



**NATIONAL
SEA RESCUE
INSTITUTE**

**ALWAYS
THERE
WHEN
YOU
NEED
US**

INTEGRATED ANNUAL REPORT

 **2022**

ABOUT OUR REPORT

The National Sea Rescue Institute (NSRI) is a registered non-profit organisation that is committed to drowning prevention and focused on saving lives, changing lives and creating futures for those threatened by immersion or submersion in water in South Africa.

We are a registered NPC Company (No. 1967/013618/08) and registered with the South African Department of Social Development as a Non-Profit Organisation. The directors of the National Sea Rescue Institute ('NSRI' or 'the organisation') are pleased to present the integrated annual report.

SCOPE AND BOUNDARY

Our Integrated Annual Report covers all the operations of the NSRI for the period from 1st January 2022 to 31st December 2022. There has been no change in the scope and boundary of this report.

This report is a sincere attempt to tell our story and describe the progress we have made this year to achieve our vision of a water-safe nation and to uphold the values we live by. The Board has been fully involved in the selection of the material matters to be addressed in the report. Management has prepared and verified the information, with oversight from the Board and Audit Committee. The Board is satisfied that the report provides an accurate, balanced and comprehensive overview of our organisation.

All financial information in this report has been extracted from the audited financial statements. Our financial information has been audited by our independent auditors, Cecil Kilpin & Co.

In selecting information for this report, we have attempted to communicate the essence of the NSRI and its evolution. We have therefore selected topics that will provide the reader with a broad overview of our operations, as well as insights into our strategy, funding base, most important risks and opportunities, and successes and challenges. Stakeholders who would like to know more are invited to contact the NSRI directly, or to visit our website for further details or to make a donation.

To prepare this report, we have applied the reporting principles and guidelines provided by:

- the International Financial Reporting Standards (IFRS);
- the King IV™ Report on Corporate Governance for South Africa 2016 (King IV);
- the Supplement for non-profit organisations included in King IV; and
- the International Integrated Reporting Council's (IIRC) International Framework.

We strive for excellence in everything we do, and we are particularly proud to be recognised for our life-saving efforts.

We are also proud to be recognised for the quality of our communication and reporting, having received multiple awards for our previous Integrated Annual Reports from the Chartered Governance Institute of South Africa for the NPO Category.

Please refer to our website for a list of awards that we have received in recent years.

INDEPENDENT ASSURANCES

Assurances of our business practices, governance and financial information are provided through compliance with audits and oversight from many regulatory organisations.

Please refer to the compliance discussion on page 87.

INTEGRATED THINKING AND MATERIALITY

The value creation story (see pages 40 to 41) is structured to reflect the relationship between the various elements involved in achieving stakeholder goals. By analysing the risks and opportunities identified in the operating context, stakeholder engagement process and internally identified risks and opportunities, the Company has determined which matters are most important to the NSRI's value creation over the short-, medium- and long-term.

The NSRI has used these as points of reference to ensure only those matters that could have a substantial effect on the ability to deliver stakeholder value are reported on.

BOARD RESPONSIBILITY

While our financial information has been audited by our independent auditors, we have, in the interest of optimising the use of donor funds, not sought further independent verification for our Integrated Report.

The report is, however, thoroughly verified internally, and both executive management and our Board have assured themselves that all material aspects of NSRI have been covered comprehensively.

The Board of Directors of the NSRI (the Board) acknowledges its responsibility to ensure the integrity of this report. The Board believes that the 2022 Integrated Annual Report is presented in accordance with the framework, addresses all material matters, and provides a balanced overview of the organisation and its prospects.

The Board has therefore approved the 2022 Integrated Report for publication.

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HOW TO NAVIGATE OUR INTEGRATED REPORT

-  This icon signifies related information elsewhere in this report
-  This icon signifies related information available on our website at www.nsri.org.za

OUR STRATEGIC PILLARS

-  Advocacy and prevention
-  Quality rescue services
-  Quality corporate governance, management and administration
-  Marketing and communication fundraising

OUR CAPITALS

-  Financial capital
-  Human capital
-  Social and relationship capital
-  Intellectual capital
-  Natural capital
-  Manufactured capital

Sustainable Development Goals (SDGs) We Align With



OTHER SOURCES OF INFORMATION

The integrated report forms part of and should be read in conjunction with a suite of reports available online on our website at www.nsri.org.za.

Other reports available include:

- a risk register;
- Annual Financial Statements for 2021; and
- a King IV™ compliance register.

**SAVING LIVES
CHANGING LIVES
CREATING FUTURES**

WHO WE ARE

The NSRI is a volunteer rescue organisation that is on call 24/7.

Our mission is preserving life and livelihoods on and around South African waters through education, drowning prevention and rescue. We are more than a rescue service. We educate communities and strive to innovate and constantly evolve and extend our water safety initiatives through empowerment and visibility.

Looking to the future, our vision is for a water-safe nation, a country where as few people as possible lose their lives and livelihoods to drowning. We are unique in South Africa in being the only non-profit organisation that focuses exclusively on preventing drowning through education, skills development, advocacy and proactive as well as responsive rescue services.

Increasingly the NSRI is moving from entirely volunteer-based services (water safety and rescue) to providing services like lifeguarding on dams and beaches to local authorities. As government donor funding has declined, we are having to create funding streams by contracting with local authorities.

As a model of governance and integrity, the NSRI provides a benchmark to society: we do things honestly and sincerely with the requisite compassion in the context of our service.

We are investing funds, time and effort in making sure we are relevant to all 60 million South Africans and that they can identify our brand wherever they are.

KEY ORGANISATIONAL METRICS FOR THE YEAR UNDER REVIEW



WHY WHAT WE DO MATTERS

DROWNING AS A PUBLIC HEALTH ISSUE IN SOUTH AFRICA

PEAK TIME DROWNINGS

16:00
PEAK TIME

AVERAGE ANNUAL DROWNINGS: 2016-2020

1,477
FATALITIES

AVERAGE NUMBER OF CHILDREN DROWNED (UNDER THE AGE OF 15)

702
CHILDREN

HIGHEST NUMBER BY PROVINCE

KwaZulu-Natal, Eastern Cape, Gauteng

HIGHEST NUMBER BY DISTRICT

OR Tambo, Ngaka Modiri Molema and King Cetshwayo

HIGHEST NUMBER BY MUNICIPALITY

Madibeng, King Sebata Dalindyebo and Ray Nkonyeni

80%

Male

92%

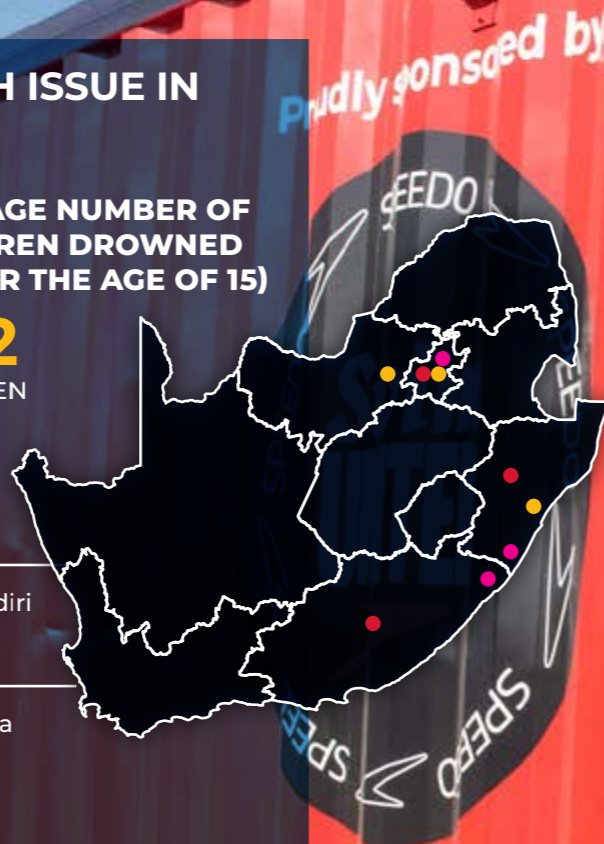
In fresh water

76%

In summer months

35%

On weekends



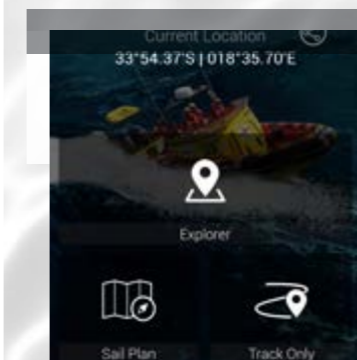
SAVING LIVES AND CHANGING LIVES

In 2022, the NSRI directly rescued over 1,091 individuals, and the impact of incidents like the KwaZulu-Natal (KZN) floods makes it impossible to determine the exact number of lives saved. Notably, a single JetRIB crew saved over 100 people during a devastating night in Durban, when heavy rainfall resulted in the loss of hundreds of lives. The NSRI has reconfigured regional swift water/flood rescue services to benefit both coastal and inland provinces, ensuring greater safety for inland populations.

Prevention has become a key strategy for the NSRI, focusing on drowning prevention and lifeguard programmes. The transfer of knowledge and skills, along with proactive measures taken by lifeguards on beaches, have undoubtedly saved numerous lives. Extensive efforts have been made to educate children in water safety, with over 600,000 children trained and more than 13,000 equipped with Survival Swimming skills. While there is still a significant need for improvement in South Africa's swimming culture, these initiatives provide an essential starting point. Additionally, the deployment of Survival Swimming containers in three schools serves as an inspiring model for similar facilities.

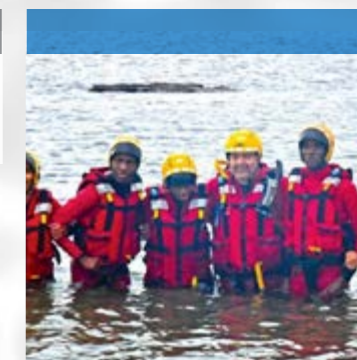
The NSRI plays a vital role in providing access to information and training through open-source platforms, effective communication via various media channels, advanced tracking capabilities with the SafeTRX application, comprehensive skippers training via the BravoBravo e-learning system, and regular face-to-face engagement with stakeholders across the nation.

HOW THE NSRI PROVIDES THE SOUTH AFRICAN PUBLIC WITH ACCESS TO INFORMATION AND TRAINING



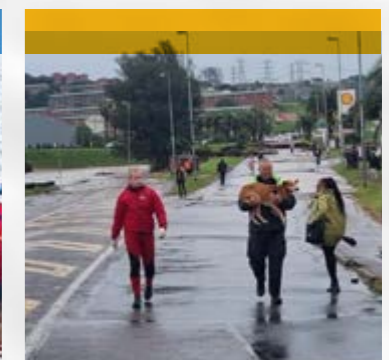
NSRI'S SAFETRX APP

This free mobile app monitors a boat's journey and alerts emergency contacts should they fail to return on shore on time.



BRAVOBRAVO ONLINE LEARNING

This easy-to-use and free of charge e-learning platform provides comprehensive training for skippers through interactive and short quizzes – enabling skippers to learn at their own pace.



NATIONAL PUBLIC ENGAGEMENT

The NSRI conducts extensive public and face-to-face engagements as part of its efforts to drive drowning prevention programmes – from water safety education, pink rescue buoys to survival swimming.

These valuable services are offered free of charge to all citizens and tourists, benefiting from the robust system built by the NSRI over its 55-year history (1967–2022). By building collective systems, we can save more lives and aid a larger number of beneficiaries.

WHY WHAT WE DO MATTERS CONTINUED

MEASURING THE PERFORMANCE OF OUR SERVICES



PINK RESCUE BUOYS (PRBS)

150

LIVES SAVED

With their unique positioning nationwide, the PRBs have been instrumental in saving lives and raising awareness amongst the public.



SUPPORTING CONSERVATION EFFORTS AND OPERATING DIFFERENTLY

Conservation efforts extend to protecting marine wildlife such as whales, dolphins, penguins, seabirds and turtles. The NSRI actively engages in whale disentanglement and turtle rescue, while advocating against water pollution, particularly sewage outfalls.



SAFETRX AND BRAVOBRAVO E-LEARNING PORTAL

Our free-to-download SafeTRX application continues to gain significant traction, while our easy to use BravoBravo learning platform is providing access to learning to a growing number of skippers.

14,738

ACTIVE SUBSCRIBERS UTILISING SAFETRX'S TRACKING CAPABILITIES

10,000

INDIVIDUALS HAVE ENROLLED IN TRAINING THROUGH THE NSRI BRAVOBRAVO SKIPPER PORTAL

In addition to this, our sponsored programme for water safety training has benefited hundreds of informal fishermen along the East Coast. The NSRI also supports practical training for two Lawhill College students through Station 10 in Simonstown and has donated an inflatable boat for practical skipper training.



MAKING A POSITIVE ECONOMIC IMPACT

R196 Million

INJECTED INTO SOUTH AFRICA'S ECONOMY IN 2022

Our activities have a significant economic impact where we operate, benefiting both industry and businesses, supporting numerous employees and communities.



COMMITTED TO SERVICE EXCELLENCE

116

MEDIVACS PERFORMED IN 2022

Medivacs remain a crucial service for the NSRI – from rescues from passenger lines and assistance to ill or injured seamen from ships at sea, contributing to the global shipping industry.



EDUCATION AND SKILLS DEVELOPMENT

The NSRI commits more funding to Drowning Prevention than any other institution in South Africa through our Water Safety and Survival Swimming Programmes.

628,351

Water Safety Lessons

13,695

Survival Swimming Lessons



CHAMPIONING TRANSFORMATION

98%

OF THE NSRI'S WORK PRIMARILY BENEFITS BLACK BENEFICIARIES

We face challenges in achieving BBBEE accreditation, given the complexities of complying with the full scorecard applied to major corporations. Despite this, contributions to the NSRI still accrue social development points, providing corporate entities with corresponding benefits.



LIFEGUARD SERVICES

The NSRI covered 29 beaches through our Lifeguard System which includes layers of communications, first aid, equipment, lifeguards and management.

8,633

Preventions

137

Rescues



Boat-Based RESCUES

Our Rescue Stations are available 24/7 to respond to emergencies from 51 locations along the coast and inland.

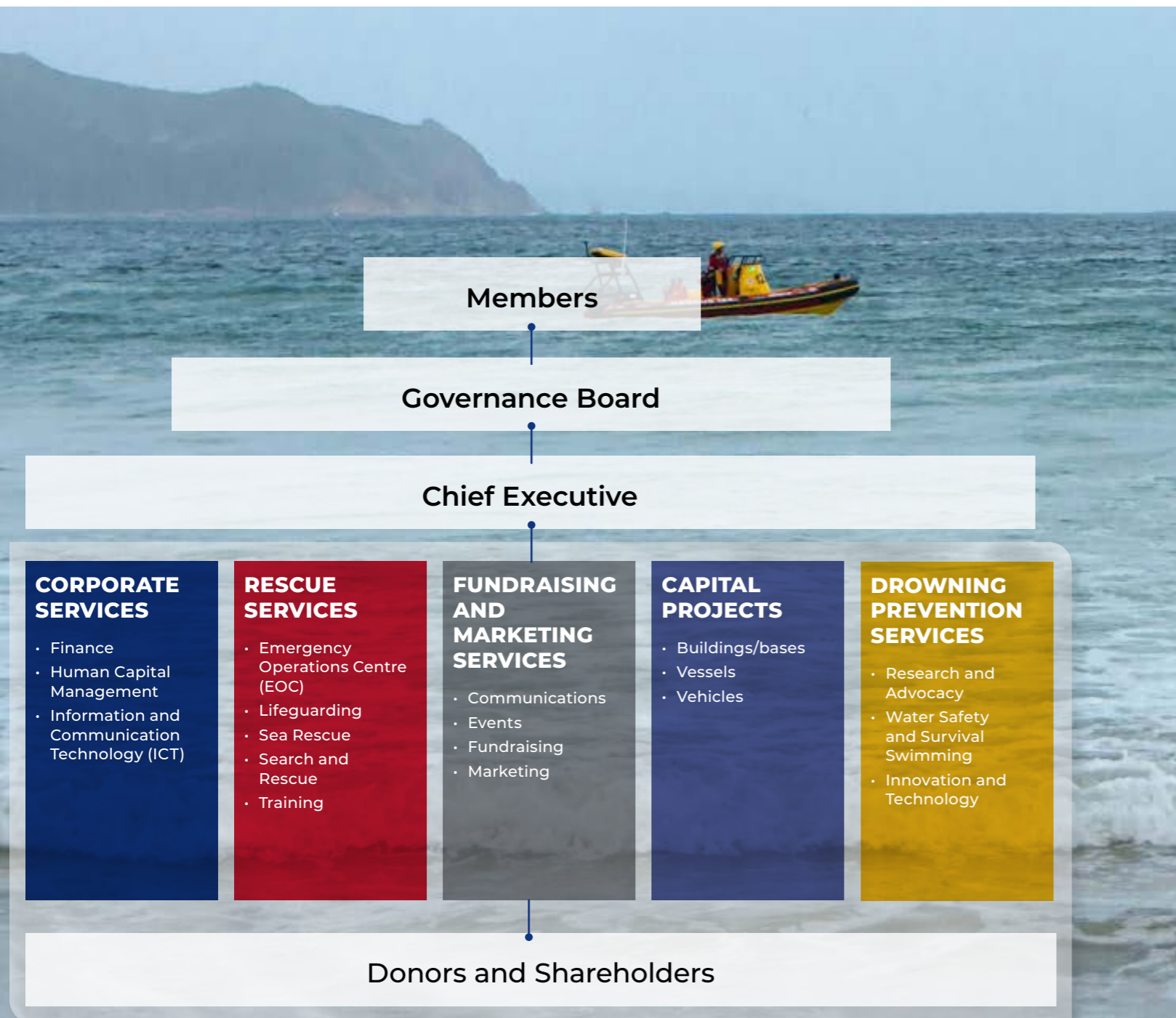
1,196

Operations

1,091

Lives Saved

OUR SERVICE STRUCTURE



CORPORATE SERVICES

This function provides transversal human capital management (recruitment, selection, administration and labour relations), finance (accounting, audit support, supply chain management, payroll management) and ICT (infrastructure, connectivity and functional systems). The human capital deployed in the paid segment of the service is recruited through competitive processes in the open market, including the volunteer NSRI community, taking operational requirements, diversity, experience and qualification into account. Staff development is managed on a case-case basis to ensure the business has an evolving skills base, and staff members are encouraged to annually enroll in personal development courses. Quality equipment pays the volunteer the ultimate respect and our procurement policy and processes are aimed at providing only the best emergency and protective gear available. Procurement is executed in a cost-conscious way, sensitive to the sacrifices made by donors, but accommodating the needs of volunteers for quality tools.

DROWNING PREVENTION SERVICES

There is no doubt that our most important 'manufactured capital' is the lives we save through prevention or rescue. Drowning prevention focuses on empowering knowledge and skills in the general population that prevent exposure to the risk of drowning or providing skills for self-rescue.

Refer to page 4 for the social and economic impact of saving a life and of drowning and to page 62-65 for more on our drowning prevention services.

CAPITAL PROJECTS

This department is responsible for ensuring that building, vessel and vehicle projects are conceptualised, designed and executed to the specifications and requirements of the relevant departments. They are currently planning their first completely 'off-the-grid' rescue station in Kei Mouth, which will begin the journey to decrease our environmental footprint.

The roof of the NSRI volunteer service centre building is covered with solar panels, and 20% of the electricity requirement is currently being delivered through this system.

All rescue stations have water tanks to reduce the demand for municipal supplies, and non-potable water is used to clean vessels and vehicles. The water in the water tanks is also used in the bathrooms. All outboards procured have four-stroke engines with fewer emissions and we are in the process of planning our first hybrid electric/diesel Offshore Rescue Vessel (ORC), to be built at Two Oceans Marine.

Refer to page 66-69 for more information about our infrastructure.

FUNDRAISING AND MARKETING SERVICES

This department handles all the activities necessary to raise the required revenue to sustain and evolve the objectives of the organisation, including telephone marketing, corporate fundraising, individual fundraising, legacy management, government contracts, event management, communications and public relations. They raised over R179 million in 2022 to sustain our operations and evolve our capital infrastructure for the future. As a result of their efforts, our buildings, vessels and vehicles are in excellent condition.

Donor data security management is a key responsibility within this department, with assistance from the ICT division, under the watchful eye of the CEO who acts as the Company Information POPIA Officer.

The team also plays a key role in stakeholder management through various social media, face-to-face and print media platforms.

Refer to the Stakeholder Engagement section on page 28-31 for more information.

RESCUE SERVICES

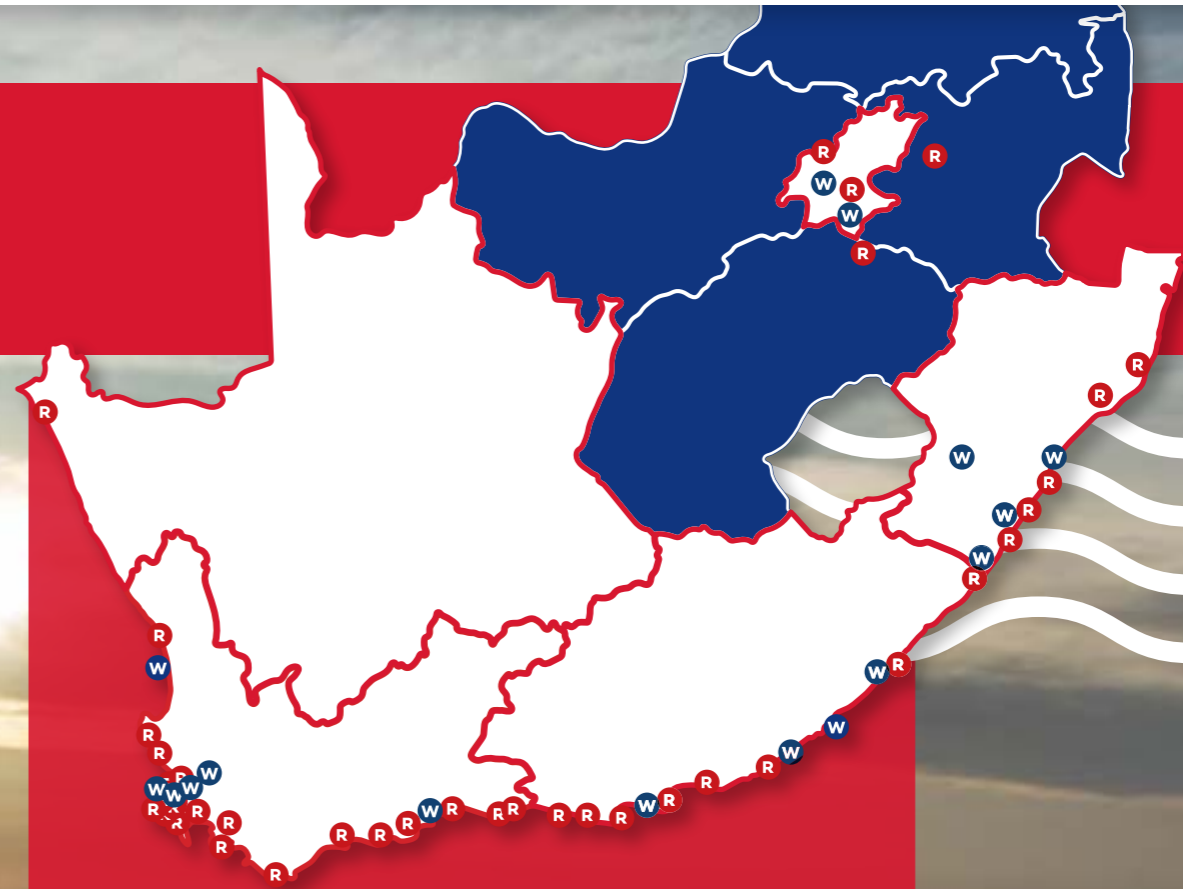
This includes the Emergency Operations Centre, Operational Training Department, Lifeguarding Services, Sea Rescue Services, and Search and Rescue Services (inland). Volunteers are recruited locally at the station level through periodic drives, based on station/base needs. Stations require a range of skills including rescue, administration, fundraising, technical and medical. Stations are also an important social environment area as the demands on volunteers make it essential to involve families in the service and ensure support structures.

The interface between staff and volunteers is critical and there are structured, as well as informal occasions to ensure that volunteers all over the country can interact with Board members, executives, management and officials. The CEO and management try to visit each station at least once a year to engage with volunteers in person.

Leadership development within stations takes place through formal training programmes as well as local mentorship. There are many levels of guidance available from Honorary Life Governors, Regional Representatives, ex-Station Commanders, current Station Commanders and coxswains. Volunteers also have special interest groups, such as a Technology Committee which keeps them informed of the latest innovations and opportunities available in rescue to ensure their optimal safety. Collaboration is a mantra of our rescue services and interaction with colleagues at an operational as well as social level is vital to maintaining interservice cooperation. The department also actively engages with other providers to evolve cohesion.

Refer to the Our services section on page 13 for more information.

OUR OPERATIONS



LIFEGUARDS GEOGRAPHICAL LOCATIONS

- MATZIKAMA**
 - Strandfontein
- CEDERBERG**
 - Lambert's Bay
 - Elands Bay
 - Clanwilliam Dam
- SALDANHA BAY**
 - Saldanha main beach
 - Hoedjiesbaai
 - Paternoster
 - Laingville
 - Leentjiesklip (Langebaan)
- CLUB MYKONOS**
 - Oceanis (Mykonos)
 - Marc's Beach Bar (Mykonos)
- CAPE AGULHAS**
 - Roman Beach
 - Kassiesbaai
 - Bikini Beach
 - Struisbaai
 - Struisbaai North
- KNYSNA**
 - Myoli
 - Swartvlei
 - Noetzie
- SEDFIELD**
 - Leisure Isle
 - Brenton-on-Sea
 - Buffelsbaai
 - Bufs Wildside
 - Karatar (pool)
- GREAT KEI**
 - Kei main Beach
 - Morgans Bay

LOCATIONS WITH PINK BUOYS

- SAINT HELENA BAY**
 - Shelley Point Estate
- HEKPOORT**
 - Camp Nelu Adventure Centre
- GOUDINI**
 - Goudini Spa
- GERMISTON**
 - Victoria Lake Club
- SOMERSET WEST**
 - Somerset Lakes MPOA
- MCGREGOR**
 - Dams, Voortrekker Street
- HAMMANSKRAAL**
 - Ritsako Game Lodge
- ROBERTSON**
 - Springfield Wine Estate
 - Goudmyn Campsite
- BENONI**
 - Homestead Dam
- GARIEPDAM HAZYVIEW**
 - Mpumalanga Dam
- MIDRAND**
 - Waterfall Estate
- HERMANUS**
 - Haygrove Farm
- KLAPMUTS**
 - Easthill Farm
- STELLENBOSCH**
 - Roulou Farm
- STERKFRONTEIN DAM, PAARL**
 - Berg River
- MOORREESBURG**
 - Bridgetown Campsite
- TABLE MOUNTAIN**
 - Victoria Reservoir, Table Mountain
 - Hely Hutchinson Reservoir, Table Mountain
 - Woodhead Reservoir, Table Mountain
 - Alexandra Reservoir, Table Mountain
- RETREAT**
 - Retreat Pool
- MAKHANDA**
 - Rhodes University
- SEA POINT**
 - Sea Point Pavilion
- HEIDELBERG**
 - Heidelberg Municipal Swimming Pool
 - Riversdale Municipal Swimming Pool
- HOEDSPRUIT**
 - Forever Resort, Swadini
- PARKLANDS**
 - Sagewood Estate
- CRAWFORD**
 - Leliebloem House
- KIDDS BEACH**
 - Palm Beach Resort
- DRAKENSBERG**
 - Champagne Sports Resort
- GEORGE**
 - Cherry Creek Country Estate
- RIEBEEK-KASTEEL**
 - Riebeek-Kasteel Pool
- DE DOORNS**
 - Hexrivier Opvoedkundige Sentrum Swimming Pool
- RUSTENBURG**
 - Buffelspoort Dam
- SODWANA**
 - Cape Vidal

R RESCUE BASE AND PINK BUOY PLACEMENTS

- | | | | |
|-----|---------------------------|-----|------------------------------|
| 2 | Bakoven | 23S | Sedgefield |
| 3 | Table Bay | 23S | Herolds Bay |
| 4 | Mykonos | 24 | Lambert's Bay |
| 5 | Durban | 25 | Hartbeespoort Dam |
| 5S | Umlanga (new) | 26 | Kommetjie |
| 6 | Gqeberha (Port Elizabeth) | 27 | Gauteng |
| 6S | Noordhoek | 28 | Port St Johns |
| 7 | East London | 29 | Air Sea Rescue (ASR Unit) |
| 8 | Hout Bay | 30 | Agulhas |
| 9 | Gordon's Bay | 31 | Still Bay |
| 9S | Strand | 32 | Port Edward |
| 10 | Simon's Town | 33 | Witsand |
| 11 | Port Alfred | 34 | Yzerfontein |
| 12 | Knysna | 35 | Witbank Dam |
| 14 | Plettenberg Bay | 36 | Oyster Bay |
| 15 | Mossel Bay | 37 | Jeffreys Bay |
| 16 | Strandfontein | 37S | Kabeljauws |
| 16S | Muizenberg | 38 | Theewaterskloof Dam |
| 16S | Monwabisi | 39 | Rocky Bay |
| 17 | Hermanus | 40 | St Lucia |
| 18 | Melkbosstrand | 41 | Ballito |
| 19 | Richards Bay | 42 | Kleinmond |
| 20 | Shelly Beach | 43 | Port Nolloth |
| 21 | St Francis Bay | 44 | St Helena Bay (new proposed) |
| 22 | Vaal Dam | 45 | Strandfontein West Coast |
| 23 | Wilderness | 46 | Storms River |
| | | 47 | Kei Mouth |
| | | 49 | Mdumbi |
| | | 50 | Umlanga (new) |
| | | 51 | Gariep (new proposed) |

S = satellite station

W WATER SAFETY SCHOOL PROGRAMME EDUCATORS

- WESTERN CAPE**
 - Eoudia Erasmus (Ceres)
 - Linda Gedezi (Gugulethu)
 - Petro Meyer (Riebeek-Kasteel)
 - Nicole Anthoney (Lambert's Bay)
 - Caville Abrahams (George)
 - Simoné Bantam (Wellington)
 - Kim Abrahams (Cape Area) (Retreat)
- KWAZULU-NATAL**
 - Rose Ndaba (Howick)
 - Slindile Mthethwa (Darnall)
 - Siya Mthethwa (Durban)
 - Nkazimulo Nyawose (Port Shepstone)
 - Mncedisi Hlalat (Richards Bay)
 - Ndumiso Skhosana (Richards Bay)
- EASTERN CAPE**
 - Valerie Barlow (Port St Johns)
 - Vuyolethu Zondani (Gqeberha)
 - Siya Mlenze (East London)
 - Mlungisi Ndamase (Umtata)
- GAUTENG**
 - Kenneth Gagela (Soweto)
 - Linda Dalamba Soweto (Rockville)

OPERATING MODEL

HOW WE ARE STRUCTURED

The NSRI, a not-for-profit company, relies on both donor funding and business initiatives to generate revenue for its capital and operational expenditure. All funds received are dedicated to the organisation's activities which prioritise the safety and well-being of the South African society. We place a strong emphasis on transparency and accountability, and the ownership and control of the organisation sit with its membership. This is facilitated through the Annual General Meeting (AGM), where the governance structure is elected, and resolutions are approved to guide the effective management of the organisation.

As a national organisation with its Volunteer Support Centre in Cape Town, the NSRI operates through all nine provinces and two distinct models.

EFFECTIVE MARKETING AND COMMUNICATIONS

With an unwavering focus on promoting public safety and enabling donations, the NSRI maintains a dedicated marketing and communications division. This division plays a vital role in creating public awareness across diverse media platforms. Effective marketing not only raises crucial funds but also cultivates direct fundraising opportunities. Prevention is a fundamental aspect of the organisation's mission, and effective communication serves as the catalyst for generating awareness and positively influencing public behaviour.

OUR SERVICES

The NSRI provides a comprehensive range of services designed to ensure water safety. These services encompass preventive programmes, water safety education, Survival Swimming training, the deployment of PRBs for public safety, online skipper training, the SafeTRX mobile rescue application and mobile Survival Swimming container programmes.

Reactive rescue services are facilitated through strategically located volunteer boat stations and professional lifeguard posts, spanning over 80 locations along the coast and inland areas. The volunteer-driven boat stations are the backbone of rapid and efficient emergency response, with the option of central support when required.

The lifeguard services are supported by a robust national governance structure, ensuring effective oversight across all operations throughout South Africa. Competent management within a sustainable organisational structure guarantees operational continuity and consistency. Local beach-level lifeguard management benefits from mobile applications, while mobile modular container infrastructure solutions provide efficient housing for lifeguard stations and equipment.

ENSURING OPERATIONAL EXCELLENCE

EDUCATION AND TRAINING



The NSRI has established a National Training Framework, enabling the delivery of highly skilled crew proficient in various areas, including small vessel operations, emergency care, radio communication and rescue techniques.

CAPITAL ASSETS



Essential capital assets, such as medical equipment (automatic external defibrillators), vessels (JetRIB inflatable vessels), and surf equipment (boards, buoys, skis), are maintained to support operational requirements.

AN ENGAGED AND SUPPORTED WORKFORCE



Crew undergo rigorous medical screening and have access to an employee wellness support system.

SEAMLESS OPERATIONAL INFRASTRUCTURE



A local area radio communication network and the 24/7 Emergency Operations Centre (EOC) in Cape Town provide continuous support, supplemented by backup assistance from adjacent NSRI rescue boat stations. The NSRI also prioritises prevention through comprehensive beach risk assessments and beach stewardship initiatives.

EMBEDDED GOOD GOVERNANCE



The NSRI operates under a comprehensive governance structure that provides rigorous oversight over its business operations. This structure encompasses robust measures, and ensures high levels of business integrity.

VOLUNTEER- MANAGED RESCUE STATION

This ensures efficient and rapid response times to emergencies

EMPLOYED PROFESSIONALS

This ensures the delivery of lifeguarding and water safety education and training

HOW WE ARE FUNDED

Fundraising for our work is an ambitious endeavour, and the NSRI has implemented a direct marketing model to achieve this goal. The organisation utilises two society lottery schemes; a monthly giving scheme through various channels such as direct calls, social media, and face-to-face interactions; as well as a car competition scheme.

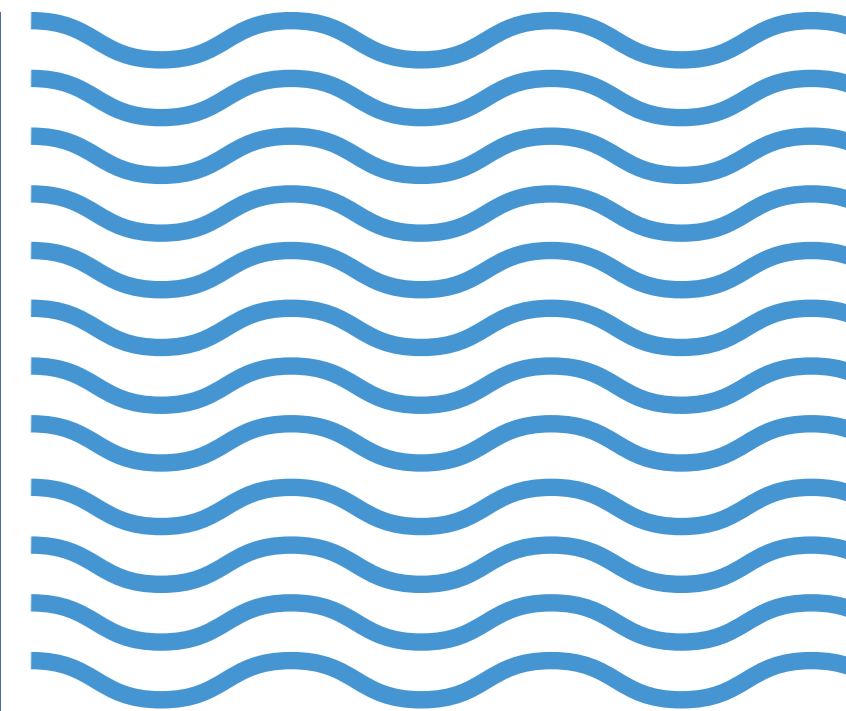
**R180
million**
FUNDED ANNUALLY

150,000
INDIVIDUAL AND
CORPORATE DONORS

The NSRI adheres to the National Lotteries' legislation with the hope of securing significant donations for capital projects. This adaptive approach to fundraising ensures risk diversification by engaging over 150,000 individual and corporate donors. By avoiding dependence on single major donors, the NSRI safeguards its financial stability.



LEADERSHIP MESSAGE



MESSAGE FROM THE CHAIRMAN OF THE BOARD



All great organisations are driven by their core purpose. At NSRI, our purpose is preserving life and livelihoods, and we do this through water education and safety, drowning prevention and rescue, both at sea as well as on inland waters; we strive to achieve the ideal of a water-safe South African nation.

Excellence against all odds. Reflecting on the NSRI's impactful contribution to South Africa

It is my pleasure to reflect on the NSRI in 2022 and the very essential and positive role this outstanding NPO has on our South African community.

With our country currently faced with so many challenges, in particular basic necessities such as power, water, shelter and employment, it is remarkable that the NSRI can sustain excellence across all areas of operation at world-class levels.

NSRI is unique in many facets, but particularly in our people, training and funding. At the very core of our rescue services are volunteers—ordinary passionate individuals who dedicate their time and risk their own lives to save and protect others.

To live up to our promise of 'whenever you need us, we are here' requires NSRI to operate nationally 24/7 with an up-to-date, fully-maintained fleet, equipment, facilities and trained personnel, all of which, in turn, require extensive funding.

Both traditional Government and corporate funding continue to diminish, and the NSRI, in turn, is thus heavily dependent on donor support and self-fundraising initiatives. We are indeed extremely grateful for the fundraising support from the broader public and, as a Board, are very mindful of ensuring all funds are appropriately deployed to fulfil our purpose of providing this world-class service to all communities across South Africa.

To do so, the NSRI constantly innovates to better preserve lives, and we are proud of such innovations, including our pink rescue buoys (PRBs), our drowning prevention education, our portable shipping container swimming pools, our fit-for-purpose lifeguarding model and our advanced deployment of offshore rescue crafts (ORCs) as well as our nippy Jet Rigid Inflatable Boat (JetRIB) inshore rescue craft.

Our Board continually strives to improve and enhance our governance structures and oversight. During the 2022 year, the Board's key focus areas included funding; capital planning and deployment to ensure the maintenance and modernisation of our fleet; broad-based transformation; the safety and wellbeing of our rescue personnel; the broader impact of environmental, social and governance (ESG) aspects; our impact as the NSRI on the environment; our social communities; and enhancing governance.

Finally, it remains for me to express my sincere thanks to our many faithful donors; our NSRI staff, station commanders and volunteers; our CEO, Dr Cleeve Robertson and his executive team; and the individual Board members who give so tirelessly of their time.

Thank you also to Ronnie Stein for his outstanding leadership over the last nine years and Dave Robins, who retires after long service as a volunteer at Station 3 Table Bay and a Director.

I warmly welcome the new members of the Board, Grant Bairstow, Lindani Mchunu, Johnny Velloza, Pretty Molefe and James Beaumont. We are thrilled to have you join us and we eagerly anticipate the unique perspectives and contributions you will bring to our team.

I wish you all a fun and water safe 2023.

Dave Macready
Chairman

MESSAGE FROM THE CEO



SAVING LIVES AND SUSTAINING LIVELIHOODS – DELIVERING OUR PURPOSE

People often ask me what the NSRI does as a non-profit, and the answer is easy: we save lives and sustain livelihoods. Year after year, our primary focus is on preventing fatalities and injuries caused by drowning while directly rescuing individuals from water-related emergencies.

In 2022 alone, we successfully saved the lives of more than 1,091 individuals. The current season has provided compelling evidence through poignant videos captured by our beach cameras, vividly demonstrating the extraordinary efforts of our humble lifeguards and rescuers as they courageously retrieve individuals from perilous waters. These experiences serve as a powerful testament to the very real impact we make in preserving lives.

Drowning is a significant, and often underappreciated, public health issue worldwide with substantial social and economic costs. Our experience in South Africa is no different. In a recent research paper that we published in the *International Journal of Environmental Research and Public Health*, we found that, on average, 1,477 people die of drowning in South Africa each year. Notably, the most vulnerable demographic groups affected are young children aged zero to four years and young adult males. This research holds profound implications for the strategic deployment of our services and serves as a guiding beacon, directing our interventions towards the future.

DELIVERING IN A CHALLENGING ENVIRONMENT

The post-COVID-19 era has presented unique challenges for us: fundraising is as difficult as ever. Moreover, the physical and mental well-being of our dedicated staff and volunteers has been tested amidst the pandemic's strain. Communities, after emerging from prolonged lockdowns, now find themselves increasingly exposed to water-related environments, necessitating heightened vigilance in our safety measures. Climate change-related incidents, exemplified by the KZN flooding, have further put our services to the test.

Additionally, the socio-economic landscape remains under significant stress. These multifaceted challenges demand our utmost attention and strategic focus as we strive to persevere and stay afloat in these turbulent times.

It is truly remarkable that we have not only sustained but also improved funding for the Institute despite the challenging circumstances. Our strategic approach of implementing diverse fundraising initiatives across various platforms and engaging individuals has yielded positive results. While donor fatigue and retention remain substantial concerns, our steadfast community of supporters has played a pivotal role in our success.

Through their unwavering dedication, we achieved an exceptional total contribution of nearly R180 million from January to December 2022, showcasing an outstanding performance by our donors. This remarkable achievement underscores the importance of their contributions and the impact they have on our ability to fulfil our mission.

Our fundraising teams have once again exceeded expectations, displaying exceptional performance in their efforts to broaden our network of supporters. In this process, we continue to learn and adapt, striving for continuous improvement. We have discovered that newer donors prefer different modes of engagement, including telephone, WhatsApp, and email, and they often prefer to utilise modern payment platforms.

To meet these evolving preferences, we are compelled to adjust our strategies and approaches at an accelerated pace. We recognise the need to extend our reach to all 60 million individuals in South Africa, which necessitates proactive outreach, engaging initiatives, and the establishment of a strong brand presence and service awareness. Through the efforts of our marketing division, powered by a talented group of young individuals, we are producing visually captivating content that grabs attention and effectively communicates our message.

Meanwhile, our public relations and communications releases are reaching never-before contemplated audiences. Remarkably, media agencies have even commented on the extensive coverage we have garnered, highlighting the significance of this achievement given the competition we face. We are immensely grateful for the support of our loyal corporate donors, whose contributions play a vital role in sustaining our operations and enabling us to fulfil our mission. Additionally, the ongoing generosity from trusts and bequests continues to amaze us, underscoring the incredible level of support we receive from these sources.

While the socio-economic landscape poses considerable challenges, our investment in the well-being of our volunteers and employees has had a remarkable impact on their morale and motivation. You won't find a more passionate and enthusiastic community than the NSRI.

There are always challenges – from recruitment, competitive remuneration, migration (local and international), to injury and illness – but through effort and commitment, we have sustained both the volunteer and employed components of our dedicated team.

OUR COMMITMENT TO ADVANCING TRANSFORMATION

Transformation continues to be a focus as we journey towards equality and non-racialism in South Africa. Our volunteer base exhibits noteworthy gender diversity, surpassing that of similar services in Europe. Moreover, we have observed a consistent increase in racial diversity among our volunteers each year, signifying positive strides in creating a more inclusive and representative organisation.

Additionally, our staff members now reflect a rich variety of South Africans, further demonstrating our commitment to fostering diversity and inclusivity throughout our organisation.

As part of external benchmarking and our commitment to continuously improve, we have taken the Khampepe Commission Report and our own internal transformation report on board. The Khampepe Report, in particular, contains useful insights on how any organisation can improve its racial diversity, equity and inclusion.

There are, of course, major structural barriers in South Africa that limit more representative and inclusive recruitment. According to research very few South Africans can swim. Coupled with high levels of unemployment and inequality, the barriers that prevent many South Africans to swim are high. To address the current low-capacity base, we are making significant investments in teaching and training.

We will continue to work towards becoming a more representative and inclusive organisation. This is essential to building the South Africa we want to see – a country where everyone has the opportunity to succeed, regardless of their background.

RAISING THE BAR

Our sea rescue, search and rescue and lifeguarding services continue to deliver at very high standards, and both professional and volunteer rescuers all over the country deserve the recognition they get. We truly are there when people need us – this is our value proposition.

Through continuous maintenance and new asset procurement, our service assets are in great shape. We believe our donors can be extremely proud of the quality of equipment presented at the delivery level. We are about to start building ORC number six; our base build quality is outstanding; our rigid inflatable boat (RIB) fleet is fresh; and we have launched over thirty JetRIBs. In addition, I want to commend the teams involved, including our valued suppliers and contractors, whose contributions have played a pivotal role in achieving these remarkable outcomes.

Our drowning prevention initiatives and actions have really gained momentum under the leadership of Dr Jill Fortuin, and our recently published research provides critical data to guide interventions. The Survival Swimming containers, PRBs and other initiatives directly impact lives and create the necessary awareness in the media and society. We realise that to reach a million children a year through survival swim training will take serious networking and collaboration. It will definitely take more than a proverbial village to achieve, but we believe that it is doable.

OUTLOOK

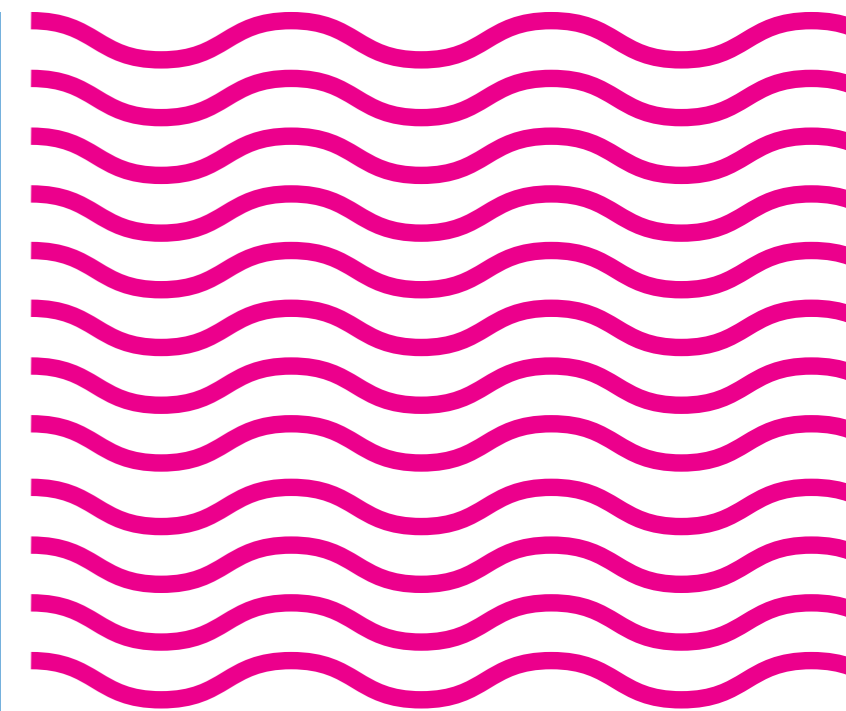
We know that we have a long way to go in South Africa to achieve a water safe nation and we can only achieve that with the moral and financial support of every South African and visitor. We need PRBs on every beach and water body; every child and adult should be able to swim to survive; every water body should be protected; every swimming area should have lifeguards; every lifeguard station should have a JetRIB; every seaman should have access to Medivac services; and every kilometre of shoreline ought to be covered by rescue services.

This is the difference that the NSRI can make to the lives of the 60 million people who call South Africa home.

Dr Cleve Robertson
Chief Executive Officer



OPERATING ENVIRONMENT



THE CONTEXT WE OPERATE IN

UNDERSTANDING OUR OPERATING ENVIRONMENT

As a non-profit operating across South Africa, the NSRI faces numerous external pressures. In the year under review alone, South Africa's socio-political environment, slowing economic growth domestically and globally has impacted our fundraising efforts. In addition, a variety of economic, social, environmental and technological considerations continue to shape our organisation. The Management and Board of the NSRI continue to monitor these factors, and our take these into account as we deliver on our strategy.



ECONOMIC ENVIRONMENT

2%

ECONOMIC GROWTH IN 2022

WHY THIS MATTERS TO US

Stagnant and slowing growth negatively impacts our ability to raise funding, impacts our workforce and operations.

TRENDS AND ISSUES IMPACTING THE NSRI

Weak structural growth and the COVID-19 pandemic have exacerbated socio-economic challenges. South Africa has recovered its pre-pandemic GDP but not its employment level. At the compared end of 2022, there were still close to half a million fewer jobs than at the end of 2019, with women and youth persistently more impacted. Inequality remains among the highest in the world, and poverty was an estimated 63% in 2022 based on the upper-middle-income country poverty line, only slightly below its pandemic peak. These trends have prompted growing social demands for government support, which could put the sustainability of public finances at risk if they are to be met.

HOW WE ARE RESPONDING:

- Diversifying donor base to ensure sustainability
- Focus on operational excellence and cost efficiencies where possible
- Ensuring that our operations contribute positively to the micro economies of where we operate (see Measuring the performance of our services)



SOCIAL ENVIRONMENT

1,000,000

THE NUMBER OF CHILDREN WE NEED TO TEACH TO SWIM EACH YEAR

WHY THIS MATTERS TO US

Drowning is indiscriminate across a very distributed area, mainly inland on rivers, dams and canals, which makes intervention complex.

TRENDS AND ISSUES IMPACTING THE NSRI

The Eastern Cape and KZN have the greatest prevalence of rivers and, therefore, the greatest challenges. The school environment has frequently been in the spotlight from drowning, while workplaces in many occupations involve work around water. The stories of drowning inform the strategies for intervention, and many are fundamental and quite basic within the context of society. School children are a 'captured' population, providing the opportunity for education and skills development.

Children and adults often have to cross rivers to go to school or work and we have to provide solutions to improve safety.

Child supervision on beaches is a major headache and parents need to own the safety of their children by always making sure that there is supervision near water, swimming pools and the ocean. Additionally, alcohol and water don't mix in the context of drowning and we have to change society to diminish alcohol use around water.

HOW WE ARE RESPONDING:

- Advocating for water safety and survival swimming skills within the formal education system
- Driving water safety culture and systems to ensure child safety
- Evolving a water safety occupational culture and get employers to buy-in for the workplace
- Discouraging alcohol use around water bodies



THE CONTEXT WE OPERATE IN CONTINUED



NATURAL ENVIRONMENT

NET ZERO

THE TARGET WE NEED TO REACH TO AVOID THE WORST CLIMATE IMPACTS

WHY THIS MATTERS TO US

We are a conversation minded organisation and care about the natural environment

TRENDS AND ISSUES IMPACTING THE NSRI

The latest climate science is clear: Limiting global warming to 1.5 degrees C (2.7 degrees F) is still possible. But, to avoid the worst climate impacts, global greenhouse gas (GHG) emissions will need to drop by nearly half by 2030 and ultimately reach net zero. The implications are that extreme weather events are going to increase, and we are going to have to deal with the consequences. For us as the NSRI, this means threats to coastal assets and rescue under more austere conditions, both requiring planning to mitigate challenges, at a cost.

Water is, and will continue to be, a scarce resource. Desalination will become more prevalent. Water harvesting and 'off-grid' solutions will be more commonplace. Satellite communication will become more pervasive. Africa's hydrocarbon peak usage is predicted to be in 2040, and the NSRI will probably remain diesel-and petrol-dependent for energy in the medium term. Investment should be made, however, in exploring alternative technologies. Solar/wind and other renewable energies will continue to evolve and accelerate. The KZN floods were an illustration of the challenges we face with respect to climate change.

HOW WE ARE RESPONDING:

- To reduce the environmental impact, we have undertaken the following initiatives to reduce our water and energy consumption: Measuring the performance of our services



OPERATIONS ENVIRONMENT

14,738

NUMBER OF SAFETRX SUBSCRIBERS

TO OUR FREE WATER SAFETY APPLICATION

WHY THIS MATTERS TO US

Rescue operations are the core of our business

TRENDS AND ISSUES IMPACTING THE NSRI

The numbers of people using water for recreational purposes is increasing with hotter climate.

Communities are increasingly having to cross rivers in accessing both work and school. Several occupations are specifically over water.

Commercial activities on water, fishing, shipping and tourism, continue to increase.

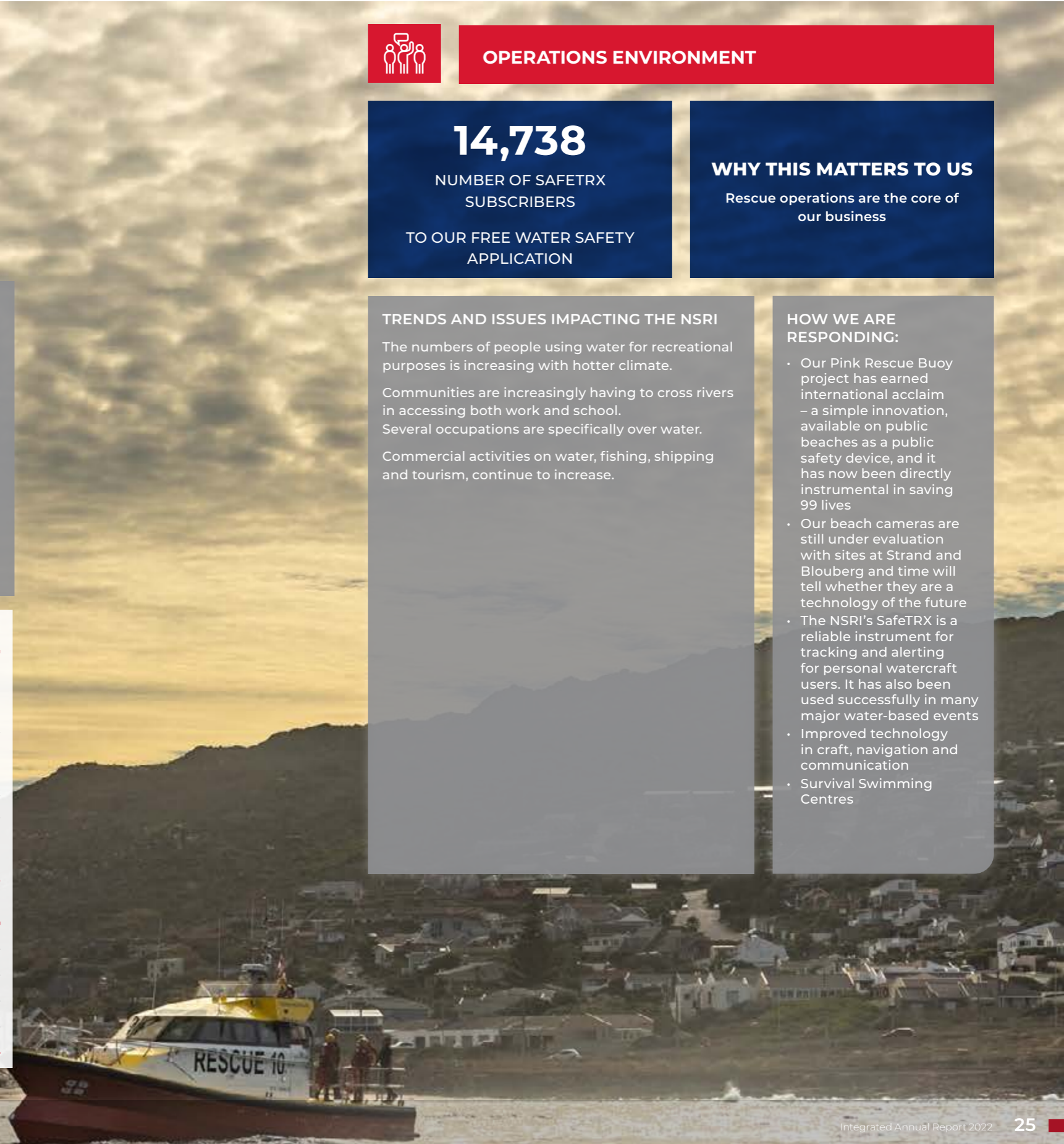
HOW WE ARE RESPONDING:

- Our Pink Rescue Buoy project has earned international acclaim – a simple innovation, available on public beaches as a public safety device, and it has now been directly instrumental in saving 99 lives
- Our beach cameras are still under evaluation with sites at Strand and Blouberg and time will tell whether they are a technology of the future
- The NSRI's SafeTRX is a reliable instrument for tracking and alerting for personal watercraft users. It has also been used successfully in many major water-based events
- Improved technology in craft, navigation and communication
- Survival Swimming Centres

LOCATION INITIATIVES

Volunteer Support Services Centre Building in Milnerton	<ul style="list-style-type: none"> Installed a solar panel system with an inverter that can produce 15 kW electrical power and we intend to expand this to eventually provide all the power for the building – on a hot day, we need around 50 kW. Installed LED lighting and 22 500 litre water tanks to harvest rain water
Station 36 Oyster Bay	<ul style="list-style-type: none"> Installing 20 000 litre water tanks and LED lighting Investigating the installation of a solar system to take the station completely off the electrical grid
Station 21 St Francis Bay	<ul style="list-style-type: none"> Installing 10 000 litre water tanks and LED lighting
Station 43 Port Nolloth and Station 47 Kei River Mouth	<ul style="list-style-type: none"> Investigating the installation of a solar system to take the station completely off the electrical grid Installing 10 000 litre water tanks

CONSUMPTION	2016	2017	2018	2019	2020	2021	2022
Electricity (kWh)	195,519	198,899	105,147	216,675	294,202	372,909	187,378
Water (kl)	111,52	6,910	6,671	4,204	2,954	6314	7,633
Fuel – Petrol (litres)	81,716	77,290	76,050	80,374	18,445	83,587	78,483
Fuel – Diesel (litres)	80,089	89,374	86,027	116,538	86,691	14,4716	40,552
No of Flights	339	292	326	481	6	189	208



OUR MATERIAL ISSUES

Material issues are those matters that substantially impact NSRI's ability to fulfil its mandate of saving lives through primary initiatives such as water safety education, skills development and advocacy, as well as through secondary prevention efforts involving rescue services.

These critical matters are identified and assessed by all components of our organisational framework, including the Board, volunteers who actively participate in the AGM and station commanders who engage in extensive consultations and conferences with key stakeholders. Their valuable insights contribute to our comprehensive understanding of these material issues and guide our strategic decision-making processes.

THE NSRI'S MATERIAL ISSUES IN 2022 INCLUDED:



SUSTAINED DONATION AND BUSINESS REVENUES

We have been able to continue increasing revenues across a wide variety of avenues despite the tough economic context, and the revenues generated were well above budget.



VOLUNTEER AND PERSONNEL NUMBERS AND QUALITY

We have sustained volunteer numbers, and a significant training effort ensures that crew competency remains high. We have barriers to volunteering because of the lack of a swimming culture in South Africa, and are having to commit resources and effort to swimming training.

Recruiting competent staff across a wide demographic range with the appropriate competencies and attitudes is challenging.



RELATIONAL CAPITAL

Social cohesion in a diverse organisation can be a challenge, and moderating perspectives and institutionalising the right behaviour requires continuous investment. The implementation of recommendations from consultants will add value to this journey.



CAPITAL PROJECTS AND GOVERNMENT

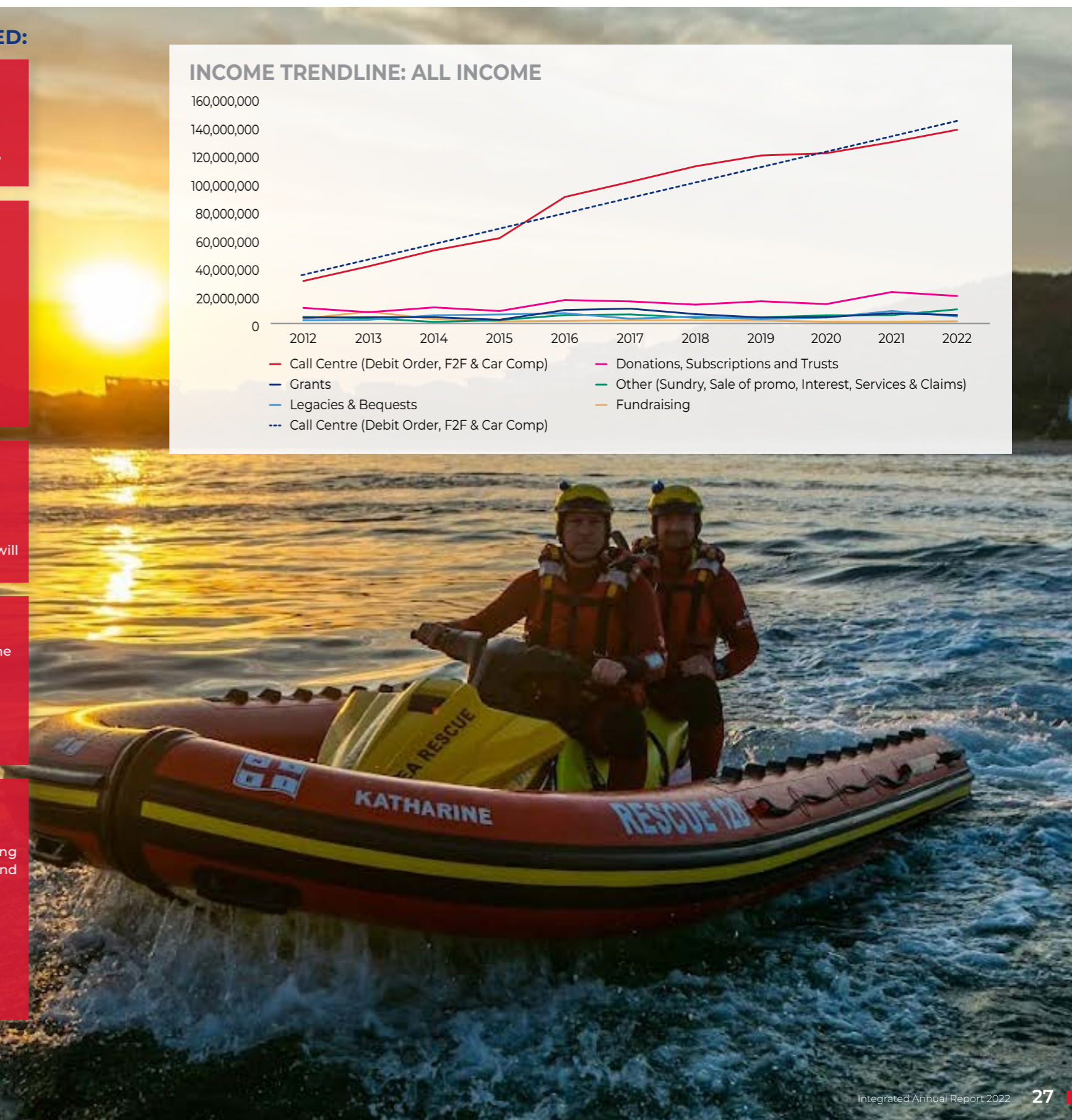
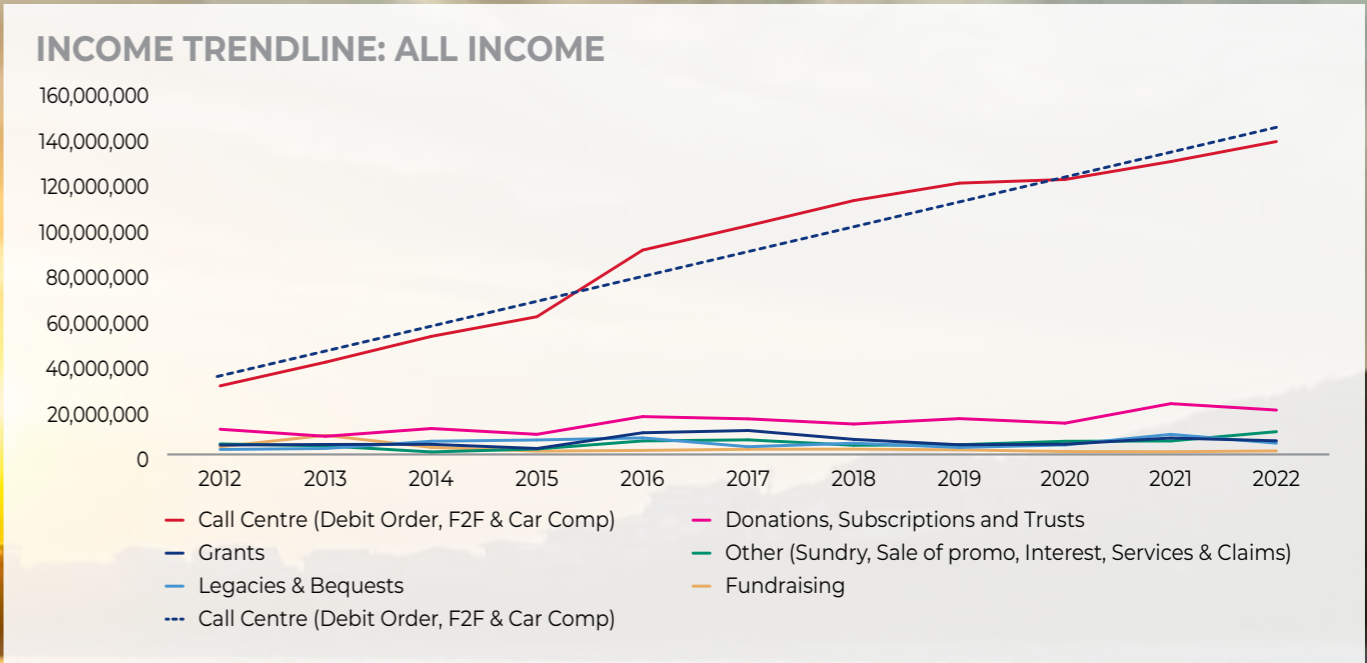
We struggle with administrations in Government to obtain the requisite authorities to advance building projects. This results in significant delays, which have major long-term cost implications. Red tape reduction and Government responsiveness need urgent improvement not only for the NSRI but for the economy in general.



OPERATIONAL COMMUNICATION

Public communication systems, which we depend on for shore-to-vessel communication, are not secure. Load-shedding is significantly impacting the cellular network functionality and reliability, and the Telkom Digital very high frequency (VHF) radio network seawards has significant footprint gaps.

The NSRI is investigating alternative reliable communication with redundancy to guarantee emergency communication. StarLink may be one such solution if the Independent Communications Authority of South Africa (ICASA) licensing can be resolved.



OUR STAKEHOLDERS

It is a big ask to have to deliver services to an entire nation, but the NSRI's vision talks to our aspiration and commitment to engage with, and provide solutions to all 60 million South Africans. Our job is to prepare people to prevent incidents from happening and mitigate the consequences and impacts of any incidents.

The scope of what we do makes the diversity and scale of our stakeholder community daunting and it requires each one of us, at a team and personal level, to give our best. Every business unit, employee and volunteer carries a responsibility to actively engage and interact. It is what we do.

The NSRI executives visit every volunteer station every year, and managers even more often. This ensures business familiarity and a direct connection. It also facilitates communication and evolves trust. The volunteers meet regularly in teams within stations and participate in cross-station exercises to ensure operational consistency and regional coordination of response. Station Commanders engage with local donors, do presentations at community structures and participate in community events. Stations have open days when members of the public are invited to visit services, experience a ride on a rescue vessel and get a feel of the rescue environment. Often transport has to be arranged to facilitate access for poorer sectors of society.

Fundraisers call donors daily, meet with corporates and arrange events. The direct personal fundraiser/donor relationship is critical and some have endured for years, like the CEO who has been phoned by the same Car Competition marketer for the past 25 years and could immediately identify her by her voice. Giving requires trust, and these relationships feed on trust. Corporate relationships, like those with DHL or Two Oceans Marine, become long-standing friendships.

Interservice relationships between ourselves, ambulance services, police, disaster management and others are very important to the continuity and efficiency of emergency response and the chain of survival. Huge effort goes into building these relationships locally to ensure support.

Often incidents involve injury to members of one or another service and the urgency and quality of care provided is testimony to the mutual respect within this community.

Lately, our most challenging stakeholder relationship is with the national government, its departments and the SOEs. We struggle to get not only financial support but also administrative support. As an example, it took the NSRI over eight years to secure short (five-year) leases in the fishing harbours. Given the service and the safety net we provide, one would expect better responses. The local government in municipalities has been very receptive and the NSRI is well supported by the Western Cape Provincial Government.

OUR STAKEHOLDER GROUPS AND METHODS OF ENGAGEMENT

CONSERVATION BODIES

- Cooperate and collaborate on rescues
- Advocate around issues

OUR PEOPLE: VOLUNTEERS AND EMPLOYEES

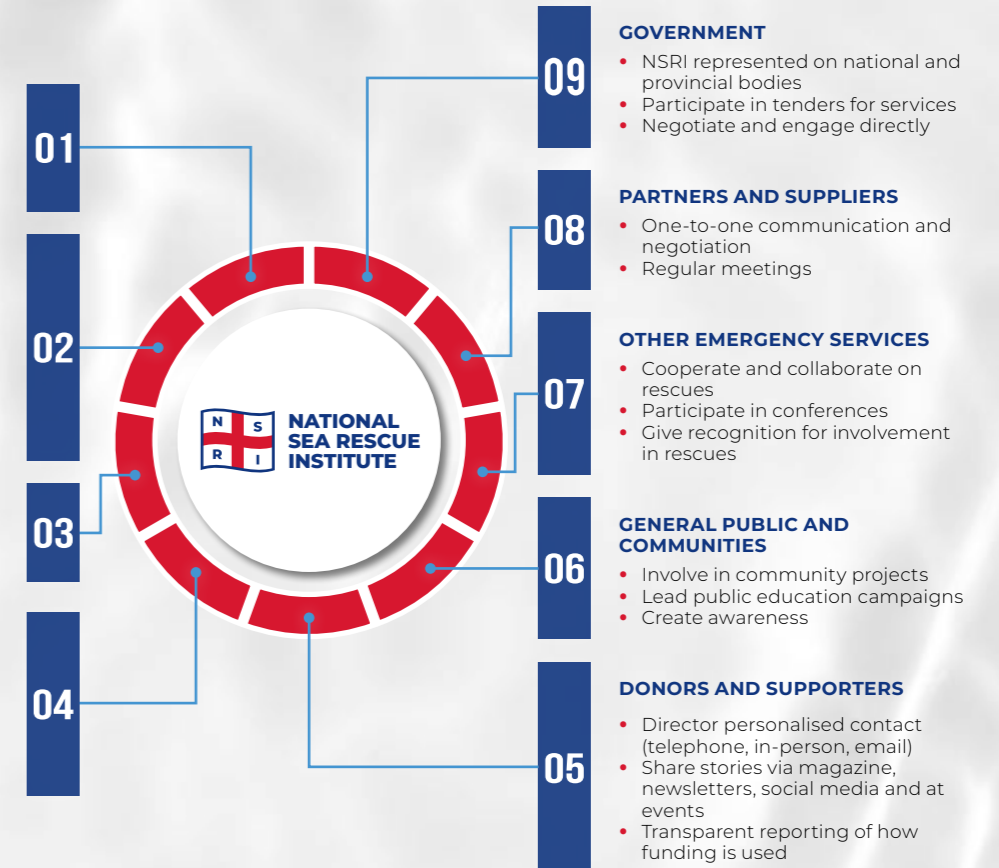
- Operational managers visit bases and engage regularly
- Volunteer crews participate in training
- Internal communication
- Performance appraisals
- Training and development

INDUSTRY SECTORS

- Support and provide services
- Collaborate on issue positioning

THE MEDIA

- Distribute media releases around rescues and campaigns
- *Sea Rescue Magazine* and newsletters are shared
- Provide content on social media platforms



OUR STAKEHOLDERS CONTINUED

STAKEHOLDER CHALLENGES AND OPPORTUNITIES

01

CONSERVATION BODIES

Our services are directly intertwined with conservation agencies and other bodies involved in environmental and marine conservation. Notable are the South African Whale Disentanglement Network, Two Oceans Aquarium, uShaka Marine World and the South African Foundation for the Conservation of Coastal Birds (SANCCOB). There are frequent engagements and combined operations that ensure that our turtle, bird and whale work continue. We believe our conservation efforts create greater geographic awareness as our reach is greater than some smaller agencies.

04

THE MEDIA

The media are key stakeholders in positioning our work and sharing our stories.

Journalists are always interested in the NSRI, yet we have to work carefully with them to balance sensationalism with the very human and personal impacts arising from incidents.

Media owners and platform partners provide us with valuable subsidised and free exposure in all channels, from online to print and at events. Normally outside the reach of our affordability, such exposure provides valuable public service messaging.

02

OUR PEOPLE: VOLUNTEERS AND EMPLOYEES

A total of 1,455 NSRI volunteers across the country work daily with 150 volunteer service centre staff who provide support, technical and specialised services.

Many employees are also volunteers and this helps to preserve the committed and fast response culture, so critical to our work. As the organisation grows, maintaining this culture whilst also broadening the profile and skills of our people is an exciting opportunity ahead of us.

05

DONORS AND SUPPORTERS

Our donors are key to our sustainability.

We are as grateful to donors as we are to individuals, entities or groups who believe in us and advocate the work we do. We rely on their interest and advocacy as much as the funding that sustains our work.

Our donors and supporters come from everywhere. We value those we already know and who know us, yet we also understand the challenge of reaching far wider groups where our services are relevant but not well known—inland and rural communities as well as the youth are two examples.

03

INDUSTRY SECTORS

We provide a safety net to many industry sectors like tourism, shipping, recreational sport, fishing and events. We communicate directly with businesses in each sector, either individually or through associations, to raise awareness and we then get feedback on the experience of our services.

Whilst many industry players do support us, for which we are extremely grateful, our services are often used to replace commercial providers with little or no compensation. During COVID-19, we saw a significant increase in the need for our services around shipping activity and medical evacuations, which places challenges on our resources.

06

GENERAL PUBLIC AND COMMUNITIES

Our rescue bases play an important role in servicing local communities and are an integral part of the social fabric of communities. In our give-and-take relationship, communities pay it forward by volunteering, and the NSRI gives back through service to that community.

Bases are instantly recognisable and display current and relevant information on emergency access as well as emergency numbers.

In many communities, the NSRI's leadership standing extends beyond our mandated rescue service. In some cases, this creates additional pressure on volunteer capacity in the absence of other emergency or civic services.

07

OTHER EMERGENCY SERVICES

We work closely with other emergency agencies to ensure the coordination of incidents to the benefit of our stakeholders.

08

PARTNERS AND SUPPLIERS

We engage with suppliers and service providers continuously on a range of products and services, initially through contract negotiation, and subsequently during the order and supply process.

Cash flow management is an important issue for the NSRI as we need to think about staged payment plans, especially for large capital projects like boats. From the partner/supplier side, we need to be mindful of partners' cash flows to ensure their sustainability as well.

Our BBBEE standing matters, especially when contracting with local government, as the upsurge in NSRI Lifeguarding services through municipalities has been highlighted.

Through Covid-19, our partners have been challenged with supply chain constraints and these have also impacted us with regard to the availability of wetsuit fabric, boat parts and IT components, for example.

09

GOVERNMENT

The CEO of the NSRI sits on the South African Search and Rescue Organisation (SASAR) Executive Committee and provides direct input to the Department of Transport (DoT) through this Committee.

We also work internally to advocate resources for maritime rescue within DoT. Our success in securing resources remains a real challenge, increasingly so with the interruptions caused by Covid-19.

The Committee provides the opportunity to communicate with national representatives of rescue agencies, however, the level of representation often has no decision-making authority and action from these meetings is minimal.

At a provincial government level, we engage at a Disaster Management Committee level, to ensure coordination with emergency regional services. The SASAR regional meeting has unfortunately not been well supported and, therefore, coordination is not at an acceptable level.

We engage with local government on a municipality-by-municipality basis to discuss drowning prevention and lifeguarding opportunities and services.

In 2021, we achieved greater penetration than ever before for our Lifeguarding services, which were provided on 29 beaches in the summer season.

Some municipalities fund educators in their geographic precincts to facilitate water safety awareness, but there is a huge need to expand these activities to reach our objectives.



OUR ALIGNMENT WITH THE UN SDGs

In today's rapidly changing world, sustainability has become a crucial consideration for an organisation like the NSRI. To address global challenges and create a better future, aligning with the UN SDGs is of paramount importance for us. These 17 interlinked goals provide a comprehensive framework that guides us towards sustainable practices and responsible actions.

First and foremost, aligning with the SDGs demonstrates a commitment to addressing pressing global issues. From eradicating poverty and hunger to promoting clean energy and gender equality, the SDGs cover a wide range of social, economic, and environmental challenges. By aligning with these goals, we are showcasing our dedication to being socially responsible and contributing positively to the well-being of the planet and its inhabitants.

OUR SUSTAINABILITY POSITION

We believe that the NSRI's work positions us as leaders in public safety, particularly in addressing drowning incidents. We acknowledge the far-reaching impact of fatal and non-fatal drownings on lives and health, and we leverage our water safety and Survival Swimming networks to mitigate these effects.




Prevention is a focal point of our efforts. Internally, we prioritise the health and wellness of our staff and volunteers through an active programme. We firmly believe that swimming is a crucial life skill and that every child should have the ability to swim for survival. Through our engagement with the education system, we aim to reach one million children annually, making this aspiration a reality.

Gender equity is a core value for us, as reflected in the greater representation of women in our service compared to the services of our overseas peers. We recognise economic growth as a foundation for development, and our services aim to preserve lives, protect livelihoods and foster training and development through online learning platforms accessible to the public. Our provision of public safety rescue devices and the SafeTRX rescue application contributes to a robust safety net for water-related industries, facilitating business operations on the water.

We serve every citizen and visitor equitably, upholding the principles of fairness and inclusivity. Despite the fiscal constraints, we strive to explore new avenues of service delivery sustainably. Climate change is an urgent reality for us as we actively respond to its consequences, such as the KZN floods. We are committed to minimising our environmental impact and inspiring positive change in others.








HOW OUR INITIATIVES ALIGN WITH THE SDGS

SDGs	THE NSRI'S INITIATIVES
<p>SDG 14: LIFE BELOW WATER</p> 	<p>By 2030, the UN's goal is to by 2030, increase the economic benefits to least developed countries from the sustainable use of marine resources, including through sustainable management of fisheries, aquaculture and tourism.</p> <div style="border: 1px solid #003366; padding: 5px;"> <p>NSRI INITIATIVES THAT ALIGN WITH SDG 14</p> <ul style="list-style-type: none"> • Collaboration with major aquaria for marine animal rescues: <ul style="list-style-type: none"> - Developing strategic protocols and communication channels to streamline the process of identifying and responding to marine animals in distress. - Sharing resources, expertise, and personnel to enhance the success rates of rescue operations and increase the chances of rehabilitating and releasing marine animals back into their natural habitats. </div>
<p>SDG 6: CLEAN WATER AND SANITATION</p> 	<p>By 2030, the UN's goal is to improve water quality by reducing pollution, eliminating dumping and minimising release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.</p> <div style="border: 1px solid #003366; padding: 5px;"> <p>NSRI INITIATIVES THAT ALIGN WITH SDG 6</p> <ul style="list-style-type: none"> • Focus on addressing river pollution and inland waterways: <ul style="list-style-type: none"> - Collaborating with local communities, government agencies, and environmental organisations to address river pollution and improve the health of inland waterways. </div>
<p>SDG 7: AFFORDABLE AND CLEAN ENERGY</p> 	<p>By 2030, the UN's goal is to ensure universal access to affordable, reliable, renewable and modern energy sources.</p> <div style="border: 1px solid #ffc000; padding: 5px;"> <p>NSRI INITIATIVES THAT ALIGN WITH SDG 7</p> <ul style="list-style-type: none"> • Internal efforts to conserve water and energy: <ul style="list-style-type: none"> - Implementing internal initiatives and practices within the organisation to conserve water and energy resources, such as installing water-efficient fixtures, promoting responsible water usage, and conducting regular energy audits to identify areas for improvement. • Exploration of alternative fuel sources for offshore vessels: <ul style="list-style-type: none"> - Assessing the feasibility and viability of various alternative fuel options, such as liquefied natural gas (LNG), biofuels, hydrogen, or electric propulsion systems, for offshore vessels based on factors such as availability, infrastructure requirements, energy density, and regulatory compliance. </div>

OUR ALIGNMENT WITH THE UN SDGs

CONTINUED

SDGs	THE NSRI'S INITIATIVES
<p>SDG 12: RESPONSIBLE CONSUMPTION AND PRODUCTION</p> 	<p>By 2030, the UN's goal is to achieve the sustainable management and efficient use of natural resources.</p> <p>NSRI INITIATIVES THAT ALIGN WITH SDG 12:</p> <ul style="list-style-type: none"> • Implementation of environmental management plan: <ul style="list-style-type: none"> - Developing and implementing a comprehensive environmental management plan that outlines strategies, goals, and actions to minimise the organisation's environmental footprint and ensure compliance with environmental regulations. - Integrating sustainable practices into day-to-day operations, including waste management, recycling programmes, energy conservation measures, and pollution prevention strategies.
<p>SDG 3: GOOD HEALTH AND WELL-BEING</p> 	<p>By 2030, the UN's goal is to ensure universal access to affordable, reliable, renewable and modern energy sources.</p> <p>NSRI INITIATIVES THAT ALIGN WITH SDG 3:</p> <ul style="list-style-type: none"> • Drowning prevention and water safety initiatives: <ul style="list-style-type: none"> - Implementing comprehensive drowning prevention and water safety initiatives to raise awareness and reduce the number of water-related accidents and fatalities. - Developing educational programmes and campaigns targeting different age groups, demographics, and communities to promote water safety knowledge and behaviour. • Promotion of swimming as a life skill: <ul style="list-style-type: none"> - Promoting swimming as a vital life skill through targeted campaigns and initiatives that highlight the importance of learning how to swim for personal safety and overall well-being. - Collaborating with schools, community centres, and local authorities to incorporate water safety education into curricula and community outreach programmes.
<p>SDG 5: GENDER EQUALITY</p> 	<p>By 2030, the UN's goal is to end all forms of discrimination against all women and girls everywhere and ensure women's full and effective participation and equal opportunities.</p> <p>NSRI INITIATIVES THAT ALIGN WITH SDG 5</p> <ul style="list-style-type: none"> • Emphasis on gender equity: <ul style="list-style-type: none"> - Placing a strong emphasis on gender equity in all aspects of swimming and water safety initiatives, ensuring equal opportunities and representation for individuals of all genders. - Promoting gender-inclusive language and imagery in communication materials, campaigns, and programme materials to create a welcoming and inclusive environment for everyone. - Collaborating with schools, community organisations, and local authorities to address gender stereotypes and barriers that may discourage individuals from participating in swimming or water safety activities.

SDGs	THE NSRI'S INITIATIVES
<p>SDG 8: DECENT WORK AND ECONOMIC GROWTH</p> 	<p>By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.</p> <p>NSRI INITIATIVES THAT ALIGN WITH SDG 8:</p> <ul style="list-style-type: none"> • Contribution to economic growth and safety on water: <ul style="list-style-type: none"> - Making significant contributions to economic growth by supporting water-based industries and activities such as tourism, fishing, transportation, and recreation, which generate revenue, create jobs, and stimulate local economies. - Collaborating with local businesses, tourism boards, and government agencies to promote water-based activities and destinations, attracting visitors and boosting tourism revenue. - Investing in infrastructure development and maintenance of waterways, ports, and marinas, facilitating trade, commerce, and transportation, and enabling economic growth through efficient waterborne logistics.
<p>SDG 13: CLIMATE ACTION</p> 	<p>By 2030, strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.</p> <p>NSRI INITIATIVES THAT ALIGN WITH SDG 13:</p> <ul style="list-style-type: none"> • Response to climate change-induced disasters: <ul style="list-style-type: none"> - Developing and implementing response plans to effectively address climate change-induced disasters, such as storms, floods, sea-level rise, and extreme weather events, which pose risks to coastal and water-dependent communities. - Collaborating with local and national emergency management agencies, disaster response organisations, and government authorities to establish coordinated and timely response mechanisms in the event of climate-related disasters.



OUR STRATEGIC INTENT



STRATEGIC FOCUS

ALIGNED TO THE SIX CAPITALS FOR 2023 TO 2027

The NSRI monitors and tracks its performance across the six capitals of value – financial, manufactured, intellectual, human, social and relationship, and natural – that are affected or transformed by the activities and outputs of our work. The following describes the NSRI's proposed strategic focus from 2023 to 2027 relative to the six capitals.



FINANCIAL CAPITAL



DEVELOPING FLEXIBLE FUNDING SOLUTIONS

Creating a diversified fundraising strategy, in an ever-changing environment, will be of utmost importance for the NSRI – anchored by fresh and innovative thinking a technology.

- Diversifying fundraising streams remains a critical strategy, with a focus on expanding beyond direct marketing. We will investigate the commercialisation of our e-commerce solution, once operational.
- Monetising social media tools, including exploring opportunities in the Metaverse and gaming, will be part of our digital fundraising strategy. A revitalised international fundraising focus will be initiated.
- Face-to-face fundraising will be extended to the volunteer community within stations/services. Scaling the fundraising centre and face-to-face activities through remote working and digital platforms is a priority. Alternatives to call-based direct marketing will be pursued.
- Commercialising NSRI intellectual property, will be pursued. Lead generation has been earmarked as crucial, requiring urgent exploration of alternative mechanisms. Thus, expanding market penetration and inland scope with relevance will be a key focus. Investing in the ORC programme to reduce long-term costs and maximise future returns is also essential.



HUMAN CAPITAL



PREPARING FOR THE FUTURE

Our people's health, well-being, intellectual engagement, motivation, competence, ability to do their jobs well and fulfil their personal potentials. We champion this capital from our people with salaries, benefits and the intrinsic rewards from doing a worthwhile job.

- The volunteer model will be retained and is sustainable in the medium term. Lifeguards will be deployed in a paid model on short-term contracts because of the long hours of service required per shift. A permanent employment model needs to be explored to create year-long employment, and cross-skilling will be required.
- Maintaining the well-being of volunteers and staff will remain a priority, supported by the utilisation of the Life Healthcare platform, as evidenced by its current usage. Remote working in the fundraising centre environment will become a strategy to address scale and reduce dependence on fixed infrastructure.
- Work modernisation, technology and times will be explored to create flexibility, responsiveness and agility. The effective onboarding, orientation and development of an organisational culture aligned with the purpose of the NSRI will be crucial in achieving our goals. Improving inter-departmental synergy and service cohesion is essential and an integral component of culture.
- Focus will be placed on stabilising the core functions of information and communication technology (ICT), human resource management and financial management within the support functions. The NSRI will continue to strive for genuine and sincere transformation. Here, de-racialisation and equality as constitutional imperatives will be pursued. Our goal is to foster an NSRI that is relatable to communities while remaining responsive to communities.



INTELLECTUAL CAPITAL



INNOVATION TOWARDS SAFETY

Innovating solutions across South Africa to create a water-safe nation.

- The NSRI possesses commercialisation potential for its intellectual property, including innovations like survival swimming centre, containers, equipment, training platforms and influence.
- The fundraising centre's e-commerce solution can be licensed to other agencies without sharing the code. Collaborating with the Government and other NPOs could unlock new opportunities.
- Conducting research will establish the NSRI as a credible and reliable expert in the field of drowning prevention and rescue.
- Innovation towards safety innovating solutions across South Africa to create a water safe nation.



MANUFACTURED CAPITAL



BUILDING THE FUTURE

Our focus is on developing the best-in-class capital investments to deliver operational excellence and save lives. Our capital projects in the future will require agility and a commitment to quality execution and maintenance.

- The e-commerce solution will be completed and operationalised in the fundraising centre. Timely investments will be made in capital projects, considering the projected 15–20% acceleration in costs for multi-year projects while prioritising the closure of the ORC build programme of eight vessels.
- The implementation of the modular container Survival Swimming centre model will proceed, emphasising decentralised ownership and maintenance, and developing a vessel bridge operations' simulator with commercial value will be investigated.
- Comprehensive research will be conducted to determine the economic value of lives saved and the cost of lives lost.



SOCIAL CAPITAL




SAVING LIVES AND SUSTAINING LIVELIHOODS

Creating a volunteer and professional model that provides opportunities to those previously disadvantaged, thereby reaching the most vulnerable in society to advance our efforts in rescue efforts, lifeguarding and drowning prevention.

- The volunteer model will be expanded to include face-to-face fundraising initiatives and youth development, training and support will be prioritised and pursued as a means to strengthen stations and address broader social challenges caused by a failing education and economic system.
- Collaborations will be fostered with local authorities to access facilities such as pools and beaches for effective operations. Our efforts will be directed towards serving the 60 million South Africans by emphasising drowning prevention, water safety education and Survival Swimming. Mothers will be targeted to prevent deaths from drowning in the zero to four years of age category.
- A diverse model encompassing rescue, lifeguarding, drowning prevention, ecotourism, education, and training, will be employed to bridge the service gap on the Wild Coast, with a focus on removing barriers to volunteerism.



NATURAL CAPITAL



CHAMPIONING ENVIRONMENTAL STEWARDSHIP

Ensuring that our operations cause minimal harm to the environment, while championing our role as stewards of the environment through collaborative efforts and NSRI-specific interventions.

- Research will be conducted into alternative energy technologies to promote sustainability and reduce environmental impact, and we will continue to uphold a strong stance on environmental conservation and advocate for issues concerning water pollution and the protection of marine animals and mammals.
- Relationships with the Government and other environmental agencies, such as the Department of Environmental Affairs (DEA), the South African Weather Bureau (SAWB), SAWDN, the Seabird Rescue Centre (SANCCOB), South African National (SAN) Parks, Isimangaliso and Ezemvelo KZN Wildlife, will be fostered and strengthened.
- Messaging regarding conservation and environmental initiatives will be consolidated and reinforced, and our support for activities, including whale disentanglement, seal rescue, turtle rescue, seabird repatriation and dolphin rescue to contribute to wildlife preservation, will continue.

VALUE CREATION MODEL

ENABLERS

(REFER TO PAGE 58 FOR MORE ON OUR CAPITALS)

ACTIVITIES

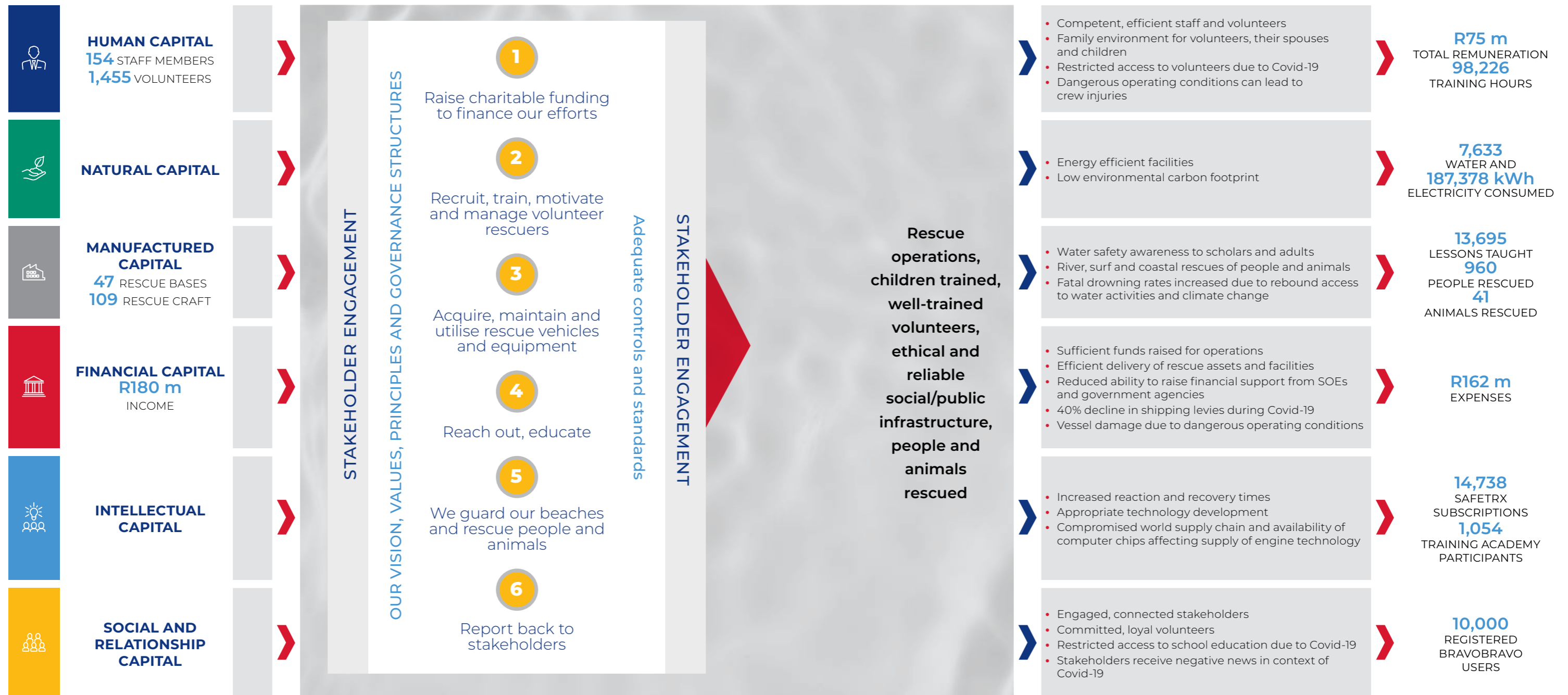
(REFER TO PAGE 81 FOR MORE ON OUR RISK MANAGEMENT AND PAGE 36 FOR OUR STRATEGIC INTENT)

OUTPUTS

(REFER TO PAGE 13 FOR OUR RESCUE OPERATIONS, 59 FOR OUR INFRASTRUCTURE AND 47-51 FOR OUR PEOPLE SECTION)

OUTCOMES

(REFER TO PAGE 47-51 FOR MORE ON OUR PEOPLE, PAGE 52-53 FOR OUR FINANCIAL REVIEW AND PAGE 28 FOR OUR STAKEHOLDERS)



OUR STRATEGIC PILLARS



OUR STRATEGY IN ACTION

HOW WE AIM FOR EXCELLENCE

The NSRI vision, mission and purpose all direct the pursuit of excellence, we know that setting out to save lives and livelihoods is complex and challenging in the context of the South African society and physical environment.

Every five years we outline a strategy that is reviewed annually which sets out what we plan to achieve in progressive phases or steps, understanding that building a successful business and service takes place gradually over time. Each step is deliberate and calculated, making sure that the people, processes and technology necessary to success are delivered within the right quality standard.

People must have the right qualifications, experience, competence and professionalism before deployment, they must be trained and maintained at the right level of expertise, and they must deliver within the right culture of passion and enthusiasm.

We deploy quality technology to support human competence in a climate of crew safety first, everything else second. Quality technology is fundamental to the task, but also motivating and rewarding.

We design processes for efficiency, safety, effectiveness and control. Everything has a guideline or procedure as a baseline to ensure continuity and consistency, while also allowing for flexibility and out-of-the-box thinking in exceptional circumstances. No emergency is the same but starting with a guide is a good foundation.

All these things contribute to achieving excellence, a vision, the right culture and approach, a purpose, structure, competence, development and well-thought-through process.

MATERIAL ISSUES	STRATEGIC PILLARS
<ul style="list-style-type: none"> Sustainable diverse fundraising streams A healthy volunteer complement (physical, mental, emotional) Our Brand and Reputation Executive Cohesion and Management Capacity Capital Programmes aligned with Future Operations Effective business systems including Information Communication Technology Diversity and Inclusivity 	<p>ADVOCACY AND PREVENTION</p> <p>QUALITY RESCUE SERVICES</p> <p>QUALITY CORPORATE GOVERNANCE, MANAGEMENT AND ADMINISTRATION</p> <p>MARKETING AND COMMUNICATION</p> <p>FUNDRAISING</p>

GOALS AND OBJECTIVES	SDGs	STRATEGIC HIGHLIGHTS FOR 2022
<ul style="list-style-type: none"> Reduction in fatal drowning incidents Sector collaboration, partnerships and cohesion by being constructive, persistent and consistent 	<p>3 GOOD HEALTH AND WELL-BEING</p> <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	<ul style="list-style-type: none"> Fatal drowning rate at 2.46/100 000 Launch of Survival Swimming Centre
<ul style="list-style-type: none"> Ensuring emergency access Rescue swimmer and surf rescue technician development Improve access to services by increasing geographic footprint of bases Developing leadership to achieve objectives Training and development to meet service demands Personal safety 	<p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<ul style="list-style-type: none"> Operation of the EOC Roll-out of lifeguarding services Training of Wild Coast crew Continuous development of Coxswain and Station Commander training Online training, eLearning, webinars and master classes Building of Port Nolloth, Oyster Bay and Table Bay stations. Increasing volunteer and staff diversity and inclusive base cultures
<ul style="list-style-type: none"> Quality infrastructure and technology Transformation, diversity and inclusivity Human capital and management capacity Effective executive and institutional management Effective information communication technology systems 	<p>10 REDUCED INEQUALITIES</p>	<ul style="list-style-type: none"> Employment Equity Operations managers Writing of the CRM Call Centre solution, SafeTRX
<ul style="list-style-type: none"> Effective marketing and communication to positively influence donor, public, staff and volunteer behaviour 		<ul style="list-style-type: none"> Excellent media and marketing communication.
<ul style="list-style-type: none"> Effective and efficient fundraising 		<ul style="list-style-type: none"> Sustained donor revenue and renewed Department of Transport grant



A REVIEW OF NSRI'S CAPITAL PERFORMANCE



HUMAN CAPITAL

TRANSFORMATION

The NSRI is conscious of accepting the appropriate guidance to drive social cohesion both inside and outside the organisation to achieve equality, non-racialism and non-sexism.

The NSRI recognises the moral obligation to play its part in the normalisation of South African society through the internal transformation of the organisation. It recognises past inequity and seeks to ensure inclusivity, participation and contribution by all people. The institute is committed to creating a diverse range of experiences, perspectives, cultures, religions and languages that balance the organisation, improving understanding, tolerance, communication, reasoning and empathy towards internal and external clients.

The goal of the NSRI is to be a part of a non-racial, non-discriminatory society and to adopt fair and transparent procedures in its recruitment, development and management of and service to people, thereby creating a people environment that is inclusive and supportive to all.

As such, we recognise fully that transformation is a journey – one which are committed to fully. We have a range of interventions that are set on improving our transformation performance, and these include:



TRANSFORMING TALENT

This includes recruitment and career development with a focus on equality, diversity and inclusion; efforts to improve workplace well-being and mental health.

NSRI PERFORMANCE:

46%

historically disadvantaged South Africans employed as full-time employees and 14% of volunteers previously disadvantaged South Africans

TRANSFORMING OUR COMMUNITIES

Recognising the social inequality that exists in numerous communities around our operations, we are committed to using our socio-economic impact for the better.

NSRI PERFORMANCE:

98%

of the NSRI's work primarily benefits black beneficiaries

TRANSFORMING OUR LEADERSHIP

The NSRI is committed to attracting and retaining managerial and leadership talent from previously disadvantaged groups, recognising the barriers to entry in our industry.

NSRI PERFORMANCE:

23%

previously disadvantaged South Africans in managerial and/or leadership roles

REMUNERATION POLICY

The NSRI has a comprehensive remuneration policy, which has the following features:

SALIENT FEATURES OF THE NSRI'S REMUNERATION POLICY

NO REMUNERATION OF NON-EXECUTIVE DIRECTORS:

In the NSRI's policy, Non-executive Directors receive no remuneration as they are considered to be volunteers.

JOB EVALUATION AND BENCHMARKING:

All jobs in the NSRI are job evaluated using standard job evaluation tools, and jobs are benchmarked against the PriceWaterhouseCoopers' (PWC) annual remuneration surveys.

VOLUNTEERS:

Volunteers receive no remuneration or emoluments other than claims for direct operational expenditure.

LABOUR MARKET COMPETITION:

The NSRI competes for talent in the open labour market, understanding that the NSRI runs a niche service with often bespoke jobs related to rescue.

EMPLOYMENT EQUITY:

NSRI jobs are advertised internally and externally with a transformation focus.

REMUNERATION OUTLOOK

In 2024, the NSRI will introduce a comprehensive total cost to Company remuneration model to ensure equitable benefits for all employees, including the individuals who were transferred from WinDirect. Currently, two different compensation models are in place: a fixed pay structure for general staff and a fixed and variable pay structure for call centre personnel. The annual personnel budget is approved by the Human Capital Committee, and cost of living increases are also approved through this process. All personnel have access to pension and medical aid benefits, and a Group life and disability insurance policy covers all employees. Permanent staff members are guaranteed a 13th pay each year, based on affordability. Incentive schemes are in place for certain executives, and a performance and motivation system is currently being developed, with implementation scheduled for 2023. This system aims to facilitate horizontal salary progression within remuneration bands. It is important to note that the NSRI does not have an overtime policy, and any overtime worked is considered as volunteer time.

VOLUNTEER COMMUNITY

DEMOGRAPHICS

The NSRI's service offering has become more diverse, encompassing a wide range of rescue personnel, including both sea-going and shore-based responders, across the spectrum. This includes preventative service volunteers, who inspect PRBs and conduct water safety and Survival Swimming lessons, among other things. This also encompasses the volunteer governance structures, as well as shore-based volunteer administrative, public relations and fundraising personnel at various stations.

1,455 volunteers

COMPARED TO 941 IN 2012

54% growth
in 10 years

VOLUNTEERS CONTINUE TO GROW

HUMAN CAPITAL CONTINUED

A new initiative to have volunteer remote beach camera monitors is also underway. This allows increasingly diverse manners of involvement for people of all ages, abilities and time availabilities to engage in our shared mission.

Traditionally, the 'boats' mindset of the organisation meant that the type of person who could join in an active serving role was quite limited. Firstly, this assumption was bound to geography and was limited to the people who lived within a short distance of the 30 or so rescue stations back then. Secondly, affordability, age and physical health constraints obstructed involvement. However, increased access to over 47 rescue stations (and eight satellites) as well as numerous lifeguard squad locations have removed some barriers to entry to the organisation. This has provided practical and pragmatic corridors for transformation to occur.

We are prioritising reducing barriers to participation while improving retention. Through our brand refresh and expanded marketing, we aim to engage new segments of the population and diversify our reach. Additionally, we are assessing factors contributing to attrition to enhance member longevity.

A significant number of individuals join the NSRI, but we experience approximately 50% attrition among new members over a five-year period. Informal exit surveys suggest that reasons for leaving include emigration/'semigration', changes in work and family commitments, and, occasionally, negative interpersonal experiences. Addressing the aspects of our culture that contribute to negative interpersonal experiences is crucial, as unpaid volunteering requires a rewarding and positive environment to foster retention. Continuous culture management, leadership development, as well as mentorship, are essential in addressing this impact. Effective leadership of volunteers relies solely on genuine and authentic leadership. This is why we believe that serving as a station commander offers one of the most valuable opportunities for leadership growth and learning.

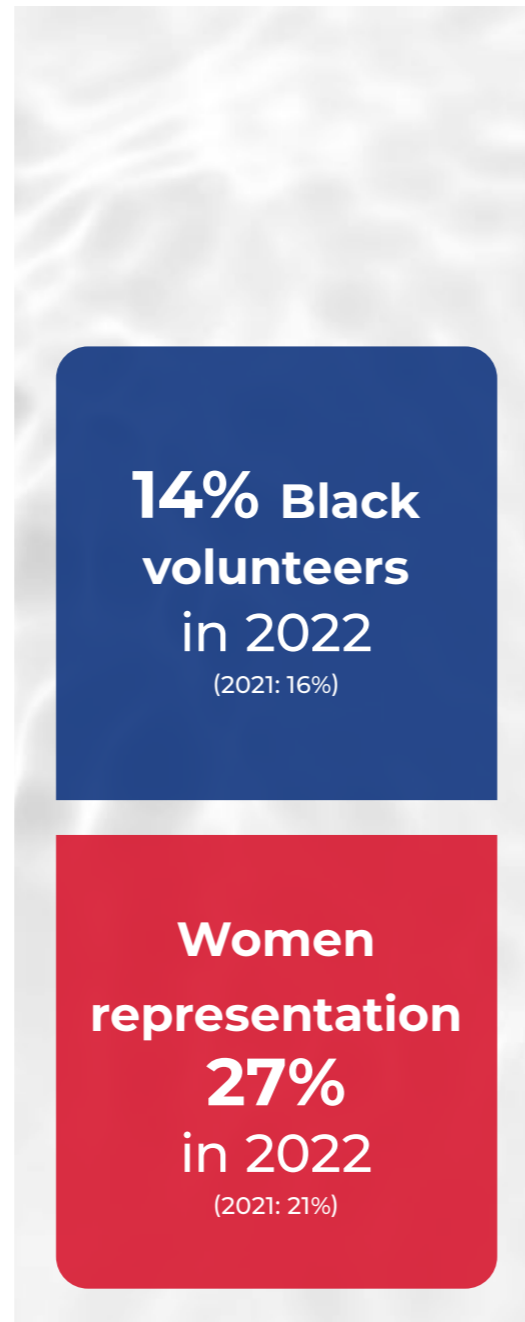
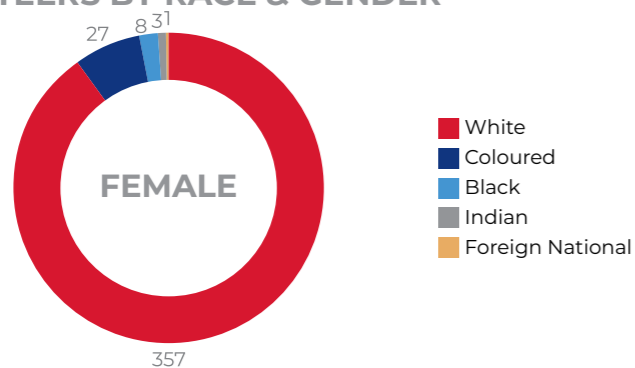
In light of these factors, it is important to have a robust operational management model, as well as a training system and available learning resources, which we have built up over the last eight years. Consequently, the NSRI now has four operational managers, a dedicated training department of eight personnel, and numerous part-time trainers.

VOLUNTEER DIVERSITY

While acknowledging the progress made, it is evident that the organisation still has a significant journey ahead in terms of achieving diversity and inclusivity.

At a recent international maritime rescue conference, the NSRI's representation stood out positively compared to European peers. Our organisation reports a higher-than-usual representation of female employees and volunteers. While this indicates a commendable performance on an international scale, it is important to note that our own goals for diversity and inclusion still exceed our current achievements.

VOLUNTEERS BY RACE & GENDER



TRAINING

Training lies at the core of the NSRI's mission, empowering individuals with life-saving skills and equipping them to respond effectively to water-related incidents.

ONE-THIRD IS SPENT ON OPERATIONS, INCLUDING RESCUING PEOPLE AND DROWNING PREVENTION PROGRAMMES



TWO-THIRDS OF THE NSRI'S TIME IS SPENT ON TRAINING

To promote knowledge sharing and accessibility, the NSRI has made its research reports, skippers' guides, first aid resources, and general fitness guides available to the public through BravoBravo. Additionally, the organisation is actively pursuing registration with CATHSSETA to offer lifeguard training aligned with SAQA standards, while its volunteer rescue programme adopts a rigorous six-month training programme to develop skilled and proficient rescuers at rescue boat stations.

THIS TRAINING MODEL CONSISTS OF THREE COMPONENTS:

- THEORY TRAINING**
This is facilitated through our internal eLearning system, providing volunteers with essential theoretical knowledge.
- PRACTICAL TASK BOOK TRAINING**
Volunteers progress through various experience-level task books, which serve as a guide to track skill mastery and ensure practical competence.
- EXPERIENTIAL TRAINING**
Volunteers gain hands-on experience through training and scenarios documented in a logbook that records their water time and proficiency.

To solidify the training process, a formal centralised assessment course is conducted. This includes independent theory and practical assessments, drills and tests to evaluate the capabilities of future coxswains. Each station is equipped and empowered to deliver basic skills training, which aligns with the advanced training and assessment provided by the volunteer support centre training department. This integrated approach ensures a robust and comprehensive training programme for our volunteer rescuers.

In 2023, one of our priorities is to establish a system that ensures timely operational currency and updates for existing coxswains. As technology and operational techniques continue to evolve rapidly, it is crucial to stay up to date proactively. However, we understand the importance of balancing this with the workload and operational realities of our volunteers. Our approach will be sensitive to their needs while maintaining a focus on staying current with the latest advancements. This will enable us to effectively adapt to new technologies and operational practices in a timely manner.

HUMAN CAPITAL CONTINUED

WELLNESS PROGRAMME

The NSRI has faced a series of challenges. This includes droughts, Covid-19, lockdowns and civil unrest. These events, coupled with personal tragedies, have taken a toll on individuals, and their significance should not be overlooked. Recognising the importance of compassionate leadership, the NSRI has prioritised the well-being of its personnel. To address this, we have contracted the services of Life Health, a wellness provider. We are fortunate to have access to their comprehensive coverage, which is offered free of charge to our volunteers and employees. The feedback on the services received has been exceptional, and those who have utilised the programme have expressed deep appreciation for its support.

EMPLOYED STAFF

Our organisation thrives on the collective efforts of a diverse and talented workforce, currently comprising 154 highly committed individuals. Within this dynamic team, we have 55 males, representing 35.71% of our staff, who bring valuable perspectives and expertise to our operations. Additionally, we are proud to have three foreign national males, further enriching our global outlook and fostering a culture of inclusivity.

In line with our commitment to gender equality, our workforce is also bolstered by the contributions of 96 exceptional females, comprising 62.34% of our staff. Their passion, dedication, and unique skill sets play an integral role in shaping our organisation's success.

Our employees occupy various positions that span across different levels of expertise. We have a team of four unskilled workers who contribute their invaluable support to our daily operations, ensuring smooth functioning and efficiency. In addition, we rely on the expertise of 80 semi-skilled individuals who bring specialised knowledge and skills to their respective roles.

Within our skilled positions, we are fortunate to have 43 team members who possess a high level of proficiency in their specific areas. Their expertise enables us to deliver exceptional services and maintain the highest standards of quality and safety.

Furthermore, our organisation benefits from the contributions of 12 professionally qualified staff members. These individuals have undergone rigorous training and possess the necessary qualifications to excel in their respective fields, providing specialised knowledge and expertise to drive our mission forward.

Lastly, our executive team consists of five visionary leaders who provide strategic guidance, foster innovation, and ensure effective management of our organisation. Their collective experience and visionary leadership play a pivotal role in shaping our overall direction and achieving our goals.

Together, this diverse and talented workforce forms the backbone of our organisation, working collaboratively to save lives, prevent accidents, and make a positive impact on our community and beyond. We value the unique skills, experiences, and perspectives that each individual brings, as we continue to strive for excellence in our mission.

LEAVERS AND JOINERS

During the financial year, we observed a relatively higher number of leavers due to the conclusion of seven fixed-term contracts, nine resignations and eight dismissals. This trend was predominantly observed in the fundraising centre, driven by performance-related factors. In the same period, we welcomed 26 new joiners across various occupational levels, with the majority joining the marketing team within the fundraising centre.

DIVERSITY

Our workforce exhibits a breakdown of 80 (51.95%) white staff, 71 (46.10%) black staff and three (1.95%) foreign national males. This represents a decrease of 1.05% in the white human capital category and an increase of 1.10% in the black human capital category. Our 2023 EE submission will demonstrate continued progress in the representation of historically disadvantaged staff.

TRAINING AND DEVELOPMENT

In 2022, we formulated a draft training and development policy to formalise our educational assistance procedure and process. A comprehensive skills audit is underway to address development areas within our financial means. We allocated 0.82% of the salary bill toward human capital training and development during the year, demonstrating increased support compared to 0.29% in 2021.

PEACE SYSTEMS REPORT AND PROCESS

Consultants were engaged in 2022 to review the internal relational and social environment within our volunteer service centre. Their recommendations are expected to be implemented in 2023. This encompasses maintaining a transformation focus, workshopping the organisational 'rescue culture', fostering a welcoming environment for new employees, embedding common values and principles, enhancing the code of conduct and internal communication, managing change through a structured process, conducting a comprehensive skills audit, implementing training initiatives, establishing a whistle-blowing mechanism, and streamlining internal disciplinary and grievance processes.

WORKFORCE

WHITE STAFF
51.95% (2022)
45% (2021)

BLACK STAFF
46.10% (2022)
55% (2021)

3 FOREIGN NATIONALS



154 employees



35.71%
Male
55



1.95%
Foreign



62.34%
Female
96

FINANCIAL CAPITAL

SUSTAINABLE FUNDING

Despite the significant economic challenges experienced over the past three years and the lifting of the National State of Disaster on the 5th of April 2022, the NSRI managed to maintain solid revenues throughout 2022. While funding faced a decline in 2020 due to the impact of Covid-19 and disruptions within our fundraising centre, it steadily recovered in 2021 and remained stable in 2022.

R0.23 or 23%
Cost of fundraising
in 2022

R180 million
Revenue in 2022
EXCEEDING 2021 BY 3%

R137 million
Core fundraising
channels in 2022
EXCEEDING 2021 BY 3%

For us, sustainable funding is rooted in our diverse donor base and the distribution of risk. We prioritise raising smaller amounts from numerous donors rather than relying on a single major donor. The NSRI extends heartfelt appreciation to all our donors and loyal supporters for their ongoing investment in our core mission and vision.



INCOME AND EXPENSES

In 2022, the NSRI achieved a total revenue of R179,947,946, surpassing the budget by 6% and exceeding the total revenue for 2021 by 3%. Despite operating under Covid-19 restrictions in the first quarter of the year, our dedicated fundraising efforts led to this significant increase in revenue. The core fundraising channels of face-to-face, monthly giving, and the annual car competition contributed R137,554,561 or 77% of the total revenue.

While our expenses (excluding capital expenditure) in 2022 amounted to R139,284,192, slightly exceeding the budget by 1%, they were in line with the conservative expenditure of donor funds. Changes in expenditure primarily focused on personnel and recruitment, communications and travel for training, reflecting the NSRI's commitment to mindful spending while upholding our vision of creating a water-safe nation.

As a growing organisation, the NSRI strategically invested in capital projects, boats, buildings and vehicles to expand its services across the country. In 2022, we allocated R57,409,456 to these areas, signifying our dedication to preserving life and livelihoods on and around South African waters through education, drowning prevention and rescue. This increase in capital expenditure showcases our commitment to the mission and growth of the NSRI.

FINANCIAL REVIEW AND OUTLOOK

The management accounts for the period ending on the 31st of December 2022 demonstrate a commendable achievement, with gross revenue nearing R180 million, surpassing our budgeted expectations. This remarkable outcome is especially noteworthy considering the prevailing economic challenges in South Africa. Our strategic approach of diversifying our donor base and utilising various fundraising mechanisms has proven instrumental in sustaining our operations.

However, we must acknowledge that the market remains challenging, and we need to continue seeking innovative ideas for raising funds.

Our financial performance has shown steady improvement, with a year-on-year increase of 3% in revenue. However, it is crucial for us to acknowledge that there is room for further enhancement in this area. On the expenditure front, we have maintained our commitment to cost discipline, with a modest rise of 1%.

Analysing our revenue streams in detail, we observe that the call centre plays a significant role, contributing 77% of our total revenue. Within the call centre, debit orders account for 38.5% of the revenue, highlighting the importance of this payment method. Face-to-face interactions make up 21% of our revenue, emphasising the value of personal engagement in fundraising efforts. Car competitions have also proven to be a successful avenue, generating 20% of our revenue. Lastly, our general fundraising initiatives, including direct service contracts, contribute 20.5% to our overall revenue.

The primary pressure on our financial resources arises from capital projects, many of which were initiated earlier than anticipated. Notably, projects like the Victoria and Albert (V&A) project were fast-tracked due to approval from the V&A Company to maintain our prime location. Managing cash flow with narrow margins while ensuring the momentum of the ORC programme for maintaining build quality presents a significant challenge. Although the sale of the Glengariff Road property will alleviate some pressure, the relief will not materialise until mid-2023. In the short term, we may need to consider further drawdowns from the NSRI Endowment Trust.

To ensure financial stability, we have committed to a detailed expenditure review. While we must protect capital expenditure and service operational expenditure, there are potential savings within administrative expenditure that require frank discussions. For example, we will closely evaluate vehicle and fuel costs.

Personnel expenses constitute 43% of our expenditure, and we must carefully assess the efficiency and distribution necessary for our business. The introduction of universal benefits to all staff following the WinDirect business transfer in 2019 has led to increased costs. Administrative expenditure also demands scrutiny.

We will explore opportunities to optimise telecommunications costs. Bank charges remain a significant expense, and we will either seek relief from our current bank or consider alternative banking options for better cost efficiency. The insurance discussion will involve assessing capital asset losses over one, five and 10 years to determine the viability of self-insurance, bearing in mind the challenge of replacing assets within the same loss year. We continuously strive for demonstrated value through internal audit processes, aiming to achieve R300,000 of value through these measures.

Additionally, we will review consultant expenditures, acknowledging that several initiatives have yielded significant positive returns, such as digital online fundraising generating R400,000 monthly through Facebook and our website.

Negotiations for building rentals with entities like Transnet National Ports Authority (TNPA) and the Department of Public Works (DPW) require increased diligence, as some invoiced rates for leases in harbours exceed previous amounts. We are actively engaging TNPA's head office to reach a satisfactory agreement. We will implement stricter controls on fuel expenditure and explore the possibility of reducing our fleet size to mitigate costs associated with fuel, maintenance and insurance. Furthermore, we can achieve savings by utilising our own facilities and donated spaces within universities or corporate entities, thereby reducing venue costs.

Notably, the marketing budget was significantly underspent, highlighting potential savings in that area.

We aim to maintain operational expenditure while seeking opportunities for efficiency improvements. One area of focus is exploring the potential for regional management across lifeguarding, drowning prevention and operations. This could involve expanding the mandate of regional operations managers to oversee a broader range of activities, enhancing management efficiency without increasing personnel costs.

**In 2022, our total
expenditure on capital
projects amounted to
R57,409,456**

The impact of load-shedding is directly affecting our finances, as we are currently spending over R5,000 per month on diesel for our Volunteer Support Centre generator. To generate further renewable power, we require the City of Cape Town to establish kerbside capacity for accepting the photovoltaic load. Fortunately, our facility costs are being covered by our tenants.

Due to an error in displaying our tax status on the SARS website, coupled with a delayed response from the municipality, we were unable to secure a lifeguarding contract in the Cederberg.

Managing cash flow remains challenging due to our substantial capital programmes, but we have implemented tight management practices to mitigate this challenge.

The increasing costs associated with our ageing vehicle fleet are a result of not adhering to our three-year fleet replacement plan.

OUTLOOK

Given the challenging state of the South African economy and power supply issues, a conservative and cautious outlook is advised. Our goal for 2023 is to sustain revenue and achieve 6% growth while prioritising cost efficiency, allowing for increased investment in capital projects.

We anticipate rising costs across various areas, such as power, fuel, construction and goods and services, which have been factored into our projections. Personnel costs, being the largest expense, are within our control and can be managed as needed.

FINANCIAL CAPITAL CONTINUED

INFORMATION COMMUNICATION TECHNOLOGY

The call centre of the NSRI was relocated to Longclaw Drive in the first quarter of 2022. To streamline donation processes, a transition from pen and paper to technology was implemented. Laptops and voice-over-internet protocols (VoIP) were chosen as the preferred methods to achieve our objectives in 2022. By implementing a cloud-based VoIP system, we significantly reduced information technology (IT) support needs by 80%, addressed previous downtime issues and ensured premium call quality. This transition allowed our marketers to familiarise themselves with the upcoming digital changes planned for the call centre in 2023.

The Dynamics 365 project, in collaboration with our Dynamics 365 consultant, has made substantial progress through extensive analysis and development. We have set a targeted go-live date for April 2023. Administrative training and product familiarisation have already commenced, with more intensive training scheduled for the first quarter of 2023.

The journey to enhance the value of data for our business started in 2022 with the initiation of a pilot project focused on transforming our management information systems (MIS) data into actionable insights through the implementation of Power Business Intelligence (Power BI) tools.

This endeavour allowed us to harness the power of data visualisation, enabling our team to explore and analyse information in a more intuitive and efficient manner. By leveraging the capabilities of Power BI, we were able to generate comprehensive reports and interactive dashboards that provide a holistic view of our organisation's performance, trends, and key metrics.

In 2022, we upgraded to Microsoft Business Central, a cloud-based solution, from Microsoft NAV. This provided compatibility with various tools like Microsoft Power BI, Microsoft Power Apps and Microsoft Artificial Intelligence (AI), offering a platform for future expansion. The upgrade ensured the use of the latest technology and enhanced security features to protect critical business data.

We streamlined the procurement process and improved functionality for the finance team. Integration jobs between NAV and Dynamics 365 were re-evaluated and configured accordingly.

Our usage of SharePoint since 2017 led to the creation of a consolidated intranet site, simplifying access and streamlining internal processes. The site serves as a central repository for sea rescue information and underwent data migration, design enhancements and improved security access.

Each volunteer now has a dedicated Microsoft account for role-specific access to the intranet site. By the end of 2022, 50% of had stations successfully migrated, with completion expected in quarter 1 (Q1) of 2023.

SafeTRX was relocated to an Azure Data Centre, ensuring stability and reducing maintenance efforts. We engaged with the Microsoft Tech for Social Impact Team to optimise our product stack, streamline IT infrastructure and maintain a competitive edge.

IT support played a crucial role in enhancing connectivity for various projects, including ORCs, Survival Swimming centres and drowning prevention camera roll-outs. Despite challenges, we visited approximately 50% of stations in 2022, proactively addressing issues and exploring alternatives for maintaining connectivity during load-shedding.

PILOT

2022

Pilot project for the management information systems (MIS) data to be represented in Power Business Intelligence (Power BI).

PROOF-OF-CONCEPT

The project was successful from a proof-of-concept perspective, and the next step is to build a data warehouse to have one point of access for Power BI to pull data from all our data sources.

NEXT STEP: CONSOLIDATION

Goal is to consolidate all data across the organisation to provide insights and cross-reference data, which traditionally has been siloed within each department. By using Power BI, we will be able to make more informed business decisions driven by data.



MANUFACTURED CAPITAL



EMERGENCY OPERATIONS CENTRE

The EOC plays a vital tactical role in the overall success of our organisation's rescue efforts. Currently staffed with seven operators, the EOC has been operational since 2019, with most operators boasting four years of experience. Our future plans involve organic growth to ensure 24-hour coverage with a two-person shift, expanding beyond weekends and peak periods. Additionally, we aim to implement a hierarchical model with a supervisor to enhance strategic oversight, prioritisation, and operational execution.

The EOC operators are immersed in each rescue station's operations. Communicating is conducted via phone, radio, email, Microsoft Teams, WhatsApp or Telegram. The operators rely on an impressive array of websites, applications and camera facilities to take calls, dispatch stations, track, report, record, investigate and update. Our focus is on keeping technology and processes streamlined, eliminating the use of paper within the EOC.

It is rare for a shift to pass without a rescue, event or training incident, making the operators an integral part of the shore controller volunteers stationed at each location. However, we remain mindful of workload, intensity burnout and psychological stress experienced by EOC operators. They are exposed to the emotional highs, lows, miracles and tragedies encountered at every station, often with high frequency. To address these challenges, we prioritise the well-being of our operators, offering support through a dedicated wellness provider and ensuring lenient off-time periods.

By streamlining operations, improving oversight and prioritising the welfare of our EOC operators, we strive to enhance the efficiency, resilience and professionalism of our emergency response system.

SEARCH AND RESCUE

The NSRI Search and Rescue Section consists of **6** stations as of December 2022:

1 Vaal Dam, which celebrates its 25th anniversary this year

2 Hartbeespoort Dam

3 Gauteng

4 Witbank

5 Theewaterskloof Dam

6 Gariep Dam – which opened in December 2022

For future possibilities, we are considering investigating: Merensky Dam – near Tzaneen, as well as Sterkfontein and Midmar Dam. Clanwilliam Dam is also a viable location, where we have a very dedicated lifeguard unit, as well as some donated containers for a possible container base.

The transformation of the inland stations over the past eight years has been truly remarkable. These stations have emerged as significant contributors within their respective emergency service networks, frequently called upon to provide assistance in diverse water-related incidents such as flooding, swift water rescues and various other emergencies. Notably, Station 25 at Hartbeespoort Dam garnered recognition as the best RIB station nationwide in 2022, a testament to the staff's outstanding performance and dedication.

SEA RESCUE

For a few years now, we have worked hard to establish a presence in the major gap along the Wild Coast, with no real station existing between Port Edward and East London. By the end of 2023, we hope to have stations, and rescue-ready vessels at Port St Johns, Mdumbi and Kei Mouth.

Along the West Coast, St Helena is now up and running as a satellite of Station 4 Mykonos, with a view to it being an independent station in the future.

Many other NSRI stations are in the process of establishing and consolidating satellite stations, including Plettenberg Bay – Natures Valley, Oyster Bay – Storms River and Eerste River, St Francis – Kromme River, Port Alfred – Kenton-on-Sea, and St Lucia – Cape Vidal.

The unwavering commitment and significant impact of our volunteers and NSRI station commanders within their respective communities remain steadfast. The standout rescue operation of 2022 was the KZN floods, which engaged multiple KZN stations. The collective efforts of the NSRI resulted in the saving of hundreds of lives within a few days.

In line with our published research paper for 2022, which indicated an annual drowning rate of 1,477, our comprehensive rescue statistics, encompassing lifeguarding preventions, lifeguarding rescues, PRB rescues, station rescues and the KZN floods rescues, suggest that we surpassed this number in lives saved during the same year.

This anecdotal evidence leads us to consider that the South African drowning death rate, without the collective intervention of the NSRI, would exceed 3,000 individuals, at least in the context of 2022. We have made significant progress towards mitigating this distressing statistic.

LIFEGUARDING

The NSRI commercial lifeguard season concluded on the 31st of January 2022. During this season, we expanded our coverage by adding five additional beaches through a three-year agreement with the Cape Agulhas municipality.

Additionally, we conducted a trial at two beaches in the Great Kei municipality on the Wild Coast. The season was successful, with beaches experiencing a post-Covid-19 increase in visitors. Going beyond our contractual obligations, we deployed NSRI lifeguards on selected beaches during hot and busy days from February to April. This proactive approach proved crucial, as several significant rescues were performed on these days, potentially saving lives that would have been lost without our presence. The municipalities we partnered with expressed their gratitude for our actions, as no previous lifeguard service contracted by them had taken similar proactive measures. These additional days not covered by the contract further strengthened the municipalities' support for the NSRI as their preferred lifeguarding service.

We diligently compile season reports for each of our individual beaches, along with a consolidated report highlighting the collective accomplishments across all beaches. These reports, unrivalled by any other lifeguard service, have become a standout feature of our organisation. Tailored to each municipality, the reports feature updated photos and stories specific to their respective areas. Although a significant undertaking, the value of these reports is immeasurable.

We derive data and statistics directly from our dedicated lifeguard reporting app, enabling us not only to provide the latest season's statistics but also to compare them with previous years and identify noteworthy trends. Prior to our lifeguards utilising the app, comprehensive beach data for the areas under our operation was non-existent. Now, we possess a wealth of comprehensive data, benefiting both our internal analysis and the provision of beach-specific data to the municipalities. The surf rescue app continues to prove instrumental in our lifeguard operations, undergoing yearly improvements to ensure the collection of accurate and streamlined data from the lifeguards' perspective.

SOUTH AFRICAN QUALIFICATIONS AUTHORITY

For the past year, the NSRI has been busy with the application process to provide a National Qualification Framework (NQF) 4-level lifeguard qualification on the national qualifications' framework through SAQA. Additionally, we will pursue grant-in-aid funding, enabling us to provide opportunities for individuals from historically disadvantaged backgrounds to enrol in a programme aimed at acquiring a recognised NQF 4-level qualification.

EMPOWERING OUR LIFEGUARDS

In 2022, we implemented an empowerment initiative in the areas where we have been operating for more than two years. We identified and collaborated with experienced team members who demonstrated leadership skills and initiative. Through a structured training plan and ongoing monthly guidance, we enabled these individuals to take ownership of their teams and continue training to meet the required standards. This approach effectively reduced our

training costs, while empowering our lifeguards. Training activities are tracked and recorded in real-time using the surf rescue app, allowing us to monitor training sessions, make necessary adjustments to the programmes, and accurately log the hours dedicated to training.

LEADERSHIP TRAINING

To enhance our lifeguard and training leadership capabilities, we organised a comprehensive four-day lifeguard leadership course in Cape Town. This inaugural course included a range of activities such as pool exercises, skill assessments, beach simulations and lectures. Recognising the importance of strong leadership and management within the NSRI's lifeguard operation, we are increasingly prioritising leadership training as our operations expand, and our pool of senior lifeguards continues to grow.

MUNICIPALITY NEGOTIATIONS

Throughout the year, we engaged in ongoing discussions with the municipalities we currently serve, as well as those that sought our assistance, while also monitoring Government platforms for new tender opportunities. One significant challenge we encountered was the tendency of municipalities to initiate beach safety planning only towards the end of the year, leaving us with limited time to ensure proper preparation. We stressed the importance of adequate lead time and a signed Memorandum of Understanding (MOU) to deliver our services effectively, ensuring that all beaches, whether new or existing, had the necessary equipment, training and coverage. Considering the lengthy lead time for procuring essential items such as kit, clothing and equipment, early procurement and careful planning were essential to anticipate last-minute requests for high-risk areas we could effectively cover.

The process of compiling tender documents for municipalities is a substantial undertaking. It involves drafting budgets; establishing relationships with local municipalities, lifeguards, and communities; and ensuring compliance with all tender requirements. While it is disheartening to have a tender rejected based on cost, it is reassuring to know that the awarded services are striving to maintain a high standard and prove themselves comparable to the NSRI in providing lifeguarding services. Our commitment to delivering the highest standard of lifeguarding remains unwavering, even in such circumstances. Furthermore, it is crucial to highlight that the NSRI maintains a high standard that includes specific equipment and kit requirements.

Unfortunately, many municipalities struggle to cover the associated costs, particularly when they fail to fully grasp the significance of maintaining a superior lifeguarding service. While we make every effort to inform and educate municipalities on these matters, funding limitations often pose a significant challenge.

MANUFACTURED CAPITAL CONTINUED

NEW AREAS

The NSRI's lifeguard service has been working on placing lifeguards at Langebaan main beach for the past year. In November, we successfully secured funding through the West Coast Trust, which generously donated funds to deploy lifeguards on the beach during the busy festive days. The presence of lifeguards was warmly welcomed by beachgoers, and their dedicated efforts led to a total of seven rescues during this period.

CONTRACTED TRAINING

Throughout the year, the commercial lifeguard service was contracted to provide lifeguard training in numerous areas around the country. As part of our training services, the NSRI invoices for the training provided, and our team of highly experienced lifeguard trainers is dispatched over a specified period to deliver the training. In 2022, we successfully secured five training contracts with Kouga, Ceres, Ya Bana Village and Drakenstein municipalities. These contracts allowed us to impart our expertise and empower lifeguards in these areas through comprehensive training programmes.

SURF RESCUE APP

In 2022, significant enhancements were implemented in the surf rescue app to optimise the collection and utilisation of valuable information obtained through Seaweb incident reports. Furthermore, we conducted a comprehensive review of incident reports from lifeguarding services worldwide, incorporating their insights to make refined adjustments.

The key improvements include:

- introduction of an incident location drop-pin feature for precise location recording;
- implementation of an option for lifeguards to differentiate between major and minor first aid incidents, enabling specific reporting fields for each category;
- streamlining of age data by grouping age ranges, resulting in cleaner and more organised data analysis;
- integration of the demographic-patient colour code, inspired by Seaweb, to facilitate better understanding and classification of patient demographics; and
- initiation of data collection on the distance of rescues from the lifeguard flags, enabling us to identify that a majority of rescues occur between 50 to 100 metres outside the designated lifeguarded areas.

These updates to the surf rescue app have significantly improved data collection efficiency and enriched our analytical capabilities, ultimately strengthening our lifeguarding operations and decision-making processes.

KIT AND CLOTHING

In 2022, the NSRI underwent a significant update in the kit and clothing provided to our lifeguards. This revamp aimed to enhance their identity as lifeguards and equip them with

gear specifically tailored to their operational requirements. The following improvements were made:



By providing lifeguards with their own distinct kit and clothing tailored to their beach-based responsibilities, we have bolstered their professional identity while equipping them with gear optimised for their daily tasks. This ensures that NSRI lifeguards remain well-prepared and comfortable throughout their demanding eight to nine hour shifts on the beach.

LIFEGUARD SUB-BRAND

In a significant initiative, the NSRI lifeguards were established as a distinct sub-brand, separate from Sea Rescue, in 2022. This strategic move aimed to empower the lifeguards by allowing them to operate under the prominent banner of 'NSRI LIFEGUARDS'. This shift in branding holds great importance, both for the lifeguards themselves, who take pride in their role and want to showcase their identity as lifeguards, and for the overall image of the NSRI among the beach-going public.

By granting the NSRI lifeguards their own distinct identity, we acknowledge and celebrate their specialised expertise and critical role in beach safety. This differentiation helps foster a sense of pride and professionalism among

the lifeguards while promoting public awareness and recognition of the NSRI's commitment to delivering exceptional lifeguarding services.

By prominently displaying 'NSRI LIFEGUARDS' at our beach locations, we enhance the visibility and credibility of our lifeguarding operations, reinforcing the trust and confidence that beach visitors place in our organisation. This dedicated branding approach contributes to a cohesive and unified NSRI image, where each branch operates with a clear and identifiable purpose, further strengthening our position as a leading authority in coastal safety.

Through this branding initiative, we strive to elevate the stature of our lifeguards, aligning their unique roles and expertise with the larger NSRI mission. This approach not only resonates with the lifeguards themselves but also positively impacts the public perception of our organisation, emphasising our commitment to excellence in beach safety and emergency response.



LIFEGUARDS

RESCUE BOARDS

To enhance our rescue capabilities in challenging beach locations like Noetzie Beach in Knysna, we introduced hardy, inflatable rescue boards. These boards address storage constraints and difficult access situations near the beach. We obtained a discounted test board from P2P Rescue, a generous supporter of NSRI lifeguarding. After thorough testing and positive feedback from all areas, we purchased 11 additional boards.

These compact boards can be quickly inflated by hand, taking just a minute of urgent pumping. Made from durable drop-stitch material, they withstand collisions with rocks and hard surfaces. Branded with the NSRI lifeguard logo, the boards are now available on all our beaches. This significant investment expands our rescue capabilities, allowing us to respond promptly and effectively to water-related emergencies in previously challenging areas.

ROYAL NATIONAL LIFEBOAT INSTITUTION (RNLI) VISIT

In June 2022, Stewart Seini visited the UK to collaborate with the RNLI's lifeguard service. During the visit, we gained valuable insights into all departments involved in lifeguard operations, including training, human resources, contract creation, statistics collation and beach operations' management. The RNLI generously provided access to their courses, policy documents and SOPs related to beach lifeguarding, granting us permission to utilise relevant materials for our lifeguard operation.

Our dedicated NSRI lifeguard team diligently reviewed the provided resources and applied them to our operations. We successfully implemented the working policy document

for the 2022/2023 season and developed the lifeguard pre-employment induction course. We plan to introduce the operational lifeguard leadership course, adapted from the RNLI, in the upcoming 2023 year. This collaboration has significantly strengthened our lifeguarding practices and further aligns us with international standards of excellence.

START OF 2022/2023 SEASON

During the conclusion of 2022, our lifeguarding operations were gradually initiated on our designated beaches, with Clanwilliam Dam enjoying an extended two-week presence. Notably, this year brought about altered beach conditions on our operating beaches, leading to an increased occurrence of rip currents. Consequently, our vigilant lifeguards faced a significant challenge in identifying these areas, erecting signage, issuing warnings and executing numerous rescues.

Throughout the demanding season, our dedicated lifeguards tirelessly carried out their duties, involving preventive measures, rescues, and administering vital first aid. Despite the formidable circumstances, their unwavering professionalism and the steadfast support from our management team resulted in zero loss of life, swift and efficient responses to incidents, and an overwhelmingly positive response from the public. It is worth noting that this year marked a notable milestone as an unprecedented number of individuals expressed their desire to contribute to the NSRI through generous donations, attributing their decision to the remarkable impact witnessed through the exemplary lifeguard services provided on the beach.

In 2023, we continue our lifeguard service on contracted beaches, with most operations concluding by the 15th of January (and the remaining beaches ending by the 31st of January). Despite a reduction of five beaches, we have welcomed one new addition. Our dedication has yielded exceptional results, as evidenced by record-breaking beach attendance, prevention efforts and incident management statistics. Notably, we are proud to report zero drownings and public complaints, with numerous compliments received for our lifeguards' professionalism.

End-of-season reports will analyse data from the surf rescue app, providing insights into trends and potential operational adjustments. Collaborating closely with municipalities, we strive to deliver cost-effective lifeguard services, seeking additional funding for areas with limited resources. Negotiations for three-year contracts are underway, and we are optimistic about securing multiple agreements.

Our unwavering focus on management and leadership training continues. Thanks to the RNLI's support, our training materials and courses have reached unparalleled standards. Four management and leadership courses are planned throughout the year, conducted in Cape Town and other locations, empowering our team to excel in their roles.

CAPITAL PROJECTS

RESCUE BASES



STATION 3 – TABLE BAY

New rescue base is under construction with a new slipway for the ORC 140 and 6.5m RIB, expected to be completed in August 2023, picture above.



STATION 4 – MYKONOS

We are in the early stages for Station 4 Mykonos rescue base design for a future ORC 140 which will include a bigger boat house for the vessel and RIB, this will include a slipway for these vessels, see the architect concept drawing above.



STATION 36 – OYSTER BAY

New rescue base has been completed in December 2022 and the station crew have moved with the station vessels and equipment, see above picture.

STATION 6 – GQEBERHA

The Design for the Station 6 Gqeberha boathouse for the ORC 140 has been submitted to DEA, TNPA and the municipality, TNPA have approved, in principle, the required modifications. They are still waiting on the DEA and the municipality for approval.



STATION 8 – HOUT BAY

Upgrade for this rescue base for the future ORC 140 we have had plans drawn up, these have been submitted to DPW for their approval as we need a bigger erf for the new rescue base to accommodate a bigger vessel and the other station vessels, waiting on approval from DPW, see the architect concept drawing above.



STATION 21 – ST FRANCIS

New rescue base is under construction and is expected to be completed in June 2023 for the new 10.6m Gemini Cabin Rib rescue vessel.



STATION 43 – PORT NOLLOTH

New rescue base under construction, we expect this project to be completed June 2023, see above picture of construction in December 2022.

STATION 15 – MOSSEL BAY

The Design for the Station 15 Mossel Bay boathouse for the future ORC 140 is similar to Station 6 Gqeberha boathouse. They are waiting on the outcome from the DEA regarding this.

STATION 47 – KEI MOUTH

We have purchased a property in Kei Mouth to build a rescue base, the design of the rescue base is under way, we have applied to the municipality for rezoning of the property.

Some projects are ongoing and subject to further developments.

CAPITAL PROJECTS CONTINUED

BUILDING MAINTENANCE

We have done maintenance to several of our rescue bases, encompassing roof repairs, interior and exterior painting of the building, boat house door maintenance or replacement, geyser repairs, electrical repairs, and winch repairs, among others.

VESSELS

NEW RESCUE VESSELS DELIVERED TO STATIONS

NEW RESCUE VESSELS	ALLOCATED TO	STATUS
ORC 140 Hull 4	Stn 3 Table Bay	Delivered
7.8m Gemini RIB	Stn 14 Plett	Delivered
10.6m Gemini cabin RIB	Stn 21 St Francis Bay	Delivered
4.5m JetRib x 2	Stn 6 Gqeberha	Delivered
4.5m JetRib	Stn 8 Hout Bay	Delivered
4.5m JetRib	Stn 17 Hermanus	Delivered
4.5m JetRib	Stn 31 Still Bay	Delivered
4.5m JetRib	Stn 22 Vaal Dam	Delivered
4.5m JetRib	Stn 4 Mykonos	Delivered
4.5m JetRib	Stn 28 Port St Johns	Delivered

VEHICLES

NEW RESCUE VEHICLES DELIVERED TO STATIONS

NEW RESCUE VESSELS	ALLOCATED TO	STATUS
4 X4 Triton D/Cab	Stn 19 Richards Bay	Delivered
4 X4 Triton D/Cab	Stn 30 Agulhas	Delivered
4 X4 Triton D/Cab	Stn 11 Port Alfred	Delivered
4 X4 Triton D/Cab	Stn 5 Durban	Delivered
4 X4 Triton D/Cab	Stn 20 Shelly Beach	Delivered
4 X4 Triton D/Cab	Stn 16 Strandfontein	Delivered
4 X4 Triton D/Cab	Training Manager	Delivered
4 x 4 Nissan Patrol S/Wagon	Stn 36 Oyster Bay	Delivered
Nissan NP 200	Drowning Prevention	Delivered
Nissan NP 200	Drowning Prevention	Delivered

RESCUE ASSETS REFITS/REPAIRS

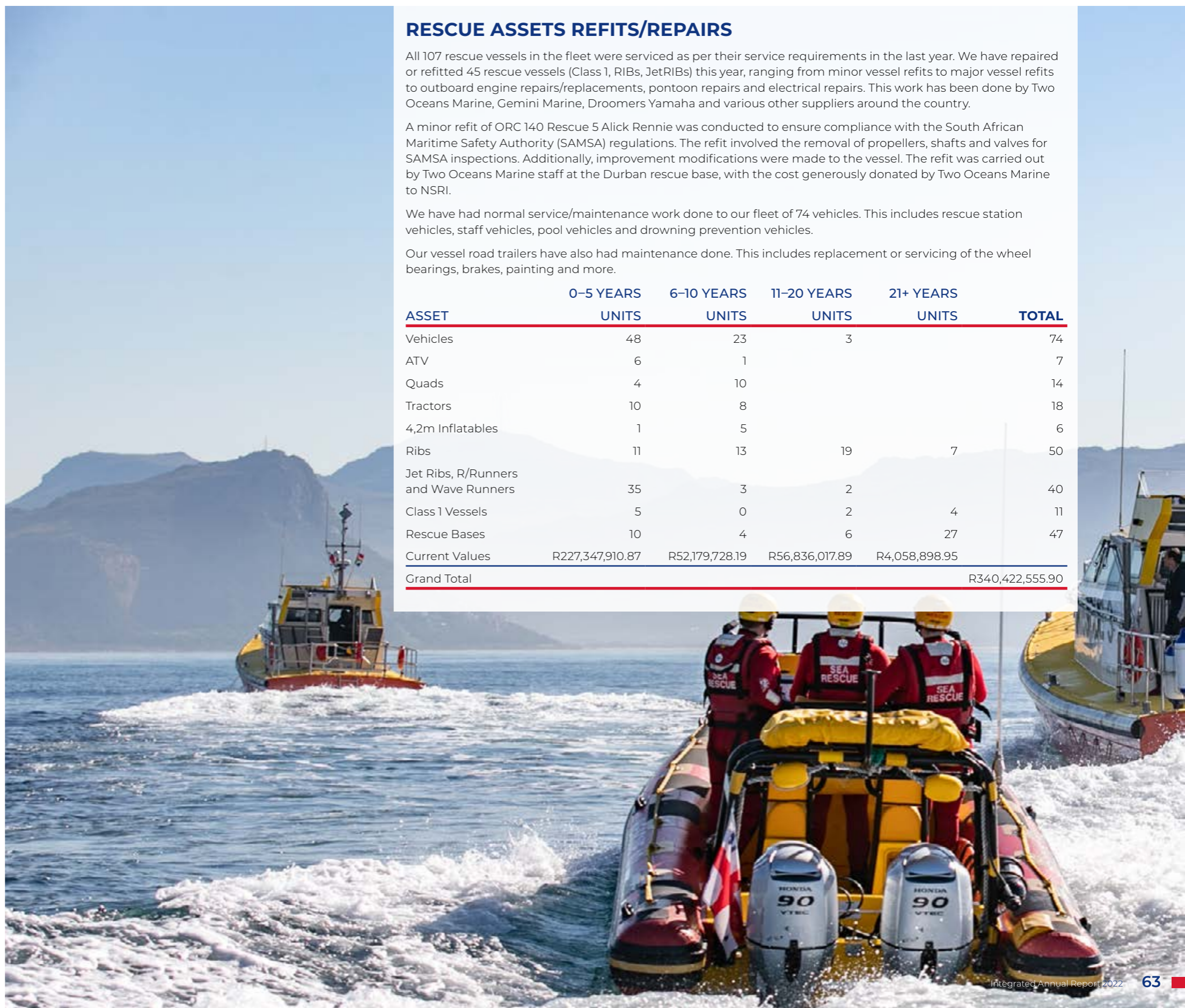
All 107 rescue vessels in the fleet were serviced as per their service requirements in the last year. We have repaired or refitted 45 rescue vessels (Class 1, RIBs, JetRIBs) this year, ranging from minor vessel refits to major vessel refits to outboard engine repairs/replacements, pontoon repairs and electrical repairs. This work has been done by Two Oceans Marine, Gemini Marine, Droomers Yamaha and various other suppliers around the country.

A minor refit of ORC 140 Rescue 5 Alick Rennie was conducted to ensure compliance with the South African Maritime Safety Authority (SAMSA) regulations. The refit involved the removal of propellers, shafts and valves for SAMSA inspections. Additionally, improvement modifications were made to the vessel. The refit was carried out by Two Oceans Marine staff at the Durban rescue base, with the cost generously donated by Two Oceans Marine to NSRI.

We have had normal service/maintenance work done to our fleet of 74 vehicles. This includes rescue station vehicles, staff vehicles, pool vehicles and drowning prevention vehicles.

Our vessel road trailers have also had maintenance done. This includes replacement or servicing of the wheel bearings, brakes, painting and more.

ASSET	0-5 YEARS UNITS	6-10 YEARS UNITS	11-20 YEARS UNITS	21+ YEARS UNITS	TOTAL
Vehicles	48	23	3		74
ATV	6	1			7
Quads	4	10			14
Tractors	10	8			18
4,2m Inflatables	1	5			6
Ribs	11	13	19	7	50
Jet Ribs, R/Runners and Wave Runners	35	3	2		40
Class 1 Vessels	5	0	2	4	11
Rescue Bases	10	4	6	27	47
Current Values	R227,347,910.87	R52,179,728.19	R56,836,017.89	R4,058,898.95	
Grand Total					R340,422,555.90



SOCIAL AND RELATIONSHIP CAPITAL



FUNDRAISING

The NSRI relies entirely on donations from individuals and institutions for fundraising purposes. It is imperative that we maintain a disciplined and consistent operating framework to ensure a stable and predictable flow of income for our organisation. This is crucial for effective planning and timely response to emergencies. We place great importance on safeguarding our operating model while simultaneously ensuring its adaptability and forward-looking nature.

Staying informed and well-connected with various donor segments is an ongoing challenge, as their circumstances can change, which may impact our fundraising efforts. For instance, when a corporate entity redirects its corporate social investment initiatives, it can directly affect us. Therefore, we continuously strive to enhance our agility and ability to anticipate such changes. These skills are vital in our pursuit of sustained success.

- Generating new prospects, leads, and partners is key to our growth across all donor categories. In particular, we see an opportunity to widen our support amongst corporates, individuals, the general public, Government, SOEs, trusts and foundations
- Corporate
- Individual
- Government and SOEs
- Trusts and foundations
- Events
- Fundraising centre

In 2022, our public relations efforts resulted in an impressive total of 3,469 media clips distributed across print, online and broadcast platforms. This extensive coverage encompassed both the NSRI's notable rescue operations that made headlines and general announcements about new projects and asset expansion, all of which further enhance our overarching rescue mission. The advertising value equivalent (AVE) calculated based on the cost of purchasing equivalent advertising space for our articles, amounted to an estimated R117,005,921.

Analysing the coverage in more detail, we delved into the specific stories and months that garnered the most attention. It was intriguing to observe which stories captured the public's interest, shedding light not only on our messaging in the public domain but also on the evolving media landscape and the preferences of our audience.

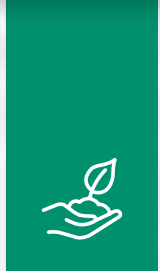
December, January and September 2022 stood out among the months with the highest NSRI coverage, accompanied by key stories that captured attention.

January 2022:	September 2022:	December 2022:
<ul style="list-style-type: none"> • NSRI needs more rescuers • NSRI cautions the public to be safe • NSRI warns public to be safe around water as temperatures soar • NSRI issues an alert for people residing and visiting the Vaal Dam 	<ul style="list-style-type: none"> • NSRI swimming initiative set to curb child drowning • NSRI is warning of increased shark activity in Plettenberg Bay • NSRI opens its second Survival Swimming centre in the Eastern Cape • NSRI Open Day, public invited 	<ul style="list-style-type: none"> • NSRI appeals to public to take care around water • Busy weekend for NSRI multiple rescues in the Western Cape • NSRI cautions caregivers to keep an eye on kids in and around water

In terms of share of voice, January 2022 had a total of 450 media clips; September 2022 had a total of 404 media clips; and December 2022 had a total of 498 media clips.

In addition to the incredible PR results, we received as the NSRI, one of our Key Performance Indicators (KPIs) was to make sure that our messaging is received and translated.

NATURAL CAPITAL



PRESERVING NATURAL CAPITAL

The NSRI recognises the importance of managing and preserving natural capital. In line with this commitment, we have implemented various initiatives and programmes to minimise our environmental impact and actively contribute to the conservation of marine ecosystems.

Key aspects of our natural capital management include:

- Environmental management plans: Our comprehensive environmental management plan ensures compliance with local, provincial, national and international regulations. It prioritises proactive management actions, resource allocation, performance monitoring and continual improvement, aligning our operations with sustainability goals.
- Greening initiatives: Through initiatives such as installing photovoltaic panels, using energy-efficient devices, transitioning to four-stroke engines, installing water tanks and exploring hydrogen as an energy source, we actively reduce our carbon footprint and promote resource conservation.
- Whale stranding and disentanglement: Collaborating with the SAWDN, we successfully disentangled 17 whales in 2022. By partnering with the octopus fishing industry, we minimise the risk of whale entanglements through the implementation of acoustic release mechanisms.
- Turtle rescue and rehabilitation: As dedicated partners of the Two Oceans Aquarium and uShaka Marine World, we contribute to the rescue, rehabilitation and release of stranded and injured turtles, actively supporting their conservation.
- Dolphin strandings and seal assists: Our team responds to dolphin strandings and provides assistance in seal entrapments, safeguarding these marine species and ensuring their safe return to their natural habitats.
- Seabird recovery and conservation: Through collaborations with SANCCOB, we aid in the rescue and repatriation of seabirds, including gannets, dyker and penguins. Our efforts contribute to seabird conservation and the removal of deceased birds to mitigate threats such as domoic acid poisoning.

Through our commitment to environmental stewardship, the NSRI strives to protect marine ecosystems, conserve biodiversity, and promote sustainable practices within the coastal and marine environments we serve.

AWARDS

During last year's AGM, we introduced newly designed awards aligned with our updated corporate image. These awards included additions to the Long Service Awards, now presented in a coin format for 10, 20, 30, 40 and 50 years of service, as well as revamped presentations for the Bravery and Gallantry Awards, among other changes. It was a privilege to recognise the ongoing commitment of individuals reaching long service milestones and to celebrate the remarkable 50 years of service of two exceptional individuals whose valuable experience is highly appreciated.

The introduction of the new award designs has been met with great enthusiasm. We are delighted to know that volunteers, as a whole, are eagerly anticipating receiving their awards. Our objective is to acknowledge and honour the dedication and professionalism of our volunteers nationwide, and we can confidently say that these awards truly embody the spirit of their remarkable contributions.

In October 2022, our NSRI Survival Swimming centre initiative received the prestigious Innovation and Technology Award from the IMRF. This recognition reaffirms that thinking outside the box opens up fantastic opportunities to effect positive changes and allows us to advance our drowning prevention objectives by making a meaningful difference in our communities.

Throughout 2022, we witnessed numerous rescues that showcased the professionalism of our volunteers. The PRBs, which continue to play a pivotal role, have made a significant impact on countless individuals, including the casualties, their families and the rescuers themselves. We also had the opportunity to acknowledge the exceptional teamwork displayed in extreme conditions, such as the operations during the KZN floods, and the compassion and professionalism demonstrated when rescuing animals. Furthermore, we recognised outstanding individual efforts that went above and beyond expectations to save lives.

As we look forward to 2023, we eagerly anticipate witnessing and celebrating the remarkable contributions of each volunteer as we continue to excel in our mission.

INTELLECTUAL CAPITAL



OUR BRAND

Over the past year, the NSRI has undertaken a comprehensive rebranding initiative, resulting in the revitalisation and strengthening of our brand presence. This restructure has encompassed various aspects, strategically implemented to enhance our brand's visibility and impact in the market.

Our physical assets, such as base stations and vehicles, have undergone a meticulous rebranding process. Signage replacements have been prioritised based on need, ensuring that stations with broken, faded or missing signs receive immediate attention. Rescue vehicles, on the other hand, are rebranded when they transition to different bases or departments, necessitating updates to emergency numbers and designations. This approach ensures a cost-effective and efficient deployment of our new branding across our fleet.

Digital assets have been swiftly transformed, including our website, social media profile icons and corporate stationary. These updates have provided a refreshed online presence, aligning our digital identity with the newly defined brand. However, it was decided not to replace crew clothing or personal protective equipment (PPE) with the new branding all at once. Instead, new orders will gradually incorporate the updated branding as required, ensuring a seamless transition for our teams.

The recent brand restructuring has yielded significant benefits for the organisation. It has streamlined our brand identity and messaging, leading to increased recognition and recall among our valued donors and stakeholders. Moreover, it has facilitated better internal alignment and operational clarity, notably exemplified by the establishment of NSRI SEARCH & RESCUE, which distinguishes our inland dam rescue operations from our coastal endeavours. This strategic alignment has enabled us to leverage the parent brand (NSRI) while also strengthening key sub-brands like NSRI LIFEGUARDS.

Overall, the brand restructure has revitalised our image and positioned us for sustainable growth in an ever-evolving market. It serves as a valuable capital asset, embodying our commitment to excellence and effectively communicating our mission to save lives and promote water safety.





DROWNING PREVENTION



DROWNING PREVENTION SERVICES

Drowning is a complex public health issue and has profound repercussions on families and communities. At the NSRI, our mission is to safeguard lives and livelihoods across South African waters through comprehensive education, drowning prevention initiatives, and effective rescue operations.

Within the NSRI, the Drowning Prevention Department stands as a unique and vital entity in South Africa and sub-Saharan Africa. Consisting of a dedicated team of 32 employees and 40 volunteers, this Department plays a pivotal role in realising our mission. Notably, considering the global drowning burden, it is crucial to recognise that low-middle-income countries, including South Africa, contribute a staggering 90% to this distressing burden.

Through the collective efforts of our Drowning Prevention Department, we are committed to mitigating the impact of drowning, saving lives, and safeguarding the well-being of our communities.

The strategic objectives of our Drowning Prevention Department encompass three overarching pillars:

NSRI DROWNING PREVENTION PILLARS

RESEARCH AND ADVOCACY

We engage in rigorous research and advocacy efforts to deepen our understanding of drowning dynamics and disseminate knowledge to key stakeholders.

By raising awareness, influencing policies and fostering collaborations, we strive to drive meaningful change in drowning prevention.

EDUCATION AND TRAINING

Through comprehensive educational programmes and training initiatives, we empower individuals with vital water safety knowledge and skills.

By equipping communities, organisations and individuals with the necessary tools, we aim to enhance drowning prevention and create a culture of safety.

INNOVATION

Embracing innovation, we actively seek cutting-edge solutions and approaches to tackle drowning prevention challenges.

By leveraging technology, partnerships, and forward-thinking strategies, we continuously explore new avenues to enhance the effectiveness and reach of our interventions.

RESEARCH AND ADVOCACY

In 2022, our focus was on research and advocacy, with notable support and engagement in various activities such as conference publications, research papers and advocacy initiatives.

A significant milestone achieved during this period was the development and launch of a monitoring and evaluation framework for the Drowning Prevention Department. This framework, to be implemented in 2023, serves three main purposes:

1 ENHANCING EFFECTIVENESS

By providing measurement tools, the framework improves our programme's effectiveness and efficiency in achieving goals and objectives.

2 CLARIFYING ROLES

It establishes clear roles and responsibilities for activities related to programme goals, ensuring a shared understanding among team members.

3 MONITORING AND EVALUATION

The framework outlines methods for monitoring, evaluation and progress reporting, enabling us to measure the programme's impact and identify areas for improvement.

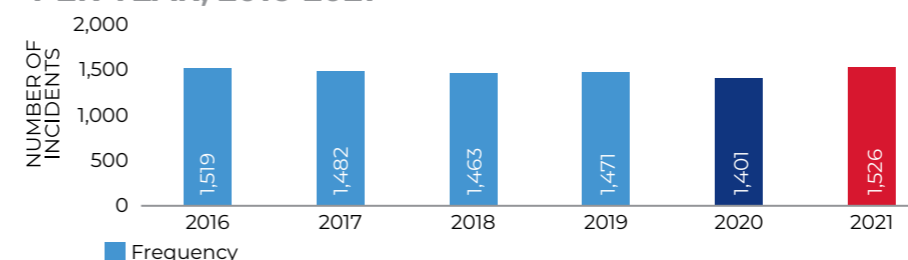
Through the implementation of this framework, we aim to strengthen our ability to measure programme outcomes, promote evidence-based practices and continually enhance our efforts.

A significant accomplishment in our research endeavours has been the successful dissemination of noteworthy scholarly publications. These include:

- Fortuin J, Ingram A, Seaton Smith B, Robertson C. *A review of the Pink Rescue Buoy program. Safety 2022. 14th World Conference on Injury Prevention & Safety Promotion; 29 November 2022; Adelaide, Australia 2022. p. 227.*
- Fortuin J, Karangwa I, Mahlalela N, Robertson C. A South African Epidemiological Study of Fatal Drownings: 2016-2021. *Int J Environ Res Public Health.* 2022 Nov 16;19(22):15121. doi: 10.3390/ijerph192215121. PMID: 36429836; PMCID: PMC9690020.

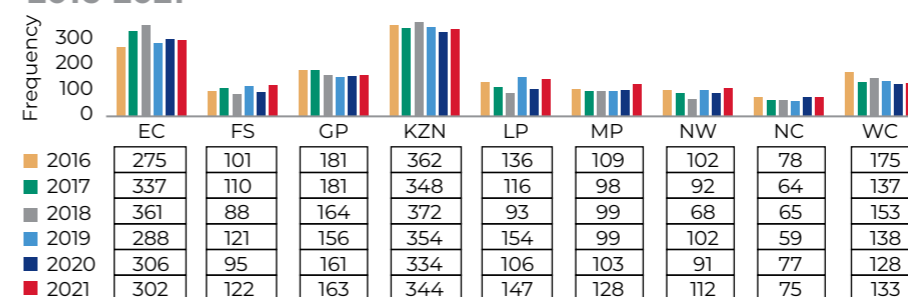
The epidemiological research paper yielded significant findings, revealing that the average number of drownings in South Africa stands at approximately 1,477. Notably, the highest incidence of drownings was recorded in 2021, with a total of 1,526 tragic incidents.

NUMBER OF DROWNING INCIDENTS PER YEAR, 2016-2021



Among the provinces in South Africa, the research highlights that KZN had the highest prevalence of drowning cases. It is followed by the Eastern Cape and Gauteng, in terms of incidents reported. These findings shed light on the geographical distribution of drowning incidents within the country.

NUMBER OF DROWNING INCIDENTS PER PROVINCE, 2016-2021



Further analysis revealed notable patterns regarding drowning incidents:

- The month of January exhibited a higher frequency of incidents.
- Sundays recorded a higher occurrence of drownings.
- The period between 16:00 and 19:59 witnessed a heightened risk.
- Males demonstrated a greater vulnerability to drowning compared to females.
- Children under the age of 14 years faced a higher risk compared to adults.

These findings provide valuable insights into the temporal and demographic factors associated with drowning incidents, facilitating targeted prevention strategies and interventions.

Advocacy work in 2022 has mainly been focused on collaborating with and supporting the Western Cape group spearheading municipal by-laws for pool safety.



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DROWNING PREVENTION SERVICES CONTINUED

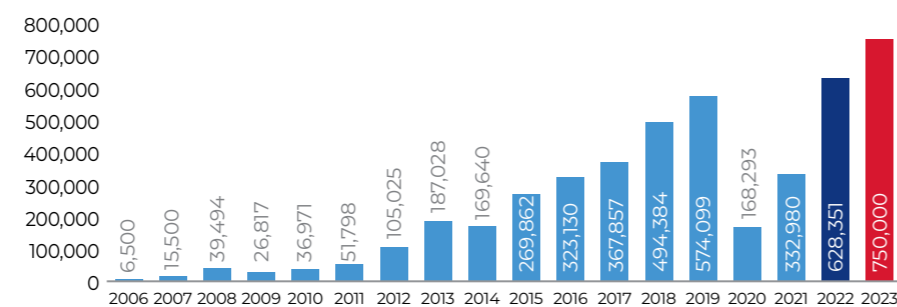


EDUCATION AND TRAINING

Water safety education and Survival Swimming training have been core components of our education and training efforts. These initiatives, which have been public-facing since the establishment of the NSRI's water safety programmes, have remained a primary focus for drowning prevention. In 2022, the programme experienced increased participation and uptake thanks to the implementation of various research initiatives and stakeholder engagement.

Over the course of 17 years, the NSRI has successfully educated a staggering 3,797,729 individuals in water safety, with a record-breaking number of 628,351 people trained in 2022 alone.

NUMBER OF PERSONS TAUGHT

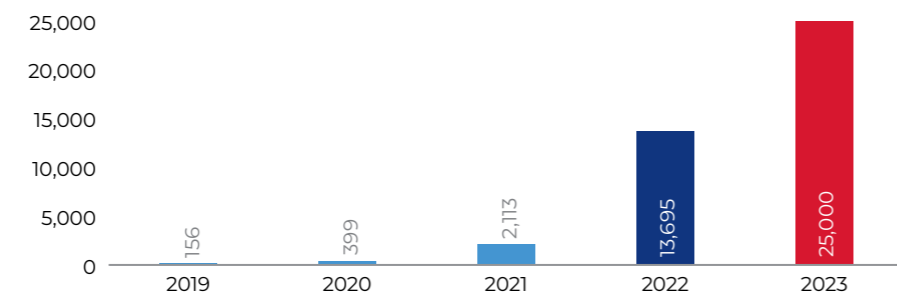


Our training efforts have yielded significant results, particularly in high-risk drowning areas where the water safety education team has not been present. To address this gap, we have implemented targeted mini-projects involving a team of drowning prevention instructors visiting these areas for a short duration, typically one week. During these visits, we have conducted structured sessions at pre-arranged schools, health facilities and community forums, maximising our outreach and impact. Additionally, we are grateful for the support of generous funders like the Oceana Group, who have enabled us to extend our reach to vulnerable and marginalised groups, such as fisherfolk in the Eastern Cape and Northern Cape.

Our initiatives, networks and engagements have allowed us to reflect on and review our water safety education messages. We have embarked on an initiative to adapt messages to ensure that they are relevant to the target audience and context-specific.

Survival Swimming training surged in popularity in 2022. There has been a significant investment in the recruitment and training of Survival Swimming instructors. In 2021, the Survival Swimming season commenced with five instructors, and by the end of 2022, this had increased to 26 employed instructors and 40 volunteer instructors. At the end of December 2022, 16,363 persons have received a Survival Swimming lesson.

NUMBER OF PERSONS PRESENTED WITH A SURVIVAL SWIMMING LESSON



TECHNOLOGY AND INNOVATION

PINK RESCUE BUOYS

In 2022, the effectiveness of PRBs as layperson flotation devices remained evident. Deploying 418 new PRBs throughout the year resulted in 48 successful rescues and no reported adverse incidents, reaffirming the success of this innovative approach.

However, the ongoing challenge of theft affecting the PRBs persists, despite our proactive measures such as education programmes, volunteer involvement, beach safety camera surveillance, social media campaigns, and the piloting of Apple AirTag tracking devices. The replacement cost of a stolen PRB, including the buoy, pole and sign, amounts to R1,500. While this cost is a small price to pay for saving a life, theft prevention remains a priority. It is worth noting that our unique PRB initiative sets us apart as the sole rescue service in South Africa and Africa.

This year, we took the opportunity to honour and acknowledge the PRB volunteers who diligently monitor the deployed PRBs. The PRB Volunteer 2022 Award was presented to Paul Godwin, an exceptional volunteer responsible for the Wilderness area, where he oversees 38 PRBs.

Since July 2020, Paul has demonstrated unwavering dedication and commitment to his volunteer role. Additionally, Steven Douglas received a Letter of Thanks from the CEO for his valuable contribution as an NSRI PRB volunteer in the Sedgefield area, where he monitors 16 PRBs.

BEACH SAFETY CAMERA

Beach safety cameras are operational in five areas: Strand, Blouberg, Plettenberg Bay, Buffels Bay and Herolds Bay. These cameras have proven effective in identifying hazardous water situations and preventing potential drownings. Their presence has been crucial in averting fatalities on multiple occasions.

In Herolds Bay, community cameras have been repurposed for the beach safety camera initiative, and community members have undergone screening and training to operate them.

Plettenberg Bay, on the other hand, has a unique focus for the beach safety cameras. Here, they are primarily utilised to monitor shark activity following shark incidents in 2022. Collaborations are underway to explore the feasibility of utilising AI to detect shark presence, triggering an alert when the camera identifies a shark's silhouette.

<https://www.youtube.com/watch?v=xpRzv3RU4t0>

SURVIVAL SWIMMING CENTRE

As a result of the Survival Swimming centre's conceptualisation in 2021, two centres have been constructed and operationalised in 2022.

The first Survival Swimming centre was deployed to Meiring Primary in the semi-rural community of Riebeeck-Kasteel, which is predominantly a farming community.

The SSC1, as it is referred to, was deployed in March 2022 and launched in May 2022. Within a very short time, 13 children successfully completed the Survival Swimming programme and are competent in breath control, floating, orientation and moving through water. This highlights one of the key success impact factors.

A second Survival Swimming centre was deployed in August 2022 to Tombo in the Eastern Cape. This centre in a rural area with limited infrastructure was embraced by the community. The success of the engagement could be measured by the teacher's willingness to receive Survival Swimming lessons and complete the programme.

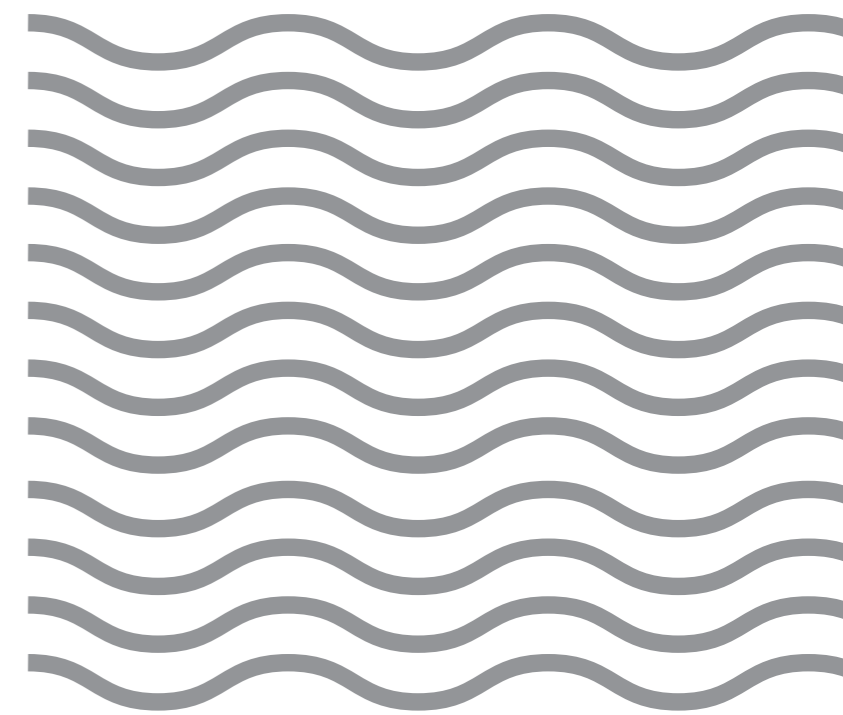
During the deployment of the Survival Swimming container centres many lessons have been learnt, and these include, but are not limited to:

- Availability of swimming costumes. In some areas where there is little to no emphasis placed on the essential life skill of being able to swim, many people do not own a swimming costume. The NSRI has reached out to sponsors for swimming costumes and asked donors to donate swimming costumes. Further to this, the NSRI has initiated a programme wherein boxes will be delivered to various schools, gyms, etc., where people can donate swimming costumes. Speedo has provided great support for this programme.
- Availability of towels. Whilst a towel may seem a trivial item, it provides dignity and comfort to those participating in the Survival Swimming programme, allowing them to dry themselves and return to class.
- Community participation. Communities actively participate, embrace and promote the programme. Without the community, the Survival Swimming centres would not be utilised and not aid the NSRI in achieving its mission of preserving life and livelihoods on and around South African waters through education, drowning prevention and rescue.
- The Survival Swimming centre, within its first few months of operation, has won an international award in the innovation and technology category from the International Maritime Rescue Federation (IMRF). This is an outstanding achievement by the organisation showing its foresight to address the many social challenges that prohibit people from acquiring a life skill that allows them to become safer in the water and enjoy the water.





CORPORATE GOVERNANCE



MEMBERS OF THE BOARD



Dave Macready

Chairman of the Board
Age 64
Appointed 2022
B.Com, CTA, CA(SA), B.Comm Hons
Financial Management, Senior Executive Programme, IDP



Dr Cleeve Robertson

Chief Executive Officer
Age 63
Appointed: 2013
MBChB, FEMSSA



Janine Van Stolk

Executive director
Age 61
Fundraising and Marketing
Appointed: 2020
BBusSc Hons



Mark Hughes

Executive director
Age 63
Capital Projects
Appointed: 2011
Nat Tech Dip Industrial Automation and Electronics



Lindani Mchunu

Non-executive director
Age 39
Appointed 2022
Yacht Master Offshore Skippers Ticket.
200GT.MCA International



Radha Govender

Independent non-executive director
Age 57
Appointed: 2020
B.Pharm, PGDip PallMed



Brett Ayres

Executive director: Rescue Services
Age 41
Appointed: 2020
BSC Hons, PGCE, MBA (*Cum laude*)



Pretty Molefe

Non-executive director
Age 34
Appointed: 2022
Nat Dip Maritime Studies



Dave Robins

Independent non-executive director
Age 68
Appointed: 2008
BBusSci



Randall Titus

Independent non-executive director
Age 56
Appointed: 2015
BA LLB, LLM



Clifford Ireland

Independent non-executive director
Age 48
Appointed: 2021
BTech Eng, PrTech Eng, PrCPM, OHSPROF



Dr Jill Fortuin

Executive Director: Drowning Prevention
Age 44
Appointed: 2021
B. OH, M eHealthcare, PhD



James Beaumont

Non-executive director
Age 56
Appointed: 2022
CA(SA), MBA (*Cum laude*)



Chris Wilson

Company Secretary
Age 48
Appointed: 2013
FCG GS CGP



Jonathan Vellozo

Non-executive director
Age 51
Appointed: 2022
Nat. Dip Mining Engineering, BCOM
Business Management, BTECH
Mining, ADP



Grant Bairstow

Non-executive director
Age 54
Appointed 2022
Nat.Dip in Health & Safety, Nat.Dip
Explosive Tech, Nat.Dip Business
Management, MCom Maritime



Viola Manuel

Independent non-executive director
Age 51
Appointed 2013
MBA, HDipEd, BA



Lynn Davis

Independent non-executive director
Age 54
Appointed 2021
BCompt Hons, CA(SA),
PGDip Internal Audit

GENDER AND RACE DIVERSITY



DIVERSITY AND EXPERTISE



STRUCTURE



GOOD CORPORATE GOVERNANCE

Our strong governance structures align with the principles of the King IV Code, ensuring transparency, accountability, and integrity in everything we do. The trust bestowed upon us by our donors is a testament to our commitment to honesty and responsible stewardship of funds.

We firmly believe that achieving our goals on a macro scale requires collaboration and partnerships within society, government and the private sector. We persistently strive to foster positive relationships that enable us to maximise our impact and achieve sustainable outcomes. Through our unwavering dedication to our mission, combined with effective governance practices, we aim to create a lasting difference in preserving lives, promoting safety and contributing to the overall well-being of our communities.

AN ENGAGED AND COMMITTED BOARD OF DIRECTORS

The NSRI Board of Directors (the Board) has ultimate oversight and accountability over the policies and operational controls for environmental, health, safety and social risk identification, mitigation, and the overall sustainable impact agenda.

The Board meets regularly to set goals, budgets, and implementation timelines and monitor progress and overall results.

ROLE OF THE BOARD

Aligned with the King Code of Governance Principles, we have designed our governance structure to give the Board full and effective oversight of the NSRI.

Comprising of non-executive and executive directors, the NSRI Board is the custodian of corporate governance and is primarily responsible for the strategic leadership of the Institute.

It oversees the development and articulation of the NSRI's purpose to save lives and sustain livelihoods to a broad section of South Africa's population.

BOARD'S RESPONSIBILITIES

Monitoring and evaluating the management team's performance in executing the strategy.

Overseeing the governance of risk management

Oversight of capital allocation and decisions.

Ensuring that the NSRI remunerates fairly, responsibly, and transparently.

Ensuring that NSRI has a robust sustainability framework in place.

GOVERNANCE STRUCTURE

Governance is provided through a Board consisting of eight independent non-executive directors, six executive directors, two appointed non-executive directors and a pro bono Company Secretary.

The Annual General Meeting (AGM) of members is responsible for electing Board members and approving formal resolutions that guide the Company.

The Board elects the Chairman annually with the current Chairman being Dave Macready and Vice-Chairman Viola Manuel.

The Board maintains close oversight over the activities of the Company through scheduled meetings of the Board and its Committees and facilitates participation electronically through MS Teams.

Formal Board Committees are maintained for the following functions: Audit and Risk, Human Capital, Investment and Operations. In 2021, because the Risk and Audit Committee functions were so closely integrated, the decision was made to combine the two committees into one. These committees meet quarterly and formal minutes are recorded for each meeting and reported at each full Board meeting. The Board meets quarterly to consider issues of governance and receive committee reports, and once annually to discuss the strategy of the NSRI.

The executive management team consists of a CEO and five executive managers, responsible for Rescue Operations, Drowning Prevention, Capital Projects, Fundraising and Marketing and Corporate Services (Accounting, HR, ICT) respectively. The executive managers are responsible for employing and managing the staff required to competently execute the business of each department.

The Board approves the annual budget presented by management and provides the necessary authority for expenditure. The CEO is the only executive with a specific financial delegation of R5 million but within the approved budget. Expenditure outside of the approved budget must be approved by the Board at a full Board meeting.

The roles of Chairman of the Board and Chief Executive Officer are separate to ensure that management and governance functions are independent and that control of the Company is vested primarily through the members in AGM, the Board

and the executive. Both the Chairman and the CEO are reaching the end of their terms and planning is underway for succession to accommodate an overlap between the existing CEO and a new Chairman and then the appointment of a new CEO.

This structure ensures that no single individual exercises unfettered powers of decision-making, but that the executive has very clear mandates and exercises management within the guidance of a framework and clear plans. Robust debate and discussion pursue eventual consensus and collective buy-in to, and ownership of, decisions.

The NSRI employs the assistance of Kilgetty Statutory Services in managing its corporate governance environment. The Human Capital Committee ensures that executive roles are clearly defined and the budget process provides clear delegation in terms of financial control.

The Board is satisfied that the delegation of authority framework contributes to role clarity and effective arrangement of authority.

The directors participate in Board Committees and all meetings are recorded and actioned against minutes monitored. The Committees hold the executive to account and ensure that management complies with all legislation, regulation and policies. The governance structures strive to achieve transparency, accountability, integrity and ethical leadership as well as provide practical guidance to the executive regarding the sustainable development of the activities of the Company.

The NSRI rotates directors in a three-year cycle and retiring directors are re-elected or replaced by resolution at an AGM of the members of the NSRI.

The Board is satisfied that it has fulfilled its responsibilities as per its charter.

In 2021, the NSRI continued to operate in terms of a Corporate Governance Framework.

The above Framework can be viewed on:

<https://www.nsri.org.za/who-we-are/governance>

More information about our governance practices can be found on our website at <https://www.nsri.org.za/who-we-are/governance>

GOVERNING AND MANAGING ETHICS

The NSRI has various policies in which the ethics of the organisation are embedded, and a detailed Code of Ethics and Conduct informs the ethical environment. Volunteer culture and ethics are strong drivers of the ethical culture of the organisation and, the fact that all non-executive directors are unpaid volunteers is an expression of this culture.

While the Board leads in an ethical sense, the registration of executives with professional bodies or associations further extends the ethical burden to manage the business ethically. The CEO, for example, is answerable to the Health Professions Council of South Africa for ethical conduct, not only in a medical sense but also in a business sense. The CFO is likewise registered with the South African Institute of Chartered Accountants (SAICA).

Key areas of focus during the reporting period included the distribution and communication of the volunteer Code of Ethics and Conduct and the commitment of each volunteer to ethical behaviour within a volunteer 'contract'.

No specific measures to monitor ethics within the organisation took place but our stakeholders are reliable monitors of our service environment and do not hesitate to communicate when they see behaviour that does not fit the organisation.

Planned areas of future focus include reviewing the emergency medical standard of care provided in the course of rescues, the internal relational behaviour of executives and managers, and ethical issues related to POPIA.

RESPONSIBLE CORPORATE CITIZEN

The NSRI has, at its centre, the social responsibility of providing both prevention and rescue services across the country to both local and international stakeholders. Trust is a key element of our ability to do our business and being perceived as a responsible corporate citizen is vital to us – trust to provide funding and trust to call us in an emergency are primary aspects of our corporate persona.

We work hard to be transparent and to communicate often, accurately, and immediately. Our website provides direct access to corporate information and we publish award-winning Integrated Annual Reports.

We continue to focus on improving our communication and reporting. In the next year, we will improve the automated reporting from our business systems to deliver real-time Company metrics.

Individual stakeholders, having open access to our policies and documents, direct questions to the CEO who answers them directly. Questions asked on post-retirement medical aid and other issues, for example, are discussed at Board and committee level.

We plan to improve our corporate visibility and bring our brand and activities to the attention of communities across South Africa.

CORPORATE GOVERNANCE CONTINUED

CONSTITUTION

The NSRI is constituted through a Memorandum of Incorporation (MOI) which details the structure of the Company and its governance mechanisms. The members (directors, volunteers and Platinum Partners) of the NSRI in the AGM elect the directors of the Company. The Board of directors continue to take guidance from the principles advocated in the King Report on Corporate Governance (King IV™) and has completed a gap analysis in 2018. The Board is satisfied that the NSRI is substantially compliant with King IV. The fact that the NSRI was awarded for the best Integrated Report for 2018 and 2019 and with a Merit Award in 2020, in the NGO/NPO Category by the Institute of Chartered Secretaries illustrates the NSRI's commitment to corporate governance.

The Board composition reflects the appropriate mix and knowledge, skills, experience, and independence and has achieved greater inclusivity in terms of race and gender. The Board acknowledges that the only skill absent at the Board is Information Communication & Technology (ICT), although the Chairman of the NSRI ICT Steering Committee is an ICT professional with an Accounting and MBA Degree.

The NSRI Board Chairman is highly experienced, having sat on multi-national boards and retaining a high level of independence. The Board has also appointed an independent Vice-Chairman who is directly involved in the human capital aspects of the business.

The Board recruited an additional member with strong Financial, Banking and Investment skills in 2021 to begin service in 2022 and to replace the Chairman when he retires.

BOARD EVALUATION

The Company Secretary performs a Board effectiveness evaluation (King IV Principle 9) biannually using a survey questionnaire. The survey results are reported to the Board for attention and remedial action if necessary.

In 2021, a 360° evaluation of the Board was performed and the outcome was that the Board functions very well as a unit.

The following methodology was utilised in performing this corporate governance assessment:

- Information request: questionnaires were circulated to Board members for online completion.
- Information gathering: results emanating from the questionnaires were collated.
- Assessment: the responses were assessed and areas were identified where corrective action may be required.
- Report: a comprehensive report was developed on the outcomes of the evaluation detailing recommendations for consideration.

KEY ISSUES 2022

The key issues that the Governance Board has grappled with during 2022 have been:

- The separation of roles between Executive Management and Non-Executives
- Transformation
- Executive cohesion and relational capital
- Sustainable funding, investment and expenditure
- policy; and
- succession.

BOARD COMPOSITION AND FUNCTION

In October 2022, the Governance Board underwent a change in leadership with the unanimous election of Dave Macready as Chairman. Additionally, new Board members Grant Bairstow, Pretty Molefe, Lindani Mchunu, James Beaumont and Johnny Velloza were proposed and elected at the Annual General Meeting (AGM).

We express our gratitude and bid farewell to Ronnie Stein and Dave Robins, who have made significant contributions as Chairman and Director, respectively, carrying with them our best wishes for the future.

The Board at the end of 2022 includes six black members, four white members, four females and six males.

The Executive Directors include three males and two females, one of whom is black. The Executive Director for corporate services resigned in 2022. The committee structure of the Board changed in 2022 and now includes a Human Capital Committee; an Audit, Risk and Compliance Committee; an Investment Committee; and an Operations Support Committee.

HUMAN CAPITAL COMMITTEE REPORT

The NSRI has a comprehensive remuneration policy based on principles of both internal and external equity to ensure that remuneration is fair. Remuneration is benchmarked against the PWC Remuneration Survey, and jobs are evaluated through external consultants with Remchannel.

The NSRI has yet to create a performance and motivation management system that allows horizontal progression within a Paterson Grade. The NSRI has management objectives per department that form the basis of the NSRI work plan, which is divided up across management for delivery. A regular monitoring and evaluation process ensures consistent achievement of management objectives. Historically, the NSRI always performs and achieves more objectives than planned purely because of its nature as an emergency service.

Liabilities related to long-term post-retirement benefits are all declared in the Company's Annual Financial Statements.

The total cost to company for Executives in 2022 was R11,614,514.54, and the total cost to company of the Chief Executive Officer (CEO) in 2021 was R3,386,233.52. The CEO's performance has been assessed as exceptional over the last

nine years, and the ability of leadership to sustain the business and recover from Covid-19 is noted. The REM ratio between the CEO and the lowest paid employee is 24:1. The ratio between the total CEO REM and a median (C3 Band notch 5) is 8:1. Executive Remuneration is published in the Annual Financial Statements of the Company.

Recruitment follows a formal advertisement, short-listing and interview process, and staff are appointed within the Paterson Grade at a level commensurate with qualification and experience.

All staff, except contract staff, have access to Medical Aid, Pension and Group Life Benefits. In addition, all personnel have a comprehensive health and wellness programme available to them.

The NSRI does not have an overtime policy, and any time worked above and beyond the prescripts of the Basic Conditions of Employment (BCW) Act is volunteer time. The fundraising centre marketers are remunerated through a basic and commission structure, which is entirely performance-driven. The annual cost of living increases for inflation are made in January each year, usually in line with consumer index inflation.

Remuneration includes provision for a 13th cheque at the end of the year and employees can have the tax on the 13th cheque deducted monthly during the year.

The key activities of the Human Capital Committee during the year included:

- Approving cost of living increases
- Ensuring new Board member orientation
- Investigating executive conflict
- Monitoring headcount and expenditure on personnel
- Monitoring the health and wellness programme
- Oversight of BBBEE in the context of transformation
- Oversight of EE
- Oversight of labour relations
- Oversight of succession
- Oversight of and monitoring transformation
- Recruitment and appointment of new Board members; and
- Reviewing and approving policy.

The committee is satisfied that it has provided oversight and met the requirement as required within its terms of reference.

AUDIT, RISK AND COMPLIANCE COMMITTEE REPORT

The Audit, Risk and Compliance Committee confirms the independent and satisfactory execution of both internal and external audit processes, providing the necessary assurance. The external audit solely focuses on its core function of independent external audit, without additional responsibilities. Recently, there has been a change in audit partners, with Mr. Sidney Schonegevel assuming the role. The external audit encompassed substantial and process control audits, meeting the committee's standards of quality.

The Chief Audit Executive's performance has been deemed satisfactory. Although there has been limited overlap between the new Chief Financial Officer (CFO), who resigned in 2022, and the external auditors, the committee affirms the existence of satisfactory internal financial controls. Identified gaps in controls are systematically being addressed.

The committee acknowledges that there is no evidence of material loss due to fraud, corruption or error, except for theft from the stores by the storeman, resulting in losses of just over R70,000. Concerns regarding finance management capacity, particularly following the CFO's resignation have been raised, and management is progressively addressing this matter.

The committee confirms the NSRI's compliance in financial reporting, adherence to the principles of King IV, tax compliance and compliance with applicable legislation and regulations. Furthermore, the NSRI demonstrates a positive focus on ESG aspects, which aligns with its business agenda.

To date, the business model of the NSRI has ensured its sustainability and made it a leading NPC in South Africa. Despite the general state of the economy threatening donations, the NSRI has invested adequate capital in services and has sufficient reserves to sustain services in the medium term. The long-term sustainability of volunteer services will always be a debate, but the NSRI has doubled its volunteer corps over the last 10 years, and volunteer resilience has been sustained. The financial gap provided by volunteer work is a fundamental foundation of sustainability.

The Audit, Risk and Compliance Committee consists of Ms. Lynn Davis (BCom (Unisa), CA(SA)), Mr. James Beaumont (BCom, CA, MBA (UCT)) and Mr. Randall Titus (BA, LLB, LLM (UCT)). Internal and external audit partners who regularly attend meetings include Carl Bosma (Binder Dijker Otte), Sidney Schonegevel (Cecil Kilpin) and Jose DeNobrega (Cecil Kilpin).

Meetings are held quarterly and verbal reports are made to the Governance Board at each meeting.

The key activities of the Audit and Risk Committee included:

- Approval of the Annual Financial Statements
- Approval of the internal audit plan;
- Considering and recommending the annual budget;
- Monitoring BBBEE accreditation;
- Monitoring crew injuries and risk;
- Monitoring internal and external audits;
- Oversight of financial management capacity;
- Oversight of governance effectiveness;
- Oversight of internal financial control;
- Oversight of legal risk;
- Oversight of potential fraud, theft and whistleblowing;
- Oversight of procurement;
- Oversight of risk related to occupational health and safety;
- Oversight of the risk process and register;
- Policy review and approval; and
- Reviewing management accounts.

The committee is satisfied that it has fulfilled its mandate as required within its terms of reference.

CORPORATE GOVERNANCE CONTINUED

INVESTMENT COMMITTEE REPORT

Key activities of the Committee included:

- monitoring Company cash flow relative to investments;
- receiving reports from the NSRI Endowment Trust investment portfolio managers;
- considering management requests for funding; and
- oversight of investment markets and performance.

OPERATIONS SUPPORT COMMITTEE REPORT

We are pleased to present the OSC report for 2022. Comprised of representatives from each of NSRI's seven regions, the committee advocates for the needs of our volunteers, while balancing the demands of the Executive in running a large and dynamic service in a very unique country.

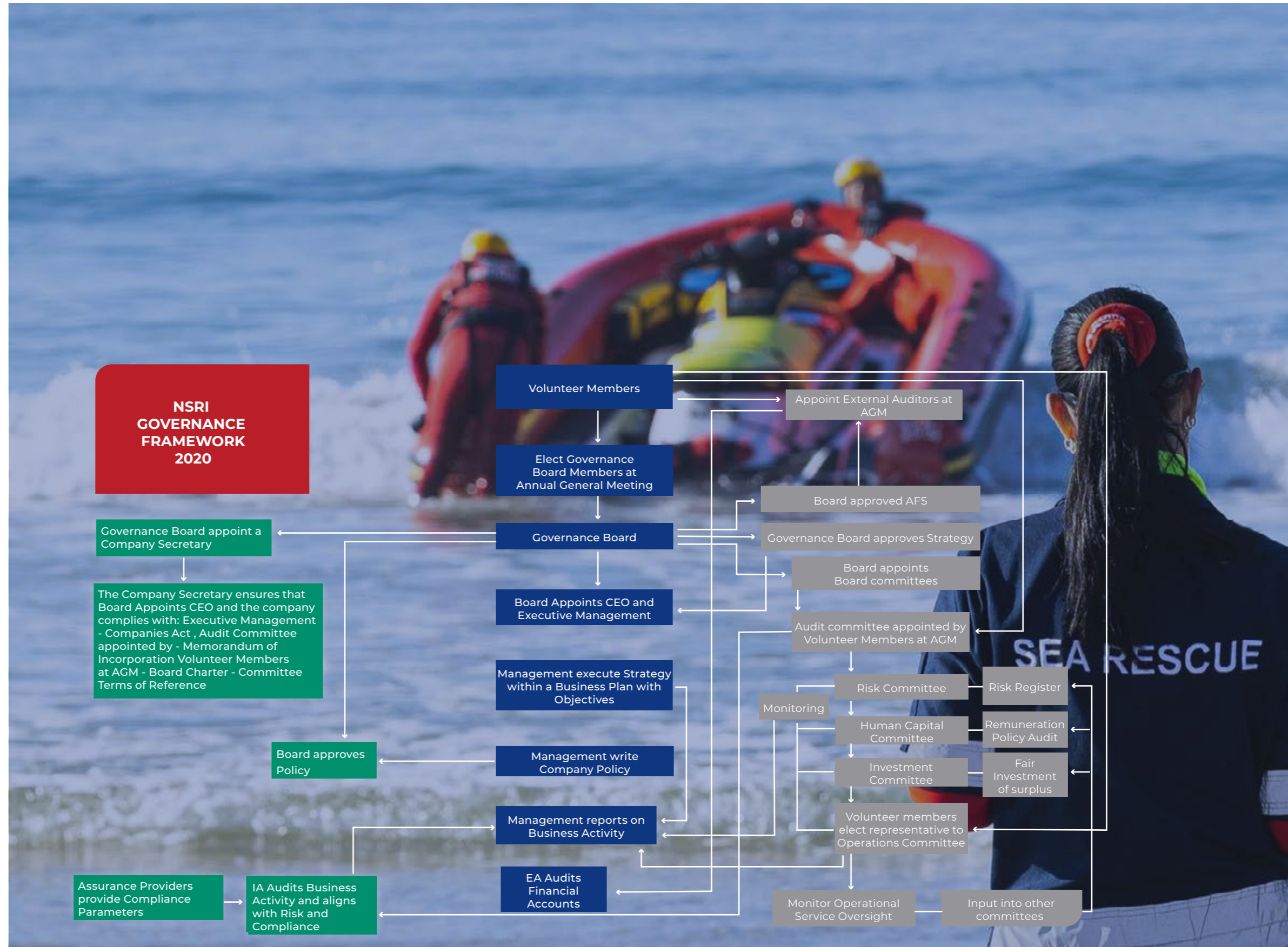
In 2022, we witnessed the growth and maturity of the crew wellness system, a vital aspect of our mission to change lives and create futures. By prioritising the mental well-being of our volunteers and staff, we foster a healthy crew capable of saving lives. Our partnership with Life Health Services has allowed us to deliver meaningful support to our volunteers.

While the grip of the Covid-19 pandemic began to loosen in 2022, our crew faced a new challenge – severe flooding. From floods in Gauteng to devastating floods in KZN and the Eastern Cape, our volunteers responded to widespread destruction and loss of life. With decaying infrastructure, poor urban planning and the impact of global warming, floods may become more frequent. Our dedicated crews will continue to be at the forefront of saving lives in this new reality.

The OSC is committed to supporting NSRI's initiatives in research, education, Survival Swimming training, strategic placement of flotation devices and frontline rescue efforts. We believe that only through this comprehensive approach can we effectively combat the drowning pandemic in South Africa and achieve our vision of a water-safe nation.

In terms of capital investment, the OSC guides the organisation's extensive projects, including the construction of new rescue bases, the successful recapitalisation of the deep-sea rescue fleet, and the expansion of fleet capacity with RIBs and vehicles. While the demand for new assets exceeds the available budget, we are proud of the achievements of our dedicated team at the Volunteer Support Centre and their strategic planning for long-term needs and priorities.

NSRI, like other organisations, faces the challenge of retaining valuable skills and cultivating future leaders, especially considering the extensive training required—the training time for a Class 3 coxswain is often more than five years, and for a Class 1, it can approach 10 years. One of the major challenges we face is the 'brain drain' experienced by volunteer crews. As people consider emigration or face increasing financial pressures, retaining valuable skills and developing future leaders becomes crucial. The OSC recognises this challenge and is committed to finding innovative solutions to address it.





ANNUAL FINANCIAL STATEMENTS



DIRECTORS' RESPONSIBILITY AND APPROVAL

The directors are required by the Companies Act of South Africa, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the Company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small-and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small-and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for internal control aimed at reducing the risk of error or loss 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 Company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Company is on identifying, assessing, managing and monitoring all known forms of risk across the Company. While operating risk cannot be fully eliminated, the Company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 31 December 2023 and, in the light of this review and the current financial position, they are satisfied that the Company has or has access to adequate resources to continue in operational existence for the foreseeable future

The external auditors are responsible for independently auditing and reporting on the Company's annual financial statements. The annual financial statements have been examined by the Company's external auditors and their report is presented on pages 87 to 88.

The annual financial statements set out on pages 84 to 91, which have been prepared on the going-concern basis, were approved by the Board of Directors and were signed on its behalf by

By order of the board

Dave Mcready
(Chairman)

Dr. Cleeve Robertson
(Chief Executive Officer)

INDEPENDENT AUDITOR'S REPORT

To the Members of National Sea Rescue Institute of South Africa NPC

OPINION

We have audited the annual financial statements of National Sea Rescue Institute of South Africa NPC (the Company) set out on pages 84 to 91, which comprise the statement of financial position as at 89, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of National Sea Rescue Institute of South Africa NPC as at 31 December 2022, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small-and Medium-sized Entities and the requirements of the Companies Act of South Africa.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the Company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of annual financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OTHER INFORMATION

The Directors are responsible for the other information. The other information comprises the information included in the document titled 'National Sea Rescue Institute of South Africa NPC annual financial statements for the year ended 31 December 2022', which includes the Directors' Report as required by the Companies Act 71 of 2008 and the supplementary information as set out on pages 78 to 86. The other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE ANNUAL FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with the International Financial Reporting Standard for Small- and Medium-sized Entities and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT CONTINUED

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the annual 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual 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 our 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going-concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Cecil Kilpin & Co.
Chartered Accountants (SA)
Registered Auditors
Per Partner: Sidney Schonegevel
Century City

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Note(s)	2022 R	2021 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	221,542,735	209,025,683
Investment property at fair value	3	12,231,089	10,575,154
Goodwill	4	8,800,000	17,600,000
		242,573,824	237,200,837
Current Assets			
Inventories	6	1,059,762	962,568
Trade and other receivables	7	61,496,601	29,819,598
Other financial assets	5	–	5,661,000
Cash and cash equivalents	8	7,597,358	15,298,826
		70,153,721	51,741,992
Total Assets		312,727,545	288,942,829
Equity and Liabilities			
Equity			
Accumulated funds		304,056,130	280,900,664
Liabilities			
Current Liabilities			
Trade and other payables	9	8,671,415	8,042,165
Total Equity and Liabilities		312,727,545	288,942,829

DETAILED INCOME STATEMENT

AS AT 31 DECEMBER 2022

	Note(s)	2022 R	2021 R
Income			
Grants	10	4,949,053	7 220 754
South African Maritime Safety Authority		–	214 158
National Department of Transport		3,110,250	2 884 000
Western Cape Department of Local Government		376,000	376 000
National Lottery Board		–	1 100 000
Public Bodies		1,462,803	2 646 596
Donations and bequests	10	24,462,572	31 159 393
Companies		6,120,413	6 056 525
Individuals		6,558,212	7 979 422
Legacies and bequests		4,957,609	8 827 721
Shipping levies		604,600	666 707
Trusts		6,221,739	7 629 018
Fundraising Centre	10	137,554,561	128 723 565
Sale of goods	10	2,513,054	1 800 992
Service income	10	2,958,009	1 308 635
Sundry income (insurance claims and municipal account recovery)	11	594,585	778 656
Events	10	1,568,313	1 198 241
Surplus on sale of assets	11	1,435,121	
Investment revenue	13	455,046	410 332
Rental income	11	1,801,698	1 256 055
Fair value adjustment	14	1,655,934	368 225
Income		179,947,946	174 224 848
Distributions received	10	5,671,552	
Total income		185,619,498	174 224 848
Expenditure		(162,464,032)	(137 792 569)
Surplus for the period		23,155,466	36 432 279

DETAILED INCOME STATEMENT

AS AT 31 DECEMBER 2022

	Note(s)	2022 R	2021 R
Expenditure			
Banking costs		2,061,446	1,569,989
Boat running		9,267,174	7,488,666
Call centre		–	–
Cost of goods sold		1,529,212	1,216,857
Deficit on sale of assets		–	1,251,905
Depreciation and amortisation		23,903,671	21,155,558
Employee costs		75,983,109	65,843,630
Information communication technology		2,030,432	3,258,363
Insurance		2,140,705	1,315,811
Marketing expenditure		7,351,232	6,453,774
Office expenditure		4,732,722	3,151,841
Professional fees		5,105,237	4,648,974
Property expenses		8,652,239	7,206,622
Station expenditure		9,174,596	7,428,067
Travel and accommodation (Volunteer training)		10,532,256	5,802,513
Total Expenditure		162,464,032	137,792,569

* For the detailed AFS please click

<https://www.nsrri.org.za/assets/general/NSRI-AFS-2022-updated-11-July-2023.pdf>

CORPORATE INFORMATION

NATIONAL SEA RESCUE INSTITUTE

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NPO Registration Number: 002-870

Company Secretary: Chris Wilson

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