ANNUAL REPORT

2024 - 2025

INGONYAMA TRUST

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"Unlocking Rural Land for Development for the benefit of the People"

PART A

GENERAL

INFORMATION

INGONYAMA TRUST

Public Entity's Information

Country of incorporation and domicile	South Africa
Registered Name	KwaZulu-Natal Ingonyama Trust Board
Registration number	Established in terms of Section 2 of the KwaZulu-Natal Ingonyama Trust Act, 1994
Nature of business and principal activities	Land administration
Registered office address	65 Trelawney Road, Southgate, Pietermaritzburg, 3201
Registered Postal Address	PO Box 601 Pietermaritzburg, 3201
Email address	hello@ingonyamatrust.org.za
Website	www.ingonyamatrust.org.za
Bankers	First National Bank
External Auditor	Auditor-General of South Africa Town Bush Office Park 460 Town Bush Road Montrose, Pietermaritzburg, 3201

2024/25

PR95/2026
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Foreword by Vice-Chairperson

Introduction

It is a privilege to present the Ingonyama Trust Board's report, which reflects how the institution fulfilled its mandate during the year under review. . The stewardship of Ingonyama Trust land carries profound obligations: to preserve, protect and responsibly administer Trust land and to ensure that it serves as a foundation for the socio-economic advancement of its people. The expectations of communities residing on Trust land are therefore, both legitimate and significant, and
the Board remains mindful of its duty to promote stability, dignity and development in fulfilling this mandate.

Advocate Linda Zama, Vice-Chairperson of Ingonyama Trust Board.

Overview of the Entity

The current Board, appointed on 21 May 2023 and serving under the leadership of His Majesty
King Misuzulu kaZwelithini, the sole Trustee of the Ingonyama Trust, has approached its responsibilities with a clear sense of purpose. Supported by the Vice-Chairperson, Advocate Linda Zama, and a diverse and capable group of Board members, the institution has prioritised stabilisation and institutional repositioning.

It is also fitting to acknowledge the enduring legacy of the late Prince Mangosuthu Buthelezi,
uMntwana wakwaPhindangene, whose foresight contributed to the preservation of communal land under the Trust for future generations.

The Ingonyama Trust occupies a unique position within South Africa's institutional landscape. It is governed by statute while remaining rooted in the traditions of the Zulu Kingdom.

This dual character inevitably presents complexities. However, the Board views such complexity not as a limitation, but as an

opportunity for thoughtful governance guided by law, informed by tradition, and anchored in the interests of the people.

A key priority of the current Board has been to restore clarity regarding the institution's role and mandate. Over time, a lack of shared understanding among stakeholders has constrained the effectiveness of the Trust. The Board has therefore taken deliberate steps to engage broadly with traditional leadership, government, parliamentary structures and strategic partners.

These engagements, particularly with the KwaZulu-Natal Provincial House of Traditional and Khoi-San Leaders and Traditional and Community Authorities, have begun to re-establish alignment and create meaningful opportunities for collaboration.

Financial and Institutional Position

The financial position of the organisation reflects both resilience and structural constraints.
The Ingonyama Trust Board has demonstrated improved financial discipline and governance, maintained operational stability and strengthened the quality of its financial reporting. This progress is essential to reinforcing institutional credibility.

At the same time, the financial position of the Ingonyama Trust continues to reflect deeper structural challenges. Although the Trust remains firmly asset-backed, its ability to translate this position into sustainable economic returns remains constrained. This is partly attributable to a historical misalignment between the institution's mandate and its funding framework.

The Board recognises that the institution's long-term sustainability will depend on addressing this imbalance in a responsible and forward-looking manner.

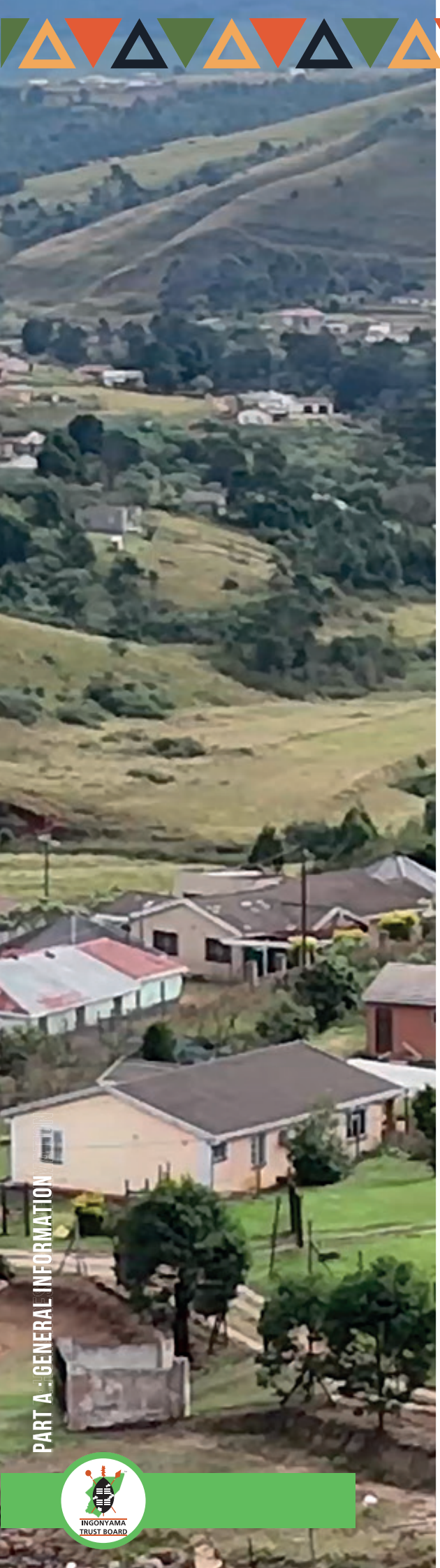
Strategic Direction

Notwithstanding these challenges, the Board remains committed to ensuring that the benefits
derived from Trust land are directed towards the rightful beneficiaries. This principle remains central to the purpose and legitimacy of the institution. The Board is entering a decisive phase in the evolution of the institution. Engagements with National Treasury and the relevant
departments are under way to review the organisation's funding model and ensure that it is appropriately aligned with its mandate. This process is critical to positioning the institution for long-term sustainability and continued relevance.

The Board has also resolved to deepen its engagement with the communities it serves. The next phase of work will involve structured interaction with Traditional and Community Authorities, not merely as a consultative exercise, but as an essential step towards shaping a shared vision for the future of the Trust. The institution must be understood by its beneficiaries, and its strategic direction must be informed by their needs and aspirations.

Central to this vision is the responsible and strategic use of Trust land as a driver of socio-economic development. The Board is guided by the principle that development must be inclusive and sustainable. It cannot simply be imposed; it must be enabled. Communities must be empowered to participate meaningfully in development processes that affect their lives and livelihoods.

The Board is equally conscious of the broader environment in which the institution operates. The increasing politicisation of the Trust risks detracting from its core purpose. The Board remains firm in its commitment to ensuring that the institution is defined not by political



Challenges

The Board assumed responsibility for an institution facing a number of inherited financial and administrative challenges. Although progress has been made in stabilising the organisation, structural issues remain, particularly in relation to funding, capacity and resourcing.

Furthermore, the continuing interaction between legislative requirements and traditional expectations requires careful and considered management. These matters do not lend themselves to simple solutions. Nevertheless, the Board continues to navigating them with prudence, respect and integrity.

Acknowledgements

The Board expresses its appreciation to the Secretariat and the staff of the Ingonyama Trust and the Ingonyama Trust Board for their resilience, professionalism and continued commitment during a period of transition. Their contribution has been central to the stabilisation of the institution.

We further acknowledge the dedication of Board members, whose leadership and conduct have upheld the integrity of the institution under challenging circumstances.

Finally, we extend our gratitude to the communities residing on Ingonyama Trust land and to their traditional leaders at all levels. The work ahead remains significant and will require collective resolve. The Board remains committed to this journey and to the responsibility entrusted to it.

Linda Zama
Vice-Chairperson
Date : 28 July 2026

Chief Executive Officer's Overview

What we have come to understand through the stewardship of the Ingonyama Trust is that land is not merely an asset to be administered, but a living inheritance one that carries memory, dignity, and possibility. It calls for a philosophy that moves beyond compliance and custodianship, into the realm of restoration: restoration of balance, of justice, and of our shared humanity. We call this imvuselelo yezizwe.

In a world that has, for generations, commodified people, fractured communities, and prioritised extraction over collective wellbeing, we are compelled to reimagine our place within it. The work of this institution, therefore, cannot be confined to governance frameworks or financial performance alone. It must extend to redefining value itself by placing people before profit, community before individualism, and long-term wellbeing above short-term gain. This is the balance we must restore, not only within our systems, but within ourselves.

Each of us, as members of our respective izizwe, carries a responsibility that cannot be outsourced or postponed. The damage done to our societies through colonial dispossession, systemic inequality, and the gradual erosion of collective identity will not be undone by policy alone. It requires conscious participation: the courage to dismantle what no longer serves us, and the discipline to lay principled foundations for what must follow.

Through the Ingonyama Trust, we seek to create not only access to land, but access to opportunity, dignity, and sustainable prosperity. The vision is both simple and profound: a future in which our communities are not passive participants in the economy, but active architects of it; where material progress is aligned with cultural integrity; and where wellbeing is not a privilege afforded to a few, but a shared and enduring standard.

This is the order we are called to build together so that those who come after us inherit not struggle, but strength.

General Financial Review of the Public Entity and Spending Trends

The Ingonyama trust's expenditure reflects an improving, albeit still constrained, financial position. Total expenditure decreased from R122.558 million in the prior year to R109.663 million in the current year, largely due to a reduction in impairment losses. While this represents a positive development, impairment losses remain a significant cost driver and continue to highlight underlying challenges in revenue collection. The Trust's expenditure profile is stabilising but has not yet reached optimal efficiency. As the organisation continues to reform and realign its operations, the Board anticipates that its cost structure will progressively improve, with particular emphasis on the accurate recognition and allocation of all transactions.

The composition of expenditure further reflects the ongoing realignment of costs with their respective functions. Employee-related costs and general operating expenses are now more appropriately recognised within the Trust, consistent with the shift towards aligning land administration activities with their functional home. This strengthens the credibility of financial reporting and provides a clearer view of the full cost of managing the Trust's asset base.

At the same time, expenditure trends within the Ingonyama Trust Board remained stable and controlled. Total expenditure decreased from R32.8 million in the prior year to R29.2 million in the current year. Employee costs continue to constitute the largest component of expenditure, reflecting the Board's role as a governance and administrative institution. Overall, this expenditure allocation reinforces the need to re-baseline the organisation's cost model to support a more beneficiary-centred and strategically aligned institution.

A key component of the Trust's expenditure relates to beneficiary disbursements, which remain central to fulfilling its mandate. During the current year, an additional R55.3 million was recognised to increase the provision for beneficiary distributions, bringing the total provision to R216.6 million, compared with R209.7 million in the prior year. This provision represents funds set aside for future distribution to communities through Traditional and Community Authorities upon request. It reflects the Board's continued financial commitment to ensuring that the economic benefits derived from Trust land are transferred to the intended beneficiaries.

Actual disbursements during the year amounted to R48.471 million and were directed towards community-focused initiatives, including bursaries, social support and other development interventions. These disbursements demonstrate the practical implementation of the Trust's mandate.

The Trust generated total revenue of R149.7 million during the year, an increase from R99.2 million in the prior year. This reflects the actual level of economic inflows generated by its activities and indicates that revenue and income are stabilising and increasing.

Capacity Constraints and Challenges Facing the Public Entity

The organisation continues to experience significant human resource capacity constraints. This challenge has persisted over an extended period and is primarily attributable to a mismatch between the existing workforce and the skills required to deliver effectively on the Trust's mandate. This persistent skills gap, coupled with the historical misalignment between the organisation's mandate and the allocation of financial resources, has contributed to operational inefficiencies and constrained the institution's ability to function optimally.

During its first year in office, the current Board initiated a process to address foundational challenges relating to the organisation's financial structure, particularly the relationship between costs and functions. In the current year, the focus shifted towards clarifying and aligning the organisation's mandate, strategy and performance

framework in preparation for future growth and targeted skills capacitation.

Stakeholder engagement has been a critical component of this process. The Board has prioritised strengthening relationships with key stakeholders, including the KwaZulu-Natal Provincial House of Traditional and Khoi-San Leaders, Portfolio Committees, Traditional and Community Authorities, and various public- and private-sector institutions. These engagements were necessary to address a fundamental institutional challenge: the limited clarity among stakeholders regarding the respective roles and mandates of the Ingonyama Trust and the Ingonyama Trust Board. This lack of shared understanding has historically undermined the effective execution of the mandate and has required deliberate intervention at a strategic level.

To support institutional reform, the Board has taken steps to re-engineer the institution's cost model, with the objective of directing resources towards priority areas that will enhance organisational development and effectiveness. As part of its efforts to address capacity constraints, the Board approved the implementation of the 2018 organisational structure and the migration of employees into that structure. This was intended to promote uniformity, stability and improved operational coherence while a comprehensive review of the structure is undertaken to ensure that it retains and aligns with the organisation's evolving strategic direction.

Notwithstanding these efforts, funding remains a significant constraint. The cost of employment continues to represent the largest component of organisational expenditure. Although this constitutes a necessary administrative cost, the entity remains underfunded by the State despite the clear provisions of section 4 of the KwaZulu-Natal Ingonyama Trust Act, which places responsibility for administrative funding on the Department.

The Board has also had to contend with legacy governance challenges that have required considerable time and institutional focus. A number of investigations have been initiated, and legal processes are under way to recover funds and properties believed to have been misappropriated during prior periods. Despite repeated requests to the Executive Authority for the institution of a formal forensic investigation, such an investigation has not materialised.

Consequently, the Board and management have had to undertake a fragmented and resource-intensive process of reviewing, escalating and referring individual matters to the relevant law-enforcement and oversight bodies. This has placed additional strain on the organisation's already limited capacity and diverted attention and resources away from its core developmental and strategic priorities.

Supply Chain Management Processes and Systems

A supply chain management process was in place throughout the year under review, with notable improvements in both capacity and effectiveness compared with prior periods. The unit has been strengthened, and supply chain management processes operated consistently throughout the financial year, contributing positively to the organisation's overall governance and compliance outcomes.

Procurement activities during the year primarily related to goods and services such as travel, accommodation, stationery and operational support services, including cleaning, gardening, security and maintenance.

These improvements are reflected in the continued reduction in irregular expenditure. During the current year, irregular expenditure amounted to R71 thousand, compared with R204 thousand in 2023.

This expenditure largely arose from instances in which procurement processes did not fully comply with the requirements of the Supply Chain Management Policy.

Although the occurrence of irregular expenditure remains an area requiring ongoing attention, the significant year-on-year reduction demonstrates strengthened controls, improved oversight and a strengthening compliance environment within the organisation.

Prior-Year Audit Matters and Measures Taken to Address Them

The Ingonyama Trust Board maintained an unqualified audit opinion for the 2024/25 financial year, reflecting continued stability in financial reporting and compliance with the applicable accounting standards. Significantly, the current year reflects a marked improvement in the quality of the financial statements submitted for audit.

Unlike in the prior year, when material misstatements were identified and subsequently corrected, the Auditor-General did not identify any material misstatements in the financial statements submitted in the current year. This represents a significant strengthening of financial reporting processes and internal controls and demonstrates management's improved ability to prepare credible and reliable financial information at the point of submission.

The audit of the Ingonyama Trust was concluded on 9 July 2026 and resulted in a qualified audit opinion. In the prior year, the qualified opinion related to the following matters:

- The Ingonyama Trust did not consolidate its subsidiary, Ingonyama Holdings (Pty) Ltd, which was formed in 2019, as the subsidiary had not prepared financial statements.
- Land disclosed as property, plant and equipment was overstated because land controlled by Traditional Authorities, valued at R1.15 billion, was accounted for as property, plant and equipment. This resulted in non-compliance with GRAP 18.
- LLand disclosed as investment property was overstated because land controlled by Traditional Authorities, valued at R121.65 million, was accounted for as investment property. This resulted in non-compliance with GRAP 18.

To resolve the qualification, the Trust undertook various processes aimed at addressing the matters that had contributed to the audit outcome. Since assuming office, the current Board of the Ingonyama Trust has made several attempts to establish a working relationship with Ingonyama Holdings (Pty) Ltd and to understand its objectives and strategies, including how these align with those of the Ingonyama Trust.

These efforts were met with resistance from Ingonyama Holdings. Consequently, the Board of the Ingonyama Trust disassociated itself from Ingonyama Holdings and declared that it no longer exercised control over the subsidiary and that the subsidiary had effectively been unlawfully taken over. This position was communicated to stakeholders, and the matter was discussed with National Treasury. Although the Board of the Ingonyama Trust asserted that it had lost control because of its inability to enforce its rights and powers over the directors of Ingonyama Holdings as a shareholder, the Auditor-General of South Africa concluded that the Board continued to exercise control, including having the practical ability to enforce such control. The Auditor-General further concluded that the Ingonyama Trust had retained power over Ingonyama Holdings because it had various legal remedies available to enforce its rights and ultimately exercise control as the shareholder. At the conclusion of the audit, this matter remained under formal dispute.

The Board of the Ingonyama Trust resolved the remaining qualification matters relating to land that had affected the 2023/24 financial statements. Robust discussions concerning these technical matters contributed significantly to delays in producing this report and continue to be a source of disagreement between the Board of the Ingonyama Trust and the Auditor-General of South Africa.

It should also be noted that Ingonyama Holdings has also been correctly accounted for in the separate financial statements of the Ingonyama Trust in accordance with GRAP 34: Separate Financial Statements.

The progress made in addressing the Ingonyama Trust's audit matters demonstrates the Board's commitment to ensuring sound financial governance and reporting aligned with applicable reporting standards. The control environment supporting financial management has also improved materially. The Auditor-General reported no significant internal control deficiencies relating to financial recordkeeping and the preparation of the Ingonyama Trust's separate financial statements during the year under review, whereas prior periods were characterised by weaknesses in these areas.

This improvement reflects the effectiveness of interventions implemented by management, including strengthened review processes, improved financial discipline and clearer accountability structures. The sustained stability in financial management is further supported by the conclusion that the entity's financial health remains sound, with no significant concerns raised regarding its status as a going concern or its financial sustainability.

Notwithstanding these improvements, challenges remain in performance planning and reporting, as well as compliance with legislation. The current year audit identified material findings relating to the annual performance report, representing a regression compared with prior years. These findings relate primarily to the design and measurement of performance indicators, including a lack of clarity in technical indicator descriptions, inconsistent methodologies and insufficient supporting documentation to verify reported achievements.

Importantly, these findings are largely attributable to newly introduced indicators and do not necessarily reflect a systemic deterioration. They do, however, highlight the need to strengthen performance management systems as the organisation evolves.

Compliance-related findings also persist, particularly in the areas of consequence management and procurement processes. Although measurable progress has been made in reducing irregular expenditure and strengthening supply chain management practices, the audit continued to identify weaknesses in the consistent application of consequence management and oversight mechanisms.

The recurrence of these findings indicates that, although controls have improved, their enforcement remains inconsistent. The Board has taken, and continues to take, steps to address these matters. However, further attention is required to ensure that accountability mechanisms are fully institutionalised and that improvements in control design are matched by consistent implementation.

Outlook and Plans to Address Financial Challenges

The organisation is entering a critical phase of repositioning, with a clear focus on aligning its organisational model with its broader socio-economic mandate. Central to this process is the ongoing engagement with National Treasury and the Department of Agriculture, Land Reform and Rural Development to rebaseline the organisation's funding framework.

This engagement is necessary to correct the historical misalignment between the mandate of

the Ingonyama Trust and the resources allocated to fulfil that mandate. The current funding model has proved inadequate to support both the organisation's administrative requirements and the developmental expectations placed upon it.

The re-baselining process is therefore not merely a financial exercise; it is a structural intervention aimed at securing the organisation's long-term sustainability and relevance.

Building on the foundational work undertaken during the period under review, the Board will conduct a comprehensive review of its strategy, informed by a deeper institutional understanding of its role, constraints and opportunities. During the next phase, the organisation will engage directly with its beneficiaries through structured engagements with Traditional and Community Authorities.

This represents a deliberate shift towards a more accountable, transparent, and consultative institution. The intention is not only to communicate the organisation's role and mandate but also to engage directly with communities regarding the future direction of the Trust and the vision for socio-economic development on Trust land.

A key pillar of this forward-looking strategy is the expansion of strategic land use and the strengthening of the Trust's capacity to generate sustainable revenue streams for the benefit of communities. The focus will be on unlocking the economic potential of Trust land in a structured and inclusive manner. Importantly, the organisation recognises that development cannot be imposed. Sustainable development must be organic and driven by capacitated communities equipped with the knowledge, tools and institutional support required to initiate, participate in and manage development within their own environments.

The next cycle will therefore prioritise knowledge dissemination, capacity building and the establishment of enabling frameworks that empower communities to become active participants in their own economic advancement.

This outlook continues to be influenced by the broader operating environment, particularly the extent to which the organisation has become politicised. This dynamic detracts from its core identity as a developmental institution and risks repositioning it as a vehicle for political outcomes rather than socio-economic progress.

The Board remains resolute in its commitment to reframing this narrative and restoring the institution to its intended purpose. Going forward, the focus will be on strengthening institutional integrity, reinforcing governance and ensuring that the Ingonyama Trust is positioned and recognised as a credible, community-centred developmental institution.

Events After the Reporting Date

The Ingonyama Trust and the Ingonyama Trust Board had no significant events after the reporting date during the current year.

Economic Viability

The organisation continues to operate as a going concern, with its financial statements presenting fairly its economic and financial position. However, the manner in which the entity is funded remains central to understanding its overall viability. The current funding model continues to affect both operational capacity and long-term sustainability, particularly given the misalignment between the organisation's mandate and the resources available to fulfil it.

The Ingonyama Trust Board sustained its ability to generate a surplus during the year under review, recording a surplus of R370 thousand. This performance is attributable to improved financial discipline, strengthened budget management and enhanced financial reporting practices. The continued improvement in the quality of financial reporting represents a critical step towards strengthening organisational capacity and governance and positions the Board on a more stable operational footing.

Although the effects of the misalignment between the mandate and funding remain pronounced within the Ingonyama Trust, the Trust achieved an improved financial performance and recorded a surplus of R40.123 million for the current year. In addition, the Trust remained in a strong net asset position of R1.726 billion, underscoring the underlying strength of its asset base despite ongoing pressures on income generation and expenditure obligations.

From a liquidity perspective, the organisation remained stable. At year-end, cash and cash equivalents amounted to R1.602 million for the Board, compared with R2.776 million in 2024, and R199.336 million for the Trust, compared with R166.654 million in 2024. This demonstrates adequate liquidity within the Trust to meet its obligations while also highlighting the Board's constrained cash position, further reinforcing the need for a funding model aligned with its operational responsibilities.

Acknowledgements and Appreciation

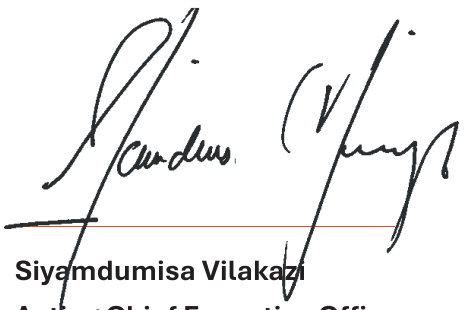
I wish to extend my sincere appreciation to the staff of the Ingonyama Trust for their resilience and unwavering commitment during a period of significant change. The journey has not been without difficulty and has, at times, been challenging.

Nevertheless, the professionalism, adaptability and dedication consistently demonstrated by staff have been instrumental in sustaining the organisation and positioning it for future growth.

My gratitude is also extended to the Board and its members for their leadership, direction and steadfast vision. Despite facing criticism and, at times, unwarranted political pressure, the Board has remained resolute, professional and principled in the execution of its responsibilities.

Its conduct continues to set a standard of integrity and accountability that strengthens the institution.
We further acknowledge the KwaZulu-Natal Provincial House of Traditional and Khoi-San Leaders for creating opportunities for meaningful engagement and dialogue. These engagements have opened avenues for greater alignment, mutual understanding and collaboration, all of which are essential to the successful fulfilment of the organisation's mandate.
To all stakeholders and partners who continue to support the institution, we express our sincere appreciation. Your ongoing contributions, engagement and commitment to improving the organisation are recognised and valued.

Most importantly, we extend our deepest appreciation to the communities we serve and to traditional leaders at all levels. The journey ahead is both complex and demanding and will require collective effort, patience and resolve. We remain committed to working collaboratively with all stakeholders to realise this vision.



Siyamdumisa Vilakazi
Acting Chief Executive Officer
Date : 28 July 2026

Statement of Responsibility and Confirmation of the Accuracy of the Annual Report

To the best of our knowledge and belief, we confirm that:

All information and amounts disclosed in the annual report are consistent with the Annual Financial Statements audited by the Auditor-General of South Africa.

The annual report is complete, accurate and free from material omissions.

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

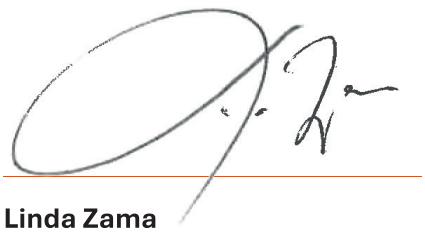
The Annual Financial Statements contained in Parts F and G have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) applicable to the public entity and the Trust.

The Accounting Authority is responsible for establishing and implementing a system of internal control designed to provide reasonable assurance regarding the integrity and reliability of the performance information, Human Resources information and Annual Financial Statements.

The external auditors have been engaged to express an independent opinion on the Annual Financial Statements.

In our opinion, the annual report fairly presents the operations, performance information, Human Resources information and financial affairs of the public entity and the Trust for the financial year-end 31 March 2025.

Siyamdumisa Vilakazi
Acting Chief Executive Officer
Date : 28 July 2026



Linda Zama
Vice-Chairperson
Date : 28 July 2026

Strategic Overview

Vision

To become a leader in communal land management.

Mission

To contribute to the improvement of the quality of life of the tribes and communities living on Ingonyama Trust land by ensuring that land management is to their benefit and in accordance with the laws of the land.

To develop progressive business models for the social and economic upliftment and the empowerment of the tribes and communities on land administered by Ingonyama Trust Board on behalf of the Trust.

Values

- Value for money
- Consultation
- Courtesy
- Redress
- Service standard
- Information
- Transparency
- Openness
- Access

Legislative Mandate

Ingonyama Trust Board

The KwaZulu-Natal Ingonyama Trust Board, commonly referred to as the Board, is a Schedule 3A public entity mandated to administer the affairs of the Ingonyama Trust and Trust land. As the Board's sole purpose is to administer the affairs of the Trust and Trust land, any reference to the Board's mandate includes the mandate of the Trust.

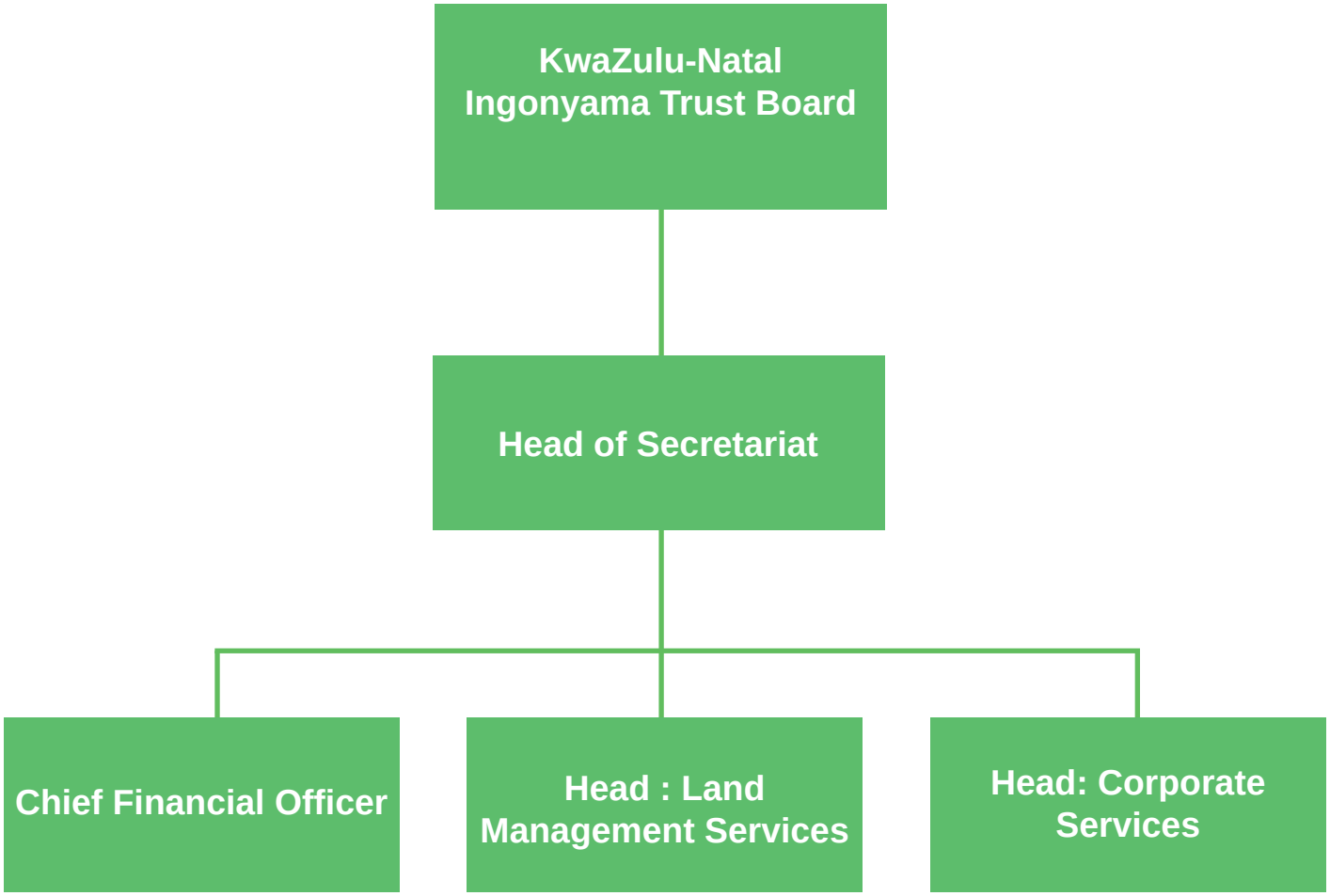
Ingonyama Trust

The Ingonyama Trust is empowered by the KwaZulu-Natal Ingonyama Trust Act, 1994 (Act No. 3KZ of 1994), as amended ('the founding Act'), to perform all such acts and functions as a body corporate may lawfully perform.

The founding Act further provides that the Trust shall, in a manner not inconsistent with the provisions of the Act, be administered for the benefit, material welfare and social well-being of the members of the tribes and communities contemplated in the KwaZulu Amakhosi and Iziphakanyiswa Act, 1990 (Act No. 9 of 1990), referred to in the second column of the Schedule and established in a district referred to in the first column of the Schedule, as well as the residents of such a district.

This provision underpins the broad land administration and socio-economic mandate of the Ingonyama Trust and the Ingonyama Trust Board in its capacity as the administrator of the Trust.

Ingonyama Trust Organisational Structure



"Unlocking Rural Land for Development for the benefit of the People"

PART B

PERFORMANCE

INFORMATION

INGONYAMA TRUST

Auditor-General's Report : Predetermined objectives

In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof; the Auditor-General of South Africa (AGSA) is responsible for auditing and reporting on the usefulness and reliability of the reported performance information against predetermined objectives for selected material performance indicators presented in the annual performance report. While the Accounting Authority is responsible for preparing the annual performance report.

The AGSA selected the following material performance indicators related to Programme 2: Land and Tenure Management presented in the annual performance report for the year-ended 31 March 2025.

- % of compliant tenure rights applications approved by the Tenure Committee within 90 days of submission by an applicant.
- % of signed leases within 30 days from approval by the Board.

Refer to page 57 of the annual report for the Auditor's Report, published in Part F: Financial Information.

Overview of performance information: Service delivery

The Ingonyama Trust Board was established to administer the affairs of the Ingonyama Trust and its associated land. The Trust itself plays a critical socio-economic role, as defined in the KwaZulu-Natal Ingonyama Trust Act 3KZ of 1994. In terms of the Act, the Trust is mandated to administer land for the benefit, material welfare, and social well-being of members of tribes and communities residing on Ingonyama Trust land.

The mandate of the Trust is broad and extends beyond its current range of activities. However, over the past decades, various challenges, particularly in relation to governance, funding, and organisational structuring, have impacted the entity's overall effectiveness in fully achieving its mandate.

Consequently, the activities of the organisation during the period under review were focused on functions that could be executed within the prevailing constraints. These activities included, among others, ensuring secure tenure rights on Ingonyama Trust land, administering beneficiarydisbursement, collection of lease income, improvement audit outcome, capacity building to Traditional Councils and undertaking core land administration functions.

Organisational environment

Although there were financial and structural challenges and, in an attempt to remedy the operational deficits, the Accounting Authority initiated with the alignment of the output indicators with the organisational mandate and defining stakeholder management strategies.

Key policy development

There have been no major changes to relevant policies or legislation that affected the entity's operations during the period.

Progress towards achievement of institutional impacts and outcomes

During the final fiscal year of the five-year strategic planning cycle, the entity demonstrated a progressive improvement in its performance. Notwithstanding ongoing challenges relating to structural constraints and funding alignment, the organisation remained focused on strengthening service delivery and advancing the achievement of its mandate. This reflects the entity's continued commitment to addressing historical challenges and aligning available resources with strategic priorities. The impact of the interventions in the year under review will be evident during the next planning cycle.

Institutional programme performance information

The entity was structured into the following two programmes:

Programme 1: Administration

- The purpose of this programme is to provide administrative support to Ingonyama Trust to execute and discharge its mandate.

Programme 2: Land and Tenure Management

- The purpose of this programme is to facilitate land and tenure management for the beneficiaries to secure their tenure.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

For the year under review the entity had two programmes: Administration and Land and Tenure Management. Each of the programmes had three output indicators derived from two outcomes namely: Improved corporate governance and service excellence and improved security of tenure.

The entity achieved two of three output indicators under programme 1: administration. These relate to the processing of beneficiary disbursements and unqualified external audit opinion. The third output indicator was not achieved with an achievement of 82% against a target of 90%.

While programme 2: Land and Tenure Management did not achieve any of its planned three output indicators. This was due to misalignment between the output indicator and operational requirements and stakeholder-related challenges. These challenges were addressed in the new planning cycle.

The tables below present the entity's programme performance information for the year under review per programme.

Performance Information

Programme 1 : Administration

Purpose of the programme

The purpose of this programme is to provide administrative support to the Board in order to execute and discharge its mandate.

Programme Structure

The administration programme comprises the following:
- Board,
- Office of the Chief Executive Officer,
- Corporate Services,
- Financial Services.

Annual MTEF targets: Outcomes, Outputs, Performance indicators and actual achievements

PROGRAMME 1 – ADMINISTRATION									
			ACTUAL ACHIEVEMENT						
OUTCOME	OUTPUT	INDICATORS	2021/22	2022/23	2023/24	PLANNED TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET	REASONS FOR DEVIATION
Improved corporate governance and service excellence	Beneficiary disbursement requests processed within 14 days	Number of days taken to process compliant beneficiary disbursement requests from receipt to payment	New indicator	New indicator	New indicator	14	8	+6	The overachievement is due to streamlined processes and resources, prioritisation, monitoring, and continuous feedback.
	% of lease income collected against lease income invoiced	% of lease income collected against lease income invoiced	New indicator	New indicator	New indicator	90%	82%	-8%	The under achievement is due to difficulties in collecting invoiced funds from Tendele Coal Mine. A final letter of demand has been issued for the amount of R11 505 925.06.
	Unqualified external audit opinion	Unqualified external audit opinion	New indicator	New indicator	New indicator	Unqualified external audit opinion	Unqualified external audit opinion	Nil	

Linking performance with budgets

	2024/2025			2023/2024		
Programme/ activity/ objective	Budget (in millions)	Actual Expenditure (in millions)	(Over)/ Under Expenditure (in millions)	Budget (in millions)	Actual Expenditure (in millions)	(Over)/ Under Expenditure (in millions)
Administration	29 066	29 165	(99)	42 084	32 769	9 315
Total	**29 066**	**29 165**	**(99)**	**42 084**	**32 769**	**9 315**

Performance Information

Programme 2 : Land and Tenure Management

Purpose of the programme

The purpose of this programme is to facilitate land and tenure management for the beneficiaries in order to secure their tenure and add value to their secured tenure.

Programme Structure

The programme comprises of the following:
- Secured tenure rights on Ingonyama Trust land,
- Capacity building to traditional councils.

Annual MTEF targets: Outcomes, Outputs, Performance indicators and actual achievements

PROGRAMME 2 – LAND AND TENURE MANAGEMENT									
			ACTUAL ACHIEVEMENT						
OUTCOME	OUTPUT	INDICATORS	2021/22	2022/23	2023/24	PLANNED TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET	REASONS FOR DEVIATION
Improved security of tenure	Secured Tenure Rights on Ingonyama Trust land.	% of compliant tenure rights applications approved by the Tenure Committee within 90 days of submission by an applicant	New indicator	New indicator	New indicator	100%	51%	-49%	Overlaps on allocated land, outstanding documents (ID, Company Registration, ITB2), identified land not owned by Ingonyama Trust. Applicants coul not be reached to confirm sites.
	Capacity building to Traditional Councils.	Number of Traditional Councils capacitated.	New indicator	New indicator	New indicator	50	27	-23	There were two sessions which were planned for quarter 4 but could not be conducted due to conflicts between King Cetshwayo District TCs and the KZN PHL & Khoi San. Also, due to KZN COGTA informing ITB very late of a new protocol to be followed when ITB would like to meet with Amakhosi.
	Secured Tenure Rights on Ingonyama Trust land.	% of signed leases within 30 days from approval by the Board	New indicator	New indicator	New indicator	100%	25%	-75%	Lease agreements are signed after the applicant has paid. The clients did not make payment within the prescribed period, hence the lease agreements were not signed.

To remedy the non-achievements, the output indicators in the 2025/2026 annual performance plan have been amended to incorporate the identified implementation conditions / concerns.

Linking performance with budgets

	2024/2025			2023/2024		
Programme/ activity/ objective	Budget (in millions)	Actual Expenditure (in millions)	(Over)/ Under Expenditure (in millions)	Budget (in millions)	Actual Expenditure (in millions)	(Over)/Under Expenditure (in millions)
Land Tenure Management	68 520	109 663	(41 143)	78 395	122 558	(44 163)
Total	**68 520**	**109 663**	**(41 143)**	**78 395**	**122 558**	**(44 163)**

Revenue Collection

	2024/2025			2023/2024		
Sources of revenue	Estimate	Actual amount collected	(Over)/ Under collection	Estimate	Actual amount collected	(Over)/ Under collection
	R'000	R'000	R'000	R'000	R'000	R'000
Lease income	116 069	85 872	30 197	82 578	80 620	(1 958)
Total	**116 069**	**85 872**	**30 197**	**82 578**	**80 620**	**(1 958)**

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PART C

GOVERNANCE

INFORMATION

INGONYAMA TRUST

Introduction

Corporate governance embodies processes and systems by which public entities are directed, controlled, and held to account. In addition to legislative requirements based on a public entity's enabling legislation, corporate governance in public entities is applied through the precepts of the Public Finance Management Act (PFMA) and applied in conjunction with with the principles contained in the King's Report on Corporate Governance. Parliament, the Executive Authority, and the Accounting Authority of the public entity are responsible for corporate governance.

Portfolio Committees

The Portfolio Committee on Agriculture, Land Reform and Rural Development exercises oversight over the service delivery performance of the public entity by reviewing performance information contained in quarterly and annual reports.

During the year, four meetings were convened between the Ingonyama Trust, its Board and the Portfolio Committee. These engagements focused on quarterly performance reports, the annual report, and governance challenges affecting the entity. An additional meeting was held on 2 April 2025, shortly after the end of the review period, to assess the ITB's performance for Quarters 2 and 3 of the 2024/25 financial year.

On 18 September 2024, the ITB appeared before the Committee to present its Quarter 4 (2023/24) and Quarter 1 (2024/25) performance reports. This was followed by a meeting on 27 November 2024, where the Board presented its 2023/24 Annual Report. A further significant engagement took place on 27 February 2025 in Pietermaritzburg during the Committee's oversight visit to KwaZulu-Natal, focusing on reported governance failures within the entity.

Several key issues emerged during these engagements. The Committee raised serious concerns regarding the Ingonyama Holdings dispute, particularly the unaccounted R41 million "seed funding" loan, which ultimately resulted in the ITB disassociating itself from the subsidiary. The Committee committed to ensuring it plays an effective role of oversight in relation to Ingonyama Holdings.

In addition, the Committee deliberated extensively on governance challenges within the Ingonyama Trust and Ingonyama Trust Board. These discussions frequently involved the Minister of Agriculture, Rural Development and Land Reform, Mzwanele Nyhontso, particularly in relation to interventions aimed at resolving tensions between the Board and His Majesty King Misuzulu KaZwelithini.

The Accounting Authority submitted the quarterly financial and non-financial performance reports to the Executive Authority, as per the below submission dates:

1st Quarter	-	13 July 2024
2nd Quarter	-	18 October 2024
3rd Quarter	-	21 January 2025
4th Quarter	-	23 April 2025

The Accounting Authority (Board)

The Board serves as the Accounting Authority of the Ingonyama Trust, an organ of state. The Board itself is listed in Schedule 3 Part A of the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA). As such, the Board constitutes the cornerstone for the application of sound corporate governance principles within the organisation. Its effectiveness and efficiency are critical determinants of the overall performance of the entity.

Members of the Board

His Majesty the King Misuzulu kaZwelithini (Chairperson)

Adv. L.C. Zama (Vice Chairperson)

INkosi S.N. Mkhize (Member)

INkosi P.B.N. Molefe (Member)

INkosi M.I. Tembe (Member)

Ms. N. Zulu (Member)

Mr.N.D Matamela (Member)

Ms. L. del Grande (Member)

Dr. T. Dlamini (Member)

Composition of the Board during the period under review

Name	Designation in terms of the Public Entity/ Board Structure	Date appointed	Date resigned	Qualification	Area of expertise	Board of directorships (list the entities)	Other committee or task teams (e.g. Audit Committee/ Ministerial task team	No of Board meetings attended
His Majesty King Misuzulu kaZwelithini	Trustee/ Chairperson	14/02/2024	Active	-	-	-	-	3/25
Adv LC Zama	Vice-Chairperson	16/03/ 2023	Active	BA (UNIZULU) LLB (UKZN formerly University of Natal)	Public administration; commercial and constitutional aw	Linda Zama Foundation KZN Education Development Trust	- Human Resource Committee - Tenure Committee - Audit Committee - Scoping task team on legal matters	25/25
INkosi MI Tembe	Member of the Board	21/05/2023	09/01/2025	Certificate: Leadership and Good Governance (UKZN) Diploma in Computer Studies (Hatfield Business College)	Traditional governance and land management	Isimangaliso Wetland Park KwaZulu Natal Liquor Board Wildlife National Steering	- Tenure Committee - Finance Committee - Human Resource Committee - Mining Task Team	14/20
INkosi SN Mkhize	Member of the Board	16/03/2023	Active	Masters of Commerce (Local Economic Development) UKZN BCom Economics (UKZN)	Economics Investment banking Rural Development Public Policy	Ithala SOC Limited NPC Ithala Development Finance Corporation	- Finance Committee - Audit and Risk Committee - Tenure Committee - Scoping task team on legal matters - Human Resource Committee	24/25

Composition of the Board during the period under review

Name	Designation in terms of the Public Entity/ Board Structure	Date appointed	Date resigned	Qualification	Area of expertise	Board of directorships (list the entities)	Other committee or task teams (e.g. Audit committee/ Ministerial task team	No of Board meetings attended
INkosi PBN Molefe	Member of the Board	16/03/2023	Active	Marketing Management (Vryheid College) National Certificate, in Good Governance and African Leadership (UKZN) National Certificate, Advanced Leadership and Good Government.	Strategic Leadership and Governance Traditional Leadership and Land Tenure Rural Land Development	Ingonyama Trust Board Member of the National and KwaZulu - Natal Provincial House of Traditional and Khoi-San Leaders	- Human Resource Committee - Bid Adjudicating Committee - Tenure Committee	21/25
Dr T Dlamini	Member of the Board	21/03/2023	Active	PHD Doctor of Philosophy Administration (UKZN) Masters of Business Administration (Management College of South Africa) LLB (Unisa) Post Graduate Diploma Management Studies (Management College of South Africa) Honours Bachelor of Education (UNIZULU) B.Paed Commerce (UNIZULU)	- Human Resource - Management - Legal Advisory Services - Financial Management	Ingonyama Trust Board	- Human Resource Committee - Tenure Committee - Scoping task team on legal matters - Mining Task Team - Bid Adjudicating Committee	22/25

Composition of the Board during the period under review

Name	Designation in terms of the Public Entity/ Board Structure	Date appointed	Date resigned	Qualification	Area of expertise	Board of directorships (list the entities)	Other committee or task teams (e.g. Audit committee/ Ministerial task team	No of Board meetings attended
Ms N Zulu	Member of the Board	21/05/2023	Active	Bachelor's degree in Social Sciences, Post Degree in Africa and International Trade	Property Practitioner	National Forestry Advisory Council	- Finance Committee - Human Resource Committee - Mining task team - Bid Adjudicating Committee - Tenure Committee	25/25
Mr ND Matamela	Member of the Board	29/11/2022	Active	BAS (Architecture) Witwatersrand Master's in Business Leadership (UNISA)	Property Development and Investment Corporate Strategy Social Housing Leadership	South African Institute of Black Property Practitioners Bemore Group Housing Company Tshwane	- Finance Committee - Human Resource Committee - Bid Adjudicating Committee - Tenure Committee	23/25
Ms L Del Grande	Member of the Board	16/03/ 2023	22/09/2024	BCOM (UKZN) Master: Development Planning	- Land Reform and Development - Municipal Planning - Land access and Spatial Equity Property Systems	N/A	- Tenure Committee - Audit & Risk Committee - Mining Task Team	13/20

Note: for the financial year under review there were 25 Board Meetings. Inkosi Tembe and Ms Del Grande resigned during the reporting period.

The Board is composed entirely of non-executive members, thereby ensuring independence, objectivity, and impartiality in decision-making processes. In fulfilling its fiduciary duties, the Board bears ultimate responsibility for the performance of the Ingonyama Trust and is fully accountable for the exercise of its mandate.

Role of the Board

The primary role of the Board is to provide strategic leadership, governance oversight and fiduciary direction to the organisation. In this regard, the Board:

- Assumes full responsibility for the performance and governance of the Ingonyama Trust and the Ingonyama Trust Board;
- Exercises effective oversight over the entity, within the parameters set by applicable legislation;
- Ensures compliance with all relevant laws, regulations, and government policies, including adherence to section 51 of the PFMA;
- Maintains unrestricted access to all information required to discharge its responsibilities effectively;
- Formulates, monitors, and reviews corporate strategy, major plans of action, risk management policies, annual budgets, and business plans; and
- Identifies and manages potential conflicts of interest in line with established governance frameworks.

The Ingonyama Trust is an organ of state established in terms of section 2(1) of the KwaZulu Ingonyama Trust Act, 1994 (Act No. 3KZ of 1994). It is a corporate body with perpetual succession and the legal capacity to sue and be sued, subject to the provisions of the Act.

In terms of section 2A (2) of the Act, the Ingonyama Trust is administered by the Ingonyama Trust Board, which is established under section 2A (1). The administrative functions of the Trust are carried out by the Secretariat, established in terms of Regulation 5 of the KwaZulu-Natal Ingonyama Trust Act Administrative Regulations of 1998.

The Board's mandate is to administer the affairs of the Trust and its land for the benefit, material welfare, and social well-being of the members of the tribes and communities contemplated in the KwaZulu Amakhosi and Iziphakanyiswa Act, 1990 (Act No. 9 of 1990). In executing this mandate, the Board provides strategic leadership in the management of Trust land and its finances, oversees the operational performance of the organisation, and ensures that policy direction is aligned with the broader framework of communal land governance under the leadership of Amakhosi in the province.

Composition of the Board

The Ingonyama Trust Board is constituted in terms of section 2A (3) of the Ingonyama Trust Act, 1994, as amended. It comprises the Ingonyama or his nominee as Chairperson, and eight members appointed by the Minister responsible for land reform and rural development. Four members are appointed following consultation with the Ingonyama, the Premier, and the Chairperson of the House of Traditional and Khoi-San Leaders of KwaZulu-Natal, while a further four are appointed with due regard to regional interests. Members are selected based on relevant expertise and independence, and one member is designated by the Minister as Vice-Chairperson.

Committee meeting statistics

Board / Committee	No of meetings held	No of members	Name of members
Tenure	13	7	Adv LC Zama Ms L Del Grande Dr T Dlamini INkosi M I Tembe INkosi SN Mkhize INkosi PBN Molefe Ms N Zulu Mr ND Matamela
Human Resource Committee	5	4	Dr T Dlamini INkosi SN Mkhize Ms N Zulu INkosi M I Tembe
Audit	5	3	Mr. E Sithole INkosi S N Mkhize Advocate L Zama
Finance Committee	14	3	INkosi S N Mkhize Mr N D Matamela Ms N Zulu
Bid Adjudication	4	4	Mr N D Matamela INkosi P B N Molefe Dr T Dlamini Ms N Zulu

Remuneration of Board members

The remuneration of members of the Ingonyama Trust Board is determined by the Executive Authority in alignment with applicable National Treasury guidelines. Board members are compensated through approved sitting fees for meetings attended, which are separate from reimbursement of travel and subsistence costs. In accordance with public sector prescripts, members in the employ of the State are not eligible to be remunerated for their service on the Board.

Name	Remuneration R'000	Other allowance R'000	Other re-imbursements R'000	Total R'000
His Majesty King Misuzulu kaZwelithini	-	-	-	-
Adv LC Zama	263	2	-	265
Dr T Dlamini	284	32	-	316
INkosi SN Mkhize	343	113	-	456
INkosi PBN Molefe	210	94	-	304
Ms N Zulu	316	20	-	336
Mr ND Matamela	276	22	-	298
INkosi MI Tembe	173	168	-	341
Total	**1 865**	**451**	**-**	**2 316**

Risk Management

The Ingonyama Trust Board has an approved Risk Management Policy, which articulates the entity's risk management philosophy and provides a framework for the identification, assessment, mitigation, and monitoring of risks. The Risk Management Policy was approved by the Accounting Authority during the year under review.

During the year under review, the entity faced capacity constraints, particularly in respect of human and financial resources. As a result, a formal, comprehensive risk assessment process could not be fully finalised. Notwithstanding these constraints, the entity conducted ad hoc risk assessments, to identify and manage key risks. The key risks identified during this process include:

- Lack of adequate human and financial resources, which continues to constrain the effective implementation of risk management processes and broader operational functions; and
- Uncertainty in the legislative and regulatory framework impacting the Ingonyama Trust, which presents challenges in decision-making, compliance, and long-term planning.

In line with governance requirements, the Board assumed direct oversight of risk management functions during the financial year, as a dedicated Risk Management Committee had not yet been established. The Audit Committee continued to provide advisory support to the Board and management on matters

relating to risk management, internal controls, and risk mitigation strategies.
The entity recognises the importance of conducting regular and structured risk assessments to evaluate the effectiveness of its risk management framework, review existing risks, and identify emerging risks requiring mitigation. While the approval of the Risk Management Policy represents a significant step towards strengthening governance, the effective implementation of the policy and associated standard operating procedures remains dependent on the capacitation of the entity.

To this end, the entity is actively working towards strengthening its institutional capacity to enable the independent execution of risk management functions and to ensure that risk management practices are aligned with applicable governance standards and reporting requirements.

Internal Audit

Section 51(1)(a)(ii) of the Public Finance Management Act (PFMA) requires entities to establish and maintain an internal audit function under the control and direction of an Audit Committee. This Committee must comply with and operate in accordance with the regulations and instructions prescribed in terms of sections 76 and 77 of the PFMA. Internal audit was outsourced during the period under review and was effective.

Project Audit Plan

The Internal Audit Action Plan focused on the following key projects:

- Internal Audit Plan and Internal Audit Programme (Three-Year Rolling Plan: 2024/25)
- Internal Audit Charter (2024/25)
- Human Resource Management and Payroll Audit
- Supply Chain Management (SCM) Audit Report
- Land Management Review
- Quarterly follow-up on Internal and External Audit findings, including updated track-ing registers
- Quarterly and annual reviews of Performance Information Reports

Audit Committee

In compliance with Section 51(1)(a)(ii) of the PFMA and section 76 and 77 of the same Act, the entity has an Audit Committee which was established to serve as an independent assurance and governance structure whose function is to provide an oversight role on the systems of internal control, risk management and governance. The Audit Committee's role is advisory in nature and does not constitute any executive powers.

Its objectives were to:

- Review of the effectiveness of the internal control systems;
- Assess of the effectiveness of internal audit;
- Review of the risk areas of the entity's operations to be covered in the scope of internal and external audits;
- Ensure the adequacy, reliability and accuracy of financial information provided to management and other users of such information;
- To address and provide guidance and oversight on any accounting and auditing concerns identified as a result of internal and external audits;
- Review the entity's compliance with legal and regulatory provisions;
- Review the activities of the internal audit function, including its annual work programme, coordination with the external auditors, the reports of significant investigations and the responses of management to specific recommendations, and;
- Review and assess the independence and objectivity of the external auditors.

The Committee mainly makes recommendations to the Accounting Authority in respect of the activities which form part of its terms of reference and has authority to investigate matters within its powers as identified in the written terms of reference.

To execute its duties effectively, the Committee met regularly throughout the year to review internal audit reports and other financial or operational reports submitted by management.

Audit Committe Report

We are pleased to present our report for the financial year ended 31 March 2025.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 77 of the Public Finance Management Act, 1999 (Act No. 1 of 1999), as amended, and Treasury Regulation 3.1.13. 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.

Attendance of Audit Committee meetings

The Audit Committee comprises of four (4) members. The audit charter requires the Audit Committee to meet at least 4 times a year. Five (5) meetings were held during the current year and the attendance was as follows:

Name	Qualifications	No of meetings attended	Date appointed	Date resigned/ Date of term ended	Position
Mr E N Sithole	BCom	5	01/04/2022	Active	Chairperson
Inkosi S N Mkhize	BCom	5	10/07/2023	Active	Member
Advocate L Zama	LLB	1	30/09/2024	Active	Member
Ms L del Grande	BCom	4	10/07/2023	22/09/2024	Member

The Effectiveness of Internal Control

Our review of the findings of the Internal Audit work, which was based on the risk assessments conducted in the Ingonyama Trust Board revealed certain weaknesses, which were then raised with management.

The following internal audit work was completed during the year under review:

- Supply Chain Management
- Human Resource Management
- Organisational Performance Management System
- Compliance with Applicable Legislation and Policies
- Follow-up on AGSA Action Plan
- Annual Financial Statements and Annual Performance Report Reviews

The following were areas of concern:

Focus Area	Overall conclusion on internal controls	Significant risks noted
Supply Chain Management	Satisfactory	Major risk noted: 1. Potential irregular expenditure due to non-compliance with the constitutional requirements for a procurement system to be equitable, transparent, competitive, treasury regulations and Instructions, and ITB's SCM Policy.
Human Resource Management	Unsatisfactory	Catastrophic and Major risks noted: 2. Outdated human resource management policy and no SOP for sub-human resource processes:- a) Non-compliance with labour laws and regulations. b) Employees might have an interest in suppliers doing businesses with ITB and/or other organs of state using ITB's resources. 3. Lack of capacity to execute Ingonyama Trust board mandate and existing staff may experience increased workloads and stress, which can impact morale, productivity, and retention due to approved organogram not being implemented. 4. Inability to measure individual performance against organisational objectives, identify development needs, promote accountability, and support informed decisions relating to employee development, rewards, and performance improvement due to employee performance management and Development system not implemented. 5. Inaccurate leave balances potential overpayments can result in financial losses and incorrect leave pay liability disclosed in the financial statements 6. Absence of a signed appointment letter may result in disputes regarding the terms and conditions of employment and weaken the Entity's legal position in the event of employment-related disputes.
Organisational Performance Management System	Improvement Opportunity	Catastrophic and Major risks noted: 7. Strategic Plan and Annual Performance Plan misaligned - hinder effective performance management, as they may not accurately measure progress toward strategic goals.
		8. No Policy/Standard Operating Procedure for Performance Information Monitoring - In the absent of the current PMS Manager there will be limited reporting as it is not formally communicated to the rest of the organisation. 9. Misstatements in reported achievement as portfolio of evidence incomplete

Focus Area	Overall conclusion on internal controls	Significant risks noted
		10. Perpetual non-achievement of indicators and targets:- a) The backlog can lead to delays in service delivery, affecting the entity's ability to meet its commitments and objectives. b) Carry over incomplete tasks can lead to inefficient use of resources and increased operational costs.

In-Year Management and Monthly/Quarterly Report

The public entity has submitted monthly and quarterly reports to the Executive Authority. The Internal Audit function performed reviews on all Quarterly Financial and Non-financial reports prior to submission to Accounting Authority, and Executive Authority.

Evaluation of the Annual Financial Statements and Annual Performance Report

The Committee reviewed the annual financial statements prior to submission to the Auditor-General of South Africa and recommended their approval by the Board of Ingonyama Trust. The annual performance report was reviewed by the internal audit and audit committee and this was recommended to the Board for approval.

Risk Management

The Committee reviewed the effectiveness of the risk management processes and monitored the implementation of the risk management framework. Significant strategic and operational risks were regularly considered, and management reported on mitigation measures to address identified risks.

External Audit

The Committee considered the audit plan and audit findings presented by the Auditor-General of South Africa (AGSA). The Committee reviewed the Auditor-General's management report and monitored management's implementation of corrective actions in response to audit findings.
The Committee concurs and accepts the conclusions of the AGSA on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the auditor.

Compliance with Laws and Regulations

The Committee monitored the compliance with applicable legislation, regulations, policies, and governance requirements. Reports on compliance matters were considered throughout the year, and management was requested to address identified instances of non-compliance.

Conclusion

The Audit Committee is of the opinion that it has fulfilled its statutory responsibilities in accordance with the PFMA and its approved Charter. Based on the information available to the Committee, it is satisfied that the Ingonyama Trust Board has appropriate governance, risk management, and internal control processes in place to support the achievement of its strategic objectives.

Mr. Erick Nsikayezwe Sithole
Chairperson of the Audit Committee : Ingonyama Trust Board
28 July 2026

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PART D

HUMAN RESOURCES

INFORMATION

INGONYAMA TRUST

Human Resources Overview

During the 2024/25 financial year, the Human Resources function continued to provide essential strategic, operational and administrative support to the Ingonyama Trust Board. Although the year was characterised by a limited number of strategic Human Resources initiatives, the department continued to focus on ensuring effective human resource administration. This included supporting management and employees, maintaining employee records, administering leave and benefits, and providing advisory services on employment-related matters.

The department also laid the foundation for future organisational improvements by focusing on workforce alignment, governance and employee development.

Human Resources Priorities and Impact

The primary Human Resource priority during the year was the review of the organisational structure and the alignment of employees with appropriate job designations. The process was intended to ensure that positions accurately reflected employees' responsibilities, enhance organisational efficiency, improve accountability and provide a clearer framework for career progression.

This initiative forms part of the organisation's long-term strategy to strengthen institutional capacity and ensure that Human Resources are aligned with operational requirements.

Workforce Planning and Recruitment

Workforce planning remained focused on addressing critical leadership vacancies within the organisation. Recruitment processes were initiated for the positions of Chief Financial Officer (CFO) and Head: Corporate Services, in recognition of the strategic importance of these roles in strengthening governance, financial management and organisational performance.

Although the recruitment processes were not concluded during the reporting period, their initiation represented an important step towards strengthening executive leadership capacity.

Performance Management

Although formal performance agreements were not implemented during the 2024/25 financial year, the organisation continued to promote a culture of accountability, professionalism and service excellence. Managers and employees remained committed to achieving organisational objectives and maintaining service delivery standards despite the absence of a formal performance management cycle.

The implementation of a structured performance management system remains a priority to strengthen employee accountability, recognise performance and support organisational effectiveness.

Employee Wellness and Benefits

Recognising the importance of employee well-being, a Social Committee was established during the year to promote positive employee relations and foster a supportive and collaborative working environment. The Committee coordinated initiatives aimed at improving staff morale, encouraging teamwork and creating opportunities for employee engagement beyond employees' normal work responsibilities.

Policy Development

During the year, significant progress was made in reviewing and refining Human Resources policies and governance instruments. This included revising the Human Resources Committee Terms of Reference to clarify the Committee's mandate, authority and reporting responsibilities.

The Staff Bursary Policy was also reviewed to ensure that the financial assistance provided to employees remained responsive to rising tuition costs and aligned with the organisation's skills development priorities. Policy development continued to focus on strengthening governance, improving policy clarity, mitigating organisational risk and ensuring compliance with applicable legislation, including the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA), and public-sector best practice.

Key Achievements

The Human Resources function achieved several important milestones during the reporting period, including:

- Initiating recruitment processes for critical executive positions.
- Establishing the Social Committee to strengthen employee engagement and workplace relations.
- Reviewing key Human Resources policies and governance documents.
- Reviewing the Staff Bursary Scheme to support employee education and skills development.
- Continuing to deliver core Human Resources administration services to ensure uninterrupted organisational operations.

Challenges

The Human Resources function experienced several challenges during the reporting period, including:

- Capacity constraints within the Human Resources unit.
- Delays in filling critical vacancies due to budgetary and organisational considerations.
- The absence of a formal performance management cycle during the financial year.
- Ongoing organisational restructuring and employee alignment processes, which required careful consultation and planning.
- Limited financial resources for implementing certain strategic Human Resources initiatives.

Future Human Resources Focus

During the 2025/26 financial year, the Human Resources function will focus on:

- Finalising the implementation of the approved organisational structure and employee alignment process.
- Filling critical vacant positions in accordance with approved workforce plans and the available budget.
- Implementing a comprehensive performance management system throughout the organisation.
- Continuing to review and develop Human Resources policies to ensure legislative compliance and good governance.
- Strengthening employee wellness initiatives and promoting a positive organisational culture.
- Enhancing learning and development opportunities to build organisational capability and support succession planning.
- Improving human resources systems, reporting and workforce planning to support informed strategic decision-making.

Personnel Cost by programme / activity / objective

Programme/ activity/objective	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel expenditure at % of total expenditure (R'000)	No of employees	Average personnel cost per employee (R'000)
Programme 1 Total Support Staff	29 165	18 703	64,13%	24	779
Programme 2 Land Management Services Staff	109 663	12 497	11,39%	19	657
Total	**138 828**	**31 200**	**22,47%**	**43**	**725**

Personnel Cost by salary band

Programme/ activity/objective	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel expenditure at % of total expenditure (R'000)	No of employees	Average personnel cost per employee (R'000)
Top Management (L15)	3 100	3 100	9.94%	1	3 100
Senior Management (L13-14)	7 232	7 232	23.18%	4	1 808
Professional qualified (L8-12)	8 006	8 006	25.66%	11	728
Skilled(L5-7)	12265	12265	39.31%	25	491
Semi-skilled (L3-4)	597	597	1.91%	2	299
Total	**31 200**	**31 200**	**100%**	**43**	**725**

Employment and vacancies

Programme// activity/ objective	2023/2024 No. of Employees	2024/2025 Approved Posts	2024/2025 No. of Employees	2024/2025 Vacancies	% of vacancies
	44	44	43	1	3%

	2023/2024 No. of Employees	2024/2025 Approved Posts	2024/2025 No. of Employees	2024/2025 Vacancies	% of vacancies
Top Management	1	1	1	0	0%
Senior Management	3	3	3	0	0%
Professional qualified	12	12	12	0	0%
Skilled	26	26	25	1	3%
Semi-skilled	2	2	2	0	0%
Total	44	44	43	1	3%

Employment changes

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	1	0	0	1
Senior Management	3	0	0	3
Professional qualified	12	0	0	12
Skilled	26	0	1	25
Semi-skilled	2	0	0	2
Total	44	0	1	43

Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	0	0%
Resignation	1	3%
Dismissal	0	0
Retirement	0	0
Ill health	0	0
Expiry of contract	0	0
Other	0	0
TOTAL	1	3%

"Unlocking Rural Land for Development for the benefit of the People"

PART E

PFMA

COMPLIANCE

INGONYAMA TRUST

IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AND MATERIAL LOSSES

Irregular expenditure

Reconciliation of irregular expenditure

Description	2024/2025 R'000	2023/2024 R'000
Opening balance	31 065	30 861
Adjustment to opening balance	-	-
Opening balance as restated	-	30 861
Add: Irregular expenditure confirmed	71	204
Less: Irregular expenditure condoned	-	-
Less: Irregular expenditure not condoned and removed	-	-
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recoverable and written off	-	-
Closing balance	**31 136**	**31 065**

Irregular expenditure amounting to R71 thousand in the current year relates to request for quotations advertised less than four (4) working days as required by the SCM policy.

Reconciling notes

Description	2024/2025 R'000	2023/2024 R'000
Irregular expenditure that was under assessment	31 065	30 861
Irregular expenditure that relates to the prior year and identified in the current year	-	-
Irregular expenditure for the current year	71	204
Total	**31 136**	**31 065**

All irregular expenditure to date is still in the process of assessment by the Finance Committee.

Internal Audit is assisting management to expedite the investigations and recommendations to address all non-compliance with the provisions of the PFMA.

Fruitless and wasteful expenditure

Reconciliation of fruitless and wasteful expenditure

Description	2024/2025 R'000	2023/2024 R'000
Opening balance	245	245
Adjustment to opening balance	-	-
Opening balance as restated	245	245
Add: Fruitless and wasteful expenditure confirmed	8	-
Less: Fruitless and wasteful expenditure recoverable	-	-
Less: Fruitless and wasteful expenditure not recoverable and written off	-	-
Closing balance	**253**	**245**

Fruitless and wasteful amounting to R8 thousand in the current year relates to missed flights and no show for accommodation.

Reconciling notes

Description	2024/2025 R'000	2023/2024 R'000
Fruitless and wasteful expenditure that was under assessment	245	245
Fruitless and wasteful expenditure that relates to the prior year and identified in the current year	-	-
Fruitless and wasteful expenditure for the current year	8	-
Total	**253**	**245**

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

Description	2024/2025 R'000	2023/2024 R'000
Fruitless and wasteful expenditure under assessment	253	245
Fruitless and wasteful expenditure under determination	-	-
Fruitless and wasteful expenditure under investigation	-	-
Total	**253**	**245**

All fruitless and wasteful expenditure remains under investigation for either recovery or write off.

"Unlocking Rural Land for Development for the benefit of the People"

PART F

INGONYAMA TRUST BOARD

ANNUAL FINANCIAL STATEMENTS

INGONYAMA TRUST

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Land administration
Board members	His Majesty the King Misuzulu kaZwelithini (Chairperson) Adv. L.C. Zama (Vice-Chairperson) INkosi B.P.N. Molefe INkosi S.N. Mkhize Mr. D.N. Matemela Ms. N. Zulu Dr. T. Dlamini *INkosi M.I. Tembe *Ms. L. del Grande INkosi S.N. Mkhize

* INkosi M.I. Tembe resigned on the 9th January 2025 and, Ms. L. del Grande resigned on the 22nd September 2024.

Business address	65 Trelawney Road Southgate Pietermaritzburg 3201
Bankers	First National Bank
Auditors	Auditor General of South Africa (AGSA)

Index

The reports and statements set out below comprise the audited Annual Financial Statements presented to the parliament:

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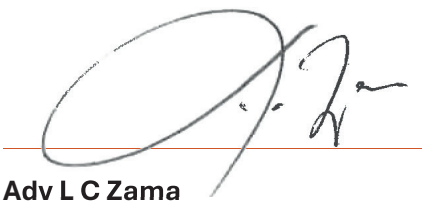
The audited Annual Financial Statements set out on pages 64 to 101, which have been prepared on the going concern basis, were approved by the Accounting Authority on 29 May 2025 and were signed on its behalf by:

S B Vilakazi
Acting Chief Executive Officer
Date : 29 May 2025

INkosi S N Mkhize
Board Signatory
Date : 29 May 2025



Adv L C Zama
Vice-chairperson
Date : 29 May 2025

Accounting Authority's Responsibilities and Approval

The members are required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and are responsible for the content and integrity of the audited Annual Financial Statements and related financial information included in this report. It is the responsibility of the members to ensure that the audited 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 being engaged to express an independent opinion on the audited Annual Financial Statements and have been given unrestricted access to all financial records and related data.

The audited 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.

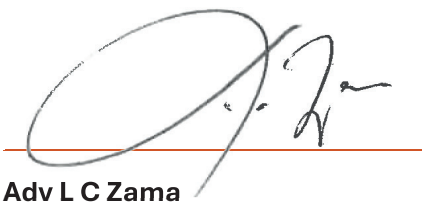
The audited Annual Financial Statements are based upon appropriate Accounting Policies consistently applied and supported by reasonable and prudent judgements and estimates.

The members 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 members to meet these responsibilities, the board of members set 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 members are of the opinion, based on the information and explanations given by management, that the system of internal control of the board provides reasonable assurance that the financial records may be relied on for the preparation of the audited Annual Financial Statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The members have reviewed the entity's budget for the year to 31 March 2026 and, in the light of this review and the current financial position, they are satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

The audited Annual Financial Statements are prepared on the basis that the entity is a going concern and that the entity has neither the intention nor the need to liquidate or curtail materially the scale of its operations.



Adv L C Zama

Vice-chairperson

Date : 29 May 2025

Report of the Auditor-General to Parliament on Ingonyama Trust Board

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Ingonyama Trust Board set out on pages 66 to 103, which comprise the Statement of Financial Position as at 31 March 2025, Statement of Financial Performance, Statement of Changes in Net Assets, Cash Flow Statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant Accounting Policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Ingonyama Trust Board as at 31 March 2025 and its financial performance and cash flows for the year then ended in accordance with the Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for opinion

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

Emphasis of matter

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

Restatement of corresponding figures

7. As disclosed in note 13 to the financial statements, the corresponding figures for 31 March 2024 were restated as a result of errors in the financial statements of the public entity at, and for the year-ended, 31 March 2025.

Responsibilities of the Accounting Authority for the financial statements

8. The Accounting Authority is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and the requirements of the PFMA and for such internal control as the Accounting Authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

9. In preparing the financial statements, the Accounting Authority is responsible for assessing the public entity's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the Auditor-General for the audit of the financial statements

10. 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.

11. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 8 and 9, forms part of my auditor's report.

Report on the annual performance report

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

13. I selected the following material performance indicators related to Programme 2: Land and Tenure Management presented in the annual performance report for the year-ended 31 March 2025. I selected those indicators that measure the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.

- Percentage of leases approved by the board within 90 days of submission by the prospective lessee
- Percentage of signed leases within 30 days from approval by the board

14. I was engaged to evaluate the reported performance information for the selected material performance indicators relating to Programme 2: Land and Tenure Management against the criteria developed from the performance management and reporting framework, as defined in the general notice. An annual performance report prepared using these criteria provides useful and reliable information and insights to users of the report on the public entity's planning and delivery on its mandate and planned objectives. My objective was to perform procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

15. The material findings on the reported performance information for the selected material indicators are as follows:

16. Various indicators were not clearly defined during the planning process. Consequently, the indicators are not useful for measuring and reporting on progress against planned objectives.

Indicator	Target	Detail
Percentage of leases approved by the board within 90 days of submission by the prospective lessee	100%	The Technical Indicator Description (TID) does not specify how the 90-day period is calculated, causing ambiguity and inconsistent data collection. Furthermore, it lacks a clearly documented calculation methodology, which can lead to inconsistent and inaccurate measurement of the indicator.
Percentage of signed leases within 30 days from approval by the board	100%	The TID does not specify how the 30-day period is calculated, causing ambiguity and inconsistent data collection. Furthermore, the method of calculation is documented incorrectly as the number of approved applications divided by the number of signed leases. However, management follows a different approach, calculating the percentage as number of leases signed within 30 days divided by the number of approved leases. This can lead to a lack of clarity, misinterpretation and inconsistency in reporting.

17. Adequate processes had not been established to consistently measure and reliably report on various indicators. Consequently, the public entity would have found it difficult to determine the correct achievements to be reported against the planned targets.

Indicator	Target	Detail
Percentage of leases approved by the board within 90 days of submission by the prospective lessee	100%	Supporting schedules were inaccurate and incomplete preventing independent verification of the reported data. This was due to deficiencies in internal control and the lack of etensite technical engagements for the accurate collection, validation, and documentation of performance information.
Indicator	**Target**	**Detail**
Percentage of signed leases within 30 days from approval by the board	100%	Supporting schedules were inaccurate and incomplete preventing independent verification of the reported data. This was due to deficiencies in internal control and the lack extensive technical engagements for the accurate collection, validation, and documentation of performance information.

18. I could not determine if the reported achievements were correct, as adequate supporting evidence was not provided for review. Consequently, the achievements might be more or less than reported and were not reliable for determining if the targets had been achieved.

Indicator	Target	Reported achievement
Percentage of leases approved by the board within 90 days of submission by the prospective lessee	100%	50%
Percentage of signed leases within 30 days from approval by the board	100%	25%

Other matters

19. I draw attention to the matters below.

Achievement of planned targets

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

21. The table that follows provides information on the achievement of planned targets and lists the key indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on pages 23 to 26.

Programme 2- Land and Tenure Management

Targets achieved: Limitation

Key indicators not achieved	Planned target	Reported achievement
Percentage of leases approved by the board within 90 days of submission by the prospective lessee	100%	Limitation
Percentage of signed leases within 30 days from approval by the board	100%	Limitation

Material misstatements

22. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for Programme 2: Land and Tenure Management. Management did not correct the misstatements, and I reported material findings in this regard.

Report on compliance with legislation

23. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The Accounting Authority is responsible for the public entity's compliance with legislation.

24. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

25. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

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

Consequence management

27. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred irregular expenditure as required by section 51(1)(e)(iii) of the PFMA. This was because investigations into irregular expenditure were not performed.

28. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred fruitless and wasteful expenditure as required by section 51(1)(e)(iii) of the PFMA. This was because investigations into fruitless and wasteful expenditure were not performed.

Other information in the annual report

29. The Accounting Authority is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected material indicators in the scoped-in programme presented in the annual performance report that have been specifically reported on in this auditor's report.

30. My opinion on the financial statements and my reports on the audit of the annual performance report and compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

31. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected material indicators in the scoped-in programme presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Internal control deficiencies

33. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.

34. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the selected material indicators included in the annual performance report and the material finding on compliance with legislation included in this report.

35. The Accounting Authority did not set the tone at the top and drive a culture of accountability and commitment to effective oversight on compliance with laws and regulations and performance reporting.

36. Regular, accurate and complete performance reports that are supported and evidenced by reliable information were not prepared.

37. Accounting Authority did not fully implement effective performance management to ensure that the entity is adequately capacitated with sufficiently skilled resources.

Auditor-General

AUDITOR-GENERAL
SOUTH AFRICA

Pietermaritzburg
30 July 2025

Annexure to the Report of the Auditor-General

Annexure to the Auditor General's report

- The Auditor-General's responsibility for the audit
- The selected legislative requirements for compliance testing

Auditor-General's responsibility for the audit

Professional judgement and professional scepticism

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

Financial statements

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

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

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

- Evaluate the appropriateness of Accounting Policies used and the reasonableness of accounting estimates and related disclosures made.

- Conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the public entity to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a public entity to cease operating as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

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

Compliance with legislation - selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999	Section 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii); 53(4); 54(2)(c); 54(2)(d); 55(1)(a); 55(1)(b); 55(1)(c)(i); 56; 57(b); 66(3)(c); 66(5)
Treasury Regulations, 2005	Regulation 16A3.2; 16A3.2(a); 16A6.1; 16A6.2(a); 16A6.2(b); 16A6.3(a); 16A6.3(a); 16A6.3{b); 16A6.3(c); 16A6.3(e); 16A6.4; 16A6.5; 16A6.6; 16A.7.1; 16A.7.3; 16A.7.6; 16A8.3; 16A8.4; 16A9.1(b)(ii); 16A9.1(d); 16A9.1(e); 16A9.1(f); 16A9.2; 16A9.2(a)(ii); 30.1.1; 31.1.2(c); 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1; 31.2.1; 31.2.5; 31.2.7(a); 31.3.3; 32.1.1(a); 32.1.1(b); 32.1.1(c); 33.1.1; 33.1.3
Companies Act 71 of 2008	Section 45(2); 45(3)(a)(ii); 45(3)(b)(i); 45(3)(b)(ii); 45(4); 46(1)(a); 46(1)(b); 46(1)(c); 112(2)(a); 129(7)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Requlations, 2004	Regulation 17; 25(7A)
National Treasury Instruction No. 5 of 2020/21	Paragraph 4.8; 4.9; 5.3
Second Amendment National Treasury Instruction No. 5 of 2020/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 2020/21	Paragraph 2
National Treasury Instruction No. 1 of 2021/22	Paragraph 4.1
National Treasury Instruction No. 4 of 2015/16	Paragraph 3.4
National Treasury SCM Instruction No. 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction No. 03 of 2021/22	Paragraph 4.1; 4.2(b); 4.3; 4.4; 4.4(a); 4.17; 7.2; 7.6

Annexure to the Report of the Auditor-General

Legislation	Sections or regulations
National Treasury SCM Instruction No. 11 of 2020/21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
National Treasury Practice Note 5 of 2009/10	Paragraph 3.3
National Treasury Practice Note 7 of 2009/10	Paragraph 4.1.2
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulations, 2022	Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulations, 2017	Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; 6.6; 6.8; 7.1; 7.2; 7.3; 7.6; 7.8; 8.2; 8.5; 9.1; 10.1; 10.2; 11.1; 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

Statement of Financial Position as at 31 March 2025

	Note(s)	2025 '000	2024 Restated* '000
Receivables from exchange transactions	3	12	25
Cash and cash equivalents	4	1 602	2 776
		1 614	**2 801**
Non-Current Assets			
Property, plant and equipment	5	26	38
Total Assets		**1 640**	**2 839**
Liabilities			
Current Liabilities			
Payables from exchange transactions	6	1 555	3 126
Total Liabilities		**1 555**	**3 126**
Net Assets		**85**	**(285)**
Accumulated surplus/ (deficit)		85	(285)
Total Net Assets		**85**	**(285)**

Statement of Financial Performance as at 31 March 2025

	Note(s)	2025 '000	2024 Restated* '000
Revenue			
Revenue from exchange transactions			
Transfer funds received - Ingonyama trust financial regulation 10(2)	8	7 537	9 828
Other income - Ingonyama trust	8	-	1 665
Interest received	8	131	166
Total revenue from exchange transactions		**7 668**	**11 659**
Revenue from non-exchange transactions			
Transfer revenue			
Transfer funds received - DALRRD	8	21 867	23 781
Other income - Services in kind	7	-	1 847
Total revenue from non-exchange transactions		**21 867**	**25 628**
Total revenue		**29 535**	**37 287**
Expenditure			
Employee related costs	9	(18 703)	(28 062)
Depreciation	5	(13)	(123)
General expenses	10	(10 449)	(4 584)
Total expenditure		**(29 165)**	**(32 769)**
Surplus for the year		**370**	**4 518**

Statement of Changes in Net Assets as at 31 March 2025

	Note(s)	Accumulated surplus/ (deficit) '000	Total net assets '000
Opening balance as previously reported		(4 138)	(4 138)
Prior year adjustments	13	(665)	(665)
Balance at 01 April 2023 as restated*		**(4 803)**	**(4 803)**
Surplus for the year		4 518	4 518
Total changes		4 518	4 518
Balance at 01 April 2024 as restated*		**(285)**	**(285)**
Surplus for the year		370	370
Total changes		370	370
Balance at 31 March 2025		**85**	**(285)**

Cash Flow Statement as at 31 March 2025

	Note(s)	2025 '000	2024 Restated* '000
Cash flows from operating activities			
Receipts			
Transfer payment - DRDLR		21 867	23 781
Transfers - Ingonyama Trust		7 094	10 578
Interest income		140	161
Other receipts		13	-
		29 114	34 520
Payments			
Employee costs		(20 228)	(27 753)
Other payments		(10 060)	(6 340)
		(30 288)	(34 093)
Net cash flows from operating activities	**15**	**(1 174)**	**427**
Net increase/(decrease) in cash and cash equivalents		**(1 174)**	**427**
Cash and cash equivalents at the beginning of the year		2 776	2 349
Cash and cash equivalents at the end of the year	**4**	**1 602**	**2 776**

Statement of Comparison of Budget and Actual Amounts as at 31 March 2025

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
	'000	'000	'000	'000	'000	
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Transfer funds received - Ingonyama Trust Financial Regulation 10(2)	7 794	(769)	7 025	7 537	512	BC1
Interest received - Bank	106	68	174	131	(43)	BC2
Total revenue from exchange transactions	**7 900**	**(701)**	**7 199**	**7 668**	**469**	
Revenue from non-exchange transactions						
Transfer revenue						
Transfer payment received - Department of Agriculture, Land Reform and Rural Development	21 900	(33)	21 867	21 867	-	
Total revenue	**29 800**	**(734)**	**29 066**	**29 535**	**469**	
Expenditure						
Employee costs	(21 400)	49	(21 351)	(18 703)	2 648	BC3
Depreciation	-	(38)	(38)	(13)	25	BC4
General expenses	(8 400)	723	(7 677)	(10 449)	(2 772)	BC5
Total expenditure	**(29 800)**	**734**	**(29 066)**	**(29 165)**	**(99)**	
Surplus	**-**	**-**	**-**	**370**	**370**	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	**-**	**-**	**-**	**370**	**370**	

	Note(s)	2025 '000	2024 '000

1. Significant accounting polices

The principal Accounting Policies applied in the preparation of these audited Annual Financial Statements are set out below.

1.1. Basis of preparations

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

A summary of the significant Accounting Policies, which have been consistently applied in the preparation of these unaudited Annual Financial Statements, are disclosed below.

These Accounting Policies are consistent with the previous period.

1.2 Presentation currency

These audited Annual Financial Statements are presented in South African Rand, which is the functional currency of the entity.

1.3 Going concern assumption

These audited 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. In assessing the appropriateness of the going concern assumption, management considered the entity's approved budgeted for the 2025/2026 financial year, which was approved by the Board before 31 March 2025.

The approved budget reflects continued operational funding, including both transfer payments and Trust contributions, sufficient to cover anticipated expenditure. This budget forms the basis of management's assessment that the entity will continue its operations in the ordinary course and be able to meet its obligations as they fall due No material uncertainties that cast significant doubt on the entity's ability to continue as a going concern have been identified at the reporting date.

1.4 Materiality

Omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Accounting Policies

1.4 Materiality (continued)

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

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

1.5 Significant judgements and sources of estimation uncertainty

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

Depreciation

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

Functional reallocation of expenses between the trust and the board

During the current and preceding reporting periods, the Ingonyama Trust Board undertook a phased reallocation of certain expenses between the Board and the Ingonyama Trust. This reallocation was the result of a governance-led review of the functional responsibilities and operational alignment of the two entities.

Historically, the majority of expenses were allocated to the Board, in line with a governance approach adopted by the previous Board which was to align reported expenses with appropriated funds. It was not the result of an omission, misstatement, or misuse of information as contemplated under the definition of a prior period error in GRAP 3.

1.5 Significant judgements and sources of estimation uncertainty (continued)

Upon reassessment in the 2021/2022 financial year and beyond, the current Board initiated a process to align expenditure attribution more accurately to functional benefit and control. This resulted in the reallocation of certain expenses, including but not limited to property rates, security and cleaning expenses, and employee-related costs, particularly within the Land Management Services (LMS) unit, to the Ingonyama Trust.

The reallocation has been applied prospectively from 2021. The nature, timing, and monetary measurement of the expenses have not changed; only the attribution between the two entities has been revised to reflect evolving functional responsibilities and improve the alignment between income and expenditure reporting.

The Board has assessed the implications of this reallocation and concluded that it does not constitute a correction of a prior period error, nor a change in accounting policy. Rather, it is a change in the functional attribution of expenses, consistent with GRAP 3.55, and has been disclosed as a significant judgement in the preparation of these financial statements.

1.6 Property, plant and equipment

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

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

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

Property, plant and equipment is initially measured at cost.

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

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

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

Subsequent to initial recognition, items of property, plant and equipment are carried at cost less accumulated depreciation and any impairment losses.

1.6 Property, plant and equipment (continued)

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

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.

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	15 -30 years
Computer equipment	Straight-line	3 - 10 years

The depreciable amount of an asset is allocated on a straight line basis over its useful life. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

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

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

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

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

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

1.6 Property, plant and equipment (continued)

The entity separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements.

1.7 Financial instruments

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

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.

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 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.

1.7 Financial instruments (continued)

Classification

The entity has the following types of financial assets (classes and category) as reflected on the face of the Statement of Financial Position or in the notes thereto:

Class	Category
Cash and cash equivalents	Financial asset measured at amortised cost
- Cash and cash equivalents comprise cash on hand and deposits in the Authority's name with First National Bank.	
Receivables	Financial asset measured at amortised cost
Receivables include staff debtors and interest receivable. The receivables are short term in nature	

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

Class	Category
Trade and other payables	Financial liability measured at amortised cost
Payables include trade creditors, accruals The payables are short term in nature	

Initial recognition

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

The entity recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

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

Subsequent measurement of financial assets and financial liabilities

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

- Financial instruments at amortised cost.

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

1.7 Financial instruments (continued)

Classification

The entity has the following types of financial assets (classes and category) as reflected on the face of the Statement of Financial Position or in the notes thereto:

Impairment and uncollectibility of financial assets

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

Financial assets measured at amortised cost:

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

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

The amount of the reversal is recognised in surplus or deficit.

Derecognition
Financial assets

The entity derecognises financial assets using trade date accounting. The entity derecognises a financial asset only when:

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

1.7 Financial instruments (continued)

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.

Financial liabilities

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

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

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

Presentation

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

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

1.8 Leases

The entity applies GRAP 13 - Leases, to account for lease transactions 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.

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 Employee benefits

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

- 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.

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 bsences 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 cell phones) 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.

Post-employment benefits: Defined contribution plans

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

1.9 Employee benefits (continued)

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

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, an entity 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 contribution in the cost of an asset.

Termination benefits

The entity recognises termination benefits as a liability and an expense when the entity is demonstrably committed to either:

- terminate the employment of an employee or group of employees before the normal retirement date; or
- provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The entity is demonstrably committed to a termination when the entity has a detailed formal plan for the termination and is without realistic possibility of withdrawal. The detailed plan includes [as a minimum]:

- the location, function, and approximate number of employees whose services are to be terminated;
- the termination benefits for each job classification or function; and
- the time at which the plan will be implemented.

Implementation begins as soon as possible and the period of time to complete implementation is such that material changes to the plan are not likely.

Where termination benefits fall due more than 12 months after the reporting date, they are discounted using an appropriate discount rate. The rate used to discount the benefit reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the benefit.

In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits shall be based on the number of employees expected to accept the offer.

1.10 Provisions

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.

1.10 Provisions (continued)

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.

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.

Leave pay Provision

The entity recognises a leave pay provision when an employee has rendered service in exchange for an entitlement to future compensated absences. The provision is based on the accumulated leave due at reporting date, expected to be taken or paid out in the future periods.

The leave provision is classified as a current liability under "payables from exchange transactions" and measured based on expected future payment using current salary rates. Adjustments to the provision are recognised in surplus or deficit during the period in which the change occurs.

1.11 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.

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:

1.11 Revenue from exchange transactions (continued)

- 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.

Transfers received from Ingonyama Trust

Transfers received from Ingonyama Trust in terms of Regulation 10(2) of the Financial Regulations to the Ingonyama Trust Act recognised as revenue from exchange transactions.

These transfers compensate the Ingonyama Trust Board for the administrative and operational services ir provides in managing the affairs of the Trust and Trust land.

The transfer amount is limited to a maximum of 10% of the Trust's net income, as determined annually, and is based on sunstantiated administrative costs incurred by the Board in fulfilling its mandate.

1.12 Revenue from non-exchange transactions

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.

Revenue received from conditional or operational grants, donations and funding are recognised as revenue to the extent that the entity has complied with any of the criteria's, conditions or obligations if any embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

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.

1.12 Revenue from non-exchange transactions (continued)

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

Measurement

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

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

Transfers

Inter-entity transfers between the Ingonyama Trust board and the Department of Land Reform and Rural Development, are recognised in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions and GRAP on Related parties.

Transfers received from the Department are recognised as revenue when the recognition criteria of a non-exchange transaction are met - namely when the entity obtains control of the resources and 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.

These transactions are disclosed separately in the notes to the financial statements with appropriate detail.

Services in-kind

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

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

Accounting Policies

1.12 Revenue from non-exchange transactions (continued)

The significance of the services in-kind on the entity's operations and/or service delivery objectives determines whether the entity recognises services in-kind as an asset and revenue. It should recognise those services in-kind when they meet the definition of an asset and satisfy the criteria for recognition.

Services in-kind include services provided by individuals to entities and the right to use assets in a non-exchange transaction. These services meet the definition of an asset because the entity controls a resource from which future economic benefits or service potential is expected to flow to the entity. These assets and revenue are, in most instances, immediately consumed or used and a transaction of equal value is also recognised to reflect the consumption or usage of the services in-kind.

1.13 Fruitless and wasteful expenditure

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

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

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.

1.14 Irregular expenditure

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

(a) The PFMA; or

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

(c) any provincial legislation providing procurement procedures in that provincial government.

National Treasury instruction No.4 of 2022/2023 which was issued in terms of section 51(1)(b)(ii) and 57(c) of the PFMA requires the following (effective from 3 January 2003):

Expenditure recognised as irregular expenditure is expenditure that must have been recognised in the statements of financial performance or a liability recognised in the Statement of Financial Position. The earlier of an invoice or payment will trigger irregular expenditure for these transactions.

1.14 Irregular expenditure (continued)

Irregular expenditure is recorded in the financial statements disclosure when incurred and confirmed. This relates to irregular expenditure incurred in the current financial year within a one year comparative.

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

(a) Irregular expenditure incurred and confirmed in the previous financial year.

(b) Irregular expenditure that was under assessment in the previous financial year and confirmed in the current financial year; and

(c) Irregular expenditure that was not discovered in the previous financial year and identified and confirmed in the current financial year.

(d) Irregular expenditure payments relating to multi-year contracts that was not condoned or removed.

1.15 Cash and cash equivalents

Cash for reporting purposes will include cash in the bank and any petty cash.

Cash equivalents will consist primarily of term deposits, and all other highly liquid investments with a maturity of twelve months or less. Cash equivalents are stated at cost.

The following should be excluded from the cash and cash equivalents line in the financial statements reported in current assets:

- Cash subject to restrictions that prevents its use within the next year; and
- Cash appropriated for other that its current purposes unless such cash offset a current liability

Cash is measured at the nominal amount, which approximates fair value due to the short term nature.

1.16 Expense recognition

The entity reports its expenses on the accrual basis, meaning when the expenses are incurred, not when they are paid. Expenses are incurred when goods are received and services are rendered, whether or not an invoice has been received or payment has been made.

The policy exists to ensure adherence with GRAP, to promote consistent accounting treatment across the entity, and to ensure the operating results of the entity are not mistated as a result of expenses unrecorded or recorded improperly.

1.17 Related parties

Where the entity has had related party transactions during the period covered by the financial statements, it discloses the nature of the related party transaction during the period covered by the financial statements. The nature of related party transactions, the information about them, and any outstanding balances or commitments.

1.17 Related parties (continued)

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 ventures).

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

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

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

Close members of the family of a person are 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 audited Annual Financial Statements.

1.18 Prior period errors and changes in accounting estimates

Prior year error:
Prior period errors are omissions from, and misstatements in, the entity's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that;

- was available when financial statements of these periods were authorised for issue, and
- could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

Such errors may include the effects of mathematical mistakes, mistakes in applying Accounting Policies, oversight or misrepresentation of facts, and fraud.

Material prior period error are retrospectively corrected by:

- restating the comparative amounts for the prior period presented in which the error occurred

1.18 Prior period errors and changes in accounting estimates (continued)

- If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented.

Changes in accounting estimates:

As a result of uncertainties inherent in delivering services, conducting trading or other activities, many items in financial statements cannot be measured with precision but can only be estimated. The use of reasonable estimates is an essential part of the preparation of financial statements and does not undermine their reliability. An estimate may need revision if changes occur in the circumstances on which the estimates was based or as a result on new information or more experience. By its nature, the revision of an estimates does not relate to prior periods and is not the correction of an error.

The effect of a change in accounting estimate shall be recognised prospectively by including it in surplus or deficit in:

- The period of the change, if the change affects that period only; or
- The period of the change and future periods, if the change affects both.

1.19 Contingent liabilities and assets
Contingent liabilities:

Contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly in the control of the entity; or

A present obligation that arises from past events that is not recognised because;

- It is not probable that an out flow of resources and embodying economic benefits will be required to settle the obligation; or
- The amount of the obligation cannot be measured with sufficient reliability.
- The contingent liability is recognised awaiting the outcome of legal action or dispute between the two parties.

When it is probable that total contract costs will exceed total contract revenue, the expected deficit is recognised as an expense immediately.

Contingent assets:

A contingent asset is a possible asset that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

An entity shall not recognise a contingent asset;

Where an inflow of economic benefits or service potential is probable, an entity shall disclose a brief description of the nature of the contingent assets at the reporting date, and , where practicable, an estimate of their financial effect, measured using the principles set out for provisions.

Accounting Policies

1.20 Payable from exchange transactions

A liability is a present obligation of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits or service potential.

Liabilities from exchange transactions will be recognised if:

- it is probable that any future economic benefit or service potential associated with the item will flow from the entity; or
- The item has cost or value that can be measured reliably.

1.21 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).

1.22 Events ater reporting date

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

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

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

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

1.23 Budget information

Entities are 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.

1.23 Budget information (continued)

The approved budget covers the fiscal period from 01 Apr 2024 to 31 Mar 2025.

The budget for the economic entity includes all the entities approved budgets under its control. The audited 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.

Variance of 10% and above are considered material and are explained in the notes to the Annual Financial Statements.

1.24 Accrued Expenses

Accrued expenses are recognised when an obligation arises for the entity to make a payment for goods or services that have been received or consumed, but for which no invoice has been received by the reporting date. Accrued expenses are classified as current liabilities and are measured at the amount expected to be paid. These are typically recognised under “Payables from exchange transactions” and form part of the total obligations settled in the normal course of business.

Notes to the Audited Annual Financial Statements

	2025 ‘000	2024 ‘000

2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

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

Standard/ Interpretation:	Effective date:	Expected impact:
- GRAP 103 (as revised): Heritage Assets	Effective date to be determined	Unlikely there will be a material impact
- Guideline: Guideline on the Application of Materiality to Financial Statements	Effective date to be determined	Unlikely there will be a material impact
- GRAP 104 (as revised): Financial Instruments	01 April 2025	Unlikely there will be a material impact
- GRAP 1 (as revised) Presentation of Financial Statements	Effective date to be determined	Unlikely there will be a material impact
- GRAP 105 Transfer of Functions Between Entities Under Common Control	Effective date to be determined	Unlikely there will be a material impact
- GRAP 106 Transfer of Functions Between Entities Not Under Common Control	Effective date to be determined	Unlikely there will be a material impact
- GRAP 107 Mergers	Effective date to be determined	Unlikely there will be a material impact

3. Receivables from exchange transactions

	‘000	‘000
Interest receivable	12	21
Employee debt	-	4
	12	**25**

4. Cash and cash equivalents

Cash and cash equivalents consist of:		
Cash on hand - petty cash	-	2
Bank balances	1 602	2 774
	1 602	**2 776**

	2025 '000	2024 '000

4. Cash and cash equivalents (continued)

The entity had the following bank accounts

Account number / description	Bank statement balances		Cash book balances	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
FNB Current account - 6200783****	1 602	2 774	1 602	2 774
	1 602	**2 774**	**1 602**	**2 774**

5. Property, plant and equipment

	2025			2024		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	45	(45)	-	45	(45)	-
Computer equipment	388	(362)	26	388	(350)	38
Total	**433**	**(407)**	**26**	**433**	**(395)**	**38**

Reconciliation of property, plant and equipment - March 2025

	Opening balance	Depreciation	Total
Computer equipment	38	(13)	26

Reconciliation of property, plant and equipment - March 2024

	Opening balance	Depreciation	Total
Computer equipment	161	(123)	38

6. Payables from exchange transactions

Accrued leave pay	817	1 195
Accrued expenses	729	1 931
	1 555	**3 126**

Notes to the Audited Annual Financial Statements

		2025 '000	2024 '000
7.	**Other Income - service in-kind**		
	Salary related and other secondment costs	-	1 847
	Service in-kind for the prior year relate to costs paid for by the other institutions for the benefit of Ingonyama Trust Board in the 2023/2024 financial year-end. - Salary related cost R1,250 million - Other secondment R597 thousand		
8.	**Revenue**		
	Transfer funds received - Ingonyama trust financial regulation 10(2)	7 537	9 828
	Other Income - Ingonyama trust	-	1 665
	Interest received	131	166
	Transfer funds received - DALRRD	21 867	23 781
	Other income - Services in kind	-	1 847
		29 535	**37 287**
	The amount included in revenue arising from exchanges of goods or services are as follows:		
	Transfer funds received - Ingonyama trust financial regulation 10(2)	7 537	9 828
	Other income - Ingonyama trust	-	1 665
	Interest received	131	166
		7 668	**11 659**
	The amount included in revenue arising from non-exchange transactions is as follows: **Transfer revenue**		
	Transfer funds received - DALRRD	21 867	23 781
	Other income - Services in kind	-	1 847
		21 867	**25 628**

		2025 '000	2024 '000
9.	**Employee related costs**		
	Basic salaries	17 850	25 744
	Leave pay provision charge	(378)	(5)
	Medical aid contributions	425	526
	Overtime payments	95	61
	Provident fund contributions	382	769
	Severance package	-	495
	Skills development levy	192	250
	Unemployment insurance fund	114	187
	Union fee payments	23	35
		18 703	**28 062**
10.	**General expenses**		
	Audit committee member's remuneration	28	16
	Auditors remuneration	2 467	1 426
	Bank charges	16	16
	Board members' expenses	2 318	798
	Service in-kind - Other secondment costs	-	597
	Workshops	128	213
	Bursaries	35	-
	Other expenses - Ingonyama Trust	4 114	969
	Printing and stationery	-	7
	Staff training	162	-
	Board meetings and accomodation	1 181	542
		10 449	**4 584**
11.	**Auditors' remuneration**		
	External audit fees.	2 215	1 426
	Internal audit fees	252	-
		2 467	**1 426**

External audit fees (Auditor-General) amounted to R2,215 million (2024: R1,426 million).

Notes to the Audited Annual Financial Statements

	2025 ‘000	2024 ‘000

12. Related parties

Relationships

INGONYAMA TRUST

A related party transaction exists between the Ingonyama Trust Board and the Ingonyama Trust. The Ingonyama Trust Board administers the affairs of the Ingonyama Trust and Trust land. The Ingonyama Trust Board is partially funded by the State and transfer payment funding paid for by the Ingonyama Trust. In administering the Trust, the Ingonyama Trust Board incurs operational and administrative expenditure noted in the Statement of Financial Performance. The Ingonyama Trust, which is regulated by the financial and administrative regulations to the Act, mainly incurs expenditure on the core business “ land management”.

DEPARTMENT OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT (DALRRD)

The Ingonyama Trust Board is a public entity under the Department of Agriculture, Land Reform and Rural Development as such certain services between the Department of Agriculture, Land Reform and Rural Development and the entity are rendered and are not at arm’s length. These have been disclosed below:

Related party transactions		
Transfer funds received from Ingonyama Trust		
Transfer funds received - Ingonyama trust financial regulation 10(2)	7 537	9 828
Services paid by other on behalf of the Ingonyama Trust Board		
Services paid by Ingonyama trust	-	1 665
Services paid by DALRRD	-	1 847
Transfer received from Department of Agriculture, Land Reform and Rural Development		
Transfer funds received - DALRRD	21 867	23 781
Services paid by Ingonyama Trust Board on behalf of Others		
Service paid by Ingonyama trust board	(4 114)	(969)

	2025 '000	2024 '000

12. Related parties (continued)

Remuneration of management
Board Members' Fees
March - 2025

Name	Fees for services as a member of the accounting authority	Total
Adv. L.C. Zama (Vice-Chairperson)	263	263
Ms N.S. Zulu	316	316
INkosi S.N, Mkhize	343	343
Dr T. Dlamini	284	284
Mr D.N. Matemela	276	276
INkosi B.P.N. Molefe	210	210
*INkosi M.I. Tembe	173	173
	1 865	**1 865**

*INkosi M.I. Tembe resigned on 9th January 2025.

March - 2024

Name	Fees for services as a member of the accounting authority	Total
INkosi T.N. Mzimela (former chairperson)	194	194
Ms N.S. Zulu	250	250
INkosi S.N, Mkhize	285	285
Dr T. Dlamini	291	291
Mr D.N. Matemela	284	284
INkosi B.P.N. Molefe	168	168
*INkosi M.I. Tembe	73	73
	1 545	**1 545**

Notes to the Annual Financial Statements

12. Related parties (continued)
Management class: Executive management
March - 2025

Figures in Rand thousand

	Basic salary	Salary adjustment	Back pay	Other Short term employee benefits	Post employment benefits	Total
Name						
Mr V.Z. Mngwengwe - Chief Executive Officer	1 666	29	33	805	53	2 586
Ms T.P. Ndlovu - Head of Land Management Services	1 361	25	-	495	-	1 881
Mr S.E. Madondo - Head Corporate Services	998	15	-	376	-	1 389
Mr S.E. Gabela - Manager Performance and Evaluation	1 121	18	21	505	-	1 665
Mr S.B. Vilakazi - Chief Financial Officer	1 361	21	-	495	-	1 887
	6 507	**108**	**54**	**2 676**	**53**	**9 398**
March 2024						
Name						
Mr V.Z. Mngwengwe - Chief Executive Officer	1 882	202	-	244	226	2 554
Ms T.P. Ndlovu - Head of Land Management Services	1 696	940	-	28	-	2 664
Mr S.E. Madondo - Head Corporate Services	1 144	731	-	130	-	2 005
Mr S.E. Gabela - Manager Performance and Evaluation	1 513	364	-	20	-	1 897
Mr S.B. Vilakazi - Chief Financial Officer	1 153	-	112	351	82	1 698
	7 388	**2 237**	**112**	**773**	**308**	**10 818**

Ms T.P. Ndlovu (Head of Land Management), has been disclosed under the Ingonyama Trust Board's executive management for completeness and consistency with prior years. However, it is noted that the Board resolved to allocate all officials within the Land Management Services (LMS) division, including the Head of LMS, to the Ingonyama Trust, which is responsible for the core land management function. Accordingly, her remuneration is funded and accounted for under the Trust. Her inclusion here ensures transparency regarding the full management structure of the entity and facilitates accurate year-on-year comparisons of key personnel. This disclosure will be repeated in the Ingonyama Trust's financial statements for completeness.

	2025 '000	2024 '000

13. Prior-year adjustments

Presented below are those items contained in the Statement of Financial Position, Statement of Financial Performance and Cash Flow Statement that have been affected by prior-year adjustments:

Statement of Financial Position
March - 2024

	Note	As previously reported	Correction of error	Restated
Payables from exchange transactions	6	2 081	1 045	3 126
Accumulated Surplus		758	(1 045)	(287)
		2 839	**-**	**2 839**

Statement of Financial Performance
March - 2024

	Note	As previously reported	Correction of error	Restated
Employee related cost	8	27 767	295	28 062
Board members' remuneration and expenses	8	714	84	798
Other income - Ingonyama trust		2 148	(483)	1 665
Transfer funds received - Ingonyama trust funds regulation 10(2)		9 345	483	9 828
Surplus for the year		**39 974**	**379**	**40 353**

Prior Period Error

The entity identified and corrected prior period errors relating to unrecorded liabilities that existed as at 31 March 2023 and 31 March 2024, but were not previously recognised. The errors were adjusted retrospectively in accordance with the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors (GRAP 3).

The total adjustment to payables amounted to R1,04 million comprising the following items:

Error in Back pay to officials
An amount of R953 thousand was paid during the 2024/2025 financial year in respect of back pay relating to salary adjustments for senior managers:
- R658 thousand related to the 2022/2023 financial year.
- R295 thousand related to the 2023/2024 financial year.

	2025 ‘000	2024 ‘000

13. Prior-year adjustments

Error in Board Member Remuneration

An amount of R84 thousand related to Board fees claimed late by a current board member. These claims pertained to the prior year and had not been accrued due to the entity’s lack of knowledge about their existence at the time.

Error in Interest on late payment of PAYE

A further R7 thousand adjustment relates to underestimated interest on overdue PAYE for the 2022/2023 financial year. The interest was incurred but not accrued in the correct period:

These corrections resulted in an increase in payables and a corresponding decrease in the accumulated surplus in the prior year. The comparative figures have been restated accordingly.

Error in revenue - Transfer funds received - Ingonyama trust financial regulation 10(2)

The Board is allowed in terms of paragraph 10(2) of the financial regulations to make good the shortfall in the Board by utilising “An amount not exceeding 10 percent of the Trust income may be utilised for the operational costs of the Accounting Authority, being costs reasonably incurred by the Accounting Authority, including ordinary administrative costs, to achieve the objectives of the Act.”

It follows from the above that the 10 % available is dependent on the value of Trust Income.

In the prior year Total Trust revenue increased by R 4.8m, attributable to Rental income of R 4.m and R 800 thousand on the full profit of the MTN settlement. The Rental revenue increased by R 3,1 m because of invoicing leases with credit balances that had expired but continued to occupy IT property and R 900 thousand for leases that have been invoiced in the current year commenced/or for the prior year.

Error in reassessment of useful life

During the current financial year, management identified that the useful life of computer equipment assets, initially estimated at 3 years, was incorrectly assessed at 31 March 2024 despite ongoing service potential and a remaining carrying amount of R38 thousand.

GRAP 17 requires the useful life and residual value of assets to be reviewed at each reporting date. The omission to not implement the outcomes of this review constituted a prior period error as defined in GRAP 3. The error has been corrected retrospectively. The assets’ useful life was extended to 6 years based on condition and expected usage.

Remainder of the carrying amount as at 1 April 2024 of R37 thousand will be depreciated over the remaining period of 36 months.

	2025 ‘000	2024 ‘000

14. Risk management

Liquidity risk

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.

The entity manages its liquidity risk through ongoing review of future commitments and the budgeting process which monitors spending against available resources.

The table below analyses the entity’s financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the Statement of Financial Position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Liabilities		
Payables from exchange transactions	**738**	**1 931**

The entity does not hold any derivative financial liabilities.

Credit risk

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

Credit risk consists mainly of cash deposits, cash equivalents, and receivables. The Entity only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Financial assets which potentially subject the Ingonyama Trust Board to risk of nonperformance and thereby subject to credit risk consist mainly on cash and cash equivalents.

The ITB limits its treasury counter party exposure by dealing with established institution approved by National Treasury and its exposure is constantly monitored.
Assets exposed to credit risk at year-end were as follows:

Assets		
Receivables from exchange transactions	12	25
Cash and cash equivalents	1 607	2 776
	1 614	**2801**

Notes to the Audited Annual Financial Statements

		2025 '000	2024 '000
14.	**Risk management (continued)**		
	Other risks		
	Interest rate risk		
	Surplus cash earns interest and the rate is exposed to fluctuations in the Repo rate. However, as the Authority has no significant interest-bearing assets, the Board's income and operating cash flows are substantially independent of changes in market interest rates. Hence the risk is considered low as deposits are held with major South African bank. The Authority does not invest in equity instruments.		
15.	**Cash generated from operations**		
	Surplus	370	4 518
	Adjustments for:		
	Depreciation	13	123
	Decrease in provisions	-	(1 005)
	Changes in working capital:		
	Receivables from exchange transactions	13	(9)
	Payables from exchange transactions	(1 570)	(3 200)
		(1 174)	**427**

During the financial year, a reclassification of certain employee-related payments was necessary to accurately reflect the operational activities of the Ingonyama Trust and the Ingonyama Trust Board. For the first two months of the year, employees who performed duties aligned with the Trust's core activities were paid from the Board's payroll due to operational considerations.

To ensure accurate financial reporting and align expenses with the appropriate entity, these payments have been classified under "other payments" in the Cash Flow Statement in cash flows from operating activities. This classification denotes that while the payments were indeed for employees, they pertained to the Trust's operations rather than the Board's. This approach maintains clarity and consistency in reflecting the financial activities of each entity.

By classifying these payments as "other expenses," we provide a transparent and accurate representation of the relationship between the Trust and the Board, ensuring that the financial statements accurately reflect the operational activities of each entity.

	2025 '000	2024 '000
16. Unauthorised, Irregular and Fruitless and Wasteful Expenditure		
Irregular expenditure	71	204
Fruitless and wasteful expenditure	8	-
Closing balance	**79**	**204**

Details of the Unauthorised, Irregular and Fruitless and Wasteful Expenditure

Fruitless and wasteful expenditure

Fruitless and wasteful amounting to R8 thousand in the current year relates to missed flights and accommodation.

Irregular Expenditure

Irregular expenditure amounting to R71 thousand in the current year relates to request for quotations advertised as required by the SCM policy without approval.

17. Budget differences

Material differences between budget and actual amounts

BC1 Transfer Funds Received and other income

The adjustment made in the current year relates to the requirements in accordance with Ingonyama Trust Financial Regulation 10(1) that states that "when estimated, income is unlikely to be realized, it is required to be reported to the Accounting Authority indicating how the shortfall will be met".
This variance is caused by the Trust and the Board paying for each others expenses during the financial year, which are were not budgeted for on the entities final budget.
An amount not exceeding 10% of trust income has been determined as required in Financial Regulation 10(2) and is allocated to be utilised to address the shortfall and will be utilised for operational costs incurred by the Accounting Authority.

	2025 ‘000	2024 ‘000

17. Budget differences (continued)

BC2 Interest Received - Bank

The adjustment to increase interest received was influenced by economic and policy decisions by the SARB which saw the repo rate being decreased from 8,25% in September 2024 to 7,5% as of February 2025 . This rate change has a direct impact on bank interest rates as it affects both lending and deposit rates resulting in an adjustment of R68 thousand in anticipate interest income.

BC3 Employee Cost

The underspending on employee costs is attributable to several factors. Firstly, while the Board approved the organisational structure previously referred to as the 2018 structure, no new appointments were made during the year, contributing to reduced expenditure.

Secondly, the organisation has been implementing a phased reallocation of expenditure on the basis of function. In line with this, employee costs related to the Land Management Services (LMS) unit, which constitutes the core operational function of the Trust, have been reclassified and are now shown in the financial statements of the Ingonyama Trust rather than the Board. This reallocation aligns with the governance-led review of functional responsibilities that commenced in 2021.

BC4 Depreciation

No budget had been previously allocated to the systematic utilisation of PPE. An adjustment was made to factor in the Depreciation for the current year at an amount of R38 thousand. The useful life assessment for computer equipment was done in 2025 financial year instead of the 2024 financial year. The prior year assessment that we did in the current year shows the R38 thousand carrying amount will be systematically utilised over 3 years, not 1 year.

	2025	2024
	'000	'000

17. Budget differences (continued)

BC5 General Expenses

The increase in general expenses during the year is primarily driven by the increase in organisational activity, following the finalisation and activation of the Ingonyama Trust Board in May 2023. The 2024/2025 financial year represents the first full year of operation for the newly constituted Board, resulting in a substantial increase in governance-related expenditure.

Furthermore, the organisation has been implementing a phased reallocation of expenditure between the Board and the Trust, based on a review of functional responsibilities and operational alignment. This is part of a broader governance-led strategy initiated in 2022 to ensure that expenditure is appropriately aligned with the entity responsible for, or benefiting from, the activity.

In line with this, certain LMS-related employee payments were temporarily processed through the Board's payroll during the first two months of the financial year, pending finalisation of operational arrangements within the Trust.

The combined effect of increased governance activity, operational handovers, and the functional reallocation of costs explains the notable increase in general expenses for the year.

"Unlocking Rural Land for Development for the benefit of the People"

PART G

INGONYAMA TRUST

ANNUAL FINANCIAL STATEMENTS

INGONYAMA TRUST

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Land administration
Board members	His Majesty the King Misuzulu kaZwelithini (Chairperson) Adv. L.C. Zama (Vice-Chairperson) INkosi B.P.N. Molefe INkosi S.N. Mkhize Mr. D.N. Matemela Ms. N. Zulu Dr. T. Dlamini *INkosi M.I. Tembe *Ms. L. del Grande INkosi S.N. Mkhize

* INkosi M.I. Tembe resigned on the 9th January 2025 and, Ms. L. del Grande resigned on the 22nd September 2024.

Business address	65 Trelawney Road Southgate Pietermaritzburg 3201
Bankers	First National Bank
Auditors	Auditor General of South Africa (AGSA)

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The reports and statements set out below comprise the audited Annual Financial Statements presented to the parliament:

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Accounting Authority's Responsibilities and Approval

The Ingonyama Trust was established by the KwaZulu Legislative Assembly as the administrator of the communal land of the Zulu Nation, with His Majesty the King as the Trustee, in terms of the KwaZulu-Natal Ingonyama Trust Act 3KZ of 1994.

In 1997, the democratic National Parliament amended this Act to ensure consistency with the modern constitutional order. This amendment effected changes to all sections of the Act through the KwaZulu-Natal Ingonyama Trust Amendment Act No. 9 of 1997.

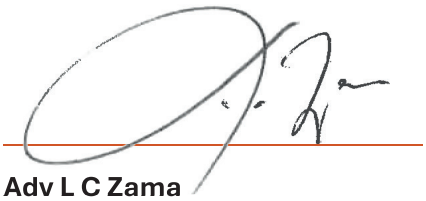
Importantly, the 1997 Amendment Act established the Ingonyama Trust Board, appointed by the Minister of Land Reform and Rural Development following a consultative process with His Majesty the King; the KwaZulu-Natal Premier-in-Executive Council and the Chairperson of the KwaZulu-Natal House of Traditional Leaders. His Majesty the King remains the sole Trustee and chairs the Board, either personally or through his nominee. The 1997 Amendment Act also excluded the application of private trust legislation to the Ingonyama Trust.

The KwaZulu Natal Ingonyama Trust Board is tasked with the responsibility of administering the Trust and Trust Land. The Trust is administered for the benefit, material welfare and social well-being of the members of the tribe and communities concerned.

The Board is of the opinion, based on the information and explanations provided by management, that the system of internal control provides reasonable assurance that the financial records may be relied upon in the preparation of the unaudited Annual Financial Statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement.

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

The audited Annual Financial Statements set out from pages 114 to 178 together with the accompanying notes, have been prepared on a going concern basis, They were approved by the Accounting Authority on 9 February 2026 and signed on its behalf by:



Adv L C Zama
Vice-chairperson
Ingonyama Trust Board
Date :

Report of the Auditor-General to Parliament on Ingonyama Trust

Report on the audit of the financial statements

Qualified Opinion

1. I have audited the financial statements of the Ingonyama Trust set out on pages 114 to 178, which comprise the Statement of Financial Position as at 31 March 2025, the Statement of Financial Performance, the Statement of Changes in Net Assets, the Cash Flow Statement and the statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant Accounting Policies.
2. In my opinion, except for the effects and possible effects of the matter described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Ingonyama Trust as at 31 March 2025, and its financial performance and the cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the KwaZulu-Natal Ingonyama Trust Act 3 of 1994, as amended(Kita).

Basis for qualified opinion

Non-consolidation of controlled entity

3. As disclosed in note 3 to the financial statements, the Ingonyama Trust has not consolidated its subsidiary, Ingonyama Holdings (Pty) Ltd, that was formed during 2019. This investment has been accounted for as a loan to controlled entity. Based on the evidence obtained during the audit, the Ingonyama Trust controls the subsidiary and therefore did not meet the requirements of GRAP 35, Consolidated financial statements, as it should have consolidated this subsidiary. The effects of the non-consolidation on the surplus/deficit and accumulated surplus have not been determined, as it was impracticable to do so.

   In addition, I was unable to obtain sufficient appropriate audit evidence for the financial information of Ingonyama Holdings (Pty) Ltd because the financial information was not available. I was unable to confirm the financial information by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary had consolidated financial statements been prepared.

Context for opinion

4. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the Auditor-General for the audit of the financial statements section of my report.
5. I am independent of the trust 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.
6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of matter

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

Restatement of corresponding figures

8. As disclosed in note 22 to the financial statements, the corresponding figures for 31 March 2024 were restated as a result of errors in the financial statements of the trust at, and for the year-ended, 31 March 2025.

Impairment loss

9. As disclosed in note 19 to the financial statements, the trust recognised an impairment loss on trade and other receivables to the value of R16,28 million (2023-24: R8,43 million) as a result of the non-collectability of debtors.

Responsibilities of the Accounting Authority for the financial statements

10. The Accounting Authority is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the Kita and for such internal control as the Accounting Authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
11. In preparing the financial statements, the Accounting Authority is responsible for assessing the trust'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 trust or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the Auditor-General for the audit of the financial statements

12. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
13. A further description of my responsibilities for the audit of the financial statements in included in the annexure to this auditor's report. The description, which is located at page 6 in the annexure, forms part of my auditor's report.

Report on compliance with legislation

14. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The Accounting Authority is responsible for the trust's compliance with legislation.
15. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion thereon.
16. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial management of the trust, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
17. I did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

18. The Accounting Authority is responsible for the other information included in the annual report. The other information does not include the financial statements and the auditor's report.
19. My opinion on the financial statements and my report on the compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
20. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
21. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract the auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

22. I considered internal control relevant to my audit of the financial statements and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
23. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion included in this report.
24. The Accounting Authority did not exercise oversight on the financial reporting requirements due to the non-consolidation of its investment in its controlled entity in the financial statements, which resulted in a qualification on the audit report.

Other reports

25. I draw attention to the following engagement conducted. This report did not form part of my opinion on the financial statements or my findings on compliance with applicable legislation.

26. There is currently an investigation by the Directorate for Priority Crime Investigations (DFPCI), concerning a loan granted to Ingonyama Holdings (Pty) Ltd amounting to R41 million, which commenced in January 2023. The engagement covers the period from 2020-21 to 2021-22 and relates to a criminal investigation into the financial affairs of the subsidiary. The investigation was still in progress at the date of this auditor's report.

AUDITOR-GENERAL

AUDITOR-GENERAL
SOUTH AFRICA

Auditor-General
Pietermaritzburg
09 July 2026

Annexure to the Report of the Auditor-General

Annexure to the Auditor General's report

- The Auditor-General's responsibility for the audit
- The selected legislative requirements for compliance testing

Auditor-General's responsibility for the audit

Professional judgement and professional scepticism

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

Financial statements

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

23.

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

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

- Evaluate the appropriateness of Accounting Policies used and the reasonableness of accounting estimates and related disclosures made.

- Conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the public entity to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a public entity to cease operating as a going concern.

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

Communication with those charged with governance

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

Compliance with legislation - selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
KwaZulu-Natal Ingonyama Trust Amendment Act 9 of 1997	Sub-section (5), substituted by s.2(e) of Act 9 of 1997 of KwaZulu-Natal Ingonyama Trust Act
KwaZulu-Natal Ingonyama Trust Act (KITA) financial regulation 3 and 4	KITA financial regulation 3a, b & c, 4(1) b

Statement of Financial Position as at 31 March 2025

	Note(s)	2025 '000	2024 Restated* '000
Assets			
Current Assets			
Loan to controlled entity	3	-	296
Receivables from exchange transactions	4	80 364	18 752
Other receivables from exchange transactions	5	602	396
Investments	6	59 174	52 324
Cash and cash equivalents	7	199 336	166 653
		339 476	**238 421**
Non-Current Assets			
Investment property	8	559 520	559 520
Property, plant and equipment	9	1 099 771	1 120 332
Intangible assets	10	167	243
Heritage assets	11	15 988	15 988
		1 675 446	**1 696 083**
Total Assets		**2 014 922**	**1 934 504**
Liabilities			
Current Liabilities			
Provision - municipal rates	15	8 413	7 084
Residential lease liability	12	3 845	4 142
Trade and other payables from exchange transactions	13	59 588	27 059
Provision - beneficiaries disbursement	14	216 571	209 739
Bank overdraft	7	-	96
		288 417	**248 120**
Total Liabilities		**288 417**	**248 120**
Net Assets		**1 726 505**	**1 686 384**
		1 726 505	1 686 384
Accumulated surplus			
Total Net Assets		**1 726 505**	**1 686 384**

Statement of Financial Performance as at 31 March 2025

	Note(s)	2025 '000	2024 Restated* '000
Revenue			
Revenue from exchange transactions			
Other income	16	7 227	15 758
Lease revenue	16	119 819	67 690
Interest on overdue debtors' accounts	16	856	907
Dividend income	16	1 854	1 603
Fair value gain on investment	16	5 572	1 137
Interest received on bank and short term investments	16	13 739	12 155
Gain on disposal of assets	16	719	-
Total revenue from exchange transactions		**149 786**	**99 250**
Expenditure			
Employee related costs	17	(12 497)	-
Disbursements to beneficiaries		(55 303)	(46 170)
Funds paid to Ingonyama Trust Board - FR 10(2)		(7 537)	(9 345)
Depreciation and amortisation	18	(2 523)	(2 549)
Impairment loss	19	(16 575)	(49 131)
Rates expenditure		(1 356)	(646)
Funds paid to Ingonyama Trust Board		-	(2 148)
Loss on disposal of assets	9	-	(88)
General Expenses	20	(13 872)	(12 481)
Total expenditure		**(109 663)**	**(122 558)**
Surplus (deficit) for the year		**40 123**	**(23 308)**

Statement of Changes in Net Assets as at 31 March 2025

	Note(s)	Accumulated surplus/ (deficit) '000	Total net assets '000
Opening balance as previously reported		3 073 709	3 073 709
Adjustments:			
Prior year adjustments and changes in net assets		(1 364 017)	(1 364 017)
Restated* Balance at 01 April 2023		**1 709 692**	**1 709 692**
Deficit for the year		(23 308)	(23 308)
Total changes		(23 308)	(23 308)
Restated* balance at 01 April 2024		**1 686 382**	**1 686 382**
Total cChanges		40 123	40 123
Deficit for the year		40 123	40 123
Balance at 31 March 2025		**1 726 505**	**1 726 505**

Cash Flow Statement as at 31 March 2025

	Note(s)	2025 '000	2024 Restated* '000
Cash flows from operating activities			
Receipts			
Lease receipts		85 872	80 620
Interest income		13 538	12 078
Other receipts		320	608
		99 730	**93 306**
Payments			
Transfer of funds to Ingonyama Trust Board		(7 523)	(9 088)
Cash paid to beneficiaries, suppliers and others		(74 460)	(71 225)
Employee payments		(6 658)	-
		(88 641)	(80 313)
Net cash flows from operating activities	**21**	**11 089**	**12 993**
Cash flows from investing activities			
Purchase of property, plant and equipment	9	(517)	(358)
Proceeds from sale of property, plant and equipment	9	22 214	-
Purchase of other intangible assets	10	(7)	-
Net cash flows from investing activities		**690**	**(358)**
Cash flows from financing activities			
Net increase/(decrease) in cash and cash equivalents		**32 779**	**12 635**
Cash and cash equivalents at the beginning of the year		166 557	153 922
Cash and cash equivalents at the end of the year	**7**	**199 336**	**166 557**

Statement of Comparison of Budget and Actual Amounts as at 31 March 2025

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
	'000	'000	'000	'000	'000	
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Other income	2 100	(313)	**1 787**	7 227	**5 440**	29.1
Lease revenue	105 649	10 420	**116 069**	119 819	**3 750**	29.2
Interest on overdue debtors' accounts	630	321	**951**	856	**(95)**	29.3
Dividend income	1 573	-	**1 573**	1 854	**281**	29.4
Fair value gain on investment	-	-	**-**	5 572	**5 572**	29.5
Interest received on bank and short term investments	13 737	3 741	**17 478**	13 739	**(3 739)**	29.6
Gains on disposal of assets	-	-	**-**	719	**719**	29.13
Total revenue from exchange transactions	**123 689**	**14 169**	**137 858**	**149 786**	**11 928**	
Expenditure						
Employee related costs	(12 176)	-	**(12 176)**	(12 497)	**(321)**	29.7
Funds paid to Ingonyama Trust Board - FR 10(2)	(7 094)	68	**(7 026)**	(7 537)	**(511)**	29.8
Depreciation and amortisation	(1 998)	-	**(1 998)**	(2 523)	**(525)**	29.9
Impairment loss	(23 528)	14 628	**(8 900)**	(16 575)	**(7 675)**	29.10
Rates expenditure	(29 089)	5 288	**(23 801)**	(1 356)	**22 445**	29.11
General Expenses	(14 381)	(238)	**(14 619)**	(69 175)	**(54 556)**	29.12
Total expenditure	**(88 266)**	**19 746**	**(68 520)**	**(109 663)**	**(41 143)**	
Deficit	**35 423**	**33 915**	**69 338**	**40 123**	**(29 215)**	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	**35 423**	**33 915**	**69 338**	**40 123**	**(29 215)**	

The comparison of budget and actual amounts variances is explained in note 29 of the notes to the financial statements.

	Note(s)	2025 '000	2024 '000

1. Significant accounting polices

The principal Accounting Policies applied in the preparation of these audited Annual Financial Statements are set out below.

1.1. Basis of preparations

The unaudited 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 6 of the KwaZulu Natal Ingonyama Trust financial regulations.

These Accounting Policies are consistent with the previous period.

1.2 Presentation currency

These audited Annual Financial Statements are presented in South African Rand, which is the functional currency of the trust.

1.3 Going concern assumption

These audited Annual Financial Statements have been prepared based on the expectation that the trust will continue to operate as a going concern for at least the next 12 months.

1.4 Significant judgements and sources of estimation uncertainty

In preparing the audited Annual Financial Statements, management is required to make estimates and assumptions that affect the amounts represented in the audited 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 audited Annual Financial Statements. Significant judgements include:

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

1.5 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.
The cost of an item of property, plant and equipment is recognised as an asset when:

Accounting Policies

1.5 Property, plant and equipment (continued)

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

Property, plant and equipment is initially measured at cost.

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

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

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

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

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 cost less accumulated depreciation and any impairment losses. Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

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

Item	Depreciation method	Average useful life
Land		Indefinite
Buildings	Straight-line	25 years
Furniture and fixtures	Straight-line	12 years
Motor vehicles	Straight-line	5 years
Computer equipment	Straight-line	3-5 years
Agricultural machinery and equipment	Straight-line	6 years

1.5 Property, plant and equipment (continued)

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

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

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

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

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

The entity separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 9).

1.6 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

Owner-occupied property is property held for use in the production or supply of goods or services or for administrative purposes.
Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the entity, and the cost or fair value of the investment property can be measured reliably.

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

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

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

Accounting Policies

1.6 Investment property (continued)

When land is used partly to earn rentals for capital appreciation and partly used in the production or supply of goods and services or for administrative purpose, the trust applies principle in GRAP 16.19 and 20 in determining the appropriate classification.

Cost model
Investment property is carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided to write down the cost, less estimated residual value by equal installments over the useful life of the property, which is as follows:

Item	Useful life
Property - land	indefinite
Property - buildings	25 years

1.7 Intangible assets

An asset is identifiable if it either:

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

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.
An intangible asset is recognised when:

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

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

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

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

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

1.7 Intangible assets (continued)

- 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.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Internally generated goodwill is not recognised as an intangible asset.

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	3-5 years
Website design	Straight-line	3-5 years

The trust discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 10).

Accounting Policies

1.8 Heritage assets

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

Recognition

The trust recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the trust, and the cost or fair value of the asset can be measured reliably.

Initial measurement

Heritage assets are measured at cost.

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

Subsequent measurement

After recognition as an asset, a class of heritage assets is carried at its cost less any accumulated impairment losses.

Impairment

The trust assesses at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the trust estimates the recoverable amount or the recoverable service amount of the heritage asset.

Derecognition

The trust derecognises heritage asset on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

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

1.9 Ingonyama Trust Land

Ingonyama Trust land refers to all land held by Ingonyama as Trustee for the benefit and material welfare of the tribes and communities.

Recognition:

Legislation or similar means governs the ownership, custodianship and/or the use of land in the organisations that apply the Standard of GRAP as a financial reporting framework.

1.9 Ingonyama Trust Land (continued)

The following situations outlined in legislation or similar means, may have an impact on the recognition and derecognition of land:

(a) an organisation may be required to act as the custodian of the land;

(b) an organisation may be the legal owner of the land;

(c) an organisation may be required to use the land or may be granted a right to use the land to meet its service delivery objectives; or

(d) restrictions may be imposed on an organisation in relation to the transfer of the land.

The definition of an asset is met when the resource is controlled by the organisation as a result of past events and from which future economic benefits or service potential is expected to flow to the organisation. To satisfy the recognition criteria, it should be probable that future economic benefits or service potential associated with the item will flow to the organisation, and the cost or fair value of the item can be measured reliably.

An organisation must control the resource. Control of the resource is evidenced by the organisation's ability to use the resource, or direct other parties to use it, so as to benefit from the future economic benefits or service potential embodied in the resource.

The principle of substance over form acknowledges that the substance of transactions or other events is not always consistent with that which is apparent from their legal form. Legal ownership is one method to demonstrate control of land, but the ability to generate future economic benefits or the right to service potential, may exist without legal ownership of land.

Control is evidenced by the rights and obligations arising from a binding arrangement.

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

(a) A contract concluded between the parties;

(b) Legislation, supporting regulations or similar means including, but not limited to laws, regulation, policies, decisions concluded by authorities such as cabinet, executive committees, boards, municipal councils and ministerial orders (referred to as legislation or similar means for purposes of this Interpretation); or

(c) Through operation of law, including common law.

1.9 Ingonyama Trust Land (continued)

A binding arrangement is often, but not always, in writing, in the form of a contract or documented discussions between the parties.

Control of land is evidenced by the following criteria:

(a) legal ownership; and/or

(b) the right to direct access to land, and to restrict or deny the access of others to land.

At each reporting date, an organisation needs to assess whether there are any changes to the binding arrangement that may impact its assessment of control.

Legal Ownership:

Legal ownership refers to the owner being the registered title deed holder of the land. Legal ownership also arises where the land is transferred from the legal owner to another organisation or party, through legislation or similar means.

In the absence of an organisation demonstrating that it has granted the right to direct access to and restrict or deny access of others to the land to another organisation, the legal owner controls the land as it retains the right to direct access to land, and to restrict or deny the access of others to land.

The right to direct access to land, and to restrict or deny the access of others to land.

In assessing whether the rights that have been granted to an organisation in a binding arrangement result in control of the land, it is important to distinguish between substantive rights and protective rights. Only substantive rights are considered in assessing whether an organisation controls land.

- Substantive rights grant the organisation the ability to make decisions about, and benefit from, certain rights and assets, such as how to use the land to provide services, and when to dispose of the land, to whom and at what price. For the right to be substantive, the holder of the right must have the present ability to exercise that right.
- Protective rights serve to protect particular rights or assets in the public sector, and often require that specific approval be obtained to undertake certain transactions or in making key decisions. As the reason for granting an organisation a protective right is merely to protect the rights of the holder without giving it power over the land to which the right relates, an organisation needs to consider whether it has a substantive right for purposes of assessing control of the land.

The binding arrangement concluded between the parties to the arrangement may impose conditions or restrictions on an acquirer of land. These conditions and restrictions result in a protective right for the seller or transferor of the land. W hen these conditions and restrictions are breached by the acquirer, the protective right may become a substantive right, and the seller or transferor should re-assess, at the time of the breach, whether they control land by applying the criteria in paragraph .16. If the organisation concludes that it controls land after applying these criteria, it recognises the land as an asset in its financial statements.

1.9 Ingonyama Trust Land (continued)

An organisation needs to apply judgement to determine whether it has a substantive or a protective right by considering all acts and circumstances to make the assessment.

If one organisation has the right to direct access to, and restrict or deny the access of others to land while another is the legal owner of land, substance over form determines that the land is controlled by the organisation that has the right to direct access to land, and to restrict or deny the access of others to land.

Recognition of land:

Where the organisation concludes that it controls land after applying the criteria, the land is recognised as an asset in the Statement of Financial Position in accordance with the applicable Standard of GRAP.

Derecognition of land:

If the organisation concludes that it does not control land, but land is currently recognised as an asset in its Statement of Financial Position, the land is derecognised. Land is derecognised as an asset from the Statement of Financial Position in accordance with the applicable Standard of GRAP.

Disclosure:

Where an organisation is not the legal owner or the custodian of land appointed in terms of legislation but assesses that it controls land, the following disclosures shall be provided:

(a) the carrying value of land that is recognised in accordance with the applicable Standard of GRAP; and

(b) key judgements made and assumptions applied to conclude that it controls land.

Where an organisation is the legal owner, or the custodian of land appointed in terms of legislation, but concludes that it does not control land, the organisation shall disclose key judgements made and assumptions applied to conclude that it does not control land.

The disclosures above may be made in total, individually, and for groups of land that provide relevant information to the users of the financial statements for accountability and decision-making purposes.

Accounting Policies

1.10 Investments in controlled entities

An investment entity is an entity that obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services, that has the purpose of investing funds solely for returns from capital appreciation, investment revenue, and which measures and evaluates the performance of substantially all of its investments on a fair value basis.

Separate financial statements are those presented by the trust, in which the trust could elect to account for its investments in controlled entities, joint ventures and associates either at cost, in accordance with the GRAP Standard on Financial Instruments or using the equity method as described in the Accounting Policies on Investments in Associates and Joint Ventures.

In the trust's separate financial statements, investments in controlled entities are carried at cost.

1.11 Financial instruments

Definition

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 in accordance with GRAP 104.

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.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another entity.

Classification

The entity classifies financial instruments on initial recognition into the following categories in accordance with GRAP 104:

- Financial instruments measured at amortised cost
- Financial instruments measured at fair value through surplus or deficit
- Financial instruments measured at cost (only where fair value cannot be reliably measured).

Classification is based on the nature and characteristics of the instrument and not on management intention alone.

1.11 Financial instruments (continued)

Financial instruments measured at amortised cost

A financial instrument is classified at amortised cost when it:

- Is a non-derivative instrument,
- Has fixed or determinable payments; and
- Is not held for trading; and
- Is not designated at fair value on initial recognition.

Initial measurement - amortised cost instruments

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

Subsequent measurement – amortised cost

After initial recognition, financial instruments at amortised cost are measured using the effective interest method.

Interest income and interest expense are recognised in surplus or deficit using the effective interest rate.
Short-term receivables and payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Financial instruments measured at fair value through surplus or deficit

Financial instruments are measured at fair value through surplus or deficit when they:

- Do not have fixed or determinable payments;
- Are held for trading; or
- Are designated at fair value at initial recognition.

This includes:

- Discretionary managed investment portfolios (e.g. Sanlam mandate)
- Investments in equities
- Unit trust investment
- Listed bond portfolios managed on a fair value basis

Initial measurement – fair value instruments

Financial instruments at fair value are initially measured at fair value. Transaction costs are recognised immediately in surplus or deficit.

1.11 Financial instruments (continued)

Subsequent measurement – fair value instruments

Financial instruments at fair value are remeasured at each reporting date.
Fair value is determined using:

- Quoted market prices in active markets where available; or
- Net asset value statements provided by regulated investment managers; or
- Other observable market inputs.

Gains and losses arising from changes in fair value are recognised in surplus or deficit in the period in which they arise.

Dividend income and interest income earned within managed portfolios are reflected as part of the fair value movement unless separately distributed.

Financial instruments measured at cost

Investments in residual interests are measured at cost only where:

- There is no quoted market price in an active market; and
- Fair value cannot be reliably measured.

These instruments are assessed annually for impairment. Impairment of financial assets
Financial assets measured at amortised cost

At each reporting date, the entity assesses whether there is objective evidence of impairment. If impairment exists, the loss is measured as the difference between:

- The carrying amount of the asset; and
- The present value of estimated future cash flows discounted at the original effective interest rate.

Impairment losses are recognised in surplus or deficit.

If, in a subsequent period, the impairment decreases and the decrease is objectively related to an event occurring after recognition, the impairment is reversed through surplus or deficit.

Financial assets measured at fair value

Financial assets measured at fair value are not subject to separate impairment testing, as any decline in value is reflected through fair value adjustments recognised in surplus or deficit.

Derecognition
Financial assets

A financial asset is derecognised when:

- The contractual rights to the cash flows expire, are settled or waived; or
- Substantially all risks and rewards of ownership are transferred; or
- Control is transferred.

1.11 Financial instruments (continued)

Any difference between carrying amount and consideration received is recognised in surplus or deficit.

Financial liabilities

A financial liability is derecognised when the obligation is extinguished, discharged, cancelled, expires or waived.

Any difference between the carrying amount and consideration paid is recognised in surplus or deficit.

Presentation

Interest income and expense are recognised in surplus or deficit using the effective interest method. Gains and losses from fair value movements are recognised in surplus or deficit. Financial assets and liabilities are offset only where there is a legally enforceable right to offset and an intention to settle on a net basis.

1.12 Receivables from exchange transactions
Recognition

The trust recognises receivables as follows:

- if the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes andtransfers); or
- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

Initial measurement

The trust initially measures receivables at their transaction amount.

Subsequent measurement

The trust measures receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

1.12 Receivables from exchange transactions (continued)

Accrued interest

Where the entity levies interest on the outstanding balance of receivables, it adjusts the transaction amount after initial recognition to reflect any accrued interest. Accrued interest is calculated using the nominal interest rate.

Interest on receivables is recognised as revenue in accordance with the policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (Taxes and transfers), whichever is applicable.

Impairment losses

The trust assesses at each reporting date whether there is any indication that a receivable, or a group of receivables, may be impaired.

In assessing whether there is any indication that a receivable, or group of receivables, may be impaired, the trust considers, as a minimum, the following indicators:

- Significant financial difficulty of the debtor, which may be evidenced by an application for debt counselling, business rescue or an equivalent or by debtors's' age. (namely debtors above 120 days present a collection difficulty and are usually impaired due to this reason).
- It is probable that the debtor will enter sequestration, liquidation or other financial re-organisation.
- A breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).
- Adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.
- Payment history, subsequent year-end receipts, active payment agreements and potential disputes.

If there is an indication that a receivable, or a group of receivables, may be impaired, the trust measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the receivable, or group of receivables, is reduced, either directly or through the use of an allowance account. The amount of the losses is recognised in surplus or deficit.

In estimating the future cash flows, an trust considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the entity discounts the estimated future cash flows using a rate that reflects the current risk-free rate and, if applicable, any risks specific to the receivable, or group of receivables, for which the future cash flow estimates have not been adjusted.

1.12 Receivables from exchange transactions (continued)

An impairment loss recognised in prior periods for a receivable from exchange transaction is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Any previously recognised impairment loss is adjusted either directly or by adjusting the allowance account. The adjustment does not result in the carrying amount of the receivable or group of receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit.

1.13 Leases

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

Operating leases - lessor

A more accurate systematic basis that is more representative of the time pattern in which benefits derived from a lease is diminished stage of completion is a better basis for the recognition of operating lease revenue. The stage of completion associated with the provision of leased services on Ingonyama Land is a more representative basis.

1.13 Leases (continued)

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

Income for leases is disclosed under revenue in Statement of Financial Performance.

Operating leases - lessee

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

1.14 Impairment of non-cash-generating assets

Identification

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

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

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

Value in use

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

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

Recognition and measurement
An impairment loss is recognised immediately in surplus or deficit.

1.15 Provisions and contingencies

Provisions are recognised when:

- the trust 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.

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.

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.

No obligation arises as a consequence of the sale or transfer of an operation until the trust 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 liabilities are not recognised. Contingencies are disclosed in note 27.

1.16 Commitments

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

Disclosures are required in respect of unrecognised contractual commitments.

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

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

1.17 Revenue from exchange transactions

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

An exchange transaction is one in which the trust 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.

Accounting Policies

1.17 Revenue from exchange transactions (continued)

Sale of goods

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

- the trust has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the trust 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.

Rendering of services

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

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

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

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

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

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:

1.17 Revenue from exchange transactions (continued)

- It is probable that the economic benefits or service potential associated with the transaction will flow to the trust, 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 receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

Royalties are recognised as they are earned in accordance with the substance of the relevant agreements.
Dividends or similar distributions are recognised, in surplus or deficit, when the trust's right to receive payment has been established.

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

1.18 Cash and cash equivalents

Cash for reporting purposes will include cash in the bank and petty cash.
Cash equivalents - to be included on the cash line in the financial statements - will consist primarily of term deposits, and all other highly liquid investments with maturity of twelve months or less. Cash equivalents are stated at cost.
The following should be excluded from the cash and cash equivalents line in the financial statements reported in current assets.

- Cash subject to restrictions that prevent its use within the next year; and
- Cash appropriated for other than its current purposes unless such cash offsets a current liability.
- Cash is measured at fair value.

1.19 Expense recognition

The entity reports its expenses on the accrual basis, meaning when the expenses are incurred, not when they are paid.

Expenses are incurred when goods are received and services are rendered, whether or not an invoice has been received or payment has been made.

The policy exists to ensure adherence with GRAP, to promote consistent accounting treatment across the entity, and to ensure the operating results of the entity are not misstated as a result of expenses unrecorded or recorded improperly.

Accounting Policies

1.20 Comparative figures

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

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.

The trust 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 trust 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.

1.22 Payables from exchange transactions

A liability is a present obligation of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits or service potential.

Liabilities from exchange transactions will be recognised if:

It is probable that any future economic benefit or service potential associated with the item will flow from the entity; and

The item has a cost or value that can be measured reliably.

As part of the process of maintaining the accounting records in conformity with Generally Recognised Accounting Practice, once a transaction or obligating event has taken place, the liability shall be recorded in the accounting records.

This will normally occur upon the earlier of receipt of the invoice or delivery of services/goods.

1.23 Budget information

The approved budget covers the fiscal period from 01 Apr 2024 to 31 Mar 2025.
The budget for the economic entity includes all the entities approved budgets under its control.
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 and are presented here in accordance with GRAP 24 except where stated for information purposes and are not scoped requirement for Ingonyama Trust in accordance with GRAP 24.

Approved budget means the expenditure authority deemed from the KwaZulu Natal Ingonyama Trust Act, Administrative Regulations and Financial Regulation and other decisions related to the anticipated revenue or receipts for the budgetary eriod as approved by the board.

Final budget is the approved budget adjusted for receipts, expenditure and other changes applicable to the budget period, as approved by the board.

1.24 Accrued Expenses

Accrued expenses are recognised when an obligation arises for the entity to make a payment for goods or services that have been received or consumed, but for which no invoice has been received by the reporting date.

Accrued expenses are classified as current liabilities and are measured at the amount expected to be paid. These are typically recognised under “Payables from exchange transactions” and form part of the total obligations settled in the normal course of business.

1.25 Employee benefits

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

- 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.

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:

1.25 Employee benefits (continued)

- 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.

Post-employment benefits: Defined contribution plans

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

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

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, an entity 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 contribution in the cost of an asset.

Termination benefits

The entity recognises termination benefits as a liability and an expense when the entity is demonstrably committed to either:

- terminate the employment of an employee or group of employees before the normal retirement date; or

1.25 Employee benefits (continued)

- provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The entity is demonstrably committed to a termination when the entity has a detailed formal plan for the termination and is without realistic possibility of withdrawal. The detailed plan includes [as a minimum]:

- the location, function, and approximate number of employees whose services are to be terminated;
- the termination benefits for each job classification or function; and
- the time at which the plan will be implemented.

Implementation begins as soon as possible and the period of time to complete implementation is such that material changes to the plan are not likely.

Where termination benefits fall due more than 12 months after the reporting date, they are discounted using an appropriate discount rate. The rate used to discount the benefit reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the benefit.

In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits shall be based on the number of employees expected to accept the offer.

1.26 Impairment of cash-generating assets

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

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

Carrying amount is the amount at which an asset is recognised in the Statement of Financial Position after deducting any accumulated depreciation and accumulated impairment losses thereon.

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

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

1.26 Impairment of cash-generating assets (continued)

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

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

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.
Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:

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

1.27 Municipal property rates

Recognition of municipal property rates.

The Trust recognises a provision for municipal property rates in accordance with the Municipal Property Rates Act, 6 of 2004 ("the MPRA") and the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets (GRAP 19).

A provision for municipal rates is recognised when:

- The Trust meets the definition of "owner" as contemplated in the MPRA in respect of a "property" as defined in the Act;
- A present legal obligation exists as a result of the levying of rates by a municipality;
- It is probable that an outflow of economic benefits will be required to settle the obligation; and
- The amount of the obligation can be reliably measured.

Properties that do not meet the definition of "property" under the MPRA, or where the Trust does not meet the definition of "owner", are excluded from the provision.

Determination of the Provision

The provision for municipal rates is determined based on:

- The identification of properties within municipal jurisdictions that meet the definition of "property" under the MPRA;
- The assessment of ownership status in terms of the definition of "owner" in the MPRA; and
- Statements of account or valuation roll information provided by the relevant municipality at the reporting date.

1.27 Municipal property rates (continued)

The provision reflects the amount levied or expected to be levied by municipalities on qualifying properties up to the reporting date.

Where rates are subject to dispute, the provision reflects management's best estimate of the present obligation at reporting date, based on available municipal statements and ongoing engagements with the relevant municipalities.

Notes to the Audited Annual Financial Statements

	2025 ‘000	2024 ‘000

2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

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

Standard/ Interpretation:	Effective date:	Expected impact:
- GRAP 103 (as revised): Heritage Assets	Effective date to be determined	Unlikely there will be a material impact
- Guideline: Guideline on the Application of Materiality to Financial Statements	Effective date to be determined	Unlikely there will be a material impact
- GRAP 104 (as revised): Financial Instruments	01 April 2025	Unlikely there will be a material impact
- GRAP 1 (as revised) Presentation of Financial Statements	Effective date to be determined	Unlikely there will be a material impact
- GRAP 105 Transfer of Functions Between Entities Under Common Control	Effective date to be determined	Unlikely there will be a material impact
- GRAP 106 Transfer of Functions Between Entities Not Under Common Control	Effective date to be determined	Unlikely there will be a material impact
- GRAP 107 Mergers	Effective date to be determined	Unlikely there will be a material impact

3. Loan to controlled entity

Controlled entities		
Loan to Ingonyama Holdings (Pty) Ltd	41 000	41 000
	41 000	41 000
Impairment of loans to controlled entity	**(41 000)**	**(40 704)**
	-	296

	2025	2024
	'000	'000

3. Loan to controlled entity (continued)

In accordance with the Standard of Generally Recognised Accounting Practice (GRAP) 35.05, an entity that is a controlling entity shall present consolidated financial statements.

A controlling entity is an entity that controls one or more entities. An entity controls another when the entity is exposed, or has rights, to variable benefits from its involvement with the other entity and has the ability to affect the nature or amount of those benefits through its power over the other entity Ingonyama Holdings (Pty) Ltd is a wholly owned subsidiary of Ingonyama Trust, established on 29 November 2011 as a controlled entity of the Trust. Ingonyama Holdings (Pty) Ltd has 1,000 authorised shares, of which 100 are issued and held by Ingonyama Trust, making up 100% of the issued share capital.

From the definition above, it is clear that control is a two-pronged concept, meaning:

- The entity (Ingonyama Trust) must be exposed to or have rights to benefits from its involvement with Ingonyama Holdings and;
- It must have the ability to affect the nature or amount of those benefits through its power over the entity

The Ingonyama Trust, by virtue of being a 100% shareholder of Ingonyama Holdings, has the right to variable benefits from is involvement (I.e. being a shareholder of Ingonyama Holdings). This is a right that is founded and confirmed in legislation through the powers that the Companies Act, No.71 of 2008, grants shareholders.

The ability to affect the nature or amount of variable benefits through the exercise of power has been a challenge for the Trust as a shareholder. The shareholder has been blocked from having access to Ingonyama Holdings by its first directors, who have since been removed by the shareholder.

	2025 ‘000	2024 ‘000

3. Loan to controlled entity (continued)

As at 31 March 2025 the Ingonyama Trust Board, as the shareholder representative, was barred from exercising its power, specifically its rights to appoint and dismiss directors. The first directors of Ingonyama Holdings have taken it upon themselves to appoint directors outside the legal ambits of Section 68 of the Companies Act , No.71 of 2008.

The impact of this is that the shareholder,through its representative, no longer has the ability to affect the nature or amount of those benefits, amounting to a loss of control.

Impairment assessment

Opening balance	296	41 000
Provision for impairment	(296)	(40 704)
	-	**296**

At each reporting date, the entity is required to assess whether there is objective evidence that a financial asset is impaired. Such evidence includes significant financial difficulty of the debtor, breach of contractual terms, high probability of financial reorganisation, disappearance of an active market for the asset, and observable data indicating a measurable decrease in expected future cash flows

Following the assumption of office by the current Board, significant governance and operational breakdowns were identified at Ingonyama Holdings, including the failure to provide financial information required to assess its financial position, performance and cash-flow generating ability. These deficiencies were compounded by unauthorised changes to the company’s CIPC records during 2024, which are regarded by the shareholder as fraudulent and indicative of a loss of effective control over the

subsidiary.

As a result of the absence of reliable financial information, the entity is unable to determine whether Ingonyama Holdings has reached the “operational date” as defined in the shareholder loan agreement, or whether it is generating sufficient cash flows to service its obligations. A bank statement dated 29 February 2024 reflected a cash balance of R296 thousand, which is not considered sufficient or reliable evidence of the entity’s ability to settle its liabilities or repay the shareholder loan, particularly given the governance and control deficiencies.

Given the existence of multiple objective indicators of impairment, including severe governance failures, loss of control, and the absence of verifiable financial information, management has concluded that the recoverable amount of the loan cannot be reliably determined and that no future economic benefits can presently be substantiated. Accordingly, the loan has been fully impaired to 2025: Nil (2024: R296,000) at year-end.

	2025 '000	2024 '000

3. Loan to controlled entity (continued)

Notwithstanding the full impairment, the shareholder has resolved to institute legal action to determine the legitimacy of the use of funds and to pursue any recoveries that may arise. Any amounts recovered in future periods will be recognised in surplus or deficit when realised in accordance with applicable accounting standards.

Any amount recovered in the future years will be recognised as a reversal to the impairment.

4. Receivables from exchange transactions

Trade receivables	80 364	18 752
Receivables carrying amount		
Receivables from exchange transactions	255 704	177 813
Impairment of receivables from exchange transactions	(175 340)	(159 061)
	80 364	18 752
Total receivables from exchange transactions	**80 364**	**18 752**
Receivables from exchange transactions age analysis		
Current	62 172	7 531
30 days	109	(356)
60 days	213	523
90 days	(170)	(77)
120 days	18 040	11 131
	80 364	**18 752**
Impairment of receivables from exchange transactions		
Over 120 days	(175 340)	(159 062)
Reconciliation of impairment of receivables from exchange transactions		
Opening balance	159 062	150 635
Impairment increase during the period	24 483	10 986
Payments made during the year	(8 205)	(2 559)
	175 340	**159 062**

Notes to the Audited Annual Financial Statements

		2025 '000	2024 '000
5.	**Other receivables from exchange transactions**		
	Accrued interest	598	396
	Sundry debtor	4	-
		602	**396**
	Other receivables from exchange transactions age analysis		
	Current	**602**	**396**
6.	**Investment**		
	Opening balance at fair value	52 324	50 109
	Less: withdrawals and fees	(576)	(525)
	Unrealised Gains	5 572	1 137
	Dividends received capitalised	1 854	1 603
		59 174	**52 324**

The Ingonyama Trust holds a discretionary managed investment portfolio with Sanlam Investment Management in terms of a written investment mandate. In terms of this mandate, Sanlam is authorised to invest and manage the Trust's funds on its behalf in a diversified portfolio of financial instruments in accordance to the boards investment mandate.

The Trust does not hold the underlying shares, bonds, unit trusts or other securities directly. Its financial asset is the contractual right to the net asset value of the Sanlam-managed portfolio.

Fair value

At 31 March 2025, the fair value of the Sanlam managed investment portfolio was R59,174,260 (2024: R52,324,225) as per the Sanlam portfolio valuation statement

Portfolio composition (for risk analysis)
Although the Trust does not own the underlying instruments directly, the portfolio is invested in a diversified range of asset classes, including:

- Local equities
- Foreign equities
- Unit trusts
- Government and corporate bonds
- Cash and money market instruments

	2025 ‘000	2024 ‘000

6. Investment (continued)

Financial risk management

The Trust is exposed to financial risks arising from this investment as follows:

Market risk

The portfolio is exposed to equity price risk, interest rate risk and other price risk arising from movements in market prices of the underlying instruments.

Currency risk

A portion of the portfolio is invested in foreign assets and is therefore exposed to fluctuations in foreign exchange rates.

Liquidity risk

The investment is a call investment with no fixed maturity. The Trust may withdraw funds subject to the terms of the mandate and market liquidity conditions.

These risks are managed by Sanlam in accordance with the Trust’s investment mandate, which sets asset allocation limits, diversification requirements and risk tolerances.

7. Cash and cash equivalents

Cash and cash equivalents consist of:		
Cash on hand - petty cash	4	-
Bank balances - call account	123 998	72 303
Bank balance - short-term deposits	70 499	65 409
Bank balance - current account	4 835	28 845
	199 336	**166 557**
Current assets	199 336	166 653
Current liabilities	-	(96)
	199 336	**166 557**

Notes to the Audited Annual Financial Statements

	2025 ‘000	2024 ‘000

7. Cash and cash equivalents (continued)

The trust had the followiing bank accounts

Account number / description	Bank statement balances 31 March 2025	31 March 2024
ABSA investment account -935792****	11 539	10 767
Investec bank - 110046258****	70 499	65 409
FNB current account -6200460****	4 656	28 941
FNB daily call deposit -6200463****	45 780	99
Standard bank investment -25858258*-***	66 679	61 438
FNB mineral account - 6200992***	179	(96)
Total	**199 332**	**166 558**

Notes to the Annual Financial Statements

8. Investment property

Figures in Rand thousand

	2025			2024		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Land	559 520	-	559 520	559 520	-	559 520

Reconciliation of investment property - 2025

	Opening balance	Total
Land	**559 520**	**559 520**

Reconciliation of investment property - 2024

	Opening balance	Total
Land	**559 520**	**559 520**

Details of property

Investment property relate to all properties (Land) that are not within the jurisdiction of any Traditional Authority or Community Authority and are either properties held to earn rental or for capital appreciation or both, rather that for:

(a) use in the production or supply of goods and services or for administrative purposes; or

(b) sale in the ordinary course of operations.

Notes to the Annual Financial Statements

9. Property, plant and equipment

Figures in Rand thousand

	2025			2024		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Land	1 079 349	-	1 079 349	1 097 932	-	1 097 932
Buildings	25 450	(12 008)	13 442	25 450	(10 990)	14 460
Furniture and fixtures	4 505	(2 323)	2 182	4 073	(2 109)	1 964
Motor vehicles	8 244	(4 432)	3 812	8 571	(4 198)	4 373
Computer equipment	2 585	(1 905)	680	2 547	(1 756)	791
Agricultural machinery and equipment	5 052	(4 746)	306	5 052	(4 240)	812
Total	1 125 185	(25 414)	1 099 771	1 143 625	(23 293)	1 120 332

Reconciliation of property, plant and equipment - 2025

	Opening balance	Additions	Disposals	Depreciation	Total
Land	1 097 932	-	(18 583)	-	1 079 349
Buildings	14 460	-	-	(1 018)	13 442
Furniture and fixtures	1 964	449	(3)	(228)	2 182
Motor vehicles	4 373	-	(41)	(520)	3 812
Computer equipment	791	59	(1)	(169)	680
Agricultural machinery and equipment	812	-	-	(506)	306
	1 120 332	508	(18 628)	(2 441)	1 099 771

Notes to the Annual Financial Statements

9. Property, plant and equipment (continued)

Figures in Rand thousand

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals	Depreciation	Total
Land	1 097 932	-	-	-	1 097 932
Buildings	15 478	-	-	(1 018)	14 460
Furniture and fixtures	2 139	113	(64)	(224)	1 964
Motor vehicles	4 909	-	-	(536)	4 373
Computer equipment	747	245	(21)	(180)	791
Agricultural machinery and equipment	1 317	-	-	(505)	812
	1 122 522	358	(85)	(2 463)	1 120 332

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

Repairs and maintenance	307	221

Notes to the Annual Financial Statements

10. Intangible assets

Figures in Rand thousand

	2025			2024		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	1 247	(1 089)	158	1 241	(1 016)	225
Web design	138	(129)	9	138	(120)	18
Total	**1 385**	**(1 218)**	**167**	**1 379**	**(1 136)**	**243**

Reconciliation of intangible assets - 2025

	Opening balance	Additions	Amortisation	Total
Computer software	225	6	(73)	158
Web design	18	-	(9)	9
	243	6	(82)	167

Reconciliation of intangible assets - 2024

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software	294	10	(2)	(77)	225
Web design	27	-	-	(9)	18
	321	**10**	**(2)**	**(86)**	**243**

Other information

None of the intangible assets have been impaired in the current year

Notes to the Annual Financial Statements

11. Heritage assets

Figures in Rand thousand

	2025			2024		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Historical buildings	**15 988**	**-**	**15 988**	**15 988**	**15 988**	**15 988**

Reconciliation of heritage assets - 2025

	Opening balance	Total
Historical buildings	**15 988**	**15 988**

Reconciliation of intangible assets - 2024

	Opening balance	Total
Historical buildings	**15 988**	**15 988**

Other information

Heritage assets are initially measured at cost. The property described as Sans Souci House at 65 Trelawney Road, Southgate being of a historical and architectural interest was gazetted as a national monument on 16 July 1982.

Notes to the Audited Annual Financial Statements

		2025 '000	2024 '000
12.	**Residential lease liability**		
	Current liabilities	3 845	4 142
	Opening balance	4 142	-
	Initial recognition	-	4 142
	Payments	(317)	-
	Receipts	20	-
		3 845	**4 142**

The residential lease liability is rentals received for residential leases, which, in terms of the Council for the Advancement of the South African Constitution and others v The Ingonyama Trust and Others case, the Ingonyama Trust was ordered to pay back to residential lease debtors.

13.	**Trade and other payables from exchange transactions**		
	Trade payables	953	372
	Income received in advance	35 619	14 587
	Sundry accruals	771	313
	SARS - value added tax	14 434	6 388
	Accrued leave pay	558	-
	Unallocated deposits	5 382	3 751
	Sundry creditors	21	21
	Debtors with credit balances	1 851	1 629
		59 589	**27 061**

14.	**Provision - beneficiaries disbursement**		
	Reconciliation of provision - beneficiaries disbursement - 2025		
	Provision - beneficiaries disbursment		
	Opening Balance	209 739	208 572
	Add: Income	55 303	46 170
	Less: Disbursements	(48 471)	(45 003)
	Closing Balance	**216 571**	**209 739**

	2025 '000	2024 '000

14. Provision - beneficiaries disbursement (continued)

The Ingonyama Trust currently has disbursement policy (approved 6 November 2015). The policy objective is to set policy guidelines for the distribution of income generated through leases in line with the objectives of the Board. The policy has been used to establish a pattern of past practice where beneficiaries (through a Traditional Council) request for funds generated through leases within their traditional authority boundaries.

The nature of the obligation is such that disbursements are done on request, the entity has a constructive obligation where funds are available to make the necessary disbursement as requested by either the Traditional Council, iNkosi or the trustee subject to policy limits. Since the disbursements are based on requests, the entity cannot determine the timing of the outflow of the future economic benefit and service potential.

The amount is based on the best available estimates given of cash received, which is allocated to various Traditional Council's and Amakhosi.

15. Provision - municipal rates

Current liabilities

At amortised cost	8 413	7 084

Reconciliation of provision - municipal rates - 2025

	Opening balance	Increase	Total
Municipal rates	7 084	1 329	8 413

	Opening balance	Increase	Total
Municipal rates	6 438	646	7 084

The determination of the provision for rates is based on the application of the Municipal Property Rates Act 6 of 2004 and results in the recognition of rates as a provision based on properties where Ingonyama Trust is defined to have in their holding a "property" and Ingonyama Trust is defined to be holding that property as a "owner".

This naturally excludes all other properties that do not meet the definition of property for the purposes of Ingonyama Trust Board.

Notes to the Audited Annual Financial Statements

	2025 ‘000	2024 ‘000

14. Provision - beneficiaries disbursement (continued)

Due to the fact that there was a dispute with regards to the measurement of the liability for rates with municipalities, the entity is currently involved in a project with various municipalities in an effort to align and standardise the levying of rates by municipalities on all Ingonyama Land.

This involves the identification of the 4 categories of properties as defined in the Act and identifying who the owner is.

The amount that has been presented as a provision for municipal rates relates to those properties that the Ingonyama Trust has assessed to be properties for the purposes of the Act and owned by Ingonyama Trust in accordance with the definition of owner in the act. The amount is based on the statement provided by the municipality for Ingonyama Trust property in its area at reporting date.

Due to the previous dispute and current project to align there has been no payment of rates in the past, the timing of the payment is uncertain and dependent the completion and roll out of the alignment project.

16. Revenue from exchange transaction

Other income	7 227	15 758
Lease revenue	18 386	11 992
Interest on overdue debtors’ accounts	856	907
Dividend income	1 854	1 603
Fair value gain on investment	5 572	1 137
Interest received on bank	13 739	12 155
Gain on disposal of assets	719	-
	48 353	**43 552**

17. Employee related costs

Basic salaries	11 349	-
Medical aid contributions	162	-
Unemployment insurance fund	85	-
Skills development levy	111	-
Leave pay provision charge	581	-
Union fees	17	-
Provident Fund Contributions	192	-
	12 497	**-**

	2025 ‘000	2024 ‘000

17. Employee related costs (continued)

The organisation has been implementing a phased reallocation of expenditure on the basis of function. In line with this, employee costs related to the Land Management Services (LMS) unit, which constitutes the core operational function of the Trust, have been reclassified in and are now shown in this financial statements of the Ingonyama Trust rather than the Board.

This reallocation aligns with the governance-led review of functional responsibilities that commenced in 2021, and explains why no employee related costs were recognised in the prior years.

18. Depreciation and amortisation

Property, plant and equipment	2 441	2 463
Intangible assets	82	86
	2 523	**2 549**

19. Impairment loss

Impairments

Loan to controlled entity	296	40 704
Trade and other receivables	16 279	8 427
	16 575	**49 131**

Notes to the Audited Annual Financial Statements

		2025 '000	2024 '000
20.	**General expenses**		
	Accounting fees	436	-
	Advertising	207	82
	Auditors' remuneration	2 774	1 983
	Bank charges	28	23
	Cleaning	764	688
	Consulting, professional and legal fees	3 804	4 057
	Donations	-	15
	Agricultural projects expenses	10	538
	Insurance	761	660
	Workshops	-	26
	IT expenses	588	484
	Motor vehicle expenses	97	167
	Printing and stationery	108	55
	Repairs and other expenses	307	221
	Security	496	752
	Telephone and fax	262	278
	Staff training	-	54
	Travel	1 548	906
	Electricity and water	1 325	998
	Relocation costs	-	59
	Operating lease charges	265	251
	Land tenure management and planning	91	184
		13 871	**12 481**

		2025 '000	2024 '000
21.	**Cash generated from operations**		
	Deficit	(6 007)	(32 836)
	Adjustments for:		
	Depreciation and amortisation	2 523	2 549
	Gain / (Loss) on disposal of assets	(719)	88
	Impairment loss	16 575	49 131
	Movements in provisions	8 161	1 813
	Other non-cash items	43 272	(1 610)
	Changes in working capital:		
	Receivables from exchange transactions	(77 891)	3 492
	Other receivables from exchange transactions	(206)	(77)
	Investments	(6 850)	(2 215)
	Trade and other payables from exchange transactions	32 528	(11 484)
	Residential lease liability	(297)	4 142
		11 089	**12 993**

Notes to the Audited Annual Financial Statements

	2025 '000	2024 '000

22. Prior-year adjustments

Presented below are those items contained in the Statement of Financial Position, Statement of Financial Performance and Cash Flow Statement that have been affected by prior-year adjustments:

Statement of Financial Position
2024

	Note	As previously reported	Correction of error	Restated
Receivables from exchange transactions		18 002	750	18 752
Property, plant and equipment		2 984 761	(1 864 429)	1 120 332
Intangible assets		9	243	243
Provision - municipal rates		(133 434)	126 350	(7 084)
Investment Property		156 844	402 676	559 520
Accumulated surplus		(3 020 801)	1 334 419	(1 686 382)
		5 381	**-**	**5 381**

Statement of Financial Performance
2024

Lease revenue		13 035	(1 043)	11 992
Depreciation and amortisation		(1 723)	(826)	(2 549)
Rates expenditure		(22 668)	22 022	(646)
Loss on disposal of assets		(4)	(84)	(88)
Fair value gain on investments		-	1 137	1 137
Interest received on bank and short term investments		13 292	(1 137)	12 155
Surplus		52 908	(20 069)	32 839
		54 840	**-**	**54 840**

22. Prior-year adjustments (continued)

	2025	2024
	'000	'000

Errors

The following prior period error adjustments occurred:

Receivables from exchange transactions

The Board approved leases in the current year amounting to R861 thousand. These leases had a commencement date of the previous financial year. In order to recognize this lease income in the correct period, a prior year adjustment has been

made.

Accumulated surplus has increased simultaneously by R861 thousand.

As a result of the above revenue adjustment, receivables also increased by R750 thousand, which is a figure net of debtor receipts and adjustments.

Property, plant and equipment and Intangible assets

The Trust is required to assess the appropriateness of the useful lives, residual values and depreciation methods of assets at every reporting date in terms of GRAP 17 and 31.

The Trust did not assess the useful lives of assets at all in the past on a continuous basis. This resulted in assets still in use in the prior year being fully depreciated.

In terms of guidelines from the Accounting Standards Board ,the non- assessment of useful lives in any particular year results in an error in accordance with GRAP Accounting standard 3, which was rectified in the current financial year.

The correction resulted in property, plant and equipment depreciation increasing by R826 thousand, loss on disposal increased by R84 thousand and accumulated surplus decreasing by R910 thousand. The intangible assets amortisation increased by R86 thousand.

The book value of assets and accumulated surplus has increased by R4.697 million due to the change in accumulated depreciated as at 1 April 2023.

Land not under the control of community beneficiaries is recognised in the Annual Financial Statements as an asset in terms of GRAP 16.

Notes to the Audited Annual Financial Statements

	2025 ‘000	2024 ‘000

22. Prior-year adjustments (continued)

Land amounting to R1.868 billion has been de-recognised as it is within the control and jurisdiction of Traditional Council’s. This has been the result of a recent review of land ownership and control. Accumulated surplus has also decreased by R1.868 billion respectively.

Provision - municipal rates

The Ingonyama Trust revised its land holdings register as at 31 March 2025 which resulted in a substantial decrease in the land value.

As a consequence of the above correction, the municipal rates provision also required to be re-calculated and decreased by R126.35 million.

Accumulated surplus increased by R126.35 million due to the decrease in the municipal rates expenditure.

Lease revenue

Lease revenue within the jurisdiction of Traditional councils amounting to R1,044 million is correctly recognised as Traditional council income, therefore derecognised as rental income of the trust.

Investments

Fair value gain on investment amounting to R 1,137 million, previously included in interest received on bank short term investments has been correctly recognised in the AFS.

Investment Property

Investment property amounting to R402.676 million has been recognised as it is not within the control and jurisdiction of Traditional Council’s. This has been the result of a recent review of land ownership and control. Accumulated surplus has also increased by R402.676 million respectively

	2025	2024
	'000	'000

23. Related parties

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Relationships

INGONYAMA TRUST BOARD

A related party relationship exists between the Ingonyama Trust Board and the Ingonyama Trust. The Ingonyama Trust Board administers the affairs of the Ingonyama Trust and Trust land. The Ingonyama Trust Board is partially funded by the State and the shortfall of is paid for by the Ingonyama

Trust. In administering the Trust, the Ingonyama Trust Board incurs operational and administrative expenditure noted in the Statement of Financial Performance.

DEPARTMENT OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT:

The Ingonyama Trust is a statutory trust administered by Ingonyama Trust Board, whose Board is appointed by and in consultation with the Minister of the Department of Agriculture, Land Reform and Rural Development. The minister is the executive authority of the administration body of the ITB which administers the affairs of the trust and trust land.

TRADITIONAL AUTHORITIES AND COMMUNITY AUTHORITIES

The land that the Board administers falls within/ under the jurisdiction of traditional authorities and communities as contemplated in the KwaZulu Amakhosi and Iziphakanyiswa Act of 1990. The trust holds this land in accordance with section 2 of the KwaZulu Natal Ingonyama Trust Act of 1994:

The Traditional Authorities comprises of members of the tribes and communities referred to in the second column of the schedule.

Control over the underlying asset of the Trust has already been established in note 5. Although the Traditional Authorities do not have control over the Trust, the rights given to them in accordance with the KwaZulu-Natal Ingonyama Trust Act of 1994 results in Traditional Authorities ability to participate in the financial and operational policy decisions of the Trust, through approval of rights to land within their jurisdiction. The extent of this land has been disclosed in the note relating to Ingonyama Trust land.

Notes to the Audited Annual Financial Statements

	2025 '000	2024 '000

23. Related parties (continued)

INGONYAMA HOLDINGS (PTY) LTD:

Ingonyama Holdings (Pty) Ltd is a controlled entity of the Ingonyama Trust. The company was incorporated on 29 November 2019 via resolution of the Board as a commercial wing of the Trust.

Related party balances

Related party transactions

Board/Disbursements

Transfer funds paid - Ingonyama Trust Financial Regulations 10(2)	(7 537)	(9 345)
Disbursements to Trustee	(2 501)	(3 536)
Disbursements to beneficiaries/Traditional Authorities	(45 969)	(41 468)

Services paid by Ingonyama Trust Board on behalf of Ingonyama Trust

Services paid by Ingonyama Trust Board	5 351	969

Services paid by Ingonyama Trust on behalf of Ingonyama Board

Services paid by Ingonyama Trust	-	(2 148)

Ingonyama Holdings (Pty) Ltd

Loan to Ingonyama Holdings (Pty) Ltd	-	(296)

Provision for beneficiary disbursement

Community beneficiaries	198 690	192 109
AmaKhosi	17 881	17 629

	2025 '000	2024 '000

24. Risk management

Liquidity risk

The entity manages its liquidity risk through ongoing review of future commitments and the budgeting process which monitors spending against available resources.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the Statement of Financial Position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Liabilities

Trade and other Payables	43 827	20 358
Accruals	771	313
Bank overdraft	-	96
	44 598	20 767

The entity does not hold any derivative financial liabilities.

Credit risk

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

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

Financial assets which potentially subject the Ingonyama Trust to risk of nonperformance and thereby subject to credit risk consist mainly on cash and cash equivalents.

The Ingonyama Trust limits its treasury counter party exposure by dealing with established institution approved by National Treasury and its exposure is constantly monitored.

Assets exposed to credit risk at year-end were as follows:

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Financial instrument		
Receivables	80 368	18 752
Cash and cash equivalents	199 336	166 653
Loan to controlled entity	-	296
Other receivables	598	396
Investments	59 174	52 324

Notes to the Audited Annual Financial Statements

	2025 ‘000	2024 ‘000

24. Risk management (continued)

Other risk

Interest rate risk

Surplus cash earns interest and the rate is exposed to fluctuations in the Repo rate. However, as the Authority has no significant interest-bearing assets, the Trust’s income and operating cash flows are substantially independent of changes in market interest rates. Hence the risk is considered low as deposits are held with major South African bank. Ingonyama Trust does invest in equity instruments.

25. Ingonyama Trust Land

Land	1 079 349	1 097 932

Due to the unique nature of the Trust, the land has been split into two main categories, being Ingonyama Trust Land that is within the control of the Trust, and Ingonyama Trust land that is legally held by the Ingonyama as Trustee and not wholly within the control of the Trust.

Land that is legally held by Ingonyama as Trustee and is not within the proclaimed jurisdiction of any Traditional Authority or Community Authority is in direct control of the Trust due to the absence of restrictions on such land. On land which is not within the jurisdiction of any Traditional Authority or Community Authority the Trust has the right to direct access to land and restrict or deny access to the land. The carrying value is disclosed above in note 8 - Property, plant and equipment R1.079 billion (2024: R1.097 billion) and consist of approximately 30 293.02 hectares (2024: 30 473.02 hectares).

The Ingonyama as Trustees is the custodian of land as appointed in terms of the KwaZulu Ingonyama Trust Act. Due to the nature of restrictions imposed by section 2(5) of the KwaZulu Ingonyama Trust Act neither the Ingonyama Trustee or the Trust has the right to direct access to land, and to restrict or deny the access of others to land.

Land that is within the jurisdiction of traditional authorities or community authorities has been detailed below per authority. Traditional / Community Authority Land Register:

TRADITIONAL AUTHORITY	LOCAL MUNICIPALITY	DISTRICT MUNCIPALITY	AREA IN HECTARES
MATENJWA T.A.	-	-	54730,561
TEMBE T.A.	-	-	234261,880
NYAWO T.A.	-	-	91448,391
MNGOMEZULU T.A.	-	-	26227,971
MASHABANE T.A.	-	-	27822,132

	2025 '000	2024 '000

25. Ingonyama Trust Land (continued)

TRADITIONAL AUTHORITY	LOCAL MUNICIPALITY	DISTRICT MUNCIPALITY	AREA IN HECTARES
MASIDLA C.A.	-	-	22393,969
SHANGE T. A.	-	-	22124,057
MABASO T.A.	-	-	32781,876
DHLAMINI T.A.	EDUMBE	ZULULAND	19408,070
MSIBI T.A.	-	-	7064,149
SIQAKATA T.A.	-	-	3263,521
ZIKHALI / MBILA T.A.	UMHLABUYALINGANA	UMKHANYAKUDE	22214,221
SIMELANE T.A.	-	-	7837,128
NSINDE T.A.	-	-	14814,378
MTETWA T.A.	-	-	5947,136
JOBE T.A.	JOZINI	UMKHANYAKUDE	10032,863
NGWENYA T.A.	-	-	13149,696
MNQOBOKAZI T.A.	-	-	8295,375
BUHLE-BOMZINYATHI C.A.	NEWCASTLE	AMAJUBA	47005,621
USUTHU T.A	-	-	63326,626
KAMBI T.A.	UPHONGOLO	ZULULAND	2971,532
MAKASA T.A.	-	-	6430,327
NIBELA T.A.	-	-	9169,193
EMPITHIMPITHINI T.A.	ULUNDI	ZULULAND	46966,229
NYANYADU	-	-	4104,464
MDLETSHE T.A.	-	-	37377,708
MOLEFE T.A.	-	-	54624,774
MATHENI T.A.	-	-	23203,885
HLAHLINDHLELA T.A.	ABAQULUSI	ZULULAND	28625,668
NDEBELE T.A.	-	-	6738,178
ABAKWAHLABISA T.A.	HLABISA	UMKHANYAKUDE	15130,844
ABASEMPEMBENI T.A.	HLABISA	UMKHANYAKUDE	11189,982
MPUKUNYONI T.A.	-	-	80405,704
MANDHLAKAZI T.A.	-	-	130819,885
ZUNGU T.A.	ULUNDI	ZULULAND	31998,748

		2025 '000	2024 '000

25. Ingonyama Trust Land (continued)

TRADITIONAL AUTHORITY	LOCAL MUNICIPALITY	DISTRICT MUNCIPALITY	AREA IN HECTARES
MBATA T.A.	-	-	12795,456
KHIPHINKUNZI T.A.	NQUTHU	UMZINYATHI	16412,642
NOBAMBA C.A.	-	-	14088,812
MPUNGOSE T.A.	-	-	17107,253
ZONDI T.A.	NQUTHU	UMZINYATHI	4220,447
XIMBA T.A.	ULUNDI	ZULULAND	29794,055
ABANTUNGWA-KOLWA T.A.	EMNAMBITHI/ LADYSMITH	UTHUKELA	16920,162
MANGWE-BUTHANANI T.A.	-	-	8650,453
MHLANA T.A.	-	-	51741,801
MBOKODWE BOMVU T.A.	-	-	8070,876
OBUKA T.A. - -	-	-	50722,202
EMANDLENI T.A.	NQUTHU	UMZINYATHI	27898,981
YANGUYE T.A.	MTHONJANENI	KING CETSHWAYO	10376,236
ZONDI T.A.	NKANDLA	KING CETSHWAYO	4524,674
MCUNU T.A.	-	-	2696,394
CWEZI T.A.	NKANDLA	KING CETSHWAYO	7380,681
SOMOPO T.A.	-	-	9941,380
MBENSE T.A.	-	-	335,506
CUNU T.A.	NQUTHU	UMZINYATHI	11349,569
NXUMALO T.A.	-	-	2028,534
SIGWEJE T.A.	-	-	5019,154
QAMU T.A.	-	-	62353,510
SOKULU T.A.	-	-	14917,134
KHABELA T.A.	NKANDLA	KING CETSHWAYO	10945,810
MPUNGOSE T.A.	-	-	6003,194
MAMBUKA T.A.	-	-	5060,929
EKUKHANYENI T.A.	NKANDLA	KING CETSHWAYO	10381,462
VULINDLELA-SITHOLE T.A.			15215,228

	2025 '000	2024 '000

25. Ingonyama Trust Land (continued)

TRADITIONAL AUTHORITY	LOCAL MUNICIPALITY	DISTRICT MUNCIPALITY	AREA IN HECTARES
SITHOLE T.A.	-	-	14876,727
MAHLAYIZENI T.A.	-	-	8208,046
OBIZO T.A.	-	-	4905,759
AMAPUTU T.A.	NKANDLA	KING CETSHWAYO	6975,306
MTHEMBU T.A.	-	-	16254,237
NTEMBENI T.A.	-	-	12397,643
MABASO T.A.	-	-	2676,034
MBONAMBI T.A.	-	-	8147,996
INGWE T.A.	INDAKA	UTHUKELA	5056,324
CUBE T.A.	NKANDLA	KING CETSHWAYO	15471,219
BOMVU T.A.	MSINGA	UMZINYATHI	46809,676
KHOZA T.A.	UMHLATHUZE	KING CETSHWAYO	2772,980
MPUNGOSE T.A.	-	-	7593,535
BASO T.A.	MSINGA	UMZINYATHI	8290,663
MTHEMBU T.A.	-	-	19124,412
AMAZIZI T.A.	OKHAHLAMBA	UTHUKELA	17108,654
MANGIDINI T.A.	-	-	15291,457
NDHLAYANGUBO BIYELA T.A.	-	-	4715,811
AMANGWANE T.A.	OKHAHLAMBA	UTHUKELA	75849,668
BHEKISHOWE ZULU T.A.	UMLALAZI	KING CETSHWAYO	8077,674
AMAKABELA T.A.	NKANDLA	KING CETSHWAYO	24384,558
MZIMELA T.A.	-	-	24553,449
MADLEBE T. A.	-	-	7128,539
CUNU T.A.	MSINGA	UMZINYATHI	35487,485
MAGWAZA T.A.	-	-	10645,969
IZINDLOZI T.A.	NKANDLA	KING CETSHWAYO	4225,778
MVUZANE BIYELA T.A.	-	-	8768,734
MPUNGOSE T.A.	-	-	18284,820
NXAMALALA T.A.	-	-	4416,655
SHANGE T.A.	-	-	14500,632

	2025 '000	2024 '000

25. Ingonyama Trust Land (continued)

TRADITIONAL AUTHORITY	LOCAL MUNICIPALITY	DISTRICT MUNCIPALITY	AREA IN HECTARES
DUBE T.A.	UMHLATHUZE	KING CETSHWAYO	6077,515
KOLWENI T.A.	-	-	1941,992
NTULI T.A.	-	-	31532,973
NGOME T.A.	-	-	366,207
MKHWANAZI T.A.	-	-	11992,935
MONDI T.A.	-	-	1394,129
NZUZA T.A.	-	-	8013,247
AMANGWE T.A.	IMBABAZANE	UTHUKELA	21604,974
ZULU T.A.	UMLAZI	KING CETSHWAYO	1748,345
KOZA T.A.	-	-	6945,687
MOMBENI BIYELA T.A.	-	-	12758,892
ABAKWACELE T.A.	MAPHUMULO	ILEMBE	5153,092
SIKONYANE T.A.	-	-	8317,801
HLUBI T.A.	IMBABAZANE	UTHUKELA	4778,855
BANGINDODA ZULU T.A.	UMLALAZI	KING CETSHWAYO	14579,547
HLONGWA T.A.	MAPHUMULO	ILEMBE	3439,238
HOHOZA (MKHONTO) T. A.	MAPHUMULO	ILEMBE	25575,672
CAMBINI T.A.	MANDENI	ILEMBE	12543,740
MATHONSI T.A.	-	-	7364,435
MABASO T.A.	-	-	3513,141
NODUNGA T.A.	-	-	5931,919
CELE T.A.	NDWEDWE	ILEMBE	1063,264
ZUBANE T.A.	NDWEDWE	KING CETSHWAYO	3641,619
MHLUNGWINI T.A.	-	-	7961,984
DHLAMINI T.A.	IMBABAZANE	UTHUKELA	2569,098
MATHONSI T.A.	-	-	839,627
FUZE T.A.	MANDENI	ILEMBE	46,334
MAKHABELENI T.A.	-	-	7512,333
AMAMBHEDU T. A.	MAPHUMULO	ILEMBE	3556,710
MASIHAMBISANE T.A.	-	-	1836,056

	2025 '000	2024 '000

25. Ingonyama Trust Land (continued)

TRADITIONAL AUTHORITY	LOCAL MUNICIPALITY	DISTRICT MUNCIPALITY	AREA IN HECTARES
ABAMBO T.A.	IMBABAZANE	UTHUKELA	4421,910
QADI T.A.	-	-	4198,584
EMBO T.A.	MAPHUMULO	ILEMBE	1936,287
INADI T.A.	-	-	444,783
NTANZI T.A.	-	-	3142,671
AMANGCOLOSI T.A.	MAPHUMULO	ILEMBE	10579,833
QWABE T.A.	-	-	6931,532
BOMVU T.A.	UMVOTI	UMZINYATHI	11433,875
MLAMULA T.A.	-	-	12480,546
MTHULINI T.A.	-	-	3054,265
ABAKWALUTHULI T.A.	NDWEDWE	ILEMBE	1790,343
INKUMBA NYUSWA T. A.	NDWEDWE	ILEMBE	17085,030
GCWENSA T.A.	NDWEDWE	ILEMBE	5670,914
ABAKWAMAGWAZA T.A.	NDWEDWE	ILEMBE	372,160
NODWENGU T.A.	-	-	5985,375
WOSIYANA T.A.	NDWEDWE	ILEMBE	5947,879
GCUMISA T.A.	UMSHWATHI	UMGUNGUNDLOVU	17339,567
EMALANGENI T.A.	NDWEDWE	ILEMBE	5470,657
HLOPE T.A.	NDWEDWE	ILEMBE	861,286
MAVELA T.A.	-	-	4224,446
VUMAZONKE T.A.	-	-	1218,537
SHANGASE T.A.	-	-	6060,681
QADI T.A.	-	-	9757,931
QWABE T.A.	-	-	967,594
CIBANE T.A.	NDWEDWE	ILEMBE	862,608
NXAMALALA T. A.	-	-	15641,001
PHEPHETHA T.A.	-	-	7161,628
MAPUMULO T.A.	-	-	3837,768
KHUMALO T.A.	-	-	651,866
CHILI T.A.	NDWEDWE	ILEMBE	1123,411

	2025 '000	2024 '000

25. Ingonyama Trust Land (continued)

TRADITIONAL AUTHORITY	LOCAL MUNICIPALITY	DISTRICT MUNCIPALITY	AREA IN HECTARES
MANYAVU T.A.	-	-	4605,211
NXAMALALA T.A.	-	-	1092,084
BASOTHO T. A.	KWASANI	HARRY GWALA	1350,766
SHANGASE T.A.	-	-	6 4313,629
INADI T.A.	UMSUNDUZI	UMGUNGUNDLOVU	8510,870
XIMBA T. A.	ETHEKWINI	ETHEKWINI	6344,218
QINISELANI-MANYUSWA T.A.	-	-	4495,638
MPUMUZA T.A.	-	-	6982,703
NGCOLOSI T.A.	-	-	5148,491
MAFUNZE T.A.	-	-	5224,771
FREDVILLE C.A.	ETHEKWINI	ETHEKWINI	817,999
AMANGWANE T.A.	NDZ	HARRY GWALA	2473,458
KWA KHABAZELA T.A.	-	-	1834,043
XIMBA T.A.	MSUNDUZI	UMGUNGUNDLOVU	547,556
INGQUNGQULU-THEMBU T.A.	ETHEKWINI	ETHEKWINI	665,362
QADI T.A.	-	-	3653,235
BHIDLA T. A.	NDZ	HARRY GWALA	7802,219
ZASHUKE T.A.	NDZ	HARRY GWALA	6226,854
UMACALA-GWALA T.A.	-	-	2783,534
SIZANANI T.A.	-	-	8601,855
VEZAKUHLE T. A.	-	-	3798,244
VUMAZONKE T.A.	-	-	788,528
VUMINDABA T.A.	-	-	2913,793
AMAKUZE T.A.	NDZ	HARRY GWALA	24699,841
VUMANGAZI T.A.	-	-	7606,704
SOBONAKHONA-MAKHANYA T. A.	-	-	15275,462
ESIPAHLENI T.A.	RICHMOND	UMGUNGUNDLOVU	1825,187
EMBO-TIMUNI	RICHMOND	UMGUNGUNDLOVU	13683,260

		2025 '000	2024 '000

25. Ingonyama Trust Land (continued)

TRADITIONAL AUTHORITY	LOCAL MUNICIPALITY	DISTRICT MUNCIPALITY	AREA IN HECTARES
ISIBONELO ESIHLE T.A.	NDZ	HARRY GWALA	1214,039
VUKANI T. A.	-	-	5511,759
MADZIKANE-BHACA T.A.	-	-	4534,770
TOYANE T.A.	-	-	10221,196
MAPUMULO T.A.	-	-	4606,252
AMAKUZE T.A.	NDZ	HARRY GWALA	2621,299
ISIMAHLA T.A.	ETHEKWINI	ETHEKWINI	6826,708
MBHELE T.A.	-	-	6143,041
QIKO T.A.	-	-	3242,863
UMNINI TRUST	-	-	5120,706
ZEMBE T.A.	UMDONI	UGU	7439,242
NYUSWA T.A.	-	-	5074,619
CELE T.A.	UMDONI	UGU	2856,041
DUMISA T.A.	UMDONI	UGU	6634,253
UKUTULA T.A.	-	-	2251,060
SIZWE HLANGANINI C.A.	-	-	7024,202
IKWEZI-LOKUSA T.A.	UBUHLEBEZWE	HARRY GWALA	4392,932
DUNGE T.A.	UBUHLEBEZWE	HARRY GWALA	646,223
SHIYABANYE T.A.	-	-	1088,951
VUSATHINI MAZULU C.A.	-	-	565,425
NYAVINI T.A.	-	-	4366,231
QOLOQOLO T.A.	-	-	5327,634
BEKANI T.A.	UMZUMBE	UGU	898,291
NDELU T.A.	-	-	8654,167
NHLANGWINI T.A.	-	-	8140,511
THULINI T.A.	-	-	8094,718
KWA FODO T.A.	-	-	7350,463
QWABE T.A.	-	-	3893,573

		2025 '000	2024 '000

25. Ingonyama Trust Land (continued)

TRADITIONAL AUTHORITY	LOCAL MUNICIPALITY	DISTRICT MUNCIPALITY	AREA IN HECTARES
MBHELE T.A.	-	-	5770,725
TOKOZANI MADUMISA T.A.	-	-	1215,114
CELE T.A.	UMZUMBE	UGU	26911,358
HLONGWA T.A.	UMZUMBE	UGU	2306,673
MAMBOTHO T.A.	-	-	6000,278
JABULANI BESHWAWO T.A.	UMUZIWABANTU	UGU	488,606
MADLALA T.A.	-	-	2978,893
LUSHABA T.A.	-	-	1135,325
QINSELANI - MANYUSWA T.A.	-	-	7671,634
NHLANGONO T.A.	-	-	8955,422
ISIBONDA T.A.	UMUZIWABANTU	UGU	20826,638
INSIMBINI T.A.	RAY NKONYENI	UGU	3324,270
NKUMBINI T.A.	-	-	9918,248
MVUNDLA T.A.	-	-	3783,343
VUKUZITHATE T.A.	-	-	7471,411
XOLO T.A.	RAY NKONYENI	UGU	15490,895
NZIMAKWE T.A.	-	-	4111,250
XULU T.A.	NKANDLA	KING CETSHWAYO	3933,745
NGONO T.A.	-	-	21473,328
IZIGQOZA T.A.	NKANDLA	KING CETSHWAYO	5457,262
NTULI T.A.	-	-	13105,243
VUMAKWENZA	-	-	8962,682
VUMAKWENZA T.A.	-	-	3633,560
INADI T.A	-	-	540,758
NXAMALALA T.A	-	-	296,172
ISIMAHLA T.A.	MKHAMBATHINI	UMGUNGUNDLOVU	587,868
ISIMAHLA T.A.	UMDONI	UGU	5954,781
MAPHUMULO T.A	-	-	300,419
TOYANA T.A	-	-	119,947

		2025 '000	2024 '000

25. Ingonyama Trust Land (continued)

TRADITIONAL AUTHORITY	LOCAL MUNICIPALITY	DISTRICT MUNCIPALITY	AREA IN HECTARES
TOYANA T.A	-	-	255,856
QADI T.A.	-	-	6923,057
QADI T.A	-	-	522,179
QADI T.A	-	-	1130,113
BUTHELEZI TA	ULUNDI	ZULULAND	2189,309
Lukhwazi/Ntombela	-	-	7409,037
Zondo	NQUTHU	UMZINYATHI	9552,723
Hlatshwayo	NQUTHU	UMZINYATHI	7128,295
Usuthu	-	-	16678,078
Hlatshwayo	NQUTHU	UMZINYATHI	1560,703
Hlatshwayo	NQUTHU	UMZINYATHI	333,010
Sithole Mthembu	-	-	3988,284
Sithole Mthembu	-	-	5156,011
MaBomvini	-	-	8856,683
Cele	MAPHUMULO	ILEMBE	5866,800
Embo/Ilanga TA	ETHEKWINI	ETHEKWINI	439,441
Sobonakhona Makhanya TA	-	-	4069,935
Sobonakhona Makhanya TA	-	-	177,996
Cele	UMVOTI	ILEMBE	4452,805
Sobonakhona Makhanya TA	-	-	-
CUBE T.A.	NKANDLA	KING CETSHWAYO	1393,519
Embo/Ilanga CA	ETHEKWINI	ETHEKWINI	4552,200
NTSHANGASE TA	-	-	-
DASSENHOEK C.A.	ETHEKWINI	ETHEKWINI	1824,482

Notes to the Audited Annual Financial Statements

	2025 '000	2024 '000
26. Commitments		
Authorised capital expenditure		
Commitments already contracted for but not provided for		
• Due within 1 year	2 381	2 349
• Due within 2 - 5 years	4 578	4 451
	6 959	**6 800**
Total capital commitments		
Already contracted for but not provided for	6 959	6 800

This committed expenditure relates to plant and equipment and will be financed by available bank facilities, retained surpluses, existing cash resources, funds internally generated, etc.

27. Contingencies

Litigation may exist against the Ingonyama Trust relating to a dispute around land (boundaries, evictions, rates etc.), and other legal matters. The total financial impact cannot be quantified and measured reliably at year-end.

Contingent assets

Contingent asset – Sale of Hammersdale land
An amount of approximately R30.51 million made from the sale of Trust land (i.e. Hammersdale sale of land) was transferred on the instruction of the previous chairperson of the Board to a non-trust account/s without the Board's approval, resulting in the occurrence of financial loss.

The Board instituted a legal recovery process. As of 31 March 2025, the recovery of the debt remained contingent upon the decision of the court.

28. Events after the reporting date

The Trust was not aware of any material events that may have occurred between 31 June 2025 and the date when the Annual Financial Statements were authorised.

INGONYAMA TRUST BOARD

Ingonyama Trust Board Annual Report 2024/2025

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