

# INGONYAMA TRUST BOARD



# ANNUAL REPORT

FOR THE YEAR 1 APRIL 2005- 31 MARCH 2006

RP227/2006  
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HIS MAJESTY THE KING



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The Honourable L. Xingwana MP  
Minister for Agriculture and Land Affairs  
Private Bag X 833  
Pretoria  
0001

Dear Minister

This letter is written to you in my capacity as statutory Chairperson of the Ingonyama Trust Board. It conveys to you the fifth Annual Report submitted for tabling in Parliament.

The Board has continued to provide support and guidance to traditional communities in the context of the commercial use and development of their land. As the Zulu Monarch, it is of great importance to me that my people get "a square deal" whenever they permit land to be burdened or alienated in any manner. The Board fulfils an essential role in standing by the communities in all such land matters.

This is the first report from the Trust to yourself since your appointment to your present post. My Board, the staff of the Trust and I join in congratulating you on your appointment to this high office. We are aware that your portfolio is not an easy one and we assure you of our good wishes. Our relationship with your predecessor was one of mutual respect and support and we look forward to a similar relationship with yourself.

The Trust follows a policy of not selling land but rather granting leases of up to 40 years with an option to renew for a further period not exceeding 40 years. These periods are not set in concrete but are informed by the nature and value of the investment that the potential developer / tenant intends to make on Trust land. The purpose of this policy, i.e. lease not sale, is to keep the land in communal ownership. The only instances involving sales which have occurred have been the sale of land to municipalities for cemeteries and to a company for the construction of a dam in a remote valley.

I remain well content that my Board has continued to fulfil its duties with professional objectivity. This has also been evidenced in appearances before the Parliamentary Portfolio Committee and SCOPA. These Hearings have kept our Board "on its toes". We appreciate the constructive criticism and courtesy afforded to our delegates to Parliament.

The content of the following report expands upon the workings of the Trust. Behind the bland facts and figures lies a vibrant estates administration business for the benefit of communal land occupants. I commend the report to the reading of the Hon Members of Parliament.

It remains for me to again thank the members of the Board and the Secretariat. I would especially thank Mr S. J. Ngwenya who acts as Chairperson whenever I am not available. I wish to express my appreciation to yourself, Madam Minister, and to your Department for the support afforded to the Trust.

Yours sincerely

  
KING GOODWILL ZWELITHINI ka Bhekuzulu  
CHAIRPERSON



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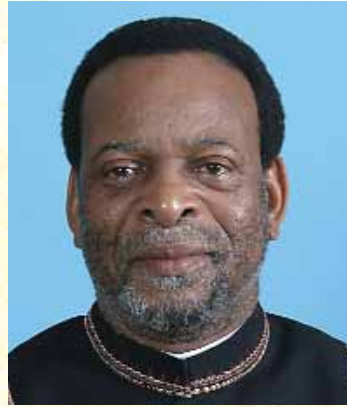
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# MEMBERS OF THE BOARD

## 2005 – 2006



His Majesty the King  
(Chairperson)



Hon Mr Justice  
S. J. Ngwenya



Advocate  
W. E. R. Raubenheimer



Ms J. T. Bhengu



Mr F. R. Brooks



Mr B. L. Shabalala

# ANNUAL REPORT FOR THE YEAR ENDING 31 MARCH 2006



## 3. BACKGROUND

The Ingonyama Trust was established in terms of the KwaZulu-Natal Ingonyama Trust Act, (Act 3 of 1994). This Act was amended by National Act 9 of 1997. Among other things, the KwaZulu-Natal Ingonyama Trust Amendment Act provided for the establishment of the Ingonyama Trust Board. The primary objective of the Board is to function as landowner-in-law of Ingonyama Trust land, which is in extent of some 2.7 million hectares spread throughout KwaZulu-Natal. The Board may, however, only perform that function in the manner prescribed in the Act.

This legislation provides for His Majesty the King to be the sole trustee but in terms of the 1997 amendments the Board came into operation on the 2 October 1998 to actually administer the affairs of the Trust. The Chairperson of the Board is His Majesty the King or his nominee. The members are appointed by the Minister, subject to consultative procedures laid down in the Act.

The core business of the Trust is to manage the land for the “material benefit and social well being of the individual members of the tribes”. However, no alienation or burdening of the land may occur without the written permission of the relevant traditional or community authority.

## 4. VISION

To improve the quality of life of the people living on Ingonyama Trust land by ensuring that land usage is to their benefit and in accordance with the laws of the land.

## 5. OBJECTIVES

- To formulate and implement policy;
- To provide an effective land administration system;
- To create a climate which encourages development and
- To extend security of tenure in accordance with both customary and statutory law always subject to the Constitution Act, 1996.

## 6. CORPORATE GOVERNANCE AND STRUCTURE

### *Management Structure*

The Board has the following management structure:

- The Executive Authority in terms of the Public Finance Management Act (Act 1 of 1999) (PFMA) is the Minister for Agriculture and Land Affairs.
- The sole Trustee of the Ingonyama Trust is His Majesty King Goodwill Zwelithini ka-Bhekuzulu.
- The accounting authority in terms of section 49 of the PFMA are the members of the Board, which for the year 2005/2006 consisted of the following:

His Majesty the King (Chairperson)

Hon Mr. Justice S.J. Ngwenya  
(member)

Advocate W.E. R. Raubenheimer  
(member)

Mr. F.R. Brooks (member)

Mr. B.L. Shabalala (member)

Ms J.T.Bhengu (member)

(There were three vacancies)

### *Board*

The Board meets approximately every six weeks to formulate policy issues and approve land rights for new development. The operational activities of the Board in support of the communal land dwellers are mainly funded through revenues generated from mineral leases and leases of commercial land. It is emphasised that it is Board policy that 90% of the revenue flow accrues to the Traditional Community in whose area the revenue is generated. The internal administrative costs of the Board are met from a grant-in-aid from the National Department of Land Affairs, (ie voted by Parliament). The operational costs are met from 10% of funds accruing through the Trust.

Both of these financial arrangements are in terms of the Ingonyama Trust Act 1994 and the Financial Regulations made under that Act and are exercised in compliance with the Public Finance Management Act 1999.

### *Secretariat*

The Board is assisted in its day to day work by a full time Secretariat. During the year, the Secretariat was staffed by the following officers: Chris Aitken, Dockas Zondi, Amin Mia, Eugenia Montaque, James Katongo and Nompumelelo Dindie.

**The Secretariat's work consists of the following categories:**

- Real Estate Management;
- General administration;
- Financial administration;
- Managing the Board's agents and service providers;
- Engaging with numerous organs of state;
- Engaging with the private (commercial) sector.



*Members of the Board and the Secretariat  
(taken during a Board Meeting)*

### **Logistical Support**

The Department of Land Affairs provides office accommodation and equipment.

### **Financial Management**

Since the listing of the Board as a schedule 3A public entity with effect from 1 April 2001, it and the Executive Authority (Minister) have taken the various steps required to achieve compliance with the requirements of the Public Finance Management Act, 1999 (Act 1 of 1999). This has included the revision of the Financial Regulations of the Trust.

## **7. THE OPERATIONS AND ACTIVITIES OF THE BOARD DURING THE YEAR**

### **Regulations**

During the year the Financial and the Administrative Regulations under which the Board operates were amended by the Honourable Minister. The effect of these amendments was to enable the Board to become more autonomous subject always however, to the concurrence of the Director – General of the Department of Land Affairs, in all material internal organisational, human resource and procurement activities.

### **Meetings**

Three types of meetings constitute the Board's way of working. These are Board meetings, Executive Committee (Exco) meetings and purpose-centred meetings. The latter usually involve one or two Board members and a staff member meeting other parties.

During the year a total of 8 Board meetings and 6 Exco meetings were held.

### **Disbursements**

The Board makes the following disbursements :-

- (a) **Internal** – paid from a grant received annually from the Department of Land Affairs including:
  - (i) Subsistence and Travel costs (mainly for meetings).
  - (ii) Board members fees (those not in the employ of the State).
  - (iii) Salaries of the staff of the Secretariat.
  - (iv) Equipment and vehicle (one only) maintenance costs.
  
- (b) **External**
  - (i) The Board uses its "own" funds in terms of Trust Financial Regulation 10(2), for the payment of Professional and other fees for services of benefit to all communal land dwellers such as legal opinions, standard contracts, surveying costs and Deeds Registry search fees. This is financed from the 10% of Trust fund transactions which the Financial Regulations permit the Trust to retain for operating costs.
  - (ii) This source of funding (i.e. the 10%) is also used to assist Traditional Authorities in situations where meetings or legal advice is required during negotiations on real estate matters. Such meetings are often attended by Board Members and staff members and it is noteworthy that the community leaders welcome and appreciate the involvement of the Board and the advice given in assisting with the protection of community interests.

**(c) The Disbursement of funds standing to the credit of a particular community**

It is Trust policy that where income accruing to the Trust is from an identifiable traditional authority area then that money must be earmarked for the benefit of that particular community, less the 10% retained in terms of Trust Finance Regulation 10 (2).

As stated above, the Trust is subject to the Public Finance Management Act 1999. Section 38 (1) (j) thereof, read with Section 51 (1) (h) requires the Trust Board, as Accounting Authority, to be satisfied that reasonable financial control measures are in place before funds are transferred to another entity. The Board's disbursement policy is formulated to comply with this PFMA prescript.

This policy requires all Traditional Authorities having a credit with the Trust to identify projects which they could manage with reasonable accountability and which will benefit that whole community. The Traditional Authorities are then required to submit business plans. The project is then approved by the Board if the business plan is viable and accountable. Payments are however only made against a detailed invoice accompanied by a certificate from the Traditional Authority or clan to the effect that the work has been satisfactorily carried out or the service satisfactorily rendered.

Monies collected and held by the Board in trust are demand driven in as much as it is up to the various communities to request the allocation of the funds. In this connection all Traditional Authorities having a credit with the Trust are regularly informed in writing of the amount standing to their credit.

The Board continues to explore other ways of disbursing the funds to ensure, within the requirements of the Public Finance Management Act, that benefits are brought to the communities as envisaged in the Ingonyama Trust Act.

***Strategic Plan***

In accordance with the requirements of the Public Finance Management Act 1999 the Board had a strategic plan for the year 2005 – 2006. This plan was approved by the Hon Minister as Executive Authority and was scrutinised by the Portfolio Committee.

The plan was prepared in order to assist the Board to achieve its mission and vision and focussed on the issues that need to be resolved over the next five years. It has regard to Government priorities such as poverty alleviation, provision of housing and infrastructure and black empowerment.

The objectives of the strategic issues raised in the Plan are to optimise land usage for the material benefit and social well being of the communities living on Ingonyama Trust land and to assist in extending security of tenure in accordance with both customary and statutory law.

***The various strategic objectives were:***

**1. Development of an assets register and a Land Tenure Information System.**

The Board is the successor-in-law to 1491 titles to land throughout the Province and has numerous subsidiary interests on its land. In order to optimise land usage it is important to identify and record all real estate assets including titles, leases, Permissions to Occupy and servitudes. During the year under review the Board commissioned a service provider to set up



a computerised Land Tenure Information System. This system will be operational shortly and will enable ownership queries to be dealt with and rents to be updated and regularly invoiced. Approximately 15 510 records have thus far been identified.

At the same time a professional land surveyor was contracted to update the real estate asset register. As at 31 March 2006 this asset register reflected the 1491 properties presently registered in the name of the Ingonyama Trust.

The asset register does not however include properties that are deemed to vest in the Trust but have yet to be registered.

It should be noted that many of the titles date back over 100 years and reference therein is often to imperial or earlier measurements of area rather than the present – day metric system. Some of these deeds cover multiple properties and have many endorsements reflecting transfers and subdivisions.

This has led to difficulties in verifying the exact extent of some properties as the Deeds Office records have not always been updated. The Board will try to rectify this situation during the forthcoming financial year. This however involves a great deal of unravelling of past land transactions.

## **2. Transfer of former KwaZulu towns to Local Authorities**

In terms of the Ingonyama Trust Act, 1994 (as amended), the task of the Board was, and is, to transfer former R293 KwaZulu towns to the various Municipalities. As noted in previous reports, the definition as

to what constitutes an R293 township in terms of outer boundaries has given rise to debate and there has been continued reluctance by some Municipalities to instruct the Registrar of Deeds to effect transfer. During the year, the Board continued to engage with the Municipalities to persuade them to take over the land which has vested in them. By the end of this financial year a total of 15 townships had been transferred.

## **3. Transfer land used for State Domestic purposes to relevant organs of State**

In terms of our legislation, property used for State Domestic purposes prior to April 1994 vest in various organs of State. Identification of such properties has continued to be a difficult exercise because in some cases there are no records of allocation prior to the coming into existence of the Trust and in other cases the question as to whether or not a particular property qualifies for transfer is not always straight forward – for example a community may claim that they bore the costs of erecting improvements, and that it would therefore be unfair to transfer ownership away from that community.

To date a total of 2700 State Domestic properties have been surveyed. During the year the Board was aware of only 2 such properties, one a hospital, having been formerly transferred to the organ of state concerned.

During the coming year, the Board intends to take more stringent measures to ensure that the relevant departments take action to register these properties in their name.

#### **4. Registration of Land vesting in the Trust and consolidation of titles**

The Department of Land Affairs still has to complete the transfer of some 341 parcels of land to the Trust. Most of these parcels were to have been transferred to the Trusts predecessors – in – title following various proclamations and Commissions but for one reason or another have never been transferred.

The continued delays in transfer are impacting on other strategic objectives, notably the onward transfers of townships, state domestic properties and the issuing of leases.

During the year under review not one of the parcels of Land was transferred to the Trust. The Board therefore intends to pursue this matter to try and ensure that the transfers are effected during the coming financial year.

#### **5. Privatisation of State Forests**

There are four proclaimed State Forests on Trust Land and the Department of Water Affairs and Forestry (DWAF) have embarked on a long term restructuring and privatisation exercise. During the year the Board continued negotiations with DWAF, the communities and the Land Claims Commission in respect of the Manzengwenya State Forest, in order to assist DWAF and the communities.

#### **6. Implementation of the Communal Land Rights Act, No 11 of 2004 (CLRA)**

This Act, once a commencement date has been announced, will reconstitute the Board as the Ingonyama Land Rights Board

for KwaZulu Natal. This Board will continue to own the land presently registered in its name and will have certain of the powers and responsibilities of the Minister under CLRA in respect of the land. At the same time it will have to perform the functions of a normal Land Rights Board in respect of any other land subject to the Act within the Province. During the year the Board held meetings with the Department of Land Affairs in connection with implementation and now awaits publication of the draft Regulations. This will enable the “mapping” exercise previously commissioned by the Board to be completed to identify the future role and functions of the Board and the various processes and work flow, which will be necessary to successfully implement CLRA.

#### **7. Monitoring of Land Claims on Trust Land**

The Board continues to be aware of land claims on Trust land and endeavours to co-operate with the Regional Land Claims Commission to resolve such claims in order that the Trust can perform its functions as land owner in law. During the year under review details of 9 claims were received but no titles were transferred.

The Board will not oppose any claims in principle but will request that any award following a successful claim should take into account, inter alia, the following:-

- that full consultation has taken place with the Traditional Authority having jurisdiction who represents the current beneficiaries of the land held in nominal ownership by the Trust.
- any excision of Trust land which impoverishes a traditional clan as a



whole should be accompanied by commensurate compensation paid to the Trust and earmarked for the benefit of that clan, provided the land claim award beneficiaries should not also benefit from the compensation simply because they also come from the clan.

- the impact of an award on the future implementation of CLRA (Act 11 of 2004). Whilst the Restitution Act and CLRA appear to have similar aims, an award under the former could lead to a conflict with an eventual claim under the latter.

#### **8. Assistance to communities in addressing firebreak, alien vegetation and fencing obligations**

The Board is not responsible for the allocation of land for community residential and grazing purposes. This function is carried out by the various traditional authorities and communities in terms of customary law and practice.

The communities are also legally liable for the fencing of their land as well as ensuring that alien vegetation is eradicated and firebreaks are cut on the land that they occupy.

During the year the Board however, continued to assist the communities by liaising with Fire Protection Associations and the Working for Fire Project administered by the Department of Water Affairs and Forestry.

A pilot firebreak scheme involving three traditional authority areas in the Port Shepstone area covering some 110 kilometres of common boundaries was



*Firebreak burning on communal land.*

partly funded by the Board during the year and negotiations are continuing to roll out similar projects in other high risk fire areas. Such projects provide valuable employment opportunities to the communities and it is planned to include maintenance of fencing, eradication and control of alien vegetation in future projects.

#### **9. Allocation and Provision of Land for Housing and Infrastructure Purposes**

The Board actively supports the allocation of land for rural housing projects and community facilities and also the provision of infrastructure including water, electricity and sewerage.

In order for communities to access rural housing grants from the KZN Department of Housing, the Board, in conjunction with that Department, has developed a Development Rights Agreement which in most cases are entered into with Municipalities once the Board is satisfied that the grant funding has been approved and that the Department of Local Government and Traditional Affairs has



*The Isimahla Rural Housing Project under construction during the year on Trust land at Vulamehlo*

approved the projects from a development planning point of view.

During the year, the Board agreed in principle to 38 housing schemes and signed 14 Development Rights Agreements. The latter provided for 19 770 housing units to be upgraded in rural areas throughout the Province.

The Development Rights Agreements provide for any related infrastructure to be the subject of separate deeds of servitude with the Board. In addition the Board continued, during the year, to negotiate with the Department of Transport regarding the upgrading and realignment of roads on Trust land and with Eskom on the construction of power lines. Leases were also concluded with the various cellular telephone operators in respect of cellular base stations to be constructed on Trust land.

## 10. Granting of Leases

The Board sees real estate management as a major core function and during the year continued to encourage development on its land which will be of benefit to the various communities, not only from a rental income point of view but also through employment and other opportunities. This can include shareholdings and seats on company Boards.

The Board does not usually agree to the sale of land as this could have the effect of diminishing the area of land in Black communal ownership. Occasionally, however, where the circumstances indicate that sale is the logical approach and with the consent of the relevant Traditional Authority (if any) land is sold. This would include the sale of land to municipalities for cemeteries. Land could also be sold for a permanent structure of economic and social benefit such as a large dam. In the very few instances where land is sold the Board is committed to getting the best possible price for any land sold so as to maximise the benefit to the beneficiaries of the Trust. Trust land could however be subject to expropriation by any of the three spheres of government. In such instances the Board will negotiate the best possible compensation within legal guidelines for those affected.

In all other cases the Board prefers to enter into leases for the use of Trust land. In so doing it endeavours to obtain the best deal for the relevant (affected) community. Ownership thus remains with the Trust for ultimate transfer to the beneficiaries to be identified in due course in terms of the provisions of the Communal Land Rights Act No 11 of 2004.



In this connection it is standard policy to issue a short term lease for up to two years to enable developers to obtain planning and environmental consents and to secure finance for the development. Thereafter a lease for a term of up to forty years with an option to renew for a further forty years is normally granted once the requirements of the short term lease have been met.

To date the Board has granted some 117 leases generating R1 102 569 per annum. The leases cover such diverse uses as shopping centres, game parks, residential developments, lodges, petrol filling stations, telecommunication base stations, sugar cane farming, grazing and aquaculture projects.

During the financial year under review a total of 29 new leases were entered into. The new leases generated additional income of R165 929.02 for the year.

#### **11. Agreeing to the granting of Permissions to Occupy**

In September 1998, the then Minister of Land Affairs gave a delegation to the MEC for Traditional and Local Government in KwaZulu-Natal to issue Permissions to Occupy in respect of residential, agricultural and commercial sites on Ingonyama Trust land.

It should be noted that this Ministerial delegation was given to the MEC and not to the Trust. Thus an anomaly has arisen in that a tenure right is being issued by a third party on land vested in the Ingonyama Trust whilst all other rights such as leases and servitudes, are issued by the Board subject to obtaining the consent of the relevant Traditional Authority.

The coming into operation of the Communal Land Rights Act 2004 will probably lead to the system of Permissions to Occupy falling away. The Board was advised that during the year 29 commercial and 525 residential Permissions to Occupy were granted by the delegate of the Minister of Land Affairs.

#### **12. Mineral Rights and Royalties**

Subject to the provisions of the Mineral and Petroleum Resources Development Act 2002, the Board continued to monitor the development of the mining potential on Trust land for the benefit of the communities. This is done by way of mining rights leases on Trust land (not to be confused with mining permits issued by the Department of Minerals and Energy). The Service Provider appointed by the Board completed an audit of all mining assets and processed new applications for mining permits and mineral leases for submission to the Board.

During the year R7 009 681 was received by way of royalty income.

#### **13. Disbursement of Funds to Traditional Authorities**

As noted earlier in this report, it is Trust policy for income accruing from mining or commercial activity within an identifiable traditional authority area, to be earmarked for the benefit of that particular community less the 10% retained in terms of Trust Financial Regulation 10 (2). During the year the number of Traditional Authorities qualifying for funding totalled 40.

#### **14. Improvement of Debtor Control**

During the year the Board took steps to improve the system of recording debtors and debt collection.

It is now possible to identify all debtors and take appropriate action against defaulters.

The Board has approved a credit control policy and action was taken against major debtors. Debt collectors were interviewed and appointed to assist with the debt collection process.

#### **15. Establishment of an Audit Committee and appointment of Internal Auditors**

During the year an audit committee was appointed. The Committee met three times and amongst other things reviewed the Financial Statements and Reports of the Internal Audit Service Provider.

An internal Audit Charter was also approved by the Board and an internal Audit service provider was appointed.

#### **16. Ongoing review of operational policies**

The Board continued to review its policies in the light of ever changing circumstances and new legislation.

#### **17. Legislation**

The Board is aware of some 34 pieces of legislation that impact on its day to day work.

These include:

- Communal Land Rights Act (Act 11 of 2004)
- Mineral and Petroleum Resources Development Act (Act 28 of 2002)
- Municipal Property Rates Act (Act 6 of 2004)
- Traditional Leadership and Government Framework Act (Act 41 of 2003)
- Public Finance Management Act (Act 1 of 1999)
- Restitution of Land Rights Act (Act 22 of 1994).

The Board continues to comply and where appropriate comment on these laws. The Municipal Property Rates Act will apply to all Trust land and will impose additional financial burdens. The Traditional Leadership and Governance Framework Act will impact on the working of the Board as the Board operates within an environment closely interlinked with the institution of traditional leaders.



## 8. REPORT OF THE AUDIT COMMITTEE

The Audit Committee has adopted formal terms of reference and a charter which have been confirmed by the Board. It has carried out its responsibilities in terms of these guidelines.

In performing its responsibilities the audit committee has reviewed the following:

- the risk areas of the entity's operations;
- the concerns identified as a result of both internal and external audit;
- the Board's compliance with legal and regulatory provisions;
- the scope and the results of both the internal and external audit functions, and their cost effectiveness.

Various recommendations have been made to the Board arising from these reviews and these have been accepted for implementation.

The Audit Committee has evaluated the annual financial statements and concluded that they comply in all material respects with legislation and prescribed standards.

The Audit Committee has recommended the adoption of the annual financial statements by the Board.

**Prof. B. S. Stobie**  
**Chairperson.**  
**31 July 2006**

## 9. CONSTRAINT

During the year the Board identified the following constraint:

The Board continues to be invoiced for rates by various municipalities. Whilst the Board refutes liability in most instances it continues to address this important issue with the Municipalities concerned. At the same time a request for exemption in terms of the Rating of State Property Act 1984 is being considered by the Department of Provincial and Local Government and their decision is awaited with great interest.

## 10. FUTURE OUTLOOK

As already indicated the Board awaits the implementation of the Communal Land Rights Act, 2004. In the meantime, and indeed once that Act commences, it is very important that day to day real estate and land administration activities are continued on behalf of the communities for whom the land is held in trust.

During the coming year the Board will therefore continue with the implementation of its Strategic Plan and will concentrate particularly on the following:

- the transfer of townships.
- the vesting of State Domestic properties.
- the transfer of Land from the Department of Land Affairs.
- agreement of property extents with the Registrar of Deeds.
- settlement of property rates issues with Municipalities.
- disbursement of funds to Traditional Authorities.

In addition it is planned that a web site will be commissioned. This will provide full details of the Trust and Board and will include the legislation, Annual Report, and an application form in respect of requests for the grant of tenure rights.

## 11. Acknowledgments

The Board wishes to record its appreciation to the following:

- The Minister for Agriculture and Land Affairs for her support of the activities of the Board.
- The Director-General and staff of the Department of Land Affairs for their continued support of the Board and its activities, in particular the KZN Provincial Chief Director.
- The KZN Department of Local Government and Traditional Affairs.
- The Secretariat of the Ingonyama Trust Board for their administrative support.
- The various Traditional Authorities and communities occupying the land owned by the Trust.
- The Auditor-General and his staff who are responsible for auditing the financial statements.
- The Parliamentary Land Affairs Portfolio Committee.



# ANNUAL FINANCIAL STATEMENTS

# 2

## Statement of Boards Responsibility

The Board is responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information. The auditors are responsible for reporting on the fair presentation of the financial statements. The financial statements have been prepared in accordance with Generally Accepted Accounting Practice.

The Board is also responsible for the Trust's system of internal financial control. This is designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of the assets, and prevent and detect misstatements and loss. Nothing has come to the attention of the Board to indicate any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The financial statements set out on pages 25 to 36 were approved by the Board members on 29 May 2006 and signed on its behalf by the Acting Chairperson of the Board.

## General Information

### *Members of the Ingonyama Trust Board:*

His Majesty the King (Chairperson)  
Hon. Mr Justice S.J. Ngwenya  
Adv. W.E.R. Raubenheimer  
Mr B.L. Shabalala  
Mr F. R. Brooks  
Ms J. T.J. Bhengu

### *Registered Office:*

188 Berg Street  
(Hoosen Haffejee Street)  
Pietermaritzburg 3201

Tel: 033- 3554361  
Fax: 033- 3425045

### *Auditors:*

Auditor-General

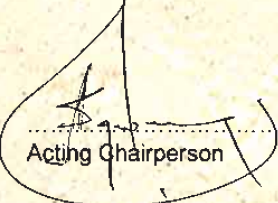
P.O. Box 601  
Pietermaritzburg  
3200

### *Bankers:*

First National Bank – a division of FirstRand Bank Ltd  
Nedbank Ltd

## Approval of Annual Financial Statements

The Annual Financial Statements for the year ended 31 March 2006 were approved by the Board.

  
.....  
Acting Chairperson

29-May-06  
Date



# REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS OF THE INGONYAMA TRUST BOARD FOR THE YEAR ENDED 31 MARCH 2006

## 1. AUDIT ASSIGNMENT

The financial statements as set out on pages 25 to 36, for the year ended 31 March 2006, have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read with sections 4 and 20 of the Public Audit Act, 2004 (Act No. 25 of 2004) and section 20 of the KwaZulu-Natal Ingonyama Trust Act, 1994 (Act No. 3 of 1994). These financial statements are the responsibility of the accounting authority. My responsibility is to express an opinion on these financial statements, based on the audit.

## 2. SCOPE

Except as discussed in paragraph 4.1, the audit was conducted in accordance with the International Standards on Auditing read with General Notice 544 of 2006, issued in Government Gazette no. 28723 of 10 April 2006 and General Notice 808 of 2006, issued in Government Gazette no. 28954 of 23 June 2006. Those standards require that I plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

### An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in

- the financial statements
- assessing the accounting principles used and significant estimates made by management
- evaluating the overall financial statement presentation.

I believe that the audit provides a reasonable basis for my opinion.

## 3. BASIS OF ACCOUNTING

The entity's policy is to prepare financial statements on the basis of accounting determined by the National Treasury, as described in the policy note to the financial statements.

## 4. QUALIFICATION

### 4.1 Limitation of scope

For matters reported under limitation of scope it was not feasible to perform alternative audit procedures in order to gain the required level of assurance on the account balances disclosed in the financial statements.

#### 4.1.1 Land holdings

During the year under review the services of a registered land surveyor was still engaged to update the asset register for those properties registered in the name of

the Ingonyama Trust Board as at 31 March 2006. The Ingonyama Trust Board (Board) maintains that details of all the land on the asset register was compiled from data provided by the Registrar of Deeds. To this end it should be noted that:

- The deeds registry has not amended their records in respect of many properties owned by the Trust following approval of substitution diagrams by the Surveyor-General. It is the responsibility of the Deeds Office to endorse the title deeds with the new extents.
- Many title deeds date back to the 1860's when imperial measurements and only rudimentary surveying techniques were used.
- Modern survey equipment, conversion of areas to metric and changes in physical features such as river courses etc, have resulted in the amended areas indicated in the substitution diagrams.
- Land falling within a township or used for "State Domestic" purposes also may well have vested in the relevant organ of state in terms of legislation.

A sample of 1 688 143.33 hectares was selected for testing. The following audit findings were noted:

- For 353 200.15 hectares, there were no hectares of land listed on the title deeds.
- For 626 005.16 hectares of land, differences were noted between the hectares recorded in the land register versus hectares reflected on the title deeds.
- Supporting documentation to substantiate the total decrease of 372

hectares from the prior year could not be submitted for audit purposes.

In the light of all of the above it is impractical to audit the differences highlighted.

#### **4.1.2 Completeness of income**

In common with similar organisations, it is not feasible for the Board to institute controls over mineral extractions, therefore complete recording of royalty income cannot be verified. Accordingly, it was impractical to extend my audit beyond the receipts actually recorded.

Furthermore, the Permissions to Occupy (PTO's) receipts could not be matched to their respective applications and accordingly the completeness of PTO income could not be verified.

### **5. DISCLAIMER OF AUDIT OPINION**

Because of the significance of the matters referred to in the preceding paragraphs, I do not express an opinion on the financial statements.

### **6. EMPHASIS OF MATTER**

Without further qualifying the audit opinion expressed above, attention is drawn to the following matters:

#### **6.1 Contingent liability arrear rates – Municipalities**

As reported in my previous report, the Board has been invoiced over a number of years for rates due to the municipalities for land within the Board's demarcated areas. The exact amount of this potential liability,



owed to municipalities, could not be ascertained as no provision has been raised in the financial statements.

The Board repudiates the extent of the liability because the municipalities cannot substantiate their claims. Consequently the potential liability could be substantially reduced.

It was noted with concern that an accumulated amount of approximately R25 million (2004-05: R25 million) in respect of rates in arrear that was claimed by the eThekweni Municipality, is disclosed as a contingent liability in note 14 of the financial statements. No further claims have been made by the municipalities. I was informed that Ministerial intervention is being sought to resolve this long outstanding matter.

## **6.2 Change in Accounting Policy**

The Board has changed its accounting policy regarding the valuation of land with effect from 1 April 2005. The comparative amounts have been amended to provide better comparative reading of the financial statements. Land valuation is not reflected in the current year financial statements to bring it in line with the parent Department of Land Affairs, land holdings policy, where land is not valued as it is not economically cost effective to value 2,7 million hectares of land. The inventory of land holdings and the valuation adjustment is reflected in note 7 of the financial statements.

As a result of the above change in accounting policy, the Board has departed from Statements of Generally Accepted Accounting Practice IAS 16 (AC123) in this respect.

## **6.3 Performance Information**

The Board has a strategic plan in place but does not monitor performance against predetermined objectives as required by sections 40(3) (a) and 55 (2) (a) of the PFMA. Consequently the performance information was not submitted to the Auditor-General for audit purposes by 15 June 2006 as required.

## **6.4 Supply Chain Management System**

In terms of Treasury Regulation 16A 3.1 the accounting officer or accounting authority of an institution to which these regulations apply must develop and implement an effective and efficient supply chain management system for the acquisition and the disposal of goods and services and the letting of state assets.

For the year under review the Board has not developed or implemented a supply chain management system.

## **6.5 Materiality and Significance Framework**

In terms of Treasury Regulation 28.3.1 the accounting authority must develop and agree a framework of acceptable levels of materiality and significance with the relevant executive authority.

Notwithstanding the above legislation, it was noted that the Board has not developed and agreed a framework of acceptable levels of materiality and significance with the relevant executive authority during the year under review.

## 6.6 Financial Management

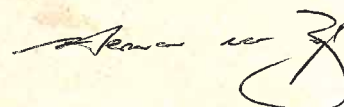
In terms of section 51(1) of the PFMA, the accounting authority of an entity must ensure that the entity is responsible for the management, including the safeguarding of the assets and for the management of revenue, expenditure and liabilities of the entity. During the audit several control weaknesses were identified. A summary of these weaknesses are as follows:

- Lack of segregation of duties in the accounting function that consists of two people.
- No documented policies and procedures (except for the credit control policy) to ensure that the correct processes are followed for activities performed in all cycles, thus increasing the risk of fraud and error.

- No documented fraud prevention plan to prevent and detect fraud and to mitigate specific fraud risks.
- No measures in place to identify and record parties related to the entity.
- No risk management policy.
- The leave records were not updated regularly or signed as being reviewed.

## 7. APPRECIATION

The assistance rendered by the staff of the Ingonyama Trust Board during the audit is sincerely appreciated.



H van Zyl for Auditor-General

Pietermaritzburg  
31 July 2006



A U D I T O R - G E N E R A L



# RESPONSE OF THE BOARD TO ASPECTS OF THE AUDIT REPORT

The Board comments below on issues raised in the Audit Report.

## Land Holdings

The Board notes that the auditors took a sample of properties for examination and testing purposes. As at 31 March 2006, a professional land surveyor appointed by the Board prepared an asset register which detailed properties presently registered in the Deeds office in the name of the Ingonyama Trust.

This asset register does not include properties that are deemed to vest in the Trust but which have not yet been registered in the name of the Trust.

The asset register indicates the extent, in hectares, of each property. These extents are as provided by the Registrar of Deeds except where there are obvious errors in which case the areas have been taken from the survey diagram approved by the Surveyor General.

It is noted that the auditors had difficulty in verifying some areas and the Board notes and supports the reasons that they have given in their report. The Board intends to continue to interact with both the Registrar of Deeds and the Surveyor General to ensure that as accurate as possible extents are recorded.

## Completeness of income

As is common with similar organisations, it is not feasible for the Board to institute controls over each mining site to monitor actual volumes removed.

The Board has however resolved that an audit certificate be obtained from Zululand Anthracite Collieries (approximately 80% of the Board's total royalty income) in order to satisfy the auditors regarding completeness of income.

The audit certificate could not be obtained before 31 July 2006 as the financial year of that mining operator ended on 30 June 2006. However, this certificate will be furnished after 31 July 2006.

The Board will also seek alternative methods to monitor mining extractions in the future.

## Emphasis of Matter

### *Contingent Liability - rates*

The municipalities have to date not produced an accurate account of what is claimed in order for the Board to consider appropriate actions.

The Board awaits this information in order to scrutinise and interrogate the legality and accuracy of these claims.

The Board has requested Ministerial intervention regarding this matter.

***Performance information, Supply Chain Management and Significance framework***

The policies for monitoring performance, supply chain management and significance framework will be developed and implemented in the following financial year.

In order to achieve this, the capacity of the Secretariat is currently being reviewed to ensure that adequate resources are available for proper implementation of these policies.

***Financial Management – Policies and Procedures.***

Much improvement has been made in the area of financial management considering the matters that were raised in previous audit reports.

The Board has approved an additional post to assist with the accounting functions of the Board.

The drafting of policies and procedures is currently in hand in order to align the functions to the requirements of both the Ingonyama Trust Board Financial Regulations and Treasury Regulations. The implementation phase will commence once these policies and procedures are approved by the Board.



# ANNUAL FINANCIAL STATEMENTS

## INGONYAMA TRUST BOARD

### STATEMENT OF FINANCIAL POSITION as at 31 March 2006

		2006	2005
		R	R
<b>Assets</b>	Note		
Non-current assets			
Plant and equipment	2&8	144,252	219,590
<b>Current assets</b>		91,319,224	83,994,756
Trade and other receivables	9	2,283,667	1,272,274
Cash and cash equivalents	10	89,035,557	82,722,482
<b>Total Assets</b>		<b>91,463,476</b>	<b>84,214,346</b>
<b>Reserves and liabilities</b>			
<b>Reserves</b>		77,414,940	76,476,953
Pre-establishment income		-	2,584,245
Non-distributable reserve	4&11	3,028,368	3,028,368
Distributable reserve		74,386,572	70,864,340
<b>Current liabilities</b>			
Trade and other payables	12	1,311,314	545,380
Provisions	13	12,737,222	7,192,013
<b>Total Reserves and Liabilities</b>		<b>91,463,476</b>	<b>84,214,346</b>

**INGONYAMA TRUST BOARD**

**STATEMENT OF FINANCIAL PERFORMANCE as at 31 March 2006**

	2006	2005
	R	R
<b>Income</b>		
<b>Rental Income</b>	1,376,280	847,013
Permission to occupy ( General )	264,543	151,449
Permission to occupy ( Commercial )	9,168	7,222
Leases	1,102,569	688,342
<b>Royalty income</b>	7,009,681	6,971,861
<b>Other income</b>	7,437,882	4,740,204
Investment income	5,523,324	4,489,798
Grant-in- aid receipts	1,846,780	231,469
Servitude	67,778	18,937
<b>Total income</b>	15,823,843	12,559,078
<b>Expenses</b>	(14,885,856)	(12,555,368)
Administration and other expenses	13,398,144	12,206,666
Expenses - grant- in-aid expenditure	1,487,712	348,702
<b>Net income for the year</b>	937,987	3,710



**INGONYAMA TRUST BOARD**  
**STATEMENT OF CHANGES IN NET ASSETS as at 31 March 2006**

	Distributable reserve R	Pre- establishment income R	Land holdings capital account R	Non-distributable reserve R	Total R
Balance: 01.04.2005	70,864,340	2,584,245	811,164,037	3,028,368	887,640,990
Change in accounting policy - land holdings			(811,164,037)		
Net Income for the year	937,987	-			937,987
Transfer to Distributable reserve	2,584,245	(2,584,245)			
Balance : 31.03.2006	74,386,572	-		3,028,368	888,578,977

**INGONYAMA TRUST BOARD**

**CASH FLOW STATEMENT for the year ended 31 March 2006**

	Note	2006 R	2005 R
<b>Cash flows from operating activities</b>		6,335,166	9,110,528
Cash generated by operating activities	A	811,842	4,620,730
Interest received		5,523,324	4,489,798
<b>Cash flows from investing activities</b>			
Additions to fixed assets		(22,091)	-
<b>Cash flows from financing activities</b>			
Increase in cash and cash equivalents		6,313,075	9,110,528
Cash and cash equivalents at beginning of the year		82,722,482	73,611,954
<b>Cash and cash equivalents at end of year</b>		89,035,557	82,722,482

**Notes to the Cash Flow Statement**

**A. Cash generated by operating activities**

Net profit for the year	937,987	3,710
Investment income	(5,523,324)	(4,489,798)
<b>Adjustments for non cash items</b>		
Depreciation	172,793	55,350
Increase in provisions	5,545,209	7,182,234
Fair value adjustment of assets	(75,364)	-
	1,057,301	2,751,493
<b>Movements in working capital</b>	(245,459)	1,869,237
Increase in accounts receivable	(1,011,393)	1,962,499
Increase in accounts payable	765,934	(93,262)
	811,842	4,620,730



## Accounting policies

### Basis of preparation

The Annual Financial Statements are prepared in accordance with the South African Generally Accepted Accounting Practice. The Financial Statements are prepared on the historical cost basis and incorporate the following accounting policies.

#### 1. Accounting Policy - Land holdings

Land registered in the name of the Trust is reflected at nil value at year end.

#### 2. Plant and equipment and depreciation

Assets are depreciated on the diminishing balance basis over their useful lives after taking into account residual values. ( see note 8 )

Motor vehicle	5 years
Furniture & equipment	5 years
Computer equipment	3 years

#### 3. Income

All income has been accounted for on the accrual basis.

#### 4. Land sales

Funds inherited at the time of the formation of the Trust are regarded as being of a capital nature and as such have been transferred to the non - distributable reserve- land sales.

#### 5. Expenditure

Expenditure has been accounted for on the accrual basis.

#### 6. Grant in aid income and expenditure

Grant in aid income and expenditure has been accounted for in the financial statements.  
(See page 36)

**INGONYAMA TRUST BOARD**

**NOTES TO THE FINANCIAL STATEMENTS - 31 March 2006**

**7. Updated land Holdings per registration divisions**

	<b>2006</b>	<b>2005</b>
<b>Total land holdings</b>	<b>Hectares</b>	<b>Hectares</b>
ES	34,564	33,586
ET	244,002	164,876
FS	106,335	80,203
FT	247,744	372,934
FU	52,088	95,365
GS	102,348	102,889
GT	423,007	413,889
GU	629,025	543,960
GV	77,564	77,555
HT	24,811	28,703
HU	335,490	336,106
HV	425,852	452,357
Townships	678	1,457
	<u>2,703,508</u>	<u>2,703,880</u>

**Adjustment to land holdings valuation**

opening balance	811,164,037	844,164,300
less: yearly adjustment to reconcile to asset register	-	(33,000,263)
less : adjustment due to change in accounting policy	(811,164,037)	811,164,037
Closing Balance	<u>-</u>	<u>-</u>

**Change in Accounting Policy - Land holdings**

The Board has changed the accounting policy regarding the valuation of land with effect from 01.04.2005. The comparative figures have been amended to provide better comparative reading of the financial statements. Land valuation is not reflected in this year's financial statements to bring it in line with the parent Departments Land Holdings policy where land is not valued and it is also not economically cost effective to value 2.7 million hectares of land.



INGONYAMA TRUST BOARD

NOTES TO THE FINANCIAL STATEMENTS - 31 March 2006

8. Plant and equipment

	Cost	Accumulated depreciation	Net book value
Computer equipment	30,127	19,271	10,856
Furniture and Equipment	17,466	6,258	11,208
Motor vehicle	269,452	147,264	122,188
	<u>317,045</u>	<u>172,793</u>	<u>144,252</u>

The fixed assets are reconciled as follows:

	Book value 31.03.2005	Fair value adjustment to opening book value	Acquisitions excluding residual values	Depre- ciation	Carrying value 31.03.2006	Fair value adjustment to account for residual values	Net book value
Computer equipment	1,813	12,999	11,315	(19,271)	6,856	4,000	10,856
Furniture & equipment	3,161	4,029	4,676	(6,258)	5,608	5,600	11,208
Motor vehicle	214,616	(41,364)	-	(147,264)	25,988	96,200	122,188
	<u>219,590</u>	<u>(24,336)</u>	<u>15,991</u>	<u>(172,793)</u>	<u>38,452</u>	<u>105,800</u>	<u>144,252</u>

Change in Accounting estimate

The Board has amended the depreciable amount of assets to account for the residual value of assets at the end of its useful life. A fair value adjustment was made to account for the difference in the opening book values and the residual values.

Useful lives of assets have been determined at 31.03.2006 after assets were previously depreciated.

The depreciation charge is calculated as follows.

Computer equipment	19,271
Furniture and Equipment	6,258
Motor vehicle	147,264
	<u>172,793</u>

Depreciation is disclosed as	172,793
ITB own funds Income statement (page 35)	166,707
Grant in aid funding Income statement (page 36)	6,086

**INGONYAMA TRUST BOARD**

**NOTES TO THE FINANCIAL STATEMENTS - 31 March 2006**

The fair value adjustment is calculated as follows :

	Adjustment to opening book values	Residual value adjustment	Total
Computer equipment	(12,999)	(2,500)	(15,499)
Furniture and Equipment	(4,029)	(1,000)	(5,029)
Motor vehicle	41,364	(96,200)	(54,836)
	<u>24,336</u>	<u>(99,700)</u>	<u>(75,364)</u>

**9. Trade and other receivables**

**2006**

**2005**

**R**

**R**

**9.1. Trade Debtors**

2,246,137

1,251,656

Debtors for royalties

2,287,648

1,239,462

Leases

279,517

350,854

2,567,165

1,590,316

Less : Provision for doubtful debts

(321,028)

(338,660)

**9.2. Sundry debtors**

37,530

20,618

2,283,667

1,272,274

**10. Cash and cash equivalents**

Current Accounts

5,079,706

37,606,764

Call account / fixed deposit

83,138,130

44,652,938

Accrued interest

817,173

462,315

Petty cash

548

465

89,035,557

82,722,482

Included in the fixed deposits is an amount of R 14 790 726 available to Traditional authorities subject to the Traditional Authorities complying with the Boards' disbursement policy.

(Provincial legislation requiring funds to be paid to Tribal accounts does not apply to the Trust as the Trust is a land affair ie, a national competence which is not concurrent with any provincial competence).

**11. Non-distributable reserve - land sales**

3,028,368

3,028,368



**INGONYAMA TRUST BOARD**

**NOTES TO THE FINANCIAL STATEMENTS - 31 March 2006**

	2006	2005
	R	R
<b>12. Trade and other payables</b>		
Advance proceeds on land disposal	77,600	77,600
Vat	314,988	-
Trade creditors	458,097	247,866
Sundry creditor	48,505	-
Advance payments by debtors	412,124	219,914
	<u>1,311,314</u>	<u>545,380</u>

**13. Provisions**

Audit Fee - Carrying value at end of year	146,471	50,530
Carrying value at beginning of year	50,529	9,778
Less : payments	(114,500)	(8,494)
Add : previous years underprovision	63,971	(1,283)
Current year provision	146,471	50,529

Disbursement of funds to Traditional Authorities	12,578,539	7,141,483
Unused provision at beginning of year	7,141,483	-
provision utilised for the year	(7,117,766)	-
	23,717	
current year's provision	12,554,822	7,141,483

Leave pay provision - current year	12,212	-
	<u>12,737,222</u>	<u>7,192,013</u>

**14. Contingent Liability - Rates**

	<u>25,000,000</u>	<u>25,000,000</u>
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The claims relate to rates owing lodged by municipalities amounting to approximately R25 000 000 which will be significantly reduced once the correct amounts are determined.

The Trust is unable to estimate the probable amount payable in the unlikely event of the claims being valid as there are discrepancies regarding land ownership and valuations etc.

**INGONYAMA TRUST BOARD**

**NOTES TO THE FINANCIAL STATEMENTS - 31 March 2006**

	2006	2005
	R	R
<b>15. Board members' gross remuneration</b>		
	215,198	59,905
Acting Chairperson	105,992	-
Member	109,206	59,905
<b>16. Gross remuneration of senior managers</b>		
	449,166	418,574
Acting head of Secretariat	242,294	226,355
Trust Financial officer	206,872	192,219

**17. Events after statement of financial position**

There are no events that have occurred after 31 March 2006 that need to be reported.

**18. Bad debts**

The amounts written off were owing for more than two years and it was not cost effective to collect debts owing at an average of R 38.00 per debtor.

Bad debts are written off for outstanding amounts that cannot be recovered and were the cost of recovery by taking leading action will exceed the amounts to be recovered.



**INGONYAMA TRUST BOARD**STATEMENT OF FINANCIAL PERFORMANCE for the year ended  
31 March 2006

	2006	2005
	R	R
<b>Income</b>		
Permission to occupy - general	264,543	151,449
Permission to occupy - commercial	9,168	7,222
Leases	1,102,569	688,342
Net rental income	<b>1,376,280</b>	<b>847,013</b>
Other income/servitude	67,778	18,937
	<b>1,444,058</b>	<b>865,950</b>
Royalties and prospecting income	<b>7,009,681</b>	<b>6,971,861</b>
Investment income	<b>5,523,324</b>	<b>4,489,798</b>
<b>Total income</b>	<b>13,977,063</b>	<b>12,327,609</b>
<b>Expenditure</b>	<b>13,398,144</b>	<b>12,206,666</b>
Advertisements	966	4,194
Audit fees	63,971	49,246
current	-	50,529
underprovision - previous year	63,971	(1,283)
Bank charges	16,576	12,715
Bad debt written off	7,886	-
Depreciation	166,707	55,350
Fair value adjustment of assets	(75,364)	-
Fire breaks expenditure	38,279	-
Insurance	10,164	12,570
Legal fees	23,066	14,697
Motor vehicle expenses	2,987	4,004
Stationery and other expenses	5,478	4,967
Traditional Authority disbursements	-	3,928,254
Provision - disbursement of funds to Traditional Authorities	12,554,822	7,141,483
Decrease in provision for doubtful debts	(17,632)	311,717
Secretariat administration fees	595,723	658,047
Travelling expenses	4,515	9,422
<b>Net income for the year</b>	<b>578,919</b>	<b>120,943</b>

**INGONYAMA TRUST BOARD**

**DETAILED GRANT-IN-AID STATEMENT OF FINANCIAL PERFORMANCE for the year ended  
31 March 2006**

	2006	2005
	R	R
<b>Income</b>		
Transfer payments received	1,837,000	225,000
Investment income	9,780	6,469
<b>Total income</b>	<b>1,846,780</b>	<b>231,469</b>
<b>Expenditure</b>	<b>1,487,712</b>	<b>348,702</b>
Bank charges	1,316	1,905
Board members' remuneration	215,198	59,905
CLRA - mapping exercise	191,435	-
Land tenure information system	352,922	-
Insurance	2,056	-
Motor vehicle expenses	442	-
Secretariat administration fees	235,031	-
Audit Fees - external	146,471	-
Audit fees - internal	40,000	-
Internal Audit members' remuneration	6,600	-
Personnel agency fees	3,739	-
Computer software	1,622	-
Depreciation	6,086	-
Stationery & printing	2,890	-
Travel, accomodation & meeting expenses	215,270	286,892
Land inventory register	66,634	-
Net surplus for the year	359,068	(117,132)
expenditure included in accounts payable	-	(92,066)
expenditure funded by reserves	-	(25,066)



# FACTS AND FIGURES

# 3

**Legislation:** The Trust was established in terms of the KwaZulu-Natal Ingonyama Trust Act (Act 3 of 1994)

This was amended by National Act 9 of 1997. Administrative and Financial Regulations have been promulgated and these were amended in September 2005.

**Land Ownership:** The Trust is the largest landowner in the Province with a total extent of 2 703 508 hectares. Land is owned in all of the 11 Municipal areas.

**Population:** Based on information supplied by the Bureau of Statistics the number of persons residing on Trust land as at the year 2001 census is estimated at 4,558,698.

**Traditional Authorities:** The following Traditional & Community Authorities enjoy jurisdiction on Trust land:

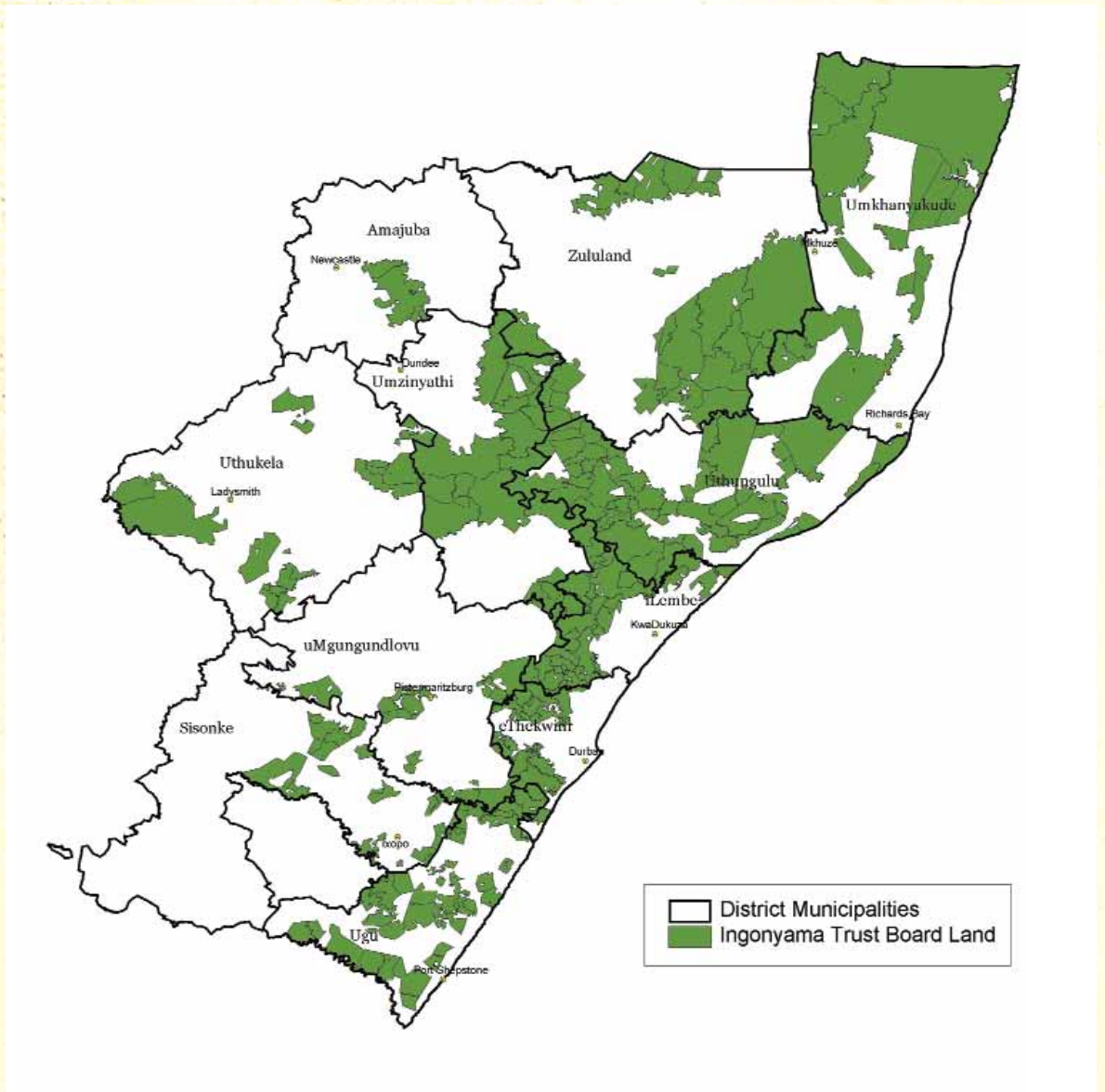
Ababo	Fredville	Kholwa/Isibonelo Esihle
Abakwa Hlabisa	Fuze/Mafunze	Khoza/Bhejane
Abantungwa/Kholwa	Gcumisa	Khumalo
Amabhedu	Gcwensa	Kunene
Amacala Gwala	Gule/Nyanyadu	Kwahoza
Amakhabela	Hlongwa	Kwamondi
Amakholwa/Vumindaba	Hlophe	Langeni/Sikhonyane
Amakhuze	Hlubi	Lushaba
Amakuze	Ikhwezi Lokusa	Luthuli
Amangwane	Ilanga	Luthuli/Umnini Trust
Amangwe	Inggungqulu/Thembu	Mabaso
Amaqadi	Inkumba/Nyuswa	Mabheleni
Amazizi	Izigqoza	Mabomvini
Baso	Jali/Nhlangano	Macala
Batlokoa	Khabela	Macambini
Bbuhlebomzinyathi	Khanyile/Ekukhanyeni	Maci/Izibonda
Bhekani	Khanyile/Izindlozi	Madlala
Embo/Vumukwenza	Kholina/Kolweni	Madzikane

Magwaza	Mkhwanazi	Nsimbini
Makhanya/Sobonakhona	Mlamula	Ntanzi
Mandlakazi	Mncube/Mbokodwebomvu	Ntshangase
Manganeni/Vumazonke	Mngomezulu	Ntuli
Manukuza/Jobe	Mnqobokazi	Ntuli/Godide
Maphumulo	Molefe	Ntuli/Ngono
Mashabane	Mpembeni	Nxamalala
Masidla	Mpithimpithini	Nxumalo
Mathenjwa	Mpukunyoni Mkhwanazi	Nyuswa/Qiniselani
Mathonsi	Mpungose	Manyuswa
Mavundla/Mvundla	Msibi	Nzimakwe
Mbatha	Mthembu	Nzuzo
Mbhele	Mthembu/Somopho	Phephetha
Mbhele/Amaphuthu	Mthethwa	Cunu
Mbhense	Mthethwa/Mhlana	Cunu/Mchunu
Mdluli/Manyavu	Mthuli	Dassenhoek
Memela	Mvuzane	Dlamini
Mhlungwini	Myeni/Ngwenya	Dlamini/Bidla
Mkhonto	Myeni/Ntsinde	Dlamini/Esiphahleni
Zulu/Matheni	Mzimela	Dlamini/Kwafodo
Zulu/Nodunga	Nadi	Dlamini/Vusathina Mazulu
Zulu/Usuthu	Ndebele	Dube
Zungu	Ndelu	Duma/Thokozani/Madumisa
Biyela/Abasendangubo	Ndhlazi/Mambuka	Dumisa
Biyela/Mahlayizeni	Nadi	Dungeni
Biyela/Mangidini	Ndebele	Emalangeneni/Langa
Biyela/Mombeni	Ndelu	Embo
Biyela/Obuka	Ndhlazi/Mambuka	Embo/Kwakhabezela
Biyela/Wayanguye	Ndlovu/Masihambisane	Embo/Nkasa Isimahla
Bomvu	Ngangeni	Embo/Timuni
Buthelezi Empithimpithini	Ngcolosi	Nhlangwini
Cebekhulu/Obizo	Ngobese/Khhiphinkunzi	Nibela
Cele	Ngome	Nkumbini/Mthimude
Cele/Nhlangwini	Ngongoma/Mavela	Nobamba
Cele/Vukuzithathe	Ngwe/Ingwe	Nyavini
Cele/Vumengazi	Ngobese/Khhiphinkunzi	Nyawo
Chili	Ngome	Nyuswa
Chube	Ngongoma/Mavela	Nyuswa/Nodwengu
Chunu	Ngwe/Ingwe	Qadi
Cibane	Ngobese/Khhiphinkunzi	Qamu
Mbonambi	Ngome	Qiko
Mbotho/Mambotho	Ngongoma/Mavela	Qiniselani Manyuswa
Mdlalose//Hlahlindlela	Ngwe/Ingwe	Qoloqolo
Mdletshe	Ngwe/Mangwe-Buthanani	Qwabe



Qwabe (P)  
Qwabe/Makhasa  
Shangase  
Shange  
Shiyabanye  
Shwawu/Jabulani Beshwayo  
Sibisi/Chwezi  
Simelane  
Siqakatha  
Sithole  
Sithole/Mthembu  
Sithole/Vulindlela  
Sizwehlanganani  
Sokhulu  
Tembe  
Thulini  
Toyana  
Ukuthula  
Vezokuhle  
Vukani  
Vumakwenza/Sangcwaba/  
Wosiyane  
Ximba  
Xolo  
Xulu  
Zashuke  
Zembeni  
Zikhali/Mbila  
Zondi  
Zondi/Inadi  
Zondi/Mpumuza  
Zubane  
Zulu  
Zulu/Bangindoda  
Zulu/Bhekeshowe  
Zulu/Emandleni  
Zulu/Entembeni  
Zulu/Khambi  
Zungu/Madlebe

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