast	–	18 May 2021
Middle Coast	–	21 May 2021
Lower Coast	–	25 May 2021
Hinterland	–	28 May 2021

TOUR PACKAGING

KZN South Coast Budget Getaways

USCT developed packages that are aimed at assisting tour operators and self-driving tourist to connect with the destination. They link the coastal experiences with rural/hinterland experiences that include Agri-tourism, outdoor adventure and cultural experiences. The KZN South Coast Budget Getaways Tour Package for example is

a 3-day self-drive tour with the most popular yet affordable activities. Tour packages with costs are available on the USCT website.

KZN South Coast Meets Eastern Cape Package

USCT formed a partnership with Voli Travels, a local based tour operator that specializes in outdoor adventure activities which include but not limited to hiking, walking, canoeing etc. on the Eastern Cape side. Their tours have been focusing mainly on the Eastern Cape side, however USCT has introduced them to major hotels in the areas to enable packaging two-to-three-day tours that will encourage extending the stay in the KZN South Coast.

Voli Travels has developed a packaged tour for the KZN South Coast, called “*KZN South Coast Meets Eastern Cape*”. They have already hosted quite a few of these tours, and the packages offer agricultural and rural experiences. For only R900.00, these include;

- Coffee tour
- Macadamia nuts
- KwaXolo Caves Adventures
- KwaNzimakwe village
- The Red Desert
- Hiking trails, and
- Beach walks, waterfalls and canoeing

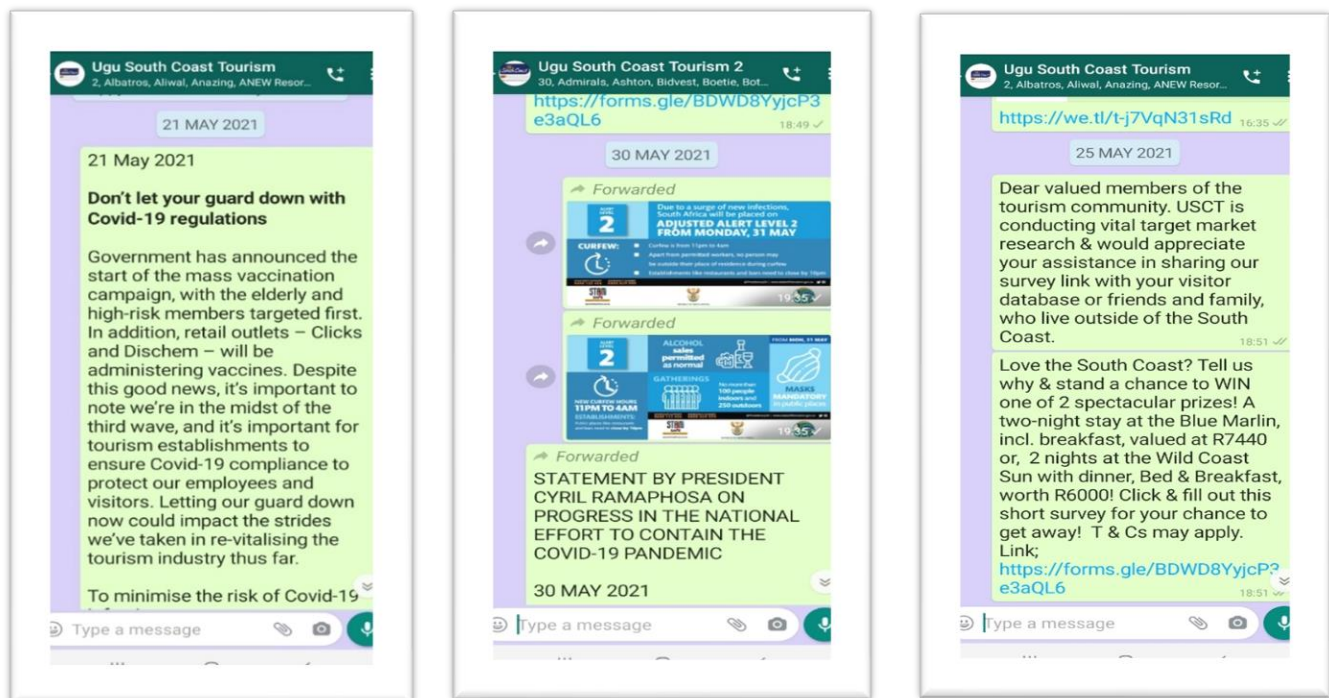
This package was uploaded on the USCT website. The development department is also working very closely with Voli Travels to encourage the use of local tour guides. Efforts are being made to capacitate the tour guides in order to build confidence and ensure that they meet the required standards.

PUBLIC RELATIONS

Push Notifications

Since the start of lockdown, USCT compiled valuable resources related to Covid-19, including relevant regulatory requirements and assistance. This important information is continuously shared through our Covid-19 page on the website portal and WhatsApp notifications to various groups in the database. The push notifications have allowed USCT to reach out extensively to stakeholders, allowing recipients to send enquiries whenever they need clarity on different subjects.

WhatsApp Group Notifications



Quarterly Newsletter

Through this platform, USCT shared the latest tourism news, while also highlighting the work that the entity is doing in growing tourism in our destination. The content focused on the following elements:

First Edition (inaugural copy)

- Launch of KwaXolo Caves Adventures
- Port Edward, the finalist in the Kwêla Dorp van die Jaar competition

- Sardine Run activity
- Feedback on the successful SATSA (the Southern African Tourism Services Association) virtual fam trip.

Second Edition

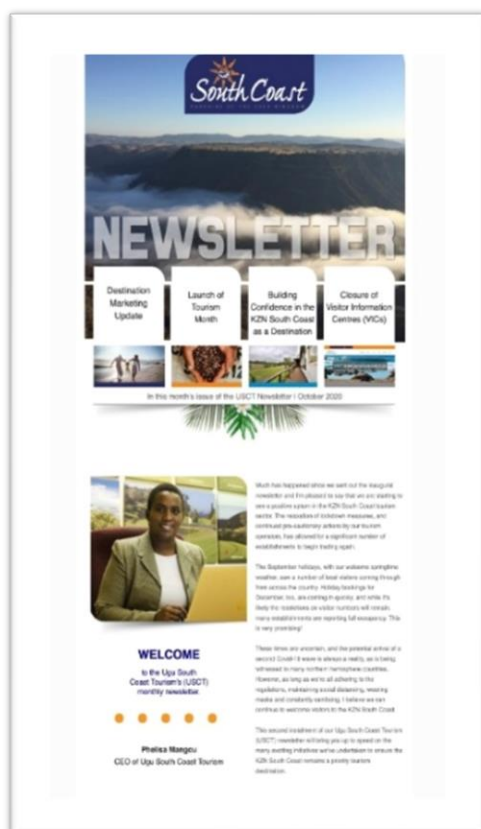
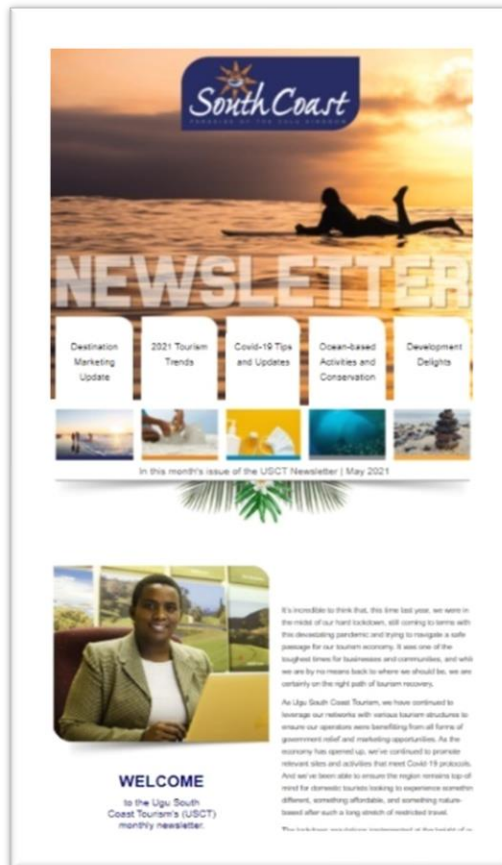
- Destination Marketing Update
- Launch of the Tourism Month
- Building Confidence in the KZN South Coast as a Destination
- Closure of the Visitor Information Centers

Third Edition

- Destination Marketing Update
- 2021 Tourism Trends
- Covid-19 Tips and Updates
- Ntelezi Msani Virtual Commemoration

Fourth Edition

- Destination Marketing Update
- 2021 Tourism Trends
- Covid-19 Tips and Updates
- Ocean Based Activities and Conservation
- Development Delight



Newsletter Distribution

Date	Database	Delivered	Opened	Bounce Backs
14 August 2020	435	429	191	1.38%
24 Nov 2020	560	518	466	7.5%
11 Feb 2021	592	547	533	8%
25 May 2021	548	498	335	10%

Kwêla Dorp van die Jaar Nominations

The KZN South Coast made the cut in the highly-anticipated Kwêla Dorp van die Jaar competition, with both Port Edward and Umtentweni announced as one of the semi-finalists in the August 2020 and May 2021 editions respectively. The announcement was made on kykNET Dstv Channel 144, with three finalists selected per province. Now in its 11th year, this kykNET competition provides a valuable platform for South Africa's beautiful towns, with viewers getting the chance to vote for the winning contestant, with the title prize a 45-second tourism advert by Homebrewfilms played for a year on the kykNET, with marketing worth R1million. With Port Edward making the finals in 2020, it was exciting to see that the incredible towns found within the KZN South Coast are gaining some well-deserved recognition. USCT encouraged all proud locals to support our stunning towns by voting on the SMS platform.

MEDIA EXPOSURE

Creating Media Interest

Press releases and written copies were disseminated to various media houses. These efforts generated interest from journalists and led to extensive coverage from different media houses. In some instances, USCT extended the coverage to product owners to give them the opportunity to sell their products.

Numerous radio interviews were conducted across a variety of local, regional and national radio stations which included SAFM, East Coast Radio, Lotus FM, Gagasi 99.5 FM, Channel Africa, Vuma FM, Megazone Radio and SABC Radio News, Kaya

FM, Radio Sunny South, etc. A series of radio interviews took place on Megazine Radio on a new slot called “Explore Your Backyard” where several KZN South Coast tourism products were showcased over a 6-week period.

Local, regional and national newspapers covered the news from Ugu South Coast Tourism with articles appearing in publications such as The Cape Times, The Star, The Witness, Independent on Saturday, IOL Travel, Skyways, Get It Mag, Responsible Traveller, Woza Weekend, Skynews, Silver Digest, 4x4 magazine and IOL Travel to name a few. In addition to this, a variety of community newspapers nationally, covered South Coast Tourism.

Out of over 500 media exposures (printed, online media and radio interviews); all of the media coverage was positive, except the news coverage that had to do with,

- The closure of beaches in December 2020
- Water challenges
- Sewage spill at Margate Beach

Brand Tracking

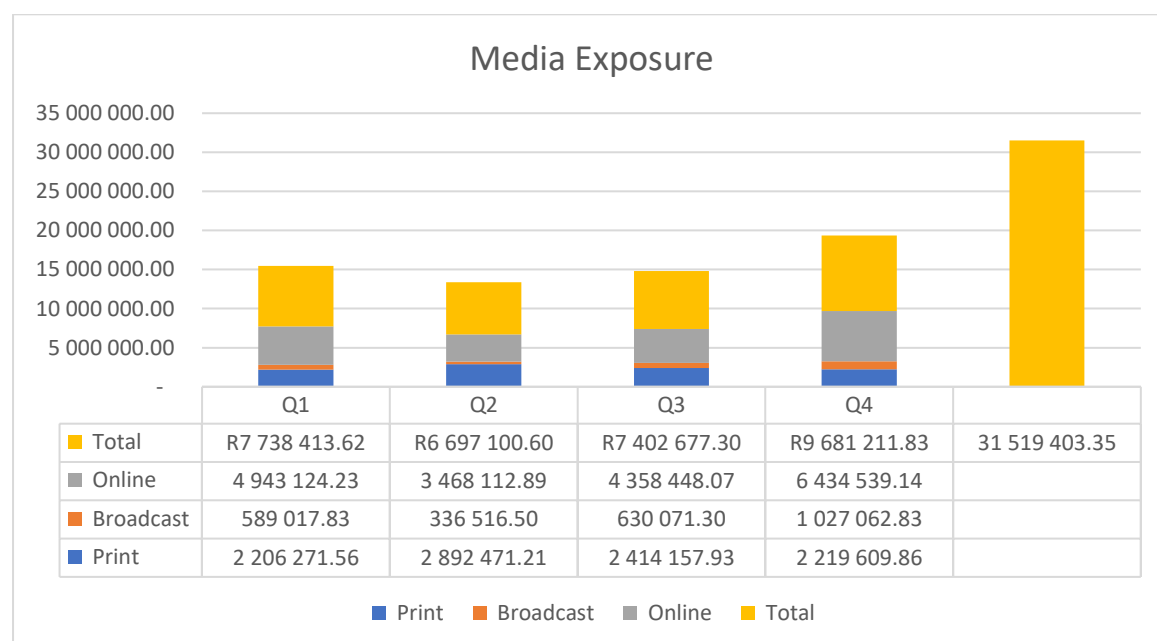
Newsclip is a brand tracking and media monitoring service which is highly recommended. They are a proudly South Africa brand tracking company built on 35 years of technological innovation. They monitor all media channels across South Africa and 53 countries throughout Africa with the aim of measuring the performance of the brand. Newsclip also offers immediate access to information on media coverage and statistical reports. They also track adverts and social media.

Below is the free media coverage and brand exposure generated between July 2020 to June 2021 as recorded through Newsclip monitoring. The list of media coverage includes the Advertising Value Equivalent (AVE) figures – this is rand for rand of what one would have spent to appear in these publications, online platforms and broadcast media, had these been ‘paid for’.

During this period R31 519 403.35 (thirty-one million, five hundred and nineteen thousand, four hundred and three rand and thirty-five cents), worth of AVE media exposure was generated between July 2020 to June 2021.

All media coverage is accessible online in the Newsclip Redbook

<https://www.redbook.co.za/share/book/f59b0a01c360a2b6826954b7302a6fa2>



DIGITAL PLATFORMS

Following the Coronavirus outbreak, effective July 2020 USCT marketing plan started focusing on digital platforms to create exposure for the destination. The Search Engine Optimization (SEO) results have shown the cost effectiveness of digital advertising as opposed to traditional marketing.

Search Engine Optimization

Facebook

Description	Q2	Q3	Q4
Followers	6779	7131	7370
Lifetime Total Likes	6186	6403	6510
Daily New Likes	564	255	183

Twitter

Description	Q2	Q3	Q4
Audience Size	664	701	717
Number of Tweets	35	28	29
Impressions per day	335	245	201
Retweets	124	77	87
Profile Visits	121	121	474

Instagram

Description	Q2	Q3	Q4
Followers	1485	1603	1782
Interactions	45	199	199
Reach	377	982	1299
Impressions	902	2462	2462

LinkedIn

Description	Q2	Q3	Q4
Page Views	53	34	40
Unique Views	23	12	14
Total Followers	88	173	188

AmaSocial

USCT was mentioned by a number of authors using the USCT hashtags making them relevant to the industry. Q4 saw the largest digital activities in marketing exposure.

Online Trends and Analysis

Destination Website

Period	Unique Visitors	Number of Visits	Page Visits	Hits	Bandwidth
July - September	2 317	3 892	52 908	83 099	1.145MB/Visit
October - Mid Dec	13 113	23 546	388 745	820 657	1.16MB/Visit
Mid-Dec – Mid-March	13 257	25 050	313 056	538 717	0,69 MB/Visit
Mid-March–Mid June	14 680	32 682	380 596	710 169	87,05MB/Visit

Corporate Site

Period	Unique Visitors	Number of Visits	Page Visits	Hits	Bandwidth
July - September	2 301	3 905	47 439	69 849	0.34MB/Visit
October - Mid Dec	7 778	18 129	238 795	377 009	0.54MB/Visit
Mid-Dec–Mid-Mar	7 778	18 129	238 795	377 009	0.54MB/Visit
Mid-Mar-Mid June	9553	21 131	321 133	462 897	0,906MB/Visits

Explore KZN South Coast APP

Focus was placed on content development and promotion of the Explore KZN South Coast App. Communication to attract a wider range of product offerings was a huge success. This encouraged 190 crucial tourism products to submit their business details to be loaded on the App. It is important to note that the App is not at the level that it should be this will be addressed in the new financial year.

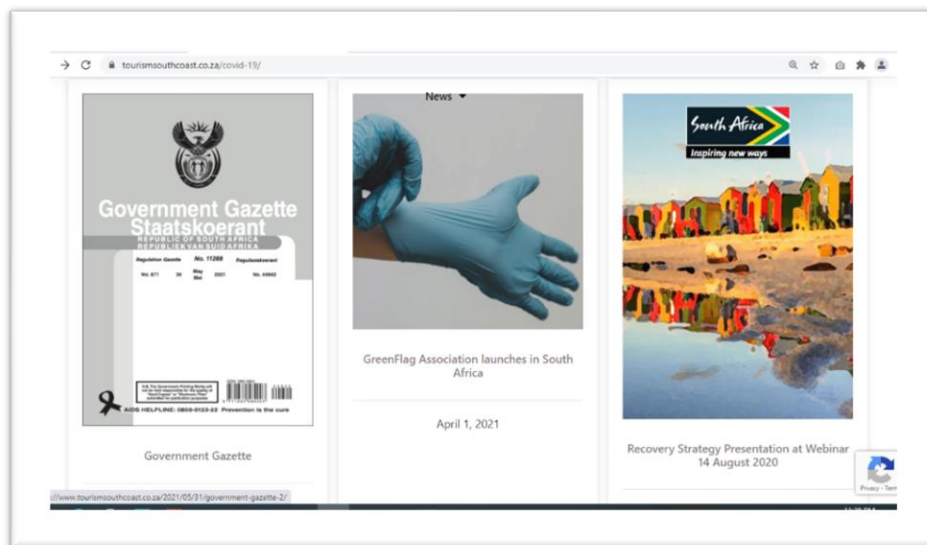
COVID-19 Portal

The COVID-19 Information Tab on the USCT website was launched on 9 April 2020 as an additional platform to disseminate and access information. Through this platform USCT provided updated information and Government Gazettes on COVID-19. The Gazettes contained crucial information such as application of alert level, mandatory protocols when in public places, opening and closure of schools, gatherings, partial re-opening of borders, etc.

Information focusing on latest developments and updates from the tourism industry authorities such as the National Department of Tourism (NDT), South African Tourism (SAT) and the Tourism Business of South Africa (TBCSA), was constantly being posted on the USCT Covid-19 Portal. The information was updated on an ongoing basis as the pandemic and policy responses evolved.

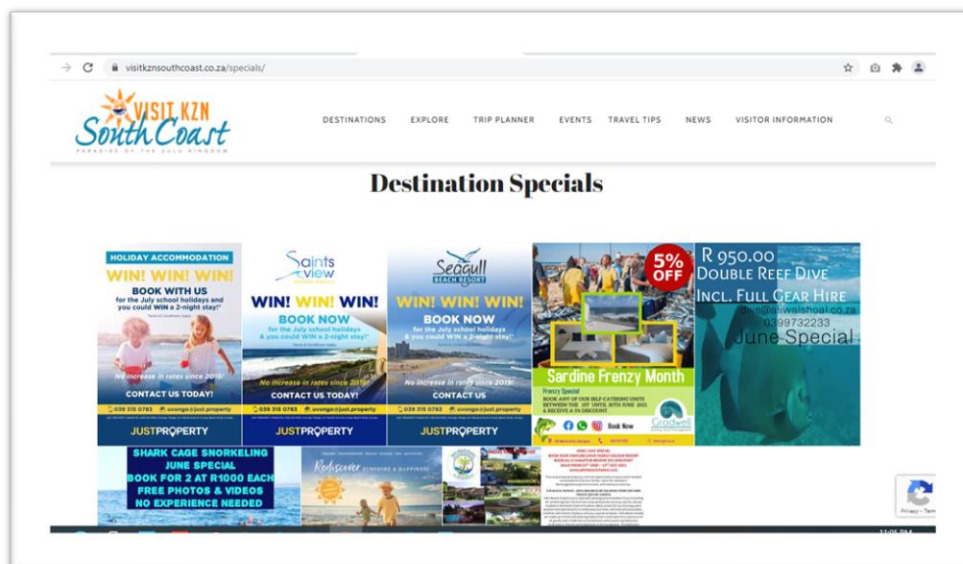
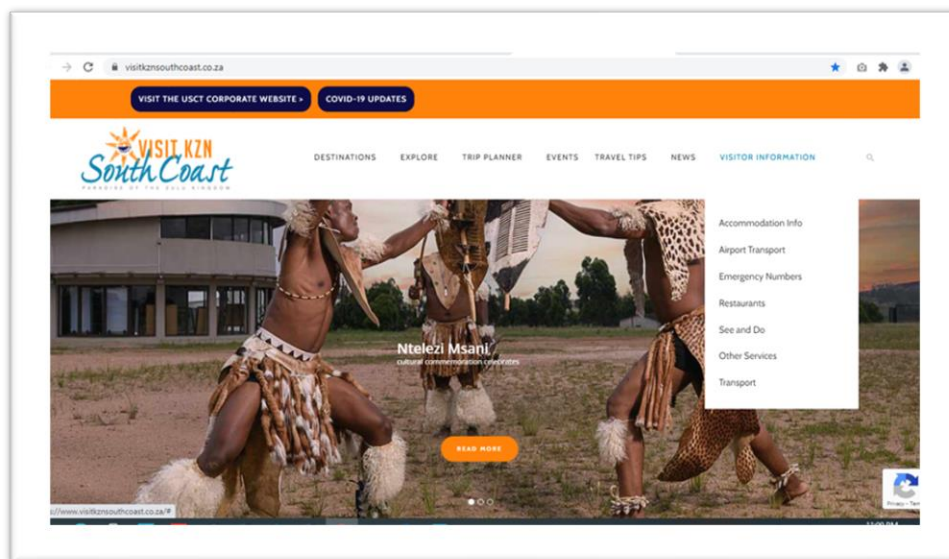
Link to access USCT Covid-19 Portal:

<https://www.tourismsouthcoast.co.za/covid-19/>



VIC Portal

As USCT closed Visitor Information Centres, to disseminate information digital platforms were strengthened and promoted. Visitors can access information on accommodation facilities, attractions and other tourism business services from VIC Portal on the destination website. The VIC Portal was updated with information of the KZN South Coast tourism products and services. Link to access USCT VIC Portal: <https://www.visitkznsouthcoast.co.za/#>

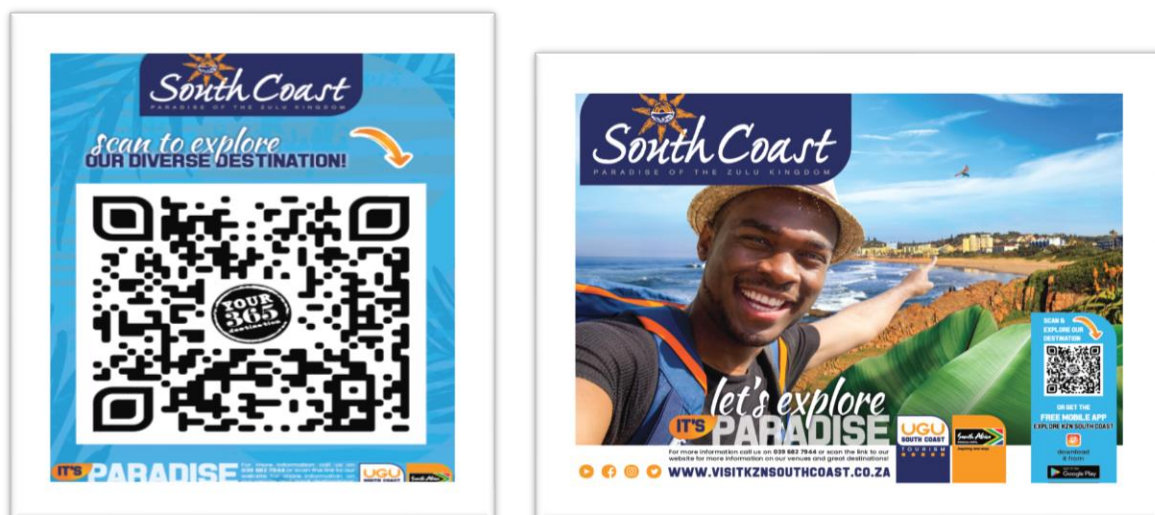


VISITOR INFORMATION SERVICES

The closing of Visitor Information Centres

Due to the Covid-19 pandemic, businesses have to minimize human touch and strongly adopt the use of technology. The need to respond to the changes brought by the Covid-19 pandemic, the decline in numbers of walk-in enquiries that were received through the Visitor Information Centres (VIC) including the financial conditions, required USCT to adapt to the new normal and restructure the organization. As such, in August 2020 USCT officially closed its VICs.

To disseminate information, USCT planned to strengthen and promote the use of *Explore KZN South Coast App* and *Visit KZN South Coast* website through which visitors can access information on accommodation facilities, attractions and other tourism business services. In addition to the VIC portal on the destination website, USCT created QR codes to allow visitors to access information. These will be placed at different strategic visitor sites. For example, when USCT closed the Margate VIC, the office was handed back to the municipality for use by RNM Protection Services and SAPS in order to address safety and security needs of tourists in Margate. USCT has since installed QR codes on the windows of the now police office in order to ensure the availability of tourism information.



USCT QR Code Stickers

MARKETING COLLATERAL

To enhance marketing efforts and reinforce messaging, promotional material was developed. The material included;

- The Destination Video
- KwaXolo Caves Video
- Covid-19 Protocols Demonstration Video
- The Sardine Run
- Outdoor Promotions for rural products
- QR Codes
- Promotional Banners
- Pens & Memory sticks



4.2. TOURISM DEVELOPMENT

BUSINESS SUPPORT

Tourism Relief Fund

From the beginning of COVID-19 National Lockdown, USCT engaged closely with at least 250 tourism businesses to provide support interventions in a number of ways, such as assisting with

- the Tourism Relief Fund (TRF) applications,
- UIF application processes and challenges,
- grading application processes as per TRF criteria,
- applications of permits for establishments to host essential workers and
- also dealt with a variety of enquiries that were brought to our attention.

According to a report issued by NDT, Gauteng and Western Cape received the most Tourism Relief Fund approvals, followed by KwaZulu-Natal. In total there were 4000 successful applications throughout South Africa. Each successful business received a R50 000.00 grant that would help to mitigate the impact of COVID-19. The full list can be accessed on www.tourism.gov.za. Following on Durban which is a Metropolitan Municipality, Ugu District received the most approved applications in KZN, details as follows:

	Area	Approved Applications
1	Ethekewini Metropolitan Municipality	275
2	Ugu District	56
3	Umgungundlovu	52
4	Uthukela	44
5	King Cetshwayo	41
6	Umkhanyakude	37
7	Ilembe (North Coast)	36
8	Zululand	27
9	Harry Gwala	17
10	Amajuba	15
11	Umzinyathi	07
Approved KZN Applications		607

Relief Fund for Registered Tourist Guides

The National Department of Tourism rolled out a R30 million Relief Fund to assist distressed Tourist Guides who have been impacted by the countrywide lockdown measures. The relief fund is applicable to registered freelance tourist guides who;

- operate independently without formal businesses in place or formal employment.
- not registered with UIF nor claimed any financial support through the Tourism Relief Fund.
- This Fund is administered through a 'no application' process. Information on Guides is sourced from the databases maintained by the Provincial Registrar of Tourist Guides (EDTEA).

Out of 31 guides that USCT managed to assist, 16 tourist guides from Ugu District received their payments. The rest of the guides did not qualify as they are contributing to UIF and some had not renewed their registration with the province. Each eligible freelance tourist guide receives a payment relief of R1 500.00 per month for a period of 3 months only.

Tourism Equity Fund

The Tourism Equity Fund (TEF) was launched by President Cyril Ramaphosa on 26 January 2021. TEF is aimed at financing black entrepreneurs in the tourism sector, particularly women and people with disabilities. The fund consists of up to R540 million supplied by the Department of Tourism, R594 million from commercial banks and R120 million from the Small Enterprise Financial Agency (SEFA). TEF will be used for grant funding, concessionary loans and debt financing over the next three years. Since the launch of the Fund, USCT handled enquiries and provided support to tourism businesses that were interested in this fund. To date, only Mount Nebo Arena in Umuziwabantu Municipality had applied. The rest of the establishments expressed concerns about the loan portion, as their businesses are not making much at the moment.

The National Empowerment Fund (NEF)

The National Empowerment Fund (NEF) in partnership with the Department of Trade, Industry and Competition (the DTIC) established an Economic Distress Fund to provide concessionary business loans to Black-owned and managed enterprises that are under financial distress as a result of the COVID-19 pandemic in order to aid their recovery, sustain existing jobs and improve productive capacity. USCT made this information available to local SMMEs. Most businesses were still not very keen on applying for any kind of loan.

Grant in Aid - KZN Department of Arts and Culture

In September 2020, USCT assisted five crafters to complete an online application form for Covid-19 relief funding support from the KZN Department of Arts and Culture (DAC). USCT assistance included a step-by-step process of completing the forms and this included using USCT office resources. Most crafters could not apply due to not meeting the requirements and some did not even try due to lack of confidence.

One of the crafters that USCT assisted, Nqubele Holdings (PTY) LTD from Bhobhoyi, met the funding requirements of the DAC. The department then visited Nqubele Holdings on 10th December 2020 to confirm the existence of the business and assess the quality of her work. In preparation for the department's visit, USCT assisted the crafter by lending her display equipment to ensure that her work was professionally and attractively displayed.

The director of Nqubele Holdings (PTY) LTD, informed USCT that her application was approved, she entered into a Memorandum of Agreement with the DAC and received the funds.

RNM Economic Relief Support

With tourism establishments and businesses on the KZN South Coast hit particularly hard by the Covid-19 pandemic, USCT welcomed the implementation of Ray Nkonyeni

Municipality's (RNM) Economic Relief Plan which is intended to alleviate the financial burden on business operations for the year December 2020 to December 2021. The relief support includes;

- The waiving of all business license renewal and issuing fees from December 2020 to December 2021, for all legally trading businesses in possession of valid business licenses.
- The changing of rates categorization for B&Bs, guesthouses and lodges to household-based rates fees, for the same period of time. This is only applicable to operators who have been trading legally, and who were in good rates' standing as of April 2020.

Using USCT communication channels such as the WhatsApp push notification and the newsletter, including emails and a press release, USCT urged accommodation establishments to take advantage of the business license renewals and applications so that they are operating legally and can benefit from the municipal support.

Buy Local Campaign

Tourism businesses in the KZN South Coast are doing their best to ensure that they are fully operational in line with Covid-19 health and safety regulations. Many popular restaurants, cafés and eateries re-opened their doors to welcome patrons into a well-managed environment. USCT did everything possible to promote the incredibly diverse and innovative offerings on various media platforms in an effort to support tourism businesses to recovery.



Celebrating Women in Tourism

The month of August recognizes the ongoing achievements of all woman, locally and internationally. Each year this effort is amplified, creating awareness around women's issues, empowerment and campaigns that forge a new path for future generations. It also gives the opportunity to showcase the tireless work being done by women in our communities, and leaves us inspired by those making tremendous strides in every industry.

Within the KZN South Coast tourism sector, USCT was privileged to count some of the most influential women among our members and publicly acknowledged their hard work on local newspapers. These exceptional women were representative of the many dedicated, skilled individuals who are positioning this region as a key tourism destination. They are breaking ground and leading the way in their respective fields, making it a little easier for the next generation to step into the role, with fewer restrictions, and fewer prejudices than those who went before.



Discover more phenomenal women-owned & run businesses on the KZN South Coast

Download the FREE Explore KZN South Coast app from Google Play and Apple stores.

Visit www.visitkznsouthcoast.co.za or keep South Coast Tourism on Facebook, @kznsouthcoast on Twitter and Instagram, and check out USCT on YouTube at SouthCoastTourism

Women's Day commemorates the thousands of women who marched to the Union Buildings in Pretoria, in 1955, protesting against the country's then, unjust pass laws. This high-valued month has also evolved, recognising the ongoing achievements of all women.

"KZN South Coast Tourism (USCT) is privileged to highlight some of the influential women among our members. It was difficult selecting only 10 to feature, but these exceptional women are representative of the many dedicated and skilled individuals who are positioning this region as a key tourism destination."

Phyllis Mungwa - CEO of USCT South Coast Tourism



Phyllis Mungwa

Sharon Mungwa & Leanne
On leave of her Singapore-based Restaurant and Lounge, she has been serving clientele for the past eight years. Her personal accomplishment, personal growth led her to a directorship of the Cape Town-based Service Station and of the newly formed Uthmaniyah Solutions. Trading her wisdom with supporting businesswomen, Phyllis and Leanne in overall important, it is a woman-owned business and their capabilities, it will be difficult for them to see that vision in future. Phyllis and Leanne are also used elements of success."



Sharon Mungwa

Sharon Mungwa & Leanne
Trading their construction to hospitality eight years ago, Sharon found her niche as a general manager. Her personal accomplishment, managing the Cape Town-based and business. She is involved in all daily operations. Sharon and Leanne work, but in business work, it's about both giving and taking and, it's important to always be appreciative."



Sharon Mungwa

Phyllis Mungwa
Phyllis travelled the continent, before establishing the first Shalom-based self-catering accommodation. About 12 years ago, she used her experience to start the successful Phyllis Mungwa. She manages the clientele and guest requirements, attends to conferences, and organising fundraising for the Shalom Nature Reserve. Her motto is: "Use this time to be the best".



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South Coast

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SMME DEVELOPMENT

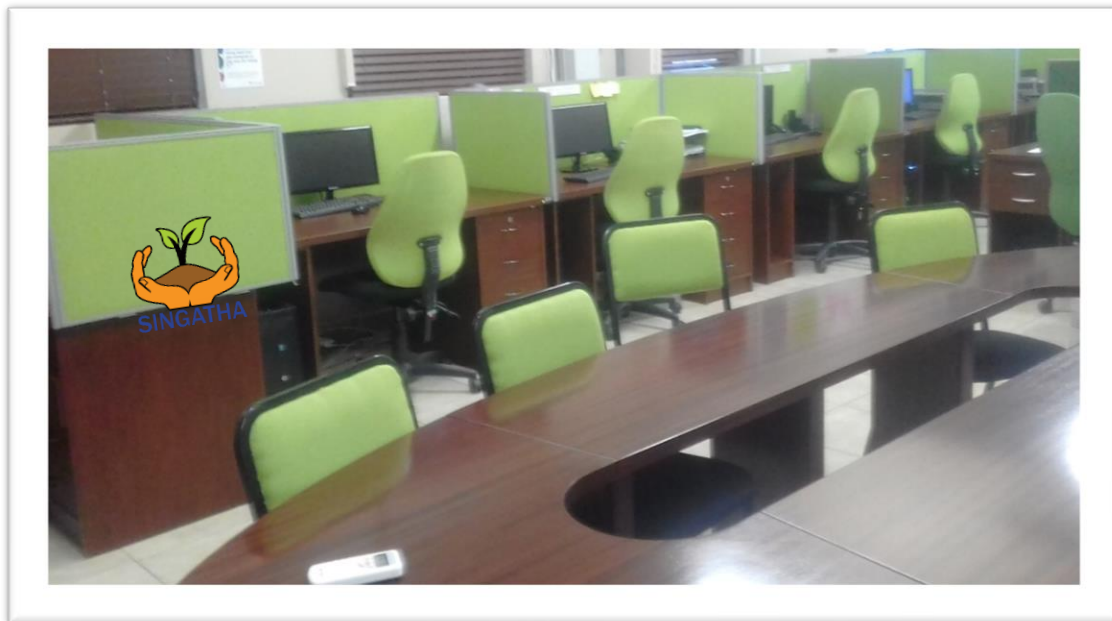
Incubation Programme

USCT formed a close working relationship with Singatha Business Incubation Centre at Oslo Beach TVET College in capacitating SMMEs and integrating them into the tourism industry. Singatha Business Incubation Centre receives the full support of Small Enterprise Development Agency (SEDA), an agency of the Department of Small Business Development which provides non-financial support to small enterprises and cooperatives. The programme includes management guidance, technical assistance and consulting tailored to young growing companies. Participants are offered free working space, a desk, a chair, computer, free Wi-Fi, telephone and space for holding meetings with clients.

Application to operate Rickshaws

Through USCT support, Nethezeka Tourist Transport and Projects was admitted in an 18-month incubation at Singatha which will end in June 2022. The entrepreneur is aiming to offer services such as rickshaw services in Ray Nkonyeni municipal area, open bus sightseeing throughout the South Coast, vehicle hiring as well as airport transfers from the South Coast.

USCT in partnership with Singatha Incubation Centre assisted Nethezeka Tourist Transport and Projects with the application for a permit to operate rickshaw services at either Margate beachfront or St Michaels beach. Unfortunately, the application was declined as it against RNM By-laws. RNM explained that since rickshaw operation would require the use of roads and side curbs, the best suited places would be those that have wide enough promenades which are also used for activities such as skate boarding, bicycle rides, jogging etc. Such promenades are unfortunately not available in the South Coast at the moment. As this product is also intended to offer a different experience in Margate, USCT will address the matter with RNM senior management to find other ways of having this kind of activity operating within the municipal area.



Tour Operator Incubation Programme

The National Department of Tourism (NDT) working with the Provincial Departments, Districts and Local Municipalities called out tourism businesses to tender their application in a Tour Operator Incubation Programme for a period of three years. The aim for the establishment of the programme is to capacitate tour operators with necessary knowledge, training and skills that will enable them to develop and attract both domestic and international markets, through offering packages or products in the most sustainable and competitive way. NDT will contract the services of a service provider who will roll out the incubation services and address the identified needs of the SMMEs.

As part of completing the application form for the Tour Operator Incubation Programme, each applicant was required to fill out the needs assessment questionnaire which would guide and aid the department working with the appointed service provider to develop a growth plan in line with the identified business development interventions. USCT forwarded the communication together with application forms to all local tour operators and travel agencies that are listed in the USCT database.

Tourist Guide Association

It is common practice in the tourism industry for tour operators and tour guides to form a platform from which they can have constructive engagements on various issues affecting them. This also allows them to be easily accessible as a collective to key stakeholders. USCT in partnership with EDTEA conducted a workshop for tourist guides and tour operators on the 08th of December 2020 at Uvongo Town Hall. The purpose of the workshop was to introduce the formation of the Ugu District Tourist Guide Structure.

Election of the Executive Structure

Following the workshop, USCT in partnership with KZN EDTEA, facilitated phase two of the programme towards the election of the executive structure. The meeting took place at Margate Hotel on the 12th of February 2021 and it was attended by 40 tourist guides, registered and non-registered including local tour operators.

Elections went successfully, as follows:

- Only registered guides could be nominated in any of the available seats
- Guides that had their tourist guide registration expired from the beginning of the National Lockdown in March 2020 were allowed to be nominated but were given a grace period to attend to the renewal of their registration with EDTEA.
- The new committee was advised to draft their own constitution that would be suitable for Ugu District.
- Local media; Radio Sunny South, the South Coast Herald and Ugu Eyethu Newspaper covered the event.

Elected nominees were:

	Name & Surname	Position
1	Ms. Nelisiwe Nzimakwe	Chairperson
2	Mr Mduduzi Njilo	Deputy Chairperson
3	Mr MS. Shinga	Treasurer
4	Ms. Zesizwe Nyawose	Secretary
5	Mr Sabelo Madlala	Deputy Secretary



Tourist Guides and Tour Operators



Newly elected structure

Some of the objectives/functions of the association are as follows:

1. To update member organizations about new trends and development within the tourism industry
2. To prepare member organizations for domestic and international trade and consumer shows/events
3. To provide a regular forum where delegated representatives of member organizations can discuss matters of common administrative, organizational, developmental, financial and marketing interests
4. To collaborate with other tourism related organizations in exploring ideas for tourism promotion
5. To gain recognition of National, Provincial and Local Authorities for the contribution made by tourist guides in the sector
6. To identify tourism initiative that will uplift and ensure tourist guides growth e.g., conferences
7. To foster the application of uniform standards and quality of training for all guides across the province
8. To develop mechanism for reporting tourism infrastructure/attractions that requires development and maintenance
9. To ensure the development of the KZNTGA website
10. To ensure the implementation of National and Provincial tourism policies
11. To encourage members to network amongst themselves and with other guides across the province

12. To facilitate tourist guides awareness, workshops, training and inspection as and when required
13. Facilitate bidding to host national and international tourist guides related seminars/events
14. To address issues of illegal guiding and ensure compliance
15. To establish partnership with key role players to benefit the tourist guide sector
16. Ensure the code of conducts and ethics are practiced in the Tourist Guiding sector.

Homestay Programme

In its efforts to facilitate rural & township tourism development, Tourism KwaZulu-Natal (TKZN) partnered with Airbnb Africa Academy (AAA). This partnership seeks to train and develop eligible entrepreneurs in townships and rural communities. The plan is to run the programme for a period of 3 to 6 months, delivering training and capacity building to beneficiaries. The Airbnb Africa Academy through its implementing agent Africa Ignite, was responsible for the implementation and facilitation of the project.

TKZN identified the KZN South Coast as a pilot project for this initiative and gave the opportunity to 20 eligible entrepreneurs to participate and benefit from this programme. USCT was fully involved in the programme and provided support on the ground. Through creating awareness using local radio stations, USCT communicated the programme to potential participants and identified the Homestay participants through door-to-door visits.



Since the programme commenced in April 2021, the team comprising of USCT, TKZN, Africa Ignite, Airbnb Africa Academy

- shortlisted and identified 10 homestay hosts/co-hosts and 10 SMMEs that are offering experiences,
- facilitated a two-day bootcamp/workshop at San Lammer Hotel on the 20th to 21st of April.

The workshop involved training such as:

- Creating a profile, uploading company's details and images in the Airbnb system
- How to respond to negative or positive reviews from experience seekers
- Treat and accommodate guests well during their stay
- How to communicate with visitors

After the training, participants were required to upload their business details in the Airbnb system. Most of them were unable to do the task on their own and some were struggling to find their GPS Co-ordinates. USCT attended to the challenges that the participants had and assisted with GPS co-ordinates and the uploading process.

Based on the feedback received from the participants, four of them attracted the attention of potential guests,

- two SMMEs offering experiences, have already received one booking each,
- one has received few enquiries, and
- one received a confirmed booking, however that had to be cancelled due to COVID-19 level 4 restrictions.

The programme ended with a virtual graduation ceremony.

Support to Crafters

USCT continued making efforts to develop platforms and business linkages for SMMEs. In this regard, effective April 2021 USCT initiated a platform for crafters to display and sell their products at Berry Crafts- Mattison Square in Port Edward. As the space is enough for 2 crafters at a time (equivalent to a standard trestle table size), a rotation process is in place to display only selected products. This helps to avoid displaying similar products with other businesses that are selling products at the shop. Crafters showed positive cooperation and good progress to date. USCT pays R350 per month to reserve the space.



PRODUCT DEVELOPMENT

KwaXolo Caves Adventures

KwaXolo Caves Adventures is fully operating and through USCT destination marketing efforts, the attraction is drawing attention. Based on the initial project business plan, USCT committed to install the KwaXolo Caves Adventures directional signs on the development of KwaXolo Caves project.

Local Roads: 7 directional signs were installed on D1095 - a local road connecting KwaNzimakwe and KwaXolo.

Provincial Roads: According to the feedback received from KZN Department of Transport, they are experiencing internal challenges with their service provider. As advised by the department, USCT would have to appoint its service provider to do the sign face and layout design in order to fast track the process rather than waiting for the department to do it.

National roads N2 and R61: While also experiencing internal challenges, SANRAL informed USCT that the outcome of the application would be available before the end of July 2021.



Local Directional Sign

After installation, it is required that the directional signs must be maintained and annual encroachment fees be paid. USCT signed a Memorandum of Agreement (MoA) with KwaXolo Traditional Council as a commitment towards the supporting KwaXolo Caves Adventures. Based on the MoA, USCT will pay for the maintenance and encroachment fees for a period of 3 years, after which the operator will take over the responsibility.

Financial Support from EDTEA

Following the launch of the Tourism Month by the former MEC Nomusa Dube Ncube, in September 2020 at KwaXolo Caves Adventures; the MEC committed R650 000.00 towards further developments at KwaXolo Caves Adventures. The funds were transferred from EDTEA to TKZN as an implementing agent. USCT is working closely with EDTEA, TKZN and USCDA in ensuring that the funds are utilized for the benefit of enhancing the attraction. The Operator of KwaXolo Caves Adventures was tasked to prioritise and list projects that can be implemented within the available funds. The list which includes the Coffee Shop, Curio Shop, ablutions and picnic spots, was sent to TKZN.

KwaNzimakwe Multi-Trails

Business Plan

KwaNzimakwe Multi-Trail Park was launched on 3rd November 2019, giving nature-lovers and outdoor enthusiasts the chance to experience this unique Ugu South Coast Tourism *Great Drives Out* route development project. The development of a business plan was identified as a required tool that will take KwaNzimakwe Multi-trails to the next phase. The activities outlined in the due diligence report could be considered as testing the market and the environment. It became clear from potential investors, both public and private, that what was needed was much more than word of mouth accolades, press releases, pictures and videos. If this was to be a successful commercial enterprise, a clear road map was an absolute necessity; which is what a business plan is intended to provide. With support from the Standard Bank, USCT completed the business plan and it was handed over to the KwaNzimakwe Traditional Council and will be continuously presented to potential funders.

USCT was requested by Inkosi Nzimakwe to join a meeting to discuss the progress of the KwaNzimakwe Multi Trail project. The meeting was also joined by Mavi Projects & Investments who are the consultants assisting the Traditional Council with sourcing funds and developing the project. The consultants raised concerns about major aspects that were not addressed in the business plan USCT prepared with the support of the Standard Bank. One major area of concern is the availability of the bulk infrastructure in the area. As this is a critical area that should be addressed, the current business plan was considered incomplete. It was resolved that RNM involvement is important in attending to such requirements in order for the project to progress.

Trail Tours

USCT constantly features KwaNzimakwe Multi Trails in the destination marketing efforts as one of the rural experiences in the KZN South Coast. This has drawn the attention and interest of tourist to this rural experience. It was delightful to receive a report from KwaNzimakwe Tour Booking Office, confirming that the local tour operators and tourist guides are gradually benefiting from the trails.



Tour Booking Office

USCT kept a gazebo, 2 chairs a trestle table and a table cloth at KwaNzimakwe (Msenti Academy), to be used whenever there are multi trail tours. This USCT equipment serves as a “temporal office” when visitors are signing indemnity forms. It

is also used as a spot to keep some of the visitors' belongings while hiking. Some visitors leave their cars at the starting point and one guide is always there to keep watch. The display also makes a good starting point.

Umzumbe River Trails

Phase 1 implementation

The Umzumbe River Trail (URT) concept was developed by USCT and was handed over to USCDA as the implementing agent. URT will follow the Umzumbe River from Pungashe Dam to Umzumbe River Mouth. It will consist of approximately 74km of hiking trail over a period of 6 days. Overnight stops with accommodation will be required.

The project received funding support from KZN EDTEA in the amount of R2 million and the funds were transferred to the USCDA. KZN EDTEA expressed a desire to see the utilization of funds translating to at least some level of tourism activity and acknowledges that the final figures in terms of the intended accommodation facilities would be determined only after the detailed plans have been designed. Towards this understanding USCDA committed to an implementation plan to establish the trail and launch the initial phase by 15 December 2020.

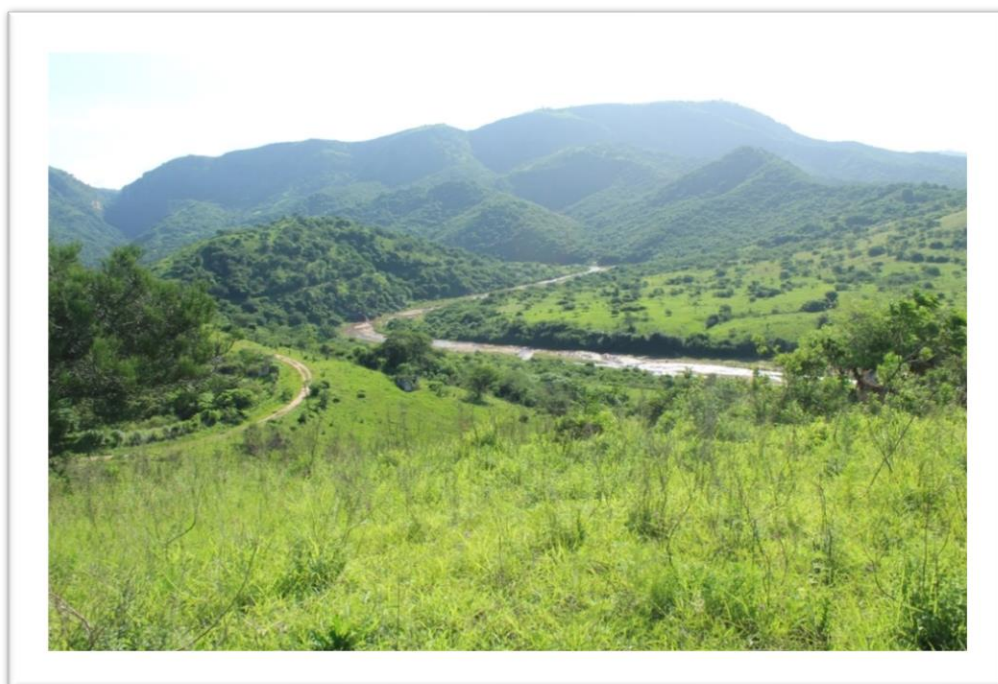
USCDA appointed Machwane & Morsink (PTY) LTD to manage the project. The implementation of the project has been divided into 2 phases:

Phase 1: Entails trail identification and implementation in order for the trail to start functioning.

Phase 2: Relates to;

- final designs and more permanent trail cutting.
- Identification of overnight stops with accommodation.
- Training of Tourist Guides
- Constant upkeep of the trail after initial clearing
- Workshopping of Local spaza shops on needed supplies for hikers
- Creating awareness about tourism

On the 23rd, 26th, 30th November and 1st December 2020 the project management team walked and assessed the uncharted trail. USCT effected Umzumbe River Trail awareness campaign on radio stations, (Ugu Youth Radio, Radio Sunny South and Vuma FM) as gathering many people in community halls is prohibited due to COVID-19 regulations. The objective of the awareness campaign was to inform the community about the trail and what benefits it will bring for the community. As a plan going forward, USCT will work closely with Umzumbe Area Committee to create awareness in those communities.



Re-routing of the Trail

Day 6 of hiking is in the quarry and sand mining. The Project Management team does not recommend the route to go through the quarry as they highlighted it to be an environmental issue. They recommended an alternative route to finish the tour successfully without challenges.

Ntelezi Msani Heritage Centre

USCT entered into a Memorandum of Agreement (MoA) with Ntelezi Msani Heritage Foundation (Foundation), a community-based organization in Umzumbe Municipality. The Foundation operates Ntelezi Msani Heritage Centre which serves as a platform to create a one stop shop that is aimed to preserve the indigenous knowledge, culture,

heritage and artifacts of the Zulu people. USCT recognizes Ntelezi Msani Heritage Centre as one of the key attractions in the KZN South Coast. The rich indigenous knowledge that exists at the Centre will assist USCT in creating and packaging experiences that are focused on showcasing the *Paradise of the Zulu Kingdom* as a destination with diverse offerings.

The MoA with the Foundation will assist in the efforts to draw attention to Ntelezi Msani Heritage Centre as a rural tourist product. This product is ready to receive exposure and add to the diverse experiences in our destination but it needs support. As such, USCT has started featuring the Centre in its destination marketing efforts as one of the attractions in the KZN South Coast. Currently the Centre offers a guided experience that includes activities such as:

- Authentic Zulu culture that traces the evolvement of the Zulu military system
- The Origins of the Zulu Kingdom Story Telling
- The 1906 Mthwalume Poll Tax Uprisings Story Telling
- Warrior Dances, Devine Healing Dances, Social Dances and Singing
- Craftsmanship, Stick fighting and the Essence of Isivivane
- Onsite craft development

Furthermore, USCT provided developmental support to the Centre in order to make sure they meet industry standards and improve service offering to visitors. Ntelezi Msani Heritage Centre tour guides were trained in Culture and Nature Tourist Guiding. The training started on the 10th of June 2021 and was completed at the end of July.

It is envisaged that the

- upcoming Umzumbe River Trail (URT) will benefit from Ntelezi Msani Heritage Centre as the facility will work as a magnet that will draw attention to Umzumbe area at the moment
- two experiences will also benefit from one another as Ntelezi Msani Heritage Centre has the potential to attract people from the eight URT communities to

also work from the Centre and that way come up with a cohesive Culture and Heritage product from Umzumbe.



USCT started featuring Ntelezi Msani Heritage Centre in the destination marketing efforts as one of the rural experiences in the KZN South Coast.

- QR Code were installed at the Ntelezi Msani Heritage Centre
- Events that were planned to take place at the Centre were listed in the events calendar
- Awareness around Ntelezi Msani Heritage Centre was conducted via local radio stations, namely Radio Sunny South, Ugu Youth Radio and Vuma FM.
- Ntelezi Msani Heritage Centre was included in the USCT website
- USCT press releases and written copies included Ntelezi Msani Heritage Centre as one of the rural experiences

These efforts have gradually drawn the attention and interest of the media and tourism trade to this rural attraction.

Emsikazi Mountain Experience

USCT identified Emsikazi Mountain Experience as one of the rural offerings that need to be developed and promoted. As such, plans are underway to create exposure for the mountain experience and include the tour guide who is involved in the tours through an adventure tourist guide and level 3 first aid training. Umzumbe Local Municipality has started with road construction that will enable people to park closer to the bottom of the mountain.



Msikazi Mountain is

- situated in Mthwalume, Umzumbe, approximately 30km away from Hibberdene and is surrounded by lush forest which is a home to the South African Protea Plants.
- The top of the mountain is approximately 7 hectares and it is enhanced by a smaller mountain to the east which is draped with white rocks. It is largely flat and has few caves which were inhabited by Sackcloth people who are the Rastafarian offshoot.
- The mountain is easily noticeable as it is shaped almost like the Table Mountain and can be seen from as far as some parts of Ray Nkonyeni and Umdoni municipal areas.
- Emsikazi Mountain Experience was started by two local young men, from Umzumbe who one day decided to go and visit the top of the mountain out of curiosity as it was considered a no-go area because of a myth surrounding it. There was a generational belief that Msikazi Mountain has a dam on top, which is a home to a seven headed snake. For that reason, no one was brave enough to set foot near that mountain. The trip took place on the 28th of October 2019 when these boys were only 22 years old. They were so amazed to see the world from the top of the mountain.
- When people heard about what had been discovered, they also wanted to visit the mountain to see for themselves, and that is how Emsikazi Mthwalume

Tourism Experience was formed and that was the end of the myth. hiking takes about an hour to get to the top of the mountain.

- Emsikazi Mthwalume Tourism Experience recently conducted two successful tours to the mountain. The first tour took place on 20 October 2020 and all 30 tickets were sold out within two days. The second tour on 16 December 2020 took a group of 19 people; which included 3 Japanese tourists who showed great interest in the tour. That encouraged Emsikazi Tourism Experience to also market their tour package internationally. Only 30 people are allowed per tour, for safety reasons.

USCT donation to Rural Products

As USCT closed its Visitor Information Centres, some of the equipment and furnishings from these offices, all in good condition, were donated to rural tourism products.

KwaXolo Caves Adventures received

- Photo frames,
- Brochure stands,
- White plain boards and
- Brochure display stands.

Ntelezi Msani Heritage Centre received

Display equipment

- 4 x Busts
- 4x Craft Display Board
- 2x Bracelets Displays
- 6x Necklace Displays

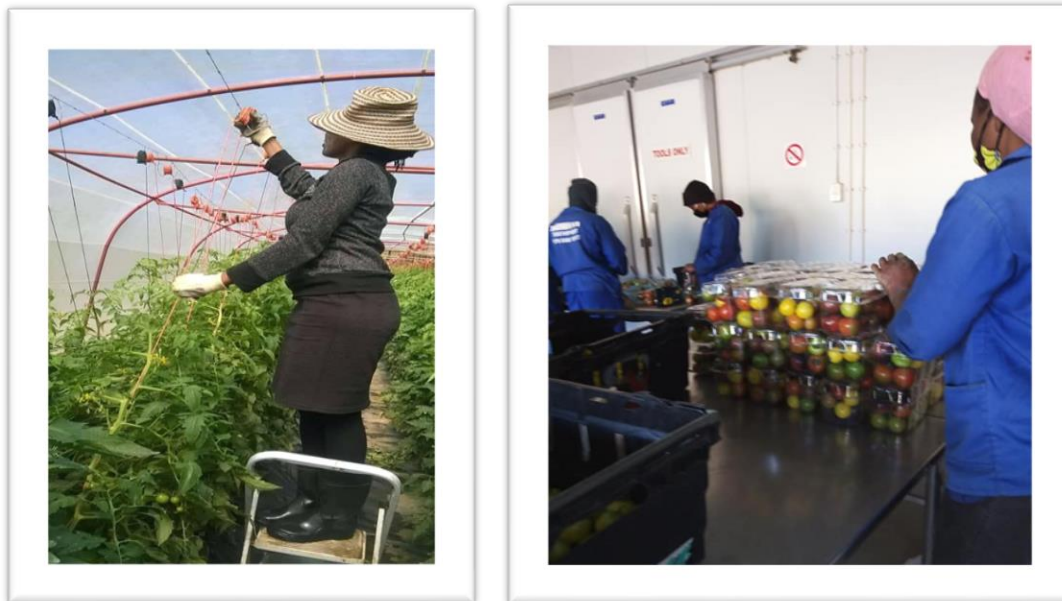
Furniture

- 4x foldable tables in different shapes and designs
- 1x 2m high, brochure rack with 4 sides
- 1x display glass cabinet
- 2x high chairs
- 2x Brochure racks (brochure management)

Agri-Tourism

USCT has identified new Agri-tourism products from different local municipalities and these will be incorporated into existing routes and tour packages.

BBS Farm - Ray Nkonyeni LM



BBS Farm is a women-owned Agri tourism product that gives tours of the macadamia nut and tomato plantation grown by local community. It is situated inland of Southport and it produces tomatoes, green peppers, bananas and macadamia nuts. The farm has grown from a subsistence to a commercial enterprise, with international clients. It exports macadamia nuts to the United States, Europe and the Far East and also supplies Boxer and Spar retail stores with tomatoes and green peppers.

Emfundeni Vegetable Farm - Umzumbe



Emfundeni is a six hectares of vegetable farm near Morrison Post, on the Umzumbe Great Drives Out. The farm is open to visitors and they can learn about vegetable planting while enjoying the beauty of the garden itself. Fresh vegetables can be purchased directly from the farm. The organization also helps with feeding needy communities as well as senior citizens at local clinics.

Animal Farm at B's Guest House - Umuziwabantu

From friendly emus, goats, ducks, chickens, turkeys, a swan, a rabbit and a potbellied pig, B's Guest House has a delightful animal farm that is sure to keep the kids entertained for hours!

Tea Tree Farm – Ray Nkonyeni Municipality

Oribi Natural Soaps project started to operate in November 2020 using high quality, natural and organic ingredients including tea-tree oil. The project makes 100% organic handmade soap project and it is situated at Mahlabathini location - KwaNyuswa just 4 km from Lake Eland Game Reserve. The different flavours, sizes and shapes of soaps include;

- i. Charcoal Soap - Deep cleaning soap with activated charcoal and combination of non-clogging oils that purify and nourish the skin
- ii. Red Clay Soap - exfoliates, detoxifies and tones the skin
- iii. Oats Soap – cleanses and smoothens dry and sensitive skin

Guests are taken on a tour of the tea tree farm then watch a short demonstration of making soap. Each guest receives a free soap as a token of appreciation for their visit. USCT will assist the Oribi Natural Soaps project by linking them with local curio shops, spas and accommodation establishments.

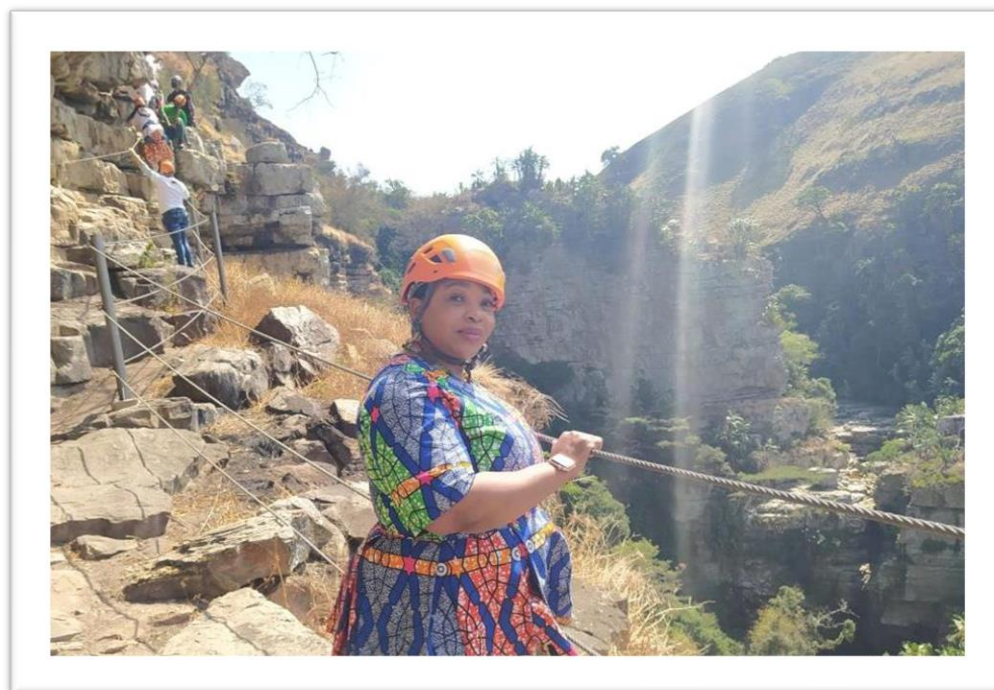


Tourism and Rural Development Campaign

The national theme for 2020 Tourism Month was *Tourism and Rural Development*. Focus was placed around activities to empower and uplift the lives of rural communities. The MEC for Economic Development, Tourism & Environmental Affairs (EDTEA), Nomusa Dube-Ncube launched the Tourism Month in the KZN South Coast on the 12th of September at KwaXolo Caves. The visit by the MEC created an impressive marketing exposure for the destination and instilled hope to local tourism products.

Some of the highlights during the MEC's visit included:

- A visit to Margate Airport where EDTEA has contributed R10 Million towards the revamping of the airport in order to support tourism growth in the KZN South Coast and to create job opportunities in the district.
- A hiking adventure to explore and experience the unique KwaXolo Caves.
- A visit to Beaver Creek Coffee Estate, an Agri-tourism product where she had the opportunity to tour the famous coffee farm and to experience coffee tasting.




The Great Drives Out Routes


In order to showcase the widespread diversity of the KZN South Coast destination offerings and encourage visitors to explore our rich cultural experiences, USCT identified areas and activities that have a potential to attract tourist in rural communities in order to implement development interventions and create exposure that will attract the attention of tourists.





Umuziwabantu



Two kilometers (2km) of the identified Umuziwabantu Great Drives Out (GDO) is in Ray Nkonyeni area (starting point from N2) under iNkosi Mthimude. The rest of the route is within Umuziwabantu, mostly at KwaMachi, under iNkosi Machi. USCT visited both AmaKhosi to introduce the GDO and both are in full support of tourism development in their areas. Umuziwabantu has more places of interest that can be visited, accompanied by a tourist guide.




Km	GPS Co ordinates	Description
 0km	Booker, Nikela Area S30°45'39.2" E030°06'25.11"	Turn left from N2 to P258
1km	Mavundla Traditional Court S30°46'05.5" E030°05'36.5"	Mavundla / Mthimude Traditional Court Small claims traditional court which deals with small cases such as ill-treating. This teaches discipline and respect for other people.

Km	GPS Co ordinates	Description
		<p>Court cases take place on Wednesdays however visitors are welcome any day to come and view the set-up. Site guide will show you around. Inside the court there is a judge area. Inkosi takes the role of a judge. Other settings</p>  <p>are for the perpetrators, plaintiffs, IziNduna and spectators.</p>
5km	Ntokozweni Old Age Home S30°46'17.4'' E030°04'59.5''	Old Age Home. The village can accommodate up to 80 elderly people from the age of 60 years and above. Your visit will make a difference. Enjoy the view of the area, eyes can take you up to Eastern Cape
9km	Mlinganiswa Primary School S30°44'46.6'' E030°02'26.0''	Landmark- drive straight
13km	Siyakuthanda Supermarket S30°44'22.9'' E30°00'43.6''	<p>“Siyakuthanda” is a Zulu word meaning “We love you”</p> <p>Now, you are entering the Umuziwabantu area.</p> <p>Only few places of interests are listed on this route guide, you will see and learn so much more along the way. You might even learn few more Zulu or Xhosa words from local that you will meet. This is a friendly and relaxed environment.</p> <p>You will see breath-taking views along the way. 99% of the route is on tarred road.</p> <p>Welcome to Umuziwabantu!!!</p> <p><i>Enjoy!!! Geniet!!! Luthokozele uhambo!!! ☺</i></p>

Km	GPS Co ordinates	Description
14km	Taxi Rank of Kwa-Machi S30°44'37.1'' E30°00'29.4''	Most people in this area rely on public transport to get from point A to point B. Some locals walk long distances to save money.
14.3km	SMME Centre Kwa- Machi S30°44'18.8'' E30°00'03.6''	SMME Centre consisting of Traditional clothing, Crafts and Two African Cuisine Take-aways. Some dishes include organically locally grown vegetables 
14.3km	Just across the road from the  SMME Centre 	Nqabeni Petrol Station (BP Garage) One of the smallest petrol stations you have ever seen 
15km	Elim Clinic S30°43'49.4'' E029°59'20.4''	Right hand side. Only 1km away from the main road
21km	Focus Tavern S30°43'20.1'' E029°56'47.0''	Focus Tavern (Licensed) and Take-Away. You may also enjoy your drinks and meals outside on the tables. Focus Tavern and Take Away Restaurant is opened for business while they are busy with renovations. Watch this space!

Km	GPS Co ordinates	Description
		
22km	Ingeli Mountain and local view S30°43'26.1'' E029°56'22.1''	FAR HORIZON! Stretch your legs, get some fresh air. Enjoy the view of Ingeli Mountain from a distance. You can also see Eastern Cape from here.
24km	Saints Johns Church (Holy Place) S30°42'34.0'' E029°54'00.5''	<p>Turn left to Saint Johns Apostolic Church- opened 24 hours a day. Unique Place painted in Blue and White. Visitors are welcome.</p> <p>The church heals people using pure blessed water. Patients are welcome to stay inside the property while they are receiving the healing. The place is clean and it offers free accommodation to patients. Patients only bring own food and they can stay as long as they like, until they are fully recovered. Patients can donate if they are willing, otherwise it is a completely free service.</p> <p>Local people call this place "Echibini" Chibi means small stream</p> 
27km	Pigsa Clinic	On the right-hand side. Only 1km away from the main road.

Km	GPS Co ordinates	Description
	S30°41'23.1'' E029°52'32.9	
30km	Gum tree plantation S30°44'27.9'' E030°01'48.4	One of the dominating commercial farms in Umuziwabantu Area.
34km	Edeemount S30°40'38.4'' E029°50'21.3''	Pass Edeemount shop then turn right at the next T-junction towards Harding / Weza
34km	Turn left towards Weza S30°37'10.3'' E029°50'21.3''	Turn left towards Weza. Beginning of dirt road for only 3 km
40km	T Junction S30°37'09.9'' E029°48'57.4''	T Junction, drive straight
43km	Ikhwezi S30°37'03.8'' E029°48'43.7''	Get out of the vehicle and enjoy the best view ever. Beautiful landscapes, plateaus, including Ingeli Mountain views. You can spend more time here, drive down to the community and meet locals while enjoying the view and the peacefulness of the area.
Drive back on D1097 and turn left at the top, to carry-on with your GDO		
44km	T Junction S30°36'57.4'' E029°48'14.3''	Turn Right towards Harding (tarred road)
50km	Kenton Bed and Breakfast S30°34'42.4'' E029°52'21.6''	Kenton B&B is also an Agri Tourism product, selling fresh milk. Daily milking of cows is done daily at 07:00 am onsite.
53km	Harding Town S30°34'02.7 E029°52'50'.4''	Shopping Centre, Petrol Station, Police Station, Restaurants, Golf Club, Accommodation, etc.
65km	Mount Nebo Arena	Situated at KwaMbotho - Umuziwabantu

Km	GPS Co ordinates	Description
	S30°35'59.3'' E029°59'33.5	<p>Facilities include: Horse Riding, Quad Bikes, Orange and Lemon Farm, Conference Venue, Wedding venues, Accommodation, Bar, Swimming pool, picnic spot and an</p>  <p>Arena for entertainment</p>
70km	B's Guest House S30°37'05.4'' E029°58'41.3	<ul style="list-style-type: none"> - Animal Farm (Emu's, goats Lolly Pop and Milo, ducks, chickens, turkeys, a swan, a rabbit named Bun-Bun, and Hamlet the potbellied pig) - Kids play area - Restaurant, Bar and Accommodation
We hope you had an unforgettable experience. Thank you!		

Ikhwezi Community



Ikhwezi boasts beautiful landscapes, plateaus and valleys including far horizons of the Ingeli Mountain, Ingeli Forest and the Eastern Cape. Ingeli Forest is the second largest indigenous forest in KwaZulu-Natal

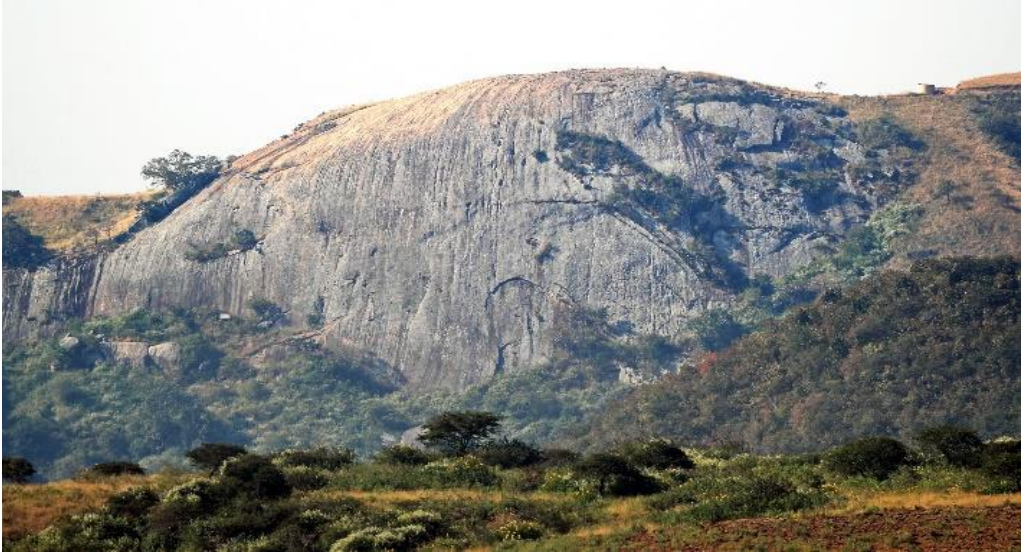

- Evergreen.
- A very relaxed area.
- Watch countless stars at night
- Participate in monthly cultural events
- Experience how people live in the area.
- Feel the fresh air in a quiet and peaceful area
- The local houses add to the beauty of the area
- Enjoy the walking on the streets and meet locals
- Hear interesting stories from locals or tourist guides
- The walking trails will lead you to an unspoiled nature 🚶 🚶
- Ikhwezi has both the rural area and township in the same vicinity
- The place has a tuck shop, licensed tavern, Shisanyama and a clinic






Photos of Ikhwezi taken on a normal day and also in winter - showing snow from Ingeli Mountain


Umdoni

Km	Description
0km 	Scottburgh off ramp, S30°45'39.2" E030°06'25.11' Dududu Road
2km	Shembe Church (Baptist Nazareth Church) S30°46'05.5" E030°05'36.5'
5km	T Junction Turn right towards Amandawe / Dududu
6km	<p>Agri Tourism - Fish Farming Afrika for Afrika</p> <p>Afrika for Africa Multipurpose Cooperative is a start-up entity that intends to provide the highest quality of agriculture (crops production) aquaculture (aquaponics) and fish farming.</p> 
6-10 km	<p>Amandawe</p> <p>This area looks too busy with a lot of houses as well as many different small businesses on the side of the road. Too much competition is noticeable here as people are trying to make a living. Many similar businesses are close to each other, shisanyamas, taverns, salons, car wash businesses, spazas, etc.</p>
11km	Philani Clinic
17 km	Sugar Cane Farm
22 km	Caltex garage
22.3km	Dududu SAPS
23km	Dududu Clinic
24km	<p>Beginning of a well-maintained gravel road.</p> <p>Drive cautiously - only 10km left to get to KwaQiko</p>

Km	Description
26km	Turn right at the next T junction, towards KwaQiko
31km KwaQiko Tourist Node - a hidden gem of the South Coast Rural experience that includes both Nature, Cultural and Agri-tourism	
31km	<p>Turn right and drive 2 km to get to KwaQiko Execution Rock. Views with far horizons. The rock has rich history</p>  <p>After visiting the rock, go back to the T Junction and turn left and drive for another 4km to get to where most attractions are.</p>
35km	<p>Happy Days Café/Supermarket.</p> <p>Purchase snacks, get information about local attractions</p> 
35.3km	Picnic spot

Km	Description
	<p>To get to the picnic spot, turn right towards Umkomaas River. Pass Odadeni Lifestyle Shisanyama, pass the soccer stadium. The concrete parking area is right next to the river. This spot is best for picnics, bird watching, fishing and swimming in a quiet environment.</p> 
	<p>Go back to the main road and carry on with your trip. Pass KwaQiko High school and after +-2km you will see a beautifully designed pedestrian bridge which is 150m long. Park your car and walk on the bridge across the river. Best views. The view of the river and mountains will take your breath away.</p> <p>Pedestrian only bridge</p>  <p>You are likely to see many donkeys lazing around. Many households' own donkeys in this area. Seeing a donkey would be very interesting for kids since most of them have only seen such animals in movies like Shrek.</p> <p>Most of the older ones are homeless and wild.</p> <p>Donkeys play a big role in carrying goods and also fetching water from the river. Kindly note that donkey rides by humans are not allowed at the moment as these donkeys are</p>

Km	Description
	<p>not used to carrying people. For this experience, several trainings, including first aid training need to be carried out.</p>  <p>To learn about Zulu culture, please arrange with Majola to meet you at the bridge. Majola will take you to his household where you will enter in a huge clean rondavel which is used as a lounge and also as a house for ancestors. You will meet Baba Majola's family with his four wives living under one roof. Learn about polygamy which is common in this area since most local households have more than one wife. You will also be shown traditional equipment such as, drums, mats, utensils, pots, traditional ploughing equipment, etc. Listen to more interesting stories about the Zulu Culture.</p> <p>The Majola family has many livestock such as cows, goats, pigs, geese, chickens and donkeys.</p> <p>Learn about the advantages of cow dung which include house floor polishing. Watch and participate in the demonstration.</p> <p>You can also spend a night at this friendly homestead (homestay).</p> <p>Should you wish to purchase beautiful traditional bead necklaces and other outfits, Majola will take you to Mama Hlongwane's house where you can choose from a variety of beadwork. Mama Hlongwane has two unique small rondavels that used to be built many years ago.</p> <p>Carry on with the scenic drive along Umkomaas River, enjoy Mountain and forest views. One of the Mountains is called Ntaba Msila Mountain. Ntaba means "Mountain" and msila means "Tail" The top end of the mountain looks almost like a tail and that's how the name came about.</p>

Km	Description
	<div data-bbox="363 277 735 553">  </div> <p data-bbox="751 309 1493 439">The area is rich in Wild Medlar Trees. Visitors can see such trees on the walking trails, even on the side of the road.</p> <p data-bbox="751 470 1493 553">Wild Medlar fruit is sold in few major stores such as Woolworths.</p> <p data-bbox="347 631 774 663">Activities in the KwaQiko Area</p> <ul data-bbox="395 680 1102 1447" style="list-style-type: none"> ✓ KwaQiko Rock Viewing point ✓ Swimming at Umkomaas River ✓ Fishing ✓ Bridge Walk ✓ Picnic spots ✓ Agri Tourism ✓ Walking Trails ✓ Hiking Trails ✓ Bird Watching ✓ Scenic Drive ✓ Zulu Cultural experience including homestays ✓ Donkey rides (not recommendable at the moment) ✓ Cattle dipping – Plunge Dipping Method <p data-bbox="347 1476 879 1507">Eating and drinking places in the area</p> <ul data-bbox="395 1536 1010 1691" style="list-style-type: none"> ✓ Happy Days Café – Take-Away Restaurant ✓ Odadeni Lifestyle – Shisanyama ✓ Tarvens <p data-bbox="347 1720 986 1751">Trip ends at the bottom of Ntaba Msila Mountain.</p>

Port Edward – Mkhambathi Nature Reserve Route

USCT and the Eastern Cape Parks and Tourism Agency (ECPTA) are exploring a collaborative boat cruise route experience from Port Edward to Mkhambathi Nature Reserve that will connect the KZN South Coast and Eastern Cape experiences. The

boat is planned to launch from Marlin Ski Boat Club in Port Edward to Mkhambathi Nature Reserve in the Eastern Cape. A boat operator from KZN South Coast (Offshore Adventures) has already tested the route on the ocean. Tour operators from both sides would be required to link their tour packages with a boat cruise.

In light of this route development, Eastern Cape Parks and Tourism Agency (ECPTA) and USCT are intending to develop stronger working relationships and collaborations. The purpose of the collaboration would be:

- To ensure that local tourist guides and tour operators from both areas create tour packages that will connect the two destinations
- To explore more interprovincial tourism opportunities
- To fully utilize the Wild Coast Sun Visitor Information Centre (VIC)
- Knowledge exchange on Area Tourism Committees

TOURISM AWARENESS

Engagements in Rural Communities

As USCT continued to work with rural tourism products and identifying new Great Drive Out routes, it was also important to create awareness and prepare communities and local businesses for the arrival of tourists. While it is still not advisable to gather a lot of people in one space, due to safety concerns over Covid-19 pandemic physical engagements were done cautiously, adhering to the regulations.



- USCT found outdoor awareness campaign as workable alternative to reach out to the communities.
- USCT reached out to communities mainly using local radio stations for the purpose of driving the tourism awareness.
- USCT visited the communities that have tourism products nearby. Places covered were KwaXolo, KwaNzimakwe and Nyandezulu areas. This exercise was well liked by the community members since they were free to ask any questions in their comfortable spaces/homes and they were given undivided attention. Most engagements were done outside the house, in the yard and sometimes in open places where there were small groups of people, such as in spaza shops where one would find youth sitting around, enjoying the day.
- USCT designed two pamphlets inhouse for Umdoni and Umuziwabantu. They were designed specifically for each area and had pictures of local businesses and attractions. This was done to create a sense of pride to locals about the area and also to encourage a culture of tourism that includes friendliness and warmth towards tourists. Both pamphlets contained information about taking care of visitors.
- Such visits were targeted to local businesses and small groups of people who would be found on the roads and in public areas. People were addressed on the streets and in outdoor spaces. Each person was given a pamphlet which contained information about looking after visitors.

Visits to businesses in Rural Communities

USCT spent time with local tourism businesses from KwaQiko (Umdoni) and the ones that are along the Umuziwabantu GDO in order to prepare them for when tourists start to visit these areas.



- Most businesses did not pay attention on the cleanliness of outside buildings; therefore, customers would be discouraged by debris before entering the business.
- Approximately 99% of the businesses did not adhere to COVID-19 regulations. Some had sanitizers but customers were not sanitized and the wearing of masks was not enforced.

Each business was given short training on the following:

1. Basic Customer Service: Some businesses have never received any kind of customer service training since they started operating.
2. Housekeeping: Businesses were advised to keep their properties clean at all times in order to attract visitors.
3. COVID-19 Compliance Training: Used TBCSA and FEDHASA guidelines.
 - TBCSA - Tourism & Hospitality Industry Standard protocols for COVID-19 operations.
 - FEDHASA - Hospitality Safety Measures – COVID-19

USCT plans to work with key municipal stakeholders to continue implementing and enforcing compliance requirements in tourism businesses in rural communities in order to ensure the best service offering to visitors.

COVID-19 Compliance Protocols

USCT assisted tourism businesses to comply with the Tourism Industry Standard Protocols for COVID-19 operations. Requirements included providing immediate evidence that health screening and cleaning procedures are in place. To ensure that businesses agree and understand the requirements to be implemented, they have to complete a quick and simple online questionnaire prepared by the Tourism Business Council of South Africa (TBCSA) and Bidfood South Africa, a leading broadline food service distributor. The system would then generate a compliance certificate which would feature the official COVID-19 Travel Safe - Eat Safe badge. This is endorsed by leading industry bodies and it also carries the World Travel and Tourism Council's (WTTC) Global Safety Stamp of Approval for South Africa. USCT partnered with Ugu DM Environmental Health Department to effectively create awareness about compliance to restaurants and accommodation facilities.

Blitz Operations

USCT in partnership with local authorities including Ugu District Environmental Health, conducted an operational blitz which is an ongoing Covid-19 compliance check. The aim of the program is to ensure that tourism businesses are adhering to protocols. While it is still not advisable to gather a lot of people in one space, due to safety concerns over the pandemic, USCT also reached out to communities through local radio stations.

Umdoni Blitz Operation

In partnership with Ugu Environmental Health, USCT conducted an ongoing blitz operation which is focused on Covid-19 compliance check, to ensure that tourism businesses are adhering to the protocols. Eleven Umdoni tourism businesses were visited during the blitz operation. While no problems were encountered, some individuals felt that Tourism is not doing enough to support businesses, regardless of

the National and Provincial Tourism Relief Funds that have been made available to businesses.

Ray Nkonyeni Blitz Operation

In partnership with KZN EDTEA and Ugu Environmental Health, KZN Liquor Authority, Ray Nkonyeni Municipality Town planning, the Department of Labour and other stakeholders; USCT participated in a blitz operation which took place between Shelly Beach and St Michaels on the 11th of May 2021. The main aim was to check that businesses were compliant with COVID-19 protocols and also to check that businesses had valid business licenses, liquor certificates, etc. All seven tourism businesses were adhering to the COVID-19 protocols however, some businesses

- Were operating without business licenses
- Most businesses saw this visit as an attack towards them
- Five establishments were registered with Ugu South Coast Tourism, however none of them were registered with the province (EDTEA)

Youth Awareness

USCT participated in the Career Awareness Day which took place on 26th February 2021 at Esayidi TVET College, Enyenyenzi Campus. The purpose of this event was to equip students with information and opportunities that could be available as they are at their exit level. The meeting was attended by 50 final year students. Furthermore, in recognition of the youth month (June), USCT invited youth to promote their tourism businesses on local radio stations. They also encouraged their peers about starting their own tourism businesses, the importance of looking after visitors, positive behaviour and keeping the environment clean.

KZN Liquor Authority Public Awareness Campaign

USCT worked with the KZN Liquor Authority to run the public awareness campaign on selected South Coast Beaches during the December holiday season. The aim of the

campaign was to promote responsible drinking and trading while contributing to people's safety during the festive season and beyond. It also raised awareness about the effects of alcohol abuse and encouraged safe and responsible drinking.

Key messages were,

- Don't drink and Swim
- Don't drink and drive
- Don't let the next after tears be tears after
- Youth can say "no" to alcohol
- Think before you drink and drink responsibly
- Be safe, do not misuse alcohol

In addition to the local people, the campaign reached 300 people from out of town.

Date	Beach	No. of people	Places of origin
12 Dec 2020	Scottburgh Beach	68	Pietermaritzburg and Durban
13 Dec 2020	Hibberdene Beach	103	Pietermaritzburg and Durban
19 Dec 2020	St Michael Beach	78	Free State, Northern Cape, Eastern Cape and Pietermaritzburg
20 Dec 2020	Marina Beach	51	Gauteng Free State and United Kingdom,

4.3. STAKEHOLDER RELATIONS

Stakeholder Engagements

USCT participated and contributed in major strategic recovery platforms at provincial and district level.

- The **Provincial Tourism & Investment Committee (PTIC)**, took place on 17th September and was chaired by the MEC for Economic Development Tourism & Environmental Affairs (EDTEA). The main focus of the meeting was for District Municipalities to present their Tourism Recovery Plans post Covid-19. The Tourism Recovery Strategy for the KZN South Coast was presented by the Mayor of Ugu District, Cllr Sizwe Ngcobo.
- The **Ugu District Economic Command Cluster** developed the Economic Recovery Strategy of the district. USCT contributed to the development of the document. The Cluster addresses the challenges and interventions that are needed to support businesses in order to recover from the effects of Covid-19.
- **KZN Tourism Master Plan - Implementation & Monitoring Committee Meeting:** The Tourism Investment Committee which comprises of EDTEA and management from district municipalities meets every quarter and the hosting rotates between different municipalities. For Ugu District, USCT and USCTA hosted the meeting in December 2020. The meeting included site visits to rural tourism products which require funding assistance such as KwaXolo Caves and KwaNzimakwe Multi-trails. A tour of Port Edward Monument, Beaver Creek Coffee Estate and the Red Desert also took place. USCT also made a presentation on Addressing Tourism Growth in Ugu District focusing on the Tourism Recovery Strategy.
- USCT participated in the **Provincial Tourism Advocacy & Awareness Workshop** which focused on Tourism Database Management & Latest Tourism Statistics/Covid-19 impact. The workshop was conducted by EDTEA. The Department is in the process of assisting the municipalities to develop and maintain centralised repositories of information through database management systems. The “how to” populate the spread sheet, will take place through a workshop to be planned for next quarter.

- **Ugu District Priority Committee on Rural Safety and Tourism** is a cluster, championed by SAPS. USCT uses this platform to share information and to request SAPS involvement in some tourism activities, such as tourism awareness programmes, events as well as crime issues that are affecting visitors in both coastal and rural areas where there are tourism products.
- USCT participates in the **Provincial Tourism Forum (PTF)** which meets quarterly. Ever since the country moved to Level 1 Lockdown, destinations within the province are required to send weekly progress reports to TKZN focusing on occupancy rate and business support during the pandemic. USCT has been reporting and updating the province accordingly.
- USCT was requested to join Ray Nkonyeni Municipality in hosting **Nqutu Local Municipality**. The officials of Nqutu LM had visited RNM on a fact-finding exercise about how the district addresses rural tourism and local economic development. USCT assisted in sourcing accommodation and putting together a tour package to rural products for the group. A presentation on Addressing Tourism Growth in Ugu District focusing on rural tourism development was also made to the group.
- Umzumbe River Trail Project Advisory Committee - meeting was held on 28 April 2021
- Municipal platforms that included
 - Umdoni IDP Forum
 - Umdoni Municipality: Dududu Precinct Plan
 - Ugu District Priority Committee meeting on Rural Safety and Tourism
 - Ugu Youth Summit
 - Ugu LED Practitioner's Forum
 - Ugu IDP Forum Meeting
 - Umzumbe Municipality Investment and Tourism Summit
 - Ugu LED Forum Meeting
 - Umdoni Tourism Master Plan
 - Ray Nkonyeni LED Forum
 - Umdoni Municipality Spatial Development Framework Meeting
 - Ugu Portfolio Committee on Local Economic Development

Area Committees

Area Committees are an important stakeholder representing tourism businesses in the district. In the past year it was observed that some Area Committees were not functioning as expected and some had actually disbanded.

Functional Area Committees	Dysfunctional Area Committees
1. Umdoni	1. KwaNdwalane
2. Port Shepstone	2. KwaNzimakwe
3. Umzumbe	3. Southbroom
4. Hibberdene	4. Shelly Beach
5. Ezinqoleni	
6. Margate	
7. Ramsgate	
8. Umtamvuna	
9. Umuziwabantu	

As a step towards addressing the dysfunction of Area Committees, USCT embarked on a roadshow program to Area Committees together with Board Members. The roadshows included both members and non-members and the plan was to

- Present mid-term report to inform them what USCT has done to grow tourism in the KZN South Coast to date
- Address challenges of the Area Committees
- Engage on all tourism-related matters, and
- Revive Area Committees



After the Roadshows, Area Committees that were dysfunctional were either disbanded and tourism businesses in such areas were incorporated into the functioning ones. The Area Committee Terms of Reference/Policy were revised in line with the changes related to the organization strategy and limited budgets.

DESTINATION APPEAL

One of the focus areas of the Tourism Recovery Strategy is for USCT to liaise with relevant stakeholders such as the district municipality, local municipalities, provincial departments and other relevant stakeholders to

- Address the maintenance of all the beach assets
- Encourage “Covid clean” beaches, especially the ablutions
- Maintain and expand the blue flag status
- Address services such as water, cleanliness and road conditions

Beach Amenities

Working with Area Committees, USCT undertook an assessment of beach amenities in order to identify facilities that need repairs and maintenance attention. The reports were submitted to Local Municipalities to assist them in their planning for upgrades and maintenance programmes. Committees in areas where there are beaches identified items that need attention using a USCT prepared template. The template

includes the inspection of all beach facilities including parking and garden areas. Upon receiving feedback from Area Committees, USCT compiled reports and submitted them to local municipalities with beach facilities. This exercise is conducted at the end of each holiday season in preparation for the next. It should be noted that some area committees showed signs of losing interest in completing the beach amenities forms as municipalities never provide feedback to USCT nor attend to the repairs.

Road Conditions

USCT was requested by EDTEA to submit a list of provincial roads that require maintenance as the condition of roads impacts on tourism growth. EDTEA would in turn address such challenges with the provincial Department of Transport. Unfortunately, the list only covers roads in Ray Nkonyeni Municipality as there was no cooperation from other municipalities. USCT worked closely with RNM LED to identify the affected roads.

Bailey Bridge Construction – KwaXolo

KwaZulu-Natal MEC for Transport, Community Safety and Liaison Bheki Ntuli in partnership with the South African National Defence Force (SANDF) officially launched the strategic infrastructure partnership that will ensure the construction of 14 Bailey bridges worth R110.4 million in KwaZulu-Natal. One of the bridges is in the KwaXolo Caves route on the local road, D1095. The construction of the bridge which commenced on the 14th August 2020, will improve the accessibility for visitors travelling from KwaNzimakwe side.

4.4. DESTINATION RESEARCH

Based on the USCT Tourism Recovery Strategy, continuous efforts should be implemented to gather and analyze information to ensure that USCT communicates to the correct market segments and creates the right products to maximize business potential.

Target Market and Destination Brand Perception

In June 2021 USCT undertook a visitor survey, “test” or “pilot study” exercise.

Background

1. USCT collaborated with TKZN Research Unit to create a more localized intercept survey, focusing on the KZN South Coast destination brand and perception.
2. Based on a previous local survey, via Google Forms that was conducted for the Msunduzi Pietermaritzburg Tourism Associations (MPTA) a customized form was developed for KZN South Coast and approved by TKZN.
3. An “incentive” was added to the survey and USCT collaborated with trade partners for sponsorship, which were to be used as a prize. Although incentivization is not ideal, given the short deadline to acquire data collection, the team collectively agreed that incentivization may propel a quicker response. This method worked effectively as the generous prizes received allowed the researchers to quantify a higher sampling size, despite the very short data collection period.
4. The survey link was “open” from 25 May 2021 to 8 June 2021, as the official data collection period.

Summary of Key Findings

1. The majority of the respondents were between the ages of 35 and 40 (59%), while 37% were older than 40 years old. This means that potential target market for the South Coast are family groups (married couples with or without children) and pensioners.

2. In terms of ethnic groups, the majority of the respondents classified themselves as 'Indian' (47%) and 'White' (26%), while 19% were classified as 'Black/African'.
3. The main purpose of their trip, for the majority of the respondents, was to travel to the South Coast for a holiday (78%). In addition, 16% travel to visit their friends and family (i.e., VFR tourists).
4. The main activities are somewhat linked with the main purpose. The majority of the respondents prefer to take part in adventure/sport/outdoor activities (35%) during their trip. In addition, respondents also like to go 'wining and dining' (23%) and shopping (21%). These activities are linked with holiday and VFR trips.
5. It was positive to note that 93% of the respondents usually stay overnight during their trip to the South Coast. This will have a positive impact on the local tourism economy as their spend would be higher than a day visitor.
6. Further to this, it is also positive to note that 80% of the respondents stay in 'commercial' or paid accommodation establishments. This will, once again, have positive impacts on the local tourism economy.
7. The respondents usually book and stay in hotels (38%), homestays (16%) and guesthouses (14%). The fact that homestays is one of the top selected establishments is encouraging for rural and township tourism development.
8. The majority of the respondents are intra-provincial tourists/visitors (e.g., KZN is 67%), while 33% are inter-provincial tourists/visitors. The majority of inter-provincial tourists are from Gauteng. This is an important finding as it shows where marketing efforts should be made in key source markets.
9. The number of annual trips (on average) that the respondents take to the South Coast was estimated to be 4.61. This means that the respondents take between four to five trips in one year.
10. The average length of stay for the respondents when taking a trip to the South Coast was estimated to be 3.98. This means that the respondents stay for at least three to four nights in the destination.

11. Almost all (98%) of the respondents confirmed that they will return to the South Coast for another trip in future. This is an important finding as repeat visits are very encouraging for any destination and these respondents will also contribute to 'word-of-mouth' marketing.
12. Almost all (99%) of the respondents confirmed that they will recommend the South Coast as a tourism destination to friends, family and colleagues. This is another positive finding in terms of potential 'word-of-mouth' marketing
13. The Net Promoter Score (NPS) of the South Coast was recorded as 68.0 (value for money) and 73.1 (tourism destination). As an NPS above 50 is considered an excellent destination, the South Coast is therefore considered as an excellent tourism destination by the respondents.
14. The respondents mainly travel to the South Coast for its activities and attractions (47%) and because they consider the destination as to be good "value for money". The respondents also find the location/access favourable in terms of their travel plans.
15. The main barriers to travel are linked to the Covid-19 pandemic (44%) as well as the fact that the respondents don't have the "budget" to travel (30%). The closure of beaches (14%) is also a barrier, which is also linked to the lockdown regulations for Covid-19.

Seasonal Performance Surveys

- At the beginning of the December 2020 Season, USCT started collecting occupancy data from accommodation establishments. A total of 100 establishments were contacted and the average bookings at the start of the holiday season were 80%. However, this promisingly busy season was prevented by cancellation due to the closure of beaches.
- Effective March 2021 TKZN commissioned a monthly survey on the performance of accommodation establishments in the province. USCT engaged with the appointed service provider to support the work on the ground.

4.5. FINANCE AND HUMAN RESOURCES

SERVICE LEVEL AGREEMENTS WITH MUNICIPALITIES

Though all the municipalities finally signed the SLA's, this process has been challenging as some municipalities did not follow their commitment on the payment of grants.

- Umuziwabantu LM, grant commitment met timeously
- Umzumbe LM, grant commitment met timeously
- Ray Nkonyeni LM, grant commitment paid at the end of May 2021
- Umdoni LM, had not paid by the end of the financial year
- Ugu DM, settled 2019/20 outstanding grant balance. There is still an outstanding balance of R14 57 249.41 for 2020/21 financial year.

A commitment plan to settle the 2021 arrears grant has been received from Ugu DM.

HUMAN RESOURCE MANAGEMENT

Organization Restructuring

The Covid-19 pandemic has accelerated the inevitable move to digital for the tourism sector. Businesses across all industries have had to adapt to a digital reality in order to survive, and tourism is no different. The role of Visitor Information Centres (VICs) had changed over the years, with more visitors likely to turn to their mobile phones or other electronic devices, to research the information they need for a visit to the KZN South Coast. Even before the outbreak of the coronavirus, USCT was already experiencing a decline in the number of enquiries that were received through the VICs. Walk-in visitors were mostly local residents who went to book bus tickets or USCT members who were delivering their brochures for distribution. In line with this transformation, including the difficult and uncertain financial conditions; USCT had to address operational requirements and review the structure of the organization.

In accordance with Section 189(3) of the Labour Relations Act, the affected employees were invited to a consultation session with management to discuss possible alternatives to avoid retrenchment.

- 1) Consultations were held on 24 July and 4 August 2020 and employees were represent by their union SAMWU. Unfortunately, parties could not reach consensus and management was left to terminate their employment on 12 August.
- 2) The employees subsequently applied to the Labour Court in Durban for the urgent hearing of the matter. On 21 August the Labour Court dismissed their application with costs.
- 3) The 7 affected employees later referred the matter to the CCMA wanting to be reinstated. On 18 September the CCMA issued a certificate referring the application to the Labour Court. The matter is currently with the Labour Court.

Mutual Termination Agreement - Section 57 Employee

The 5-year employment contract of the GM: Development with USCT took effect on the 1st April 2017. As a Section 57 employee she was bound by the terms and conditions that were stated in her contract of employment and the legislation which governs the employment contract. On 30th November 2020, this contract was terminated by mutual agreement.

Staff Complement

The following table summarizes the current staff complement:

Post / Office	Type	Black		White		Indian		Comments
		Male	Female	Male	Female	Male	Female	
CEO	Contract		x					
GM: Finance & Corporate Services	Contract				x			
GM: Development	Contract	Mutual Termination of Employment 30.11.2020						
GM: Marketing	Contract	This post frozen as per the Board Resolution 29.08.2019						
Total			1		1			
Manager Trade Relations	Permanent						x	
Manager Development	Permanent	x						
Stakeholder Relationship Officer	Permanent							* R

Post / Office	Type	Black		White		Indian		Comments
		Male	Female	Male	Female	Male	Female	
Receptionist / Visitor Services Officer Head Office	Permanent		x					
PA – CEO	Permanent							* R
Manager Corporate Services	Permanent						x	
SCM Officer	Permanent		x					
Marketing Officer	Permanent	x	x					
Supervisor: Umdoni								* R
Visitor Services Officer: Shelly Beach	Permanent							* R
Supervisor: Margate	Permanent							* R
Supervisor: Port Edward	Permanent							* R
Info Officer: Shelly Beach								* R
Total		2	3				2	
Interns & Graduates								
1. Finance	31.12.2019							
1. Info Offices 2. Marketing 3. Development		2	1 1					
	Casuals/day		1					
Overall Total		4	7	-	1	-	2	

While USCT does not have an Employment Equity Plan, our Employment Policies are in line with required legislation.

***R** : As part of the operational restructuring process brought about by the implementation of the Covid-19 Tourism Recovery Plan, the employee was part of Section 189(3) of the Labour Relations Act process and was Retrenched as at 31 August 2020.

USCT AND USCDA AMALGAMATION

The Ugu District family of municipalities as the shareholder in USCT and USCDA undertook a process of reviewing the two entities in a bid to rationalize and achieve efficiency of service delivery and eliminate duplication, where such may exist. The objective is to amalgamate the two entities into one that will be responsible for;

1. Tourism programs or activities
2. Economic Development/catalytic projects

USCT is cooperating with the process and the overall timeframe is as follows:

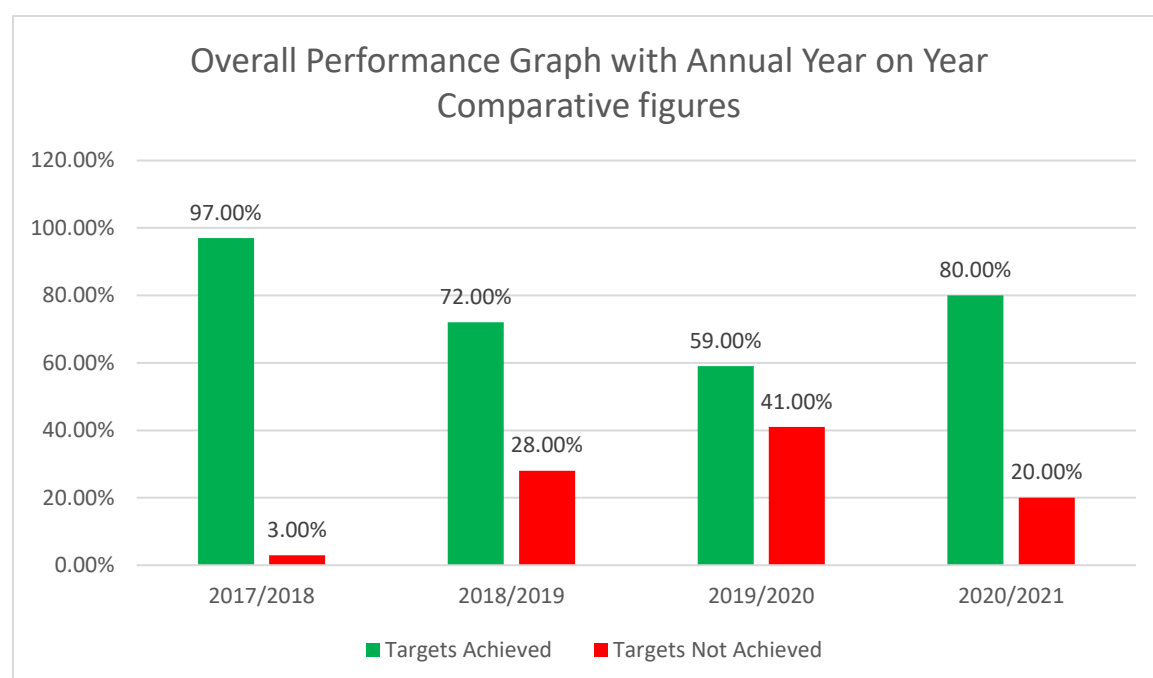
OVERALL TIME PROGRAMME		APR-21	MAY-21	JUN-21	JUL-21	AUG-21	SEPT-21	OCT-21	NOV-21	DEC-21	JUN-22
PHASE 1	Project Inception										
PHASE 2	Status Quo Analysis										
PHASE 3	Transition Plan										
PHASE 4	Amalgamation & Deregistration/Delisting										
PHASE 5	Business Plan - New Entity										
PHASE 6	Implementation Of New Entity										
PHASE 7	Project Closure										

Timeframe set by the Change Management Committee

5. PERFORMANCE MANAGEMENT

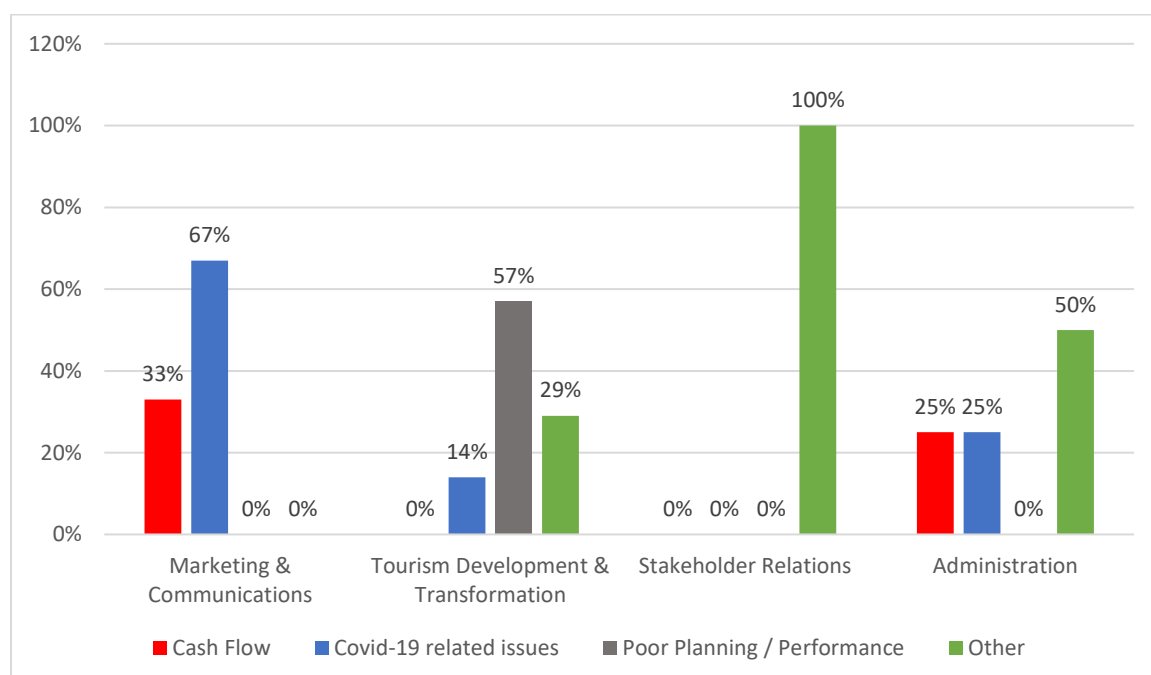
The implementation of the scorecard in terms of service delivery is only achievable if the grant funding committed by the municipalities is received. The scorecard was also affected by the restrictions of Covid-19 at the time of delivery.

- USCT had 104 Key Performance Indicators (KPI's) to achieve for the year under review. Of these USCT Achieved 80% and did Not Achieve 20%.
- The reasons for the Non-Achieved targets fall into two main categories being either due to Covid-19 restrictions which have not yet been lifted sufficiently to activate the program or due to cash flow challenges due to grant funding not having been released in accordance with the signed SLA's.



Comparative Target Achievement Information

Breakdown of Annual Targets Not Achieved, into Departments and Main Root Causes



In “Other” this is linked primarily to targets where USCT is reliant on other entities or departments for support which has caused the Non-Achievement.

6. ANNUAL PERFORMANCE SCORECARD

Due to the implementation of the Tourism Recovery Strategy, the Annual Performance Scorecard was once again revised. The 2019/2020 scorecard has been included as a separate table.

Page Numbers

6.1. KPA 1: Marketing and Communication	1 - 4
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PHELISA MANGCU
Chief Executive Officer
30 August 2021

6. ANNUAL PERFORMANCE SCORECARD

KEY PERFORMANCE AREA 01: DESTINATION MARKETING															
IDP REF.	NAT. KPA	PROGRAM	PROJECT	PROJECT OBJECTIVE	SUB-PROJECT	SUB-PROJECT OBJECTIVE	ANNUAL KEY PERFORMANCE INDICATOR: OUTPUT	UNIT OF MEASURE	2021 ANNUAL ADJUSTED TARGET	2021 ANNUAL ACHIEVEMENT	Annual Target : Achieved / Not Achieved	Blockages / Challenges	Measure to improve performance	Revised Timeframe	PORTFOLIO OF EVIDENCE
LED 4.2 , 4.3		Marketing & Communication	Brand Positioning & Public Relations	To position the south coast as an accessible, year-round, leisure and business destination of choice in SA, with diverse experiences through various marketing/brand positioning approaches, methods and tools	Exposure Instances: Destination & Infrastructure	To harness Maximum exposure instance opportunities : travel and tourism, inflight, conference exhibitions, events guides highlighting the diverse culture, heritage, adventure, scenic beauty, meetings facilities and infrastructure accessibility and appealing characteristics	Quarterly Brand Tracking Report	Number of Brand Tracking reports indicating-Exposure Instances	4	4	ACHIEVED	-	-	-	Quarterly Brand Tracking Report with Evidence of Exposure Instances
					Themed Seasonal Campaigns	To facilitate three (3) themed seasonal campaigns during the year:- Sardine-run, Spring-Summer and Easter season, focusing on destination experiences and events to address seasonality.	Three (3) themed seasonal campaigns held	Number of themed seasonal campaigns	3	4	ACHIEVED	-	-	-	Campaign Reports: June-July Sardine Season Report, Spring-Summer Report, Easter Season Report
					Port Shepstone Business Hub	To position Port Shepstone as a business hub through free exposure instances.	Free exposure instance profiling Port Shepstone as a business hub.	Number	1	2	ACHIEVED	-	-	-	Brand Tracking Report with evidence of exposure.
					USCT Thought-Leader	To position USCT as a thought leader in the tourism sector through participating in various platforms and features that communicate its business objectives and build its identity during the year	24 published articles/inserts in the local newspapers and national publications or platforms.	Number of Inserts Published.	24	24	ACHIEVED	-	-	-	Published Newspaper Inserts & Quarterly Brand Tracking Report
							Quartely newsletters or Mass Mailing communication distributed to Members and Non Member	Number of Newsletters distributed	4	4	ACHIEVED	-	-	-	Statistical report confirming the distribution of the Newsletter.
							To create Tourist Friendly Awareness Campaign focussing on the Residents of the South Coast	Quarterly report identify the Tourist Friendly Awareness ACTIVITIES undertaken by USCT	4	4	ACHIEVED	-	-	-	Quarterly Tourist Awareness report
							To effectively encourage businesses on Covid 19 developments in Tourism	Push notifications communicated to businesses	12	25	ACHIEVED	-	-	-	Screenshot and or photo of the Push Notification circulated.
					Tour Packaging	To create and showcase tour packages, including rural/agri tours, during the course of the year	South Coast Tour Packages created to improve geographic spread	Number of tour packages created	4	4	ACHIEVED	-	-	-	Report summary of the Tour Packaged
							Packages, including rural/agri-tour packages, showcased on USCT website	Minimum Number of tour packages on website.	4	4	ACHIEVED	-	-	-	Screenshot Evidence of Tour Packages offered
							To participate/facilitate in marketing workshops which may be virtual,to stimulate the development of tour packages to the south coast.	Marketing workshops participated in during the year	2	1	NOT ACHIEVED	Due to budget constarints the video required for the marketing workshop could not be procured timeoulusy. A Mega workshop was hosted in Q4.	Encourage the Municipalities to timeously release grants to enable USCT to deliver on the scorecard.	20 June 2022.	Report submitted supporting registers/ agendas and or programmes.

IDP REF.	NAT. KPA	PROGRAM	PROJECT	PROJECT OBJECTIVE	SUB-PROJECT	SUB-PROJECT OBJECTIVE	ANNUAL KEY PERFORMANCE INDICATOR: OUTPUT	UNIT OF MEASURE	2021 ANNUAL ADJUSTED TARGET	2021 ANNUAL ACHIEVEMENT	Annual Target : Achieved / Not Achieved	Blockages / Challenges	Measure to improve performance	Revised Timeframe	PORTFOLIO OF EVIDENCE			
					Niche Markets Promotion	To generate MICE leads, CREATING THE OPPORTUNITIES to submit bids, to host meetings, incentives conferences and events in the south coast (Meetings, incentives, conferences, exhibitions)	MICE Leads Generated during the year	Number of MICE Leads Generated	2	0	NOT ACHIEVED	Due to Covid-19 restrictions these programs are not taking place.	Pending the upliftment of the Covid-19 restrictions	20 March 2022.	Evidence of Mice leads generated through the Business Tourism platform Closeout report			
						To promote the south coast to as the Golf Coast through print and online media exposure during the year	Golf Tourism promotions	Number of Brand Tracking reports indicating Exposure Instances	4	4	ACHIEVED	-	-	-	Evidence of Promotions & Quarterly brand tracking report			
						To promote the south coast for Agri/Rural tourism through print and online media exposure during the year	Agri/Rural Tourism promotions	Number of Brand Tracking reports indicating Exposure Instances	1	3	ACHIEVED	-	-	-	Quarterly Brand Tracking Report with evidence of exposure instances			
						To promote the south coast as a Diving experience destination through print and onlibe media exposure during the year	Diving experience promotions	Number of Promotions	4	4	ACHIEVED	-	-	-	Evidence of Promotions & Quarterly brand tracking report			
						To promote the south coast as the only destination in KZN with Racing facilities (Dezzi Raceway), through print and online media exposure during the year	Racing experiences	Number of Promotions	4	4	ACHIEVED	-	-	-	Evidence of Promotions & Quarterly brand tracking report			
LED 4.2, 4.3				Public Relations	To facilitate public relations and brand activations to highlight destination offerings through signature events, 4 hinterland and 4 beach activations	Activations	To stage beach activations and campaigns to promote south coast offerings and experiences during the year	Beach activations staged during the year	Number of Activations	3	1	NOT ACHIEVED	Due to budget constarints USCT was unable to fund an events program and the service provider was unable to secure a sponsor due to Covid-19 restrictions	With the improvement of USCT financial situation, budget can be made available for the activations	This will not be caught up - as the target will begin again on the PMS scorecard for 2022	Beach & Hinterland event activation report		
							To stage hinterland activations to promote south coast offerings and experiences during the year	Hinterland activations staged during the year	Number of Activations	3	0	NOT ACHIEVED	Due to budget constarints USCT was unable to fund an events program and the service provider was unable to secure a sponsor due to Covid-19 restrictions	With the improvement of USCT financial situation, budget can be made available for the activations	This will not be caught up - as the target will begin again on the PMS scorecard for 2022	Beach & Hinterland event activation report		
LED 4.2, 4.3				Trade Shows and Exhibitions	To promote the South coast through participation in tradeshows and domestic exhibition platforms	Domestic Exhibitions & Trade Shows	To participate in Exhibitions & Shows : SATSA, SACCI, Meetings Africa, TME, WTM Africa and Indaba during the year	Domestic exhibitions and trade shows as per annual plan/calendar participated	Number of exhibitions/trade shows as per plan.	6	0	NOT ACHIEVED	Covid-19 restrictioesn not allowing for these shows to take place	Pending the upliftment of the Covid-19 restrictions	This will not be caught up - as the target will begin again on the PMS scorecard for 2022	Evidence of Participation, Report, Programmes		
							To promote the South Coast through participation in consumer show platforms	Consumer Shows	To participate in DOMESTIC CONSUMER SHOWS during the year	Domestic consumer shows participated in the year	Number	2	0	NOT ACHIEVED	Covid-19 restrictioesn not allowing for these shows to take place	Pending the upliftment of the Covid-19 restrictions	This will not be caught up - as the target will begin again on the PMS scorecard for 2022	Quarterly Report & Evidence

IDP REF.	NAT. KPA	PROGRAM	PROJECT	PROJECT OBJECTIVE	SUB-PROJECT	SUB-PROJECT OBJECTIVE	ANNUAL KEY PERFORMANCE INDICATOR: OUTPUT	UNIT OF MEASURE	2021 ANNUAL ADJUSTED TARGET	2021 ANNUAL ACHIEVEMENT	Annual Target : Achieved / Not Achieved	Blockages / Challenges	Measure to improve performance	Revised Timeframe	PORTFOLIO OF EVIDENCE	
LED 4.1			Visitor Information Services	To ensure efficient and effective visitor information services.: providing easily accessible up to date information to visitors through walk in centres resulting in 90% positive sentiment from tourists	Visitor Information Centres	To operate and effectively manage consistently branded walk-in VICs at strategic locations	Effectively managed and consistantly branded VIC's	1 VIC Report by date	0						Annual Target removed	
					DESTINATION FAMILIARISATION TRIPS Trade & Media trips	To host -familiarisation trips during the year to expose the South Coast destination	FAMILIARISATION TRIPS hosted during the year	Number of trips hosted	8	12	ACHIEVED	-	-	-	Quarterly Brand Tracking Report as well as Itenary, Register and Email correspondance	
LED 4.2, 4.3			E-Marketing Platforms	To efficiently manage USCT owned digitals channels (website, social media and mobile app) and ensure information is updated continuously	Online Information	To efficiently manage USCT owned digitals channels (website, social media and mobile app) and ensure information is updated	Quarterly Content (New and Maintenance) updated	Quartely report referencing updates	4	4	ACHIEVED	-	-	-	Quarterly Digital Reports	
						To effectively share VIC services through the USCT Destination Website (Digitize VIC services)	VIC portal launched to the USCT Destination Website	Portal launch by date	30 Oct 2020.	28 Oct 2020.	ACHIEVED	-	-	-	Screenshot Evidence of VIC Portal on website	
							Quarterly VIC website update	Quarterly reporting referencing Website updates	2	2	ACHIEVED	-	-	-	Quarterly VIC Services website update report	
							To effectively enhance USCT COVID 19 Portal with messaging informing and encouraging Covid 19 readiness	Covid 19 portal on website updated	Updated Covid 19 Portal reports	4	4	ACHIEVED	-	-	-	Quarterly Covid 19 Portal reports
						To efficiently monitor and analyse online data to understand visitor interests and trends.	Online Trends and Analysis	To understand visitor interests and trends.	Quarterly Monitoring and Trend analysis reports completed.	Number of Reports	4	4	ACHIEVED	-	-	-
						Marketing Material	To produce promotional material that showcases the diverse product offerings of the South Coast.	Promotional Material/Collateral	To showcase diverse product offerings as per Revised Brand Manual	Promotional Material and Collateral Produced as per revised Brand Manual and Budget.	% of budget	90%	13%	NOT ACHIEVED	Due to budget constraints USCT was not able to procure promotional items. Additionally with Covid-19 restrictions the items were also not necessary.	With improved cash flow, items were purchased in Q4, however should additionalitems be required, this will be done in the new financial year.
South Coast Information Material Production			To provide updated and relevant information	SC Experience, Accommodation , Routes, Niche products-produced.				By Date	30 June 2021.	20 June 2021	ACHIEVED	-	-	-	Evidence of SC information produced and available by date	
				Meeting Planner Guide produced				By Date	15 December 2020	-	NOT ACHIEVED	Due to budget constraints USCT was not able to procure the Meeting Planner Guide. Additionally with Covid-19 restrictions the events where it would have been used did not take place.	Pending the upliftment of Covid-19 restrictions there will be a need to produce this guide for the Meetings Africa Conference taking place in March 2022.	20 December 2021.	Meeting Planner Guide produced by date	
				Updated Event Calendar on destination Website.				By date	Updated event calendar on website every quarter	17 June 2021	ACHIEVED	-	-	-	Screenshot Evidence of updated event calendar on website.	
				High Quality Marketing Images Sourced				By Date	20 June 2021.	15 June 2021	ACHIEVED	-	-	-	Image Library by date	

IDP REF.	NAT. KPA	PROGRAM	PROJECT	PROJECT OBJECTIVE	SUB-PROJECT	SUB-PROJECT OBJECTIVE	ANNUAL KEY PERFORMANCE INDICATOR: OUTPUT	UNIT OF MEASURE	2021 ANNUAL ADJUSTED TARGET	2021 ANNUAL ACHIEVEMENT	Annual Target : Achieved / Not Achieved	Blockages / Challenges	Measure to improve performance	Revised Timeframe	PORTFOLIO OF EVIDENCE
							High Quality Video footage	Number of Videos	4	4	ACHIEVED	-	-	-	Number of Videos
LED 4.9			Brand Tracking	To monitor the SC image and reputation in the press and digital platforms.	Image & Reputation Monitoring	Efficient and Effective image and reputation monitoring (including social media) by a media monitoring service provider with the quarterly output of brand tracking reports	Quarterly Brand Tracking Reports Submitted for quarterly consideration	Number of Reports	4	4	ACHIEVED	-	-	-	Quarterly Brand Tracking Reports

KEY PERFORMANCE AREA 2: TOURISM DEVELOPMENT AND TRANSFORMATION

IDP REF	NAT. KPA	PROGRAM	PROJECT	PROJECT OBJECTIVE	SUB-PROJECT	SUB-PROJECT OBJECTIVE	ANNUAL KEY PERFORMANCE INDICATOR: OUTPUT	UNIT OF MEASURE	2021 ANNUAL ADJUSTED TARGET	2021 ANNUAL ACHIEVEMENT	Annual : Achieved / Not Achieved	Blockages / Challenges	Measure to improve performance	Revised Timeframe	PORTFOLIO OF EVIDENCE
		Product Development	Tourism Nodes	To facilitate, support and extend geographical spread of tourists; ensure availability of services; develop tourist routes and identify activities to ensure diversification of destination offering within nodes so as to enable tourism investments.	Nodal Development & Services	In partnership with LED and Community based organisations develop one program in each LM that will attract Tourist to the area.	Identify Nodal program development opportunities	Number of programs developed per Local Municipality	3	3	ACHIEVED	-	-	-	Program report complied and submitted to the CEO by date.
						Active implementation of the Nodal Programmes developed	Progress from baseline of Umdoni program developed to a minimum of 50% to be implemented	Percentage of program developed implemented	50%	100%	ACHIEVED	-	-	-	Quarterly Nodal Programme report
						Active implementation of the Nodal Programmes developed	Progress from baseline of Umuziwabantu program developed to a minimum of 50% to be implemented	Percentage of program developed implemented	50%	100%	ACHIEVED	-	-	-	Quarterly Nodal Programme report
						Active implementation of the Nodal Programmes developed for the KwaXolo Caves project	Progress from baseline of program developed to a minimum percentage implemented	Percentage of program developed implemented	60%	100%	ACHIEVED	-	-	-	Quarterly Nodal Programme report
						Active implementation of the Nodal Programmes developed for the KwaNzimakwe MultiTrails project	Progress from baseline of program developed to a minimum percentage implemented	Percentage of program developed implemented	60%	100%	ACHIEVED	-	-	-	Quarterly Nodal Programme report
						Active implementation of the Nodal Programmes developed for the Umzumbe River Trails MultiTrails project	Progress from baseline of program developed to a minimum percentage implemented	Percentage of program developed implemented	60%	100%	ACHIEVED	-	-	-	Quarterly Nodal Programme report
						Active implementation of the Nodal Programmes developed for the Ntelezi Msani Culture & Heritage centre	Progress from baseline of program developed to a minimum percentage implemented	Percentage of program developed implemented	40%	100%	ACHIEVED	-	-	-	Quarterly Nodal Programme report
						To extend the Great Drives Out Route to include areas in Umdoni and Umuziwabantu	Umdoni & Umuziwabantu Great Drives Out routes	Number of new Routes	2	2	ACHIEVED	-	-	-	Plotted Route by date submitted to the CEO
					Agri Tourism	To develop Agri Tourism to ensure diversification of destination offering	Identify & Incorporate Agri-Tourism products into existing Routes and Tour Packages	Number of Agri-Tourism products incorporated into Routes & Packages (2 per LM)	8	8	ACHIEVED	-	-	-	Tour packages developed to incorporate Agri Tourism products Agri Tourism products incorporated into a Tour Package
					Area Committees	To strengthen relations with Area Committees and Amakosi to ensure effective implementation of programs	Create Awareness around existing product (eg: KwaXolo Caves) as a Tourist attraction to the Community	Number of reports on the Awareness	4	3	NOT ACHIEVED	No clear understanding of the target by the GM:Development.	Ensure that awareness happens every quarter	There is no revised date to catch-up with Tourism Awareness Campaigns. They will begin in the new year with the 2022 PMS scorecard	Report on the progress on the improved relations and awareness on the tourism product with the community
							Work closely with Area Committees to ensure effective implementation of USCT programs	% of Area Committees functional	80%	69%	NOT ACHIEVED	Lack of interest from some Area Committees	Area Stakeholder sessions have taken place to encourage businesses to be part of the Tourism Area Committees	30 September 2021	Report to the CEO on the participation and functionality of the area committees.
		SMME Development & Support		Facilitate the integration of emerging entrepreneurs into tourism industry and encourage transformation through various support initiatives planned as sub-projects	Information Access	Covid 19 Compliance for tourism sector businesses	Work with Department of Health & Environmental Services to create and implement awareness drives to be Covid 19 compliant	Number of reports on the work undertaken	4	4	ACHIEVED	-	-	-	Quarterly Implementation reports submitted to the CEO
							Develop Step-by-Step guide on Covid 19 compliance measures.	Date of completion of Guide	20 Sept 20.	18-Sep-20	ACHIEVED	-	-	-	Covid 19 Compliance guide completed and submitted to the CEO by date.

IDP REF	NAT. KPA	PROGRAM	PROJECT	PROJECT OBJECTIVE	SUB-PROJECT	SUB-PROJECT OBJECTIVE	ANNUAL KEY PERFORMANCE INDICATOR: OUTPUT	UNIT OF MEASURE	2021 ANNUAL ADJUSTED TARGET	2021 ANNUAL ACHIEVEMENT	Annual : Achieved / Not Achieved	Blockages / Challenges	Measure to improve performance	Revised Timeframe	PORTFOLIO OF EVIDENCE
					Business Information & Intervention Support	To assist SMMEs and Businesses requiring support towards recovery from Covid 19 lockdown	Partnering with professional bodies (SAICA) to support and assist businesses affected by the Covid19 lockdown	Number of reports on the partnerships forged and businesses assisted	4	1	NOT ACHIEVED	Presentations were done in August 2020 to SAICA via the Ugu Economic Command Cluster. USCT requested UguECC to contact SAICA for feedback, as they are the liaison body for this project, however to date no feedback has been received	USCT to find alternative professional partners eg: Singatha	30 September 2021.	Quarterly Implementation reports submitted to the CEO
					SMME Support	To assist Tour Guides and Operators to enter the formal Tourism Market through the setup of an Association	Formalise an Association for Tour Guides and Operators by date	Date of the Innaugural meeting of the Tour Guides and Operators Axssociation	28 February 2021.	12 February 2021	ACHIEVED	-	-	-	Agenda, Attendance Register and minutes of the meeting.
					Skills Development	To develop entrepreneurial program to assist individuals affected by Covid 19	Entrepreneurial program developed to assist individuals	Date of program developed	31 October 2020.	19 March 2021	NOT ACHIEVED	The Skills Development Plan was develeoped, but not by the planned date	Better planning and monitoring of dates	NA : Target completed	Entrepreneurial program developed and submitted to the CEO by date
					Quality Assurance & Accreditation	To encourage the improvement of service quality to Tourism establishments	Number of graded establishments assisted	Number	20	0	NOT ACHIEVED	Due to the Covid-19 pandemic, businesses were closing down so the grading process could not be implemented as planned	This may be possible when the Tourism Industry with the improvement of tourism after the pandemic	20 June 2022.	Report and Evidence.
					Youth Exposure	Partner with tertiary institutions, government and or private sector to create exposure for youth into tourism industry operations.	Internships	To facilitate tertiary tourism student internships during the year	Number of internships facilitated	6	6	ACHIEVED	-	-	-
LED 4.9, 4.10		Destination Appeal	Strategic Visible Signage	To motivate for visible signage at strategic locations.	Tourism Infrastructure	To motivate for effective development and maintenance of all relevant tourism infrastructure and facilities by relevant municipalities (eg: Beaches, Roads, Signage, Airport etc)	Quarterly Progress Report tabled at Board.	Number	4	3	NOT ACHIEVED	No clear understanding of the target by the GM:Development.	Continuous engagement with the Municipalities	There is no revised date to catch-up with this project as they will begin in the new year with the 2022 PMS scorecard	Evidence of submission of communication to municipalities
			Tourism Practices Promotion	To ensure hospitality facilities and accommodation meet industry standards through liaising with product owners and relevant industry owners to improve quality and meet industry standards	Destination Appeal	To drive the importance of TBCSA Covid 19 protocols to private sector businesses	Communication to the Private Sector on the importance of "Covid Clean" measures in businesses	Quarterly newsletters	4	3	NOT ACHIEVED	No clear understanding of the target by the GM:Development.	Ensure that Covid-Clean measures are incorporated into every quarterly newsletter	There is no revised date to catch-up with these Newsletters as they will begin in the new year with the 2022 PMS scorecard	Covid Clean measures incorporated into the Newsletter, with evidence of Statistical report confirming distribution

KEY PERFORMANCE AREA 03: RESEARCH

IDP REF	NAT. KPA	PROGRAM	PROJECT STRATEGIC OBJECTIVE	PROJECT	PROJECT STRATEGIC OBJECTIVE	SUB-PROJECT	SUB-PROJECT OBJECTIVE	ANNUAL KEY PERFORMANCE INDICATOR: OUTPUT	UNIT OF MEASURE/PERFORMANCE MEASURE	2021 ANNUAL ADJUSTED TARGET	2021 ANNUAL ACHIEVEMENT	Annual : Achieved / Not Achieved	Blockages / Challenges	Measure to improve performance	Revised Timeframe	PORTFOLIO OF EVIDENCE
LED 4.2		Data Management	To collect and utilise credible (valid and reliable), data for strategic usage for the USCT entity; towards achievement of goals and objectives.	Data collection and analysis	Data collection and tourism economic impact studies on south coast. To put in place an appropriate and suitable research framework for future years.	Trend Research	-Obtaining KZN South Coast Data with regards to Seasonal footprint	Research findings	Number of reports	2	2	ACHIEVED	-	-	-	December Seasonal Report
						Accommodation & Venue Database	To maintain a credible Accommodation and Venue database for the UGU District	Credible Venue and Accommodation Database Developed by 15 June	Credible Venue and Accommodation Database Developed by 15 June	15 June 2021.	15 June 2021	ACHIEVED	-	-	-	Delivery and Date of Delivery.
						Target Market Identification	To identify the KZN South Coast Target Market	Research report on the KZN South Coast Target Market	Completed Research Report by date	15 June 2021.	11 June 2021	ACHIEVED	-	-	-	Delivery and Date of Delivery.

KEY PERFORMANCE AREA 04: STAKEHOLDER MANAGEMENT

IDP REF	NAT. KPA	PROGRAM	PROGRAM OBJECTIVE	PROJECT	PROJECT STRATEGIC OBJECTIVE	SUB-PROJECT	SUB-PROJECT OBJECTIVE	ANNUAL KEY PERFORMANCE INDICATOR: OUTPUT	UNIT OF MEASURE/PERFORMANCE MEASURE	2021 ANNUAL ADJUSTED TARGET	2021 ANNUAL ACHIEVEMENT	Annual : Achieved / Not Achieved	Blockages / Challenges	Measure to improve performance	Revised Timeframe	PORTFOLIO OF EVIDENCE
LED 3.1, 3.2, 3.3		Stakeholder Relations	Develop and maintain relations with key stakeholders in the public and private sector.	Membership	To establish accurate membership data and to increase membership	Maintenance of Tourism Business Database	To ensure a Tourism Business database is maintained	Database Approved by 30 June 2020	By Date	20-Jun-21	15-Jun-21	ACHIEVED	-	-	-	Approved Database
				Stakeholder Networking	Host and or participate in stakeholder networking, information, development and information platforms .	Stakeholder Networking	To participate in provincial and national stakeholder network information development and information platforms.	To participate in minimum of platforms.	Number	6	6	ACHIEVED	-	-	-	Attendance Registers / Participation summary (Agenda & Presentation when applicable)
							Host destination/local stakeholder networking, information, development and information platforms.	To host a minimum of platforms.	Number	4	6	ACHIEVED	-	-	-	Attendance Registers / Participation summary (Agenda & Presentation when applicable)
				Partnerships	To monitor formalised multi-year partnership agreements/MOUs to achieve USCT goals and objectives with Each Local Municipality	Existing Partnerships	To monitor and report on existing partnerships.	Quarterly -PMS Report	Report per quarter	4	5	ACHIEVED	-	-	-	Submission of quarterly PMS report submission to Municipalities via email.
				Shareholder Relations	To enable shareholder good governance through effective and efficient decision-making, oversight and reporting.	AGM	To ensure company compliance and reporting to the Parent Municipality	AGM held by 30 June	Date	30-Jun-21	30 Jiune 2021	ACHIEVED	-	-	-	AGM Minutes.
						Attendance of Municipal and IGR Platforms.	To attend Municipal and IGR Platforms/Meetings.	Council Meetings & IGR Meetings attended	Number Attended	26	36	ACHIEVED	-	-	-	Attendance registers
						Beaches Amenities	To ensure clean and efficiently equipped beach facilities through liaising with relevant authorities.	Annual Beach report submission to relevant municipalities on Beaches	Report by date	20-Jun-21	18-Jun-21	ACHIEVED	-	-	-	Annual Beach Facilities report by date
				Area Committee Relations	To ensure good relations with area committee chairpersons.	Meetings with Area Committee Chairpersons	To host at least one meeting per quarter with area committee chairpersons.	One meeting per quarter.	Meeting per quarter	4	1	NOT ACHIEVED	Due to a number of Area Committess becoming non-functional this meeting did not take place this quarter	USCT is in the process of hosting Area Roadshows, to re-establish participation in this committee	There is no revised date to catch up these meetings. They will begin in the new year for the 2022 PMS Scorecard	Minutes of meeting and Attendance Register

USCT KPA 5: USCT ENTITY ADMINISTRATION

PROGRAM	PROGRAMME OBJECTIVE	PROJECT	PROJECT OBJECTIVE	SUB-PROJECT	ANNUAL KEY PERFORMANCE INDICATOR: OUTPUT	UNIT OF MEASURE	2021 ANNUAL ADJUSTED TARGET	2021 ANNUAL ACHIEVEMENT	Annual : Achieved / Not Achieved	Blockages / Challenges	Measure to improve performance	Revised Timeframe	PORTFOLIO OF EVIDENCE
Planning and Organisational Performance Management	To ensure USCT administration is characterised by good governance and specifically compliance to achieve its intended outcomes and outputs as per plans.	Planning & Organisational Performance	To develop and adopt credible strategic and operational plans timeously aligned to government's planning cycle and prescripts.	Strategic Plan	Reviewed Strategic Plan approved by Board before 30 April	Date of Strategic Plan Approval	30 April 2021	14-May-21	NOT ACHIEVED	Due to extremely poor attendance of stakeholders, the public consultation meeting had to be rescheduled. This took place after the election of the new Area Committees to ensure that Community Stakeholders participated.		Not applicable as the	Board Resolution of Approval
				Annual Operational/Performance Plan	One Year Operational Plan approved by Board by 30 June 2020	Date of Operational Plan Approval	30 May 2021	14 May 2021	ACHIEVED				Board Resolution of Approval
				Organisational Performance Management	90% Targets/Annual KPI: Outputs Achieved	Planned KPI Outputs % Achieved.	90%	80%	NOT ACHIEVED	This target was not achieved due to a combination of causes between Covid 19 restrictions for Marketing functions and the delay in grant funding received	USCT has reviewed the SDBIP and is finding alternative ways to market the destiation around Covid-19. USCT continues to engage at all levels for the timeous release of grant funding.	-	Audited Annual Performance Report
					Annual Report adopted by Board 31 December	Date of Annual Report Adoption	31 December and Submission to Ugu DM.	10-Dec-20	ACHIEVED				Board Resolution of Approval and submission to Ugu DM
					Mid-Year Performance Report adopted by 30 January	Date of Mid-Year Report Adoption	30 January 2021	15-Jan-21	ACHIEVED				Board Resolution of Adoption
					4 Quarterly Review sessions and reports completed	Number of reports	4	4	ACHIEVED				Evidence of Submission to Ugu.
				Risk Management and Fraud Prevention	Completed Risk Register and Fraud Prevention Plan by 30 September	Date	30 September 2020	1 August 2020	ACHIEVED				Risk Register and Fraud Risk Register submitted to the CEO by date
Governance	To ensure the USCT adminisration conforms to good governance principles, procedures and is legislatively compliant.	Audit & Risk	To ensure compliance and efficient and effective audit, fraud prevention and risk management functions.	Annual Audit Plan	Developed Annual Audit Plan by 30 September 2020	Date	30 September 2020	20 August 2020.	ACHIEVED				Board Resolution of Adoption
					Number of Quarterly Audit Committee sittings.	Number per quarter	4	4	ACHIEVED				Audit Committee Minutes
					80 % of audit queries resolved per quarter.	Percentage of Resolved Audit Queries per quarter	80%	100%	ACHIEVED				Audit Committee Minutes
					100% Annual Audit Plan Implementation	Percentage of Plan Implemented	100%	100%	ACHIEVED				Audit Committee Minutes
					Auditor-General Management Report and Audit Finding: Unqualified Audit	AG Report Opinion	Unqualified Audit	Unqualified Audit Opinion	ACHIEVED				AG Management Report Duly Signed off and Tabled.
		Statutory Compliance	To ensure good governance through statutory compliance and policy framework and 100%	Statutory Compliance	100% Statutory compliance for Board meetings	Percentage Compliance	100%	100%	ACHIEVED				Board Minutes.

PROGRAM	PROGRAMME OBJECTIVE	PROJECT	PROJECT OBJECTIVE	SUB-PROJECT	ANNUAL KEY PERFORMANCE INDICATOR: OUTPUT	UNIT OF MEASURE	2021 ANNUAL ADJUSTED TARGET	2021 ANNUAL ACHIEVEMENT	Annual : Achieved / Not Achieved	Blockages / Challenges	Measure to improve performance	Revised Timeframe	PORTFOLIO OF EVIDENCE
			implementation of Board Decisions/Resolutions.			Reviewed and Updated Policies Approved	100%	100%	ACHIEVED				Board Minutes.
Finance	To ensure financial legislative compliance and financial management in accordance with good governance practices in order to achieve good governance outcomes.	Budget & Reporting	100% MFMA Compliance	Budget Planning	Budget Policy approved by 30 May 2020.	By date	30-May-21	12 March 2021	ACHIEVED				Board Resolution Adopting Budget Policy
					First draft budget submitted to Ugu by 30 January	By Date	30-Jan-21	26-Jan-21	ACHIEVED				Evidence of first Draft Budget tabled, and Submission to Ugu DM.
					Annual Draft Budget approved by 31 May	By Date	31-May-21	27-May-21	ACHIEVED				Board Resolution of Approval of Draft Budget & submission to Ugu
				Financial In-Year Reporting	12 Monthly Reports compiled and submitted by deadline.	Number of Reports by deadline.	12	12	ACHIEVED				Reports with submission dates.
				Budget Review	S88 Report compiled and approved by 20 January 2020.	Report completed and approved by date.	20 January 2021	15 January 2021	ACHIEVED				Board Approval Resolution and proof of submission to Ugu District.
				Annual Financial Statements	Adopted AFS by 31 December	Adopted AFS by Date	31-Dec-20	10 December 2020.	ACHIEVED				Board Resolution of AFS Adoption.
					Draft AFS submitted to AG by date	Draft AFS submitted to AG by Date	31-Oct-20	07-Sep-20	ACHIEVED				Draft AFS submitted to AG with acknowledgement of receipt.
			Prescriptively compliant and efficient and effective expenditure.	Operational Expenditure	90% operational expenditure to plan.	% operational expenditure to plan.	80%	87%	ACHIEVED				Quarterly Reports.
					Staff Salaries paid monthly by 25th.	12 x Salary Payments by date	12 x Monthly payments by 25th	12 x Monthly payments by 25th	ACHIEVED				Salary Reports by date
					Board Fees paid monthly by 25th.	12 x Payments by date	12 x Monthly payments by 25th	12 x Monthly payments by 25th	ACHIEVED				Salary Reports by date
				Capital Expenditure	% capital expenditure to plan.	% capital expenditure to plan.	50%	13%	NOT ACHIEVED	None	None. Due to closure of VIC's USCT did not need to replave computer equipment as planned	Not applicable	Quarterly Reports.
				Fruitless & Wasteful Expenditure	Less than 1% Fruitless and Wastefull expenditure	Budget % spend fruitless and wasteful expenditure	Less than 1%	Nil	ACHIEVED				Board Reports and Minutes, and Register.
				Unauthorised Expenditure	Less than 1% unauthorised expenditure	Budget % spend unauthorthorised expenditure	Less than 1%	Nil	ACHIEVED				Board Reports and Minutes, and Register.
				Credit Control & Debt Collection Policy	Reviewed Policy by 30 May	By Date	30 May 2021	12 March 2021	ACHIEVED				Board Resolution of Adoption of Policy

PROGRAM	PROGRAMME OBJECTIVE	PROJECT	PROJECT OBJECTIVE	SUB-PROJECT	ANNUAL KEY PERFORMANCE INDICATOR: OUTPUT	UNIT OF MEASURE	2021 ANNUAL ADJUSTED TARGET	2021 ANNUAL ACHIEVEMENT	Annual : Achieved / Not Achieved	Blockages / Challenges	Measure to improve performance	Revised Timeframe	PORTFOLIO OF EVIDENCE
		Income/Revenue	Efficient, effective and legislatively sound revenue collection and management	Annual Tariffs.	2020-2021 Annual Draft Budget approved by 30 March	By Date	30 Mar 2021	12 March 2021	ACHIEVED				Board Resolution of Approval of Draft 2020-2021 Budget with Tariffs :- submission to Ugu & Acknowledgement of receipt.
				Grant Funding	100% grant funding received as per plan.	% received to plan.	100%	21%	NOT ACHIEVED	Dispite having signed SLA's in place, Umdoni LM has not released their annual grant for 2021. Due to the financial issues Ugu DM has, they were able to settle the 2020 outstanding grant, and only R1m of the 2021 commitment.	Ongoing at all levels of communictaion	Umdoni LM: 16.07.2021 Ugu DM: On-going	Quarterly Reports
				Received Revenue to Plan	90% revenue received as per plan.	% revenue received to plan.	90%	100%	ACHIEVED				Quarterly Reports
		SCM	Prescriptively compliant, efficient and effective procurement of goods and servies as per plan.	Annual Procurement Plan	100% SCM implementation to plan	% to plan implementation	100%	100%	ACHIEVED				Quarterly Reports
				SCM Policy	Reviewed and Approved by 30 May annually.	By date	31 May 2021	12 March 2021	ACHIEVED				Board Resolution of Approval of Reviewed Policy
				SCM Procedures	100% compliant implemetnation	% Compliance	100%	100%	ACHIEVED				Quarterly Reports
				BBBEE Reporting	100% compliant implementation	% Compliance	100%	100%	ACHIEVED				Quarterly Reports
		Asset Management	Compliant Asset Management	Asset Register	100% compliant Asset Register implementation	% Compliance	100%	100%	ACHIEVED				Quarterly Reports
Corporate, HR & Auxiliary	To ensure compliant and good governance in the corporate, HR and auxiliary functions in order to achieve good governance outcomes.	Human Resources	To ensure HR matters are compliant and enable core functions to be performed.	Staffing	100% posts in structure filled.	% filled posts in structure	100%	100%	ACHIEVED				Quarterly Reports
				Staff Development	Plan Development by date	date	30 December 2020	18 December 2020.	ACHIEVED				Quarterly Reports
				Staff Performance	100% relevant staff with signed annual performance plans by date of 30 July 2019	% staff with signed annual plans by 30 July 2020.	100%	100%	ACHIEVED				Duly Signed Annual Performance Plans
					% Implemenation IPMS	% Implementation of IPMS	100%	100%	ACHIEVED				Quarterly Performance Reports

Overall Annual Summation		Percentage	
Total number of Key Performance Indicators		104	
Number Achieved		83	80%
Number Not Achieved		21	20%
Primary Reasons for Non-Achievements		21	
Cash Flow: Due to non-payment of Grant Funding		4	4%
Covid-19 Restrictions		8	8%
Poor Performance		4	4%
Other		5	5%

7. 2019/2020 ANNUAL SCORECARD FOR COMPARATIVE INFORMATION

4.1: KPA 1: Marketing and Communication																
IDP REF.	NAT. KPA	PROGRAM	PROJECT	PROJECT OBJECTIVE	SUB-PROJECT REF.	SUB-PROJECT	SUB-PROJECT OBJECTIVE	ANNUAL KEY PERFORMANCE INDICATOR: OUTPUT	UNIT OF MEASURE	ADJUSTED ANNUAL TARGET	ACTUAL ACHIEVED	ANNUAL TARGET ACHIEVED / NOT ACHIEVED	BLOCKAGES / CHALLENGES	CORRECTIVE MEASURES	REVISED TIMEFRAME	PORTFOLIO OF EVIDENCE
LED 4.2 , 4.3		Marketing & Communication	Brand Positioning	1. To position the south coast as an accessible, year-round, leisure and business destination of choice in SA, with diverse experiences through various marketing/brand positioning approaches, methods and tools. 2. To promote the south coast to attract niche markets: film industry, conferences/events, golf and religious tourism through various marketing/brand positioning approaches, methods and tools.	1.1.1.1	Free Exposure Instances: Destination & Infrastructure	To harness at least four (4), one (1) per quarter, free exposure instance opportunities : travel and tourism, inflight, conference exhibitions, events guides highlighting the diverse culture, heritage, adventure, scenic beauty, meetings facilities and infrastructure accessibility and appealing characteristics in the south coast	Quarterly Brand Tracking Report	Number of Brand Tracking reports indicating Free Exposure Instances	4	4	ACHIEVED	None	None	-	Quarterly Brand Tracking Report with Evidence of Free Exposure Instances
					1.1.1.2	Themed Seasonal Campaigns	To facilitate three (3) themed seasonal campaigns:- sardine-run, spring-summer and Easter season, focusing on destination experiences and events to address seasonality.	Three (3) themed seasonal campaigns held	Number of themed seasonal campaigns	3	3	ACHIEVED	None	None	-	Campaign Reports: June-July Sardine Season Report, Spring-Summer Report, Easter Season Report
					1.1.1.3	Port Shepstone Business Hub	To position Port Shepstone as a business hub through free exposure instances.	Free exposure instance profiling Port Shepstone as a business hub.	Number	1	1	ACHIEVED	None	None	-	Meetings Africa and Brand Tracking Report with evidence of Free exposure.
					1.1.1.4	USCT Thought-Leader	To position USCT as a thought leader in the tourism sector through participating in various platforms and features that communicate its business objectives and build its identity during the course of the year	24 published articles/inserts in the local newspapers and national publications or platforms.	Number of Inserts Published.	24	26	ACHIEVED	None	None	-	Published Newspaper Inserts & Quarterly Brand Tracking Report
					1.1.1.5	Tour Packaging	To showcase tour packages, including rural/Agri tours, on the USCT website during the course of the year	Packages, including rural/Agri-tour packages, showcased on USCT website	Minimum Number of tour packages on website.	10	8	NOT ACHIEVED	Due to Covid-19, no new tour packages advertised due to Travel restrictions	USCT create Virtual Tours which were available on our website	15-Dec-20	Screenshot Evidence of Tour Packages offered
							To participate/facilitate in speed marketing workshops, to stimulate the development of tour packages to the south coast.	Speed marketing workshops participated in	Number of Workshops	3	2	NOT ACHIEVED	Due to Covid-19 restrictions, this target could not be met in Q4	Virtual meetings to take place until Covid-19 lockdown is lifted	None	Report submitted supporting registers/ agendas and or programmes.
					1.1.1.6	Niche Markets Promotion	To generate MICE leads, and submit bids, to host meetings, incentives conferences and events in the south coast during the year. (Meetings, incentives, conferences, exhibitions)	MICE Leads Generated	Number of MICE Leads Generated	3	0	NOT ACHIEVED	Due to cashflow challenges this was not activated	None	Continued engagement with the Parent Municipality to release grant funding	Evidence of Mice leads generated.
							To promote the south coast in the film industry in publication articles.	Film Industry Promotions published	Number of Promotions	4	3	NOT ACHIEVED	Due to Covid-19 Lockdown, all events were cancelled and therefore no marketing undertaken in Q4	None	By focusing on the Tourism Recovery Strategy this will be reviewed for 2021/2022	Evidence of Promotions & Quarterly brand tracking report
							To promote the south coast to Golf Organisers , associations, platforms/publications with free exposure instances during th eyear	Free exposure instances promoting golf tourism.	Number of Brand Tracking reports indicating Free Exposure Instances	3	2	NOT ACHIEVED	Due to Covid-19 Lockdown, Golf was one of the sporting activities affected, and therefore no marketing undertaken in Q4	None	Depending on the upliftment of the Covid-19 restrictions	Quarterly Brand Tracking Report with evidence of free exposure instances

4.1: KPA 1: Marketing and Commucication																
IDP REF.	NAT. KPA	PROGRAM	PROJECT	PROJECT OBJECTIVE	SUB-PROJECT REF.	SUB-PROJECT	SUB-PROJECT OBJECTIVE	ANNUAL KEY PERFORMANCE INDICATOR: OUTPUT	UNIT OF MEASURE	ADJUSTED ANNUAL TARGET	ACTUAL ACHIEVED	ANNUAL TARGET ACHIEVED / NOT ACHIEVED	BLOCKAGES / CHALLENGES	CORRECTIVE MEASURES	REVISED TIMEFRAME	PORTFOLIO OF EVIDENCE
							To promote the south coast for Agri/rural tourism during the year with free exposure instance.	Free exposure instance promoting Agri/rural tourism.	Number of Brand Tracking reports indicating Free Exposure Instances	1	0	NOT ACHIEVED	Due to Covid-19 Lockdown, no tourism travel was permitted and therefore no marketing on Agritourism undertaken in Q4	None	Depending on the upliftment of the Covid-19 restrictions	Quarterly Brand Tracking Report with evidence of free exposure instances
							To promote the south coast for religious tourism during the year with free exposure instance.	Free exposure instance promoting religious tourism.	Number of Brand Tracking reports indicating Free Exposure Instances	1	1	ACHIEVED	None	None	-	Quarterly Brand Tracking Report with evidence of free exposure instances
							To promote the south coast for as a diving experience destination during the year	Diving experience promotions	Number of Promotions	1	1	ACHIEVED	None	None	-	Evidence of Promotions & Quarterly brand tracking report
LED 4.2, 4.3			Public Relations	To facilitate public relations and brand activations to highlight destination offerings through signature events, 4 hinterland and 4 beach activations	1.1.2.1	Activations	To stage beach activations and campaigns to promote south coast offerings and experiences during the year	Beach activations staged	Number of Beach Activations Staged.	4	3	NOT ACHIEVED	National Lockdown declared by President due to Covid - 19 restrictions - all events where cancelled in Q4	None	By focusing on the Tourism Recovery Strategy this will be reviewed for 2021/2022	Quarterly Report & Evidence
							To stage hinterland activations to promote south coast offerings and experiences during the year	Hinterland activations staged	Number of Hinterland Activations Staged.	4	3	NOT ACHIEVED	National Lockdown declared by President due to Covid - 19 restrictions - all events where cancelled in Q4	None	By focusing on the Tourism Recovery Strategy this will be reviewed for 2021/2022	Quarterly Report & Evidence
LED 4.3				To facilitate radio and newspaper activations to promote annual "signature events" and highlight destination offerings and experiences	1.1.2.2	Signature Events Promotion	To promote UGU Jazz Festival through creating exposure instances through public relations activities during the year	UGU Jazz Festival exposure instances through public relations activities	Number of Brand Tracking reports indicating Free Exposure Instances	1	0	NOT ACHIEVED	National Lockdown declared by President due to Covid - 19 restrictions - all events where cancelled in Q4	None	Depending on the upliftment of the Covid-19 restrictions and the events organisers interest in continuing with the event	Quarterly Brand Tracking Reports
							To promote the UGU Film Festival through creating exposure instances through public relations activities during the year	UGU Film Festival exposure instances through public relations activities	Number of Brand Tracking reports indicating Free Exposure Instances	2	2	ACHIEVED	None	None	-	Quarterly Brand Tracking Reports
							To promote South Coast Bike Festival through creating) exposure instances through public relations activities	Bike Festival exposure instances through public relations activities	Number of Brand Tracking reports indicating Free Exposure Instances	3	2	NOT ACHIEVED	National Lockdown declared by President due to Covid - 19 restrictions - all events where cancelled in Q4	None	Depending on the upliftment of the Covid-19 restrictions and the events organisers interest in continuing with the event	Quarterly Brand Tracking Reports
							To promote MTB Series through creating exposure instances through public relations activities	MTB exposure instances through public relations activities	Number of Brand Tracking reports indicating Free Exposure Instances	2	2	ACHIEVED	None	None	-	Quarterly Brand Tracking Reports
	KPA 3:															

4.1: KPA 1: Marketing and Communication																	
IDP REF.	NAT. KPA	PROGRAM	PROJECT	PROJECT OBJECTIVE	SUB-PROJECT REF.	SUB-PROJECT	SUB-PROJECT OBJECTIVE	ANNUAL KEY PERFORMANCE INDICATOR: OUTPUT	UNIT OF MEASURE	ADJUSTED ANNUAL TARGET	ACTUAL ACHIEVED	ANNUAL TARGET ACHIEVED / NOT ACHIEVED	BLOCKAGES / CHALLENGES	CORRECTIVE MEASURES	REVISED TIMEFRAME	PORTFOLIO OF EVIDENCE	
	Local Economic Developm ent						To promote Ukuvukile Gospel Festival through exposure instances through public relations activities	Ukuvukile Gospel Festival exposure instances through public relations activities	Number of Brand Tracking reports indicating Free Exposure Instances	2	0	NOT ACHIEVED	National Lockdown declared by President due to Covid - 19 restrictions - all events where cancelled in Q4	None	Depending on the upliftment of the Covid-19 restrictions and the events organisers interest in continuing with the event	Quarterly Brand Tracking Reports	
LED 4.2, 4.3				Trade Shows and Exhibitions	To promote the South coast through participation in eight tradeshow and domestic exhibition platforms	1.1.3.1	Domestic Exhibitions & Trade Shows	To participate in exhibitions/shows : UGU Film Festival, SAACI, SATSA, Durban Film, CPT Film, Cape Cycle Tour Meetings Africa, TME and Indaba during the year	Domestic exhibitions and trade shows as per annual plan/calendar participated in	Number of exhibitions/trade shows as per plan.	9	7	NOT ACHIEVED	National Lockdown declared by President due to Covid - 19 restrictions - all events where cancelled in Q4	None	Depending on the upliftment of the Covid-19 restrictions and the events organisers interest in continuing with the event	Evidence of Participation, Report, Programmes, Attendance register
								Show stand acquisition for utilisation in shows.	Show stand acquisition completed	By date	-	Annual Target removed					Confirmation email & evidence to support acquisition
					To promote the South Coast through participation in one (Royal Show) consumer show platform	1.1.3.2	Consumer Shows	To participate in Royal Agricultural Show in PMB during quarter four 2019-2020.	Royal Show Participated in quarter four.	By date	May-20	-	NOT ACHIEVED	National Lockdown declared by President due to Covid - 19 restrictions - all events where cancelled in Q4	None	Depending on the upliftment of the Covid-19 restrictions and the events organisers interest in continuing with the event	Quarterly Report & Evidence
					To create representation on international platforms via TKZN or other marketing representatives.	1.1.3.3	International Exhibitions & Tradeshow s	To create representation on international platforms targeting NICHE tourism platforms.	Representation Achieved at International market platforms	Number	2	1	NOT ACHIEVED	National Lockdown declared by President due to Covid - 19 restrictions & cash flow restrictions	None	Depending on the upliftment of the Covid-19 restrictions and the events organisers interest in continuing with the event	Report with evidence
LED 4.1				Visitor Information Services	To ensure efficient and effective visitor information services.: providing easily accessible up to date information to visitors through walk in centres resulting in 90% positive sentiment from tourists	1.1.4.1	Visitor Information Centres	To operate and effectively manage consistently branded walk-in VICs at strategic locations	Effectively managed and consistently branded VIC's	1 VIC Report by date	20 June 2020.	20 June 2020.	ACHIEVED	None	None	-	Report with Evidence
								To identify a suitable location for Scottburgh VIC.	Scottburgh VIC location identified by 30 October 2019.	By Date	20 June 2020.	0	NOT ACHIEVED	USCT has not been able to find suitable office space to suit our needs in Umdoni	None	Due to Tourism Recovery Strategy, the organisation will require restructuring	Report with Evidence
						1.1.4.2	Publications	To facilitate production and distribution of Southern Explorer as the official marketing publication/platform of USCT	Southern Explorers produced and distributed	Number	5 000	5000	ACHIEVED	None	None	-	Publication by date (confirmation email) & delivery note signed by distributors.
						1.1.4.3	Trade & Media trips	To host trade and media on familiarisation trips	Trade and media trips hosted	Number of trips hosted	7	8	ACHIEVED	None	None	-	Quarterly Brand Tracking Report as well as Itinerary, Register and Email correspondence
LED 4.2, 4.3				E-Marketing Platforms	To efficiently manage USCT owned digitals channels (website, social media and mobile app) and ensure information is updated continuously and is up-to date as per maintenance plans	1.1.5.1	Online Information	To efficiently manage USCT owned digitals channels (website, social media and mobile app) and ensure information is updated in accordance with the content maintenance plans	Quarterly Content Plans implemented.	Number of Reports	2%	2	ACHIEVED	None	None	-	Quarterly Digital Reports
	1.1.5.2	Online Trends and Analysis	To efficiently monitor and analyse online data to understand visitor interests and trends.			Quarterly Monitoring and Trend analysis reports completed.	Number of Reports	4	4	ACHIEVED	None	None	-	Quarterly Digital Reports			

4.1: KPA 1: Marketing and Commucication																
IDP REF.	NAT. KPA	PROGRAM	PROJECT	PROJECT OBJECTIVE	SUB-PROJECT REF.	SUB-PROJECT	SUB-PROJECT OBJECTIVE	ANNUAL KEY PERFORMANCE INDICATOR: OUTPUT	UNIT OF MEASURE	ADJUSTED ANNUAL TARGET	ACTUAL ACHIEVED	ANNUAL TARGET ACHIEVED / NOT ACHIEVED	BLOCKAGES / CHALLENGES	CORRECTIVE MEASURES	REVISED TIMEFRAME	PORTFOLIO OF EVIDENCE
LED 4.2, 4.3			Marketing Material	To produce branding material that is reflects the representative and inclusive brand of the diverse south coast offering as per Revised Brand Manual and Budget	1.1.6.1	Branding/Marketing Material	To produce branding material that is representative of the diverse south coast offering as per revised Brand Manual and Budget	Branding Material Produced as per Revised Brand Manual and Budget	% of budget	90%	25%	NOT ACHIEVED	Due to the Parent Municipality not releasing the Annual Grant, these items could not be procured	None	Continued engagement with the Parent Municipality to release grant funding	Expenditure Report & Evidence of Materials
				To produce promotional material that showcases the diverse product offerings of the South Coast.	1.1.6.2	Promotional Material/Collateral	To produce promotional material that showcases diverse product offerings as per Revised Brand Manual and Budget	Promotional Material and Collateral Produced as per revised Brand Manual and Budget.	% of budget	90%	18%	NOT ACHIEVED	Due to the Parent Municipality not releasing the Annual Grant, these items could not be procured	None	Continued engagement with the Parent Municipality to release grant funding	Expenditure Report & Evidence of Materials
				To produce south coast information material according to plan and budget	1.1.6.3	South Coast Information Material Production 2019-2020.	To produce South Coast Information Material .	SC Experience, Accommodation , Routes, Niche products-produced.	By Date	20 June 2020.	20 June 2020.	ACHIEVED	None	None		Evidence of SC information produced and available by date
								Meeting Planner Guide produced	By Date	20 June 2020.	0	NOT ACHIEVED	Due to the Parent Municipality not releasing the Annual Grant, these items could not be procured	None	Continued engagement with the Parent Municipality to release grant funding	Meeting Planner Guide produced by date
								Updated Event Calendar on destination Website.	By date	20 June 2020.	23 March 2020.	NOT ACHIEVED	Poor planning	Improved planning and communication	31-Aug-20	Screenshot Evidence of updated event calendar on website.
								Tourism Investment Prospectus produced by end of Quarter One	By date	30 Sept. 2019.	30 Sept. 2019.	ACHIEVED	None	None	-	Tourism Investment Prospectus by date
								Film Prospectus produced by end of quarter four	By Date	20 June 2020.	0	NOT ACHIEVED	Due to the Parent Municipality not releasing the Annual Grant, these items could not be procured	None	By focusing on the Tourism Recovery Strategy this will be reviewed for 2021/2022	Film Prospectus by date
								High Quality Marketing Images Sourced	By Date	20 June 2020.	19 June 2020.	ACHIEVED	None	None	-	Image Library by date
LED 4.9			Brand Tracking	To monitor the SC image and reputation in the press and digital platforms.	1.1.7.1	Image & Reputation Monitoring	Efficient and Effective image and reputation monitoring (including social media) by a media monitoring service provider with the quarterly output of brand tracking	Quarterly Brand Tracking Reports Submitted for quarterly consideration during 2019-202.	Number of Reports	4	4	ACHIEVED	None	None	-	Quarterly Brand Tracking Reports

8. Report of the auditor-general to KwaZulu-Natal Provincial Legislature and the Council on the Ugu South Coast Tourism (Pty) Ltd

Report on the audit of the financial statements

Opinion

I have audited the financial statements of the Ugu South Coast Tourism (Pty) Ltd set out on pages 135 to 184 which comprise the statement of financial position as at 30 June 2021, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information and actual information for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Ugu South Coast Tourism (Pty) Ltd as at 30 June 2021, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Companies Act of South Africa, 2008 (Act No. 71 of 2008) (Companies Act).

Basis for opinion

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

I am independent of the entity in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Material uncertainty relating to going concern

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

I draw attention to note 32 of the financial statements, which indicates that the entity is dependent on receiving grants from the municipalities and challenges have been

experienced with regards to delays of the payments of these grants. As stated in note 32, these events and conditions, along with the other matters as set forth in note 32, indicate that a material uncertainty exists that may cast significant doubt on the municipal entity's ability to continue as a going concern.

Other matter

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

Unaudited disclosure notes

In terms of section 125(2)(e) of the MFMA the municipal entity is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

Responsibilities of the accounting authority for the financial statements

The board of directors, which constitutes the accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the requirements of the MFMA and the Companies Act, and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the accounting authority is responsible for assessing the municipal 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 municipal entity or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

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.

A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Introduction and scope

In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected development priority presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.

My procedures address the usefulness and reliability of the reported performance information, which must be based on the entity's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the entity enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the selected KPA 1: Marketing and Communication development priority, presented in the entity's annual performance report for the year ended 30 June 2021.

I performed procedures to determine whether the reported performance information was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

I did not identify any material findings on the usefulness and reliability of the reported performance information for this development priority.

Other matter

I draw attention to the matter below.

Achievement of planned targets

Refer to the annual performance report on pages 112 to 122 for information on the achievement of planned targets for the year.

Report on the audit of compliance with legislation

Introduction and scope

In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the entity's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

The material findings on compliance with specific matters in key legislation are as follows:

Procurement and contract management

Some of the goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations, in contravention of SCM Regulation 17(1)(a) and (c).

Expenditure management

Reasonable steps were not taken to prevent irregular expenditure amounting to R2,54 million (2020: R1,06 million) as disclosed in note 34 to the annual financial statements, as required by section 95(d) of the MFMA.

Other information

The accounting authority is responsible for the other information. The other information comprises the information included in the annual report, which includes the directors' report, the audit committee's report and the company secretary's certificate, as required by the Companies Act. The other information does not include the financial statements, the auditor's report and the selected development priority presented in the annual performance report that have been specifically reported in this auditor's report.

My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.

In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected development priority presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

The other information I obtained prior to the date of this auditor's report is the director's report, and the audit committee's report and the company secretary's certificate is expected to be made available to us after 30 November 2021.

If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

When I do receive and read the audit committee's report and the company secretary's certificate, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matter reported below is limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.

The process followed by management was inadequate to monitor compliance with laws and regulations affecting the entity.

Pietermaritzburg

30 November 2021



Auditing to build public confidence

Annexure – Auditor-general’s responsibility for the audit

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 the selected development priority and on the entity’s compliance with respect to the selected subject matters.

Financial statements

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

identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control.

evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors, which constitutes the accounting authority.

conclude on the appropriateness of the accounting authority’s 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 Ugu South Coast Tourism (Pty) Ltd’s ability 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 the opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause an entity to cease continuing as a going concern.

evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

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

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

9. ANNUAL FINANCIAL STATEMENTS 30.06.2021

See the page numbers as referenced in the Annual Financial Statement page numbers:

- Annual Financial Statements: Page 1 –
- Annexures

Ugu-South Coast Tourism (Pty) Ltd

(Registration number 2009/003419/07)

Annual Financial Statements for the year ended 30 June 2021

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Abbreviations

COID	Compensation for Occupational Injuries and Diseases
GRAP	Generally Recognised Accounting Practice
GAMAP	Generally Accepted Municipal Accounting Practice
IAS	International Accounting Standards
ME's	Municipal Entities
MFMA	Municipal Finance Management Act No. 56 of 2003

Ugu-South Coast Tourism (Pty) Ltd

(Registration number 2009/003419/07)

Annual Financial Statements for the year ended 30 June 2021

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Tourism
Accounting Officer/ CEO	P. Mangcu
Directors	E.J Crutchfield P.T Jefferys Z.P Ngubane W.V Mzulwini C.J Davenhill H.R Kelly S.M Mbili T.P Cele M.B.W Xolo V.P Tsako W.T Gumede
Business address	16 Bisset Street Port Shepstone 4240
Postal address	P.O Box 570 Port Shepstone 4240
Bankers	ABSA
Auditors	Auditor General South Africa
Secretary	D. Ludick
Company registration number	2009/003419/07
Website	www.tourismsouthcoast.co.za

Ugu-South Coast Tourism (Pty) Ltd

(Registration number 2009/003419/07)

Annual Financial Statements for the year ended 30 June 2021

Directors' Responsibilities and Approval

The directors are required by the MFMA, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the directors to ensure that the annual 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 annual financial statements and was given unrestricted access to all financial records and related data.

Consideration is also given to the provisions of the Companies Act (Act 71 of 2008) to ensure that such provisions are not contravened.

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

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

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the entity and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the entity and all employees are required to maintain the highest ethical standards in ensuring 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 directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The directors have reviewed the entity's cash flow forecast for the year to 30 June 2021 and, in the light of this review and the current financial position, they are concerned that the inconsistent transfer of allocations by the parent in the 2020/21 financial period, and the allocations that remain not transferred at year end.

The entity is largely dependent on the Ugu District Municipality for continued funding of operations. Whilst the Ugu District Municipality is currently considering the amalgamation of its two entities, Ugu South Coast Tourism and Ugu South Coast Development Agency, the annual financial statements are prepared on the basis that the entity is a going concern as it is not the intention of the Ugu District Municipality to curtail the scale of the entities operations.

Although the board are primarily responsible for the financial affairs of the entity, they are supported by the entity's management.

The external auditors are responsible for auditing and reporting on the entity's annual financial statements. The annual financial statements have been examined by the entity's external auditors and their report is presented on page 4.

The annual financial statements set out on page 5 - 45, which have been prepared on the going concern basis, were approved by the board on 31 August 2021 and were signed on its behalf by:



**Director
Chairperson**

Ugu-South Coast Tourism (Pty) Ltd

(Registration number 2009/003419/07)

Annual Financial Statements for the year ended 30 June 2021

Audit Committee Report

We are pleased to present our report for the financial year ended 30 June 2021.

Audit Committee members and attendance

The Audit Committee consists of the members listed hereunder and should meet 4 times per annum as per its approved terms of reference. During the current year 4 meetings were held.

Name of member	Number of meetings attended
Bongeka Jojo (Chairperson)	4
Chantel Elliott (retired/end of contract 31 December 2020)	2
Ashley Gonzalves (appointed 01 March 2021)	2
Zwile Zulu	4
Leah Khumalo	4

Audit Committee responsibility

The Audit Committee reports that it has complied with its responsibilities arising from section 166(2)(a) of the MFMA.

The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The effectiveness of internal control

The system of internal controls applied by the entity over financial and risk management is effective, efficient and transparent. In line with the MFMA, Internal Audit provides the Audit Committee and management with assurance that the internal controls are 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. From the various reports of the Internal Auditors, the Audit Report on the annual financial statements, and the management report of the Auditor-General (South Africa), no matters were reported that indicate any material deficiencies in the system of internal control. Accordingly, we can report that the system of internal control over financial reporting for the period under review was efficient and effective.

Internal audit

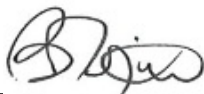
The Audit Committee is satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the entity and its audits.

Evaluation of annual financial statements

The Audit Committee has:

- reviewed and discussed the audited annual financial statements to be included in the annual report, with the Auditor-General
- reviewed the Auditor-General of South Africa's management report and management's response thereto;
- reviewed the entities compliance with legal and regulatory provisions;
- reviewed significant adjustments resulting from the audit.

The Audit Committee concurs with and accepts the Auditor-General of South Africa's report the annual financial statements, and is of the opinion that the audited annual financial statements should be accepted and read together with the report of the Auditor-General of South Africa.



Chairperson of the Audit Committee

Date: 30 August 2021

Ugu-South Coast Tourism (Pty) Ltd

(Registration number 2009/003419/07)

Annual Financial Statements for the year ended 30 June 2021

Directors' Report

The directors submit their report for the year ended 30 June 2021.

1. Incorporation

The entity was incorporated on 20 February 2009 and obtained its certificate to commence business on the same day.

2. Review of activities

Main business and operations

Ugu-South Coast Tourism (Pty) Ltd was registered in terms of Section 86C of the Local Government: Municipal Systems Act 32 of 2000. The entity started operations on 1 July 2009 when it took over all assets, liabilities and all responsibilities and functions of Hibiscus Coast Tourism Association.

The operating results and state of affairs of the entity are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

3. Going concern

The entity is technically solvent as its total assets exceed its total liabilities and cash and cash equivalents exceed current liabilities.

The entity is however highly dependent on the district and local Municipalities for grant funding and therefore its ability to operate and meet its financial obligation timeously depends on the timely receipt of these grants.

Whilst the Ugu District Municipality is currently considering the amalgamation of its two entities, Ugu South Coast Tourism and Ugu South Coast Development Agency, the annual financial statements are prepared on the basis that the entity is a going concern as it is not the intention of the Ugu District Municipality to curtail the scale of the entities operations.

4. Subsequent events

There were no subsequent events that the board of the directors are aware of in the year under review.

5. Share capital / contributed capital

There were no changes in the authorised or issued share capital of the entity during the year under review.

6. Board

The directors of the entity during the year and to the date of this report are as follows:

Name	Changes
E.J Crutchfield	
P.T Jefferys	
Z.P Ngubane	
W.V Mzulwini	
C.J Davenhill	
H.R Kelly	
S.M Mbili	
T.P Cele	
M.B.W Xolo	
V.P Tsako	Removed - 23 April 2021
W.T Gumede	

Ugu-South Coast Tourism (Pty) Ltd

(Registration number 2009/003419/07)

Annual Financial Statements for the year ended 30 June 2021

Directors' Report

Name	Board & AGM	Audit Committee meetings	PMS Reviews	Strategic Planning Workshop	Total
Elizabeth Joy Crutchfield	12	4	2	1	19
Howard Russell Kelly	8	-	-	-	8
Paul Timothy Jeffreys	10	-	-	1	11
Zama Patrick Ngubane	8	-	-	-	8
Wutu Victor Mzulwini	9	-	-	1	10
Colin John Davenport	8	-	2	-	10
Mxolisi Buhlebezwe Wilson Xolo	2	-	-	-	2
Maxwell Sihle Mbili	2	-	-	-	2
Vuyiwe Princess Tsako	-	-	-	-	-
West Thamsanqa Gumede	4	-	-	-	4
Thembinkosi Patrick Cele	5	-	-	-	5

7. Corporate governance

General

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

The salient features of the entity's adoption of the KING IV is outlined below:

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:
 - non-executive directors, all of whom are independent directors as defined in the Code; and
 - executive directors.

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.

Directors meetings

The board have met on 10 separate occasions during the financial year.

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

8. Controlling entity

The entity's controlling entity is Ugu District Municipality, which owns all the issued share capital.

9. Auditors

Auditor General of South Africa will continue in office for the next financial period.

Ugu-South Coast Tourism (Pty) Ltd

(Registration number 2009/003419/07)

Annual Financial Statements for the year ended 30 June 2021

Chief Executive Officer's Certification

I am responsible for the preparation of these annual financial statements in terms of Section 124(1) of the MFMA, and which I have signed on behalf of the municipal entity.

I certify that the salaries, allowances and benefits of the board as disclosed in note 22 of these annual financial statements are within the upper limits of the framework envisaged in section 219 of the Constitution, read with the Remuneration of Public Office Bearers Act, 1998 (Act No. 20 of 1998) and the Minister of Provincial and Local Government's determination in accordance with this Act.



Chief Executive Officer

Ugu-South Coast Tourism (Pty) Ltd

(Registration number 2009/003419/07)

Annual Financial Statements for the year ended 30 June 2021

Statement of Financial Position as at 30 June 2021

Figures in Rand	Note(s)	2021	2020 Restated*
Assets			
Non-Current Assets			
Property, plant and equipment	2	458 144	605 543
Intangible assets	3	30 423	37 034
		488 567	642 577
Current Assets			
Other financial assets	4	4 700 904	4 578 184
Receivables from exchange transactions	5	71 288	93 454
Receivables from non-exchange transactions	6	16 022 140	14 343 249
VAT receivable	7	92 167	38 578
Cash and cash equivalents	8	9 397 717	4 321 929
		30 284 216	23 375 394
Total Assets		30 772 783	24 017 971
Liabilities			
Current Liabilities			
Operating lease liability	9	1 708	16 763
Payables from exchange transactions	10	45 852	153 423
Provisions	11	526 705	723 647
		574 265	893 833
Net Assets		30 198 518	23 124 138
Share capital / contributed capital	12	100	100
Accumulated surplus		30 198 418	23 124 038
Total Net Assets		30 198 518	23 124 138

* See Note 41

Ugu-South Coast Tourism (Pty) Ltd

(Registration number 2009/003419/07)

Annual Financial Statements for the year ended 30 June 2021

Statement of Financial Performance

Figures in Rand	Note(s)	2021	2020 Restated*
Revenue			
Revenue from exchange transactions			
Commission and sales	13	12 312	129 257
Membership fees		134 789	193 117
Events revenue	14	-	63 043
Other income	15	5 372	20 512
Interest received	16	272 197	331 303
Total revenue from exchange transactions		424 670	737 232
Revenue from non-exchange transactions			
Transfer revenue			
Municipal grants & subsidies	17	17 539 235	17 453 038
Total revenue	18	17 963 905	18 190 270
Expenditure			
Developmental costs	19	(318 498)	(597 498)
Depreciation and amortisation	20	(122 839)	(186 029)
Directors remuneration	21	(492 998)	(490 113)
Employee related costs	22	(5 328 555)	(6 797 917)
Lease rentals on operating lease	23	(627 746)	(708 218)
Loss on disposal of assets and liabilities	3&2	(60 638)	(43 433)
Operational costs	24	(1 098 388)	(1 337 633)
Marketing costs	25	(2 839 864)	(2 387 088)
Total expenditure		(10 889 526)	(12 547 929)
Surplus for the year		7 074 379	5 642 341

* See Note 41

Ugu-South Coast Tourism (Pty) Ltd

(Registration number 2009/003419/07)

Annual Financial Statements for the year ended 30 June 2021

Statement of Changes in Net Assets

Figures in Rand	Share capital / contributed capital	Accumulated surplus	Total net assets
Balance at 01 July 2019	100	17 481 697	17 481 797
Changes in net assets	-	5 642 341	5 642 341
Surplus for the year	-	5 642 341	5 642 341
Total changes	-	5 642 341	5 642 341
Restated* Balance at 01 July 2020	100	23 124 039	23 124 139
Changes in net assets	-	7 074 379	7 074 379
Surplus for the year	-	7 074 379	7 074 379
Total changes	-	7 074 379	7 074 379
Balance at 30 June 2021	100	30 198 418	30 198 518
Note(s)	12&41		

* See Note 41

Ugu-South Coast Tourism (Pty) Ltd

(Registration number 2009/003419/07)

Annual Financial Statements for the year ended 30 June 2021

Cash Flow Statement

Figures in Rand	Note(s)	2021	2020 Restated*
Cash flows from operating activities			
Receipts			
Events revenue		-	63 043
Commission and sales		12 312	129 257
Grants		15 860 344	10 989 812
Interest income		149 477	145 300
Insurance refund		5 372	6 130
Membership fees received		90 660	135 944
		<u>16 118 165</u>	<u>11 469 486</u>
Payments			
Employee costs		(5 750 543)	(7 150 811)
Suppliers		(5 262 365)	(4 437 187)
		<u>(11 012 908)</u>	<u>(11 587 998)</u>
Net cash flows from operating activities	29	<u>5 105 257</u>	<u>(118 512)</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(26 599)	(33 924)
Purchase of other intangible assets	3	(2 870)	(12 522)
Net cash flows from investing activities		<u>(29 469)</u>	<u>(46 446)</u>
Net increase/(decrease) in cash and cash equivalents		<u>5 075 788</u>	<u>(164 958)</u>
Cash and cash equivalents at the beginning of the year		4 321 929	4 486 887
Cash and cash equivalents at the end of the year	8	<u>9 397 717</u>	<u>4 321 929</u>

* See Note 41

Ugu-South Coast Tourism (Pty) Ltd

(Registration number 2009/003419/07)

Annual Financial Statements for the year ended 30 June 2021

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

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

Statement of Financial Performance

Revenue

Revenue from exchange transactions

Commission and sales	109 524	(95 564)	13 960	12 312	(1 648)	38.1
Membership fees raised	200 000	(68 500)	131 500	134 789	3 289	
Insurance refund	-	-	-	5 372	5 372	
Interest received	298 452	(184 046)	114 406	272 197	157 791	38.3
Project income	39 289	(39 289)	-	-	-	
Total revenue from exchange transactions	647 265	(387 399)	259 866	424 670	164 804	

Revenue from non-exchange transactions

Transfer revenue

Municipal grants and subsidies	17 958 575	(1 657 195)	16 301 380	17 539 235	1 237 855	
Total revenue	18 605 840	(2 044 594)	16 561 246	17 963 905	1 402 659	

Expenditure

Employee related costs	(7 411 949)	1 558 270	(5 853 679)	(5 328 555)	525 124	38.4
Depreciation and amortisation	(260 119)	44 684	(215 435)	(122 839)	92 596	38.5
Lease rentals on operating lease	(743 869)	107 584	(636 285)	(627 746)	8 539	
Directors remuneration	(556 749)	(26 923)	(583 672)	(492 998)	90 674	38.6
Developmental costs	(3 065 381)	1 636 281	(1 429 100)	(318 498)	1 110 602	38.7
Marketing costs	(4 362 509)	(1 588 708)	(5 951 217)	(2 839 864)	3 111 353	38.8
Operational costs	(1 973 599)	176 739	(1 796 860)	(1 098 388)	698 472	38.9

Total expenditure	(18 374 175)	1 907 927	(16 466 248)	(10 828 888)	5 637 360	
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Operating surplus	231 665	(136 667)	94 998	7 135 017	7 040 019	
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Loss on disposal of assets and liabilities	-	-	-	(60 638)	(60 638)	
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Surplus before taxation	231 665	(136 667)	94 998	7 074 379	6 979 381	
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Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	231 665	(136 667)	94 998	7 074 379	6 979 381	
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Ugu-South Coast Tourism (Pty) Ltd

(Registration number 2009/003419/07)

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

Figures in Rand	Note(s)	2021	2020
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1. Presentation of Annual Financial Statements

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 122(3) of the MFMA.

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.

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

GRAP 1	Presentation of Financial Statements
GRAP 2	Cash Flow Statements
GRAP 3	Accounting Policies, Changes in Accounting Estimates and Errors
GRAP 5	Borrowing Costs
GRAP 9	Revenue from Exchange Transactions
GRAP 13	Leases
GRAP 14	Events After the Reporting Date
GRAP 16	Investment Property
GRAP 17	Property, Plant and Equipment
GRAP 18	Segment Reporting
GRAP 19	Provisions, Contingent Liabilities and Contingent Assets
GRAP 20	Related Party Disclosures
GRAP 21	Impairment of Non cash-generating Assets
GRAP 23	Revenue from Non-exchange Transactions
GRAP 24	Presentation of Budget Information in Financial Statements
GRAP 25	Employee Benefits
GRAP 102	Intangible Assets
GRAP 104	Financial Instruments
GRAP 20	Related Party Disclosures
GRAP 32	Service Concession Arrangements: Grantor
GRAP 108	Statutory Receivables
GRAP 109	Accounting by Principals and Agents

These accounting policies are consistent with the previous period.

1.1 Presentation currency

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

1.2 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.

1.3 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:

Other significant judgements, sources of estimation uncertainty and/or relating information, have been disclosed in the relating notes.

Ugu-South Coast Tourism (Pty) Ltd

(Registration number 2009/003419/07)

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty (continued)

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

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

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

Impairment testing

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 11 - Provisions.

Useful lives of Property, plant and equipment

The entity's management determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on industry norm. Management will increase or decrease the depreciation charge where useful lives are less than previously estimated useful lives.

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.

1.4 Property, plant and equipment

Property, plant and equipment are tangible non-current 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.

Ugu-South Coast Tourism (Pty) Ltd

(Registration number 2009/003419/07)

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.4 Property, plant and equipment (continued)

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

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

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.

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

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

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

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

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight-line	5 - 15 years
Motor vehicles	Straight-line	5 - 8 years
Computer equipment	Straight-line	3 - 12 years
Containers	Straight-line	15 years
Signage	Straight-line	15 years

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.

1.5 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 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.

Ugu-South Coast Tourism (Pty) Ltd

(Registration number 2009/003419/07)

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.5 Intangible assets (continued)

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.

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:

Item	Depreciation method	Average useful life
Computer software	Straight-line	3 - 10 years

1.6 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 received 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.

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1.6 Financial instruments (continued)

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 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 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.

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1.6 Financial instruments (continued)

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 unissued 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;
- contingent consideration of an acquirer in a transfer of functions between entities not under common control to which the Standard of GRAP on Transfer of Functions Between Entities Not Under Common Control (GRAP 106) applies
- 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.

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.

Initial measurement of financial assets and financial liabilities

The entity measures a financial asset and financial liability initially at its cost 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 at cost less impairment:

Impairment and collectibility of financial asset

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.

Derecognition

Financial assets

The entity derecognises financial assets using trade date accounting.

The entity derecognises a financial asset only when:

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1.6 Financial instruments (continued)

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

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

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

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

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

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

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

1.7 Tax

Value Added Tax

The Municipal entity accounts for value added tax on an accrual basis but claimed / paid over to SARS on an invoice basis in accordance with Section 15 (2) of the Value Added Tax (Act No. 89 of 1991).

1.8 Leases

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

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

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1.8 Leases (continued)

Operating leases - lessee

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

1.9 Share capital / contributed capital

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

1.10 Employee benefits

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

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in the Standard of GRAP on Related Party Disclosures) of the reporting entity, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting entity's own creditors (even in liquidation) and cannot be paid to the reporting entity, unless either:

- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- the proceeds are returned to the reporting entity to reimburse it for employee benefits already paid.

Termination benefits are employee benefits payable as a result of either:

- an entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

Composite social security programmes are established by legislation and operate as multi-employer plans to provide post-employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

A constructive obligation is an obligation that derives from an entity's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

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1.10 Employee benefits (continued)

Short-term employee benefits

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

Short-term employee benefits include items such as:

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

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

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

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

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

1.11 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.

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1.11 Provisions and contingencies (continued)

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

Provisions are not recognised for future operating surplus (deficit).

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 an 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

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

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

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

Contingent assets and contingent liabilities are not recognised.

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.

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

The entity recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Where a fee is received by the entity for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date. Where a fee is charged and the entity considers that an outflow of economic resources is probable, an entity recognises the obligation at the higher of:

- the amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and
- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

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1.12 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.

1.13 Revenue from exchange transactions

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

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

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

Measurement

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

The amount of revenue arising on a transaction which is statutory (non-contractual) in nature is usually measured by reference to the relevant legislation, regulation or similar means. The fee structure, tariffs or calculation basis specified in legislation, regulation or similar means is used to determine the amount of revenue that should be recognised. This amount represents the fair value, on initial measurement, of the consideration received or receivable for revenue that arises from a statutory (non-contractual) arrangement (see the accounting policy on Statutory Receivables).

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the entity has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- 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; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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1.13 Revenue from exchange transactions (continued)

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.

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 using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

1.14 Revenue from non-exchange transactions

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

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 arises 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.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

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1.14 Revenue from non-exchange transactions (continued)

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting entity.

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.

Recognition

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

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

Measurement

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

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

Receivables that arise from statutory (non-contractual) arrangements are initially measured in accordance with this accounting policy, as well as the accounting policy on Statutory Receivables. The entity applies the accounting policy on Statutory Receivables for the subsequent measurement, derecognition, presentation and disclosure of statutory receivables.

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

1.15 Borrowing costs

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

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

1.16 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

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

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1.17 Fruitless and wasteful expenditure

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

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

1.18 Irregular expenditure

Irregular expenditure, in relation to a municipality or municipal entity, means -

- (a) Irregular expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of this Act, and which has not been condoned in terms of section 170; or
- (b) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the Municipal Systems Act, and which has not been condoned in terms of that Act; or
- (c) expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Public Office-Bearers Act, 1998 (Act No. 20 of 1998); or
- (d) in accordance with, a requirement of the supply chain management policy of the municipality or entity or any of the municipality's by-laws giving effect to such policy, and which has not been condoned in terms of such policy or by-law, but excludes expenditure by a municipality which falls within the definition of "unauthorised expenditure";

National Treasury practice note no. 4 of 2008/2009 which was issued in terms of sections 32(1) to 32(5) of the MFMA requires the following (effective from 1 April 2008):

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

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

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

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

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.19 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);

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1.19 Segment information (continued)

- 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.

Reportable segments are the actual segments which are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

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.

1.20 Budget information

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

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

The approved budget is prepared on a cash basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 01/07/2020 to 30/06/2021.

The annual 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.

1.21 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.

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Accounting Policies

1.21 Related parties (continued)

Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person 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 annual financial statements.

1.22 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.

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2021

2020

2. Property, plant and equipment

	2021			2020		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Furniture and fixtures	451 283	(299 744)	151 539	633 946	(390 935)	243 011
Motor vehicles	346 487	(303 419)	43 068	346 487	(281 885)	64 602
IT equipment	200 745	(106 232)	94 513	215 886	(106 249)	109 637
Containers	121 659	(64 530)	57 129	121 659	(56 417)	65 242
Signage	167 188	(55 293)	111 895	167 188	(44 137)	123 051
Total	1 287 362	(829 218)	458 144	1 485 166	(879 623)	605 543

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	243 011	3 034	(54 581)	(39 925)	151 539
Motor vehicles	64 602	-	-	(21 534)	43 068
IT equipment	109 637	23 565	(4 883)	(33 806)	94 513
Containers	65 242	-	-	(8 113)	57 129
Signage	123 051	-	-	(11 156)	111 895
	605 543	26 599	(59 464)	(114 534)	458 144

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2. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	318 742	13 783	(36 184)	(53 330)	243 011
Motor vehicles	133 899	-	-	(69 297)	64 602
IT equipment	131 145	20 141	(6 495)	(35 154)	109 637
Containers	73 352	-	-	(8 110)	65 242
Signage	134 196	-	-	(11 145)	123 051
	791 334	33 924	(42 679)	(177 036)	605 543

Expenditure incurred to repair and maintain property, plant and equipment

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

IT Equipment	16 290	30 150
Furniture and fittings	1 170	4 131
Motor vehicles	6 035	2 356
	23 495	36 637

A register containing the information required by section 63 of the MFMA is available for inspection at the registered office of the entity.

Change in useful life

The useful life of Motor Vehicles was initially estimated at 5 year. In the current period management has revised their estimated to 8 years. The effect of this revision has decreased the depreciation for the current and future periods by R43 068. See **Note 40**

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3. Intangible assets

	2021			2020		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	57 237	(26 814)	30 423	66 778	(29 744)	37 034

Reconciliation of intangible assets - 2021

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software	37 034	2 870	(1 174)	(8 307)	30 423

Reconciliation of intangible assets - 2020

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software	34 258	12 522	(754)	(8 992)	37 034

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4. Other financial assets

At amortised cost

Ugu South Coast Development Agency	4 700 904	4 578 184
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The loan is unsecured, payable within the next 12 months and attracts interest at bank call rates.

Current assets

At amortised cost	4 700 904	4 578 184
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5. Receivables from exchange transactions

Other debtors	-	19 920
Deposits	44 787	43 982
Accrued income	4 752	3 518
Prepaid expenses	21 749	26 034
	71 288	93 454

Age analysis

0-30 days	71 288	86 066
91-120 days	-	7 388
	71 288	93 454

Other non-financial asset receivables included in receivables from exchange transactions above are as follows:

Other debtors	-	19 920
Prepaid expenses	21 749	26 034
Accrued income - Bank	4 752	3 518
Rental deposit and other	44 787	43 982
	71 288	93 454

Financial asset receivables included in receivables from exchange transactions above	(71 288)	(93 454)
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Total receivables from exchange transactions	71 288	93 454
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The directors are of the opinion that the carrying value of debtors approximate their fair values.

The fair value of debtors was determined after considering the standard terms and conditions of agreements entered into between the municipal entity and municipalities as well as other debtors. The current payment ratios of other debtors were also taken into account for fair value determination.

6. Receivables from non-exchange transactions

Municipal grants and subsidies	16 022 140	14 343 249
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Statutory receivables included in receivables from non-exchange transactions above are as follows:

Ugu District Municipality	14 573 249	14 343 249
Umdoni Municipality	1 448 891	-
	16 022 140	14 343 249

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6. Receivables from non-exchange transactions (continued)

Age analysis

31-60 days	500 000	-
61-90 days	3 893 312	3 835 812
91-120 days	948 890	3 835 812
120 + days	10 679 938	6 671 625
	16 022 140	14 343 249
	-	-

Total receivables from non-exchange transactions	16 022 140	14 343 249
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The average credit period for grants and subsidies is dependent on the municipality involved and the nature of the claim. No interest is charged on outstanding government grants and subsidies. The subsidies is payable to the entity based on agreements between the municipal entity and the relevant municipalities.

7. VAT receivable

VAT	92 167	38 578
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All VAT returns were submitted to SARS in terms of section 28(1)(a) of the VAT Act, No. 89 of 1991.

8. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	4 552	10 127
Bank balances	9 393 165	4 311 802
	9 397 717	4 321 929

Interest is earned at different rates per annum on favourable balances.

The directors are of the opinion that the carrying value of Cash and cash equivalents in the financial statements approximate their fair values.

The fair value of Cash and cash equivalents was determined after considering the standard terms and conditions of agreements entered into between the entity and financial institutions.

The entity had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2021	30 June 2020	30 June 2019	30 June 2021	30 June 2020	30 June 2019
ABSA Bank - Main Current Account - 4074036586	969 727	497 762	294 639	969 727	498 887	301 776
ABSA Bank - Call Account - 9232869178	8 423 438	3 754 787	4 048 782	8 423 438	3 754 787	4 048 782
ABSA Bank - SCBF Current account - 4090521454	-	6 073	79 927	-	6 073	79 927
ABSA Bank - Fixed Deposit - 2069678591	-	52 055	47 261	-	52 055	47 261
Total	9 393 165	4 310 677	4 470 609	9 393 165	4 311 802	4 477 746

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9. Operating lease liability

Balance at the beginning	16 764	11 934
Operating lease expenses recorded	(539 654)	(644 131)
Operating lease payments - straightlined	537 045	648 961
Operating lease terminated	(12 446)	-
	1 709	16 764

Operating leases are recognised on the straightline basis as per the requirements of GRAP 13. In respect of non-cancellable operating leases the above liabilities have been recognised.

This committed expenditure relates to the lease of equipment and will be financed by available facilities and retained surpluses.

10. Payables from exchange transactions

Trade payables	40 440	141 205
Accrued expense	5 412	12 218
	45 852	153 423

Age analysis

0-30 days	45 852	153 424
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11. Provisions

Reconciliation of provisions - 2021

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Provision for performance bonuses	291 050	205 325	(131 171)	(159 879)	205 325
Provision for leave pay	432 597	309 743	(420 960)	-	321 380
	723 647	515 068	(552 131)	(159 879)	526 705

Reconciliation of provisions - 2020

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Provision for performance bonuses	346 846	291 050	(234 820)	(112 026)	291 050
Provision for leave pay	295 377	409 302	(272 082)	-	432 597
	642 223	700 352	(506 902)	(112 026)	723 647

12. Share capital / contributed capital

Authorised

100 Ordinary shares of R1 each	100	100
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Issued

Ordinary	100	100
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Figures in Rand	2021	2020
13. Commission and sales		
Commission	12 312	92 136
Sales and office projects	-	37 121
	12 312	129 257
14. Events revenue		
KwaNzimakwe Multi Trails launch	-	52 174
Standard bank sponsorship	-	10 869
	-	63 043
15. Other income		
Insurance refund	5 372	6 130
Discount received	-	14 382
	5 372	20 512
The insurance pertains to a laptop that was stolen at the entity's premises (2020) and a reduction in the annual insurance premium due to the closure of the Visitor Information Centres brought about this refund.		
16. Interest received		
Interest revenue		
Absa Bank - 4074036586	27 424	45 688
Absa Bank - 9232869178	119 812	92 162
Absa Bank - 4090521454	78	2 981
Absa Bank - 2069678591	1 358	2 881
Ugu South Coast Development Agency - Loan	122 720	186 003
Other	805	1 587
	272 197	331 302
17. Revenue from non exchange transactions		
Operating grants		
Ugu District Municipality	13 541 956	13 341 956
Ray Nkonyeni Municipality	1 803 822	2 005 700
Umdoni Municipality	1 259 905	1 209 315
Umzumbe Municipality	521 581	500 638
Umuziwabantu Municipality	411 971	395 429
	17 539 235	17 453 038
18. Revenue		
Commission and sales	12 312	129 257
Membership fees	134 789	193 117
Events income	-	63 043
Other income	5 372	20 512
Interest received	272 197	331 303
Municipal grants and subsidies	17 539 235	17 453 038
	17 963 905	18 190 270

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18. Revenue (continued)

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

Commission and sales	12 312	129 257
Membership fees	134 789	193 117
Events income	-	63 043
Other income	5 372	20 512
Interest received	272 197	331 303
	424 670	737 232

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

Transfer revenue

Municipal grants and subsidies	17 539 235	17 453 038
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19. Developmental costs

Special projects

Umzumbe projects	-	63 350
KwaXolo cave route	17 830	-
KwaNzimakwe multi trails	4 657	153 026
Area committee projects	-	4 416
Nyandazulu precinct plan	29 755	-
Ntelezi Msani program	98 175	-

Events

Maidens ceremony	-	50 000
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Training

Tourism interns & graduate program	163 440	315 485
SMME training and development	4 641	11 221
	318 498	597 498

20. Depreciation and amortisation

Property, plant and equipment	114 532	177 037
Intangible assets	8 307	8 992
	122 839	186 029

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21. Directors' emoluments

2021

	Board	PMS / HRM	Audit Committee	Strategy	Meeting prep fees	Annual salary	AGM	Total
C.J Davenhill	18 333	5 238	-	-	6 867	33 004	-	63 442
E.J Crutchfield	38 853	12 951	17 268	4 317	24 300	54 394	4 317	156 400
H.R Kelly	26 446	3 778	-	-	9 912	47 609	-	87 745
P.T Jefferys	15 714	2 619	-	2 619	7 847	33 004	-	61 803
Z.P Ngubane	18 333	-	-	-	6 867	33 004	-	58 204
W.V Mzulwini	20 952	-	-	2 619	8 829	33 004	-	65 404
	138 631	24 586	17 268	9 555	64 622	234 019	4 317	492 998

2020

	Board & AGM	PMS / HRM	Audit Committee	Strategy	Other Committee	Meeting prep fees	Annual salary	Total
C.J Davenhill	19 622	5 238	-	2 619	-	7 452	31 328	66 259
E.J Crutchfield	36 225	8 634	16 392	8 196	3 879	20 390	51 632	145 348
H.R Kelly	29 157	-	-	3 778	-	12 168	45 192	90 295
	-	-	-	-	-	-	14 827	14 827
P.T Jefferys	17 269	-	-	2 619	-	7 452	31 328	58 668
W.V Mzulwini	19 356	-	-	2 619	2 353	5 490	31 328	61 146
Z.P Ngubane	14 916	-	-	2 619	-	4 707	31 328	53 570
	136 545	13 872	16 392	22 450	6 232	57 659	236 963	490 113

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22. Employee related costs		
Basic	4 496 282	5 546 190
Bonus	207 936	392 117
Medical aid - company contributions	165 073	276 258
UIF	19 555	29 434
SDL	40 943	52 777
Leave pay provision charge	11 010	137 219
Retirement annuity	108 877	152 020
Cell phone and data allowance	84 109	100 136
Overtime payments	-	101 767
Housing benefits and allowances	8 411	9 999
Severance package	186 359	-
	5 328 555	6 797 917
Chief Executive Officer (Outgoing)		
Performance Bonus	-	7 256
Contributions to UIF and SDL	-	73
	-	7 329
Chief Executive Officer		
Annual Remuneration	1 255 680	1 255 680
Performance Bonus	75 341	131 077
Contributions to UIF and SDL	12 290	14 764
Cell phone allowance	22 075	22 075
	1 365 386	1 423 596
GM: Finance & HR		
Annual Remuneration	797 571	797 571
Performance Bonus	55 830	96 487
Contributions to UIF and SDL	8 833	10 504
Cell phone allowance	22 075	22 075
	884 309	926 637
GM: Development		
Annual Remuneration	428 626	734 787
Contributions to UIF and SDL	4 746	9 036
Cell phone allowance	6 960	16 703
Leave encashed	68 381	-
	508 713	760 526

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22. Employee related costs (continued)		
GM: Marketing (Resigned - 31 August 2019)		
Annual Remuneration	-	122 465
Unpaid leave	-	(16 954)
Performance Bonus	-	3 299
Contributions to UIF and SDL	-	1 320
Cell phone allowance	-	2 784
	-	112 914
23. Lease rentals on operating lease		
Premises		
Offices rental	604 145	684 278
Equipment		
Furniture and office equipment rental	23 601	23 940
	627 746	708 218
24. Operational costs		
Advertising	24 859	-
Auditors remuneration	306 029	280 000
Bank charges	30 543	68 470
Cancelled membership fees and bad debts	44 129	59 572
Conferences attended	26 044	19 167
Consulting and legal fees	106 867	117 884
Electricity and water	80 038	74 266
Insurance	61 384	81 167
Motor vehicle expenses	23 391	20 466
Audit committee fees	96 352	96 353
Postage	-	2 115
Printing and stationery	44 973	65 545
Repairs and maintenance	38 078	70 805
Security	33 944	47 080
Staff refreshments and cleaning	25 320	55 159
Subscriptions	841	13 624
Telephone and fax	140 626	190 434
Training	-	16 024
Travel reimbursement	14 970	59 502
	1 098 388	1 337 633
25. Marketing costs		
Advertising and public relations	2 552 266	1 639 787
Annual event support	-	89 374
Beach events	10 000	236 200
Media educationals	39 321	43 873
Membership expense	14 675	22 806
Promotional items	66 207	43 730
Shows and exhibitions and virtual marketing sessions	85 556	149 411
Local film office support	-	91 335
Research and brand tracking	71 839	70 572
	2 839 864	2 387 088

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26. Auditors' remuneration		
Fees	306 029	280 000
27. Taxation		
No provision for taxation has been made as the company has no taxable income. The grants received from the municipalities are exempt from taxation in terms of Section 10(1) (a) of the South African Income Tax Act.		
28. Operating surplus		
Operating surplus for the year is stated after accounting for the following:		
Operating lease charges		
Premises		
• Contractual amounts	604 145	684 278
Equipment		
• Contractual amounts	23 601	23 940
	627 746	708 218
Loss on scrapping of property, plant and equipment	60 638	43 433
Amortisation on intangible assets	8 307	8 992
Depreciation on property, plant and equipment	114 532	177 037
Employee costs	5 328 555	6 797 917
29. Cash generated from (used in) operations		
Surplus	7 074 379	5 642 341
Adjustments for:		
Depreciation and amortisation	122 839	186 029
Loss on scrapping of assets	60 638	43 433
Interest income	(122 720)	(186 003)
Movements in operating lease assets and accruals	(15 055)	4 829
Movements in provisions	(196 942)	81 424
Changes in working capital:		
Receivables from exchange transactions	22 166	881 967
Receivables from non-exchange transactions	(1 678 893)	(6 463 224)
Payables from exchange transactions	(107 566)	(301 567)
VAT	(53 589)	(7 741)
	5 105 257	(118 512)

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30. Related parties

Relationships	
Directors	Refer to directors' report note
Common control	Ugu South Coast Development Agency
Shareholder	Ugu District Municipality
Sponsoring Municipalities	Ray Nkonyeni Municipality
	Umdoni Municipality
	Umzumbe Municipality
	Umuziwabantu Municipality

Related party balances

Loan accounts - Owing (to) by related parties

Ugu South Coast Development Agency	4 700 904	4 578 184
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Amounts included in Trade receivable (Trade Payable) regarding related parties

Ugu District Municipality	14 573 249	14 343 249
Umdoni Municipality	1 448 890	-

Related party transactions

Interest paid to (received from) related parties

Ugu South Coast Development Agency	(122 720)	(186 003)
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Services in-kind paid by (received from) related parties

Ugu District Municipality	(100 395)	-
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Refer to note 21 & 22.

Compensation to directors and other key management

Short-term employee benefits	2 628 726	3 143 534
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31. Risk management

Financial risk management

Due to the largely non-trading nature of activities and the way in which they are financed, the municipal entity is not exposed to the degree of financial risk faced by other business entities. Financial instruments play a much more limited role in creating or changing risks that would be typical of listed companies to which the IASs mainly apply. Generally, financial assets and liabilities are generated by day-to-day operational activities and are not held to manage the risks facing the entity in undertaking its activities.

The chief executive officer monitors and manages the financial risks relating to the operations through internal policies and procedures. These risks include interest rate risk, credit risk and liquidity risk. Compliance with policies and procedures is reviewed by management on a continuous basis, and annually by external auditors. The entity does not enter into or trade financial instruments for speculative purposes.

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31. Risk management (continued)

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board, which has built an appropriate liquidity risk management framework for the management of the entity's short, medium and long-term funding and liquidity management requirements. The entity manages liquidity risk by maintaining adequate banking facilities and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Liquidity and interest risk tables

The entity ensures that it has sufficient cash on demand or access to facilities to meet expected operational expenses through the use of cash flow forecasts. There is no credit line overdraft facility available. Interest payable is linked to the prime interest rate.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the entity. The entity has a sound credit control and debt collection policy and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The entity uses other publicly available financial information and its own trading records to assess its major customers. The entity's exposure of its counterparties are monitored regularly.

Potential concentrations of credit rate risk consist mainly of variable rate cash deposits at banks, accounts receivables and other debtors.

The entity limits its counterparty exposures from its cash deposit operations (financial assets that are neither past due nor impaired) by only dealing with well-established financial institutions of high credit standing.

Trade debtors comprise of a large number of customers, dispersed across different industries and geographical areas within the jurisdiction of the entity. Debtors are presented net of a provision for impairment.

Other debtors are individually evaluated annually at reporting date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable. The entity does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The entity defines counterparties as having similar characteristics if they are related entities. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings.

Market risk

Interest rate risk

Interest rate risk is defined as the risk that the fair value or future cash flows associated with a financial instrument will fluctuate in amount as a result of market interest changes.

Potential concentrations of interest rate risk consist mainly of variable rate deposit investments, long-term receivables, consumer debtors, other debtors, bank and cash balances.

The entity limits its counterparty exposures from its bank and cash balances by only dealing with well-established financial institutions of high credit standing.

The entity has limited exposure to interest rate risk as the entity does not borrow funds.

Interest rate sensitivity analysis

The entity had no floating rate long-term financial instruments at year-end requiring an interest rate sensitivity analysis.

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32. Going concern

The entity is technically solvent as its total assets exceed its total liabilities and cash and cash equivalents exceed current liabilities.

The entity is however highly dependent on the district and local Municipalities for grant funding and therefore its ability to operate and meet its financial obligation timeously depends on the timely receipt of these grants.

Whilst the Ugu District Municipality is currently considering the amalgamation of its two entities, Ugu South Coast Tourism and Ugu South Coast Development Agency, the annual financial statements are prepared on the basis that the entity is a going concern as it is not the intention of the Ugu District Municipality to curtail the scale of the entities operations.

33. Fruitless and wasteful expenditure

Opening balance as restated	-	-
Add: Expenditure identified - current	-	2 145
Less: Amount written off - current	-	(2 145)
Closing balance	-	-

34. Irregular expenditure

Opening balance as previously reported	1 017 047	309 062
Opening balance as restated	1 017 047	309 062
Bid adjudication committee not composed in accordance with Regulation 29	2 469 897	1 017 047
Bid not evaluated in terms of SCM Regulation 28(1)a(i)	16 883	-
Three quotes not received	56 810	40 088
Less: Amount written off - current	(3 486 944)	(349 150)
Closing balance	73 693	1 017 047

Amounts written-off

After the Chief Executive Officer investigations, the board adopted the CEO recommendation to write-off an amount of R 3 486 944 from the total irregular expenditure amount as it was proven without reasonable doubt that the amount was not recoverable.

35. Additional disclosure in terms of Municipal Finance Management Act

Audit fees

Current year subscription / fee	306 029	280 000
Amount paid - current year	(306 029)	(280 000)
	-	-

PAYE, SDL and UIF

Current year subscription / fee	1 225 694	1 456 841
Amount paid - current year	(1 225 694)	(1 456 841)
	-	-

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35. Additional disclosure in terms of Municipal Finance Management Act (continued)

Pension and Medical Aid Deductions

Current year subscription / fee	486 977	428 278
Amount paid - current year	(486 977)	(428 278)
	-	-

VAT

VAT receivable	92 167	38 578
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All VAT returns have been submitted by the due date throughout the year.

36. Deviation from supply chain management regulations

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the board and includes a note to the annual financial statements.

Section 36 Deviations

Opening balance	-	537 171
Sole supplier impractical to get three quotes	573 304	207 880
Approved by CEO	(573 304)	(745 051)
	-	-

37. Commitments

Total commitments

Commitments for expenditure

All commitments	362 493	1 494 783
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Minimum lease payments due

- within one year	362 493	1 322 040
- in second to fifth year inclusive	-	172 743
	362 493	1 494 783

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37. Commitments (continued)

All commitments are disclosed including VAT.

Ehowzit CC

The entity entered into a 2 year service level agreement with EHowzit CC for the development and management of the new Destination and Corporate Websites and Mobile APP. This commitment concluded 30 June 2021. There is no remaining commitment (2020 - R114 540).

TMSA & OJC 052019

The entity entered into a 2 year service level agreement with TMSA & OJC 052019 for the supply of Public Relations and Advertising Agency services. The remaining financial commitment for the contract by Ugu-South Coast Tourism is approximately R104 892 (2020 - R905 292). The agreement concludes in August 2021.

In June 2020, the entity extended the scope of the contract to include a marketing function, due to the severe impact of Covid-19 pandemic, in the absence of a General Manager: Marketing department. The remaining financial commitment for this is R67 850 (2020 - R474 950).

Titanium Media SA

The entity entered into a 1 year service level agreement with Titanium Media SA for the hosting and maintenance of the Destination and Corporate Websires and Mobile App. Services will begin 1 July 2021 and concludes 30 June 2022. The financial commitment is approximately R189 750 (2020 - Nil).

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38. Budget differences

Material differences between budget and actual amounts

The excess of actual expenditure over or under the final budget of 10% explanatory notes are as follows:

38.1 Sales for bus tickets remained low and with the closure of VIC's following the Tourism Recovery Strategy.

38.2 A reduction in the annual insurance premium due to the closure of the VIC's brought about this refund.

38.3 The anticipated USCTA loan repayment did not materialize and interest was raised on the outstanding balance for the year.

38.4 Performance bonuses were not paid to all Section 57 staff. A reduction in the annual leave provision also reduced the overall annual expense.

38.5 Management extended the useful life of the company vehicles, which caused a reduction in the depreciation for the year. Due to the closure of the VIC's a number of the assets were donated to products during the course of the year.

38.6 Directors are remunerated according to National Treasury 2019 remuneration levels: Service Benefit Packages for Office bearers of certain statutory institutions, as per Director General approval 30 August 2019.

38.7 Due to the late receipt of grant funding from RNM LM and Ugu DM, and the non-payment from Umdoni LM, many of the Development programs had to be suspended. Further to this, some of the planned activities did not take place due to the limitations and uncertainties of Covid-19, on Tourism business operations.

38.8 Due to the late receipt of grant funding from RNM LM and Ugu DM, and the non-payment from Umdoni LM, many of the Marketing programs could not be activated. Further to this, some of the planned activities did not take place due to the restrictions of Covid-19 on gatherings and events.

38.9 Due to severe cash flow challenges a number of cost cutting measures were put in place, which were led by the Tourism Recovery Strategy. With the closure of the VIC's there was a substantial decrease in operational costs. Furthermore, USCT budgeted for legal expenses which to date have not materialised.

39. Financial instruments disclosure

Categories of financial instruments

2021

Financial assets

	At amortised cost	Total
Other financial assets	4 700 904	4 700 904
Receivables from exchange transactions	26 501	26 501
Receivables from non-exchange transactions	16 022 140	16 022 140
VAT Receivable	92 167	92 167
Cash and cash equivalents	9 442 504	9 442 504
	30 284 216	30 284 216

Financial liabilities

	At cost	Total
Payables from exchange transactions	45 852	45 852

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39. Financial instruments disclosure (continued)

2020

Financial assets

	At amortised cost	Total
Other financial assets	4 578 184	4 578 184
Receivables from exchange transactions	93 454	93 454
Receivables from non-exchange transactions	14 343 249	14 343 249
VAT Receivable	38 578	38 578
Cash and cash equivalents	4 321 929	4 321 929
	23 375 394	23 375 394

Financial liabilities

	At cost	Total
Payables from exchange transactions	153 423	153 423

Covid 19 impact on Financial instruments

In line with GRAP 104, the entity has assessed observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group, including:

- (i) adverse changes in the payment status of borrowers in characterised by increased number of delayed payments); and
- (ii) national economic conditions that correlate with defaults on the assets in the group due to a contracting economy and additional shocks from COVID-19. Lockdown measures have caused revenues and employment rates to fall precipitously.

The assessment for impairment was carried out as per GRAP 104.

40. Change in estimate

Property, plant and equipment

Motor vehicles

The useful life of Motor Vehicles was initially estimated at 5 year. In the current period management has revised their estimated to 8 years. The effect of this revision has decreased the depreciation for the current and future periods by R43 068.

41. Prior period errors

Statement of financial position

2020

	Note	As previously reported	Correction of error	Restated
Property, plant and equipment	5	605 543	474	605 069

Statement of financial performance

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41. Prior period errors (continued)

2020

	Note	As previously reported	Correction of error	Restated
Loss on disposal of assets and liabilities (A)	2	43 907	(474)	43 433

Errors

No prior period errors occurred during the year under review.

A) The adjustment in property plant and equipment is due to an error in loss on disposal of assets as a result of an understatement of accumulated depreciation by R474.

The following prior period errors adjustments occurred:

42. Segment information

General information

Identification of segments

The entity is organised and reports to management on the basis of three major functional areas:

- Operational
- Developmental projects and
- Marketing projects

The segments were organised around the type of service delivered and the target market and because of the municipal entity's size and nature of operations this was not organised or identified according to geographic areas. Management uses these same segments for determining strategic objectives. Segments were aggregated for reporting purposes.

Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

Aggregated segments

The entity operates in the Ugu District part of the Province of Kwa-Zulu Natal. Segments were aggregated on the basis of services delivered as management considered that the economic characteristics of the segments.

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42. Segment information (continued)

Segment surplus or deficit, assets and liabilities

2021

	Operational	Development	Marketing	Total
Revenue				
Commission and sales	12 312	-	-	12 312
Membership fees	134 789	-	-	134 789
Other income	5 372	-	-	5 372
Interest received	272 197	-	-	272 197
Municipal grants & subsidies	17 539 235	-	-	17 539 235
Total segment revenue	17 963 905	-	-	17 963 905
Entity's revenue				17 963 905
Expenditure				
Developmental costs	-	318 498	-	318 498
Depreciation and amortisation	122 839	-	-	122 839
Directors remuneration	492 998	-	-	492 998
Employee related costs	5 328 555	-	-	5 328 555
Lease rentals on operating lease	627 746	-	-	627 746
Loss on disposal of assets and liabilities	60 638	-	-	60 638
Operational costs	1 098 388	-	-	1 098 388
Marketing costs	-	-	2 839 864	2 839 864
Total segment expenditure	7 731 164	318 498	2 839 864	10 889 526
Total segmental surplus/(deficit)				7 074 379

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	Operational	Development	Marketing	Total
42. Segment information (continued)				
Assets				
Property, plant and equipment	458 144	-	-	458 144
Intangible assets	30 423	-	-	30 423
Other financial assets	4 700 904	-	-	4 700 904
Receivables from exchange transactions	71 288	-	-	71 288
Receivables from non-exchange transactions	16 022 140	-	-	16 022 140
VAT receivable	92 167	-	-	92 167
Cash and cash equivalents	9 397 717	-	-	9 397 717
Total segment assets	30 772 783	-	-	30 772 783
Total assets as per Statement of financial Position				30 772 783
Liabilities				
Operating lease liability	1 708	-	-	1 708
Payables from exchange transactions	45 852	-	-	45 852
Provisions	526 705	-	-	526 705
Total segment liabilities	574 265	-	-	574 265
Total liabilities as per Statement of financial Position				574 265

Ugu-South Coast Tourism (Pty) Ltd
Appendix E(1)

**Actual versus Budget (Revenue and Expenditure) for the year ended
30 June 2020**

	Act. Bal.	Adjusted budget	Variance		Explanation of Significant Variances greater than 10% versus Budget
	Rand	Rand	Rand	Var	
Revenue					
Commission and sales	12 312	13 960	(1 648)	(11.8)	Sales for bus tickets remained low and with the closure of VIC's following the Tourism Recovery Strategy.
Membership	134 789	131 500	3 289	2.5	
Insurance refund	5 372	-	5 372	-	A reduction in the annual insurance premium due to the closure of the VIC's brought about this refund.
Government grants & subsidies	17 539 235	16 301 380	1 237 855	7.6	
Interest received	272 197	114 406	157 791	137.9	The anticipated USCTA loan repayment did not materialize and interest was raised on the outstanding balance for the year.
	17 963 905	16 561 246	1 402 659	8.5	
Expenses					
Employee related costs	(5 328 555)	(5 853 679)	525 124	(9.0)	Performance bonuses were not paid to all Section 57 staff. A reduction in the annual leave provision also reduced the overall annual expense.
Depreciation and amortization	(122 839)	(215 435)	92 596	(43.0)	Management extended the useful life of the company vehicles, which caused a reduction in the depreciation for the year. Due to the closure of the VIC's a number of the assets were donated to products during the course of the year.
Leases	(627 746)	(636 285)	8 539	(1.3)	
Directors remuneration	(492 998)	(583 672)	90 674	(15.5)	Directors are remunerated according to National Treasury 2019 remuneration levels: Service Benefit Packages for Office bearers of certain statutory institutions, as per Director General approval 30 August 2019.
Developmental costs	(318 498)	(1 429 100)	1 110 602	(77.7)	Due to the late receipt of grant funding from RNM LM and Ugu DM, and the non-payment from Umdoni LM, many of the Development programs had to be suspended. Further to this, some of the planned activities did not take place due to the limitations and uncertainties of Covid-19, on Tourism business operations.
Marketing costs	(2 839 864)	(5 951 216)	3 111 352	(52.3)	Due to the late receipt of grant funding from RNM LM and Ugu DM, and the non-payment from Umdoni LM, many of the Marketing programs could not be activated. Further to this, some of the planned activities did not take place due to the restrictions of Covid-19 on gatherings and events.
Operational costs	(1 159 028)	(1 796 860)	637 832	(35.5)	Due to severe cash flow challenges a number of cost cutting measures were put in place, which were lead by the Tourism Recovery Strategy. With the closure of the VIC's there was a substantial decrease in operational costs. Furthermore, USCT budgeted for legal expenses which to date have not materialised.
	(10 889 528)	(16 466 247)	5 576 719	(33.9)	
Capital expenditure	(29 469)	(95 000)	65 531	(69.0)	
Net surplus for the year	7 044 908	(1)	7 044 909	900.0	