

2014-2015

ADVENTURE PROVINCE
Eastern Cape
PARKS & TOURISM AGENCY

ANNUAL REPORT



ADVENTURE PROVINCE
Eastern Cape
PARKS & TOURISM AGENCY

ANNUAL 2014 - 2015 REPORT



1. GENERAL INFORMATION

REGISTERED NAME:
Eastern Cape Parks and
Tourism Agency

PHYSICAL ADDRESS:
6 St Marks Road
Southernwood
East London
5213

POSTAL ADDRESS
P.O. Box 11235
Southernwood
East London
5213

TELEPHONE NUMBER:
+27 43 705 4400

FAX NUMBER:
+27 86 516 1998

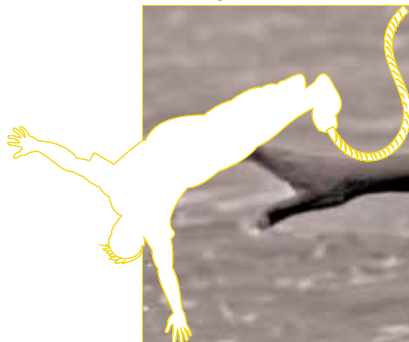
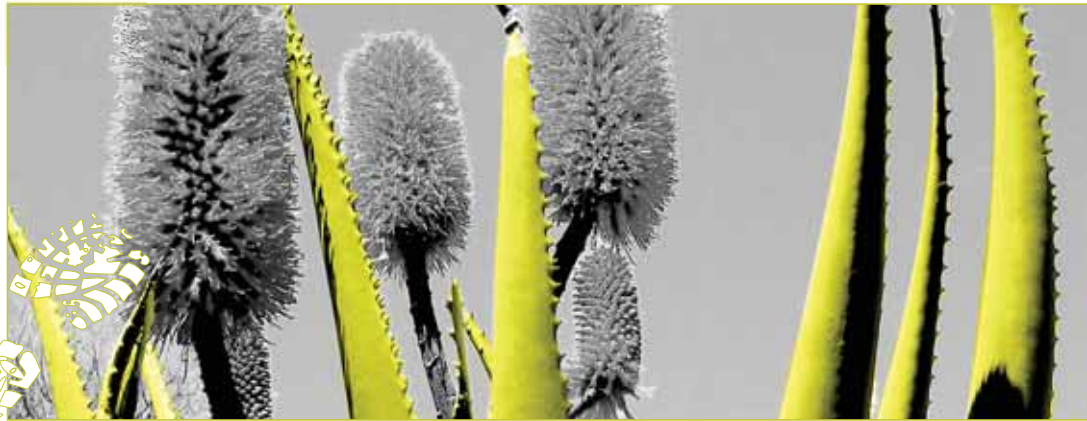
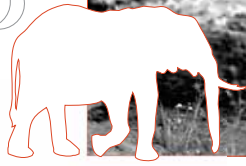
EMAIL ADDRESS:
info@ecpta.co.za

WEBSITE ADDRESS:
www.visiteasterncape.co.za

EXTERNAL AUDITORS:
Auditor-General South Africa

BANKERS:
Nedbank

BOARD SECRETARY:
Ms Xoliswa Mapoma



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**GENERAL
INFORMATION** PART A

2. BOARD OF DIRECTORS



Vuyo Zitumane
Chairperson



Fezile Makiwane
Deputy Chairperson



Silumko Ncume



Mickey Mama



Andrew Muir



Tabby Tsengiwe



Sithembele Mgxaji



3. LIST OF ABBREVIATIONS / ACRONYMS

AFS	Annual Financial Statements	MEC	Member of Executive Council
AGSA	Auditor General of South Africa	METT-SA	Management Effectiveness Tracking Tool – South Africa
AOP	Annual Operational Plan	MTEF	Medium Term Expenditure Framework
APP	Annual Performance Plan	MTSF	Medium Term Strategic Framework
B-BBEE	Broad Based Black Economic Empowerment	NPAES	National Protected Area Expansion Strategy
CEO	Chief Executive Officer	NRM	Natural Resource Management
CFO	Chief Financial Officer	PA	Protected Area
DEA	Department of Environmental Affairs	PFMA	Public Finance Management Act
DEDEAT	Department of Economic Development, Environment and Tourism	SANBI	South African National Biodiversity Institute
ECDC	Eastern Cape Development Corporation	SANParks	South African National Parks
ECPTA	Eastern Cape Parks and Tourism Agency	SCM	Supply Chain Management
EPWP	Extended Public Works Programme	SIP	Strategic Integrated Projects
FPA	Fire Protection Association	SIRS	Special Investigations and Resources Security
GEF	Global Environment Fund	SMME	Small Medium and Micro Enterprises
GEF-5	(United Nations) Global Environmental Facility's 5th Assembly	SP	Strategic Plan
GRAP	Generally Recognised Accounting Practice	TEP	Tourism Enterprise Partnership
HCM	Human Capital Management	TR	Treasury Regulations
ICT	Information and communications technology	UNDP-GEF	United Nations Development Programme – Global Environmental Facility
JMA	Joint Marketing Agreement	UNWTO	United Nations World Tourism Organisation



4. FORWARD BY THE CHAIRPERSON

The mid-19th century poet and philosopher Ralph Waldo Emerson once said "That which we persist in doing becomes easier to do, not that the nature of the thing has changed but that our power to do has increased." This observation has particular resonance for the ECPTA.

It is an honour to once again present the annual report of the Eastern Cape Parks and Tourism Agency. This is the fourth and final annual report against the ECPTA's inaugural strategy. Its tabling coincides with the conclusion of the term of office for most members of the Board of Directors, and symbolises the coming of age for the Agency.

As a Board, it has been most gratifying to preside over this developing Agency. When the Eastern Cape Parks Board (ECPB) merged with the Eastern Cape Tourism Board (ECTB) in 2010, the new Agency was a completely unique being. It had characteristics of both parents, as most children do, and also exhibited some characteristics inherited from its grandparent. As guardians, it was the Board's responsibility to ensure that the best characteristics of each parent and grandparent come to the fore, albeit in a new and improved guise. I am pleased to report that we have been mostly successful in this regard. For example,

The National reputation and high standing of the ECPB has been retained and enhanced. Over the past four years, the Agency has moved from a METT-SA score of just 34 to 77. This has been achieved through the focus and commitment of a remarkable group of people across the Province who have been steadfast in their dedication to the conservation of our natural assets.

The rebranding of the Agency in its first year of existence was internationally lauded amongst the most successful re-brands of the year. This achievement was, again, a testament to teamwork and vision, and was built off the marketing skills and experience of the ECTB.

In both instances, efforts have been complemented by the development of systems and procedures for planning, managing and reporting on financial and non-financial performance, and the roll out of technological enablers across the ECPTA.

This final year of the strategic period has been characterised by relationship-building, both internally to the ECPTA, and amongst our stakeholders.

We welcomed a new CFO in June and CEO in August. The CEO's first task was to direct the development of the new 5-year strategy. In the process, a new organisational structure was identified as necessary. While this could have exacerbated the significant management churn experienced towards the end of the previous financial year, the senior managers who stepped forward to take on



additional responsibilities during the transition ensured that the Agency finished off the year with greater leadership stability. The CFO and CMO appointments were confirmed by the end of the year, and the COO post advertised. The last-quarter staff satisfaction survey results confirm that the management team were successful in sustaining the confidence of staff across the Agency. Their efforts are greatly appreciated.

Significant strides were also made in external relationships. Negotiations for the first co-management agreement administered by the Agency were concluded this past year. It is to be used as a model agreement for ensuring that the benefits of biodiversity conservation accrue to the community. In addition to bringing certainty following settled land claims, this form of arrangement is also potentially very powerful in fighting the scourge of poaching,

The growth in provincial participation in the Lilizela awards observed this past year is a further indication that efforts to build the profile and reputation of both the Agency and the Adventure Province Brand have been successful. Increasing numbers of tourism products are associating with the brand, and are intent on improving their standards accordingly.

As a Board we believe that these many positive developments, and the many more described in the pages of this report, are indicative of the readiness of Agency to move to its next developmental phase. The most obvious indicator in this regard is the fact that the Agency has moved from 10 matters of emphasis in its first audit report, to only 2 in this one. I am in no doubt that the next phase of the Agency's development will be marked by clean audits!

As out-going Chair, I would like to thank my fellow board members for their support over this challenging time in the development of the ECPTA. I further want to express my confidence that the management team assembled around our CEO is of the highest calibre and fully capable of ensuring that the gains of adolescence translate into strengths of adulthood.

In closing I would like to reflect that our conviction that we were on the right path when the entities were merged in 2010, has borne plentiful fruit. Through persistence we have overcome numerous obstacles. What seemed impossible in 2010 is common practice now. "Our power to do" has indeed increased. Long may it so continue!



Vuyo Zitumane

Chairperson: Board of Directors

31 July 2015



5. CHIEF EXECUTIVE OFFICER'S OVERVIEW

GENERAL FINANCIAL INFORMATION

The adjusted budget for the 2014/15 financial year, including other grants, was R252 million. Comparable actuals for revenue are detailed in the statement of comparison between budget and actual spending which indicate spending in line with budget availability.

SPENDING TRENDS

In comparison to the prior year (2013/14) spending for the 2014/15 financial year end with regards to goods and service has declined yet accomplishing the required activities that needed to take place in line with budget availability. A number of events that took place in the prior year did not take place in 2014/15 thus the reduction in advertising cost, travelling and accommodation. All other costs have increased in line with the annual price increase of products or contractual obligations.

REQUESTS FOR ROLL OVER OF FUNDS

A request for the rollover of R21.6 million has been submitted. This amount is made up of the following:

- a) R1 473 327 for special projects
- b) R1 430 892 other grants which were not committed at year end
- c) R18 734 734 commitments mainly for infrastructure and part goods and services

SUPPLY CHAIN MANAGEMENT

- i. Concluded unsolicited bid proposals for the year under review
 - a. Expression of Interest – Golfing Events Partnership for the Eastern Cape Parks & Tourism Agency
- ii. Approved on the 21 February 2015 for the value of R4.2 million
 - a. Supply Chain Management (SCM) processes and systems in place
 - b. Supply Chain Process aligned to Treasury legislative requirements and SCM Policy, Standard Operating Procedures reviewed and approved by the Board of Directors
- iii. Resolution of challenges experienced

The following challenges were experienced and addressed by the reviewed SCM Policy and a three-way checking system done on all orders by SCM, Internal Control and Budgeting Office

 - Orders above R5 thousand that do not have the required three quotes (mainly due to most reserves being in small towns)
 - Deviations from SCM policy that are not approved by delegated official



Vuyani Dayimani
Chief Executive Officer

iv. Audit report matters in the previous year and how they were addressed

The majority of matters reported in the previous year related to the following:

- Services deviating from policies and not following the correct approval process
 - SCM policy has detailed the process for deviation, when to deviate and how to deviate and delegation of authority for that deviation
 - Three-way checking system conducted on all transactions
- Tax clearance certificate not being valid
 - All transactions are checked for valid tax clearance prior to purchase order being issued
- Declaration of interest by service providers not submitted
 - All mini-bids are issued with a Declaration of Interest form SBD 4

OUTLOOK / PLANS FOR THE FUTURE TO ADDRESS FINANCIAL CHALLENGES

All indications are that the economic decline of the past four years will take longer to reverse than originally expected. In the meantime, the fiscal envelope is shrinking. This puts enormous strain on the ECPTA to continue to achieve its stated purpose of (i) developing and managing protected areas and (ii) promoting and facilitating the development of tourism in the Province. The ECPTA has noted that, in acknowledging the fragile economic outlook for the country, both National and Provincial governments have put an emphasis on the establishment of partnerships to ensure ongoing delivery of mandated services. The Strategic Plan (SP) for 2015/16 - 2019/20 therefore outlines a vigorous realignment of organisational priorities and structures to support a single strategic goal for the Medium Term Strategic Framework (MTSF) period, namely to leverage resources for tourism and conservation priorities.

The top four priorities in meeting this goal are:

- Maintain the ECPTA's position as the leading management authority of declared nature reserves in the country
- Work towards regaining a top-three SA Tourism ranking as a domestic tourism destination for the Province
- Refine the business model to better integrate scientific services, destination marketing efforts, and infrastructure development for tourism and conservation
- Intensify efforts to transform the Conservation and Tourism sectors and open both up to mainstream participation by previously disadvantaged individuals

ECPTA is confident that success in these priority areas will improve the attractiveness of the ECPTA as an investment option for both Government and Private Sector partners, thus increasing the likelihood of the Agency generating income from sources other than the Provincial Government appropriation.

In support of this new orientation, the Board of Directors has approved a revised organisational structure, which will be rolled out incrementally over the first half of the new financial year. Additionally, the austerity measures introduced during the year under review will be retained. In combination, these two initiatives are intended to promote efficiencies and mitigate many of the challenges encountered over the reporting period.





CAPACITY CONSTRAINTS AND CHALLENGES FACING THE PUBLIC ENTITY

Significant instability at a senior management level was experienced over the course of the past year. All senior posts were advertised by the end of the financial year, with five-year contracts to be initiated within the first quarter of 2015/16.

The aged fleet continues to constrain delivery of mandated services, and to compromise the effectiveness of key divisions. It continues to take a greater part of the reserves budget as most of the reserves have to hire cars to execute their duties. An overall review of the fleet strategy is underway and will be concluded in the first half of the 2015/16 financial year.

The office accommodation for Head Office employees poses a challenge whilst awaiting litigation outcome with the conditions not being conducive for effective and efficient productivity. This is viewed as a serious setback which management will endeavour to resolve as speedily as possible.

DISCONTINUED ACTIVITIES / ACTIVITIES TO BE DISCONTINUED

Over the past three years, the Destination Tourism and Operations Departments have been severely constrained by the practice of ring-fencing a portion of the appropriated budget for the support of specific signature events after the organisational budget was finalised. The practice of ring-fencing funds diverted from their original purpose has been discouraged because it denies the Agency the capability to execute its mandate as determined by the Board and Management. Agreement has been reached with the Department of Economic Development, Environmental Affairs and Tourism (DEDEAT) that when support of events is identified as desirable, funds to support such will be additionally appropriated to the ECPTA and ring-fenced for the specified purpose. Similarly, additional funds appropriated in support of the infrastructure programme are to be ring-fenced

NEW OR PROPOSED ACTIVITIES

The SP for 2015/16 to 2019/20, and the accompanying APP for 2015/16 to 2017/18, details numerous new indicators. In the main, these new indicators represent a more robust assessment methodology, rather than changes in activities. A number of performance areas that previously went unreported have been elevated or better articulated, so as to provide a stronger base for the assessment of organisational performance. As such, the Annual Operational Plan supporting the APP and SP holds significantly more content.


EVENTS AFTER THE REPORTING DATE

The entity lost its legal appeal against the interdict brought by an unsuccessful bidder in respect of Head Office accommodation. Provision has therefore been made in the Annual Financial Statements for related legal costs. Additionally, the Agency appointed a Chief Financial Officer and a Chief Marketing Officer after the reporting date. They commenced duties on 1 May and 1 June 2015 respectively.

ECONOMIC VIABILITY

Continued engagement with Provincial Treasury and DEDEAT has demonstrated that the entity is not in a position to significantly correct its programme budget baselines to address the infrastructure and fleet challenges confronting the entity. To the extent that it is possible, ECPTA has therefore adjusted its activities and targets within programmes to optimise the impact of available resources.





The subdued economic outlook for the country is exaggerated in the Eastern Cape because of the low economic base from which the province moves. Sustained pressure on the entity to become self-sustaining, however unrealistic, will motivate continued efforts to establish alternate revenue and funding sources and partnerships.

ACKNOWLEDGEMENTS AND APPRECIATION

ECPTA remains committed to clean administration and good governance. To this end, I wish to extend a word of gratitude to the Accounting Authority for their ongoing guidance and support, and to the staff of the Agency for their dedication. We also appreciate the ongoing oversight and leadership provided by the Executive Authority and the Portfolio Committee for Economic Development, Environmental Affairs and Tourism. We look forward to continuing the positive relationship.

It would be remiss of me not to acknowledge the efforts and commitment of the management and staff of the Agency. Together we have overcome significant obstacles over the past year, and I have no doubt that, together, we will achieve even higher standards in the coming year. It is clear that we are moving towards a united, high performing organisation that is destined to make a significant difference to the environmental and economic landscape of our Province. Our individual and collective efforts towards this goal are, and will remain, the foundation on which these shared ideals are built.



Vuyani Dayimani
Chief Executive Officer
31 July 2015

6. STATEMENT OF
RESPONSIBILITY
AND
CONFORMATION
OF ACCURACY
FOR THE ANNUAL
REPORT

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

- All information and amounts disclosed in the annual report are consistent with the annual financial statements audited by the Auditor General.
- The annual report is complete, accurate and is free from any omissions.
- The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.
- The Annual Financial Statements (Part E) have been prepared in accordance with the Generally Recognised Accounting Practice (GRAP) standards applicable to public entity.
- The accounting authority is responsible for the preparation of the annual financial statements and for the judgements made in this information.
- The accounting authority is responsible for establishing and implementing a system of internal control designed to provide reasonable assurance to the integrity and reliability of the performance information, the human resources information and the annual financial statements.
- The external auditors are engaged to express an independent opinion on the annual financial statements.

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the public entity for the financial year ended 31 March 2015.

Yours faithfully



Vuyani Dayimani
Chief Executive Officer
31 July 2015



Vuyo Zitumane
Chairperson of the Board
31 July 2015



7. STRATEGIC OVERVIEW

VISION

A province where Biodiversity Conservation and Tourism Management underpin sustainable development

V

MISSION

To be the premier entity for managing biodiversity and tourism

M

VALUES

The values which underpin the actions of the ECPTA are:

V

COMMITMENT

We pledge our sincere and steadfast commitment in all engagements to achieve our objectives

ACCOUNTABILITY

We will take responsibility for all our actions and will disclose results in a transparent manner

INTEGRITY

We will conduct our business based on sound moral principles

RESPONSIBILITY

We will be honourable, trustworthy and answerable for all our actions

C

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8. LEGISLATIVE AND OTHER MANDATES

The Eastern Cape Parks and Tourism Agency (ECPTA) is listed in Schedule 3-C of the Public Finance Management Act (PFMA), reporting to the Department of Economic Development, Environmental Affairs and Tourism (DEDEAT).

CONSTITUTIONAL MANDATE

The mandate of the ECPTA is rooted in the Constitution of the Republic of South Africa, Act 108 of 1996, Chapter 2: Bill of Rights (ss 24) – Environment, which states:

Everyone has the right to:

- (b) have the environment protected, for the benefit of present and future generations, through reasonable legislative and other measures that –
 - I. prevent pollution and ecological degradation
 - II. promote conservation; and
 - III. secure ecologically sustainable development and the use of natural resources
 - IV. while promoting justifiable economic and social development.

LEGISLATIVE MANDATES

Relevant Acts	Key Responsibilities
Cape Nature and Environmental Conservation Ordinance (19 of 1974)	The provincial nature reserves in sections of the old Cape Province were declared under this legislation.
Ciskei Conservation Act, 1987 (Act 10 of 1987)	The Eastern Cape is in the process of proclaiming new provincial environmental legislation where the old (pre-1994 democracy) ordinances remained relevant. This particular ordinance governs the management of biodiversity conservation areas in the former Ciskei.
Communal Land Rights Act, 2004 (Act 11 of 2004)	Regulates the management of Protected Areas which are under the jurisdiction of Traditional Authorities
Disaster Management Act, 2002 (Act 57 of 2002)	Preventing or reducing the risk of disasters, mitigating the severity of disasters, preparedness, rapid and effective response to disasters, and post-disaster recovery
Eastern Cape Parks and Tourism Agency Act, 2010 (Act 2 of 2010)	(i) develop and manage protected areas (ii) promote and facilitate the development of tourism in the Province
Marine Living Resources Act, 1998 (Act 18 of 1998)	This is the primary legislation governing the management of marine living resources and is applicable to all Marine Protected Areas
National Building Regulations of South Africa	This legislation governs the building industry and is relevant for all ECPTA infrastructure development projects.
National Environmental Management Act, 1998 (Act 107 of 1998)	This is the national environmental legislation which provides guidance on environmental management as well as the interpretation of Act 2 of 2010
National Forests Act, 1998 (Act 84 of 1998)	This is the primary legislation governing the management of indigenous forests and woodlands. Many state forests have been proclaimed as Forest Nature Reserves in terms of the National Forests Act



Relevant Acts	Key Responsibilities
National Strategy for Sustainable Development (NSSD)	Defines the strategic imperatives of the South African Government as they relate to the interaction between people, the environment and the economy.
National Tourism Sector Strategy	Contribute to global competitiveness of South African tourism sector through enhanced service levels and responsive product development
National Veld and Forest Fire Act, 1998 (Act 101 of 1998)	This is the primary legislation governing the prevention and control of runaway wild fires. Fire is used as a biodiversity management tool and control of excessive fires is also important for the management of protected areas and prevention of damage to infrastructure
National Water Act, 1998 (Act 36 of 1998)	This is the primary legislation governing the use of water.
NEM: Biodiversity Act (NEMBA), 2004 (Act 10 of 2004)	This is the primary legislation for the management of biodiversity across the landscape and guides the interpretation of Act 2 of 2010
NEM: Integrated Coastal Management Act, 2008 (Act 24 of 2008)	This is the primary legislation governing the management of the coastal areas and prescribes the management of coastal protected areas
NEM: Protected Areas Act (NEMPAA), 2003 (57 of 2003)	This is the primary legislation governing the management of protected areas and guides the interpretation of Act 2 of 2010
NEM: Waste Management Act, 2008 (Act 59 of 2008)	This is the primary legislation governing the management of waste, including protected areas
Occupational Health and Safety Act, 1993 (Act 85 of 1993)	This is the primary legislation governing health and safety standards in the context of all work environments.
Provincial Growth and Development Plan (PGDP)	The PGDP refers to the provincial integrated growth and development plan which includes spatial land utilisation in terms of provincial priorities for development. It acknowledges the need to view biodiversity conservation as a natural resource for rural development and diversification of economic development.
Public Finance Management Act, 1999 (Act 1 of 1999) (as amended)	Chapter 6 of the PFMA applies specifically to Public Entities. It lays out prescripts for the conduct of Accounting Authorities and other officials with respect to fiduciary responsibilities, planning, reporting and conduct.
Tourism Act, 2014 (Act 3 of 2014)	The promotion of responsible tourism practices Provisions for the effective marketing of the province, both domestically and internationally The promotion of quality tourism products and services The promotion of economic growth and development of the sector The establishment of concrete inter-governmental relations to develop and manage tourism
Transkei Environmental Conservation Decree, 1992 (Decree 9 of 1992)	The Eastern Cape is in the process of proclaiming new provincial environmental legislation where the old (pre-1994 democracy) ordinances remained relevant. This particular ordinance governs the management of biodiversity conservation areas in the former Transkei
World Heritage Convention Act, 1999 (Act 49 of 1999)	This is the primary legislation governing the management of World Heritage Sites which in the case of the ECPTA it is applicable to the management of the Baviaanskloof section of the Cape Floral Region World Heritage Site.

POLICY MANDATES

In order to give effect to the electoral mandate of the current administration, twelve key strategic imperatives have been identified, which must be addressed during the current electoral cycle. These outcomes constitute the main policy imperatives of the South African Government, according to which all government initiatives must be aligned:

1. Improved quality of basic education
2. A long and healthy life for all South Africans
3. All people in South Africa are and feel safe
4. Decent employment through inclusive economic growth
5. A skilled and capable workforce to support an inclusive growth path
6. An efficient, competitive and responsive economic infrastructure network
7. Vibrant, equitable and sustainable rural communities with food security for all
8. Sustainable human settlements and improved quality of household life
9. A responsive, accountable, effective and efficient local government system
10. Environmental assets and natural resources that are well protected and continually enhanced
11. Create a better South Africa and contribute to a better and safer Africa and World
12. An efficient, effective and development orientated public service and an empowered, fair and inclusive citizenship.

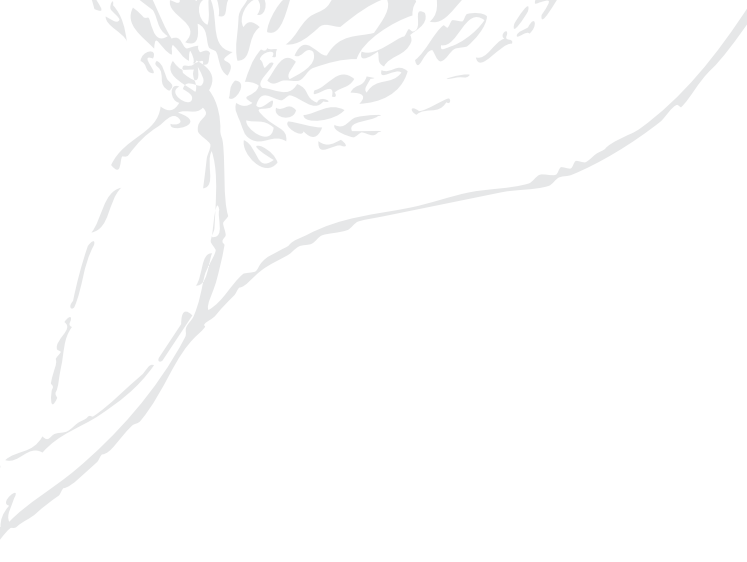
These 12 National Outcomes were updated during the course of the year under review. The changes are accommodated in the ECPTA's new Strategic Plan (2015-20) and do not affect the content or focus of this report.

The ECPTA's Strategic Plan to which this report responds (2010/11 to 2014/15) primarily focused on achieving Outcomes 10 and 12, and contributed to achieving Outcomes 4 and 6. The contribution of the ECPTA towards the achievement of these national strategic policy imperatives is detailed in the following table:









National Outcome:	ECPTA Contribution:
4. Decent employment through inclusive economic growth	<p>Create employment opportunities through Green Job projects for permanent, contract, casual and Extended Public Works Programme (EPWP) by recruiting people from communities near the reserves.</p> <p>Create economic opportunities through demand for goods and service and unlocking opportunities for economic development for entrepreneurs, concessionaires, eco-tourism and cultural tourism linkages.</p> <p>Provide seasonal employment opportunities by providing access for the harvesting of natural resources from reserves - e.g. thatching grass, marine resources, firewood, game, etc.</p> <p>Create employment opportunities for tour operators and service providers in the tourism industry.</p>
6. An efficient, competitive and responsive economic infrastructure network	<p>Develop economic infrastructure relating to tourism, reserve operations and public servitudes, including bulk services infrastructure which will directly and indirectly benefit communities who live around Provincial Parks.</p> <p>Support the education curriculum and infrastructure by developing environmental education centres in the reserves.</p> <p>Develop recreational and tourism infrastructure.</p> <p>Develop tourism routes to the benefit of rural and remote communities.</p>
10. Environmental assets and natural resources that are well protected and continually enhanced	<p>Provision of ecological goods and services - e.g. clean water through catchments management, combating soil erosion, carbon sequestration.</p> <p>Facilitate access to natural resources from reserves - e.g. thatching grass, fish, firewood, venison etc. to communities.</p> <p>Combat poaching, illegal use of natural resources and trade in endangered species</p> <p>Promote environmental education and awareness programmes for sustainable natural resource use.</p>
12. An efficient, effective and development orientated public service and an empowered, fair and inclusive citizenship	<p>Strengthen the management of ECPTA to ensure optimal socio-economic impact on communities.</p> <p>Increase public access to Provincial Parks and tourism products</p> <p>Strengthen the capacity of communities to effectively participate in biodiversity conservation management and co-management of Provincial Parks.</p> <p>Develop skills and human resource capacity through staff training and the training of communities.</p> <p>Collaborate with relevant role-players for the advancement of effective resource management.</p>

9.1 ORGANOGRAM

At the time that the Strategic Plan (2010/11 to 2014/15) was published, the ECPTA was newly established. According to the transitional arrangements stipulated in the ECPTA Act 2 of 2010, an initial organisational structure was to be viewed as interim, and to be replaced by a permanent organisational structure within the allocated timeframes and provisions of the Act. The original (interim) structure is presented below, followed by the permanent structure adopted during the 2011/12 financial year. This Annual Report presents information in agreement with the Final Organisational Structure (2011) on page 245.

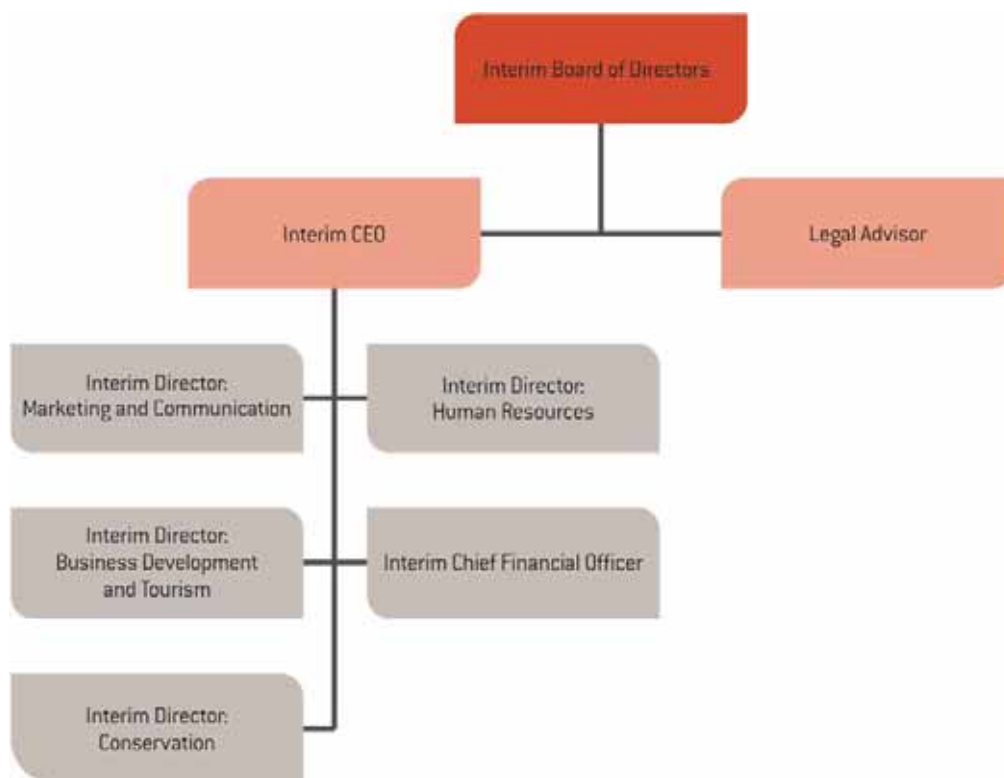


Figure 1: Interim Organisational Structure (2010)

9. ORGANISATIONAL STRUCTURE

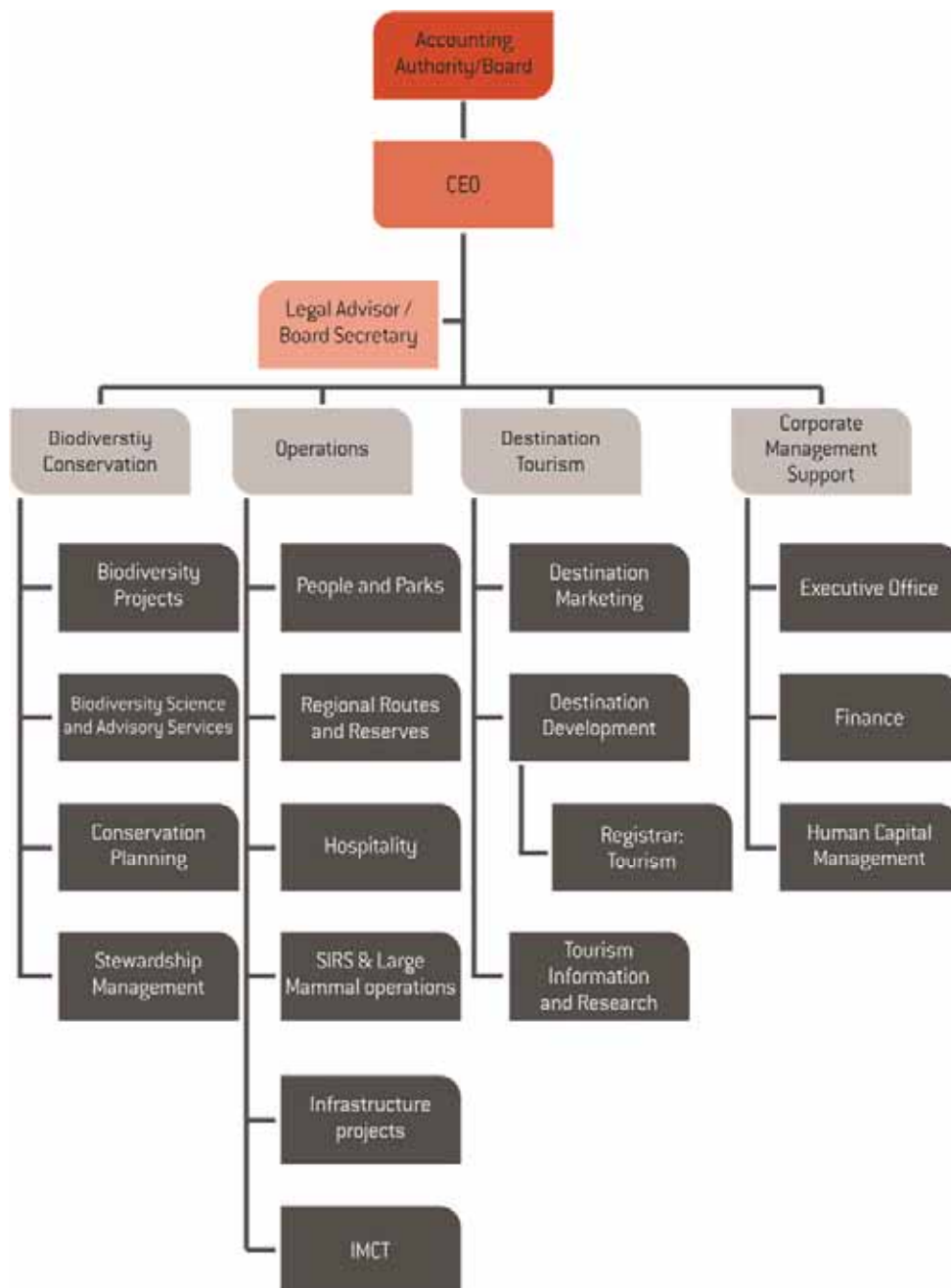


Figure 2: Final Organisational Structure (2011)

9.2 EXECUTIVE MANAGEMENT



Vuyani Dayimani
Chief Executive Officer



Jonathan Jackson
Chief Financial Officer



Nopasika Mxungelwa
Chief Marketing Officer



Wayne Erlank
Acting Chief Operating Officer

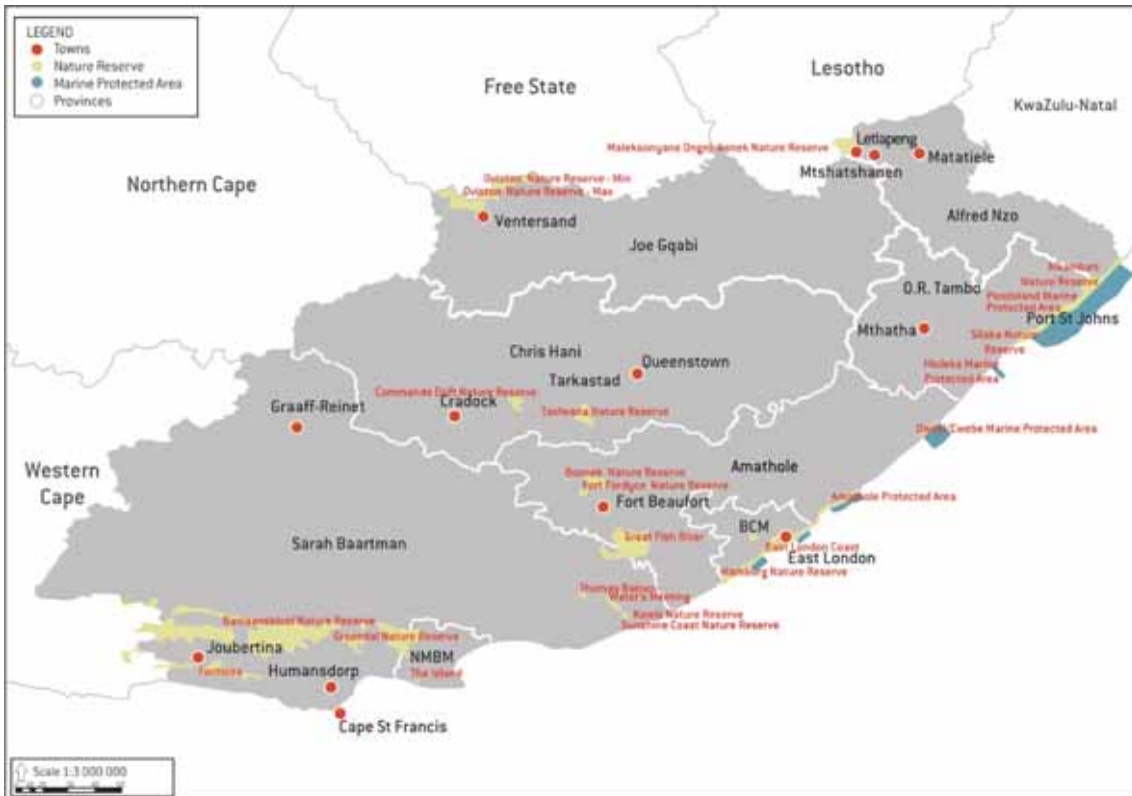


Lenoray Gower
Executive Director: Corporate Services



Xoliswa Mapoma
Legal Advisor / Board Secretary

The map below depicts the Nature Reserves or formal Protected Areas for which the ECPTA is responsible.





PERFORMANCE
INFORMATION

PART B

1. AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

The AGSA/auditor currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance

against predetermined objectives is included in the report to management, with material findings being reported under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the auditor's report.

Refer to page 105 of this Report for the Auditors' Report, published as Part E: Financial Information.

2. SITUATIONAL ANALYSIS

This Annual Report presents an assessment of performance over the final financial year of ECPTA's current strategic plan. The Strategic Plan 2010/11 – 2014/15 captured the Agency's intention to increase the

number of visitors to the province, expand the tourism and bio-diversity asset base, increase revenue and ultimately produce positive socio-economic impact for the people of the Eastern Cape.

The APP for 2014/15 sought to give final effect to the outcomes articulated in the original Strategic Plan.

2.1 SERVICE DELIVERY ENVIRONMENT

2.1.1 PROVINCIAL OVERVIEW

According to the 2015 Socio-Economic Review and Outlook (SERO)¹ for the Eastern Cape, the Eastern Cape's economic growth in 2014 was subdued in the context of constraining domestic challenges. The 1.5% growth in regional Gross Value Added (GVA) was the second lowest of all nine provinces, and the unemployment rate remained about 4% higher than the national average of 25.4%

2.1.2 BIODIVERSITY CONSERVATION

2014 was the United Nations' Year for Climate Action. The general call was for significant catalysing action by governments, business, finance, industry, and civil society. In this context, the Provincial Climate Change Response Strategy provided ECPTA with an opportunity to be a key contributor to the climate change discourse. A strategic area of collaboration in this regard was ECPTA's involvement in the SANBI-established Bioregional Programmes Co-ordination Unit. The unit is hosted by the ECPTA, and sets out to coordinate implementation strategies and action plans for bioregional programmes within the Eastern Cape. The overall goal is to facilitate sustainable development in the Eastern Cape, by ensuring that the province's ecosystems continue to deliver vital services for human well-being.

¹ An annual publication compiled by the Eastern Cape Department of Economic Development, Environmental Affairs and Tourism (DEDEAT)

Related to climate change is the pressure on governments and citizens to preserve and protect threatened and endangered species. This objective is fundamental to the mandate of the ECPTA, and thus represents the essence of the Agency's programme of action.

Protected Area (PA) Expansion is one of the mechanisms utilised to mitigate climate change. Expanded PAs allow for wider corridors of movement that plants and animals can utilise. Fire management and information related to climate data is also key to mitigating climate change. ECPTA is currently a participant in the Global Environment Fund (GEF) which funded Fynbos Fire Project that seeks to understand climate change and veld fires through modelling climate data obtained throughout the Fynbos biome from weather stations. One of the goals of the project is to reduce the number of uncontrolled / man-made fires and to implement a fire management programme through establishment of Fire protection Associations (FPAs). ECPTA currently participates in a number of FPAs and has fire management plans for its protected areas.

ECPTA has a Memorandum of Agreement with Working on Fire (WoF) that has established eight WoF teams on its reserves in the western and eastern region as well as a High Altitude WoF team based in Baviaanskloof to deal with alien species in the mountain catchments. These teams are drawn from local communities and contribute to job creation and local economic development.

In line with the Agency's mandate, as contained in the founding legislation, the ECPTA continues to consolidate and expand the provincial protected area network. By the end of 2014, the provincial protected area estate stood at 477 400 ha. The National Protected Area Expansion Strategy (NPAES) to which the Eastern Cape contributes, uses ecosystem-specific biodiversity thresholds as a basis for setting protected area targets. This requires that science-based ecological logic informs the protected area targets. The 25 000ha expansion target for 2014/15 thus took into account how those hectares are distributed across different ecosystems. This additional consideration compounded the complexity of the task, particularly as no funding was available for the purchase of additional land.

2.1.3 DESTINATION TOURISM

The United Nations World Tourism Organisation (UNWTO) predicted a 4 to 4.5% growth in international tourism for 2014, slightly down from the 5% growth recorded in 2013.

The 2013 Annual Tourism Performance Report, released by the Strategic Research Unit of South Africa Tourism in September 2014, shows that Gauteng and Western Cape continued to capture most of the tourism revenue in South Africa. In 2013, these two provinces captured over 57.9% of foreign tourism receipts (excluding capital expenditure) which represent a 5.6% decrease relative to 2012. The Eastern Cape secured only 3.8% of foreign tourism receipts over this period, placing the Province ahead of only the North West and the Northern Cape.

On the domestic front, by far the most common reason for travelling to the Eastern Cape is to visit friends and relatives. These trips often result in travellers staying in unpaid accommodation, limiting opportunities for leveraging on this reason for domestic travel.





Business Tourism on the other hand is found to offer more of an opportunity to grow tourist numbers. In 2014/15, it was therefore necessary for the Agency to adjust its marketing strategy to be responsive to these trends.

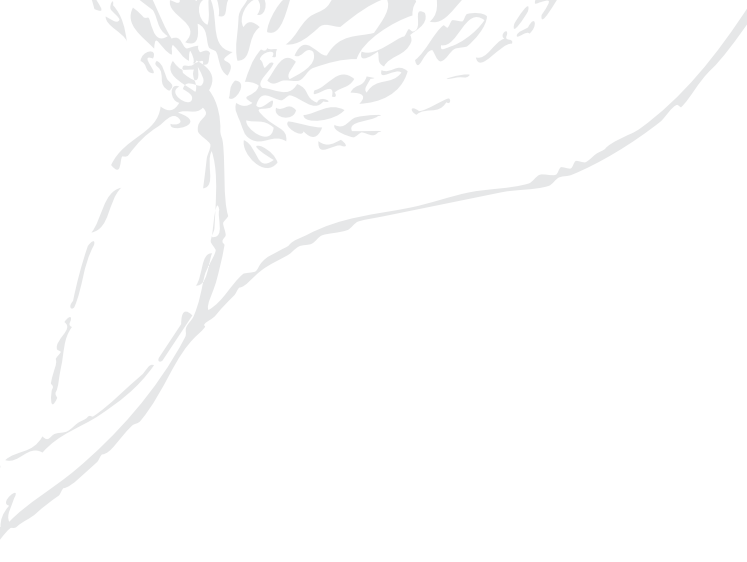
In addition to the sluggish economic performance of the Tourism Sector in the preceeding period, the pace of transformation of the sector has remained stubbornly slow. The ECPTA's approach to transformation continued to be multi-faceted. While facilitating the recognition of industry excellence on one hand, the Agency also seeks to build the capability of emerging tourism enterprises. In 2014/15, resource constraints limited the ECPTA's contribution to facilitating and supporting participation in the national Lilizela Awards. A broader, more comprehensive strategy is necessary, and requires significant funding in future.

2.2 ORGANISATIONAL ENVIRONMENT

The year under review was characterised by significant instability in the top and senior management of the Agency, with several "acting" or temporary appointments.

Position	Temporary	Permanent
CEO	1 May – 31 July 2014	1 April – 30 April and 1 August 2014 – 31 March 2015
CFO	1 April – 8 June 2014 and 1 January – 31 March 2015	9 June – 31 December 2014
Executive Director: Operations	1 August 2014 – 31 March 2015	1 April – 31 July 2014
Executive Director: Biodiversity Conservation	1 June 2014 – 31 March 2015	1 April – 31 May 2014
Executive Director: Destination Tourism	10 January – 31 March 2015	1 April 2014 – 9 January 2015





During the Strategic Review process in August 2014, it was agreed that, since structural adjustments would be required to support the emerging strategy, no executive posts would be permanently filled until the revised structure was completed. The staff who undertook to cover these important positions over the year are to be commended for their efforts, their willingness to serve the organisation, and the dedication they displayed.

While the strategic intention for 2014/15 was to exert greater effort in ensuring that the ECPTA's organisational structure is fully responsive to its mandate, and that a solid business and

service delivery model is developed and implemented, the strategic cycle dictated that efforts related more to ensuring that the baseline planning for such interventions was complete. To this end, the formal report on the investigation into "Reserves as Products" was finalised in the last quarter of 2014/15. This report forms the basis of the business model supporting the new organisational strategy (2015/16 to 2019/20).

2.3 KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

There have been no changes.

2.4 STRATEGIC OUTCOME ORIENTED GOALS

2.4.1 TO SECURE KEY BIODIVERSITY IN THE PROVINCE

Expanding the protected area system in the Province will contribute to achieving the Provincial Protected Area Expansion targets (negotiated nationally) and to securing key biodiversity in the Province. By the end of the 2014/15 financial year, a total of 508 735ha was under protection in the Province. This figure approaches the ECPTA's estimated capacity limit for maintaining a protected area estate.

Effective management of reserves will result in securing biodiversity in reserves. The average METT-SA score for all ECPTA-managed reserves was maintained at 77 during the year under review. The METT-SA is an objective assessment of exceptional management of protected areas, and is ahead of the National target and average. Challenges with fleet and infrastructure resulted in declines at some reserves, however. These declines require revitalised and refocused efforts in the coming period.

2.4.2 TO SERVE AS A CATALYST FOR ALL DIMENSIONS OF TOURISM IN THE PROVINCE

Destination Marketing is a vehicle for promoting the Eastern Cape as a destination of choice, and is fundamental to building the tourism sector in the Province. To this end, branding of the Adventure Province has made a strong contribution – during 2014/15, tourism product owners were encouraged and supported to adopt the brand by incorporating it into their products and marketing materials.

Events are considered a cost effective way of obtaining positive media coverage for the province at both national and the

international levels. Unfortunately, due to the lingering economic pressures precipitated by the 2008 global crisis, visitor numbers have declined over the period under review. Effective promotion of the Province as a tourism destination during 2014/15 was compromised by resource constraints. Tourism activity has, however, produced positive impacts on socio-economic development in the Province. The catalytic effect of Destination Marketing is quantifiable. During 2014/15, events generated over R23 million in public relations value,

provided an economic injection in excess of R60 million, created around 920 jobs, and attracted approximately 90 000 visitors to the province.

The ECPTA plays a key role in encouraging tourism products to become B-BBEE compliant and in assisting them to retain or improve their status. The Tourism Industry thus becomes a vehicle for positive growth and transformation. Support to emerging products through the Lilizela Awards has also proven

successful in promoting the development of the industry. Whereas not a single black-owned tourism business from the Eastern Cape participated in the inaugural Lilizela Awards in 2013/14, 6.5% of provincial entrants were black-owned in 2014/15. This was as a result of an aggressive awareness creation campaign launched during 2014/15 by ECPTA and supported by DEDEAT and Tourism Enterprise Partnership (TEP).

2.4.3 TO ESTABLISH AND MAINTAIN AN EFFICIENT AND EFFECTIVE INSTITUTION

Recruitment of the right persons for the funded vacant posts in line with Employment Equity targets continued. Staff satisfaction levels have increased by 8% overall since 2012/13 due to the strategic initiatives that were undertaken particularly in the nature reserves. The target of 75% set for 2014/15 was exceeded by 2%.

The Finance Department renders support to all departments in order to maintain efficient financial management systems supporting ultimately growth of own revenue.

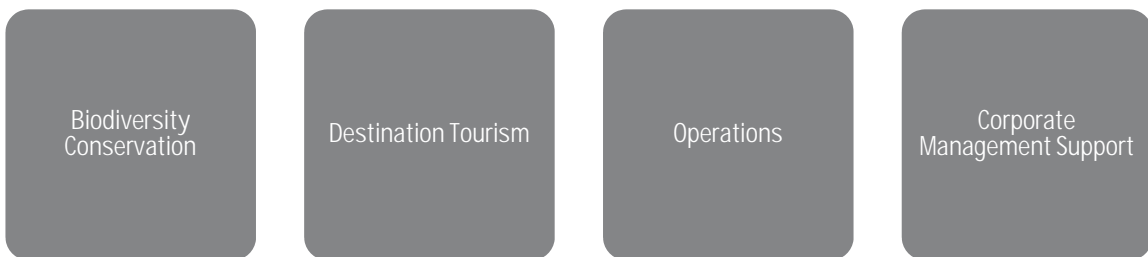
The Agency's ability to deliver on its mandate is increasingly dependent on its ability to increase own revenue and the effective management of resources and assets. To this end, the annual provincial appropriation was augmented with revenue to grant ratio of 10.23% in 2014/15.

Information and Communications Technology (ICT) systems and support are critical to the evolution of the ECPTA into an institution that can respond to market trends and deliver efficient services to its stakeholders and (internal and external) clients. The achievement of 70% reach by the end of this financial year keeps the ECPTA in line with technology trends. A strong ICT Governance Framework was adopted during the year under review, resulting in an expanded mandate for the Audit and Risk Committee to provide ICT oversight.



3. PERFORMANCE INFORMATION BY DEPARTMENT

During the period under review, the activities of the Eastern Cape Parks and Tourism Agency were executed by staff deployed across four Departments:



This report references the Annual Performance Plan (APP) for 2014/15 to 2016/17. Deviations from the original performance parameters published in the Strategic Plan for 2010/11 to 2014/15 were detailed in the APP for 2013/14 to 2015/16. The corrections effected in this manner have ensured that, for the first time over the strategic period, there is alignment between operational and strategic performance. This is a strong indication that the performance management environment at the ECPTA is maturing.

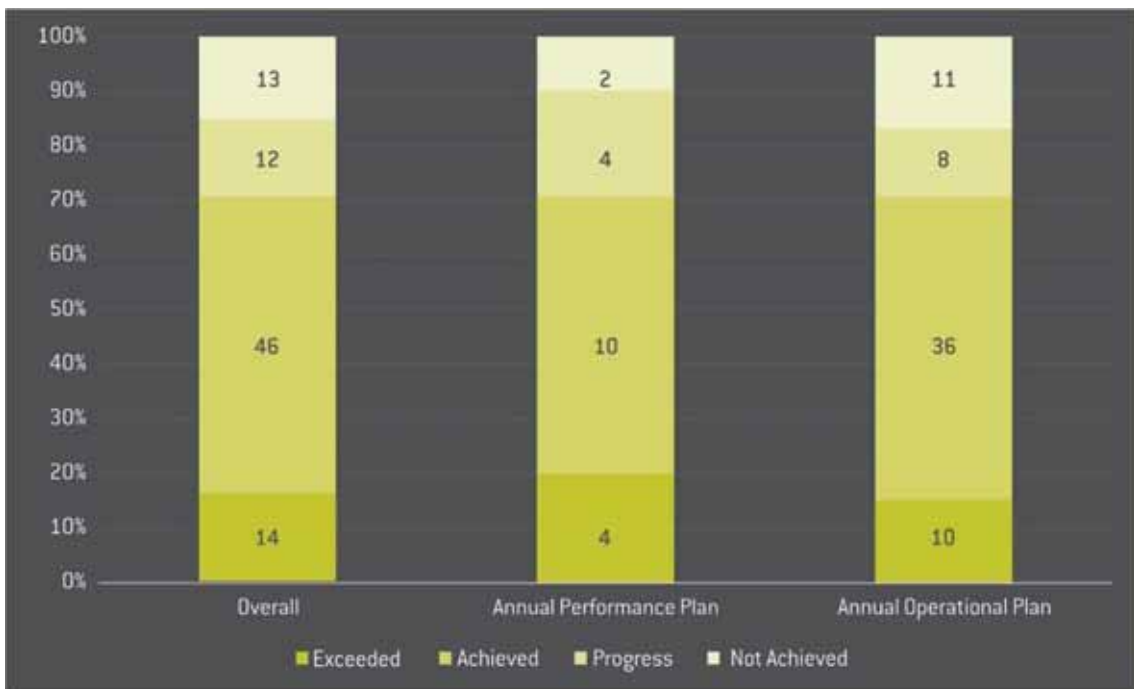


Figure 3: Comparative performance results per Plan (2014/15), with indication of numbers of indicators

3.1. BIODIVERSITY CONSERVATION

3.1.1 DESCRIPTION

3.1.1.1 PURPOSE

The Biodiversity Conservation department is responsible for professional decision support to ensure that biodiversity management in the Protected Areas managed by the Eastern Cape Parks and Tourism Agency (ECPTA) is appropriate. The responsibilities include biodiversity policy and planning as well as research and monitoring. The department is also responsible for developing and managing biodiversity conservation support of projects.

3.1.1.2 KEY FUNCTIONS OF BIODIVERSITY CONSERVATION

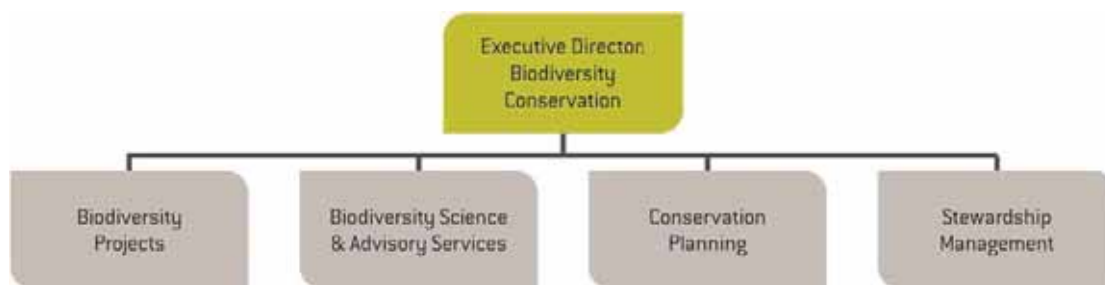
The key functions of the Biodiversity Conservation department relate to the efficient and effective management of a system of protected areas in the Eastern Cape with an emphasis on the conservation of biodiversity and the sustainable utilisation of natural resources within the Protected Areas managed by the ECPTA.

1. Provide scientific and technical advice to promote biodiversity conservation best practice
2. Conduct appropriate research and monitoring for biodiversity conservation
3. Ensure appropriate and effective biodiversity conservation planning and policy development
4. Provide ecological advice to reserve managers in support of effective biodiversity conservation
5. Manage and develop biodiversity conservation support projects, for example, the GEF-5 funded Wild Coast Project, the development of opportunities for carbon sequestration and payment for watershed services
6. Ensure the expansion of the protected area estate in the province

There have been significant changes to the budget programme structure since the approval of the ECPTA Strategic Plan for 2010/11 – 2014/15. The Biodiversity Conservation department provides professional biodiversity advice for effective management of protected areas while the Operations department is now responsible for the implementation of the Reserve Annual Operational Plans in protected areas.



3.1.1.3 DEPARTMENT STRUCTURE: BIODIVERSITY CONSERVATION



3.1.1.4 STRATEGIC OBJECTIVES

<p>Strategic Objective 1.1</p>	<p>Improve management effectiveness of protected areas through scientific services support of operational management.</p> <p>The index measures the extent to which scientific knowledge and insight (priority-weighted products) are available to support the management of biodiversity in the provincial protected areas. It further seeks to measure the outcome of investment in scientific services and explicitly quantify their value within the context of effective management of protected areas.</p>
<p>Strategic Objective 1.2</p>	<p>Develop and implement a provincial protected area system to ensure that the ECPTA meets the Provincial National Protected Area Expansion Strategy (NPAES) targets to increase the protected areas network by 40 000ha² by end of the 2014/15 financial year, and subsequently maintain the protected area estate.</p> <p>National targets have been set in the National Protected Area Expansion Strategy (NPAES) (2007), to ensure that the protected area system is able to ensure the long-term persistence of the country's biodiversity. The ECPTA, together with SANParks, is responsible for meeting NPAES targets for the Eastern Cape Province. Consideration of resource limitations suggests that the ECPTA will be unable to maintain and develop a protected area estate in excess of 478 000ha</p>
<p>Strategic Objective 1.3</p>	<p>To grow revenue from biodiversity goods and services through agreements</p> <p>The term "biodiversity goods and services" refers to the benefits resulting from the ecological functions of healthy ecosystems, and available to all living organisms. There is a growing recognition that ecological goods and services provide society with important health, social, cultural, and economic benefits. Ecological goods (such as clean air and water) and services (such as the maintenance of biodiversity, soil and vegetation rehabilitation, and greenhouse gas mitigation) demanded by society can be provided at a cost. The development of biodiversity (or ecological) goods and services allow for public and private rural landowners to be compensated. As custodian of a significant protected areas estate, the ECPTA is a key provider of ecological goods and services to the Province. Realising the economic value of these goods and services will provide a significant revenue stream for the ECPTA.</p>

² This target was subsequently revised downward

Strategic Objective 3.2

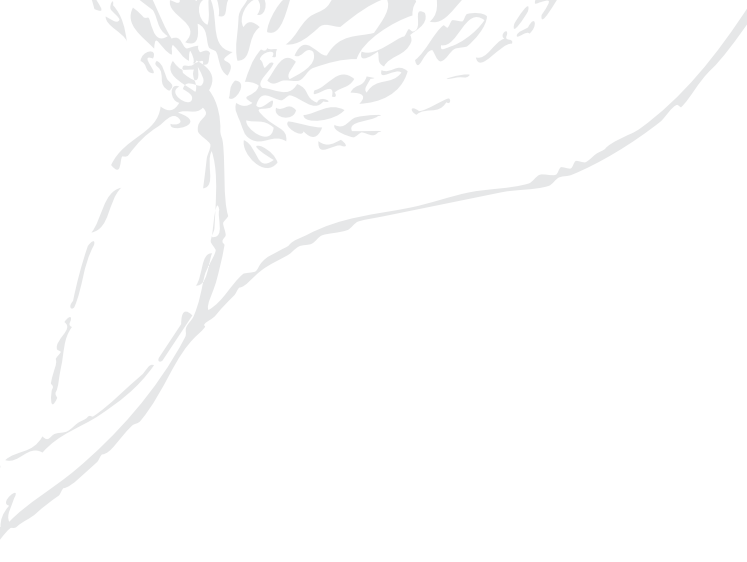
To ensure effective corporate governance within ECPTA

The Report for Corporate Governance for South Africa and the Code of Governance Principles (King III) were released on 1 September 2009. The Report and Code describe the responsibilities, conduct, systems and controls necessary to achieve "clean governance".

The ECPTA will monitor compliance with key legislation as a direct response to ensure that it operates within the appropriate legal framework. Unqualified audit opinion by the Auditor General will support the credibility of the internal processes and control and create shareholder and investors' confidence. The effective management of the risk profile will ensure that the ECPTA mitigates against possible risks that may impact on the achievement of the strategic plan and maintain an acceptable level of risk tolerance. Effective stakeholder management and improved stakeholder satisfaction is critical to remain relevant in the sector and responsive to the needs of the Province.

Protocols for measuring effective corporate governance increasingly include the extent to which the organisation can demonstrate that it is a responsible corporate citizen with respect to the environment and climate change. This resonates strongly with the Agency's mandate, and as such, the ECPTA will endeavour to reduce its carbon footprint.





3.1.2 KEY PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

3.1.2.1 INDICATOR DETAILS

indicator Short Name	Purpose / Importance
Biodiversity integrity facilitation	<p>To ensure that protected areas management is based on scientific and biodiversity conservation principles</p> <p>The ECPTA has developed a Biodiversity Integrity Facilitation Index as a unit of measure for how well science and technical biodiversity expertise is used by the ECPTA to facilitate enhanced biodiversity integrity in the management of protected areas. The index measures the extent to which scientific knowledge and insight (priority-weighted products) are available to support the management of biodiversity in the provincial protected areas. A total of 936 index points, which describe an “ideal” context are grouped into five functional areas (Ecological process; Reserve Taxon Plans; Environmental and Development Plans; Strategies and Policies; and Research, Monitoring and Inventories). Currently the ECPTA’s Biodiversity Integrity Facilitation Index stood at 34% (322 index points) in 2011.</p>
Provincial NPAES target per annum	<p>To achieve the annual target for expansion of the Protected Area Estate</p> <p>The current Provincial protected area network is fragmented and does not meet national targets. Most protected areas are very small and do not cover environmental gradients and corridors to create an effective network of protected areas. Expanding the protected area estate in a controlled and targeted manner is fundamental to improving the conservation imperatives of the province</p>
Agreements generated through ecological services	<p>To leverage value from ecosystem services</p> <p>When this indicator was introduced in 2010, a significant period of research and preparation was anticipated. Revenue targets were set on initial assumptions without the benefit of clear information. The work done in the interim has revealed that the revenue targets were unrealistic and inappropriate, as both National and Provincial processes are not yet ready to enable the collection of revenue for ecological services by the ECPTA.</p> <p>This indicator tracks the number of contracts that the ECPTA will enter into with corporates to offset their carbon or water profiles. In time, these offset agreements will be quantified in financial terms.</p>
To reduce ECPTA's carbon footprint	<p>To reduce ECPTA's carbon footprint</p> <p>The effectiveness of measures implemented during Q1 13-14 in response to the “2012-13 Carbon Report” were to be determined after 6 to 8 months. The extent to which ECPTA is able to reduce its own carbon footprint will impact its credibility when advocating green solutions in the tourism and environmental management sectors.</p>

3.1.2.2 PERFORMANCE DETAILS

Performance Indicator	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation From Planned Target To Actual Achievement For 2014/15	Comment On Deviations
Strategic Objective 1.1 Improve management effectiveness of protected areas					
Biodiversity integrity facilitation	59 index points	50 index points	77 index point	+ 27 index point	Target was exceeded mainly due to the high number of external research agreements signed; this is beyond local control and difficult to anticipate
Strategic Objective 1.2 Develop and implement a provincial protected area system					
Provincial NPAES target ('000ha) per annum	49 000 ha	25 000 ha	31 335 ha	+ 6 335 ha	Negotiations for stewardship sites often take more than one calendar year; this is beyond local control and difficult to anticipate
Strategic Objective 1.3 Grow revenue from biodiversity goods and services					
Agreements generated through ecological services	0 agreements	1 agreement	0 agreements	- 1 agreement	Policy at national level has shifted from Payments for Ecological Services to Investment in Ecological Infrastructure with an emphasis on DEA NRM and SIP 19 projects
Strategic Objective 3.2 Ensure effective corporate governance within ECPTA					
To reduce ECPTA's carbon footprint	5%	Baseline	No Baseline	Baseline	Delays in moving to the new office building means that a baseline could not be carried out





3.1.2.3 CONTRIBUTION TO THE ACHIEVEMENT OF STRATEGIC OUTCOMES ORIENTATED GOALS

The Biodiversity Conservation Department has provided valuable eco-advice and scientific support to management, and has also contributed to broader national and provincial environmental governance through targeted engagement with external stakeholders. The annual game census continues to be implemented effectively and feeds directly into annual recommendations for game offtakes, through live sales, translocations, hunting and culling. Management of game is essential to maintain ecological balance on the protected areas and also contributes to revenue targets. Each year, more research proposals are received from

universities as well as the various state agencies; this highlights the valuable role that protected areas play in providing sites for post-graduate research and training. This research then also feeds back into building the knowledge base for management and planning.

Biodiversity Conservation has contributed to various national initiatives, such as the SANBI Red Data Lists and the implementation of the Black Rhino Range Expansion Strategy. The Stewardship Programme once again exceeded targets for declaration of Nature Reserves and Protected Environments on private land, ensuring that the Eastern Cape is regarded as one of the leading provinces in contributing to national targets for protected area expansion.

Although delays at national level have meant that the anticipated Agreements for two GEF-5 funded projects and the implementation of the N2 Wild Coast Highway Biodiversity Offset were not achieved; however there was ongoing engagement with these processes, as well as other processes which may lead to agreements in future. The Biodiversity Conservation department contributes significantly to this type of inter-governmental and external stakeholder engagement.

3.1.3 STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

Some of the targets that were not met were dependant on external

factors outside of the control of the organisation. The new performance and operational plans have therefore included targets within the control and influence of the Agency.

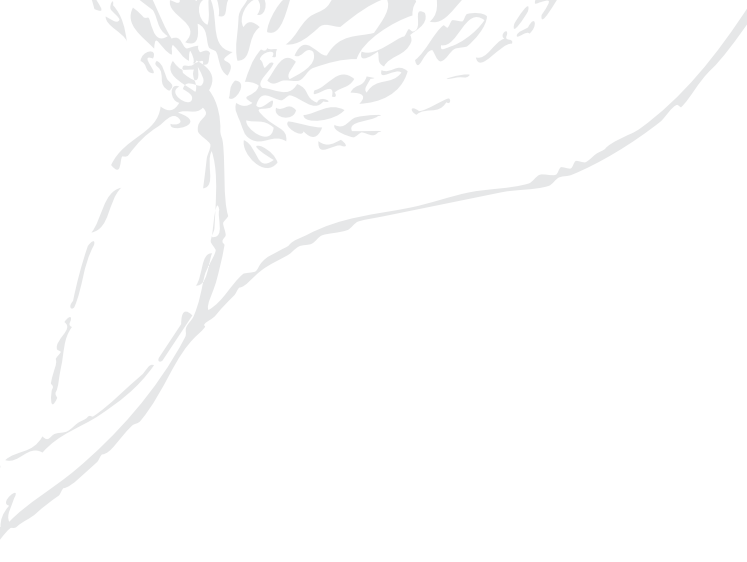
3.1.4 CHANGES TO PLANNED TARGETS

The target of 40 000ha for Strategic Objective 1.2 was dropped to 25 000 ha for 2014/15 as it was too ambitious; the previous year's target was only just achieved due to the addition of a large protected area in the Karoo, which was declared after almost 3 years of negotiation. This change is explained in detail in the APP for 2014/15 to 2016/17.

3.1.5 LINKING PERFORMANCE WITH BUDGETS

R'000 Biodiversity Conservation	2013/14				2014/15			
	Budget	Adjusted Budget	Actual Expenditure	(Over) / Under Expenditure	Budget	Adjusted Budget	Actual Expenditure	(Over) / Under Expenditure
Goods and Services	3 810	3 151	6 988	-3 837	3 224	2 326	3 995	-1 669
Compensation of Employees	9 831	9 831	10 146	-315	8 600	9 626	8 347	1 279
Capital Expenditure	-	-	661	-661	-	389	-	389
TOTAL	13 641	12 982	17 796	-4 814	11 824	12 341	12 343	-2





3.2 DESTINATION TOURISM

3.2.1 DESCRIPTION

3.2.1.1 PURPOSE

Destination Tourism is responsible for the marketing, promotion and development of the Eastern Cape Province as a tourism destination in accordance with Section 13 of the ECPTA Act 2 of 2010.

3.2.1.2 KEY FUNCTIONS OF DESTINATION TOURISM

The Destination Tourism Department includes the following key functional areas:

1. **Destination marketing** management to promote the Eastern Cape Province and ECPTA protected areas as a preferred tourist destination through institutionalising the ECPTA brand.
2. **Destination development** management to ensure compliance with the Eastern Cape Provincial Tourism regulations, implement transformation initiatives for the tourism sector, monitor the development of quality tourism products and facilitate investment opportunities into tourism.
3. **Tourism Information and Research** management to develop destination and route infrastructure as well as tourism information and research.
4. **Registrar of Tourism** provides oversight and monitors compliance of tourism products and tour guides with legislation.

3.2.1.3 DEPARTMENT STRUCTURE: DESTINATION TOURISM

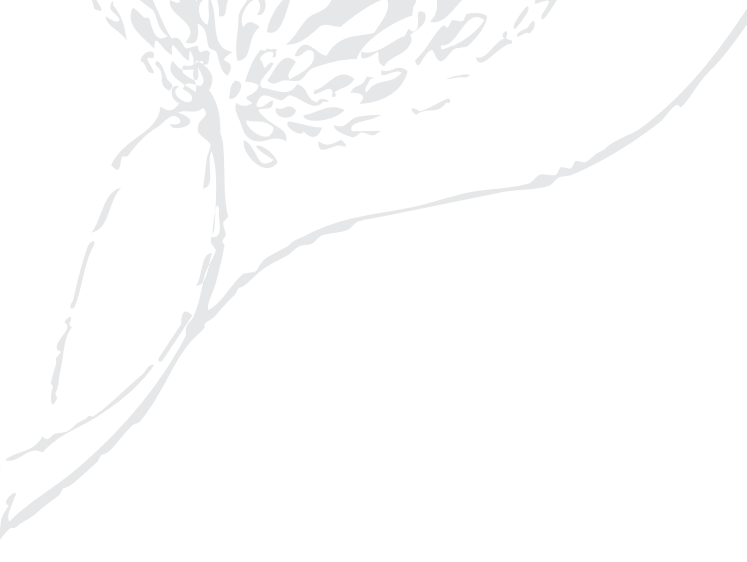
There have been significant changes to the budget programme structure since the approval of the ECPTA Strategic Plan.



3.2.1.4 STRATEGIC OBJECTIVES

<p>Strategic Objective 2.1</p>	<p>To promote the Eastern Cape Province as a preferred tourism destination in order to maintain domestic and international tourism income and grow the domestic and international tourism market share to 22.5% and 4.4% respectively by 2015/16 financial year.</p> <hr/> <p>Marketing is a key aspect to increasing visitor numbers to the Province. This will be done through creating awareness of tourism opportunities, promoting the Province and Provincial Parks and providing credible visitor information. The destination marketing of the Province must respond to the needs of the market and align to market trends nationally and internationally.</p>
<p>Strategic Objective 2.2</p>	<p>To enhance Provincial tourism transformation by monitoring and reporting on B-BBEE levels of compliance.</p> <hr/> <p>The transformation of the tourism industry will be measured against the national tourism charter, which includes a comprehensive value chain of the tourism industry. The ECPTA will establish market standards and support emerging entrepreneurs to maintain and improve service according industry norms and standards.</p>
<p>Strategic Objective 2.3</p>	<p>To enhance Provincial tourism transformation by increasing the percentage of registered tourism products that are BBBEE compliant.</p> <hr/> <p>The tourism industry is growing in stature in South Africa because of its potential for rural development and the creation of sustainable jobs. The establishment of ECPTA has created the potential to take advantage of the synergies that exists between Provincial Parks and tourism to the improve revenue generation potential. The development of tourism products will enhance the uniqueness of all areas in the Province and provide the tourists with an integrated experience</p>





3.2.2. KEY PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

3.2.2.1 INDICATOR DETAILS

Indicator Short Name	Purpose / Importance
Event partnerships	To profile the destination (Province) through strategic selection of events By partnering with companies or organisations that intend to host events in the Province, the ECPTA gains brand positioning and networking opportunities, and is able to facilitate direct business development and marketing opportunities for product owners. In so doing, the Province is promoted as a destination to a target market.
Destination marketing (of the EC)	To ensure that tour operators expose potential tourists to the destination (Province)
Tourism products supported	To provide support programmes to tourism businesses Tourism Products will be offered access to support programmes and assistance and encouraged, but not required, to provide the ECPTA with proof of their B-BBEE status

The final draft of the Annual Performance Plan for 2014-15 reflected significant performance changes resulting from budgetary constraints evident after the issuing of the final allocation letter. The Board and Management of ECPTA made every effort to curtail these changes, but were forced to concede some lower priority performance targets, which were duly communicated to the oversight department. In the process of making these changes, an editing error went undetected, resulting in reference to strategic objective 2.2 being retained in the APP. The annual report refers correctly to strategic objective 2.3 (Enhance Provincial tourism product development) and indicator 2.3.2 (Tourism products supported).

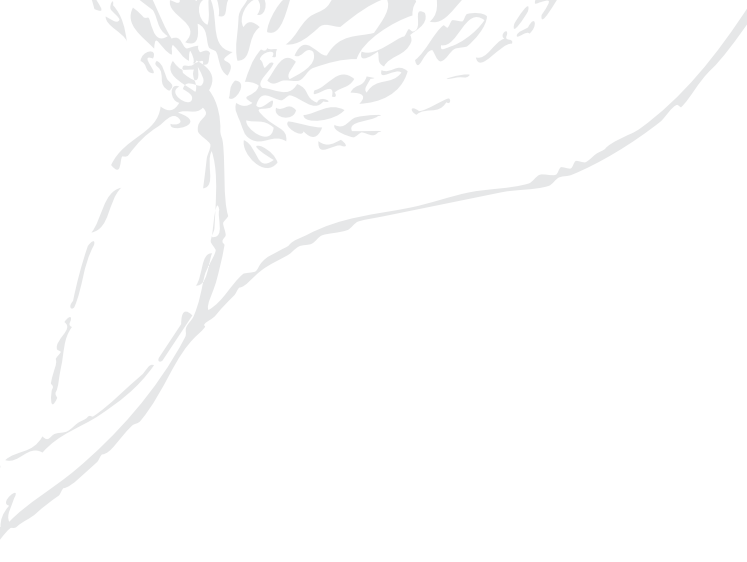
3.2.2.2 PERFORMANCE DETAILS

Performance Indicator	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation From Planned Target To Actual Achievement For 2014/15	Comment On Deviations
Strategic Objective 2.1 Marketing and promotion of Provincial tourism					
Event partnerships	9 events	3 events	3 events	0	
Destination marketing (of the EC)	1 216 000 brochures	100 000 circulated	109 571 circulated	+ 9 571 circulated	JMA with Africa Travel resulted in: 1 570 postcards to premium clients 108 000 clients received an "E-shot" 1 supplement was prepared for the Telegraph
Strategic Objective 2.3 Enhance Provincial tourism product development					
Tourism products supported	81 products supported	168 products supported	250 products supported	+ 82 products supported	ECPTA collaborated with various municipalities such as Ingquza Municipality, Nelson Mandela Metro, Tsogo Sun, ECDC and Tourism Enterprise Partnership in the provision of support programmes to tourism businesses. DEDEAT and TEP also provided additional funding for the programme towards the end of the financial year.

3.2.2.3 CONTRIBUTION TO THE ACHIEVEMENT OF STRATEGIC OUTCOMES ORIENTATED GOALS

The ECPTA focused on a number of initiatives in order to ensure growth of Small Medium Micro Enterprises (SMMEs) within the tourism sector. These initiatives were targeted towards supporting tourism SMMES not only in ensuring sustainability of their businesses but also to facilitate transformation within the sector. Interventions included provision of training courses to the industry, facilitation of a mentorship and coaching programme for skills transfer, supporting businesses to market their businesses through various trade shows. The growth in industry participation, particularly from black-owned tourism products, in the Lilizela Tourism Awards is a reflection of commitment of the industry to the provision of excellent service. This positive attitude is central to ensuring that the Eastern Cape becomes a preferred global tourist destination.





In order to empower youth, the ECPTA implemented a number of initiatives such as the National Tourism Careers Expo and also ensured meaningful youth participation in various events that were held in the province

3.2.3 STRATEGY TO OVERCOME AREAS OF UNDER-PERFORMANCE

No under-performance was noted against targets in the APP. This was in part because the APP targets that were not funded were removed from the final draft. It is important to note, however, that at no stage did the Agency find itself without work; where

targets were put on ice, officials were tasked with identifying alternative inputs, and completing additional tasks in preparation for the following year.

3.2.4 CHANGES TO PLANNED TARGETS

During the process of finalising the APP for 2014/15, it was decided that resource and mandate constraints limit ECPTA to managing a database of tourism products, with very little influence over the numbers of products that register or are established. The target was therefore removed from the APP. However, the Agency continued to report internally on the state of the database on a quarterly basis, and was thus able to track the number of products registered. The ECPTA has also used the database

maintenance process to encourage businesses to be B-BBEE compliant and also grade with the Tourism Grading Council of South Africa. By the close of the 2014/15 year, 3 243 tourism products are registered with ECPTA.

3.2.5 LINKING PERFORMANCE WITH BUDGETS

R'000 Destination Tourism	2013/14				2014/15			
	Budget	Adjusted Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Adjusted Budget	Actual Expenditure	(Over)/Under Expenditure
Goods and Services	18 798	45 769	34 479	11 290	18 009	26 333	22 316	4 017
Compensation of Employees	13 174	13 174	13 597	-423	15 829	16 624	15 364	1 260
Capital Expenditure	-	-	9	-9	-	20	-	20
TOTAL	31 972	58 943	48 085	10 858	33 838	42 977	37 680	-3 842

3.3 OPERATIONS

3.3.1 DESCRIPTION

3.3.1.1 PURPOSE

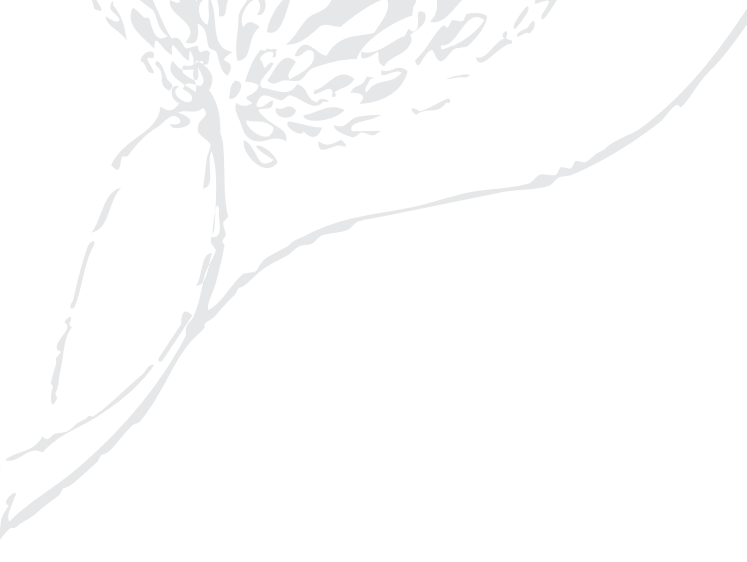
Manage operations of the tourism and reserve regional offices and structures and effectively manage and safeguard the operations of the Reserves (protected areas) in association with Biodiversity Conservation and Destination Tourism.

3.3.1.2 KEY FUNCTIONS OF OPERATIONS

1. Strategic and operations management of the ECPTA's regional operations by managing, implementing and extending the expansion of the regional tourism routes and the ECPTA reserves.
2. Ensure that the wild life protection regulations and investigations and prosecution of criminal offences as prescribed by legislation are implemented and supported including the acquisition of permits.
3. Manage, expand and provide for the commercialisation of biological products and services in order to increase the level of income accrued to the ECPTA within the mandate.
4. Manage and improve the hospitality services and guest experiences.
5. Manage and support the engagement of communities associated with the ECPTA.
6. Manage and support the engagement of communities associated with the ECPTA's social responsibility projects including co-management of reserves.
7. Ensure implementation of social responsibility projects supporting ECPTA reserves focusing on infrastructure.
8. Ensure operations compliance with Occupational Health and Safety legislation.
9. Management of relationships with ECPTA's Stakeholders within the Province.
10. Information and communication technology management.

3.3.1.3 DEPARTMENT STRUCTURE: OPERATIONS





3.3.1.4 STRATEGIC OBJECTIVES

Strategic Objective 1.1	<p>Improve management effectiveness of protected areas to ensure the ECPTA obtain an average METT-SA score of 67 by end of 2015/16 financial year.</p> <p>The ECPTA must increase its METT-SA score progressively over the MTEF period from 34 to an acceptable level of 49 and ultimately to 67 which is a rating of exceptional management.</p> <p>It is the intention of ECPTA to address priority areas in the METT-SA assessment to systematically improve the overall average for management effectiveness of protected areas. The effective management of protected areas will contribute to meeting international obligations and national targets for biodiversity conservation. The ECPTA has the potential to become a leading entity in managing biodiversity</p>
Strategic Objective 1.3	<p>To grow revenue from biodiversity goods and services to R78.1m by 2015/16 financial year.</p> <p>The term "biological goods and services" refers to the benefits resulting from the ecological functions of healthy ecosystems, and available to all living organisms. There is a growing recognition that ecological goods and services provide society with important health, social, cultural, and economic benefits</p> <p>Ecological goods (such as clean air and water) and services (such as the maintenance of biodiversity, soil and vegetation rehabilitation, and greenhouse gas mitigation) demanded by society can be provided at a cost. The development of ecological goods and services allow for public and private rural landowners to be compensated.</p> <p>As custodian of a significant protected areas estate, the ECPTA is a key provider of ecological goods and services to the Province. Realising the economic value of these goods and services will provide a significant revenue stream for the ECPTA.</p>
Strategic Objective 2.3	<p>To enhance Provincial tourism product development by increasing the number of registered tourism products to 4 500, increase customer satisfaction to 70% and increase own revenue to R5m for on-reserve hospitality by 2015/16.</p> <p>The tourism industry is growing in stature in South Africa because of its potential for rural development and the creation of sustainable jobs.</p> <p>The establishment of ECPTA has created the potential to take advantage of the synergies that exists between Provincial Parks and tourism to improve revenue generation potential.</p> <p>The development of tourism products will enhance the uniqueness of all areas in the Province and provide the tourists with an integrated experience.</p>

3.3.1.4 STRATEGIC OBJECTIVES

<p>Strategic Objective 2.4</p>	<p>To develop Provincial tourism infrastructure by completing 90% per annum of the ECPTA infrastructure improvement plan for on-reserve tourism facilities in support of tourism growth.</p> <p>From 2013/14, PI 2.4.1 (Infrastructure improvement plan progress) has been demoted to the AOP and relocated to PI 1.1.1 This change is detailed in the body of the APP for 2013-14 and in Part D: Amendments to Strategic Objectives and Performance Indicators of the same document. Consequently, this indicator did not form part of the APP for 2014-15, and is not reported on in the Annual Report.</p>
<p>Strategic Objective 3.3</p>	<p>To ensure that the organisational architecture supports the ECPTA Strategy</p> <p>The organisational architecture is based on the development of an appropriate organisational structure, systems and staff.</p> <p>It is important to recruit and assign staff with the appropriate skills and capacity in the right positions. Staff satisfaction will be an important indicator to the change in organisational culture and performance. It is important that all staff identify their unique roles and responsibilities to ensure that the ECPTA achieves its strategic objectives. To this extent the performance of each staff member will impact on the overall performance of the ECPTA.</p> <p>The ICT systems and support will be critical to evolve the ECPTA into an institution that can respond to market trends and deliver efficient services to its stakeholders and (internal and external) clients.</p>
<p>Strategic Objective 3.4</p>	<p>To maintain efficient financial management that will support the growth of own revenue</p> <p>It is essential that the ECPTA reduces the level of dependency on the Grant allocation from DEDEA to operate. The MEC of DEDEA has noted, with concern, the financial viability and return on investment from public entities.</p> <p>The ECPTA has identified own revenue opportunities to change the ratio of own revenue to Grant allocation. A progressive increase is projected over the MTEF period.</p> <p>Financial management will be monitored closely to ensure that appropriate systems and controls create internal efficiencies. These management initiatives will ensure good value for money.</p> <p>The potential to deliver on the mandate of ECPTA is dependent on its ability to increase own revenue and effective management of resources and assets.</p>





3.3.2 KEY PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

3.3.2.1 INDICATOR DETAILS

Indicator Short Name	Purpose / Importance
METT-SA score	<p>To establish trends in the management effectiveness of protected areas by conducting the METT-SA assessment</p> <p>The internationally accepted Management Effectiveness Tracking Tool (METT) was developed by the World Commission for Protected Areas (WCPA) and World Wide Fund for Nature (WWF), and has been in use since 2000. In 2008, it was adapted for South African conditions (METT-SA).</p> <p>The effective management of protected areas will contribute to meeting international obligations and national targets for biodiversity conservation. Because it can be executed as a quick and easy self-evaluation (no external expertise is required), the METT-SA can function as a management tool.</p>
Return on investment	<p>To generate revenue from biodiversity goods and services on reserves</p> <p>The ECPTA is mandated to generate income from the disposal of animals through relocation, hunting and live game sales, from ecological services, and from tourism activities on Reserves. In order to realise income from these sources, it is necessary for ECPTA to invest in reserve and tourism infrastructure. This indicator encourages the ECPTA to maintain vigilance with respect to the quantum of investment relative to the income generated.</p>
Customer Satisfaction Index	<p>To improve customers' experience of hospitality and facilities on reserves</p> <p>Customers making use of reserve-based accommodation are contacted (twice per annum) to establish their impressions about the quality and level of service</p>
ICT Reach	<p>To ensure that organisational operations are efficiently and effectively supported by ICT systems</p> <p>The extent to which operations are supported by ICT</p>
Concession Value	<p>To position reserves to generate commercial value through concessions</p> <p>Communities adjacent to reserves are often excluded from the benefits of commercial activities relating to the reserves. ECPTA has therefore embarked on a process of concessioning hospitality assets to the private sector with clear objectives to ensure the involvement of local communities</p>

3.3.2.2 PERFORMANCE DETAILS

Performance Indicator	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation From Planned Target To Actual Achievement For 2014/15	Comment On Deviations
Strategic Objective 1.1 Improve management effectiveness of protected areas					
METT-SA Score	77	70	77	+ 7 index points	Additional funding for maintenance made available to protected areas through infrastructure funding grant. Priority infrastructure projects addressed through infrastructure grant
Strategic Objective 1.3 Grow revenue from biodiversity goods and services					
Return on investment	1:2 spend to income	1:1.8 (or 5/9 expressed as a fraction)	1:6.89 (or 1/7)	+ 1:5.09	Game auction revenue higher than projections due to good prices obtained for buffalo. Reserve accommodation revenue increased due to additional efforts to generate revenue from activities
Strategic Objective 2.3 Enhance Provincial tourism product development					
Customer satisfaction index	78%	92%	78%	- 14%	Security, efficiency and maintenance concerns raised by customers ³
Strategic Objective 3.3 Develop and ECPTA organisational architecture that supports the ECPTA strategy					
ICT Reach	58%	70%	70%	None	
Strategic Objective 3.4 To maintain efficient financial management that will support the growth of own revenue					
Concession value	R28.5 million	R30 million	R65 million	+ R35 million	Concession value for the entire development at Mkhambathi over the contract period

³ **NOTE:** Errors in data analysis were identified during year-end reviews. This resulted in the withdrawal and replacement of quarter two and four evidence, and the correction of reported performance.



3.3.2.3. CONTRIBUTION TO THE ACHIEVEMENT OF STRATEGIC OUTCOMES ORIENTATED GOALS

The Operations Department relies on the Management Effectiveness Tracking Tool for South Africa (METT-SA) administered by the National Department of Environmental Affairs (DEA) to provide feedback on the status of the effectiveness of reserve management. ECPTA was able to maintain an average METT-SA score of 77 following the assessment in March 2015. Changes to the METT-SA template for assessing reserves will be implemented in 2016; the additional assessment areas are likely to see ECPTA reserve scores declining – this trend is expected for all PA Management Authorities across the country.

Funding deficits to complete strategic projects were partially offset by the higher than anticipated revenue generated through live game sales. In particular, the Agency was able to complete an independent and objective review of each of the Agency's nature reserves and protected areas to identify future opportunities to promote and enhance these assets as income generating products. The operational costs associated with the translocation of 19 rhinos as part of Black Rhino Range Expansion Strategy were also covered.

Security of reserves has been maintained; there is however, a continued threat to reserves of poaching activities and especially rhino poaching. Increases in resources and capacity will be required in order for ECPTA to be able to maintain security of reserves.

Security of reserves is also threatened by the continued wildfires that affect reserves; these are not only a threat to biodiversity but also a threat to infrastructure and neighbours and can result in legal actions for fires that originate in reserves and affect commercial farms and plantations.

CO-MANAGEMENT AND POSITIONING RESERVES FOR CONCESSIONS:

Negotiating the first co-management draft with the Mkhambathi community is a first for the Agency and will allow for benefits to accrue to the community through the signed concession agreement at Mkhambathi to the value of R65 million. This co-

The infrastructure grant over the past three years has contributed significantly to improvement in the level and maintenance of all facilities including hospitality facilities. This is reflected in the improved METT score as well as in the increase in the levels of customer satisfaction over the past three years. Funding for infrastructure maintenance has been made available to reserves from the infrastructure grant to allow for improved maintenance of facilities in respect of an approved and updated maintenance plan. The infrastructure grant for FY 2015/16 has been decreased, resulting in a 50% reduction in allocations to reserves. Reserves will thus utilise more funds from their goods and services budgets to address maintenance issues according to an approved maintenance plan

management agreement is the first that the Agency has entered into and will provide the basis for engagement with other communities.

The development of the Luchaba Nature reserve through funding from DEA has provided for a suite of activities that will benefit the local

community and Mthatha in general. The signing of the Mthatha Dam concession agreement will provide communities with jobs and benefits; these positive consequences will be seen from Q3 of the 2015/16 FY, once operations begin.

3.3.3 STRATEGY TO OVERCOME AREAS OF UNDER-PERFORMANCE

The establishment of an Anti-poaching Unit is vital to ensuring security of reserves, particularly those that have rhino and are vulnerable. Resources, staff and equipment are required to establish this unit. The current budget does not allow for the proper establishment of this unit – the requirements are detailed in an infrastructure and catalytic projects business plan prepared for Provincial Government in late 2014. Efforts to secure funding for this and the other projects detailed in the business case will be vigorously pursued in 2015/16.

The Agency compiled an infrastructure business plan that seeks to address the infrastructure backlog that exists on all reserves and also highlighted priority projects including setting up a dedicated anti-poaching unit to address the rising rhino poaching incidents as well as general poaching. The plan further considered moving the Agency to a

Of the R26 million allocated to Infrastructure for the 2014/15 financial year, R10 million has been spent with a further R15.9 million committed. Of this amount, R14.28 million is for the construction of a new conference centre at Cape Morgan Nature Reserve. The infrastructure grant for 2015/16 has been reduced and stands at R12.6 million; this will be used on identified priority projects on reserves, to deal with Occupational Health and Safety Act compliance and maintenance of reserves infrastructure.

The improved hospitality facilities, skills training for hospitality staff, and constant reaffirmation of a customer orientation will combine to improve the customer satisfaction index in the future.

Replacement of the current fleet is a priority; fleet on reserves is in some instances over 30 years old and the majority of the fleet is over 5 years old and in a generally poor state. The lack of vehicles on reserves severely hampers the ability of reserves to undertake and meet their annual targets, which in turn compromises the Agency's ability to meet its mandated targets of biodiversity conservation and tourism. This needs to be addressed as a matter of urgency; a fleet management plan is urgently required and needs to be implemented in 2015/16.

green footing by installing solar and water harvesting facilities on reserves. The business plan addressed the shortfalls in the current infrastructure budgets and requested additional infrastructure grant based on priority projects that would improve the Agency's ability to generate revenue and become more sustainable.

ECPTA developed a business case for the Agency in 2014 that considered the current funding that the Agency receives and the funding that is required for the Agency to meet its biodiversity and tourism mandates as per the ECPTA Act. The business case considered all aspects of the Agency's requirements and was submitted to Treasury and the MEC.





3.3.4 CHANGES TO PLANNED TARGETS

No targets were changed during the period under review.

3.3.5 LINKING PERFORMANCE WITH BUDGETS

R'000 Operations	2013/14				2014/15			
	Budget	Adjusted Budget	Actual Expenditure	(Over) / Under Expenditure	Budget	Adjusted Budget	Actual Expenditure	(Over) / Under Expenditure
Goods and Services	18 761	16 625	34 411	-17 786	21 305	30 213	26 400	3 813
Compensation of Employees	65 337	67 226	67 433	-207	71 919	70 274	69 807	467
Capital Expenditure	30 000	30 000	18 477	11 523	26 000	32 376	8 854	23 522
TOTAL	114 098	113 851	120 321	-6 470	119 224	132 863	105 061	27 802

3.4 CORPORATE MANAGEMENT SUPPORT

Corporate Management Support consists of three departments, namely Executive Office, Finance, and Human Capital Management

3.4.1 EXECUTIVE OFFICE

PURPOSE

The Executive Office ensures that effective planning and reporting systems are established and that external partnership networks are developed and managed to expand the revenue base for the ECPTA through effective partnership agreements.

As the administrative head of the ECPTA, the CEO is responsible for

providing strategic leadership to executive management, corporate positioning of the Agency, risk management and corporate legal compliance. The Office of the CEO monitors compliance with legislation, strategic and performance management plans, performance reports and the enterprise wide risk profile.

The Office of the CEO facilitates the co-ordination between the Board of Directors, Shareholder, Executive Directors and Stakeholders. The Board of Directors serves as the Accounting Authority for the Eastern Cape Parks and Tourism Agency in terms of the Public Finance Management Act. The CEO is responsible for the formulation of policy as an ex-officio member of the Board of Directors and accountable for the implementation of policy and strategy as the most senior executive manager in the organisation.

DEPARTMENT DELIVERABLES AND ORGANISATIONAL STRUCTURE

There has been significant change to the budget programme structure since the approval of the ECPTA Strategic Plan.

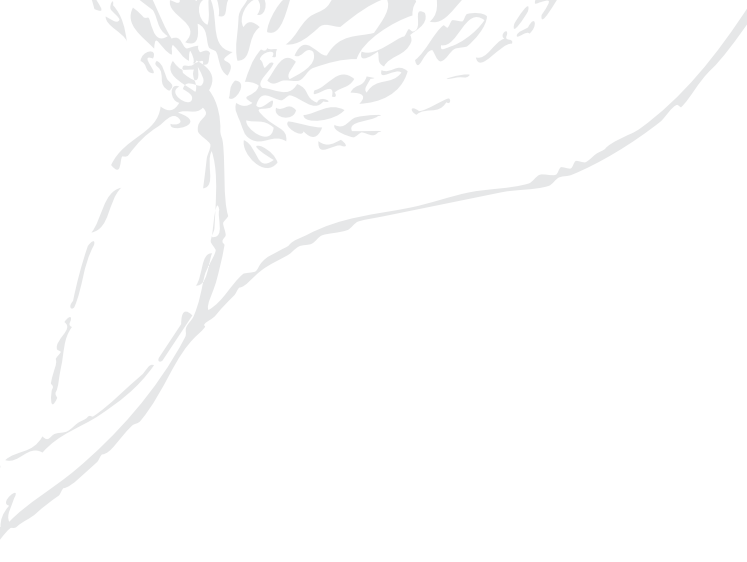




STRATEGIC OBJECTIVES

<p>Strategic Objective 3.1</p>	<p>To ensure effective corporate governance within ECPTA</p> <p>The Report for Corporate Governance for South Africa and the Code of Governance Principles (colloquially known as King III or King 3) were released on 1 September 2009. The King III Report and Code describe the responsibilities, conduct, systems and controls necessary to achieve “clean governance”.</p> <p>The ECPTA will monitor compliance with key legislation as a direct response to ensure that it operates within the appropriate legal framework. Unqualified audit opinion by the Auditor General will support the credibility of the internal processes and control and create shareholder and investors’ confidence. The effective management of the risk profile will ensure that the ECPTA mitigates against possible risks that may impact on the achievement of the strategic plan and maintain an acceptable level of risk tolerance.</p> <p>Effective stakeholder management and improved stakeholder satisfaction is critical to remain relevant in the sector and responsive to the needs of the Province. Protocols for measuring effective corporate governance increasingly include the extent to which the organisation can demonstrate that it is a responsible corporate citizen with respect to the environment and climate change. This resonates strongly with the Agency’s mandate, and as such, the ECPTA will endeavour to reduce its carbon footprint.</p>
<p>Strategic Objective 3.3</p>	<p>To maintain efficient financial management that will support the growth of own revenue</p> <p>It is essential that the ECPTA reduces the level of dependency on the Grant allocation from DEDEA to operate. The MEC of EDEAT has noted, with concern, the financial viability and return on investment from public entities.</p> <p>The ECPTA has identified own revenue opportunities to change the ratio of own revenue to Grant allocation. A progressive increase is projected over the MTEF period.</p> <p>Financial management will be monitored closely to ensure that appropriate systems and controls create internal efficiencies. These management initiatives will ensure good value for money.</p> <p>The potential to deliver on the mandate of ECPTA is dependent on its ability to increase own revenue and effectively manage its resources and assets.</p> <p>Strong financial systems are fundamental to the success of the ECPTA’s revenue generation efforts, as these provide credibility to outside funders, and generate confidence among investors, customers and stakeholders.</p>





STRATEGIC OBJECTIVES

Strategic Objective 3.4

To increase job creation through ECPTA projects

The South African Government has identified the challenge of job creation as a national priority, and included it among the 12 Outcomes to be achieved during the current term of government (Outcome 4: Decent employment through inclusive growth). Output 2 of the Delivery Agreement for Outcome 4 talks to the imperative of labour absorbing growth.

Sub-Output 3 focuses on maximising employment creation and establishing appropriate linkages to rural development strategies. In both instances, the ECPTA is well positioned to contribute, straddling as it does the rural development mandate and the high-potential Tourism sector.

In mid-2009, the Office of the Premier released the Eastern Cape Provincial Strategic Framework (PSF) as the programme for government. Among the strategic priorities for the period 2009-14, government is expected to speed up growth and transform the economy to create decent work and sustainable livelihoods. The Eastern Cape Provincial Jobs Strategy (released in April 2012) is one of the many responses to this priority. The strategy clearly outlines the depth of the jobs crisis facing the Eastern Cape, and proposes a 5-pillar approach to addressing the crisis. Of these, the ECPTA is able to contribute most significantly to Pillar 3: Build our Social Economy. One of the key mechanisms in this regard is supporting sectors that "lend themselves to the participation of small businesses and co-operatives". Tourism and Conservation are 2 such sectors.

The provincial job creation target includes EPWP full-time equivalent jobs. A variety of ECPTA projects provide EPWP job opportunities. Further, the ECPTA has engaged with the DBSA Green jobs fund process through a joint application with SANBI and are in line to gain 11 funded graduates from this source.

By reporting on the extent to which jobs in the Tourism and Conservation sectors are protected or created through ECPTA initiatives, the Agency will contribute to the achievement of the Provincial target of 150 000 new jobs by 2015.

KEY PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

INDICATOR DETAILS

Indicator Short Name	Purpose / Importance
Organisational performance score	To maintain a high-performing organisation A score of 3 indicates that staff are performing at acceptable levels. To achieve an average score above 3 for the entire organisation indicates that a significant number of people are performing above expectations. All staff are evaluated on a quarterly basis. Unit scores are established as the average score of all staff in that unit. Unit scores roll up to Departmental and then to Organisational level
Risk rating	To reduce strategic risks to an acceptable level
Stakeholder Satisfaction Index	To ensure stakeholder satisfaction A formal interrogation of the opinions and experiences of stakeholders is conducted once a year to establish how the ECPTA is perceived
Own revenue to grant ratio	To improve the proportion of own revenue generated to grant allocation An improvement in this ratio would indicate a greater degree of self-sufficiency. With growing pressure on the fiscus, it is expected of entities that are able to generate their own revenue to do so. The ECPTA Act (2 of 2010) allows the Agency to retain own revenue in purpose-specific funds to finance development of tourism and biodiversity in the province
Job opportunities created	To protect or create jobs in the Tourism and Conservation sectors The number of job opportunities created on reserves in partnership with the Extended Public Works Programme, Working for Fire, Coast Care and Working for Water, DEDEAT infrastructure programme



PERFORMANCE DETAILS

Performance Indicator	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation From Planned Target To Actual Achievement For 2014/15	Comment On Deviations
Strategic Objective 3.1 Ensure effective corporate governance within ECPTA					
Organisational performance score	3.17	3	3.08	+ 0.08	The deviation is negligible, and within an acceptable range
Risk rating	79%	75%	64%	- 11%	Significant constraints stemming from resource limitations were experienced in the first half of the year, resulting in a slower than anticipated risk response
Stakeholder satisfaction index	74%	70%	62%	- 8%	The ECPTA was unable to focus on stakeholder management as planned due to resource constraints
Strategic Objective 3.3 To maintain efficient financial management that will support the growth of own revenue					
Own revenue to grant ratio	9%	10%	10%	None	
Strategic Objective 3.4 To contribute to the Provincial job creation effort					
Job opportunities created	1 415 job opportunities	900 job opportunities	805 job opportunities	- 95 job opportunities	Delays in the implementation of all infrastructure grant projects resulted in slower than anticipated uptake of construction jobs

CONTRIBUTION TO THE ACHIEVEMENT OF STRATEGIC OUTCOMES ORIENTATED GOALS

The five performance indicators detailed above are all aligned to the achievement of ECPTA's Strategic Goal 3. "To establish and maintain an efficient and effective institution".

STRATEGY TO OVERCOME AREAS OF UNDER-PERFORMANCE

The Strategic Risk Register will be reviewed in the new financial year, and attention paid to identifying quick-win interventions. Attention will further be given to adequately resourcing risk responses.

Stakeholder Relations will receive additional attention as the re-structured organisation will free the CEO to focus on managing stakeholders in a more pro-active manner.

At present, job-creation focus is on jobs linked to national programmes in the Extended Public Works Programme (EPWP) stable. While the EPWP and infrastructure jobs remain the key focus in the coming year, mechanisms will be put in place to track and internally report on tourism-related job creation. In doing so, ECPTA will begin to assemble a database of job opportunities related to its mandate.

CHANGES TO PLANNED TARGETS

No targets were changed during the period under review.



LINKING PERFORMANCE WITH BUDGETS

Executive Office	2013/14				2014/15			
	Budget	Adjusted Budget	Actual Expenditure	(Over) / Under Expenditure	Budget	Adjusted Budget	Actual Expenditure	(Over) / Under Expenditure
Goods and Services	4 088	3 245	7 498	-4 253	3 560	5 371	4 412	959
Compensation of Employees	5 183	5 183	5 349	-166	5 000	5 186	4 853	333
Capital Expenditure	0	0	45	-45	-	0	-	-
TOTAL	9 271	8 428	12 892	-4 464	8 560	10 557	9 265	-705

3.4.2 FINANCE

PURPOSE

The Financial Management Department provides strategic and managerial input on financial and administrative issues necessary to ensure the commercial effectiveness, financial viability and sound corporate governance of the Agency. It ensures the provision of systematic financial management systems and information to co-ordinate the organisation's budget and resource requirements. This includes ensuring compliance with regulatory provisions as well as taking appropriate steps to ensure that expenditure occurs within the approved budget. Systematic financial

management systems entail the maintenance of a procurement system that is fair, equitable, transparent and cost-effective; and also ensure that effective and appropriate steps are taken to prevent unauthorised, irregular or fruitless and wasteful expenditure.

DEPARTMENT DELIVERABLES AND ORGANISATIONAL STRUCTURE



STRATEGIC OBJECTIVES

<p>Strategic Objective 3.2</p>	<p>To ensure effective corporate governance within ECPTA</p> <p>The Report for Corporate Governance for South Africa and the Code of Governance Principles (King III) were released on 1 September 2009. The King III Report and Code describe what is necessary to achieve “clean governance”. The ECPTA will monitor compliance with key legislation as a direct response to ensure that it operates within the appropriate legal framework. Unqualified audit opinion by the Auditor General will support the credibility of the internal processes and control and create shareholder and investors’ confidence. The effective management of the risk profile will ensure that the ECPTA mitigates against possible risks that may impact on the achievement of the strategic plan and maintain an acceptable level of risk tolerance.</p>
<p>Strategic Objective 3.3</p>	<p>To maintain efficient financial management that will support the growth of own revenue</p> <p>It is essential that the ECPTA reduces the level of dependency on the grant allocation from DEDEA to operate. The MEC of DEDEA has noted, with concern, the financial viability and return on investment from public entities. The ECPTA has identified own revenue opportunities to change the ratio of own revenue to Grant allocation. Financial management will be monitored closely to ensure that appropriate systems and controls create internal efficiencies. These management initiatives will ensure good value for money. The potential to deliver on the mandate of ECPTA is dependent on its ability to increase own revenue and effective management of resources and assets.</p>

KEY PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

Performance Indicator	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation From Planned Target To Actual Achievement For 2014/15	Comment On Deviations
Strategic Objective 3.3 To maintain efficient financial management that will support the growth of own revenue					
Financial Management	5.64% average deviation	3%	-3% average deviation	None	

CONTRIBUTION TO THE ACHIEVEMENT OF STRATEGIC OUTCOMES ORIENTATED GOALS

Achievement of the indicator detailed above is aligned to the achievement of ECPTA's Strategic Goal 3. "To establish and maintain an efficient and effective institution".



STRATEGY TO OVERCOME AREAS OF UNDER-PERFORMANCE

No under-performance was reported. In order to minimise in-year fluctuations, greater attention to integrated planning, budgeting and procurement projections will be undertaken.

A business plan was submitted to Provincial Treasury during 2014/15 motivating for more funds to be allocated to the entity. Additional funding will assist in ensuring that key strategic objectives as identified in the strategic plan are implemented. Currently

the entity is re-prioritizing and directing funding to the core business of the entity. This practice is not sustainable in the long run, as underfunding of transversal services will hamper the efficiency and effectiveness of the institution.

CHANGES TO PLANNED TARGETS

No changes to planned targets occurred during the period under review.

LINKING PERFORMANCE WITH BUDGETS

R'000 Finance	2013/14				2014/15			
	Budget	Adjusted Budget	Actual Expenditure	(Over) / Under Expenditure	Budget	Adjusted Budget	Actual Expenditure	(Over) / Under Expenditure
Goods and Services	21 693	15 202	39 789	-24 587	30 269	25 606	37 508	-11 902
Compensation of Employees	9 425	9 425	9 727	-302	10 302	9 492	9 999	-507
Capital Expenditure	0	0	324	-324	-	286	-	286
TOTAL	31 118	24 627	49 840	-25 213	40 571	35 384	47 507	-6 936

3.4.3 HUMAN CAPITAL MANAGEMENT

PURPOSE

The Human Capital Management (HCM) Department ensures that the ECPTA has the right number of people, in the right places who are fairly and equitably remunerated to enable it to deliver on the mandate and achieve its strategic goals and objectives. HCM is responsible for ensuring the delivery of professional excellence in the

disciplines of human capital management, training and development, organisational transformation, employee wellness and employee relations.

DEPARTMENT DELIVERABLES AND ORGANISATIONAL STRUCTURE



STRATEGIC OBJECTIVES

Strategic Objective 3.2

To ensure that the organisational architecture supports the ECPTA Strategy

The organisational architecture is based on the development of an appropriate organisational structure, systems and staff.

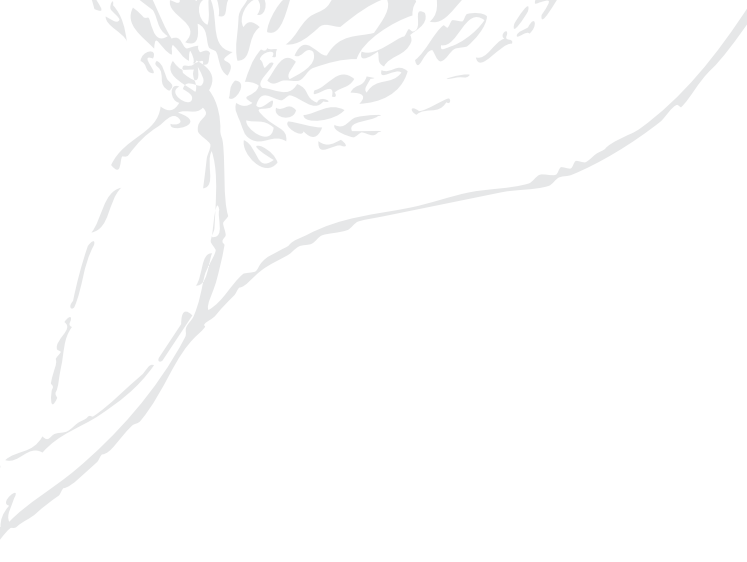
It is important to recruit and assign staff with the appropriate skills and capacity in the right positions. Staff satisfaction will be an important indicator to the change in organisational culture and performance. It is important that all staff identify their unique roles and responsibilities to ensure that the ECPTA achieves its strategic objectives. To this extent the performance of each staff member will impact on the overall performance of the ECPTA.

The ICT systems and support will be critical to evolve the ECPTA into an institution that can respond to market trends and deliver efficient services to its stakeholders and clients.









KEY PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

Performance Indicator	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation From Planned Target To Actual Achievement For 2014/15	Comment On Deviations
Strategic Objective 3.2 Develop an ECPTA organizational architecture that supports transformation					
Transformation of the organisational architecture	83%	85%	85%	None	
Staff satisfaction	80%	75%	77%	2%	Target exceeded due to strategic activities being undertaken particularly on reserves i.e. infrastructure investment and developmental training initiatives

CONTRIBUTION TO THE ACHIEVEMENT OF STRATEGIC OUTCOMES ORIENTATED GOALS

Both of these performance indicators contributed towards the Strategic Goal 3: "To establish and maintain an efficient and effective institution" in that the organisational architecture continues to be transformed by recruiting the right persons for the funded vacant posts in line with the Employment Equity targets. Furthermore strategic training and development initiatives as well as employee

awareness sessions around topical issues were undertaken particularly at regional and reserve level to strengthen and build staff capacity

STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

There were no areas of underperformance since they were either met or exceeded

CHANGES TO PLANNED TARGETS

No changes to planned targets were undertaken during the year under review.

LINKING PERFORMANCE WITH BUDGETS

R'000 Human capital management	2013/14				2014/15			
	Budget	Adjusted Budget	Actual Expenditure	(Over) / Under Expenditure	Budget	Adjusted Budget	Actual Expenditure	(Over) / Under Expenditure
Goods and Services	3 000	2 207	5 503	-3 296	2 936	3 691	3 638	53
Compensation of Employees	7 272	7 272	7 505	-233	7 329	7 329	7 114	215
Capital Expenditure	0	0	40	-40	-	47	-	47
TOTAL	10 272	9 479	13 048	-3 569	10 265	11 067	10 752	315



4. REVENUE COLLECTION

4. REVENUE COLLECTION

Sources Of Revenue	2013/14			2014/15		
	Estimate	Actual Amount collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Sale of Goods	8 788	8 789	-1	8 825	10 637	-1 812
.Rendering of services	345	647	-302	223	879	-656
Accommodation revenue	3 500	3 545	-45	4 700	4 393	307
Rental Income	900	1025	-125	972	1 236	-264
Other Income	1665	1997	-332	2 275	2 839	-564
Finance Income	1 445	1 444	1	1 545	1 518	27
Non-exchange transactions ⁴	211 667	239 456	-27 789	226 649	229 974	-3 325
TOTAL	228 310	256 903	-28 593	245 189	251 476	-6 287

The entity anticipated own revenue collection of R18.5 million, and collected R21.5 million. The over-collection is from insurance proceeds received for the installation of a new server. The amount received of R1.5 million was not budgeted for in the 2014/15 financial year, but immediately utilised within the financial year to replace the damaged server. On game held for

sale, the entity over collected by the sum of R2.2 million against the budgeted amount of R5.7 million. On accommodation revenue, there was an under-collection by R1.1 million. Overall, the entity over-collected by 3% on own revenue.

Funding deficits to complete strategic projects were partially offset by the higher than anticipated revenue generated through live game sales. In particular, the Agency was able to complete an independent and objective review of each of the Agency's nature reserves and protected areas to identify future opportunities to promote and enhance these assets as income generating products. The operational costs associated with the translocation of 19 rhinos as part of Black Rhino Range Expansion Strategy were also covered. Partial replacement of ageing fleet was also enabled by over-collection.

⁴ Grants and subsidies





OTHER GRANTS:

The Agency budgeted for other grants of R18.7 million. Actual receipts of R12.02 million represent an under collection of 35%.

This was due to the anticipated Working for Water grant not being transferred by the National Department of Water and Sanitation.

DONATION RECEIVED:

The entity received infrastructure in the sum of R22 million from the National Department of Environmental Affairs for roads and buildings in the Mkhambathi Nature Reserve. This donation was not budgeted for in the year under review

4.1. CAPITAL INVESTMENT

PROGRESS MADE ON IMPLEMENTING THE CAPITAL, INVESTMENT AND ASSET MANAGEMENT PLAN.

The plans for capital, investment and asset management were reviewed in the middle of the year to accommodate the changed requirements relating to the building of a conference centre at Morgan Bay. Emphasis was placed on renovation of staff accommodation, erection of bomas, and mitigating risks identified during the Occupational Health and Safety audit.

INFRASTRUCTURE PROJECTS WHICH HAVE BEEN COMPLETED IN THE CURRENT YEAR AND THE PROGRESS IN COMPARISON TO WHAT WAS PLANNED AT THE BEGINNING OF THE YEAR. PROVIDE REASONS FOR MATERIAL VARIANCES

From the 2015/16 Capital budget of R26 million, only R70 thousand remained uncommitted at the end of 2014/15 financial year. Most of the Infrastructure projects have been completed with the exception of a construction of a new Conference Centre at Cape Morgan with the value of R14.3 million. This project is on the list of projects submitted for roll over. The contractor has since been appointed and the construction period is nine (9) months.

Breakdown Of Infrastructure Spending 2014/15	
Ring-fenced Infrastructure Budget	R26 000 000
Actual Expenditure	R9 903 323
Committed Amount	R15 668 049
Unspent	R70 512

INFRASTRUCTURE PROJECTS IN PROGRESS

Incomplete repairs and maintenance projects initiated in 2014/15 are at a 90 days defects liability period until end June 2015.

PLANS TO CLOSE DOWN OR DOWN-GRADE ANY CURRENT FACILITIES

Some buildings will be replaced on reserves – no facilities will be closed down.

PROGRESS MADE ON THE MAINTENANCE OF INFRASTRUCTURE

Infrastructure has been maintained throughout the financial year with a budget of R3 million set aside. Due to various upgrades of buildings the maintenance of infrastructure will continue in outer financial years in order to ensure that the structures are of acceptable standards.

DETAILS ON CHANGES TO ASSET HOLDINGS

Revised disposal and scrapping policy will be finalised and implemented in the next financial year. Game off-take targets as proposed in the annual game management plans were executed. All losses due to theft have been reported to the police and insurance claims instituted.

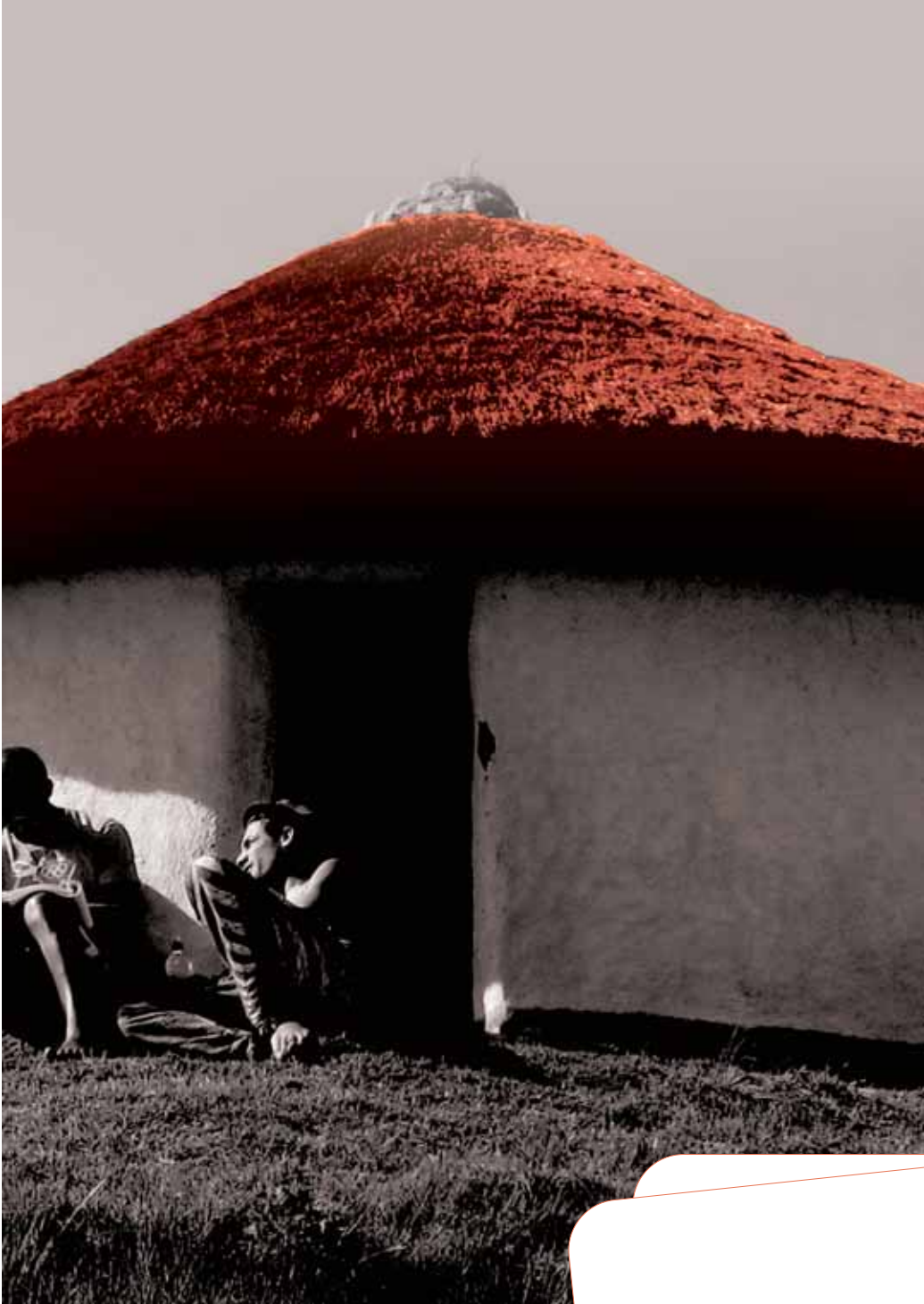
MEASURES TAKEN TO ENSURE THAT THE PUBLIC ENTITY'S ASSET REGISTER REMAINED UP-TO-DATE DURING THE PERIOD UNDER REVIEW

Complete asset verification processes have been conducted during the year under review. Consequent revisions to the asset have been made where necessary.

THE CURRENT STATE OF THE PUBLIC ENTITY'S CAPITAL ASSETS

Approximately 60% of the ECPTA's capital assets are in good condition. The aging fleet is generally in poor condition, but makes up a relatively small proportion of the entity's total capital asset register.





GOVERNANCE

PART C

1. INTRODUCTION

The Board is the designated Accounting Authority of the ECPTA and governs the entity in accordance with the provisions of the Eastern Cape Parks and Tourism Agency Act 2 of 2010, the Public Finance Management Act 1 of 1999 (PFMA) and good corporate governance principles. The Board also strives to comply with the principles and standards of integrity and accountability as contained in the recommendations of the King III report on corporate governance.

The Board is composed of at least seven non-executive members with the Chief Executive Officer (CEO) serving in an ex-officio capacity with no voting powers. The Board meets at least quarterly. The Board monitors the performance of the Executive

Management by ensuring that all material matters are subject to Board approval and that the mandate of the ECPTA is carried out in an efficient and effective manner. The Executive Management attends Board meetings by invitation.

The roles of the Chairperson and CEO do not vest in the same person and the CEO is a non-executive member of the Board. The Chairperson provides leadership and guidance to the Board and encourages proper deliberation of all matters requiring the Board's attention, and obtains optimum input from the other members. All committees of the Board are chaired by non-executive members of the Board with the exception of the Audit Committee which is chaired by an independent person.

2. PORTFOLIO COMMITTEES

The Agency has engaged with the Portfolio Committee for Economic Development, Environmental Affairs and Tourism

twice during the year under review. There were no major issues raised during the engagements.

3. EXECUTIVE AUTHORITY

The Member of the Executive Council (MEC) for Economic Development, Environmental Affairs and Tourism, Honourable S Somyo, has engaged with the Agency through two formal meetings during the year. The MEC provided guidance regarding

the strategic imperatives for the MTSF period, and supported the Agency in its submission to the Medium Term Expenditure Committee regarding the correction of baseline funding.

4. THE ACCOUNTING AUTHORITY / BOARD

4.1.1 INTRODUCTION

As a Schedule 3C Public Entity, the ECPTA is governed by a Board of Directors which fulfils the role of accounting authority for the entity.

The Board is responsible for the appointment of the Executive Management including the Chief Executive officer. It is also responsible for identifying the risk areas and retaining full and effective control over the Strategic operations of the Agency.





4.1.2 THE ROLE OF THE BOARD IS AS FOLLOWS:

The fiduciary duties and general responsibilities of the Accounting Authority are prescribed by Sections 50 and 51 the PFMA. The ECPTA is managed by the Board of Directors that provide strategic direction to the Agency. The Board of Directors further

ensures that its obligations in terms of the relevant legislation, including the PFMA are effectively discharged

4.1.3 BOARD CHARTER


The ECPTA Board of Directors adopted a Board Charter that outlines the roles and responsibilities of the Directors of the Board. The ECPTA Board of Directors has

complied with the Board Charter by holding its board meetings and declaring interest in each and every Board meeting.

4.1.4 COMPOSITION OF THE BOARD

Name	Designation (In Terms Of The Public Entity Board Structure)	Date Appointed	Date Resigned	Qualifications
Ms V Zitumane	Chairperson of the Board	1 June 2012	N/A	BJuris, Honours in Development Studies (Cum Laude) and MBA
Mr F Makiwane	Deputy Chairperson	1 June 2012	N/A	BSc, BSc Hons, and MSc
Dr A Muir	Chairperson of the Biodiversity subcommittee	1 June 2012	N/A	Masters in environment and development
Ms T Tsengiwe	Chairperson of the Destination Tourism subcommittee	1 June 2012	N/A	Bachelor of Journalism; MBA
Mr S Mgxaji	Chairperson of HR & R subcommittee	1 June 2012	N/A	BA and LLB
Mr S Sotshana	Member of EXCO	1 June 2012	1 October 2014	Teachers Diploma
Ms M Mama	Board Member	1 June 2012	N/A	BCom honours and MBA
Mr H Siwisa	Board Member	20 October 2014	2 February 2015	
Mr S Ncume	Member of EXCO	18 February 2015	N/A	BA, Higher Diploma in Business Management, LLB, Bachelor of Philosophy (MPhil)





Name	Area Of Expertise	Board Directorships (List The Entities)	Other Committees Or Task Teams	No. Of Meetings Attended
Ms V Zitumane	Tourism	Total Client Services and Joe Gqabi Development Agency	EXCO member	18
Mr F Makiwane	Finance	Nil	Chairperson of Finance & Investment and member of Biodiversity Conservation subcommittee	17
Dr A Muir	Biodiversity	The Wilderness Action Group, Open Africa, Conservation Council of Nations, International Conservation Caucus Foundation, Nelson Mandela Metropolitan University Business School	Chairperson of Biodiversity Conservation and member of Finance and Investment subcommittee	9
Ms T Tsengiwe	Tourism and Marketing	Nil	Member of the HR& R subcommittee	12
Mr S Mgxaji	Labour Relations	AIIF Attorney insurance indemnity fund	Member of the Destination Tourism subcommittee	13
Mr S Sotshana	Representing the Public	Nil	Member of Biodiversity Conservation and of Finance and Investment subcommittees	10
Ms M Mama	Representing the Shareholder	Nil	Member of the Destination Tourism and HR & R subcommittees	8
Mr H Siwisa	Representing the Public	Nil	Nil	1
Mr S Ncume	Representing the Public	Eastern Cape Appropriate Technology Unit; Rural Research and Development Institute; Eastern Cape Municipal Support Services	Member of Biodiversity Conservation and of Finance and Investment subcommittees	1

4.1.5 COMMITTEES

The Accounting Authority established six subcommittees that assist it in the performance of its strategic functions.

HUMAN RESOURCES AND REMUNERATION COMMITTEE

This Committee was established by the Board with three Non-Executive Directors. Mr Mgxaji is Chairperson and Mmes Tsengiwe and Mama serve as members together with relevant members of Executive Management. The Committee operates according to terms of reference approved by the Board. This committee attends to matters concerning the Human Resource policies and practices of the ECPTA, performance management and remuneration, and submits recommendations to the Board for approval.

MEETINGS OF THE HUMAN RESOURCES AND REMUNERATION COMMITTEE

No.	Names	Total
	Total number of meetings	4
1.	Mr Mgxaji	4
2.	Ms Mama	3
3.	Ms Tsengiwe	4

FINANCE AND INVESTMENT COMMITTEE

This committee was established by the Board with three Non-Executive Directors. Mr Makiwane is Chairperson and Messrs Sotshana and Muir are members together with relevant members of the Executive Management. Mr Ncume replaced Mr Sotshana in February 2015, after which there were no subcommittee meetings prior to the end of the reporting period. This Committee operates according to terms of reference approved by the Board. In addition to providing an important deliberative forum for

the Board and Executive Management, it advises the Board on all material and significant financial matters presented by the Executive Management, either as directed by the Board or on the Executive Management's initiative.

MEETINGS OF THE FINANCE AND INVESTMENT COMMITTEE

No.	Names	Total
	Total number of meetings	4
1.	Mr Makiwane	4
2.	Mr Muir	3
3.	Mr Sotshana	2
4.	Mr Ncume	0

AUDIT AND RISK COMMITTEE

In compliance with Section 27 of the National Treasury Regulations, the Board has established an Audit and Risk Committee comprising of three independent members, namely Chairperson, Ms T Mahlali, and Mr Z Fihlani and Mr D Coovadia as members. The Audit and Risk Committee operates under a Charter which has been approved by the Board. The primary responsibility of the Audit and Risk Committee is to report and make recommendations to the Board on the effectiveness of corporate governance internal controls and risk management within the ECPTA, oversee the Internal Audit

function and to comment on and evaluate the annual financial statements of the ECPTA. The Chairperson of the Audit Committee attends Board Meetings by invitation.

MEETINGS OF THE AUDIT AND RISK COMMITTEE

No.	Names	Total
	Total number of meetings	5
1.	Ms Mahlali	5
2.	Mr Fihlani	4
3.	Mr Coovadia	2



BIODIVERSITY CONSERVATION COMMITTEE

This committee comprise of three non-executive Directors namely Mr A Muir, as Chairperson and Messrs Makiwane and Sotshana as members together with relevant members of the Executive Management. Mr Ncume replaced Mr Sotshana in February. This committee operates under the terms of reference approved by the Board. In addition to providing an important deliberative forum for the Board and Executive Management on matters relating to the management of the Nature Reserves assigned to the ECPTA, it advises and makes recommendations to the Board on the application of both science and ethics of conservation and environmental management policies within the Nature Reserves, and also has some input into the commercialisation and marketing strategies of the Board as a whole.

MEETINGS OF THE BIODIVERSITY CONSERVATION COMMITTEE

No.	Names	Total
	Total number of meetings	4
1.	Mr Muir	3
2.	Mr Makiwane	4
3.	Mr Sotshana	2
4.	Mr Ncume	0

DESTINATION TOURISM

This committee, established by the Board, comprises of three Non-Executive Directors namely Ms T Tsengiwe (Chairperson), Ms M Mama and Mr Mgxaji, as well as relevant members of the Executive Management. This committee was established to strengthen the revenue generating capacity of the ECPTA by focusing on maximizing the use of its eco-tourism facilities. The key focus areas of the committee for the year under review were the implementation of the approved marketing strategies, identifying additional funding streams and maximizing the utilisation and returns from eco-tourism facilities.

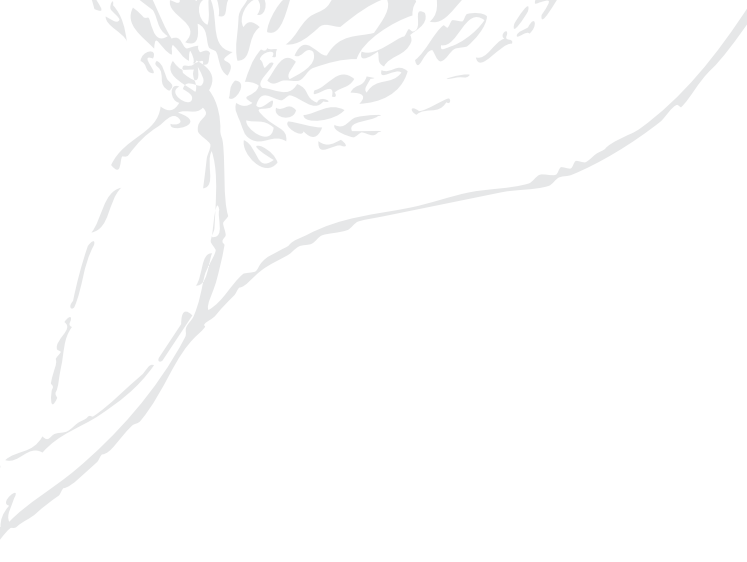
MEETINGS OF THE DESTINATION TOURISM COMMITTEE

No.	Names	Total
	Total number of meetings	4
1.	Ms Tsengiwe	4
2.	Ms Mama	3
3.	Mr Mgxaji	4

EXECUTIVE COMMITTEE (EXCO)

The EXCO is a standing committee of the Board, with the responsibility to ensure that strategic matters including corporate governance and risk management principles are implemented by the Executive Management of the ECPTA. EXCO is comprised of Ms V Zitumane as Chairperson and Mr Sotshana (replaced by Mr S Ncume) as a member, and includes the Chief Executive Officer and the Chief Financial Officer.





4.1.6 REMUNERATION OF BOARD MEMBERS

The ECPTA Board of Directors is remunerated according to its

Subsistence and Travel Policy which was approved by the MEC. Their remuneration details are included in the Annual Financial Statements for the year ended 31 March 2015.

5. RISK MANAGEMENT

The Agency's Risk Management Policy, which was originally approved in August 2011, was updated in November 2014. The accompanying Risk Management Framework was also updated, providing a refreshed reporting module for strategic risks.

Strategic Risks were assessed by Management on a quarterly basis, and reports submitted to the Audit and Risk Committee for input and guidance. A number of risks are deemed to have matured, and can be operationalised, while new risks have emerged as a result of the new strategic direction adopted by the Agency. A thorough review of strategic and departmental risks is planned for the first quarter of the new financial year.

In terms of the Risk Management Policy, the Risk Management Committee advises management on the overall system of risk management, especially the mitigation of unacceptable levels of risk.

6. INTERNAL CONTROL UNIT

During the year under review, the Internal Control unit's work included the following activities:

- Monitoring compliance on the approved Internal Audit Plan.
- Follow-up on recommendations as per Internal Audit Plan as per Internal Audit Reports 2014/15 Financial Year.
- Ensure efficient and effective audit of the entire organisation by Auditor-General.
- Prepare Monthly / Quarterly A-G Management Letter Action Plan and present to Audit Committee.
- Review and assist on implementation of systems, policies, and procedure manuals.
- Conduct 100% Pre-Audit on Purchase orders.
- Prepare Quarterly Dashboard Report.
- Prepare Quarterly PFMA and NTR Checklist.
- Prepare Audit Readiness Plan for 2014/15 Annual A-G Audit

7. INTERNAL AUDIT

The following activities were undertaken by the Internal Auditors during the year under review:

PERFORMANCE INFORMATION

- Review of the level of alignment of the Strategic Plan, Annual Performance Plan, Operational Plan and Performance Agreements.
- Review conformity of the Annual Performance Plan targets to the SMART (Specific, Measurable, Achievable, Relevant, Time bound) criteria

- Review whether the performance indicators are reliable, well defined, verifiable, cost effective appropriate and relevant.
- Review of quarterly performance information reports (verification of targets met and plans to meet unmet targets)

FOLLOW UP ON THE PREVIOUS YEAR AG AND INTERNAL AUDIT FINDINGS

- Follow up on the status of the 2013/14 financial year internal audit and Auditor General findings

SUPPLY CHAIN MANAGEMENT

- High level review of the level of compliance of the SCM policies with PFMA, PPPFA and SCM Regulations, Treasury Regulations etc.
- Review of the adequacy and effectiveness of controls within:
 - Acquisition of goods and services;
 - Receipt of goods and services;
 - Invoice processing ; and
 - Payment of creditors

ANNUAL FINANCIAL STATEMENTS REVIEW

- High level review of the half yearly and annual financial statements

PAYABLES AND PROVISIONS REVIEW

- Payment of invoices within 30 days of receipt
- Review of commitments register
- Review of reconciliations and purchasing (purchase orders etc.)
- Review payment cycle

PROPERTY PLANT AND EQUIPMENT

- Compliance to asset management policy
- High level review of the adequacy of Asset Management Policies
- Review of the adequacy and effectiveness of the controls surrounding the collection management process with regards to:
 - Maintenance of Asset Register
 - Classification of Assets
 - Additions
 - Asset Count/Verification
 - Repairs and Maintenance
 - Capitalisation of Assets



- o Insurance of Assets
- o Disposal of Assets

BUDGET PROCESS, CASH FLOW ESTIMATES

- Review of the adequacy and effectiveness of the budget planning process, allocation of the budget and reporting process for employee costs

DASHBOARD STATUS REVIEW

- Follow up on the status of the Dashboard report with regards to:
 - o Leadership;
 - o Financial and Performance Management, and;
 - o Governance.

8. AUDIT COMMITTEE

In compliance with section 27 of the National Treasury Regulations, the Board has established an Audit Committee comprising of three independent members namely Ms T Mahlati, as Chairperson and Mr Z Fihlani and Mr D Coodavia as members.

The Audit Committee operates under a Charter which has been approved by the Board. The primary responsibility of the Audit Committee is to report and make recommendations to the Board on the effectiveness of corporate governance internal controls and risk management within the ECPTA, oversee the internal Audit function and to comment on and evaluate the annual financial statements of the ECPTA. The Chairperson of the Audit Committee attends Board Meetings by invitation.

The table below discloses relevant information on the audit committee members

Name	Qualifications	Internal Or External	If Internal, Position In The Public Entity	Date Appointed	Date Resigned	No. Of meetings attended
Thobeka Mahlati	BCom, BCom Hons	External	N/A	1 April 2014	N/A	5
Zola Fihlani	BCom, BComt Hons, MComm	External	N/A	1 April 2014	N/A	4
Dawood Coovadia	BCom Hons	External	N/A	1 April 2014	N/A	2

9. COMPLIANCE WITH LAWS AND REGULATIONS

The ECPTA strives to comply with all relevant laws and as such has adopted a compliance tool with which to track compliance.

10. FRAUD AND CORRUPTION

The Fraud Prevention and Financial Misconduct Policy was updated and approved in November 2014.

The public entity's fraud prevention plan will be updated with the input of the Audit Committee during the first quarter of the new financial year.

Fraud Risk had been identified as a strategic risk, and was monitored throughout the year. Mechanisms to limit opportunities for fraudulent conduct are complemented by an active whistle-blowers' hotline. No fraud incidents were reported or discovered during the year under review.

11. MINIMISING CONFLICT OF INTEREST

The Board of Directors are encouraged to declare their annual interests and also declare their interests in each and every board meeting. All employees on level C2 and above are required to declare their interests by completing the annual declaration of interest forms. Employees at lower levels are also encouraged to declare their interests.

12. CODE OF CONDUCT

The ECPTA subscribes to a Code of Ethics which it adopted. The Code of Ethics outlines the principles of Ethical Conduct.

13. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The ECPTA has established an accident prevention programme within its operations thereby ensuring compliance to the requirements of the OHS Act 85 of 1993 and other related legislation.

Reflected below are initiatives undertaken in the year under review:

- Legal appointments have been done
- OHS committees are in place
- OHS Standards are in place
- Safe Operating Procedures are in place
- Corporate policies including OHS policy are in place
- Risk Assessment done and controls in place
- Injuries on duty investigation and prevention measures are followed.



14. COMPANY / BOARD SECRETARY

The Board is assisted by Xoliswa Mapoma, the Board Secretary in the execution of its fiduciary duties.

15. SOCIAL RESPONSIBILITY

The ECPTA currently does not have a formal social responsibility programme – this is done mainly on an ad hoc basis for example, departments have annually observed the 67 minutes in honour of our late great former President, Mr Nelson Mandela by supporting homes for the elderly and places of safety for the youth.



16. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2015.

16.1.1 AUDIT COMMITTEE RESPONSIBILITY

The Audit Committee reports that it has complied with its responsibilities arising from Sections 51 and 77 of the Public Finance Management Act (Act 1 of 1999 as amended) and Treasury Regulations 3.1 and 27.1. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

16.1.2 THE EFFECTIVENESS OF INTERNAL CONTROL

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

The following internal audits were completed during the year under review:

- Quarterly Performance Information
- Follow up on the previous year AG and Internal Audit findings
- Supply Chain Management
- Assets
- Annual Financial Statements Review
- Payables and Provisions Review
- Budget process, Cash flow estimates
- Revenue

The following were areas of concern:

- Personal Protective Equipment
- Performance Information
- Supply Chain Management
- Completeness of the asset register

16.1.3 IN-YEAR MANAGEMENT AND MONTHLY/QUARTERLY REPORT

The public entity has submitted monthly and quarterly reports to the Executive Authority.

16.1.4 EVALUATION OF FINANCIAL STATEMENTS

We have reviewed the annual financial statements prepared by the public entity.



16.1.5 AUDITOR'S REPORT

We have reviewed the public entity's implementation plan for audit issues raised in the prior year and we are satisfied that the matters have been adequately resolved, are being appropriately monitored, or are in the process of being addressed.

The Audit Committee concurs and accepts the conclusions of the external auditor on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the auditor.



Thobeka Mahlali

Chairperson of the Audit Committee

Eastern Cape Parks and Tourism Agency

31 July 2015



**HUMAN
RESOURCE
MANAGEMENT**

PART D

1. INTRODUCTION

The key focus areas for the year under review were continued empowerment and capacitation of employees. Investment was made into programmes which sought to empower management and staff around issues of absenteeism, employment equity and supervisory responsibilities.

Managers and supervisors attended training programmes on how to manage discipline and deal with grievances in the workplace. Awareness sessions were conducted throughout the reserves in respect of women empowerment culminating in a Women's month celebration where women from the different regions were recognised for their contribution to the Agency. Financial wellness, alcohol and health awareness sessions were offered in identified reserves. Wellness days were held at Head Office and in the Western Region with the World Aid's day being held in Central Region.

A total of 51 (11%) appointments were made during the year under review largely attributed to natural attrition. The majority of these appointees were drawn from communities bordering ECPTA reserves. A further 13 (3%) employees were appointed into higher

level positions within the ECPTA. Staff turnover at year end was 10% with 54% of terminations due to resignations and 28% due to dismissals.

100% of the 17 targeted Work Place Skills Plan training interventions were undertaken. Employees occupied 481 training slots against a targeted 346 (139%) largely due to the availability of in-house capacity to undertake some of these interventions. A coaching and mentoring programme for nature conservators and their reserve management mentors commenced as part of the succession planning initiative to develop in-house management capability. Team building sessions were undertaken at Dwesa / Cweba and Head Office during the year under review. Additional to this was the securing of R2.7m funding from CATHSSETA for 50 work integrated learners, 24 experiential tourism learners, 12 interns, 13 bursars (3 employed and 10 unemployed)

HCM facilitated an educational tour to all reserves for the Reservations personnel so that they could become familiar with the product they deal with.

All HCM polices underwent review during the year and were approved in November 2014. The Agency migrated from the Equate job evaluation system to the Paterson job evaluation system during 2014. The individual performance management process was enhanced by distributing responsibility equitably in proportion to job levels to deliver on the Annual Performance Plan.

A staff satisfaction survey was concluded in February 2015. Satisfaction levels decreased slightly by 3% from 80% in 2013 to 77% in 2015. This is largely attributed to the broader respondent sample of 76% compared to 45% in 2013.

Realignment of the macro organisational structure in line with the revised strategy was approved for implementation on 1 April 2015 which should address lingering challenges among leadership and management with respect to team unity and integration following the merger. The delay in Head Office employees moving into one building has impeded the development of a unified ECPTA culture.

A priority for 2015/16 is to conclude phase 2 of the organisational redesign. Continuous empowerment and capacitation initiatives will be undertaken. A specific Change Management programme targeting Head Office employees will also be developed and implemented.

2. HUMAN RESOURCE OVERSIGHT STATISTICS

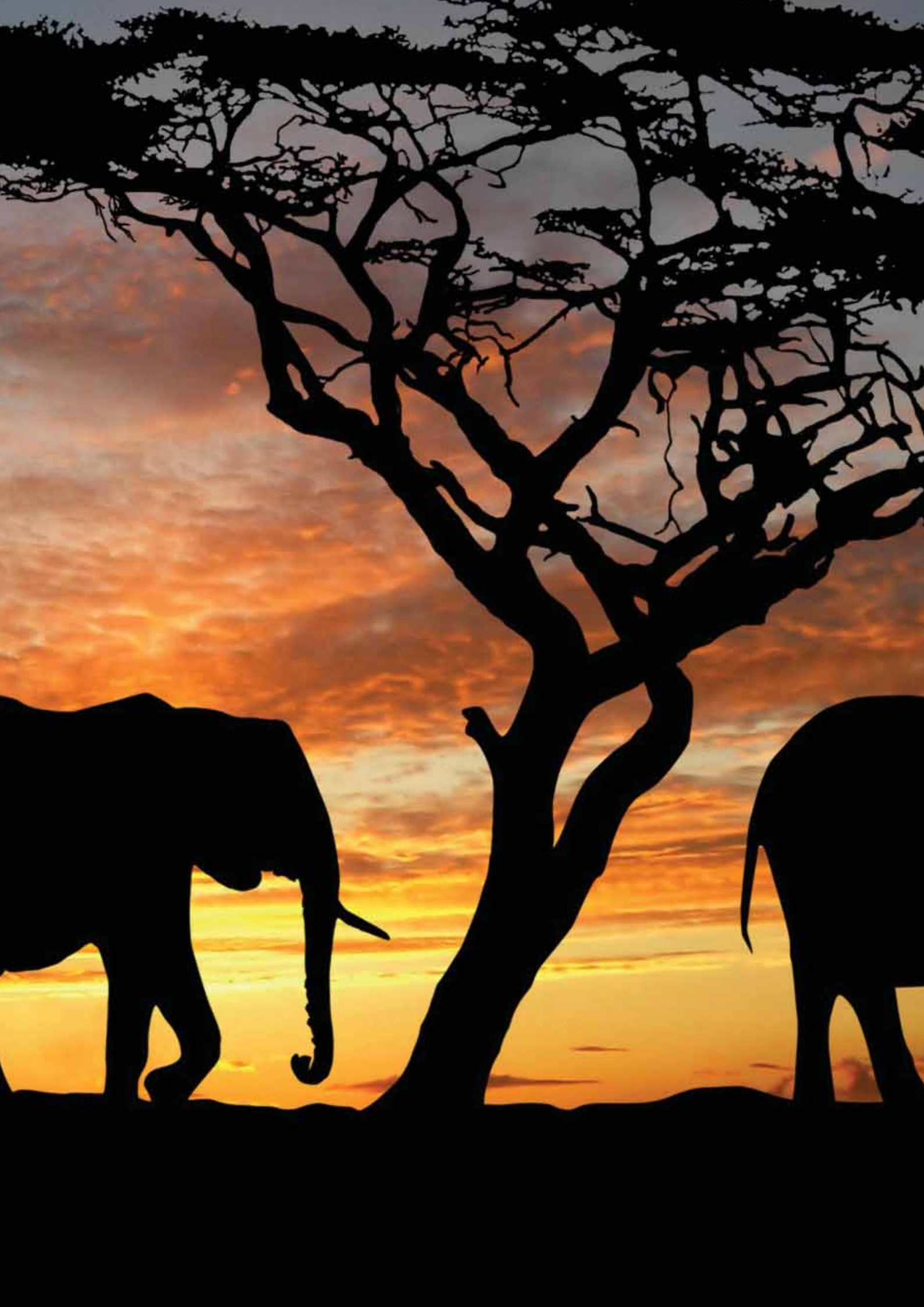
2.1.1 PERSONNEL COST BY PROGRAMME

Programme	Total Expenditure For The Entity (R'000)	Personnel Expenditure (R'000)	Personnel Exp. As A % Of Total Exp. (R'000)	No. Of Employees	Average Personnel Cost Per Employee (R'000)
Biodiversity Conservation	8 351	6 191	2.4	15	425
Destination Tourism	38 676	14 992	5.7	20	760
Operations	103 722	73 884	28.2	401	185
Executive Office	12 041	4 911	1.9	7	730
Finance	89 006	10 344	3.9	21	449
Human Capital Management	10 387	6 672	2.5	13	524
TOTAL	262 183	116 994	44.6	477	245

2.1.2 PERSONNEL COST BY SALARY BAND

Level	Personnel Expenditure (R'000)	% Of Personnel Exp. To Total Personnel Cost (R'000)	No. Of Employees	Average Personnel Cost Per Employee (R'000)
Top Management (Levels E1-E3)	7 805	6.67	2	1 951
Senior Management (Levels D1-D4)	28 231	24.13	33	855
Professional qualified (Levels C3-C5)	12 321	10.53	29	237
Skilled (Levels C1-C2)	15 346	13.12	52	295
Semi-skilled (Levels B1-B5)	34 342	29.35	213	161
Unskilled (Levels A1-A3)	18 949	16.2	148	128
TOTAL	116 994	100%	477	245





2.1.3 PERFORMANCE REWARDS

Programme	Performance Rewards (R'000)	Personnel Expenditure (R'000)	% Of Performance Rewards To Total Personnel Cost
Top Management	1 030	7 805	0.88
Senior Management	2 978	28 231	2.54
Professional qualified	767	12 321	0.65
Skilled	783	15 346	0.66
Semi-skilled	779	34 342	0.66
Unskilled	382	18 949	0.32
TOTAL	6 720	116 994	5.74

2.1.4 TRAINING COSTS

Programme	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure As A % Of Personnel Cost.	No. Of Employees Trained	AVG training cost per employee
Biodiversity Conservation	6 191				
Destination Tourism	14 992				
Operations	73 884				
Executive Office	4 911				
Finance	10 344				
Human Capital Management	6 672				
TOTAL	116 994	2 851	2.44	481	5 927

2.1.5 EMPLOYMENT AND VACANCIES

Programme	2013/14 No. Of Employees	2014/15 Approved Posts	2014/15 No. Of Employees	2014/15 Vacancies	% OF Vacancies	# Additional To Establishment
Biodiversity Conservation	16	22	15	7	1.3	0
Destination Tourism	23	26	20	6	1.1	0
Operations	393	433	400	40	7.6	7
Executive Office	7	7	7	0	0	0
Finance	22	22	22	3	0.6	3
Human Capital Management	13	15	13	2	0.4	0
TOTAL	474	525	477	58	11	10

Programme	2013/14 No. Of Employees	2014/15 Approved Posts	2014/15 No. Of Employees	2014/15 Vacancies	% Of Vacancies	# Additional To Establishment
Top Management (Levels E1-E3)	5	6	2	4	0.8	0
Senior Management (Levels D1-D4)	32	40	33	7	1.3	0
Professional qualified (Levels C3-C5)	29	32	27	5	1.0	0
Skilled (Levels C1-C2)	54	67	54	13	2.5	0
Semi-skilled (Levels B1-B5)	213	230	213	17	3.2	0
Unskilled (Levels A1-A3)	141	150	148	12	2.2	10
TOTAL	474	525	477	58	11	10

Funded vacancies have been filled where possible noting that identified Executive and management positions were placed on hold due to organisational review process. Most vacancies are

the result natural attrition. Thirteen internal appointments were made in 2014/15. During the year under review, it took an average of 30 working days to fill vacancies

2.1.6 EMPLOYMENT CHANGES

Turnover rates provide an indication of trends in employment profile of the public entity.

Salary Band	Employment At Beginning Of Period	Appointments	Terminations	Employment At End Of The Period
Top Management (Levels E1-E3)	5	1	4	2
Senior Management (Levels D1-D4)	32	5	4	33
Professional qualified (Levels C3-C5)	29	4	6	27
Skilled (Levels C1-C2)	54	6	6	54
Semi-skilled (Levels B1-B5)	213	18	20	213
Unskilled (Levels A1-A3)	141	15	8	148
TOTAL	474	51	48	477

NOTE: The above indicates appointments into the ECPTA noting that 13 internal appointments (promotions) are excluded from above.

2.1.7 REASONS FOR STAFF LEAVING

Reason	Number	% Of Total No. Of Staff Leaving
Death	4	8
Resignation	26	54
Dismissal	13	28
Retirement	3	6
Ill health – Incapacity Dismissal	1	2
Expiry of contract	0	0
Other (Settlement Agreement)	1	2
Total	48	100

From this table it can be noted that 54% of the terminations due to resignation and 27% due to dismissal. The resignations have largely been due to relocation and alternative job opportunities.

2.1.8 LABOUR RELATIONS: MISCONDUCT AND DISCIPLINARY ACTION

Nature Of Disciplinary Action	Number
Counselling	0
Verbal Warning	6
Written Warning	6
Final Written warning	14
Sanction without pay	1
Ill health – Incapacity Dismissal	0
Dismissal	13
Not guilty	4
Other (Resignation with settlement agreement)	2
TOTAL	46

The impact of management having received training on disciplinary processes can be seen in the above table, as progressive discipline has been consistently applied.

2.1.9 EQUITY TARGET AND EMPLOYMENT EQUITY STATUS

There are no major variances between "Actual" and "Target" since the ECPTA has aggressively pursued a transformation agenda. There has been a specific focus on females since the Agency was male dominated when it was established in 2010. There is an overall 9.6% improvement over the past five years.

LEVELS	MALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET
Top Management (Levels E1-E3)	1	2	0	1	0	0	0	0
Senior Management (Levels D1-D4)	13	13	0	2	0	0	5	2
Professional qualified (Levels C3-C5)	5	12	1	2	0	0	4	1
Skilled (Levels C1-C2)	17	22	1	2	0	0	3	2
Semi-skilled (Levels B1-B5)	123	89	16	13	0	1	2	12
Unskilled (Levels A1-A3)	63	60	15	9	0	2	0	7
TOTAL	222	198	33	29	0	3	14	24
TOTAL % OF OVERALL STAFF COMPLEMENT	46.5	41.6	6.9	6.1	0	0.6	2.9	5

LEVELS	FEMALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET
Top Management (Levels E1-E3)	0	2	0	0	0	0	1	1
Senior Management (Levels D1-D4)	11	14	0	1	1	0	3	2
Professional qualified (Levels C3-C5)	12	11	2	2	0	0	3	1
Skilled (Levels C1-C2)	27	18	4	3	0	0	2	2
Semi-skilled (Levels B1-B5)	63	80	9	9	0	1	0	9
Unskilled (Levels A1-A3)	64	53	6	7	0	1	0	6
TOTAL	177	178	21	22	1	2	9	21
TOTAL % OF OVERALL STAFF COMPLEMENT	37.1	37.3	4.4	4.5	0.2	0.5	1.9	4.4

LEVELS	DISABLED STAFF			
	MALE		FEMALE	
	CURRENT	TARGET	CURRENT	TARGET
Top Management (Levels E1-E3)	0	0	0	0
Senior Management (Levels D1-D4)	0	0	0	0
Professional qualified (Levels C3-C5)	0	0	0	0
Skilled (Levels C1-C2)	1	2	0	0
Semi-skilled (Levels B1-B5)	0	2	0	2
Unskilled (Levels A1-A3)	0	0	0	2
TOTAL	1	4	0	4
TOTAL % OF OVERALL STAFF COMPLEMENT	0.2	0.8	0	0.8



FINANCIAL PART E
INFORMATION



ADVENTURE PROVINCE
Eastern Cape
PARKS & TOURISM AGENCY

EASTERN CAPE PARKS AND TOURISM AGENCY
ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015



**GENERAL
INFORMATION**

Country of incorporation and domicile	South Africa
Legal form of entity	Schedule 3C Public Entity in terms of the Public Finance & Management Act (Act No.1 of 1999)
Accounting Authority	Ms V Zitumane Mr F Makiwane Ms M Mama Mr S Mgxaji Dr A Muir Mr S F Ncume - Appointed on 1 March 2015 Mr H Siwisa - Appointed on 1 October 2014 - Resigned on 2 February 2015 Mr M Sotshana - Resigned on 30 September 2014 Ms T Tsengiwe
Registered office	6 St Marks Road Southernwood East London 5213
Postal address	P.O. Box 11235 Southernwood East London 5213
Auditors	Office of the Auditor - General
Website	www.visiteasterncape.co.za





INDEX

The reports and statements set out below comprise the annual financial statements presented to the provincial legislature:

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ACCOUNTING AUTHORITY'S RESPONSIBILITIES AND APPROVAL

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

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


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

The accounting authority acknowledge that they are ultimately responsible for the system of internal financial control established by the entity and place considerable importance on maintaining a strong control environment. To enable the accounting authority to meet these responsibilities, the accounting authority sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the entity and all employees are required to maintain the highest ethical standards in ensuring the entity's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the entity is on identifying, assessing, managing and monitoring all known forms of risk across the entity. While operating risk cannot be fully eliminated, the entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

The accounting authority has reviewed the entity's cash flow forecast for the year to 31 March 2016 and, in the light of this review and the current financial position, they are satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

The annual financial statements set out on pages 110 to 161, which have been prepared on the going concern basis, were approved by the accounting authority on 29 May 2015 and were signed on its behalf by:



Ms V Zizumane
Chairperson of the Board



**REPORT OF THE AUDITOR-GENERAL TO THE EASTERN CAPE PROVINCIAL LEGISLATURE ON THE EASTERN CAPE
PARKS AND TOURISM AGENCY
REPORT ON THE FINANCIAL STATEMENTS**

INTRODUCTION

1. I have audited the financial statements of the Eastern Cape Parks and Tourism Agency set out on pages 110 to 160, which comprise the statement of financial position as at 31 March 2015, the statement of financial performance, statement of changes in net assets, and the cash flow statement and the statement of comparison of budget information with actual information for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

ACCOUNTING AUTHORITY'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

2. The accounting authority is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA), and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR-GENERAL'S RESPONSIBILITY

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

OPINION

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Eastern Cape Parks and Tourism Agency as at 31 March 2015 and its financial performance and cash flows for the year then ended, in accordance with GRAP and the requirements of the PFMA.

EMPHASIS OF MATTERS

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



RESTATEMENT OF CORRESPONDING FIGURES

8. As disclosed in note 36 to the financial statements, the corresponding figures for 31 March 2014 have been restated as a result of errors discovered during the current financial year in the financial statements of the agency at, and for the year ended, 31 March 2014.

SIGNIFICANT UNCERTAINTIES

9. As disclosed in note 29 to the financial statements, the agency is affected by land claims. According to the settlement agreement the, the agency is required to enter into co-management agreements with communities in terms of which the communities are expected to gain some kind of beneficiation. These agreements, once concluded, will hold financial implications for the agency.

IRREGULAR EXPENDITURE

10. As disclosed in note 33 to the financial statements, the agency incurred irregular expenditure amounting to R3 million (2014: R11.8 million) during the year ended 31 March 2015. This was as a result of non-compliance with procurement requirements. The goods and services to which the irregular expenditure relates were received by the agency.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

11. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) and the *general notice* issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report, non-compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

PREDETERMINED OBJECTIVES

12. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected programmes presented in the annual performance report of the entity for the year ended 31 March 2015:
 - Programme 2: Destination tourism on pages 42 to 46
 - Programme 3: Operations on pages 47 to 54
13. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
14. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for managing programme performance information (FMPPJ).
15. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
16. I did not raise any material findings on the usefulness and reliability of the reported performance information for the selected programmes.

ADDITIONAL MATTERS

17. Although I raised no material findings on the usefulness and reliability of the reported performance information for the selected programmes, I draw attention to the following matters:

ACHIEVEMENT OF PLANNED TARGETS

18. Refer to the annual performance report on pages 42 to 46 and 47 to 54 for information on the achievement of the planned targets for the year.

ADJUSTMENT OF MATERIAL MISSTATEMENTS

19. I identified material misstatements in the annual performance report submitted for auditing on the reported performance information for Destination Tourism and Operations programmes. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

COMPLIANCE WITH LEGISLATION

20. I performed procedures to obtain evidence that entity had complied with applicable legislation regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

ANNUAL FINANCIAL STATEMENTS, PERFORMANCE REPORTS AND ANNUAL REPORTS

21. Effective, efficient and transparent systems of risk management and internal controls with respect to performance information and management were not maintained as required by section 51(1)(a)(i) of the PFMA.

EXPENDITURE MANAGEMENT

22. The accounting authority did not take effective steps to prevent irregular expenditure as required by section 51(1)(b) (ii) of the PFMA.

PROCUREMENT AND CONTRACT MANAGEMENT

23. Contracts were extended or modified without the approval of a properly delegated official as required by Treasury Regulation 8.1 and 8.2.

INTERNAL CONTROL

24. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on non-compliance with legislation included in this report.

Leadership

25. The accounting officer did not exercise adequate oversight responsibility over the preparation of the annual performance report. Leadership did not adequately monitor the implementation of the agency's policies, procedures and related internal controls. This resulted in material misstatements relating to the annual performance report being identified through the audit process. These misstatements were subsequently corrected by management. Oversight over compliance with laws and regulations was inadequate resulting in instances of non-compliance as reported in this report.

Financial and performance management

26. Management did not properly implement the standard operating procedures for performance information in relation to the recording and accuracy of the source documentation in support of actual performance achieved. Furthermore, management did not have adequate internal controls in place to prevent irregular expenditure.





Governance

27. The audit committee and internal audit unit fulfilled their legislative responsibilities within the agency, but leadership did not take appropriate action on all recommendations made by these governance structures.

Auditor - general

East London

29 July 2015



**AUDITOR - GENERAL
SOUTH AFRICA**

Auditing to build public confidence



**STATEMENT OF
FINANCIAL
POSITION AS AT
31 MARCH 2015**

Statement of Financial Position as at 31 March 2015

Figures in Rand (thousand)	Note(s)	2015 R'000	2014 R'000 Restated*
Assets			
Current Assets			
Inventories	2	19	50
Trade receivables	3	863	1 096
Other receivables from non-exchange transactions	4	1 268	595
Cash and cash equivalents	5	40 733	27 379
Game held for sale	6	10 048	12 995
		<u>52 931</u>	<u>42 115</u>
Non-Current Assets			
Intangible assets	7	806	1 728
Property, plant and equipment	8	318 019	341 657
Heritage assets	9	22 991	22 991
Investment property	10	6 425	6 567
Infrastructure - work in progress	11	11 511	10 215
		<u>359 752</u>	<u>383 158</u>
Total Assets		<u>412 683</u>	<u>425 273</u>
Liabilities			
Current Liabilities			
Finance lease obligation	12	506	52
Trade payables	13	19 865	27 302
Other payables	14	959	625
Poverty alleviation projects	15	1 473	6 061
Wild coast project	16	-	1 060
Provisions	17	7 950	7 380
Deferred revenue - game held for sale	18	10 048	12 995
		<u>40 801</u>	<u>55 475</u>
Non-Current Liabilities			
Finance lease obligation	12	564	28
Employee benefit obligation	19	6 155	4 622
Deferred revenue - grants received	20	20 166	7 874
		<u>26 885</u>	<u>12 524</u>
Total Liabilities		<u>67 686</u>	<u>67 999</u>
Net Assets			
Capitalisation reserve		39 304	39 304
Accumulated surplus		305 693	317 970
Total Net Assets		<u>344 997</u>	<u>357 274</u>

* See Note 36

**STATEMENT OF
FINANCIAL
PERFORMANCE**

Statement of Financial Performance

Figures in Rand (thousand)	Note(s)	2015 R'000	2014 R'000 Restated*
Revenue			
Revenue from exchange transactions			
Sale of goods		10 637	8 789
Rendering of services		879	647
Accommodation revenue		4 393	3 546
Rental income		1 236	1 025
Other income		2 839	1 996
Finance income		1 518	1 444
Total revenue from exchange transactions		21 502	17 447
Revenue from non-exchange transactions			
Grants and subsidies		207 269	239 456
Donations received	8	22 705	-
Total revenue from non-exchange transactions		229 974	239 456
Total revenue	21	251 476	256 903
Expenditure			
Personnel related costs	22	(116 994)	(114 191)
Depreciation and amortisation		(53 396)	(59 022)
Finance costs	23	(551)	(447)
Debt Impairment		(3)	(51)
Repairs and maintenance		(10 030)	(16 574)
Operating expenses	24	(81 209)	(112 806)
Total expenditure		(262 183)	(303 091)
Operating deficit		(10 707)	(46 188)
Loss on disposal of assets		(1 570)	-
Deficit for the year		(12 277)	(46 188)

* See Note 36

STATEMENT OF
CHANGE IN
NET ASSETS

Statement of Changes in Net Assets

Figures in Rand (thousand)	Capitalisation reserve	Accumulated surplus	Total net assets
Opening balance as previously reported	39 304	363 050	402 354
Adjustments			
Prior period errors (note 36)	-	922	922
Balance at 01 April 2013 as restated*	39 304	363 972	403 276
Change in estimates	-	186	186
Total changes	-	186	186
Deficit for the year	-	(46 188)	(46 188)
Total recognised income and expenses for the year	-	(46 002)	(46 002)
Total changes	-	(46 002)	(46 002)
Opening balance as previously reported	39 304	308 414	347 718
Adjustments			
Prior year adjustments (note 36)	-	9 556	9 556
Balance at 01 April 2014 as restated*	39 304	317 970	357 274
Deficit for the year	-	(12 277)	(12 277)
Total changes	-	(12 277)	(12 277)
Balance at 31 March 2015	39 304	305 693	344 997

* See Note 36

CASH FLOW STATEMENT

Cash Flow Statement

Figures in Rand (thousand)	Note(s)	2015 R'000	2014 R'000 Restated*
Cash flows from operating activities			
Receipts			
Sale of goods and services		19 541	15 845
Grants		219 561	210 896
Interest income		1 518	1 444
		<u>240 620</u>	<u>228 185</u>
Payments			
Employee costs		(115 485)	(113 758)
Suppliers		(97 718)	(128 221)
Finance costs		(551)	(447)
		<u>(213 754)</u>	<u>(242 426)</u>
Net cash flows from operating activities	26	<u>26 866</u>	<u>(14 241)</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	8	(7 558)	(19 016)
Increase in work in progress		(1 296)	(540)
Net cash flows from investing activities		<u>(8 854)</u>	<u>(19 556)</u>
Cash flows from financing activities			
Movement in poverty alleviation projects		(4 588)	(4 862)
Movement in wild coast project		(1 060)	(2 881)
Finance lease liabilities		990	(372)
Surrenders to provincial revenue fund		-	(5 521)
Net cash flows from financing activities		<u>(4 658)</u>	<u>(13 636)</u>
Net increase in cash and cash equivalents		13 354	(47 433)
Cash and cash equivalents at the beginning of the year		27 379	74 812
Cash and cash equivalents at the end of the year	5	<u>40 733</u>	<u>27 379</u>

* See Note 36

**STATEMENT OF
COMPARISON OF
BUDGET AND
ACTUAL AMOUNTS**

Budget on Cash Basis

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

Statement of Financial Performance

Revenue

Revenue from exchange transactions	17 000	1 540	18 540	21 059	2 519	Note 35
Other grants	-	18 767	18 767	11 679	(7 088)	Note 35
Grants and subsidies	207 282	600	207 882	207 882	-	
Total revenue	224 282	20 907	245 189	240 620	(4 569)	

Expenses

Compensation of employees	(118 979)	449	(118 530)	(115 485)	3 045	Note 35
Goods and services	(105 303)	(21 356)	(126 659)	(106 571)	20 088	Note 35
Finance charges	-	-	-	(551)	(551)	
Total expenditure	(224 282)	(20 907)	(245 189)	(222 607)	22 582	
Surplus for the year	-	-	-	18 013	18 013	

Reconciliation

Format and classification differences

Revenue from exchange transactions	443
Grants and subsidies	(12 292)
Donations received	22 705
Compensation of employees	(1 509)
Depreciation and amortisation	(53 396)
General expenses	13 759
Actual Amount in the Statement of Financial Performance	(12 277)

1. Presentation of Annual Financial Statements

Basis of preparation

- **Statement of compliance**
The Annual Financial Statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), the Public Finance Management Act, 1999 (Act No.1 of 1999) and specific regulations issued by National Treasury.

The Annual Financial Statements were authorised for issue by the Board on 29 May 2015.
- **Going concern assumption**
The Annual Financial Statements have been prepared on a going concern basis.
- **Functional and presentation currency**
The Annual Financial Statements are presented in South African Rand, which is the entity's functional currency. All financial information presented has been rounded to the nearest thousand.
- **Use of estimates and judgements**
The preparation of the Annual Financial Statements in conformity with GRAP requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.
- **Basis of measurement**
The Annual Financial Statements have been prepared on an accrual basis of accounting and are in accordance with historical cost except for certain assets and liabilities which are measured at fair value through profit or loss. Under this basis, the effects of transactions and other events are recognised when they occur (and not as cash or its equivalent are received or paid) and they are recorded in the accounting records and reported in the financial statements of the periods to which they relate.
- **Offsetting**
Financial assets and liabilities are set off and the net amount presented in the statement of financial position when, and only when, the entity has a legal right to set off amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Revenues and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP.
- **Comparative information**
When the presentation or classification of items in the Annual Financial Statements is amended, prior period comparative amounts are restated. The nature and reason for the reclassification is disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

Accounting policies

The accounting policies set out below have been applied consistently to all periods in these annual financial statements.

1.1 Revenue from exchange transactions

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

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

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

Measurement

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

Sale of goods

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

- the entity has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

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

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

Interest

Revenue arising from the use by others of entity assets yielding interest is recognised using the effective interest method when:

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

1.2 Revenue from non-exchange transactions

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

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

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

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

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

Recognition

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

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

Measurement

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

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

1.3 Game held for sale

Large mammals which are identified through our game census process as being excess game, are classified as "held for sale" and is reflected in the financial statements at its fair value less estimated point of sale costs of disposal.

The ECPTA classifies excess game identified for off take (disposal), as "held for sale" as their fair value will be recovered principally through a sale transaction rather than through continuing use.

The ECPTA is responsible for biodiversity conservation in defined protected areas and the biological assets consists of a large variety of species and it is thus not practical to list such species, their quantities or their values.

Attaching a reliable "fair value" to all biodiversity not "held for sale" is not possible, for the following reasons: The key drivers for successful biodiversity conservation include scientific management of the entire eco system in terms of flora and fauna (from the smallest organism to the largest) as well as the processes that maintain these patterns. It is not possible to place a reliable fair value on all material aspects of biodiversity. Valuing certain animal species without taking into account the contribution of other organisms and other aspects of the ecosystem is not in line with biodiversity conservation principles.

Fauna move naturally from one place to the other in search of preferred habitat and are therefore unpredictable in terms of their availability for counting. This issue is further complicated by short term responses of game to weather conditions. While fences are used as artificial barriers to control movement of some species, this is not an ideal situation, and some species move freely despite these barriers, which make counting impractical. Game counts are also extremely expensive processes, as these frequently require the use of sophisticated technology (helicopters, GPS, GIS) and data analysis. In addition, the complexity in counting different species varies, such that elephants are easier to census than small species such as blue duiker. Applying a uniform accounting approach to this range of species will not be practical.

In terms of the Framework for preparation and presentation of financial information, the ECPTA does not recognise its biodiversity assets and only reflect the excess game identified for off take as additional disclosure for the benefit of users to the Annual Financial Statements.

By virtue of these species being included in the defined protected areas they form part of the legislative mandate of the ECPTA to conserve biodiversity in these areas.

1.4 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance.

An asset is identified as an intangible asset when it:

- is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, assets or liability; or
- arises from contractual rights or other legal rights, regardless of whether those rights are transferable or separate from the entity or from other rights and obligations.

Intangible assets are initially recognised at cost. The cost of Intangible assets is its fair value as at the date of acquisition.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses. The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

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

Item	Useful life
Computer software licences	3 years

1.5 Investment property

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

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

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the entity, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement. The cost of investment property acquired at no cost or nominal cost (i.e. acquired in a non-exchange transaction) is its fair value at the date of acquisition.

Cost model

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

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

Item	Useful life
Property - land	indefinite
Property - buildings	50 years

1.6 Heritage assets

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

A heritage asset shall be recognised as an asset if, only if:

- It is probable that future economic benefits or service potential associated with the asset will flow to the entity, and
- the cost or fair value can be measured reliably.

Assets that qualify for recognition as heritage assets are initially measured at cost. Where the cost or fair values cannot be measured reliably, the assets are not recognised. Heritage assets are not depreciated as they are considered to have an indefinite useful life due to their environmental significance.

Subsequent to recognition, heritage assets are carried at cost less any accumulated impairment losses. In the case of specialised heritage buildings, the fair value is determined using the replacement cost approach.

The gain or loss arising from the derecognition of a heritage asset shall be determined as the difference between the net disposal proceeds, if any, and the carrying amount of the heritage asset. Such difference is recognised in surplus or deficit when the heritage asset is derecognised.

An assessment of impairment is performed at each reporting date and impairment losses are recognised in profit or loss.

1.7 Property, plant and equipment

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

All property, plant and equipment are initially recorded at cost less accumulated depreciation and any impairment losses. Cost includes all costs directly attributable to bringing the assets to its working condition for its intended usage.

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

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

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

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

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

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

Land accounted for as property plant and equipment has an infinite useful life and is not depreciated.

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

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

Item	Average useful life
Land	Indefinite
Buildings	5 - 50 years
Plant and machinery	5 years
Furniture and fixtures	6 years
Commercial motor vehicles	4 years
Office equipment	5 years
IT equipment	3 years
Building attachments	5 years
Roads and storm water	10 - 60 years
Electricity infrastructure	30 - 40 years
Sanitation infrastructure	10 - 60 years
Water supply infrastructure	30 - 50 years
Fencing	10 - 40 years

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

Changes in residual value, depreciation method and useful life represents changes in estimates and are accounted for prospectively in accordance with GRAP 3 – Accounting policies, changes in accounting estimates and errors.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount.



An entity shall assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for an asset may no longer exist or may have decreased. If any such indication exists, the entity shall estimate the recoverable service amount of that asset. An impairment loss recognised in prior periods for an asset shall be reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. If this is the case, the carrying amount of the asset shall be increased to its recoverable amount. That increase is a reversal of an impairment loss. A reversal of an impairment loss for an asset shall be recognised immediately in surplus or deficit.

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

1.8 Financial instruments

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

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

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

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

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

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

A financial asset is:

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

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

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

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

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

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

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

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

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

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

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

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

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

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

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

Classification

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

Class

Trade and other receivables
Cash and cash equivalents

Category

Financial asset measured at amortised cost
Financial asset measured at amortised cost

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

Class	Category
Trade and other payables	Financial liability measured at amortised cost

Initial recognition

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

The entity recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

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

The entity measures a financial asset and financial liability initially at its fair value.

The entity first assesses whether the substance of a concessionary loan is in fact a loan. On initial recognition, the entity analyses a concessionary loan into its component parts and accounts for each component separately. The entity accounts for that part of a concessionary loan that is:

- a social benefit in accordance with the Framework for the Preparation and Presentation of Financial Statements, where it is the issuer of the loan; or
- non-exchange revenue, in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers), where it is the recipient of the loan.

Subsequent measurement of financial assets and financial liabilities

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

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

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

The entity provides for bad debts on outstanding trade and other receivables as follows:

Outstanding balance	Provision for bad debts
Older than six months but less than a year	50.00 %
Older than a year	100.00 %

Fair value measurement considerations

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

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

Derecognition

Financial assets

The entity derecognises a financial asset only when:

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

Financial liabilities

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

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

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

1.9 Leases

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

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

Leased assets are depreciated over the shorter of the lease term and its useful life.

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

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

Income for leases is disclosed under revenue in statement of financial performance.

Operating leases – lessee

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

1.10 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

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

1.11 Impairment of cash-generating assets

Cash-generating assets are those assets held by the entity with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

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

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

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

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

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

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

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

Useful life is either:

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

Criteria developed by the entity to distinguish cash-generating assets from non-cash-generating assets are as follow:

1.12 Impairment of non-cash-generating assets

Cash-generating assets are those assets held by the entity with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

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

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

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

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

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

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

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

1.13 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of surplus sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Contributions to a defined contribution plan in respect of service in a particular period are recognised as an expense in that period.

Defined benefit plans

For defined benefit plans the cost of providing the benefits is determined using the projected unit credit method.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan.

Consideration is given to any event that could impact the funds up to end of the reporting period where the interim valuation is performed at an earlier date.

Past service costs are recognised immediately to the extent that the benefits are already vested, and are otherwise amortised on a straight line basis over the average period until the amended benefits become vested.

The amount recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs.

1.14 Provisions, contingent assets and contingent liabilities

Provisions

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

Provisions are recognised when:

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

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the reporting date. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

Contingent liability

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because:

- It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets

Contingent assets arise from unplanned or other unexpected events that are not wholly within the control of the entity and give rise to the possibility of an inflow of economic benefits or service potential to the entity.

Contingent assets are not recognised in Annual Financial Statements since this may result in the recognition of revenue that may never be realised. However, when the realisation of revenue is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

A contingent asset is disclosed where an inflow of economic benefits or service potential is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements.

The ECPTA shall disclose for each class of provisions, contingent assets and liabilities, unless the possibility of any cash flow is remote, at the end of the reporting period a brief description of the nature of the provision, contingent liability and contingent asset and where practicable, an estimate of its financial effect, an indication of uncertainties relating to the amount or timing of any cash flow and the possibility of any reimbursement.

1.15 Borrowing costs

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

1.16 Fruitless and wasteful and irregular expenditure

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

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

Irregular expenditure is expenditure that is contrary to legislation and has not yet been condoned or regularised by management. Irregular expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered it is subsequently accounted for as revenue in the Statement of Financial Performance.

Fruitless and wasteful and irregular expenditure is disclosed in the notes to the financial statements when confirmed. The amount disclosed is equal to the total value of the fruitless and wasteful or irregularity unless it is impracticable to determine in which case reasons therefore is provided in the note. The expenditure is removed from the note when it is either condoned by the relevant authority or transferred to receivables for recovery.

1.17 Deferred revenue

Where grant income has been received and is ring fenced for specific projects or committed but the related commitment cannot be defined as an accrual, such related grant income is transferred to deferred revenue. When expenditure has been incurred on the ring fenced project or the commitment has been realised the related income is reflected as revenue.

The corresponding revenue relating to large mammals which are identified through our game census process as being excess game, and have been recognised as "held for sale" is deferred until when the sale has been concluded and the entity has discharged its responsibilities in terms of the sale agreement.

1.18 Capital reserves

Capital reserves consist of:

- Reserves raised upon the initial transfer of funds relating to infrastructure projects which were initially implemented by ECTB,
- Reserves created upon the initial valuation of game held for sale; and
- Reserves raised upon the assignment of assets to the ECPTA on establishment.

1.19 Cash and cash equivalents

Cash and cash equivalents consist of:

- Cash relating to own revenue and the funds transferred from DEDEAT in respect of the mandate of the ECPTA as defined in the Eastern Cape Parks and Tourism Agency Act (Act 2 of 2010),
- Cash relating to funds transferred from various agencies for specific projects of which the ECPTA has been appointed as the implementing agent.

All funds received for specific projects are separately managed and used only for such funds unless written permission is obtained from the relevant funder.

1.20 Related parties

The ECPTA operates in an economic sector whereby it interacts with other entities within the national or provincial sphere of government. Such entities are considered to be related parties. Key management is defined as individuals who are key decision makers within the entity with a responsibility and authority to direct and control the activities of the entity. The Board, Audit Committee, Executive Management as well as the Legal Advisor / Board secretary are considered to be key management per the definition of the financial reporting standard. Close family members of key management personnel are considered to be those family members who may be expected to influence or to be influenced by key management.

1.21 Mergers

A merger is the establishment of a new combined entity in which none of the former entities obtain control over any other and no acquirer can be identified.

Merger date is the date on which entities are combined for the mutual sharing of risks and benefits and when the assets and liabilities are transferred to the combined entity.

As of the merger date, the entity recognises all the assets acquired and liabilities assumed. The assets acquired and liabilities assumed are measured at their carrying amounts. The difference between the carrying amounts of the assets acquired and the liabilities assumed is recognised in accumulated surplus or deficit.

If the initial accounting for a merger is incomplete by the end of the reporting period in which the merger occurs, the entity reports in its annual financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, the entity retrospectively adjust the provisional amounts recognised at the merger date to reflect new information obtained

about facts and circumstances that existed as of the merger date and, if known, would have affected the measurement of the amounts recognised as of that date.

After the measurement period ends, the entity revises the accounting for a merger only to correct an error in accordance with the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors.

The entity subsequently measures any assets acquired and any liabilities assumed in a merger in accordance with the applicable Standards of GRAP.

1.22 Surrenders to provincial revenue fund

Surrenders to provincial revenue fund relate to unspent funds which means the positive balance in “cash and cash equivalents” as per cash flow statement as at the end of the financial year, less any accruals relating to that financial year and/or surpluses approved for accumulation in terms of section 53(3) of the PFMA.

Treasury Regulation 15.8 requires that, at the end of each financial year, and after the books of account of the entity have been closed, the Accounting Officer must surrender to the relevant treasury any unexpended voted funds, for re-depositing into the Exchequer bank account of the relevant revenue fund.

Surrenders to provincial revenue fund are disclosed in the face of the statement of financial position under current liabilities retrospectively in accordance with GRAP 3 and IAS 8.

1.23 Infrastructure work in progress

Infrastructure work in progress represents capital projects in progress at year end. Expenditure incurred on infrastructure projects is recognised at cost and is only transferred to the relevant asset category on completion of the project. Work in progress is not depreciated. Subsequent to transfers to the relevant asset classes, the assets are accounted for in terms of the applicable GRAP standard.

1.24 Key management personnel

Key management is defined as persons having authority and responsibility for planning, directing and controlling the activities of the entity whether directly or indirectly. This comprises of the Board, Audit Committee, Executive Directors as well as the Legal Advisor of the entity. Transactions between the entity and key management personnel are disclosed in related party disclosures. Compensation paid to key management personnel is included in the disclosure notes.

1.25 Commitments

Commitments relate to outstanding capital and current purchase orders at year end subject to the availability of funds. Commitments are not recognised as a liability in the statement of financial position or as expenditure in the statement of financial performance but are included in the disclosure notes.

1.26 Budget information

The annual financial statements and the budget are not prepared on the same basis of accounting. The Annual Financial Statements are prepared on the accrual basis of accounting whereas the budget is on a cash basis. A reconciliation between the statement of financial performance and the budget is included in the annual financial statements as well as the recommended disclosure as determined by National Treasury.

1.27 Grap Standards

The Annual Financial Statements have been prepared in accordance with the prescribed Standards of Generally Recognised Accounting Practice (GRAP) issued by the Accounting Standards Board (ASB) and have also adopted the transitional provisions as applicable in terms of the standard and principles contained in directive two issued by the ASB in March 2009.

The GRAP standards approved and effective are listed below:

GRAP 1	Presentation of financial statements
GRAP 2	Cash flow statements
GRAP 3	Accounting policies, changes in accounting estimates and errors
GRAP 4	The effects of changes in foreign exchange rates
GRAP 5	Borrowing costs
GRAP 6	Consolidation and separate financial statements
GRAP 7	Investment in associates
GRAP 8	Investment in joint ventures
GRAP 9	Revenue from exchange transactions
GRAP 10	Financial reporting in hyperinflationary economies
GRAP 11	Construction contracts
GRAP 12	Inventories
GRAP 13	Leases
GRAP 14	Events after the reporting date
GRAP 16	Investment property
GRAP 17	Property, plant and equipment
GRAP 19	Provisions, contingent liabilities and contingent assets
GRAP 21	Impairment of Non-cash generating assets
GRAP 23	Revenue from Non exchange Transactions (Taxes and Transfers)
GRAP 24	Presentation of Budget Information in Financial Statements
GRAP 25	Employee Benefits
GRAP 26	Impairment of cash generating assets
GRAP 27	Agriculture (replaces GRAP 101)
GRAP 31	Intangible assets (replaces Grap 102)
GRAP 100	Non current assets held for sale and discontinued operations
GRAP 101	Agriculture (replaced by Grap 27)
GRAP 102	Intangible assets (replaced by Grap 31)
GRAP 103	Heritage Assets
GRAP 104	Financial Instruments

Other applicable standards

IPSAS 20 Related party disclosure

Currently the recognition and measurement principles in the above standards do not differ or result in material differences compared to previous financial statements.

The following prescribed standards of GRAP have been issued but are not yet effective as at 31 March 2015.

GRAP 18 Segment reporting

GRAP 20 Related party disclosure

GRAP 32 Service Concession Arrangements: Grantor

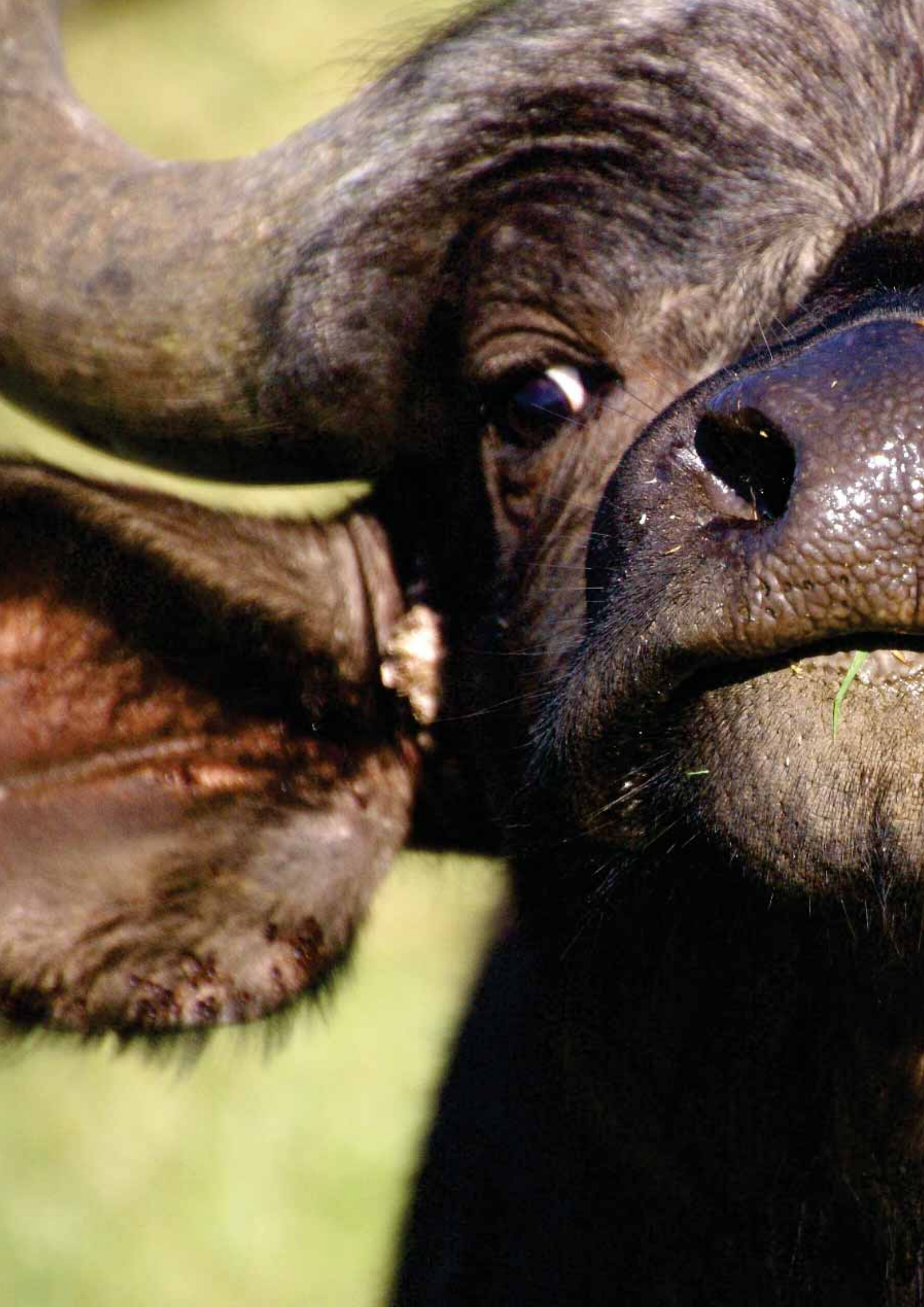
GRAP 105 Transfers of Functions Between Entities Under Common Control

GRAP 106 Transfers of Functions Between Entities Not Under Common Control

GRAP 107 Mergers

GRAP 108 Statutory Receivables





Notes to the Annual Financial Statements

Figures in Rand (thousand)	2015	2014
2. Inventories		
Fuel	19	50

Inventories are carried at lower of cost and net realisable value.

3. Trade receivables		
Trade debtors	170	730
Operating lease receivables	22	-
Rent receivable	921	630
Impairment allowance	(250)	(264)
	863	1 096

ECPTA considers that the carrying amount of trade and other receivables approximates their fair value. No trade and other receivables have been pledged as security.

Trade and other receivables past due but not impaired

Included in rent receivables is an amount of R639 493 (2014: R422 711) that is past due but not impaired as at the end of the reporting period.

The ageing of amounts past due but not impaired is as follows:

6 months past due	90 326	103 039
1 year past due	212 768	195 768
More than 1 year past due	336 399	123 904
	639 493	422 711

Reconciliation of provision for impairment

Opening balance	264	290
Provision for impairment	1	(26)
Amounts written off as uncollectible	(15)	-
	250	264

4. Other receivables from non-exchange transactions

UNDP loans receivable (Wild Coast Project)	-	58
Debts receivables (staff debts)	397	400
Poverty relief projects	546	-
Deposits	405	497
Prepaid expenses	279	-
Impairment allowance	(359)	(360)
	1 268	595

Reconciliation of provision for impairment

Opening balance	360	283
Provision for impairment	2	77
Amounts written off as uncollectible	(3)	-
	359	360

Notes to the Annual Financial Statements

Figures in Rand (thousand) 2015 2014

5. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	60	60
Bank balances	39 200	20 198
Other cash and cash equivalents	1 473	7 121
	40 733	27 379

Other cash and cash equivalents relates to Special Projects. These bank balances are held by the ECPTA in its capacity as the implementing agent and are ring fenced for application to activities within those projects.

The entity's exposure to interest rate risk including risk to its financial assets and liabilities is disclosed in note 31.

6. Game held for sale

Current assets	10 048	12 995
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A census to determine the current stocking rate and to ensure that the veld carrying capacity is not exceeded, in line with biodiversity best practices, is held over a 3 year cycle. Excess game are identified for sale in the following year and their fair value less estimated point of sale costs is anticipated to be R 10,154 million (2014: R 12,995 million).

7. Intangible assets

	2015			2014		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer Software licences	3 301	(2 495)	806	3 301	(1 573)	1 728

Reconciliation of intangible assets - 2015

	Opening balance	Amortisation	Total
Computer Software licences	1 728	(922)	806

Reconciliation of intangible assets - 2014

	Opening balance	Change in estimate	Amortisation	Total
Computer software licences	2 649	186	(1 107)	1 728

Notes to the Annual Financial Statements

Figures in Rand (thousand) 2015 2014

7. Reconciliation of property, plant and equipment – 2015

	2015			2014		
	Cost / Valuation	depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	160	-	160	160	-	160
Buildings	153 986	(14 999)	138 987	143 963	(10 238)	133 725
Plant and machinery	7 274	(5 394)	1 880	7 128	(4 412)	2 716
Furniture and fixtures	17 154	(10 158)	6 996	16 808	(7 509)	9 299
Motor vehicles	20 109	(15 133)	4 976	19 264	(12 068)	7 196
Office equipment	4 662	(3 038)	1 624	4 201	(2 352)	1 849
IT equipment	8 482	(5 045)	3 437	7 504	(5 331)	2 173
Roads and storm water	346 133	(228 611)	117 522	332 409	(197 460)	134 949
Fencing	61 962	(41 765)	20 197	62 884	(36 578)	26 306
Building attachments	2 936	(2 015)	921	2 766	(1 557)	1 209
Electricity infrastructure	9 731	(4 714)	5 017	9 714	(4 471)	5 243
Sanitation infrastructure	6 121	(2 639)	3 482	5 995	(2 443)	3 552
Water supply infrastructure	22 737	(9 917)	12 820	22 737	(9 457)	13 280
Total	661 447	(343 428)	318 019	635 533	(293 876)	341 657

	Opening balance	Additions	Disposals	Depreciation	Total
Land	160	-	-	-	160
Buildings	133 725	10 584	(496)	(4 826)	138 987
Plant and machinery	2 716	159	(3)	(992)	1 880
Furniture and fixtures	9 299	380	(16)	(2 667)	6 996
Motor vehicles	7 196	845	-	(3 065)	4 976
Office equipment	1 849	473	(4)	(694)	1 624
IT equipment	2 173	2 892	(294)	(1 334)	3 437
Roads and storm water	134 949	13 723	-	(31 150)	117 522
Fencing	26 306	894	(757)	(6 246)	20 197
Building attachments	1 209	170	-	(458)	921
Electricity infrastructure	5 243	17	-	(243)	5 017
Sanitation infrastructure	3 552	126	-	(196)	3 482
Water supply infrastructure	13 280	-	-	(460)	12 820
	341 657	30 263	(1 570)	(52 331)	318 019

Notes to the Annual Financial Statements

Figures in Rand (thousand) 2015 2014

8. Reconciliation of property, plant and equipment - 2015

	Balance as previously reported	Prior period errors	Additions	Depreciation	Total
Land	160	-	-	-	160
Buildings	136 390	150	2 333	(5 148)	133 725
Plant and machinery	2 717	1 973	290	(2 264)	2 716
Furniture and fixtures	12 838	-	217	(3 756)	9 299
Motor vehicles	10 367	-	1 856	(5 027)	7 196
Office equipment	4 564	(1 973)	417	(1 159)	1 849
IT equipment	2 839	-	1 478	(2 144)	2 173
Roads and storm water	152 262	771	12 282	(30 366)	134 949
Fencing	32 544	-	-	(6 238)	26 306
Building attachments	1 839	-	143	(773)	1 209
Electricity infrastructure	5 486	-	-	(243)	5 243
Sanitation infrastructure	3 747	-	-	(195)	3 552
Water supply infrastructure	13 741	-	-	(461)	13 280
	379 494	921	19 016	(57 774)	341 657

Included in additions of R30,263 million for the current year is donated assets of R22,705 million received from the National Department of Environmental Affairs. The donated assets consists of roads at Mkambati nature reserve of R13,724 million and

Buildings at Silaka nature reserve of R8,981 million.

No property, plant and equipment is pledged as security for any transaction.

Donations in kind

The entity has been granted the use of assets for conservation activities. The assets are reflected below at cost as provided by the listed donors:

Aircraft - Stop Rhino Poaching	780	780
Office equipment - Stop Rhino Poaching	60	-
Motor vehicles - Wilderness Foundation	816	525
	1 656	1 305

Notes to the Annual Financial Statements

Figures in Rand (thousand) 2015 2014

9. Heritage assets

	2015			2014		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Land	22 991	-	22 991	22 991	-	22 991

Reconciliation of heritage assets 2015

	Opening balance	Total
Land	22 991	22 991

Reconciliation of heritage assets 2014

	Opening balance	Total
Land	22 991	22 991

Details of heritage assets

Included in the total heritage assets value of R22,991 million are various parks that were assigned to the former Eastern Cape Parks Board, with estimated area in hectares as listed below. For these heritage assets obtained from non-exchange transactions, ECPTA attempted to establish the value thereof using guidance from Directive 7: The Application of deemed cost issued by the Accounting Standards Board. Due to the nature of ECPTA's activities, ECPTA could not establish neither a fair value/deemed cost nor a replacement cost for its heritage assets acquired from non-exchange transactions. For that reason ECPTA heritage assets acquired from non-exchange transactions could not be recognised in the annual financial statements

Land purchased by the former Eastern Cape Parks Board to the value of R 22,991 million was recognised as heritage assets at the fair value of the consideration paid on purchase by the entity.

The nature reserves, including land acquired subsequent to the transfer, comprise the following:



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Figures in Rand (thousand)	2015	2014
Reserve		Estimated area in hectares
Great Fish River Nature Reserve		45 022
- Comprising of Sam Knott and Double Drift Nature Reserves		
- Includes 1,605 hectares with fair value of R5 659 100		
Baviaanskloof Nature Reserve		211 171
- Comprising of Baviaanskloof Wilderness Area, Stinkhoutberg and Cockscomb Nature Reserves		
- Includes 18,160 hectares with fair value of R15 533 937		
Formosa Nature Reserve		25 490
Groendal Nature Reserve		44 877
The Island Nature Reserve		495
Thomas Baines Nature Reserve		2 588
Waters Meeting Nature Reserve		4 217
Tsolwana Nature Reserve		7 796
Mpofu Nature Reserve		10 931
- Includes 827 hectares with fair value of R1 797 888		
Fort Fordyce Nature Reserve		2 970
East London Coast Nature Reserve		3 827
Hamburg Nature Reserve		1 466
Dwesa – Cwebe Nature Reserve		5 529
Hluleka Nature Reserve		4 665
Silaka Nature Reserve		400
Nduli – Luchaba Nature Reserve		518
Mkhambathi Nature Reserve		7 736
Ongeluksnek Nature Reserve		11 540
Oviston Nature Reserve		1 455
Commando Drift Nature Reserve		5 746
		398 439

Notes to the Annual Financial Statements

Figures in Rand (thousand) 2015 2014

10. Investment property

	2015			2014		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	7 100	(675)	6 425	7 100	(533)	6 567

Reconciliation of investment property - 2015

	Opening balance	Depreciation	Total
Investment property	6 567	(142)	6 425

Reconciliation of investment property - 2014

	Opening balance	Depreciation	Total
Investment property	6 709	(142)	6 567

Details of property

Unit 2 Bhisho business village:

- Transferred to the ECPTA as at 1 July 2010 1 061 1 061

Tourism House Phalo avenue:

- Transferred to the ECPTA as at 1 July 2010 5 790 5 790

Unit 2 - Bhisho business village:

Property consists of an office block and is situated in the Bhisho business village. The building is currently occupied by the Department of Local Government and Traditional Affairs.

Fair value of the investment property as determined by an independent valuer, P Lindstrom (Registration no 935/7 registered in terms of the Valuers Act No.47 of 2000) is R1,3 million (31 March 2014: R1,5 million).

Tourism House - Phalo avenue:

The property consists of an office block and is situated in Phalo Avenue in Bhisho. It is currently being occupied by the National Prosecuting Authority (NPA).

Fair value of the investment property as determined by an independent valuer, P Lindstrom (Registration no 935/7 registered in terms of the Valuers Act No.47 of 2000) is R7,5 million (31 March 2014: R7,4 million).



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Figures in Rand (thousand)

2015

2014

11. Infrastructure - work in progress

Work in progress relates to capital projects in progress at year end.

Opening balance	10 215	9 675
Additions	3 146	14 444
Transfers to property, plant and equipment	(1 850)	(13 904)
	11 511	10 215

12. Finance lease obligation

Minimum lease payments due

- within one year	581	54
- in second to fifth year inclusive	595	32
	1 176	86

less: future finance charges

	(106)	(6)
	1 070	80

Present value of minimum lease payments

Present value of minimum lease payments due

- within one year	506	52
- in second to fifth year inclusive	564	28
	1 070	80

Non-current liabilities

564 28

Current liabilities

506 52

1 070 80

The entity has considered the following leases as significant:

- Equipment located in the Mthatha and Queenstown offices is leased from Minolco for a period of three years, with seven (7) months remaining at 31 March 2015. The lease rental for the equipment is R4 555 per month, with no escalation.
- Equipment located at the East London head office is leased from Minolco for a period of three years, with twenty five (25) months remaining at 31 March 2015. The lease rental for the equipment is R22 702 per month, with no escalation.
- Equipment located at nature reserve offices is leased from Bytes Document Solutions for a period of three years, with twenty five (25) months remaining at 31 March 2015. The lease rental for the equipment is R23 031 per month, with no escalation.

Notes to the Annual Financial Statements

Figures in Rand (thousand)	2015	2014
13. Trade payables		
Trade payables	5 361	12 492
Payments received in advance - contract in process	2 892	2 067
Accrued leave pay	6 973	6 997
Accrued expense trade	4 546	5 746
Operating lease payables	93	-
	19 865	27 302

ECPTA considers that the carrying amount of trade and other payables approximates their fair value. The entity's exposure to liquidity risk related to trade and other payables is disclosed in note 31.

14. Other payables		
Other payables - trade	366	25
Other payables - salaries and wages	-	22
Other payables - medical aid	593	578
	959	625
15. Poverty alleviation projects		
Poverty alleviation projects	1 473	6 061

Represents amounts available for poverty relief projects which are administered on behalf of the National Department of Environmental Affairs.

The ECPTA has been appointed as implementing agents for certain poverty alleviation initiatives which are funded directly by DEA.

The project was initiated in 2005 and to date, funding to the extent of R89 million has been received. A separate set of financial records are maintained for this project and a separate independent audit is conducted on an annual basis. These expenses are submitted to DEA and are not consolidated into the records of ECPTA.

16. Wild coast project		
Wild Coast project	-	1 060

Represents amounts available for the Wild Coast Project which was administered by ECPTA from UNDP funding and completed in the current year.

17. Provisions Reconciliation of provisions - 2015

	Opening Balance	Additions	Utilised during the year	Total
Legal proceedings	-	628	-	628
Accrued bonus	7 380	9 337	(9 395)	7 322
	7 380	9 965	(9 395)	7 950

Notes to the Annual Financial Statements

Figures in Rand (thousand) 2015 2014

The provision on legal proceedings represents management's best estimate of the entity's liability on legal costs relating to the following cases: office accommodation R393 278, resettlement of people residing on acquired land R200 000 and eviction of former employees R35 000.

18. Deferred revenue - game held for sale

Game held for sale	10 048	12 995
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19. Employee benefit obligations

Defined benefit plan

The ECPTA has unfunded defined benefit plans that relates to long service awards and post-retirement medical aid benefits.

An actuarial valuation was performed using generally accepted actuarial principles.

The amounts recognised in the statement of financial position are as follows:

Carrying value

Long service award	2 350	2 413
Medical aid benefit	3 805	2 209
	6 155	4 622

Changes in the present value of the defined benefit obligation are as follows:

Opening balance	4 622	4 851
Benefits paid	(98)	(251)
Net expense recognised in the statement of financial performance	1 631	22
	6 155	4 622

Net expense recognised in the statement of financial performance

Current service cost	229	240
Interest cost	392	342
Actuarial (gains) losses	1 010	(560)
	1 631	22

Key assumptions used

Assumptions used at the reporting date:

Discount rate on long service benefits	7,60%	8,75%
Discount rate on medical aid benefits	8,55%	8,75%
Benefit inflation rate	5,40%	6,75%
Medical aid inflation rates	-	-

The discount rate has been determined with reference to market yields at the date of the valuation using the yield curve determined by the Bond Exchange of South Africa.

No ill-health retirement assumption was made and it was assumed that all staff will retire at age 63 (2014: 65 years).

The results of the valuation are sensitive to the assumptions chosen.

Notes to the Annual Financial Statements

Figures in Rand (thousand) 2015 2014

Defined contribution plan

ECPTA staff contribute to the Momentum Umbrella Fund. It is a condition of employment that any person who is permanently appointed in the service of the ECPTA will become a member of the fund. The ECPTA has no commitment, formal or otherwise, to meet unfunded benefits.

20. Deferred revenue - grants received

Opening balance	7 874	36 434
Interest earned	-	486
Transferred from / (to) grants and subsidies	12 292	(29 046)
	<u>20 166</u>	<u>7 874</u>

21. Revenue

Sale of game, venison and game by products	10 637	8 789
Day tours, entrance fees and hiking trails	879	647
Services rendered - mainly accommodation and camping	4 393	3 546
Rental income	1 236	1 025
Finance income	1 518	1 444
Other income	2 839	1 996
Grants and subsidies	207 269	239 456
Donations received	22 705	-
	<u>251 476</u>	<u>256 903</u>

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

Sale of game, venison and game by products	10 637	8 789
Day tours, entrance fees and hiking trails	879	647
General accommodation revenue	3 517	2 896
Camping income	876	650
Rental income	1 236	1 025
Finance income	1 518	1 444
Other income	2 839	1 996
	<u>21 502</u>	<u>17 447</u>



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Figures in Rand (thousand)	2015	2014
21.1 Other income		
Commission	40	41
Fines and penalties	123	79
Implementer's fees	-	1 280
Insurance proceeds	1 613	152
Other income	822	233
Sale of firewood	88	29
Sale of tender documents	42	81
Tours	111	101
	2 839	1 996
21.2 Finance income		
Bank	1 498	1 379
Interest from staff debts	20	12
Interest from debtors	-	53
	1 518	1 444
21.3 Grants and subsidies		
Transfer payment	207 882	201 908
National Department of Tourism	3 880	3 300
Sector Education and Training Authority	3 373	1 430
South African National Biodiversity Institute	121	302
The Department of Water and Sanitation	-	1 410
Marine and Coastal Management	2 720	2 060
African Wildlife Foundation	840	-
Buffalo City Metropolitan Municipality	500	-
Aloe Travel (NTCE)	3	-
Nelson Mandela Bay Metropolitan Municipality	150	-
Tourism Enterprise Programme Strategic Partners	92	-
Transferred from / (to) deferred revenue	(12 292)	29 046
	207 269	239 456
22. Personnel related costs		
Basic salary	79 676	79 464
Bonus	9 372	9 538
Medical aid - company contributions	3 758	1 901
UIF	653	718
SDL	100	94
Leave pay provision charge	1 299	2 073
Defined contribution plans	11 164	10 612
Travel, motor car, accommodation, subsistence and other allowances	3 066	3 837
Overtime payments	3 075	2 682
Car allowance	1 056	1 204
Other allowances	2 694	953
Workmen's compensation	1 081	1 115
	116 994	114 191

Notes to the Annual Financial Statements

Figures in Rand (thousand)	2015	2014
23. Finance costs		
Employee benefit obligation	392	341
Finance lease obligation	109	20
Trade and other payables	50	86
	551	447
24. Operating expenses		
Advertising	3 691	42 663
Animal costs	475	137
Assessment rates & municipal charges	145	298
Auction expenses	1 390	2 174
Auditors remuneration	3 005	2 035
Bank charges	204	177
Board expenses	2 438	2 800
Chemicals	504	511
Cleaning	721	739
Community projects	2	-
Compliance and law enforcement	1 555	1 959
Computer expenses	67	199
Conferences and seminars	1 585	1 729
Consulting and professional fees	8 340	10 394
Consumables	1 003	586
Electricity	3 532	3 718
Entertainment	20	-
Fines and penalties	-	86
Fleet	2 965	3 320
Fuel and oil	724	830
Game management	661	875
Hire	15	-
Insurance	2 060	2 114
Internal audit fees	888	482
Lease rentals on operating lease	6 786	8 465
Levies	125	123
Marketing	10 600	1 325
Medical expenses	16	-
Placement fees	167	237
Postage and courier	109	139
Printing and stationery	1 163	780
Profit & loss on foreign exchange	238	525
Protective clothing	59	38
Refuse	89	50
Research and development costs	90	52
Royalties and license fees	1 123	663
Security	469	872
Special projects	5 817	4 582
Staff welfare	749	463
Subscriptions and membership fees	369	578
Telephone and fax	3 670	4 321
Tourism development	2 681	2 675
Training	2 851	1 500
Travel - local	7 365	6 468
Travel - overseas	57	1 042
Uniforms	626	82
	81 209	112 806

Notes to the Annual Financial Statements

Figures in Rand (thousand)	2015	2014
25. Auditors' remuneration		
Included in note 24 is External audit fees of:	3 005	2 035
26. Cash generated from (used in) operations		
Deficit	(12 277)	(46 188)
Adjustments for:		
Depreciation and amortisation	53 396	59 022
Loss on disposal of assets	1 570	-
Donations received	(22 705)	-
Debt impairment	3	51
Movements in employee benefit obligations	1 533	(229)
Movements in provisions	570	2 142
Changes in working capital:		
Inventories	31	(20)
Trade receivables	230	(764)
Other receivables from non-exchange transactions	(673)	606
Trade payables	(7 438)	588
Other payables	334	(889)
Deferred revenue - grants received	12 292	(28 560)
	26 866	(14 241)
27. Operating leases		
Operating leases as the lessee:		
Minimum lease payments due		
- not later than one year	1 221	-
- in second to fifth year inclusive	1 284	-
	2 505-	

The entity has considered the following leases as significant, where it rents office space:

- Romac Properties CC in Port Elizabeth at number 20, 4th Avenue, Newton Park. The lease contract is for a period of thirty six (36) months commencing on 01 April 2014 with 24 months remaining at 31 March 2015. The rental per month is R26 078 with an escalation of eight percent (8.00 %) per annum.
- Palgrow Property Investments CC in Queenstown at number 28 Grey Street. The lease contract is for a period of thirty six (36) months commencing on 01 March 2014 with 23 months remaining at 31 March 2015. The rental per month is R27 417 with an escalation of eight percent (8.00 %) per annum.
- Rio Ridge 1061 CC in Mthatha at Savoy Shopping, Nelson Mandela Drive. The lease contract is for a period of thirty six (36) months commencing on 01 April 2014 with 24 months remaining at 31 March 2015. The rental per month is R40 504 with an escalation of eight percent (8.00 %) per annum.
- Rough Diamond Industrial Properties in East London, at number 6, St Marks Road, Southernwood. The contract is on a month-to-month basis and the rental per month is R 187 605 with an escalation of eight and a half percent (8,50 %) per annum.

Notes to the Annual Financial Statements

Figures in Rand (thousand)	2015	2014
Operating leases as the lessor:		
Minimum lease payments due		
- not later than one year	924	501
- in second to fifth year inclusive	77	102
	1 001	603

The entity has considered the following leases as significant, where it rents out office space:

- National Prosecuting Authority (NPA) at Tourism House, in Phalo Avenue in Bhisho. The contract is a twenty four (24) months lease ending at 30 April 2016. The rental is R67 851 per month with an eight percent (8.00%) escalation rate on renewal of the lease.
- The Department of Roads and Public Works at Erf 292, Unit 02, Business Village in Bhisho. The contract is a thirty six (36) months lease ending at 31 January 2015. The commencement rental is R15 488 per month with an eight percent (8.00%) escalation rate at the end of each lease year. On expiry of the initial term, the contract continued on a month-to-month basis on a monthly rental of R18 065.
- Eastern Cape Department of Education at Island nature reserve in Port Elizabeth. The contract is a sixty (60) months lease ending at 31 March 2019. The rental is R3 129 per month with no escalation.
- Eastern Cape Development Corporation (ECDC) at the entity's regional office in Aliwal North. The contract is sixty (60) months lease ending at 31 March 2015. The rental per month is R 1,000 with no escalation.



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28. Emoluments

Members

2015

	Directors' fees	Other fees	Total
Ms V Zitumane - (Chairperson of the Board) - Appointed on 1 June 2012	453	20	473
Mr F Makiwane - (Deputy Chairperson of the Board) - Appointed on 1 June 2012	335	27	362
Dr A Muir - (Board Member) - Appointed on 1 June 2012	130	1	131
Mr S Mgxaji - (Board Member) - Appointed on 1 June 2012	140	1	141
Mr M Sotshana - (Board Member) - Term expired on 30 September 2014	113	1	114
Ms T Tsengiwe - (Board Member) - Appointed on 1 June 2012	178	10	188
Mr SFW Ncume - (Appointed on 1 March 2015)	15	1	16
Mr H Siwisa - (Appointed on 1 October 2014 and Resigned on 2 February 2015)	-	-	-
	1 364	61	1 425

2014

	Directors' fees	Other fees	Total
Ms V Zitumane - (Chairperson of the Board) - Appointed on 1 June 2012	472	21	493
Mr F Makiwane - (Deputy Chairperson of the Board) - Appointed on 1 June 2012	298	1	299
Dr A Muir - (Board Member) - Appointed on 1 June 2012	128	-	128
Mr S Mgxaji - (Board Member) - Appointed on 1 June 2012	100	2	102
Mr M Sotshana - (Board Member) - Appointed on 1 June 2012	434	4	438
Ms T Tsengiwe - (Board Member) - Appointed on 1 June 2012	165	15	180
	1 597	43	1 640

Audit Committee

2015

	Emoluments	Other fees	Total
Ms T Mahlali (Chairperson) Appointed on 1 April 2014	130	3	133
Mr D Coovadia (Member) Appointed on 1 April 2014	8	1	9
Mr ZL Fihlani (Member) Appointed on April 2014	50	1	51
	188	5	193

2014

	Emoluments	Other fees	Total
Ms T Mahlali (Chairperson) Appointed on 1 April 2011	160	5	165
Mr D Coovadia (Member) Appointed on 1 April 2011	48	6	54
Mr ZL Fihlani (Member) Appointed on 1 April 2011	30	2	32
	238	13	251

Notes to the Annual Financial Statements

Figures in Rand (thousand)	2015		2014		
Executive Directors					
2015	Salary	Retirement fund contributions	Other contributions	Performance incentive bonus	Total
Mr V Dayimani - (Chief Executive Officer) Appointed on 1 August 2014	1 665	-	7	247	1 919
Mr L Rubushe - (Chief Executive Officer) Resigned on 30 April 2014	557	-	1	-	558
Dr D Balfour - (Biodiversity Conservation) Resigned on 31 May 2014	247	-	1	250	498
Mr E Marafane - (Destination Tourism) Resigned on 9 January 2015	2 053	121	8	269	2 451
Ms L Gower - (Human Capital Management)	1 172	-	-	264	1 436
Mr J Dlamuka - (Chief Financial Officer) Appointed on 9 June 2014 and resigned on 31 December 2014	722	92	4	-	818
Ms X Mapoma - (Legal Advisor and Board Secretary)	815	118	15	156	1 104
	7 231	331	36	1 186	8 784
2014	Salary	Retirement fund contributions	Other contributions	Performance incentive bonus	Total
Mr L Rubushe - (Chief Executive Officer)	1 481	-	7	-	1 488
Dr D Balfour - (Biodiversity Conservation)	1 091	-	7	145	1 243
Mr E Marafane - (Destination Tourism)	953	136	9	138	1 236
Ms L Gower - (Human Capital Management)	1 199	-	-	178	1 377
Mr V Dayimani - (Operations)	1 190	-	7	184	1 381
Ms X Mapoma - (Legal Advisor and Board Secretary)	766	110	15	134	1 025
Ms T Jama (Chief Financial Officer) Resigned on 30 November 2013	944	90	11	183	1 228
	7 624	336	56	962	8 978

Notes to the Annual Financial Statements

Figures in Rand (thousand)

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29. Contingencies

Contingent assets:

Contingent assets comprising of damage claims are as follows:

- **ECPTA v Medbury Farm:**
This matter relates to the recovery of animals that crossed over to the neighbouring farm. The ECPTA is demanding the return of the animals, alternatively, payment of the sum of R4 080 000 being the reasonable market value of the animals. The legal costs are estimated at R300 000.

Contingent liabilities:

Contingent liabilities comprising of damage claims are as follows:

Damage claims

- **Mr and Mrs Gallop (Farm Spree River No 170) v ECPTA:**
This is a fire claim against the Agency. The capital involved amount to R651 669. The ECPTA is defending the matter through the attorneys appointed by its insurers and is accordingly not in a position to quantify its legal costs.
- **Alibirops 1005 cc t/a Indlovu Thatch v ECPTA:**
This matter relates to a contractual dispute between the Plaintiff and the ECPTA. The capital involved amount to R368 501. The matter is dormant and the prospects of success are more favourable to the ECPTA. The estimated legal costs amount to R631 499.
- **Eurodrain Technology (PTY) Ltd v ECPTA:**
This matter relates to a contractual dispute between the ECPTA and the Plaintiff. The total remaining balance amounts to R326 017. The matter is dormant and the prospects of success are more favourable to the ECPTA. The estimated legal costs amount to R120 000.
- **Ryno Megson v ECPTA:**
This is a claim for personal injuries suffered. The ECPTA was served with a letter of demand in which the claimant did not quantify the amount claimed for damages.
- **The State v Tyabashe:**
This is a criminal case due to an incident that took place in 2011. It is uncertain whether this case will proceed and if any further costs will be incurred. The costs incurred by the ECPTA thus far amount to R32 000.
- **F Nogumla v ECPTA:**
This matter relates to the shark attack that took place on the 3 March 2013 at Port St John's second beach. The ECPTA is being sued for fifteen million as the alleged custodian of the second beach

Notes to the Annual Financial Statements

Figures in Rand (thousand)	2015	2014
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30. Related party disclosures

Related parties:

The ECPTA operates in an economic sector whereby it interacts with other entities within the national or provincial sphere of government. Such entities are considered to be related parties. Key management is defined as individuals who are key decision makers within the entity with a responsibility and authority to direct and control the activities of the entity. The Board, Audit Committee, Executive Management as well as the Legal Advisor / Board secretary are considered to be key management per the definition of the financial reporting standard. Close family members of key management personnel are considered to be those family members who may be expected to influence or to be influenced by key management.

During the period under review the Eastern Cape Parks and Tourism Agency (ECPTA) recorded various transactions with the following related parties:

- The National Department of Environmental Affairs (DEA),
- The Department of Economic Development, Environmental Affairs and Tourism (DEDEAT),
- The Dwesa / Cwebe Land Trust,
- The Mkhambathi Land Trust,
- Marine and Coastal Management (MCM),
- The Department of Water and Sanitation (DWS),
- Eastern Cape Development Corporation (ECDC)
- The National Department of Tourism (NDT),
- Sector Education and Training Authority (CATHSSETA)
- South African National Biodiversity Institute (SANBI),
- The Eastern Cape Department of Education (ECDOE),
- The Department of Public Works (DPW),
- The Eastern Cape Department of Roads and Public Works (ECDPW),
- Buffalo City Metropolitan Municipality (BCMM),
- Nelson Mandela Bay Metropolitan Municipality (NMBMM),

The following transactions and balances were recorded:

- **The National Department of Environmental Affairs (DEA):**
The ECPTA is an implementing agent for various projects on behalf of the Department of Environmental Affairs. Funds received up to the current year amount to R89 million. The ECPTA received infrastructure in the sum of R22,705 million from the National Department of Environmental Affairs for roads and buildings in the Mkhambathi and Silaka Nature Reserves, respectively.
- **The Department of Economic Development, Environmental Affairs and Tourism (DEDEAT):**
The relationship that exists is that the ECPTA is a Schedule 3C Public entity in terms of the PFMA and reports directly to DEDEAT. A transfer payment to the amount of R207,882 million was received in the current year. In the prior years DEDEAT occupied a building which was assigned to the former ECPB. Rent to the value of R 207 562 was outstanding at year end.
- **The Dwesa / Cwebe Land Trust:**
The Dwesa / Cwebe Land Trust is the owner of the land on which the Dwesa & Cwebe Nature Reserves has been proclaimed. They have acquired ownership through a land claims settlement agreement. In terms of this agreement and a community agreement the ECPTA and the Trust work together in the management of the reserve through a co management committee. In this sense the Trust and the ECPTA are partners. There have been no transactions during the period. The balance at year end is R nil.



Notes to the Annual Financial Statements

Figures in Rand (thousand)	2015	2014
<ul style="list-style-type: none"> The Mkhambathi Land Trust: The Mkhambathi Land Trust is the owner of the land on which the Mkhambathi Nature Reserves has been proclaimed. They have acquired ownership through a land claim settlement agreement. In terms of this agreement and a community agreement the ECPTA and the Trust work together in the management of the reserve through a co management committee. In this sense the Trust and the ECPTA are partners and have also reached agreement on the sharing of income. Transactions during the year relate mainly to the payment of revenue to the trust. An amount of R104 613 was paid during the year. The balance at year end is R nil. Marine and Coastal Management (MCM): The ECPTA has been assigned the responsibility of managing marine protected areas within ECPTA boundaries on behalf of the Integrated Ocean and Coastal Conservation Department of Environmental Affairs. An amount of R2,72 million has been received during the current year. The Department of Water and Sanitation (DWS): The ECPTA is an implementing agent for the Working for Water projects on behalf of DWS. The program is aimed at conserving water and bio diversity and to promote sustainable catchment management and land care, including fire management and job creation through the prevention and control of invasive alien vegetation in the Republic of South Africa. There was no grant received during the current year. Eastern Cape Development Corporation (ECDC): The Eastern Cape Development Corporation (ECDC) is a schedule 3D entity under the DEDEAT family of public entities. The ECPTA owns a building in Aliwal North which is currently occupied by ECDC at a rental of R1 000 per month and an amount of R1 000 was outstanding at year end. National Department of Tourism (NDT): The ECPTA was appointed as an implementation agent of the national tourism career expo and an amount of R3,88 million was received in the current year for this programme. A further amount of R250 000 was received from the department in respect of the Baviaanskloof world heritage site. Sector Education and Training Authority (CATHSSETA): CATHSSETA, a sector education and training authority established in terms of section 9 of the Skills Development Act 1998 is mandated to implement the national skills development objectives that meet the requirements of the national skills development strategy as outlined by the National Department of Higher education and Training. During the year an amount of R1,573 million was received for the National Tourism Career Expo and an additional amount of R1 799 800 was received for skills development programmes. South African National Biodiversity Institute (SANBI): The SANBI is responsible for exploring, revealing, celebrating and championing biodiversity for benefit and enjoyment of all South Africans. During the year an amount of R121 167 was received for Biodiversity projects and for training of interns within the Biodiversity field which this initiative is in line with Government policy of employing young people and giving them the skills which they require to be employable in the market place. The Eastern Cape Department of Education (ECDOE): The ECDOE may in terms of section 52 (1) of the South African Schools Act, establish a public school on private property. The ECPTA owns premises which are leased to the ECDOE for primary school education at the Island nature reserve in Port Elizabeth. The rental is R3 129 per month and an amount of R 3 744 was paid in advance at year end. 		

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- The Department of Public Works (DPW):**
The DPW has a functional mandate to be the custodian and manager of national governments' fixed assets including the determination of accommodation requirements, rendering expert built environment services to client departments, the acquisition, maintenance and disposal of such assets. The ECPTA owns premises in Phalo avenue in Bhisho which are currently occupied by National Prosecuting Authority (NPA) and leased to the DPW at a monthly rental of R73 283. An amount of R73 283 was outstanding at year end.
- The Eastern Cape Department of Roads and Public Works (ECDPW):**
The ECDPW is the custodian of the Eastern Cape provincial government immovable assets and a provider of sustainable infrastructure resulting in socio-economic reforms, sector transformation and development. The ECPTA owns premises at Business Village in Bhisho which are currently occupied by the Department of Local Government and Traditional Affairs and leased to the ECDPW at a monthly rental of R18 065. An amount of R603 363 was outstanding at year end.
- Buffalo City Metropolitan Municipality (BCMM):**
The BCMM is established by the Local Government: Municipal Structures Act in the Amatole District of the Eastern Cape Province. The BCMM is a partner to the National Tourism Career Expo (NTCE) in accordance with the agreed agreement with other NTCE partners. During the year an amount of R500 000 was received from the BCMM for the expo.
- Nelson Mandela Bay Metropolitan Municipality (NMBMM):**
The NMBMM is established by the Local Government: Municipal Structures Act in the in the Eastern Cape Province. An amount of R150 000 was received during the year for sponsorship towards the annual Lilizela tourism awards.

31. Risk management

General

The entity's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The ECPTA has a risk management policy, risk management framework and risk management committee in place which meets on a quarterly basis and reviews the strategic and operational risk registers. The risk management committee comprises of executive and senior management and reports to the audit committee which in turn reports to the board.



Notes to the Annual Financial Statements

Figures in Rand (thousand)	2015	2014		
31. Risk management (Continued)				
Classification of financial instruments				
2015	Loans and receivables	At amortised cost	At cost	Total
Financial assets				
Trade and other receivables	2 131	-	-	2 131
Cash and cash equivalents	40 733	-	-	40 733
Financial liabilities				
Trade and other payables	-	(20 824)	-	(20 824)
Poverty alleviation and wild coast projects	-	-	(1 473)	(1 473)
Provisions	-	(7 950)	-	(7 950)
Finance lease obligation	-	(1 070)	-	(1 070)
Employee benefit obligation	-	(6 155)	-	(6 155)
	42 864	(35 999)	(1 473)	5 392
2014	Loans and receivables	At amortised cost	At cost	Total
Financial assets				
Trade and other receivables	1 691	-	-	1 691
Cash and cash equivalents	27 379	-	-	27 379
Financial liabilities				
Trade and other payables	-	(27 927)	-	(27 927)
Poverty alleviation and wild coast projects	-	-	(7 121)	(7 121)
Provisions	-	(7 380)	-	(7 380)
Finance lease obligation	-	(80)	-	(80)
Employee benefit obligation	-	(4 622)	-	(4 622)
	29 070	(40 009)	(7 121)	(18 060)

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The ECPTA only deposits cash and invests funds with the major banks with high quality credit standing. The risk on cash and cash equivalents is thus low. The entity does not operate on a credit basis with customers and a significant portion of trade receivables relate to specific amounts receivable through agreed projects and agreements. A small portion relates to staff debts but this has been mitigated through the creation of an impairment allowance.

Market risk

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

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The only foreign currency transactions which the entity is exposed to is the accommodation revenue received from overseas customers. The amounts received are not significant so the currency risk of the entity is regarded as being low.

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Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The nature of our business is on a cash basis for revenue received and for expenditure incurred it is all short term trades relating only to the relevant financial year. As a result the impact of market price fluctuations does not impact on the entity.

Capital risk management

The ECPTA's objectives when managing capital is to safeguard the entity's ability to continue as a going concern. The entity does not enter into any high risk financial instruments and reviews its cash flows on a quarterly basis to ensure that it maintains its ability to operate as a going concern. The mandate of the ECPTA is largely driven by the constitution and by the PGDP and we are thus assured of funding from DEDEAT for biodiversity conservation.

Liquidity risk

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

A significant percentage of the ECPTA's liabilities consist of trade creditors. This relates to goods and services obtained during the normal course of business and is budgeted for. Quarterly cash flow forecasts and expenditure analysis reports enables the entity to ensure that adequate cash will be available to meets is obligations. Liquidity risk is regarded as being low.

Contractual maturities of financial liabilities

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 31 March 2015	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
Trade and other payables	20 824	-	-	20 824
Poverty alleviation and wild coast projects	1 473	-	-	1 473
Provisions	7 950	-	-	7 950
Finance lease obligation	506	564	-	1 070
Employee benefit obligation	-	-	6 155	6 155
	30 753	564	6 155	37 472
At 31 March 2015	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
Trade and other payables	27 927	-	-	27 927
Poverty alleviation and wild coast projects	7 121	-	-	7 121
Provisions	7 380	-	-	7 380
Finance lease obligation	52	28	-	80
Employee benefit obligation	-	-	4 622	4 622
	42 480	28	4 622	47 130

Notes to the Annual Financial Statements

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Interest risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As the ECPTA has no significant interest bearing assets, the entity's income and operating cash flows are substantially independent of changes in market interest rates. All interest bearing assets are included under cash and cash equivalents. These are all short term as they relate to mainly to the transfer payments received from DEDEAT as part of our budgeted grants to be used for operational expenditure.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined on financial instruments exposure to interest rates at reporting date, assuming the amount of the instrument outstanding is outstanding for the whole year. The analysis, as detailed in the table below was determined by management and indicate a reasonable estimate of the increase / (decrease) on surplus from an increase in interest rates by 100 basis points. There were no changes from the prior year in the methods and assumptions used in preparing the sensitivity analysis:

Cash and cash equivalents	392	202
Finance lease obligation	(11)	(1)
Employee benefit obligation	(62)	(46)
Increase / (decrease) on surplus	319	155

32. Fruitless and wasteful expenditure

Opening balance	500	102
Add: Incurred in the current year	-	500
Less: Amounts written off	(500)	(102)
	-	500

The prior year fruitless and wasteful expenditure relates to a payment made to a service provider for good and services that were not received. The ECPTA Board undertook a disciplinary process against two employees. The outcome was that one employee was given a final written warning and the other employee negotiated for a termination of employment and left the entity during the disciplinary hearing process. The amount of R500 000 was written off by the board on 20 March 2015.

33. Irregular expenditure

Opening balance	11 751	2 926
Add: Irregular Expenditure - current year	1 070	11 751
Add: Irregular Expenditure - prior year (identified during current year)	1 963	-
Less: Amounts condoned	(12 311)	(2 926)
	2 473	11 751

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The prior year expenditure relates to non-compliance with supply chain management procedures. The ECPTA Board undertook a disciplinary process against three concerned employees. Two employees pleaded guilty and were each given a written warning. The other employee negotiated for a termination of employment and left the entity during the disciplinary hearing process. Another employee left the entity before the board could take the necessary action against him. The Board further agreed that the CEO would write to the respective departments within the entity advising that the Board viewed the compliance transgressions as serious. The amount of R11,751 million was condoned by the board on 20 March 2015. In respect of irregular expenditure incurred all goods and services were received.

Details of irregular expenditure - current year

Non compliance with Supply Chain Management procedures:

- No / Invalid tax clearance certificate	-	4 542
- Other Supply chain management deviations	1 070	7 209
- Non compliance in prior year (identified during current year)	1 963	-
	<u>3 033</u>	<u>11 751</u>

Management reviewed the circumstances around the current year Irregular expenditure of R3,033 million. An amount of R560 215 was condoned by the CEO in terms of supply chain delegations of authority. Management is in the process of investigating the uncondoned irregular expenditure of R2,473 million to consider any condonement or further action to be taken.

34. Commitments

Capital expenditure - approved and contracted 18 735 7 874

The committed expenditure relates to outstanding capital expenditure orders at year end and will be financed from available resources within a year.

Notes to the Annual Financial Statements

Figures in Rand (thousand)	2015	2014
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35. Explanation of material differences between the budget and actual amounts

The Annual Financial Statements are prepared on an accrual basis of accounting while the budget is on a cash basis. The amounts in the Annual Financial Statements were recast from the accrual to cash basis. A reconciliation between the budget and the actual amounts in the statement of financial performance is presented on a comparable basis in the face of the statement of comparison of budget and actual amounts for the period ended 31 March 2015.

Detailed below are explanations of material differences between the budget and actual amounts on a comparable basis. The changes between the approved and final budget are a consequence of reallocations within the approved budget parameters.

Revenue from exchange transactions:

The entity budgeted for R18, 54 million on own revenue in the year under review and the actual revenue collected was R21, 502 million, a positive increase of 16% overall. The entity collected in excess on the game auction, accommodation revenue and there were proceeds received from an insurance company in excess of R1 million for the replacement of a computer server that was damaged. There was a concomitant expenditure on the game auction and the computer server replacement was committed at year end.

Other grants:

The entity' budget for other grants was R18,7 million with actual receipts of R12, 02 million received. A decrease from the budget of 35% was due to Working for Water grant not received from the National Department of Water and Sanitation.

Compensation of employees:

The entity's budget for salaries was R118,53 million after the adjustment budget with actual being R115, 543 million as at the year end of the year, a variance of 2.5% being underspending is attributable to employees leaving and key management position being vacant during the year.

Goods and services:

The entity's budget for capital expenditure was R33 million, with actual spent of R14 million in the year under review. A roll –over application for R19 million has been applied for to enable completion of these projects in the 2015/2016 financial year.

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36. Prior period adjustments

Prior period errors

Property, plant and equipment

In the prior year, there was a restatement on opening balances of pre-merger property, plant and equipment assets. After the restatement, the general ledger did not agree to the fixed asset register, resulting in the overstatement of property, plant and equipment and accumulated surplus by the amount of R22 280. The origin of the difference is not determinable. There is also no cost/benefit in an investigation into this. The prior year financial statements have been adjusted accordingly.

It was discovered in the current financial year that there were plant and equipment assets erroneously omitted from the recognition of pre-merger assets. This resulted in the understatement of: asset cost by R2 077 741, accumulated depreciation by R1 133 839, accumulated surplus by R943 902 and depreciation by R204 973. The prior year financial statements have been adjusted accordingly.

In the prior year, a corresponding error was made whereby items of office equipment were disclosed as plant and equipment and vice-versa. A correction has been made which has no effect on the carrying amount of property, plant and equipment.

In the financial statements for the year ended 31 March 2014, a prior year adjustment was made to correct buildings that had been omitted from the fixed asset register. This had resulted in the understatement of building costs and accumulated surplus by R344 045, depreciation and accumulated depreciation by R14 810. In the current financial year, a verification of the entire population of property, plant and equipment was conducted and no further omissions were identified.

Infrastructure - work in progress

An amount of R1 814 773 relating to maintenance of roads was included in Infrastructure - work in progress in the prior year. This resulted in the understatement of repairs and maintenance and operating expenses (consulting and professional fees) by R1 627 299 and R187 474, respectively. The prior year financial statements have been accordingly corrected.

Game held for sale

In the prior year game held for sale amounting to R12 995 352 was classified as non-current assets held for sale has been re-classified to current assets.

Trade payables

During the prior year, repairs and maintenance and operating expenses to the amount of R537 and R1 683 659 respectively were not accrued for at year end. This error which resulted in the understatement of trade payables (accrued expenses - trade) and of expenses by R1 684 196 has been corrected.

Provisions

In the prior year accrued bonus amounting to R7 380 134 was incorrectly classified as trade payables and the classification has been corrected to provisions.

Deferred revenue - game held for sale.

In the prior year deferred revenue - game held for sale amounting to R10 048 203 was incorrectly classified as non-current liabilities and the classification has been corrected to current liabilities.



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36. Prior period adjustments (continued)

Deferred revenue - grants received

During the prior year, there was an error to the realisation of deferred revenue on grants received whereby an amount of R12 337 119 was not realised. This resulted in the understatement of grants and subsidies income by R12 337 119 and the overstatement of deferred revenue - grants received by the same amount.

Operating expenses

The following expenses with a total of R1 871 134 were not accrued for at the 2014 year end: Advertising R411 227, Animal Costs R36 015, Auction expenses R78 613, Board expenses R65 822, Compliance and law enforcement R95 682, Consulting and professional fees R500 564, Consumables R10 387, Electricity R45 027, Lease rentals on operating lease R27 086, Postage and courier R10 331, Printing and stationery R747, Security R342, Subscriptions and membership fees R519 540, Telephone and fax R17 370, and Travel - local R52 380. This resulted in the understatement of trade payables (accrued expense trade) and operating expenses by the same amount of R1 871 134. The financial statements have been corrected.

Depreciation relating to Property, plant and equipment omitted from the recognition of pre-merger assets amounting to R204 973 was corrected.

Over all, the correction of the errors and the restatement of amounts resulted in prior year adjustments as follows:

Statement of financial position

Prior period errors

- Infrastructure - work in progress	(1 815)
- Deferred revenue (grants)	12 337
- Trade payables (accrued expense trade)	(1 684)
- Property, plant and equipment	718
- Accumulated surplus	(922)

Statement of Financial Performance

Prior period errors

- Revenue (grants and subsidies)	(12 337)
- Repairs and maintenance	1 628
- Operating expenses	2 076

Statement of changes in net assets

Prior period errors

- Accumulated surplus	922
- Revenue (grants and subsidies)	12 337
- Repairs and maintenance	(1 628)
- Operating expenses	(2 076)

9 556

