ADVENTURE PROVINCE
Eastern Cape
PARKS & TOURISM AGENCY

ANNUAL REPORT 2016/17

Magwa Falls Wild Coast
- Amanda Weerdenburg

ADVENTURE PROVINCE
Eastern Cape
PARKS & TOURISM AGENCY

ANNUAL REPORT
FOR FINANCIAL YEAR
2016/17

“to my mind, the greatest reward and luxury of travel is to be able to experience everyday things as if for the first time, to be in a position in which almost nothing is so familiar it is taken for granted.”

— *bill bryson*

Contents

PART A:

GENERAL INFORMATION

"we travel not to escape life,
but for **life** not to escape us."
– anonymous

Hluleka Nature Reserve

1 GENERAL INFORMATION

REGISTERED NAME:	Eastern Cape Parks and Tourism Agency
PHYSICAL ADDRESS:	17 – 25 Oxford Street
	East London
	5201
POSTAL ADDRESS:	P.O. Box 11235
	Southernwood
	East London
	5213
TELEPHONE NUMBER:	+27 43 492 0881
EMAIL ADDRESS:	info@ecpta.co.za
WEBSITE ADDRESS:	www.visiteasterncape.co.za
EXTERNAL AUDITORS:	Auditor-General South Africa
BANKERS:	Nedbank
	First National Bank (from 1 May 2017)
BOARD SECRETARY:	Ms Xoliswa Mapoma

ADVENTURE PROVINCE
Eastern Cape
PARKS & TOURISM AGENCY

BOARD MEMBERS


Vuyo Zitumane
Chairperson


Sithembele Mgxaji
Deputy Chairperson


Silumko Ncume


Tabby Tsengiwe


Andrew Muir


Pam Yako


Mickey Mama

AUDIT COMMITTEE


Thobeka Mahlati


Zola Fihlani


Craig Sparg

2 LIST OF ACRONYMS / ABBREVIATIONS

AGSA	Auditor General of South Africa
AOP	Annual Operational Plan
APP	Annual Performance Plan
B-BBEE	Broad Based Black Economic Empowerment
BoD	Board of Directors
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CITES	Convention on International Trade in Endangered Species *(of Wild Fauna and Flora)*
DAFF	Department of Agriculture, Forestry and Fisheries
DEA	Department of Environmental Affairs
DEDEAT	Department of Economic Development, Environmental Affairs and Tourism
ECPTA	Eastern Cape Parks and Tourism Agency
ED	Executive Director
EPWP	Extended Public Works Programme
GRAP	Generally Recognised Accounting Practice
ha	Hectares
HCM	Human Capital Management
ICCA	International Congress and Convention Associations
ICT	Information and communications technology
MEC	Member of Executive Council
METT-SA	Management Effectiveness Tracking Tool – South Africa
MTEF	Medium Term Expenditure Framework
NEM	National Environmental Management (Act)
NGO	Non-governmental Organisation
NPAES	National Protected Area Expansion Strategy
NSSD	National Strategy for Sustainable Development
PAES	Protected Area Expansion Strategy
PDP	Provincial Development Plan
PFMA	Public Finance Management Act
SAT	South African Tourism
SCM	Supply Chain Management
SMME	Small Medium and Micro Enterprises
SoAIM	State of Area Integrity Management
TEP	Tourism Enterprise Partnership
TR	Treasury Regulations
UK	United Kingdom
UNDP-GEF	United Nations Development Program – Global Environmental Facility
USA	United States of America
VFR	Visiting Friends and Relatives
WWF-SA	World Wide Fund for Nature (South Africa)

ADVENTURE PROVINCE Eastern Cape PARKS & TOURISM AGENCY

3 FOREWORD BY THE CHAIRPERSON

It is my privilege as Chairperson to present the annual report of the Eastern Cape Parks and Tourism Agency for the 2016/17 financial year. Having completed the second year of the current medium term strategic framework period (to 2020), I am pleased to report that the ECPTA's strategy is showing great promise. These first two years of implementing the five-year strategy have resulted in improvements in all key areas.

Philosopher and poet Khalil Gibran cautioned that "*progress lies not enhancing what is, but in advancing towards what will be*". In addition, ECPTA understands that we cannot neglect "what is" if "what will be" is to have meaning. This is the basis of the duality in our strategic approach, one that sees us simultaneously maintaining previous achievements while pursuing new goals. This approach has culminated in a second consecutive clean audit opinion, which now represents the gains we must sustain in future. It also gives substance to our conviction that it is through the attainment of excellence in delivering on our mandate that we will attract supporters and partners in leveraging resources for tourism and conservation priorities.

The challenges posed by severe economic upheavals and fiscal constraints over the past year have amplified the importance of the developmental aspects of ECPTA's work. Ensuring that communities living near ECPTA-reserves benefit from our conservation and tourism activities is the foundation of our transformation programmes. In partnership with the National Department of Environmental Affairs and the Provincial People and Parks Forum, ECPTA introduced a variety of biodiversity economy projects across the province. We have also successfully launched the Game Industry Transformation programme, aimed at supporting Black farmers to participate in the lucrative wildlife industry.

In terms of tourism industry transformation, ECPTA contributed to the province recording the highest number of entries to the national Lilizela Tourism Awards. In the process, the proportion of previously disadvantaged business owners among the province's entries has increased. Among the entries were 15 previously disadvantaged business owners who ECPTA supported to highlight their products at Tourism Indaba 2017. Previously Disadvantaged Individuals find themselves increasingly better positioned to take advantage of the steadily increasing numbers of tourists that visit the province, particularly those from other parts of South Africa.

Acknowledging that conservation is but one of many possible land uses, it is important to ECPTA to ensure that neighbouring communities understand and benefit from conservation efforts. Consequently, ECPTA's developmental work has extended to leveraging funding to support an array of learners in hospitality and biodiversity fields. In particular, we recruited young people from communities with whom ECPTA co-manages reserves so that they can deepen their participation in the conservation and tourism economies further.

As Chairperson, I would like to thank my fellow board members for their guidance, their commitment and their ongoing support in providing oversight of the ECPTA. I am convinced that our increasingly developmental approach is an important component of the future towards which we are advancing. The dedication of the staff of the entity has secured us a second clean audit; this positions us well to excel in the future. I look forward to participating in that excellence!

Vuyo Zitumane

Chairperson:
Eastern Cape Parks and Tourism Agency
17 August 2017

4 CHIEF EXECUTIVE OFFICER'S OVERVIEW

General financial review

The adjusted budget for the 2016/17 financial year, including other grants and own revenue projections, was increased by R40million to R266.6million. This was 5% less than the actual expenditure reported in 2015/16. The statement of comparison between budget and actual amounts in the financial statements details comparable revenue figures. These indicate that the targets for reserve-based revenue were accurately predicted; ECPTA recorded an over collection of less than R720 000. Spending took place in line with availability of actual funds.

Spending trends

The ECPTA was required to reduce goods and services spending and re-direct this to capital expenditure. In previous years, a ring-fenced grant for infrastructure had assured that funds were available for this purpose. Overall, there was a 33% reduction in goods and services to fund an increase in capital expenditure and a 10% increase in compensation of employees.

New or proposed activities

ECPTA completed its first full year under the revised operating model in place since the 2015/16 financial year. Improved integration is increasingly evident in the rollout of the "Reserves as Products" concept. ECPTA is now well positioned to commercialise on-reserve activities based on each of the three niche clusters.

With support from Provincial Government, ECPTA has been able to sustain its anti-poaching and reserve security efforts. Collaboration with conservation and law enforcement agencies in the Province has also been intensified.

Requests for roll over of funds

The entity has made a request of Rollover of R5.6 Million. This amount consists of:

- Solar Power System R1.2 Million.
- Administered Funds R1.8 Million
- Supply Delivery of Firearms R805 Thousand
- Fencing Materials R590 Thousand
- The balance relates to other infrastructure projects.

Supply chain management

Concluded unsolicited bid proposals for the year under review

The agency did not conclude any unsolicited bid proposals during the year under review.

ADVENTURE PROVINCE
Eastern Cape
PARKS & TOURISM AGENCY

Supply Chain Management (SCM) processes and systems

Supply Chain Management processes are in place and are aligned to legislative requirements, Treasury Notes and Instructions. The Board and Management have approved the SCM Policy and Standard Operating Procedures respectively.

Challenges experienced and how they will be resolved

The entity has not incurred irregular expenditure in neither the current nor the previous financial year. To sustain this trend, and ensure that there is no regression, processes will be continuously improved.

Audit report matters in the previous year

During 2016/17, ECPTA management addressed all twenty-seven findings listed in the Auditor-General's management letter of 2015/16. The Audit and Risk Committee of the Board required that the Agency provide detailed quarterly progress reports against which they then appraised the Board.

Future Outlook

The fragile economic outlook, which has defined our operating environment for the past three years, was, if anything, more fragile in 2016/17. The global economy experienced its slowest rate of expansion since the 2009 economic crisis. While the USA recorded weaker than anticipated growth, China's growth rate slowed dramatically. The contagion effect for a developing country such as South Africa resulted in the weakest growth rate in almost a decade.

Assuming that these trends will remain a feature of our economic landscape for the near future, we expect constraints on our capacity to raise additional funds through the equitable share and conditional grants routes, as well as to mobilise the private sector. Over the past four years, for example, revenue generated on reserves has covered around 10% of the ECPTA's operating expenses. These revenue sources will come under increasing threat in a sustained economic downturn exacerbated by climate changes:

- Hospitality revenue relies on a positive economic climate wherein people are able to vacation and spend money on leisure activities. These unfavourable economic trends exacerbate the threat of diminishing tourist numbers by, further diluting the impact we are likely to achieve through our international marketing campaigns.
- Wildlife revenue generation requires significant expenditure related to the capture and accommodation of animals and associated veterinary fees. The constrained economic environment translates into diminished returns on input costs, and may even render the practice non-viable. The current environmental and climate challenges in the Province also have a negative bearing on the quality of game on offer; drought has already affected some of the ECPTA Nature Reserves, influencing natural fire patterns, lambing seasons and game densities, with extreme weather conditions expected to continue. This could affect game off-takes and revenue in the next financial year. Climate change poses a potentially catastrophic threat to the biodiversity of the Province. ECPTA will remain vigilant in this regard.

Not only does this scenario pose challenges for the Agency, it provides the backdrop for innovative collaborations with communities and private sector stakeholders. ECPTA is buoyed, for instance, by the interest shown by the professional game farmers in the Province who have made themselves available to mentor emerging game farmers. Similar collaborations between established and emerging tourism products have benefitted numerous young people. These developmental initiatives are likely to become a cornerstone of ECPTA's approach.

Events after the reporting date

The Entity has no events after the reporting date.

Acknowledgements and Appreciation

The clean audit opinion of which the ECPTA is able to boast is a direct consequence of the hard work and dedication of the remarkable women and men of the Agency:

- the section and field ranger cadre who put their lives on the line to protect threatened species
- the reservations staff who ensure that potential visitors receive a professional service
- the scientists who track complex ecosystems so that we can better understand them
- the hospitality staff who turn down beds and cook up treats that make guests feel welcomed

The list is endless. You know what your contribution has been. Thank you to each of you.

We also extend our gratitude to the Board for their guidance; the Portfolio Committee for their interest in our work, and particularly to the MEC, our shareholder, for his unwavering support.

Vuyani Dayimani
Chief Executive Officer
Eastern Cape Parks and Tourism Agency
17 August 2017

5 STATEMENT OF RESPONSIBILITY

and confirmation of accuracy for the annual report

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

(i) All information and amounts disclosed in the annual report are consistent with the annual financial statements audited by the Auditor General.

(ii) The annual report is complete, accurate and is free from any omissions.

(iii) The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

(iv) The Annual Financial Statements (Part E) have been prepared in accordance with the Generally Recognised Accounting Practice (GRAP) standards applicable to the public entity.

(v) The accounting authority is responsible for the preparation of the annual financial statements and for the judgements made in this information.

(vi) The accounting authority is responsible for establishing, and implementing a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

(vii) 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 ECPTA for the financial year ended 31 March 2017.

Yours faithfully

Chief Executive Officer
Name: Vuyani Dayimani
Date: 17 August 2017

Chairperson of the Board
Name: Vuyo Zitumane
Date: 17 August 2017

6 STRATEGIC OVERVIEW

6.1 Goal

Our goal is to leverage resources for tourism and conservation priorities

6.2 Vision

Responsible tourism and conservation underpin sustainable development of the Eastern Cape

6.3 Mission

ECPTA will become the premier conservation and tourism agency by actively pursuing equitable low-carbon growth through innovation and collaboration in these sectors

6.4 Values

The values that support the actions of the ECPTA are:

RESPECT

We appreciate and value one another, our stakeholders, our communities and our shareholder

INTEGRITY

We will conduct our business based on sound moral principles

RESPONSIBILITY

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

7 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 use of natural resources 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.
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 and Building Standards Act, 1977 (Act 103 of 1977)	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
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, 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, 2003 (57 of 2003)	This is the primary legislation governing the management of protected areas and guides the interpretation of Act 2 of 2010

Relevant Acts	Key Responsibilities
NEM: Waste Management Act, 2008 (Act 59 of 2008)	This is the primary legislation governing the management of waste, including in 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.
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 (pre1994 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, 14 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. 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 growth
5. 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. Responsive, accountable, effective and efficient local government
10. Protect and enhance our environmental assets and natural resources
11. Create a better South Africa, a better Africa and a better world
12. An efficient, effective and development-orientated public service
13. Social protection
14. Nation building and social cohesion

The ECPTA's Strategic Plan for 2015/16 – 2019/20 focuses primarily on achieving Outcomes 10 and 12, and contributes to achieving Outcomes 4 and 6.

The potential contribution of the ECPTA towards the achievement of the national strategic policy imperatives is detailed below.

National Outcome:	ECPTA priorities for the MTSF period:
4. Decent employment through inclusive economic growth	• Create employment opportunities through Green Job projects for permanent, contract, casual and EPWP appointments by recruiting people from communities near the reserves. • Create economic opportunities by creating a demand for goods and services and unlocking opportunities for economic development for entrepreneurs, concessionaires, eco-tourism and cultural tourism linkages. • Provide seasonal employment opportunities by providing access to Protected Areas for the harvesting of natural resources from reserves - e.g. thatching grass, marine resources, firewood, game, etc. • Create employment opportunities for tour operators and service providers in the tourism industry. • Prepare potential tourism entrepreneurs to participate in the mainstream tourism economy by providing access to mentoring and skills development opportunities.
6. An efficient, competitive and responsive economic infrastructure network	• 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. • Support the education curriculum and infrastructure by developing environmental education centres in the reserves. • Develop recreational and tourism infrastructure. • Develop tourism routes to the benefit of rural and remote communities.
10. Protect and enhance our environmental assets and natural resources	• Provision of ecological goods and services - e.g. clean water through catchments management, combating soil erosion, carbon sequestration. • Facilitate access to natural resources from reserves - e.g. thatching grass, fish, firewood, venison etc. to communities. • Combat poaching, illegal use of natural resources and trade in endangered species • Promote environmental education and awareness programmes for sustainable natural resource use.
12. An efficient, effective and development-orientated public service	• Strengthen the management of ECPTA to ensure optimal socio-economic impact on communities. • Increase public access to Provincial Parks and tourism products • Strengthen the capacity of communities to effectively participate in biodiversity conservation management and co-management of Provincial Parks. • Develop skills and human resource capacity through staff training and the training of communities • Collaborate with relevant role-players for the advancement of effective resource management.

ECPTA's strategy further finds synergy with a variety of strategy documents, some of which are detailed here:

National and Provincial Strategy Documents	Relevance to ECPTA strategy
National Tourism Sector Strategy	Contribute to global competitiveness of South African tourism sector through enhanced service levels and responsive product development
Eastern Cape Tourism Master Plan	• Improve and maintain accessibility of tourism facilities • Reputation management • Tourist safety • Service standards • Transform and grow the economy
National Strategy for Sustainable Development (NSSD)	The NSSD defines the strategic imperatives of the South African Government as they relate to the interaction between people, the environment and the economy.
Eastern Cape Vision 2030 Provincial Development Plan (PDP)	The PDP includes spatial land utilisation in terms of provincial priorities for development. It identifies the Province's biodiversity endowment as contributing to the Province's competitive edge. The PDP, underpinned by the principle of respecting "*eli lizwe silibolekiwe*", acknowledges the need to view biodiversity as a natural resource to be protected for the enjoyment of future generations. The interdependence of economic, social and environmental systems is recognised as part of this principle. Of significance to ECPTA in this regard is that tourism is identified as a high-potential economic sector. Strategies suggested for the rapid development of Tourism include: • growing the volume and value of eco-tourism, heritage and sports tourism • improving access infrastructure • building stronger local tourism networks

8 ORGANISATIONAL STRUCTURE

When the Strategic Plan (2015/16 – 2019/20) was developed in 2014, it was apparent that the organisational structure would require attention to ensure relevance to the Agency's new strategic direction. Extensive consultation and technical preparation were necessary, and were rolled out over a period of 18 months.

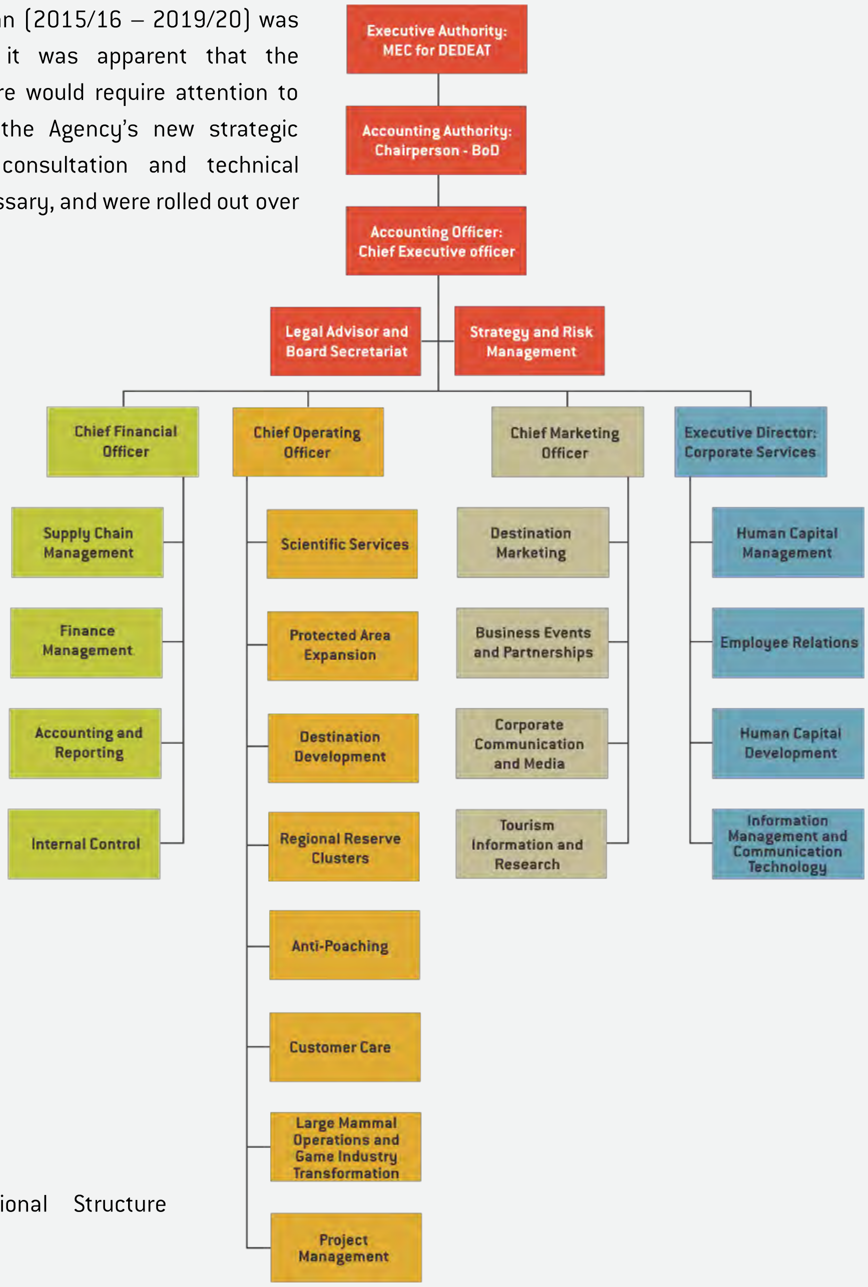


Figure 1: Organisational Structure (effective 1 April 2016)

EXECUTIVE MANAGEMENT

Vuyani Dayimani
Chief Executive Officer

Nomvuselelo Songelwa
Chief Operating Officer

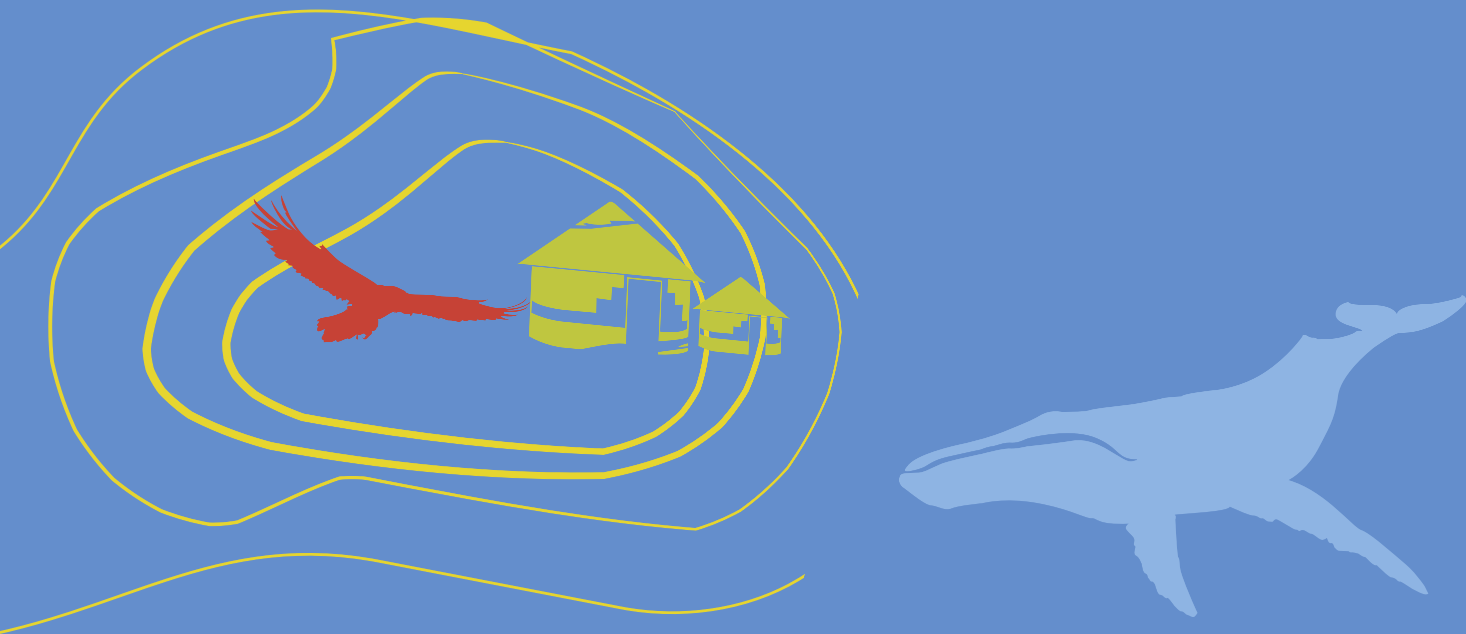
Jonathan Jackson
Chief Financial Officer

Nopasika Mxunyelwa
Chief Marketing Officer

Lenoray Gower
Executive Director Corporate Services

Xoliswa Mapoma
Legal Advisor / Board Secretary

ADVENTURE PROVINCE
Eastern Cape
PARKS & TOURISM AGENCY



“**travel** makes one modest.
You see what a tiny place
you occupy in the world.”

– gustave flaubert

ADVENTURE PROVINCE
Eastern Cape
PARKS & TOURISM AGENCY

PART B:

PERFORMANCE INFORMATION

Great Fish River Nature Reserve

1 AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

The AGSA 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 reported under the *Predetermined Objectives* heading in the *Report on other legal and regulatory requirements* section of the auditor's report.

Refer to page 80-82 of the Report of the Auditor-General, published as Part E: Financial Information.

2 SITUATIONAL ANALYSIS

2.1 Service Delivery Environment

2.1.1 Provincial Overview

Location

The Eastern Cape is the second largest Province, accounting for 13.9% of the total land area of the country. Port Elizabeth, situated on Algoa Bay, is the largest city in the Eastern Cape and the seat of Nelson Mandela Metropolitan Municipality. The provincial capital, Bhisho, is located within Buffalo City Metropolitan Municipality, as are East London and King William's Town. Other important towns in the Province include Mthatha, Uitenhage and Grahamstown.

Administratively, the Eastern Cape is divided into 37 local municipalities, located in six districts. In addition, there are two metropolitan municipalities. From a tourism perspective, the Province is divided into Regions and Routes. These have no regard for administrative boundaries, but are rather based on regional qualities and experiences.

Infrastructure

Infrastructure is unequally spread across the Province, with the Metros and the western part of the region having access to better quality and quantity of infrastructure. User-friendly road infrastructure is generally available throughout the western region, while the eastern region – specifically the former Transkei and Ciskei – has limited accessibility, exacerbated by a poorly maintained road network.

Although the Port Elizabeth airport has international status, there are no international carriers arriving at this facility. There are two additional domestic airports, located in East London and Mthatha. However, the cost of flights to and from destinations is high, due to the limited number of low cost carriers servicing the Province, and the availability of flights is limited. This is particularly true for the East London and Mthatha airports. There are no passenger rail services linking the Eastern Cape to other regions of the country.

2.1.2 Biodiversity / Conservation Management

Biodiversity Conservation

The Eastern Cape is one of the most biodiverse provinces in South Africa but almost 90% of Eastern Cape vegetation types are considered to be poorly protected. The ECPTA is engaged with private and communal landowners to develop partnerships to expand the protected area system of the province, with a focus on areas considered to be priorities to address the gaps in the level of protection of certain vegetation types. Since the ECPTA's Stewardship Programme was initiated in 2010, more than 125 000 hectares have been added to the protected area system of the Eastern Cape, through the willingness of private landowners to formally declare their land as Protected Environment or Nature Reserve. During 2016/17 however, it was not possible to meet the declaration target due to concerns from neighbouring landowners that being located adjacent to a protected area may impact on their property rights such as mining rights. This highlights the need to focus more on special interested parties as part of the public consultation process and to engage with all other departments regarding land use planning across the landscape.

Important partners in protected area management and expansion are communities who have been successful land claimants or who live adjacent to protected areas managed by ECPTA. The People and Parks unit continues to make progress in the negotiation of Co-management Agreements, which include benefit-sharing agreements with all the land claimant communities. This is an important shift away from the "traditional" conservation model, which largely excluded the rightful owners of the land. Many challenges have been experienced, including disputes regarding leadership and delays in the documentation, such as title deeds, necessary to enable the communal landowners to enter into development agreements and business concessions. However, ECPTA is actively working with partners in government to address these challenges and move towards a more just and equitable socio-economic development framework for the rural areas, where conservation and tourism present real opportunities for local economic development.

The escalation of rhino poaching on the ECPTA reserves has meant that the Agency has had to prioritise security on these reserves. Considerable resources have of necessity been directed towards combat this threat and there has been substantial investment in infrastructure, the training and equipping of staff, improving security protocols and measures, and the creation of dedicated rhino monitoring and security posts. Resources for this have been derived from operational budgets, a special rhino security allocation from DEDEAT as well as from key donors. Donors, in particular, have played an important part in funding these initiatives. With the current economic situation and shrinking budgets these donors are likely to play an increasingly important role in rhino conservation and the Agency has consequently embarked on a programme that aims to strengthen existing donor relations as well as to attract new donors. All evidence points to a continued escalation in rhino poaching in the future and it is therefore critical that the Agency is well prepared and equipped to deal with this threat.

The Agency launched its game industry transformation programme at a very successful event held on the 17 March 2017. This programme forms part of the National Biodiversity Economy Strategy and aims to facilitate the transformation of the wildlife sector and to contribute to the economic growth of the sector. A total of 93 animals including 8 buffalo were delivered to the first recipient. A further two beneficiaries have been identified and will receive game in 2017-2018. This is just the beginning of a new programme that is expected to roll out over the next few years.

The drought conditions experienced across large parts of the country have also affected some of the ECPTA Nature Reserves. The situation on affected reserves is being monitored and appropriate interventions will be considered as and when necessary. The dry conditions are expected to influence the occurrence and distribution of fires and increased fire vigilance will be required. These conditions will also affect game densities and condition in a number of reserves, particularly if good rains are not received before winter. This could influence game off-takes and revenue in the next financial year. These unusual weather conditions can often have unforeseen consequences such as the unexpected early lambing of springbok observed at Oviston this year. This not only affected culling operations but also meant that animals sold on auction could not be captured as they had young at foot. Climate change models indicate that the intensity and duration of extreme weather conditions can be expected to increase in future and the Agency consequently needs to be vigilant of the potential impacts of this on biodiversity.

Tourism Development

In order to drive tourism development in the reserves a Commercialisation Strategy was developed. Prefeasibility studies for tourism activities on 12 reserves were developed during 2016/17. ECPTA has applied for Exemption from National Treasury prior advertising for Private Operators to develop and manage various tourism activities in the reserves. ECPTA continues to provide capacity building and market access support to community tourism projects and tourism businesses. The support ranges from training, mentorship, creating platform for business to sell their businesses in trade and consumer shows. The Agency has exposed a number of youth to the Tourism Sector through career expos both provincially and nationally. Through compliance checks and awareness campaigns, complaints on illegal guiding have decreased.

2.1.3 Destination Tourism

Domestic Tourism

The Eastern Cape has come a long way since it ranked the second least visited of the 9 South African provinces, a position that prompted the Eastern Cape Parks and Tourism Agency in 2015 to set itself a challenge to move the province to the top 3rd most visited province by the domestic market in 2020.

Domestic travellers in the Eastern Cape are most likely to be from the Eastern Cape (intra-provincial travellers), the Western Cape, Gauteng or KwaZulu-Natal. Overnight tourists spend a long time in the Province, with almost 16% of visitors staying in excess of 2 weeks.

However, most visitors do not make use of paid accommodation, relying on friends, relatives and others for their accommodation. Visiting Friends and Relatives (VFR) travellers generally spend more on social activities than leisure. In order to grow the tourism economy, it is necessary to encourage VFR travellers to engage in more leisure activities.

42.5% of the visitors to the Province arrive by taxi, 37% arrive by car, 14% arrive by bus and only 2% arrive by air. VFR is the most commonly cited reason for travelling to the Eastern Cape, after shopping. This positions local residents as powerful promotional agents for domestic tourism.

Travellers seeking beaches are a growing group across the country, accounting for as much as 33% of the market in 2013. While still relatively small contributors to the industry, travellers seeking natural attractions, wildlife, cultural and adventure experiences are also on the increase. The Eastern Cape is ideally positioned to provide the experiences that these groups are looking for.

By the end of 2015, the SAT Annual Report reflected a movement by the Eastern Cape from the 6th position to the 5th position, a movement that happened in the course of 2014. A gradual increase from the 5th position was further reported in the course of 2016 – a showcase of the movement that happened in the course of 2015. The Eastern Cape is currently ranked the 4th the most visited province by the domestic market, as at SAT 2015 Annual Report. The trend is demonstrated in the table below.

	Visits 2013	Visits 2014	Visits 2015	Ranking (2015)
Limpopo	5.6	7.4	5.7	1
Kwa-Zulu Natal	7.3	5.3	5	2
Gauteng	4.5	4.3	3.8	3
Eastern Cape	2.1	3.2	3.4	4
Mpumalanga	3.2	3.3	2.2	5
North West	1	2.3	1.8	6
Western Cape	2.4	1.6	1.8	6
Free State	0.9	1	1.2	7
Northern Cape	0.5	0.6	0.3	8

Figure 2: SA Tourism Domestic Rankings (Source: 2015 SAT Annual Report)

International Tourism

International travellers are most likely to stay for longer periods if their primary purpose for the visit is for a holiday or to visit friends and relatives (VFR). In 2013, 30% of travellers to South Africa came to visit friends and relatives.

Holiday tourists are most likely to visit natural attractions, cultural, historical and heritage sites, followed by wildlife-based activities. For VFR tourists, social activities are the most popular activity.

International tourists have reduced the average number of provinces that they visit since 2011. The Eastern Cape is one of the least visited Provinces, attracting only 3% of the international tourists in 2013. Most international tourists experience the western side of the Province, usually only going as far as Port Elizabeth.

The Eastern Cape has not changed its position within the international market over the last 3 years. The Eastern Cape's top 5 arrivals are Germany, UK, USA, Netherlands and Australia.

Business Tourism

There is a growing recognition in South Africa that the business events industry is a major driver of job creation, skills development and transformation of the nation's knowledge and creative economy. Business events have the potential to draw people together to exchange knowledge and ideas, build business relationships, and, over a longer term, attract investment and talent flows.

The International Congress and Convention Associations (ICCA) 2013 ICCA rankings show that South Africa is the number one convention destination in Africa and the Middle East.

Business travel accounts for approximately 9% of all international travel. Business tourism is defined as leisure activities in conjunction with business travel. Business tourists are less cost-sensitive than leisure tourists, spending on average twice as much per day. Their purchase decisions are influenced primarily by their ability to use time efficiently within business travel schedules.

As two-thirds of business travellers extend their business trips for pleasure when they can, there is enormous potential in this market. Business tourism is expected to be one of the hottest growth markets for travel industry providers in the years ahead. Developing and transition economies interested in expanding revenues from business tourism need to focus on both the individual business traveller and the meetings and conventions market.

Business tourism is, therefore, a strategic tourism sector for the Eastern Cape.

According to Tourism Business Council of South Africa, respondents in the 2015 survey cited the following primary reasons for the national decline in the tourism industry:

16.9% of respondents cited negative impact as a result of the xenophobic attacks;

30.0% of respondents were affected negatively by the Ebola outbreak;

23.5% of respondents experienced a negative impact due to the new Visa regulations.

While these have necessarily impacted the Eastern Cape, according to the Tourism Business Council of South Africa's' *Tourism Business Index* (2015, Q2), the following have also had a notable impact on the Provincial tourism economy:

- Inconsistent marketing budgets – thereby minimising the impact of marketing initiatives;
- Economic decline – resulting in people affording less frequent and shorter domestic and international holidays;
- Limited accessibility of the Province – there are limited low cost airlines flying into the Province. This is exacerbated by the poor condition of roads and the perceived frequent accidents on Eastern Cape roads;
- Poor product development and ineffective product packaging – both of which limit the potential of the tourism products of the Eastern Cape;
- Perceived lack of safety while travelling in the Eastern Cape and (especially) frequenting the beautiful beaches.

2.2 Organisational environment

During the year under review, the Board of Directors approved the implementation of the organisational review results together with the revised salary scales with effect from 1 July 2016. However, the implementation of these decisions was delayed until a dispute with organised labour was resolved. Implementation proceeded thereafter, in December 2016. The change management programme during this period focused on improvement of the communication and leadership areas. The programme and was subsequently "rebooted" to include accountability, ethics, trust and teamwork. The staff satisfaction survey results of 70% against a target of 75% confirmed the need for this reboot and the programme is ongoing. The change management programme is a key focus area for 2017/18 to ensure that an ECPTA culture is developed and lived out in each employee.

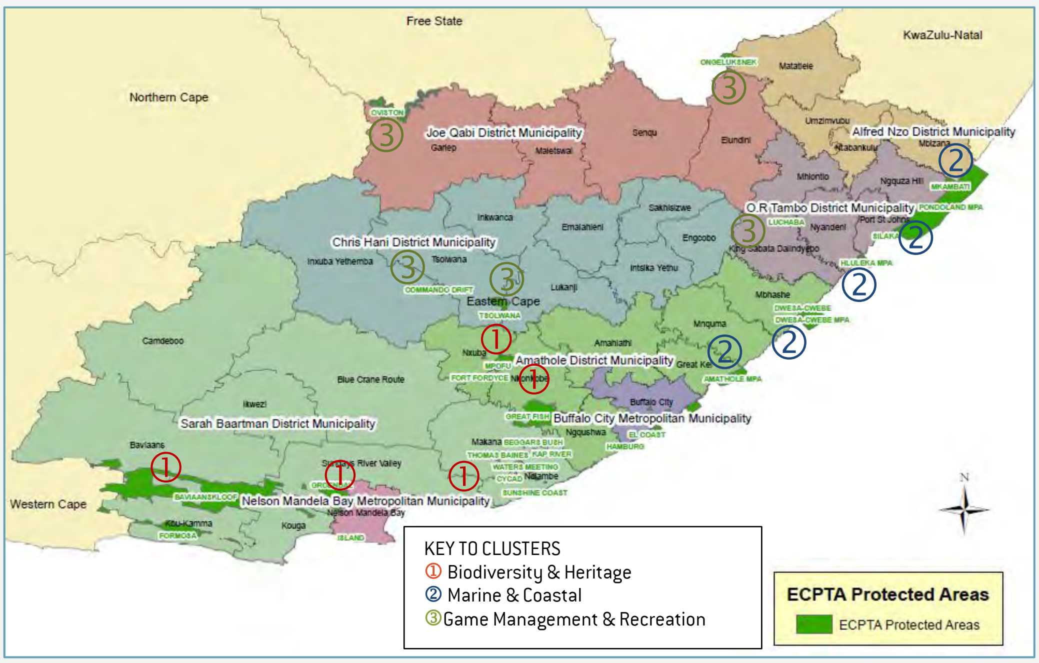
Improved integrated of planning and budgeting has had a positive effect on the ability of core departments to predictably execute their responsibilities. This is in line with advice and developments emanating from the Department of Performance Management and Evaluation, and best practice guidelines in the Public Finance Management Act.

Delays in the approval and availability of the rolled over funds for infrastructure projects in progress resulted in corresponding delays of up to 8 months in respect of rolling out job creation initiatives and infrastructure delivery. This has been partially addressed by preparing prioritised project lists well in advance. Furthermore, the removal of the ring-fencing constraints means that greater flexibility will exist in the next financial year to manage project scheduling should similar roll-over delays be experienced.

2.2.1 Geographic spread of reserves

As indicated in the map below, the reserves for which ECPTA is responsible are distributed across the entire province, with at least one reserve in each District. Given the mandate to preserve the Province's natural heritage, the reserves are predominantly rural and remote. The location of reserves poses challenges in respect of ensuring that tourists can safely and easily access them. The potential economic benefit of reserve-based tourism for neighbouring communities is also put in jeopardy.

2.2.2 Reserves as Products



To give effect to the new organisational strategy (2015-2020), the Reserves as Products approach was adopted in 2015. The new approach is incrementally rolled out in a manner that ensures sustainability of existing operations while generating forward change momentum.

In terms of the Reserves as Products approach, ECPTA's fifteen reserves are grouped into three clusters. The clusters are determined by the dominant activity type appropriate to reserves, with attention to the existing tourism routes. Development Concept Plans have been prepared for each reserve. These will be incrementally rolled-out as resources are available.

ADVENTURE PROVINCE
Eastern Cape
PARKS & TOURISM AGENCY

Cluster	Niche	Reserves	Routes
① Biodiversity and Heritage	Iconic reserves Opportunities for special interest and educational tourism	Baviaanskloof, Formosa, Groendal & Island, Thomas Baines & Waters Meeting, and Great Fish	Kouga, Tsitsikama, Sundays River Valley, Karoo Heartland, Frontier Country
② Marine and Coastal	Good fit with holiday visitors Opportunities for educational and recreational users	Mkhambathi, Hluleka, Silaka, Dwesa Cwebe and East London Coast	Sunshine Coast, Wild Coast
③ Game Management and Recreation	Offer market opportunities for hunting, holiday and special interest	Mpofu and Fort Fordyce, Tsolwana and Commando Drift, Ongeluksnek, Nduli Luchaba, and Oviston	Amathole Mountain Escape, Friendly N6, Frontier Country, Karoo Heartland

2.2.3 Organisational Performance

The gradual upward trend in performance outcomes is both pleasing and challenging: Pleasing because it clearly demonstrates the maturation of the ECPTA's integrated approach to planning and performance management, and Challenging because the space for future improvement has become so narrow.

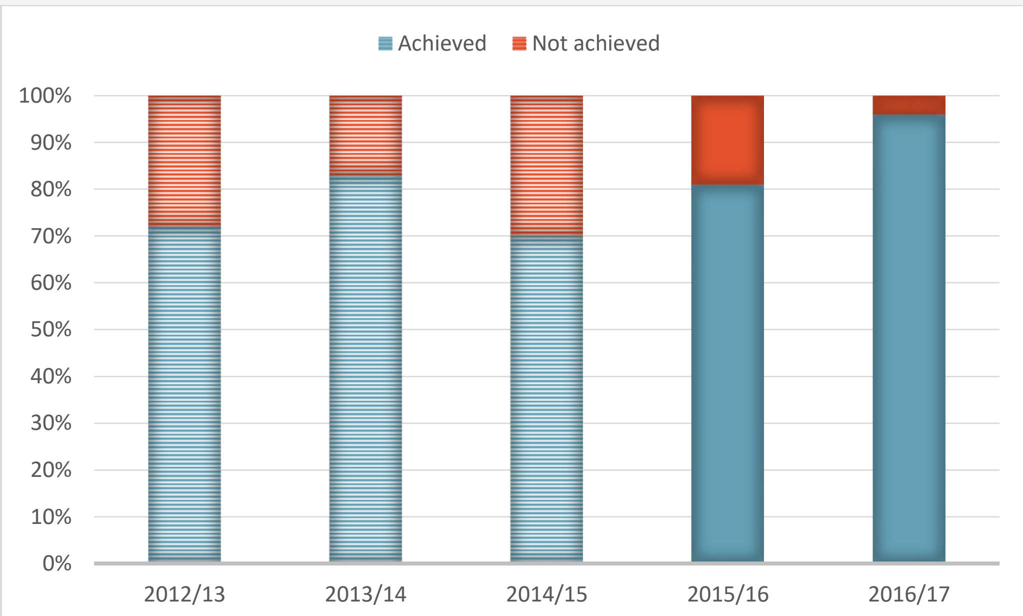


Figure 3: ECPTA 5-year Performance Trends (APP indicators)

It must be noted that the above comparison spans two separate Medium Term Strategic Framework cycles, and is therefore merely illustrative of the upward performance trajectory since launching the current strategic plan.

2.3 Key policy developments and legislative changes

There are no changes to report.

2.4 Strategic Outcome Oriented Goal

The ECPTA has continued to pursue a single strategic goal. The intention is to promote the desired unity of purpose that underscores the ECPTA Act. The Agency's Strategic Goal defines its contribution towards securing a sustainable future for the Province.

Strategic Goal	Resource Mobilisation
Goal statement	To leverage resources for tourism and conservation priorities
Goal purpose	To improve the attractiveness of the ECPTA as an investment option by executing our mandate to the highest possible standards for the entire strategic period
Justification	All indications are that the economic decline of the past four years will take a longer than originally expected time to reverse, and 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.

3 PERFORMANCE INFORMATION BY PROGRAMME

Performance Information is presented for each programme depicted in the Organisational structure on page 16. In each instance, the strategic objectives for which the programme is responsible are explained, followed by performance analysis tables. Strategic Objective indicators listed in the Strategic Plan (2015/16 to 2019/20) are followed by the performance indicators published in the Annual Performance Plan (2016/17 to 2018/19). Where an internally generated index is used to measure performance, a table detailing the annual contribution of underlying operational targets is provided.

The Annual Performance Plan (APP) is accompanied by a set of Technical Indicator Descriptions. These detail the mechanisms employed for managing, monitoring and measuring each performance indicator in the APP. A second edition of the APP was issued in the second half of the year to accommodate the Auditor-General's suggestion that Strategic Objective Indicators be included also. Readers of this Annual Report can access the complete APP, inclusive of technical indicator descriptions, on the ECPTA website. In order to improve the readability of this report, however, the unit of measure for each indicator is included in brackets behind the target and actual performance reported.

There were instances where progress was achieved in a quarter other than that in which progress was planned. If an indicator was inactive in the quarter in which completion was achieved, progress was not reported as "over-performance", but rather included in the annual total performance for that indicator. This practice has improved the quality of planning and accuracy of reporting at ECPTA.

Table 1: Summary of performance against the 2016/17 Annual Performance Plan

Strategic Objective		APP Indicators			
		Total #	Score 3	Score 2	Score 1
1.1	To implement a decision support system for biodiversity conservation in the province throughout the MTEF	3	3	0	0
1.2	To expand the protected area system as mandated throughout the MTEF	3	3	0	0
1.3	To encourage participation of previously disadvantaged business owners in the mainstream tourism industry by 2019-20	3	3	0	0
2.1	To ensure that the Province is ranked in the top 3 most-visited destinations in the domestic market by 2020	3	2	1	0
3.1	To grow annual revenue generated through on-reserve activities throughout the MTEF	2	2	0	0
3.2	To maintain effective management of protected areas throughout the MTEF	3	3	0	0
3.3	To manage priority projects for tourism and conservation development on reserves throughout the MTEF period	2	2	0	0
4.1	To ensure the organisation's ability to meet its mandate by providing cross-cutting support services throughout the MTEF	7	7	0	0
	ECPTA 2016-17 APP Performance	26	25	1	0
			96%	4%	0%

3.1 Programme 1: Operations

3.1.1 Description of programme

3.1.1.1 Purpose

The work of the Operations Department is executed in an integrated fashion through interaction and cooperation between seven (7) units. These combine to ensure that ECPTA effectively manages all aspects of the protected areas for which it is responsible. Responsibilities include protected species management, reserve security, biodiversity management, protected area planning and expansion, tourism on reserves, as well as management and development of infrastructure and facilities.

3.1.1.2 Programme Structure: Operations

Operations	Scientific Services
	Protected Area Expansion
	Destination Development
	Regional Reserve Clusters
	Customer Care
	Large Mammal Operations and Game Industry Transformation
	Project Management

3.1.1.3 Key functions of Operations

1. Strategic and operations management of the ECPTA's regional (cluster) 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 offenses as prescribed by legislation are implemented and supported including the acquisition of permits.
3. Provide professional scientific information and planning support to guide and inform biodiversity management, strategy and decision making in the Agency.
4. Lead efforts to expand the protected area estate through Stewardship
5. Facilitate access to the biodiversity economy and facilitate co-management agreements
6. Manage and improve the hospitality services and guest experiences.
7. Manage and support the engagement of communities associated with reserves (including co-management of reserves) and through the ECPTA's social responsibility projects.
8. Ensure operations compliance with Occupational Health and Safety legislation.
9. Management of relationships with ECPTA's stakeholders within the Province.

Scientific Services

The core function of Scientific Services is to ensure that the management and expansion of the protected areas is based on and informed by good science. To this end, the sub-programme executes the following key functions:

1. Conduct priority research to guide, inform and support management decisions
2. Manage and facilitate external research
3. Develop and Implement monitoring programme s
4. Develop and review Protected Area Management Plans
5. Develop and review subsidiary management plans
6. Manage Biodiversity Data
7. Provide Ecological and Environmental Management Advice and Support
8. Develop biodiversity management policies, plans and strategies
9. Support Provincial and National biodiversity conservation initiatives, including Protected Area Expansion.

Protected Area Expansion

South Africa is ranked as the third most biologically diverse country in the world, with high levels of endemism. With seven biomes, the Eastern Cape is considered to be the most biodiverse province, yet species and ecosystems are facing enormous pressures, mainly due to utilisation of land for agriculture and infrastructure development. Climate change will have an additional impact on biodiversity and ecosystem services. Unfortunately the protected area system is inadequate to conserve the Eastern Cape's internationally recognised natural capital. Protected areas need to be expanded. The National Protected Area Expansion Strategy (NPAES) sets protected area targets for South Africa, provides maps of focus areas for protected area expansion, and makes recommendations on mechanisms for protected area expansion. The 'Eastern Cape Protected Area Expansion Strategy and Action Plan' builds on the NPAES and identifies priority areas for expansion in the province.

The state has insufficient funds to purchase land for protected area expansion. The key alternative to purchasing land is stewardship, which aims to secure biodiversity assets in priority areas through voluntary agreements with private and communal landowners or users.

Biodiversity stewardship contributes to securing biodiversity features and ecosystem services through agreements and formal declaration of protected areas, while also addressing socio-economic and rural development imperatives. To date this programme has secured the declaration of approximately 120 000 ha. The ECPTA Stewardship Programme works towards expanding and consolidating the protected area network through contract agreements with private and communal landowners whose land is of biodiversity importance, as well as enabling sustainable use of natural resources and managing land based threats across the landscape. This requires engagement with interested landowners and communities in areas identified as priorities for conservation. Often a series of contact sessions are held over a number of years, before actual agreement is reached and the properties can be declared. The Programme works in close collaboration with a wide range of partners, including government departments such as Department of Agriculture, Forestry and Fisheries (DAFF), Department of Environmental Affairs (DEA) and DEDEAT as well as NGOs such as Endangered Wildlife Trust, WWF-SA and Eden to Addo.

The PA Expansion unit supports the process to properly determine the boundaries of protected areas, engage with other relevant government departments, including the Department of Public Works and ensure the proper description and declaration of these areas to ensure that they are legally secure.

1. Implement the Eastern Cape Protected Area Expansion Strategy
2. Maintain a Register of Protected Areas
3. Expand and consolidate protected areas managed by ECPTA
4. Support processes to check (verify), rectify and demarcate boundaries of protected areas
5. Engage with landowners and communities in priority areas for conservation
6. Assess the biodiversity importance of candidate sites
7. Manage the process to declare protected areas, in line with the requirements of legislation, in particular the National Environmental Management: Protected Areas Act (NEM:PAA)
8. Sign Protected Area Management Agreements with landowners
9. Support landowners to develop Protected Area Management Plans
10. Leverage access to incentives for landowners
11. Assess the implementation of Protected Area Management Plans

Destination Development

The Destination Development Unit draws its mandate from the ECPTA Act 2 of 2010, and focuses on developing the industry in the province. Since 2016/17, this has included intentional attention to developing the tourism capacity of reserves.

Transformation of the tourism industry is considered critical to the future success of the industry. Whilst a certain degree of organic growth in transformation is expected to occur in the industry over time, some interventions have been identified in order to assist with the process. Transformation programmes seek to ensure that emerging enterprises owned by Previously Disadvantaged Individuals get to the mainstream of the sector.

- Provide Market Access to SMMEs
- Provide tourism interventions / support to tourism associations and businesses
- Prepare communities to leverage benefits from events held in their localities

In order for the Eastern Cape to compete with other destinations it has to offer unique, diverse and good quality tourism products.

- Support Community Tourism Projects
- Tourism signage installation
- Implement tourism safety programme

The destination development programme seeks to ensure that tourism businesses have the correct skills to manage their businesses

- Identify and facilitate the implementation of skills and training programme s
- Create tourism awareness for youth

The objective of quality assurance programme is to ensure that every visitor leaves the destination having experienced the warmth of the people and superior service excellence.

- Facilitate grading of accommodation establishments

- Support tourism products to participate in the Tourism Lilizela Awards
- Provide oversight and monitor compliance of tourism products and tour guides with legislation
- The Registrar of Tourism maintains a database of tourist guides in the Province

Regional Reserve Clusters

Effectively manage the protected areas under ECPTA's management, including tourism on reserves, infrastructure and facilities. Effectively managing and safeguarding operations of the protected areas in association with Scientific Services and Destination Tourism.

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 offenses 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.

3.1.2 Strategic objectives, performance indicators planned targets and actual achievements

3.1.2.1 Strategic Objective 1.1: Biodiversity Decision Support

Objective statement	To implement a decision support system for biodiversity conservation in the province throughout the MTEF period
Explanation	ECPTA is responsible for Biodiversity Conservation Management, which is essentially the provision of professional decision support to ensure that biodiversity management in the Protected Areas managed by the Eastern Cape Parks and Tourism Agency (ECPTA) is appropriate. Areas of function are measured against APP targets and culminate in the achievement of the Biodiversity Decision Support Index.
	The index provides a summary measure of the various outputs generated by the unit. It is a composite of 3 smaller indices which measure contributions in the areas of Research and Monitoring, Data management, Eco advice and planning support, and external collaboration and cooperation. Different outputs carry different weights depending on effort and input required. These scores are then summed to get an overall index value. Outputs generated include, scientific papers published in peer review journals, research and monitoring reports, subsidiary management plans, species surveys, new data sets developed or acquired, and research agreements concluded, and comments submitted in response to environmental impact assessments and on-reserve infrastructure development projects.

Performance Indicator	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations
1.1 Biodiversity Decision Support Index [1]	622 (index score)	2.7 (index score) [2]	3 (index score)	+0.3 (index points)	All underlying indices fully achieved
1.1.1 Biodiversity Research Index	230 (index score)	2.7 (index score)	3 (index score)	+0.3 (index points)	All operational targets achieved
1.1.2 Biodiversity Monitoring Index	92 (index score)	2.7 (index score)	3 (index score)	+0.3 (index points)	All operational targets achieved
1.1.3 Ecological planning Index	194 (index score)	2.7 (index score)	3 (index score)	+0.3 (index points)	All operational targets achieved

1.1 Biodiversity Decision Support Index	Weight	Planned	Actual	Index score
1.1.1 Biodiversity Research Index	40	2.7	3.0	3.0
1.1.2 Biodiversity Monitoring Index	40	2.7	3.0	3.0
1.1.3 Ecological planning Index	20	2.7	3.0	3.0
1.1 Biodiversity Decision Support Index	100	2.7		3.0

1.1.1 Biodiversity Research Index	Weight	Planned	Actual	Index score
1.1.1.1 Research to address priority information needs	30	3	3	3
1.1.1.2 Manage External Research on Reserves	20	4	4	3
1.1.1.3 Develop systems to support conservation	10	2	3	3
1.1.1.4 New taxon Inventories developed	20	4	4	3
1.1.1.5 Taxon Surveys conducted	20	1	1	3
1.1.1 Biodiversity Research Index	100			3.0

[1] From 2016/17, this index was revised to match the standard application of summative indices deployed for other strategic objectives where the performance levels are: 3 = all contributing targets achieved; 2 = contributing targets partially achieved; 1 = contributing targets less than 70% achieved. Satisfactory performance is deemed to be 90%, hence an index score of 2.7
[2] Sum of underlying Annual Performance Plan targets

1.1.2 Biodiversity Monitoring Index	Weight	Planned	Actual	Index score
1.1.2.1 Fire Monitoring conducted	20	3	3	3
1.1.2.2 Game Census completed	30	1	1	3
1.1.2.3 Priority Taxon Monitoring completed	30	9	10	3
1.1.2.4 Monitor Annual Game off-takes	20	1	1	3
1.1.2 Biodiversity Monitoring Index	100			3.0

1.1.3 Ecological planning Index	Weight	Planned	Actual	Index score
1.1.3.1 Species Management Plans Developed	52.2	1	1	3
1.1.3.2 Ecological Management Plans Developed	0.0	0	0	0
1.1.3.3 Annual Game Management Recommendations	47.8	1	1	3
1.1.3 Ecological planning Index	100			3.0

3.1.2.2 Strategic Objective 1.2: Protected Area System Expansion

Objective statement	To expand the protected area system as mandated throughout the MTEF period
Explanation	The National DEA, in collaboration with Provinces, sets annual targets for the expansion of the protected area estate, which indicates the level of progress towards the Millennium Development Goal and Convention on Biodiversity on conservation. It shows the total surface area of marine and terrestrial areas under formal conservation at the time of reporting (critical priority areas, and not merely the total number of hectares).

Performance Indicator	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations
1.2 Provincial PAES target per annum	606 035 ha (add 25 900 ha)	14 000 ha	0	14 000 ha	No declaration was possible due to a very late objection from a neighbouring landowner and a letter of no support from Department of Mineral Resources.
1.2.1 Stewardship programme implementation	New indicator	1 (Yes) [Yes(1) / No(0)]	1 (Yes) [Yes(1) / No(0)]	None	N/A
1.2.2 People and Parks programme implementation	New indicator	1 (Yes) [Yes(1) / No(0)]	1 (Yes) [Yes(1) / No(0)]	None	N/A
1.2.3 Provincial Game and Conservation Industry transformation plan	New indicator	1 (Yes) [Yes(1) / No(0)]	1 (Yes) [Yes(1) / No(0)]	None	N/A

3.1.2.3 Strategic Objective 1.3: Provincial Tourism Development

Objective statement	To encourage participation of previously disadvantaged business owners in the mainstream tourism industry throughout the MTEF period
Explanation	The provincial tourism industry remains dominated by white-owned businesses and established national and multi-national conglomerates. Tourists and government are loathe to contract with products that are not quality assured, or are not graded at 3-stars or above

Performance Indicator	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations
1.3 Provincial tourism development	3 (index score)	1 (Yes) [Yes(1) / No(0)]	1 (Yes) [Yes(1) / No(0)]	None	N/A
1.3.1 Tourism Industry Support	New indicator	1 (Yes) [Yes(1) / No(0)]	1 (Yes) [Yes(1) / No(0)]	None	N/A
1.3.2 Tourism Development Support	New indicator	1 (Yes) [Yes(1) / No(0)]	1 (Yes) [Yes(1) / No(0)]	None	N/A
1.3.3 Tourism Service Standards	New indicator	1 (Yes) [Yes(1) / No(0)]	1 (Yes) [Yes(1) / No(0)]	None	N/A

3.1.2.4 Strategic Objective 3.1: Own Revenue

Objective statement	To grow annual revenue generated through on-reserve activities (hospitality and game management) to R22 million by 2019
Explanation	With the shrinking fiscal envelope, the requirement that ECPTA generate own revenue is amplified. In addition, ECPTA is committed to developing, marketing and maintaining reserves as tourism products that can attract visitors and increase the number of tourists visiting the Province. This requires that each reserve is positioned to attract a particular tourist segment with appropriate products, activities and facilities. Reserve-specific activities could include (but not be limited to): • Hunting • Environmental education • Game viewing • Adventure activities • Cultural and heritage tourism Such initiatives will be well planned in collaboration with external partners such as LTOs, local communities, private-sector operators and local authorities. Attention will be given to providing opportunities for tourism products "incubated" by ECPTA, while strict quality criteria will be in place and monitored to ensure the integrity of the reserves. It is common cause that in order to achieve these revenue targets, significant investment is required to develop and market on-reserve products. To this end, public-private partnerships and other mechanisms for attracting external funding will be rigorously pursued. In appropriate situations, activities can be extended to neighbouring land, and involve local communities in the delivery of services such as guiding. A different approach to the annual game auction will be explored to regain the market-share lost to rival auctions over the past 2 years, and to overcome the negative impact of drought on the quality of the wildlife on offer. The caveat to generating own-revenue is that regulations to the ECPTA Act must be established to allow for the retention of revenue for the purpose of Tourism Development and Biodiversity Conservation.

Performance Indicator	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations
3.1 Own (gross) revenue	R22 632 581	R18 000 000	R21 244 764	+ R3 244 764	18% over-collection
3.1.1 Revenue from wildlife sales	R16 049 464	R13 100 000	R14 669 470	+ R1 675 296	12% over-collection attributed to second tender-based auction
3.1.2 Hospitality Revenue	R6 381 305	R4 900 000	R6 575 294	+ R1 569 470	34% over-collection attributed to intensified marketing campaigns

3.1.2.5 Strategic Objective 3.2: Protected Area Management

Objective statement	To maintain effective management of protected areas in line with national targets
Explanation	South Africa's system of protected areas is established in the National Environmental Management: Protected Areas Act, 2003 (the Act) and comprises of the following types of protected areas - Special nature reserves as declared in terms of section 18 of the Act; - National Parks as declared in terms of section 20 of the Act; - Nature reserves as declare in terms of section 23 of the Act; - Protected environments as declared in terms of section 28 of the Act; In addition the Act recognises the following protected areas as part of South Africa's system of protected areas - World heritage sites as proclaimed in terms of section 1 of the World Heritage Convention Act, 1999; - Marine protected areas declared in terms of section 43 of the Marine Living Resources Act, 1998; - Forest nature reserves and forest wilderness areas declared in terms of section 8 of the National Forests Act, 1998; and - Mountain catchment areas declared in terms of the Mountain Catchment Areas Act, 1979 As a Contracting Party to the Convention of Biological Diversity, South Africa has an obligation to meet the goals set out in the Programme of Work for Protected Areas. The METT-SA is a monitoring tool designed to establish the extent to which South Africa meets this obligation. It is anticipated that a METT assessment is conducted every two to three years. Because the ECPTA wishes to manage the effectiveness of its protected area management on a more regular basis, and because the METT-SA has been identified as weak on the measurement of biodiversity objectives and outcomes, ECPTA will undertake a review of the METT-SA as an instrument, with a view to enhancing it for more immediate feedback at reserve level.

Performance Indicator	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations
3.2 METT-SA score	64 (score)	68 (score)	72 (score)	+ 4 (points)	METT-SA turnaround plans implemented in response to the 2015/16 assessment were effective
3.2.1 Reserves with METT-SA score over 68	3 (20 %)	9 (60 %)	14 (93 %)	+33 %	Individual reserves were adequately prepared for the comprehensive METT assessment template through effective implementation of the turnaround plans that responded appropriately to the 2015/16 assessment

Performance Indicator	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations
3.2.2 State of Reserves	2.9 (index score)	1 (Yes) [Yes(1) / No(0)]	1 (Yes) [Yes(1) / No(0)]	None	N/A
3.2.3 Game Management	1 (Yes) [Yes(1) / No(0)]	1 (Yes) [Yes(1) / No(0)]	1 (Yes) [Yes(1) / No(0)]	None	N/A

ECPTA establishes trends in the management effectiveness of protected areas by conducting METT-SA assessments. The METT-SA is an assessment tool developed by Department of Environmental Affairs (DEA) and implemented by all management authorities in SA. The METT-SA tool is an internationally accepted Management Effectiveness Tracking Tool (METT) that has been use since 2000. Originally developed the World Commission of Protected Areas (WCPA) and adapted for SA conditions in 2008.

During 2015, DEA undertook a review of the METT-SA tool and an updated version was adopted for 2016 assessments by protected areas. This tool, METT-SA V3, is more comprehensive. Results for the revised METT-SA V3 assessments in 2015/16 saw a reduction of between 12% and 15% nationally, and targets for subsequent years were adjusted accordingly. Due to the efforts of reserve management to implement the turnaround plans devised to address deficits identified during 2015/16, the target of 9 reserves achieving a score at or above the national standard was exceeded.

3.1.2.6 Strategic Objective 3.3: Priority Projects Implementation

Objective statement	To manage priority projects for tourism and conservation development on reserves throughout the MTEF period
Explanation	Infrastructure project implementation has been monitored primarily from a financial perspective. The number of jobs created has similarly been tracked superficially. A new strategic objective is thus introduced with supporting APP indicators

Performance Indicator	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations
3.3 Priority Projects implementation	N/A	1 (Yes) [Yes(1) / No(0)]	1 (Yes) [Yes(1) / No(0)]	None	N/A
3.3.1 Infrastructure Project implementation	N/A	1 (Yes) [Yes(1) / No(0)]	1 (Yes) [Yes(1) / No(0)]	None	N/A
3.3.2 EPWP Project implementation	N/A	1 (Yes) [Yes(1) / No(0)]	1 (Yes) [Yes(1) / No(0)]	None	N/A

In addition to the APP performance indicators detailed above, ECPTA reports to DEDEAT on job opportunities created through environmental initiatives. These include all temporary jobs and full time equivalents in respect of all priority projects. For completeness, these are presented below:

Number of work opportunities created through environmental programmes	2016/17	Q1	Q2	Q3	Q4
New job opportunities created (Target)	1 000	20	240	400	340
New job opportunities created (Actual)	869	20	173	279	397

3.1.3 Strategy to overcome areas of under performance

3.1.3.1 Provincial PAES target per annum

Although the target for the expansion of the Protected Area estate was not met, this does not provide a true reflection of the progress that the Stewardship Programme has made. The Stewardship Programme made every effort to achieve the declaration target and implemented the required process in line with legislation and national guidelines and were on track as at end of February. However, during a further (additional) due diligence process, objections were received. These were based on concerns regarding mining rights in the buffer zone (and not the actual properties which were intended to be declared). This has been a stumbling block to protected area expansion in other provinces and has now occurred in the Eastern Cape for the first time. Ongoing engagement through the National Joint Planning Task Team for protected area expansion is necessary to resolve the obstacles encountered as these are of national relevance.

3.1.3.2 Work opportunities created through environmental programmes

Under-achievement against targets for work opportunities created through environmental programmes is attributed primarily to the delay in approval of the roll-over of unspent 2015/16 infrastructure grant funds. In order to avoid this becoming a perennial pattern, the Infrastructure Unit has worked tirelessly with cluster and reserve management to proactively prioritise the following year's project list.

3.1.4 Changes to planned targets

No changes to planned Annual Performance Plan targets were effected during the period under review. Adjustments to Operational Plan targets were made to accommodate changes in delivery methodologies in some instances.

3.1.5 Linking performance with budgets

R'000 OPERATIONS	Expenditure 2015/16	Original Budget 2016/17	1st Adjusted Budget 2016/17	2nd Adjusted Budget 2016/17	Expenditure 2016/17	(Over)/Under Expenditure
Goods and Services	41 548	45 189	44 121	44 414	43 183	1 231
Compensation of Employees	82 526	88 246	91 741	92 468	92 026	442
Capital Expenditure	12 375	15 622	41 116	40 096	36 210	3 886
Total	136 449	149 057	176 978	176 978	171 419	5 559

3.2 Programme 2: Marketing

3.2.1 Description of programme

3.2.1.1 Purpose

The Marketing Department is responsible for 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. It is further tasked with promoting accommodation and activities on Reserves, as well as managing and executing internal and external corporate communication functions.

3.2.1.2 Programme Structure: Marketing

Destination Tourism	Marketing
	Business Events and Partnerships
	Corporate Communications and Media
	Research and Information

3.2.1.3 Key functions of Marketing

Marketing

The Marketing Unit is responsible for marketing the Eastern Cape Province both domestically and internationally. The unit continues to execute its mandate to position the Eastern Cape as a compelling and attractive tourism destination on a range of international and domestic platforms. In addition, as per the Provincial Tourism Marketing Strategy, the unit successfully supports and partners with a range of stakeholders to collaborate and build pride amongst the citizens of the Eastern Cape.

Emanating from the Agency's overall Strategic Plan, the primary goal of the Marketing Unit is to ensure that the Province is ranked in the top three most-visited destinations in the domestic market by 2020.

International Marketing

The ECPTA's international programme aims to increase familiarity and knowledge of the Eastern Cape as a viable tourism destination in targeted international trade and tourism markets. Key markets include UK, Germany and the Benelux Countries.

Targeted initiatives such as joint marketing agreements, trade shows, trade newsletters and other traditional marketing techniques are used to raise awareness of all that the Eastern Cape has to offer to international visitors.

ECPTA also engages the trade and media and hosts familiarisation tours to ensure positive perceptions and increase product knowledge of the Province.

Domestic Marketing

The domestic market is of particular importance to the Eastern Cape as a high percentage of tourists to the province are from within South Africa. Domestically, the ECPTA's aim is to contribute towards building and encouraging active citizenship. This is being achieved through a number of campaigns to mobilise the residents of the Eastern Cape to become brand ambassadors and to participate in promoting the province.

The ECPTA has created marketing platforms for the private and public sector partners to co-market with ECPTA at the Getaway, Outdoor Adventure and Beeld Holiday shows in the major cities of Cape Town and Johannesburg.

The Marketing Unit is also responsible for the promotion of the Provincial Nature Reserves. Various campaigns to create awareness of the reserves utilise both traditional and contemporary media platforms such as Facebook, YouTube, twitter and Instagram. Wazi, the ECPTA Nature Reserves mascot, was launched in 2016 to create marketing and promotion association with ECPTA Nature Reserves.

Branding

The Adventure Province Brand was established to lead, co-ordinate and support the creation of a unifying identity of this compelling the Eastern Cape tourism sector brand. As the custodian of the brand, the Marketing Unit facilitates collaboration with partners in government and the private sector, working together to market the province as a tourist destination. Building a strong sector brand is a cross-cutting issue as relevant to the international market as it is to the domestic market. The priority approach is to ensure that all stakeholders are equipped to promote the same brand-aligned message, irrespective of which platform they may be on.

E-Marketing

The ECPTA has a website and makes use of e-marketing as part of the campaigns and initiatives which are undertaken. The core function of this programme is to increase the ECPTA and Adventure Province online footprint. Maximising the use of e-marketing and social media allow the marketing reach to extend beyond the borders of South Africa in a cost effective manner.

Business Events and Marketing

ECPTA recognises events hosting as a tool for drawing visitors to the province. Events are experiential in nature and provide for a solid reason to travel to a destination over and above the traditional tourism product offerings. This has further spins offs in the economy as business tourists require more services.

Successful and consistent hosting of events is a proven mechanism for placing destinations on the world map, creating a reason for tourists to travel across the globe.

Corporate Communication and Media

The purpose of the Corporate Communication and Media function is to communicate ECPTA's mandate, vision and objectives effectively to internal and external audiences. It aims to nurture a positive reputation for both the Agency and the Eastern Cape as a tourist destination.

Tourism Information and Research

Tourism Information and Research are critical tools for effective decision making around tourism development and marketing. The remit of the unit is to ensure that the Agency's efforts on tourism development and marketing are impactful, measurable and trackable. A fully-fledged tourism research and information function was expected to be in place by the end of 2016/17. An alternative mechanism for achieving the research outputs was identified.

3.2.2 Strategic objectives, performance indicators planned targets and actual achievements

3.2.2.1 Strategic Objective 2.1 SA Tourism Ranking

Objective statement	To ensure that the Province is ranked in the top 3 most-visited destinations in the domestic market by 2020
Explanation	The Province's domestic tourism ranking declined significantly after peaking in second position in 2010. By 2013/14, the Eastern Cape was ranked the second least visited of the 9 South African provinces (i.e. with a rank of 8). This dire position motivated the ECPTA to set itself the challenge of moving the province to the top 3rd most visited province by the domestic market in 2020. If tourism is to regain its status as a major contributor to the Provincial economy, the ranking will need to improve. ECPTA believes that the growth of the domestic market has the potential to drive performance in the global market. This objective is thus aligned to the vision of the National Tourism Sector Strategy which is to position South Africa as one of the top 20 tourism destinations globally by 2020.
	By the time the Annual Performance Plan for 2016/17 was published (late February 2016), the SA Tourism Annual Report had not yet been published. Consequently, ECPTA was unaware of having achieved a domestic ranking of 5 (out of 9) at the time of publication. The 2016/17 performance target was therefore retained at the level originally set. In-year changes to targets were deemed inappropriate due to the fact that no trend analysis could be concluded on a single set of results.

Performance Indicator	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations
2.1 SA Tourism Ranking	5 (domestic ranking)	8 (domestic ranking)	4 (domestic ranking)	+ 4	This is a lagging indicator and showcases efforts in the first year of the strategic cycle
2.1.1 Brand awareness index	3 (index score)	2.7 (index score)	3.0 (index score)	+0.3	All operational targets achieved
2.1.2 Destination marketing index	3 (index score)	2.7 (index score)	3.0 (index score)	+0.3	All operational targets achieved
2.1.3 Corporate Identity index	1.75 (index score)	2.7 (index score)	2.3 (index score)	-0.4	Media exposure and research indices not achieved

2.1.1 Brand awareness index	Weight	Planned	Actual	Index score
2.1.1.1 Domestic Promotion	20	11	12	3.0
2.1.1.2 Event partnerships established	15	4	5	3.0
2.1.1.3 Reserve Promotions conducted	15	3	3	3.0
2.1.1.4 Meetings Incentives Conferencing and Events (MICE) volume	15	2	2	3.0
2.1.1.5 E-Marketing implemented	15	10	63	3.0
2.1.1.6 Brand Management and advertising	20	12	22	3.0
2.1.1 Brand awareness index	100			3.0

2.1.2 Destination marketing index	Weight	Planned	Actual	Index score
2.1.2.1 Trade Exhibitions (appointments / contacts)	25	260	1 230	3.0
2.1.2.2 Trade Educationals (products showcased)	15	30	167	3.0
2.1.2.3 Joint Marketing Agreements	20	2	2	3.0
2.1.2.4 Stakeholder Engagements	15	2	2	3.0
2.1.2.5 Country Representatives	15	60	78	3.0
2.1.2.6 Tourism Products Database	10	1	1	3.0
2.1.2 Destination marketing index	100			3.0

2.1.3 Corporate Identity Index	Weight	Planned	Actual	Index score
2.1.3.1 Stakeholder relationship (external)	30	70	80	3.0
2.1.3.2 Media exposure index	30	10	0	1.0
2.1.3.3 Media & PR support for validated ECPTA activities	15	2.7	3.0	3.0
2.1.3.4 Corporate communication framework implementation	20	20	20	3.0
2.1.3.5 Research management	5	2.7	1.0	1.0
2.1.3 Corporate Identity Index	100			2.3

3.2.3 Strategy to overcome areas of under performance

There were two areas of under-performance, namely media exposure and research management.

The drop in media sentiment is attributed to an increase in neutral sentiment recorded, despite a drop in negative sentiment. Sentiment will continue to be monitored, and business units encouraged to share news worthy achievements in an effort to build positive media exposure for both the Agency and the destination.

The Research unit was not established during the period under review as expected. To compensate for this, a comprehensive Eastern Cape tourism data has been acquired through consultation with South African Tourism and DEDEAT. An analysis of the acquired data was done to formulate the Eastern Cape domestic tourists' profile and performance from 2013 to, as was a similar analysis of international tourists' profile for the acquired 2015 data.

The appointment of a human resource in this office has since been postponed due to budget reprioritisation and also pending changes in the overall tourism statistics tracking space in the country. The Board has since approved a tracking and monitoring plan and approach, while the agency continues to engage SAT on their plans to create access to tourism data.

3.2.4 Changes to planned targets

No changes to planned Annual Performance Plan targets were effected during the period under review. Adjustments to Operational Plan targets were made to accommodate changes in delivery methodologies in some instances.

3.2.5 Linking performance with budgets

R'000 MARKETING	Expenditure 2015/16	Original Budget 2016/17	1st Adjusted Budget 2016/17	2nd Adjusted Budget 2016/17	Expenditure 2016/17	(Over)/ Under Expenditure
Goods and Services	10 626	7 943	11 443	11 443	11 297	146
Compensation of Employees	8 572	10 382	10 382	10 382	9 685	697
Capital Expenditure	72	597	650	650	589	61
Total	19 270	18 921	22 475	22 475	21 571	904

3.3 Programme 3: Corporate Management Support

3.3.1 Description of programme

3.3.1.1 Purpose

Corporate Management Support is responsible for ensuring that all non-core functions of the organisation are executed effectively and efficiently so as to facilitate the unfettered delivery of mandated services by the core programmes, Operations and Marketing. Corporate Management Support services are delivered in a manner that contributes to national outcomes and provincial priorities:

National Outcome 5:	Skilled and capable workforce to support an inclusive growth path
National Outcome 12:	An efficient, effective and development-orientated public service
Provincial Priority 7:	Strengthening the developmental state and good governance

3.3.1.2 Key functions of Corporate Management Support

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

Executive Office

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 coordination 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 a member of the Board of Directors and accountable for the implementation of policy and strategy as the most senior executive manager in the organisation.

Finance

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 ensure that ECPTA takes effective and appropriate steps to prevent unauthorised, irregular or fruitless and wasteful expenditure.

Corporate Services

Corporate Services consists of two sections: Human Capital Management and Information Management and Communication Technology (IMCT).

The Human Capital Management (HCM) section 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.

The Information Management and Communication Technology section is responsible for the provision of appropriate communication technology across the organisation, for maintaining connectivity and for administering software.

3.3.1.3 Programme Structure: Corporate Management Support

Executive Office	Legal Advisor and Board Secretariat
	Strategy and Risk Management
Finance	Supply Chain Management
	Finance Management
	Accounting and Reporting
	Internal Control
Corporate Services	Human Capital Management
	Information Management and Communication Technology

3.3.2 Strategic objectives, performance indicators planned targets and actual achievements

3.3.2.1 Strategic Objective 4.1: Organisational Sustainability

Objective statement	To ensure the organisation's ability to meet its mandate by providing cross-cutting support services to the core departments
Explanation	Organisational Sustainability is viewed as the culmination of business practices that create long-term shareholder value by optimally responding to both opportunities and risks deriving from economic, environmental and social developments. While sustainable business practices are critical in an increasingly resource-constrained world, the systems and structures that support such practices must be constantly improving / maturing in order to retain organisational agility.

Performance Indicator	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations
4.1 Organisational Sustainability Index	90 (index score)	82 (index score)	95.2 (index score)	+13.2 (index points)	The Index is a summation of performance in the 7 related performance indicators
4.1.1 Audit Outcome	Unqualified & 3 findings	Unqualified & <=3 findings	Clean & 2 findings	Clean	Sustained effort in managing controls
4.1.2 Organisational Performance Score	2.3 (index score)	3 (index score)	3.1 (index score)	0.1 index points	Maturation of the internal performance environment
4.1.3 Financial Maturity Index	2.4 (index score)	2.7 (index score)	2.9 (index score)	0.2 index points	Sustained effort in managing controls
4.1.4 Policy compliance index	2.4 (index score)	2.7 (index score)	3.0 (index score)	0.3 index points	Sustained effort in managing controls
4.1.5 Corporate Capability Index	3 (index score)	2.7 (index score)	2.9 (index score)	0.2 index points	Sustained effort in managing enabling capabilities
4.1.6 Accountability Index	3 (index score)	2.7 (index score)	3.0 (index score)	0.3 Index points	Sustained effort in adherence to statutory and contractual obligations
4.1.7 Carbon footprint	0	New Baseline	New Baseline (2 314 kg CO_2/month)	0	N/A

ADVENTURE PROVINCE Eastern Cape PARKS & TOURISM AGENCY

Organisational Sustainability Index Dimension 1: Reputation	Weight	Planned	Actual	Index score
2.1.3: Corporate Identity Index	50	2.7	2.3	2.3
4.1.6: Accountability Index	42	2.7	3.0	3.0
4.1.7: Carbon footprint	8	Baseline	Baseline	3.0
Organisational Sustainability Index Dimension 1: Reputation	100	2.7		2.7

Organisational Sustainability Index Dimension 2: Performance	Weight	Planned	Actual	Index score
4.1.1: Audit Outcome (Matters of emphasis)	50	3.0	2	3.0
4.1.2: Organisational Performance Score	12.5	3.0	3.1	3.1
4.1.5: Corporate capability index	37.5	2.7	2.9	2.9
Organisational Sustainability Index Dimension 2: Performance	100	2.7		3.0

Organisational Sustainability Index Dimension 3: Financial	Weight	Planned	Actual	Index score
4.1.3: Financial Maturity Index	100	2.7	2.9	2.9
Organisational Sustainability Index Dimension 3: Financial	100	2.7		2.9

Organisational Sustainability Index Dimension 4: Compliance	Weight	Planned	Actual	Index score
4.1.4: Policy compliance index	100	2.7	3.0	3.0
Organisational Sustainability Index Dimension 4: Compliance	100	2.7		3.0

Organisational Sustainability Index	Weight	Planned	Index score	Score	Weighted Score
Dimension 1: Reputation	30	82	2.7	88.3	26.5
Dimension 2: Performance	20	82	3.0	98.7	19.7
Dimension 3: Financial	30	82	2.9	96.7	29.0
Dimension 4: Compliance	20	82	3.0	100.0	20.0
Organisational Sustainability Index	100	82			95.2

3.3.3 Strategy to overcome areas of under performance

There were no areas of under-performance. The programme will consolidate gains of the past year to increase the organisation's sustainability further.

3.3.4 Changes to planned targets

No changes to targets were effected during the period under review.

3.3.5 Linking performance with budgets

R'000 Corporate Management Support	Expenditure 2015/16	Original Budget 2016/17	1st Adjusted Budget 2016/17	2nd Adjusted Budget 2016/17	Expenditure 2016/17	(Over)/ Under Expenditure
Goods and Services	79 871	29 510	36 503	36 688	33 462	3 226
Compensation of Employees	27 978	27 583	28 931	29 507	29 454	53
Capital Expenditure	5 932	975	975	975	665	310
Total	113 781	58 067	66 409	67 170	63 581	3 589

4 REVENUE COLLECTION

	2016/2017			2015/2016		
	Estimate	Actual	(Over)/ Under Collection	Original Estimate	Actual	(Over)/ Under Collection
Sources of revenue	R'000	R'000	R'000	R'000	R'000	R'000
Accommodation revenue	4 234	5 426	(1 192)	4 570	5 207	(637)
Actuarial Gains	0	3 309	(3 309)	0	1 157	(1 157)
Finance Income	2 080	2 572	(492)	344	2 389	(2 045)
Non-exchange transactions	243 640	247 020	(3 380)	209 746	255 020	(45 274)
Other Income	1 716	1 802	(86)	12 421	1 176	11 245
Rendering of services	666	1 149	(483)	260	980	(720)
Rental Income	1 187	1 267	(80)	1 026	1 180	(154)
Sale of Goods	13 100	14 670	(1 570)	16 521	16 050	471
Total	266 623	277 215	(10 592)	244 888	283 159	(38 271)

ADVENTURE PROVINCE
Eastern Cape
PARKS & TOURISM AGENCY

5 CAPITAL INVESTMENT

5.1 Progress on the capital, investment and asset management plan

ECPTA executed various Capital projects done during the 2015/16 financial year. These projects include construction of a new conference centre at Cape Morgan Nature Reserve, fence line upgrades at various reserves, construction and upgrade of bomas, upgrade to existing abattoirs, repairs and maintenance of existing structures as per the OHS report, solar power and renewable energy installation, gravel roads rehabilitation.

5.1.1 Infrastructure projects undertaken in the current year

The following projects were initiated during the 2016/17 financial year:

Project Name	Project Value (R)	Status at Year-end	
		Stage	Progress
Maintenance of infrastructure / OHS compliance priorities	1 500 000	Implementation	73%
Alternate energy	1 300 000	Implementation	100%
Picnic site development	2 000 000	Close-out	100%
Gate houses and access control	800 000	Close-out	100%
Fencing	1 700 000	Close-out	100%
Rehabilitation of bomas and abattoirs	2 800 000	Implementation	70%
Infrastructure upgrades	2 000 000	Implementation	76%
Project Management costs	500 000	Close-out	100%
Total / Overall status	12 600 000	Implementation	90%

5.1.2 Infrastructure projects that are currently in progress

Project Name	Project Value (R)	Completion Date
Maintenance of infrastructure / OHS compliance priorities	1 500 000	30 June 2017
Rehabilitation of bomas and abattoirs	2 800 000	30 June 2017
Infrastructure upgrades	2 000 000	30 June 2017

5.1.3 Plans to close down or down-grade any current facilities

No plans to close down or down-grade any current facilities at present.

5.1.4 Progress made on the maintenance of infrastructure

Per schedule above in line with ongoing Occupational Health and Safety Audits, the Entity budgeted and prioritized repairs and maintenance on the key revenue generating buildings. Budgetary constraints limit the Agency's responsiveness.

5.1.5 Major maintenance projects that have been undertaken during the period under review

Maintenance projects done during the financial year refer to renovations of buildings. The maintenance backlog has been reduced since the initial audit in 2013/14. However, the infrastructure budget available to the entity remains constrained, and is insufficient to decisively reduce the backlog.

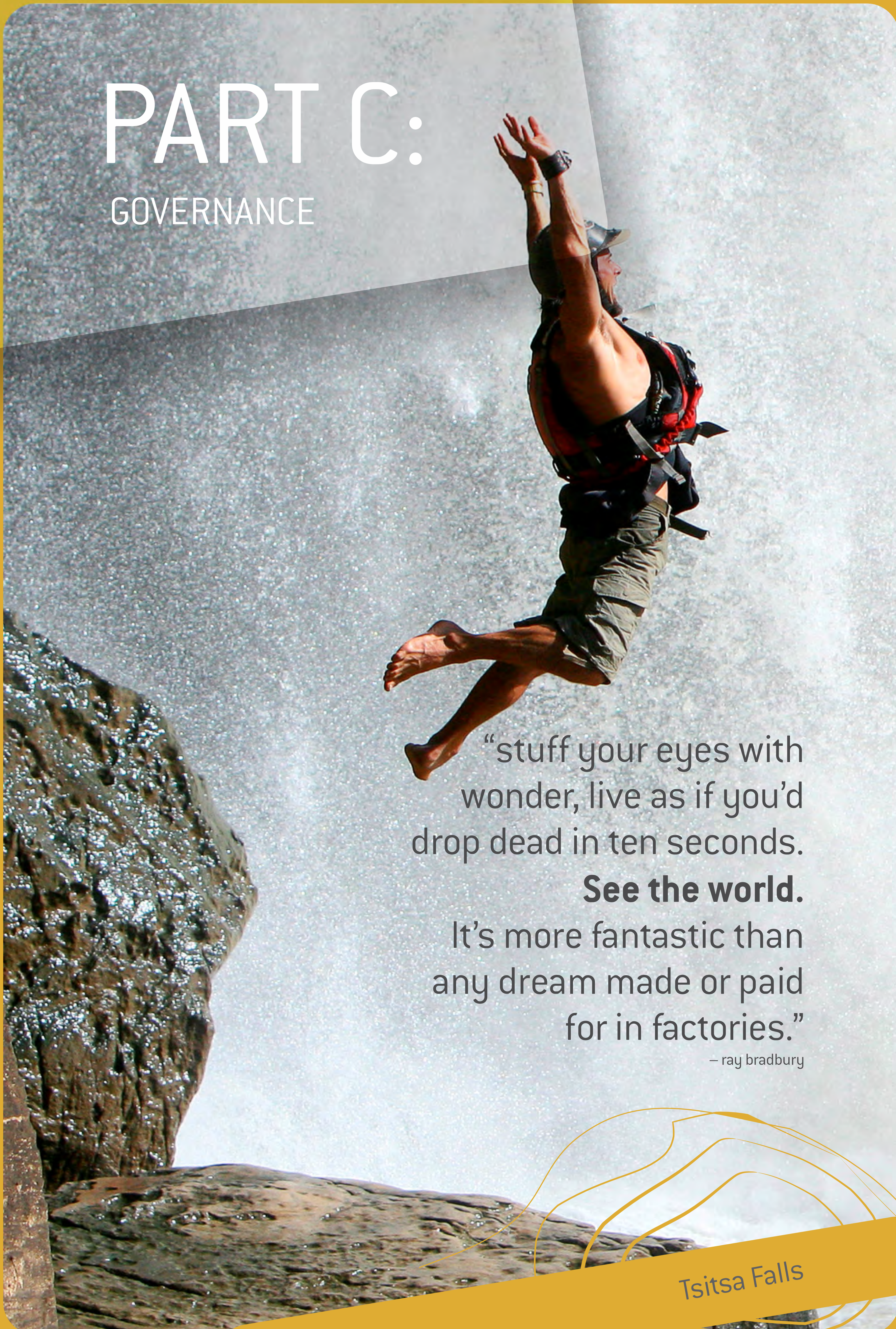
5.1.6 General asset management

Condition	Value	Proportion
Excellent	90 190 687	11.20%
Fair	51 328 867	6.41%
Good	103 738 058	12.96%
Poor	254 455 550	31.78%
Remove	231 569 419	28.92%
Very Good	69 353 477	8.66%
Very Poor	58 481	0.01%
Total	800 694 539	100%

The Agency has accumulated assets to the value of R51m (internal purchases R31m and Donations R20m) in the current financial year. Assets to the value of R1.2million were disposed of in the current financial year. To ensure effective disposal of assets, a Disposal Committee conducted disposal reviews on a quarterly basis. Two full verification processes were conducted across the entire entity. An SOP was developed in the 2016/17 financial year to further formalise the commitment on the handling of assets.

PART C:

GOVERNANCE



"stuff your eyes with
wonder, live as if you'd
drop dead in ten seconds.
See the world.
It's more fantastic than
any dream made or paid
for in factories."

– ray bradbury

Tsitsa Falls

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 and the Public Finance Management Act 1 of 1999 (as amended) (PFMA). The Board also strives to comply with the principles and standards of integrity, accountability and good governance contained in the recommendations of the King III (subsequently King IV) report on corporate governance.

2 PORTFOLIO COMMITTEES

The Agency 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 Executive Authority engaged with the Agency through two formal meetings in the year under review. There were no major issues raised in these meetings. The Executive Authority supported the work of the ECPTA by attending and participating in a range of events, from trade shows to the launch of the Game Industry Transformation programme.

4 THE ACCOUNTING AUTHORITY / BOARD

4.1 Introduction

As a Schedule 3C Public Entity, the Board of Directors fulfils the role of accounting authority for the entity. The fiduciary duties and general responsibilities of the Accounting Authority are prescribed by Sections 50 and 51 the PFMA. The Board of Directors further ensures that its obligations in terms of the relevant legislation, including the PFMA are effectively discharged.

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

4.2 Composition of the Board

The Board is composed of at least seven non-executive members appointed by the Executive Authority. The Chief Executive Officer serves 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 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. Non-executive members of the Board chair all committees of the Board with the exception of the Audit Committee, which is chaired by an independent person.

4.3 The role of the Board is as follows:

Sections 50 and 51 the PFMA prescribe the fiduciary duties and general responsibilities of the Accounting Authority. The Board of Directors provide Strategic direction to the Agency. The Board of Directors further ensures that effectively discharges its obligations in terms of the relevant legislation, including the PFMA.

4.4 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 every board meeting.

4.5 Composition of the Board

The ECPTA Board of Directors is composed of at least seven Non- Executive Directors which are listed below.

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams	No. of Meetings attended including Special B/M and teleconferences
Ms V Zitumane	Chairperson of the Board	1 June 2012 reappointed 1 December 2015	N/A	B Juris,BA (Honours in Developmental Studies) (Cum Laude) and Masters in Business Administration (MBA)	Tourism	Total Client Services and Joe Gqabi Development Agency	Nil	5
Mr S Mgxaji	Deputy Chairperson of the Board	1June 2012 reappointed 1 December 2015	N/A	BA and LLB	Labour Relations	AIIF Attorney Insurance Fund	Nil	4
Dr A Muir	Chairperson of Operations Committee	1 June 2012 reappointed 1 December 2015	N/A	Honoris Causa Doctor of Social Science Masters in environment and development	Biodiversity	The Wilderness Action Group, Open Africa, Conservation Council of Nations, International Conservation Caucus Foundation, Nelson Mandela Metropolitan University Business School	Nil	3
Ms T Tsengiwe	Chairperson of Marketing Committee	1June 2012* reappointed 2015	N/A	Bachelor of Journalism, Masters in Business Administration (MBA)	Tourism & Marketing	Nil	Nil	3

ADVENTURE PROVINCE
Eastern Cape
PARKS & TOURISM AGENCY

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams	No. of Meetings attended including Special B/M and teleconferences
Mr S Ncume	Chairperson of HR & Remuneration Committee	18 February 2015* reappointed 1 December 2015	N/A	Bachelor of Philosophy (MPHIL) LLB,Barchelor of Arts (BA), Higher Diploma in Business Management	Representing the Public	Nil	Nil	6
Ms M Mama	Mmember of Operations & Marketing Committee	1 June 2012* reappointed 1 December 2015	N/A	B Com, B Com (Honours) and Masters of Business Management (MBA)	Representing the Shareholder	Nil	Nil	5
Ms P Yako	Chairperson of Finance & Investment Committee	1 December 2015	N/A	Masters of Business Leadership (MBL), Diploma in Labour Law and BCom	Finance	Nil	Nil	4

4.6 Committees

The Accounting Authority established seven subcommittees execute its strategic functions.

Committee	No. of meetings held	No. of members	Name of members
HR & Remuneration Committee	4	3	Mr S Ncume Mr S Mgxaji Ms T Tsengiwe
Finance & Investment Committee	4	3	Ms P Yako Dr A Muir Mr S Ncume
Operations Committee	4	3	Dr A Muir Ms A Mama Ms P Yako
Marketing Committee	4	3	Ms T Tsengiwe Ms M Mama Mr S Mgxaji

4.7 Remuneration of Board Members

The ECPTA Board of Directors is remunerated according to its Subsistence and Travel Policy that was approved by the MEC. Their remuneration details are included in the Annual Financial Statements for the year ended 31 March 2017.

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 thoroughgoing review of strategic and departmental risks is planned for the first month 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.

The second annual Risk Management Maturity Assessment was conducted in the 4th quarter of 2016/17. The assessment provides a foundation on which to build improvements in management practices to enhance the reliability, consistency and efficacy of risk management across ECPTA. On a scale of 0 – 6 (least to most mature), ECPTA was assessed at a Level 5. Areas flagged for attention will inform the content of the 2017/18 Risk Management Strategy.

6 INTERNAL C ONTROL 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-ups on recommendations as per Internal Audit Plan and Internal Audit Reports 2015/16 Financial Year
- Ensure efficient and effective audit of the entire organization by Auditor General
- Prepare Monthly/Quarterly AG Management Letter Action Plan and present to the Audit and Risk Committee
- Review and assist on implementation of system, policies, and procedure manuals
- Conduct 100% Pre-Audit on Purchase Auditors
- Prepare Quarterly Dashboard Report
- Prepare Quarterly PFMA and NTR Checklist
- Prepare Electronic Audit Readiness File for 2016/17 Annual AG Audit
- Conduct Fraud Awareness Workshop
-

7 INTERNAL AUDIT AND AUDIT COMMITTEES

Internal Audit is an independent appraisal function established by the Board to evaluate the adequacy and effectiveness of internal controls, disciplines, systems and procedures within ECPTA in order to reduce business risks to an acceptable level in a cost effective manner. The Internal Audit function of the ECPTA performs this purpose.

Internal controls are understood to mean the processes aimed at achieving reasonable assurance about the realization of the following:

- The accomplishment of established objectives and goals for operations and programme;

- The economical and efficient use of resources;
- The reliability and integrity of financial and non-financial information;
- Compliance with relevant policies, procedures, laws and regulations; and
- Safeguarding of assets.

The responsibility of the Internal Audit Function is to conduct activities in accordance with the Institute of Internal Auditors Code of Ethics and the Standards for the Professional Practice of Internal Auditing.

Internal audit performs the following functions:

- Evaluating the ECPTA's governance processes including ethics, especially the "tone at the top";
- Performing an objective assessment of the effectiveness of risk management and internal controls; and
- Systematically analysing and evaluating business processes and associated controls.

The Audit and Risk Committee's main objective and purpose is to assist the Board to discharge and fulfil its oversight responsibilities

In carrying out its duties and responsibilities, the Audit and Risk Committee shall include the review of items highlighted by internal auditors and the external auditors in order to provide the necessary assistance to the CEO and the Board on the following:

- Internal control
- Financial statements
- Internal Audit
- External Audit
- Risk Management
- ITC operations

7.1.1 Audit and Risk Committee Members

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; Ms T Mahlati, as Chairperson and Mr Z Fihlani and Mr C Sparg as members.

The Audit and Risk Committee operates under a Charter 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 and Risk Committee attends Board Meetings by invitation.

Audit and Risk Committee Members	Qualifications	Internal or external	Date appointed	Date Resigned	#. of Meetings attended
Ms T Mahlati	Bachelor of Commerce, B Compt Honours, CTA, CA (SA), Diploma in Company Direction	External	1 April 2014	N/A	5
Mr Z Fihlani	B.Com,B Compt (Hons) CTA, Higher Deploma in Tax Law, M.Comm (Tax) CA (SA)	External	1 April 2014	N/A	3
Mr C Spargs	B.Com, CTA, CA (SA)	External	1 April 2015	N/A	5

8 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.

9 FRAUD AND CORRUPTION

Fraud is intentional misrepresentation which causes prejudice to another. i.e. 1 individual deceives another to obtain something not legally due. Illegal Act characterised by deceit, concealment, violation of trust.

ECPTA adopts a zero tolerance stance towards fraud and corruption.

ECPTA Fraud Prevention Policy was approved in November 2014 and Fraud Prevention Plan has been developed. Deloitte is the service provider appointed for the provision of ethics and fraud hotline and will monitor the fraud hotline reports. *Fraud and Ethics Hotline* launch workshops have been conducted at Head Office and all Regional Offices.

10 MINIMISING CONFLICT OF INTEREST

The Board of Directors are required encouraged to declare their annual interests and also declare their interests in each and every board meeting. All employees on level 8 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 as well.

11 CODE OF CONDUCT

The ECPTA subscribes to a Code of Ethics which it adopted.

12 HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The ECPTA has established an accident prevention programme within its operations thereby ensuring compliance to the requirements of the Occupational Health and Safety (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 and communicated
- Risk Assessment done and controls in place
- Injury on duty investigation and prevention measures are followed.

13 COMPANY / BOARD SECRETARY

Xoliswa Mapoma, the Board Secretary, assists the Board in the execution of its fiduciary duties.

14 SOCIAL RESPONSIBILITY

During the year under review, ECPTA received CATHSSETA funding for the following programmes that have contributed to empowerment of youth in local communities bordering ECPTA reserves:

1) A one-year learnership programme (value R 630 000) for 15 students to study a National Certificate in Nature Conservation: Resource Guardianship NQF2 commenced in August 2016. Youth from the local communities surrounding ECPTA reserves were selected. The group included 7 females and 8 males.
2) A one-year conservation internship programme (value R546 000) for 15 students (8 females and 7 males primarily from rural areas) commenced in August 2016
3) A one-year bursary opportunity (value R268 000) for 4 unemployed youth (2 females and 2 males) was provided for study towards a tertiary qualification in conservation.

15 AUDIT AND RISK COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2017.

Audit and Risk Committee Responsibility

The Audit and Risk Committee (ARC) reports that it has complied with its responsibilities arising from Section 51 (1)(a)(ii) of the Public Finance Management Act and Treasury Regulation 27.1. The ARC also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The Effectiveness of Internal Control

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

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

- Quarterly and Annual performance information
- Annual risk management maturity assessment
- Annual Financial Statements review
- Human Resource Management
- Financial Controls Review
- Asset management
- Reserve management
- IT Governance and General Control

The following were areas of concern:

- Control activities relating to information technology
- Systemic weaknesses identified (and addressed) during audit of management controls for assets
- Control environment weaknesses and / or instances of non-compliance with internal controls at reserves
- Inadequate staffing and budgeting of the Risk Management function, and no independent membership of the risk management committee
- Inconsistencies relating to unpaid leave and leave pay-outs, succession planning, and background checks

Action plans to deal with the control weaknesses are in place by the entity and monitored by the ARC.

In-Year Management and Monthly / Quarterly Report

The ECPTA has reported monthly and quarterly to the Treasury as is required by the PFMA.

Evaluation of Financial Statements

The ARC have reviewed the annual financial statements prepared by the ECPTA for the 2016/17 financial year.

ADVENTURE PROVINCE
Eastern Cape
PARKS & TOURISM AGENCY

Auditor's Report

We have reviewed the entity's implementation plan for audit issues raised in the prior year and we are satisfied that the matters have been adequately resolved.

The ARC concurs with, and accepts the conclusions of the Auditor-General on the annual financial statements. The ARC is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.

C. Sparg

Craig Sparg

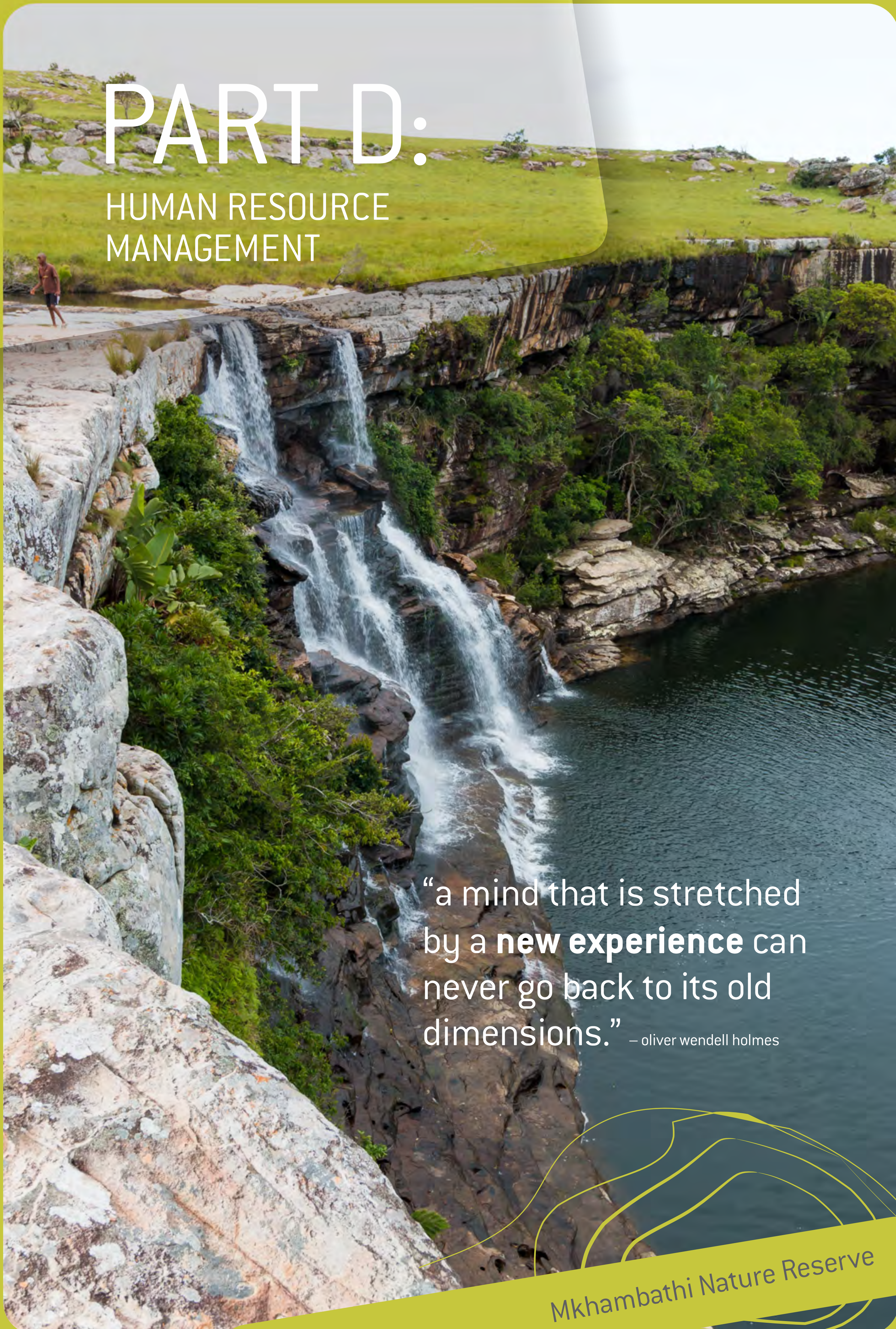
Chairperson of the Audit Committee

Eastern Cape Parks and Tourism Agency

25 July 2017

PART D:

HUMAN RESOURCE MANAGEMENT



“a mind that is stretched by a **new experience** can never go back to its old dimensions.” – oliver wendell holmes

Mkhambathi Nature Reserve

1 INTRODUCTION

During the year under review, Phase 2 of the organisational review based on the revised strategy was approved and implemented. Furthermore the Head Office staff moved to the new premises during the 3rd quarter which resulted in employees' levels of satisfaction around physical working conditions improving.

All Human Capital Management priorities for the year under review were addressed. Specific emphasis was on finalisation of the organisational review together with salary benchmark exercise and implementation of Phase 2 of the change management programme.

All funded vacancies were revisited based on the revised organogram (which comprises 622 posts) in terms of priority to determine which should be filled within budget constraints. These posts were subsequently advertised and filled. The Agency currently has a vacancy rate of 19.5% of which 3% is funded. A total of 42 (8%) new appointments were made during the year under review largely attributed to natural attrition. A further 27 (5%) employees were appointed into higher level positons with the Agency due to the revised organogram needs. 137 (27%) existing employees benefitted from the organisational review and salary benchmarking exercise at a cost R3.8m. Staff turnover at year end was consistent with the previous year of 29 (5.8%).

The Agency has a robust performance management system utilised by all full-time employees which is aligned to the organisational performance targets. Executive Management's scores comprise of 50% organisational targets and 50% personal targets. These organisational performance targets cascade to all employees with the lowest level being responsible for 10% organisational against personal targets of 90%.

94% of the 31/33 targeted Workplace Skills plan training interventions were undertaken. Employees occupied 705 training slots with specific focus on the compliance training aspect ie.to Environmental Management Inspectorate (EMI), firearm refresher and firefighting training. Due to the poaching threats, additional in-depth training was undertaken to capacitate and equip employees tactically. A coaching and mentoring programme was also undertaken. Additional to this was the securing of R1.2m from CATHSSETA for 8 interns in conservation and 15 learners for a natural resource learnership targeting learners adjoining ECPTA reserves.

The Employee Wellness Programme was utilised by 119 (24%) employees during this year up 17% from the previous year due to numerous poaching incidents, arrests and burglaries on reserves. Employees were counselled and provided with the necessary support where necessary. Continued awareness sessions around wellness and alcohol abuse were held as well as men's' capacitation programmes.

All HCM policies underwent review during the year and 3 policies that required amendment were approved. Awareness sessions for all HCM policies were concluded with reserve staff in the 4th quarter.

A staff satisfaction survey was concluded in March 2017 and staff satisfaction levels were 70% against the target of 75%. This is largely attributed to the challenges faced with the implementation of the organisational review results Furthermore a revised questionnaire which comprised 29 questions against 14 in the previous years was introduced which will serve as a revised baseline for future years.

The Change Management programme which commenced in 2015/16 continued in 2016/17 with specific emphasis on Head Office employees. Staff undertook 11 modules over an 11 week period relating to communication, leadership, accountability and ethics, trust and team work in an effort to develop an ECPTA culture.

A priority for 2017/18 is to continue with the Change Management programme so as to enhance and establish a unified ECPTA culture.

2 HUMAN RESOURCE OVERSIGHT STATISTICS

2.1.1 Personnel Cost by programme/ activity/ objective

Programme / activity / objective	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)
Operations	171 419	92 026	54%	512	180
Marketing	21 571	9 685	45%	19	510
Corporate Management Services	63 581	29 454	46%	58	508
TOTAL	256 571	131 165	51%	589	223

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 (E Levels)	8 858	7%	5	1 772
Senior Management (D Levels)	31 516	24%	37	852
Professional qualified (C3-C5)	17 747	14%	54	329
Skilled (C1-C2)	15 578	12%	37	421
Semi-skilled (B Levels)	42 043	32%	230	183
Unskilled (A Levels)	15 422	12%	226	68
TOTAL	131 165			

2.1.3 Performance Rewards

Programme//activity/ objective	Performance rewards (R'000)	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost (R'000)
Top Management (E Levels)	1 079	8 858	12%
Senior Management (D Levels)	2 804	31 516	9%
Professional qualified (C3-C5)	766	17 747	4%
Skilled (C1-C2)	817	15 578	5%
Semi-skilled (B Levels)	930	42 043	2%
Unskilled (A Levels)	386	15 422	3%
TOTAL	6 782	131 165	5%

2.1.4 Training Costs

Programme//activity/ objective	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost.	No. of employees trained	Ave training cost per employee (R)
TOTAL	131 165	2 802	2.14%	327	8 569

2.1.5 a Employment and vacancies

Programme/activity/ objective	2015/2016 No. of Employees	2016/2017 Approved Posts	2016/2017 No. of Employees	2016/2017 Vacancies	% of vacancies
Operations	419	534	429	105	17.0
Marketing	19	24	19	5	0.8
Corporate Management Services	52	64	55	11	1.7
TOTAL	490	622	503	121	19.5

Note: Two CMS staff at the "unskilled level" are additional to the establishment.

ADVENTURE PROVINCE
Eastern Cape
PARKS & TOURISM AGENCY

2.1.5 b Employment and vacancies

Programme/activity/ objective	2015/2016 No. of Employees	2016/2017 Approved Posts	2016/2017 No. of Employees	2016/2017 Vacancies	% of vacancies
Top Management (E Levels)	5	5	5	0	0
Senior Management (D Levels)	31	43	36	7	1.1
Professional qualified (C3-C5)	32	46	37	9	1.4
Skilled (C1-C2)	54	72	53	19	3.0
Semi-skilled (B Levels)	217	270	228	42	7.0
Unskilled (A Levels)	151	186	144	44	7.0
TOTAL	490	622	503	121	19.5

Note: There are 2 staff unskilled level under CMS who are additional to the establishment.

Most funded vacancies (3%) are a result of natural attrition whilst 16.5% (100) of the vacancies are unfunded. 27 internal promotions were undertaken during the year under review –. It took an average of 30 working days to fill vacancies.

2.1.6 Employment changes

Salary Band	Employment at start of period	Appointments	Terminations	Employment at end of the period
Top Management (E Levels)	5	0	0	5
Senior Management (D Levels)	31	3	2	36
Professional qualified (C3-C5)	32	6	4	37
Skilled (C1-C2)	54	8	6	53
Semi-skilled (B Levels)	217	13	12	228
Unskilled (A Levels)	151	12	5	144
TOTAL	490	42	29	503

Note: The implementation of the organisational review results has resulted in movement between levels. Furthermore, 27 internal appointments (promotions) are excluded from above. Turnover rate was 5.8% similar to previous

2.1.7 Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	4	14
Resignation	7	24
Dismissal	7	24
Retirement/Early	5	17
Ill health	1	4
Expiry of contract	0	0
Other (Termination Agreement)	5	17
TOTAL	29	100%

From this table it can be noted that 48% of the terminations were due to resignations and dismissals. The resignations were largely due to alternative job opportunities. Dismissals were due to dishonesty, negligence and absence without authority. Progressive discipline has been applied. Where the post has been identified as required to be filled – it has been filled – alternatively the funding has been diverted to an alternative prioritised post.

2.1.8 Labour Relations: Misconduct and disciplinary action

Nature of disciplinary Action	Number
Verbal Warning	7
Written Warning	3
Final Written warning	16
Dismissal	7
TOTAL	33

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 since 2010. This was due to the Agency being largely male dominated and specific emphasis has been on recruiting females.

2.1.9a Equity Target and Employment Equity Status (male)

Levels	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management (E Levels)	1	1	0	0	0	0	1	1
Senior Management (D Levels)	14	13	1	0	0	0	4	4
Professional qualified (C3-C5)	14	8	0	1	0	0	3	4
Skilled (C1-C2)	20	18	2	1	0	0	3	4
Semi-skilled (B Levels)	130	128	20	16	0	0	0	2
Unskilled (A Levels)	57	65	12	15	0	0	0	1
TOTAL	**236**	**233**	**35**	**33**	**0**	**0**	**11**	**16**
TOTAL % OF OVERALL STAFF COMPLIMENT	46.9	46.4	7	6.6	0	0	2.2	3.2

2.1.9b Equity Target and Employment Equity Status (female)

Levels	FEMALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management (E Levels)	2	2	0	0	0	0	1	1
Senior Management (D Levels)	12	10	1	0	1	1	3	3
Professional qualified (C3-C5)	16	14	2	2	0	0	2	3
Skilled (C1-C2)	26	25	1	4	0	0	1	3
Semi-skilled (B Levels)	68	65	10	9	0	0	0	3
Unskilled (A Levels)	69	68	6	7	0	0	0	1
TOTAL	**193**	**184**	**20**	**22**	**1**	**1**	**7**	**14**
%	38.4	36.4	4.0	4.4	0.2	0.2	1.4	2.8

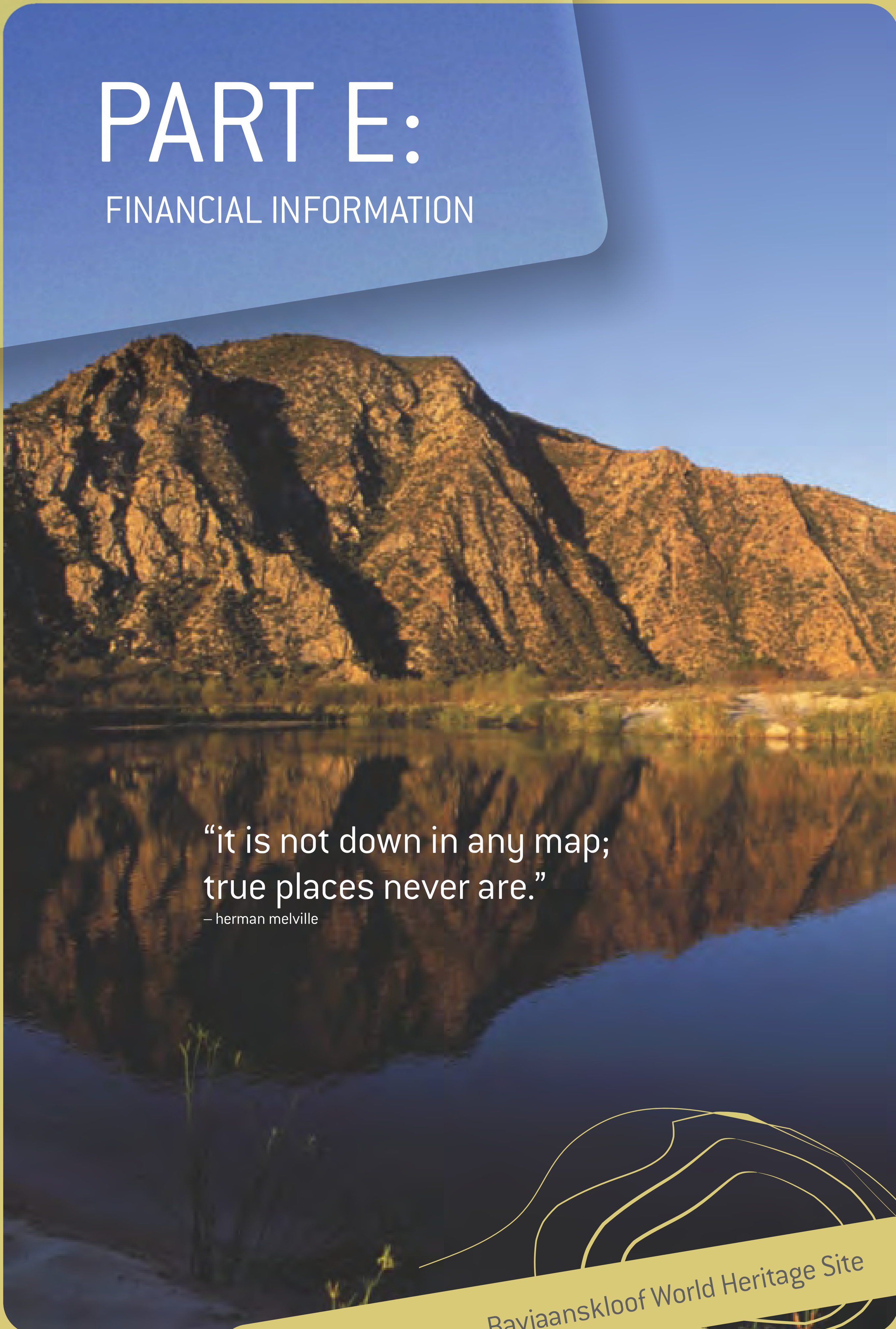
2.1.9c Equity Target and Employment Equity Status (disabled)

Levels	Disabled Staff			
	Male		Female	
	Current	Target	Current	Target
Top Management (E Levels)	1	1	0	0
Senior Management (D Levels)	0	0	0	0
Professional qualified (C3-C5)	0	0	0	0
Skilled (C1-C2)	1	1	0	0
Semi-skilled (B Levels)	0	0	0	0
Unskilled (A Levels)	0	0	0	0
TOTAL	**2**	**2**	**0**	**0**
TOTAL % OF OVERALL STAFF COMPLIMENT	0.4	0.4	0	0

Note: As much as the target has been met for this 1st year of the new EE plan, due to the nature of the Agency and requirement that majority of staff as field workers should be physically fit to be able to undertake walking, running etc. over difficult terrain and in all weather conditions over the 5 year period (2021), the target of 2.6% and could prove difficult to achieve.

PART E:

FINANCIAL INFORMATION



"it is not down in any map;
true places never are."
– herman melville

Baviaanskloof World Heritage Site

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)
Nature of business and principal activities	Biodiversity Conservation and Tourism Management
Accounting Authority	Ms V Zitumane Mr S F W Ncume Ms M Mama * Dr A Muir Ms T Tsengiwe Mr S Mgxaji Ms P Yako
Registered office	17 - 25 Fleet Street East London 5201
Postal address	P.O. Box 11235 Southernwood East London 5213
Bankers	Nedbank Limited First National Bank Limited - from 01 May 2017
Auditors	Office of the Auditor General
Website	www.visiteasterncape.co.za
	* Shareholder representative not remunerated

Index

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

Abbreviations

ECPTA	The Eastern Cape Parks and Tourism Agency
DEDEAT	The Department of Economic Development, Environmental Affairs and Tourism
DEA	Department of Environmental Affairs
GRAP	Generally Recognised Accounting Practice
CATHSSETA	Culture, Arts, Tourism, Hospitality and Sports Sector Education and Training Authority

Accounting Authority's Responsibilities and Approval

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

The Board 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 Board has reviewed the entity's cash flow forecast for the year to 31 March 2018 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 86 to 144, which have been prepared on the going concern basis, were approved by the Board on 21 May 2017 and were signed on its behalf by:

Ms V Zitumane

Chairperson of the Board

1 REPORT OF THE AUDITOR GENERAL

To the Provincial Legislature of Eastern Cape Parks and Tourism Agency

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Eastern Cape Parks and Tourism Agency set out on pages 86 to 144, which comprise the statement of financial position as at 31 March 2017, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Eastern Cape Parks and Tourism Agency as at 31 March 2017, and its financial performance and cash flows for the year then ended in accordance with Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act of South Africa (PFMA).

Basis for opinion

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

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

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

Emphasis of matter

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

Uncertainty relating to the future outcomes of exceptional litigation

7. With reference to note 37 to the financial statements, the entity is the defendant in various claims for damages, which it is opposing. The ultimate outcome of the matter cannot presently be determined and no provision for any liability that may result has been made in the financial statements.

Responsibilities of the accounting authority

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

9. In preparing the financial statements, the accounting authority is responsible for assessing the Eastern Cape Parks and Tourism Agency's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the accounting authority either intends to liquidate the entity or cease operations, or has no realistic alternative but to do so.

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

10. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Report on the audit of the annual performance report

Introduction and scope

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

13. My procedures address the reported performance information, which must be based on the entity's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

14. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the entity for the year ended 31 March 2017.

Programmes	Pages in the annual performance report
Programme 1 - Operations	30 - 41
Programme 2 - Marketing	42 - 47

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

16. I did not raise any material findings on the usefulness and reliability of the reported performance information for the following programmes:
    - Programme 1 - Operations
    - Programme 2 - Marketing.

Other matters

17. I draw attention to the matters below.

Achievement of planned targets

18. Refer to the annual performance report on page 29 for information on the achievement of planned targets for the year.

Report on audit of compliance with legislation

Introduction and scope

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

20. I did not identify any instances of material non-compliance with specific matters in key legislation as set out in the general notice issued in terms of the PAA.

Other information

21. The Eastern Cape Parks and Tourism Agency's accounting authority is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report thereon and those selected programmes presented in the annual performance report that have been specifically reported on in the auditor's report.

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

23. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed on the other information obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Internal control deficiencies

24. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation. I did not identify any significant deficiencies in internal control.

Auditor - General

East London

31 July 2017

AUDITOR-GENERAL
SOUTH AFRICA

ADVENTURE PROVINCE
Eastern Cape
PARKS & TOURISM AGENCY

Statement of Financial Position as at 31 March 2017

Figures in Rand (thousand)	Note(s)	2017 R'000	2016 R'000 Restated*
Assets			
Current Assets			
Inventories	2	2 791	1 590
Trade receivables	3	300	218
Other receivables	4	5 193	1 208
Cash and cash equivalents	5	28 581	53 650
Game held for sale	6	14 979	23 658
		51 844	**80 324**
Non-Current Assets			
Intangible assets	7	391	612
Property, plant and equipment	8	322 515	311 297
Service concession assets	9	27 359	28 369
Heritage assets	10	22 991	22 991
Investment property	11	6 168	6 296
Infrastructure - work in progress	12	16 382	15 319
		395 806	**384 884**
Total Assets		**447 650**	**465 208**
Liabilities			
Current Liabilities			
Finance lease obligation	13	45	519
Trade payables	14	20 783	17 332
Employee related payables	15	10 909	8 974
Poverty alleviation projects	16	1 422	5 737
Provisions	17	7 030	8 395
Deferred revenue - game held for sale	18	14 979	23 658
Unspent conditional grants and receipts	19	5 678	19 853
		60 846	**84 468**
Non-Current Liabilities			
Finance lease obligation	13	-	45
Employee benefit obligation	20	24 092	24 208
		24 092	**24 253**
Total Liabilities		**84 938**	**108 721**
Net Assets		**362 712**	**356 487**
Capitalisation reserve		39 304	39 304
Accumulated surplus		323 408	317 183
Total Net Assets		**362 712**	**356 487**

* See Note 44

Statement of Financial Performance

Figures in Rand (thousand)	Note(s)	2017 R'000	2016 R'000 Restated*
Revenue			
Revenue from exchange transactions			
Sale of goods	21	14 669	16 050
Rendering of services	22	1 149	980
Accommodation revenue	23	5 427	5 207
Rental income		1 267	1 180
Other income	24	1 801	1 176
Finance income	25	2 572	2 389
Actuarial gains	20	3 309	1 157
Total revenue from exchange transactions		**30 194**	**28 139**
Revenue from non-exchange transactions			
Grants and subsidies	26	224 730	197 273
Donations received	27	20 385	57 736
Fines, penalties and forfeits		140	11
Debt impairment		40	-
Total revenue from non-exchange transactions		**245 295**	**255 020**
Total revenue		**275 489**	**283 159**
Expenditure			
Personnel related costs	28	(131 839)	(119 076)
Depreciation and amortisation	29	(44 567)	(49 229)
Finance costs	30	(2 548)	(2 070)
Debt impairment		-	(45)
Repairs and maintenance	31	(6 398)	(6 374)
Loss on disposal of assets		(1 766)	(1 177)
Operating expenses	32	(82 146)	(73 493)
Total expenditure		**(269 264)**	**(251 464)**
Surplus for the year		**6 225**	**31 695**

* See Note 44

Statement of Changes in Net Assets

Figures in Rand (thousand)	Capitalisation reserve	Accumulated surplus	Total net assets
Balance at 01 April 2015 as restated*	**39 304**	**285 488**	**324 792**
Surplus for the year	-	31 695	31 695
Balance at 01 April 2016 as restated*	**39 304**	**317 183**	**356 487**
Surplus for the year	-	6 225	6 225
Balance at 31 March 2017	**39 304**	**323 408**	**362 712**

* See Note 44

Cash Flow Statement

Figures in Rand (thousand)	Note(s)	2017 R'000	2016 R'000 Restated
Cash flows from operating activities			
Receipts			
Sale of goods and services		24 504	25 475
Grants and subsidies		206 477	196 960
Finance income		2 572	2 389
		233 553	224 824
Payments			
Employee costs		(127 731)	(114 392)
Suppliers		(86 139)	(77 414)
Finance costs		(2 548)	(2 070)
		(216 418)	(193 876)
Net cash flows from operating activities	34	**17 135**	**30 948**
Cash flows from investing activities			
Purchase of property, plant and equipment	8	(36 318)	(18 097)
Proceeds from sale of property, plant and equipment	8	21	246
Purchase of intangible assets	9	(10)	(130)
Increase in work in progress		(1 063)	(3 808)
Net cash flows from investing activities		**(37 370)**	**(21 789)**
Cash flows from financing activities			
Movement in poverty alleviation projects		(4 315)	4 264
Finance lease liabilities		(519)	(506)
Net cash flows from financing activities		**(4 834)**	**3 758**
Net (decrease) / increase in cash and cash equivalents		**(25 069)**	**12 917**
Cash and cash equivalents at the beginning of the year		53 650	40 733
Cash and cash equivalents at the end of the year	5	**28 581**	**53 650**

* See Note 44

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand (thousand)	Approved Budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference Between final budget and actual	Reference
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions	21 403	5 102	**26 505**	27 097	**592**	
Other grants	-	18 918	**18 918**	10 272	**(8 646)**	Note 42
Grants and subsides	196 205	24 993	**221 198**	196 205	**(24 993)**	Note 42
Total revenue	**217 608**	**49 013**	**266 621**	**233 574**	**(33 047)**	
Expenses						
Compensation of employees	(126 200)	(6 157)	**(132 357)**	(127 731)	**4 626**	Note 42
Capital, goods and services	(91 408)	(42 856)	**(134 264)**	(123 530)	**10 734**	Note 42
Total expenditure	**(217 608)**	**(49 013)**	**(266 621)**	**(251 261)**	**15 360**	
Surplus for the year	-	-	-	**(17 687)**	**(17 687)**	

Reconciliation

Format and classification differences	
Revenue from exchange transactions	3 277
Grants and subsides	18 253
Donations receive	20 385
Compensation of employees	(4 108)
Depreciation and amortisation	(44 567)
Finance charges	(2 548)
General expenses	33 220
Actual Amount in the Statement of Financial Performance	**6 225**

Accounting Policies

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 21 May 2017.

- **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 as set out in the accounting policies below. 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 in all material respects to all periods in these annual financial statements.

Accounting Policies

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

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

Recognition

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.

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

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

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by services performed to date as a percentage of total services to be performed.

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.

Accounting Policies

1.1 Revenue from exchange transactions (continued)

Measurement

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

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 as 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.

Accounting Policies

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 are reflected in the financial statements at 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

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. The fair values and estimated point of sale costs for game classified as "held for sale" are determined annually by management by considering:

- excess game quantities as approved by The Board for off take (disposal),
- auction reserve prices established by reference to historical data and industry conditions for live game sales,
- target selling prices set by management for hunting packages,
- animal weights and prices as mutually agreed with service providers for external culling game, by a bidding process,
- average animal weights and management set venison prices for internal culling game; and
- significant costs of disposal, where such costs can be separately identifiable from normal biodiversity conservation costs.

The ECPTA is responsible for biodiversity conservation in defined protected areas and the biological assets consist 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 ecosystem 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 able to be 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.

Accounting Policies

1.4 Intangible assets (continued)

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

Intangible assets are initially recognised at cost. The cost of Intangible assets is their 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 licence3 years

Intangible assets are derecognised on disposal; or when no future economic benefits or service potential are expected from their use or disposal.

The gain or loss is the difference between the net disposal proceeds, if any, and the carrying amount. It is recognised in surplus or deficit when the asset is derecognised.

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

Accounting Policies

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:

a. It is probable that future economic benefits or service potential associated with the asset will flow to the entity, and
b. 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 de-recognition 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. Cost includes all costs directly attributable to bringing the asset 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.

Subsequent to initial measurement, 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.

Water tanks attached to buildings; or fencing surrounding buildings and infrastructure are presumed to be part of the buildings or infrastructure unless specifically identified; and otherwise stated.

Accounting Policies

1.7 Property, plant and equipment (continued)

The cost of stormwater drainage is included in the cost of the road where this takes the form of minimal transverse culverts and open drains alongside the road. Where local topography requires more than minimal drainage, the cost will be shown separately. Road signs are included in the cost of roads. The inclusion of stormwater and signage is in line with the Department of Co-operative Governance and Traditional Affairs Industry guide to Infrastructure Service Delivery Levels and Unit costs.

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
Field equipment	2 - 30 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.

Accounting Policies

1.8 Service concession arrangements

A service concession arrangement is a contractual arrangement between the entity and another entity (the operator) in which the operator uses the service concession asset to provide; a public service that falls within the entity's mandate (mandated function) on behalf of the entity for a specified period of time; and the operator is compensated for its services over the period of the service concession arrangement.

Service concession assets

Service concession assets are assets used to provide a mandated function in a service concession arrangement that:

- are provided by an operator which the operator constructs, develops, or acquires from a third party; or are existing assets of the operator; or;
- are provided by the entity which are existing assets of the entity; or are an upgrade to existing assets of the entity.

The entity recognises an asset provided by the operator and an upgrade to an existing asset of the entity as a service concession asset if:

- the entity controls or regulates what services the operator must provide with the asset, to whom it must provide them, and at what price;
- the entity controls (through ownership, beneficial entitlement or otherwise) any significant residual interest in the asset at the end of the term of the arrangement;
- it is probable that future economic benefits or service potential associated with the asset will flow to the entity; and
- the cost of the asset can be measured reliably

Service concession assets are measured at their fair value on initial recognition except where the assets are reclassified in which case they will only be reclassified in accordance with the applicable asset related GRAP Standard. The entity reclassifies assets to service concession assets at their carrying amounts; without any fair valuing at the date of reclassification.

Except where an asset was reclassified by the entity to a service concession asset, the entity initially measures the corresponding liability at the same amount as the service concession asset adjusted for any cash consideration from either the entity or operator to either the entity or operator.

Reclassified service concession assets are accounted for in accordance with the Standards of GRAP on investment property, property, plant and equipment, intangible assets, or heritage assets, as appropriate.

Where the asset and service components of a service concession arrangement are separately identifiable, the service components of payments from the entity to the operator are allocated by reference to the relative fair values of the service concession asset and the services. Where the asset and service components are not separately identifiable, the service component of payments from the entity to the operator is determined using estimation techniques.

After initial recognition, the entity applies the accounting policies on investment property, property, plant and equipment, intangible assets and heritage assets to the subsequent measurement and derecognition of similar items of service concession assets. For the purposes of applying the accounting policies on investment property, property, plant and equipment, intangible assets and heritage assets, service concession assets are treated as a separate class of assets.

The accounting policies on Impairment of non-cash generating assets and impairment of cash-generating assets are applied in considering whether there is any indication that a service concession asset is impaired.

Depreciation is provided on Service concession assets for similar items of investment property, property, plant and equipment, intangible assets and heritage assets, to write down the cost, less residual value, by equal instalments over their useful lives which have been assessed as follows:

Accounting Policies

1.8 Service concession arrangements (continued)

Item	Average useful life
Buildings	5 - 50 years
Plant and machinery	5 years
Electricity infrastructure	30 - 40 years
Water supply infrastructure	30 - 50 years
Sanitation infrastructure	10 - 60 years

Service concession liabilities

Where the entity has an unconditional obligation to pay cash or another financial asset to the operator for the construction, development, acquisition, or upgrade of a service concession asset, the entity accounts for the liability recognised as a financial liability.

Where the entity does not have an unconditional obligation to pay cash or another financial asset to the operator for the construction, development, acquisition, or upgrade of a service concession asset, and grants the operator the right to earn revenue from third-party users or another revenue generating asset, the entity initially recognises the unearned portion of the revenue arising from the exchange of service concession assets between the entity and the operator as a deferred revenue - service concession liability.

A deferred revenue - service concession liability is initially measured at the same amount as the service concession asset adjusted for any additional consideration from the entity to operator or vice versa. Subsequently, the entity recognises revenue and reduces the liability recognised in according to the substance of the service concession arrangement.

Service concession revenue

Revenue from a service concession arrangement is recognised as it accrues over the period of the agreement. When the operator provides an upfront payment, a stream of payments, or other consideration to the entity for the right to use the service concession asset over the term of the service concession arrangement, the entity accounts for these payments in a manner that better reflects the operator's economic consumption of its access to the service concession asset and/or the time value of money. The timing of the revenue recognition is determined based on the substance of the service concession arrangement. When the conditions for revenue recognition are met, the liability is reduced as the revenue is recognised in accordance.

1.9 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.

Accounting Policies

1.9 Financial instruments (continued)

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.

Accounting Policies

1.9 Financial instruments (continued)

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	Category
Trade and other receivables	Financial asset measured at amortised cost
Cash and cash equivalents	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.

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 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.

Accounting Policies

1.9 Financial instruments (continued)

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.

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.

Measurement of specific financial instruments

Trade and other receivables

Trade and other receivables are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method.

Trade and other receivables are assessed at least annually for possible impairment. Impairment adjustments are made through the use of an allowance account. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end.

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 %

Bad debts are written off in the year in which they are identified as irrecoverable.

Trade and other payables

Trade payables are initially measured at fair value plus transaction costs that are directly attributable to the acquisition and are subsequently measured at amortised cost using the effective interest rate method.

Accounting Policies

1.9 Financial instruments (continued)

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).

1.10 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 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.

Accounting Policies

1.10 Leases (continued)

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.

1.11 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.

1.12 Impairment of cash-generating assets

Cash-generating assets are assets managed with the objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented entity.

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 managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

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

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 of 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.

Accounting Policies

1.12 Impairment of cash-generating assets (continued)

Identification

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

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

Irrespective of whether there is any indication of impairment, the entity also tests a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount.

Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the entity estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the entity applies the appropriate discount rate to those future cash flows.

Recognition and measurement

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

When the amount estimated for an impairment loss is greater than the carrying amount of the cash-generating asset to which it relates, the entity recognises a liability only to the extent that is a requirement in the Standard of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Reversal of impairment loss

The entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount.

The increase is a reversal of an impairment loss. A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit. After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Accounting Policies

1.13 Impairment of non-cash-generating assets

Cash-generating assets are assets managed with the objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented entity.

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 managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

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

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 service amount is the higher of a non-cash-generating asset's 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.

Identification

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

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

Irrespective of whether there is any indication of impairment, the entity also tests a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount.

Value in use

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

Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the entity recognises a liability only to the extent that is a requirement in the Standards of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Accounting Policies

1.13 Impairment of non-cash-generating assets (continued)

Reversal of an impairment loss

The entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed 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. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.14 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.

1.15 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 amount of the liability and expense is determined as the additional amount the entity is required to pay as a result of the unused leave days owing to employees at the end of the reporting period.

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.

Accounting Policies

1.15 Employee benefits (continued)

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 cost

1.16 Provisions, contingent assets and contingent liabilities

Provisions

A provision is a liability of uncertain timing or amount.

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.

1.17 Borrowing costs

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

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

Accounting Policies

1.18 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.

1.19 Deferred 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 the sale has been concluded and the entity has discharged its responsibilities in terms of the sale agreement.

1.20 Poverty alleviation projects

The Eastern Cape Parks and Tourism Agency is the implementing agent for projects undertaken on behalf of other state organs. The bank balances held on behalf of the various projects are included as cash and cash equivalents in the annual financial statements, and the corresponding project liabilities as a result of uncompleted projects at reporting date are recorded as a current liability.

1.21 Conditional grants and receipts

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

1.22 Capital reserves

Capital reserves consist of:
- Reserves raised upon the initial transfer of funds relating to infrastructure projects which were initially implemented by Eastern Cape Tourism Board,
- Reserves created upon the initial valuation of game held for sale; and
- Reserves raised upon the assignment of assets to the ECPTA on establishment.

1.23 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.

Accounting Policies

1.24 Related parties and key management personnel

The ECPTA operates in an economic sector whereby it interacts with other entities within the national and provincial sphere of government. Such entities are considered to be related parties.

Key management is defined as persons having authority and responsibility for planning, directing and controlling the activities of the entity whether directly or indirectly. 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.

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 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 irregular expense unless it is impracticable to determine in which case reasons therefore are 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.

1.26 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of the budget; and
- expenditure not in accordance with the purpose of the budget.

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

1.27 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.

Accounting Policies

1.27 Mergers (continued)

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.

1.28 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.

1.29 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.

1.30 Segment information

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

Segments are identified by the way in which information is reported to management, both for purposes of assessing performance and making decisions about how future resources will be allocated to the various activities undertaken by the entity. The major classifications of activities identified in budget documentation generally reflect the segments for which the entity reports information to management.

The reported segment amounts are those that management believes are determined in accordance with the measurement principles most consistent with those used in measuring the corresponding amounts in the entity's financial statements. They are the segments identified or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

Measurement

Segment assets and liabilities consist of those assets and liabilities that are used by a segment in its operating activities, and are either directly attributable to a segment or can be allocated on a reasonable basis.

Segment revenue is that portion of the revenue reported in the entity's statement of financial performance that is directly attributable to a segment, or can be allocated on a reasonable basis. Segment expenses are those expenses that are directly attributable to a segment, or can be allocated to a segment on a reasonable basis.

Accounting Policies

1.31 Events after reporting date

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

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

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

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

1.32 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 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 18	Segment reporting
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

Accounting Policies

1.32 GRAP Standards (continued)

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 103	Heritage Assets
GRAP 104	Financial Instruments
GRAP 105	Transfers of Functions between Entities under Common Control
GRAP 106	Transfers of Functions between Entities Not Under Common Control
GRAP 107	Mergers

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 2017.

GRAP 20	Related party disclosure
GRAP 32	Service Concession Arrangements: Grantor
GRAP 108	Statutory Receivables
GRAP 109	Accounting by Principals and Agents
GRAP 110	Living and Non-living Resources

Management have considered all of the above-mentioned GRAP standards approved or issued but not yet effective and anticipates that the adoption of these standards will not have a significant impact on the financial position, financial performance or cash flows of the entity.

Notes to the Annual Financial Statements

Figures in Rand (thousand)	2017	2016

2. Inventories

Maintenance materials	2 744	1 557
Fuel	47	33
	2 791	**1 590**

3. Trade receivables

Trade debtors	153	88
Operating lease receivables	61	4
Rent receivable	294	334
Impairment allowance	(208)	(208)
	300	**218**

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.

Reconciliation of provision for impairment

Opening balance	208	250
Amounts written off as uncollectible	-	(42)
	208	**208**

4. Other receivables

Grants receivable	4 078	-
Debts receivables (staff debts)	54	313
Poverty relief projects	165	280
Deposits	514	444
Prepaid expenses	429	462
Impairment allowance	(47)	(291)
	5 193	**1 208**

Grants receivable consists of R3,831 million and R247 thousand receivable from The Department of Public Works and Roads and CATHSSETA, respectively.

Reconciliation of provision for impairment

Opening balance	291	359
Provision for impairment	(40)	16
Amounts written off as uncollectable	(204)	(84)
	47	**291**

Notes to the Annual Financial Statements

Figures in Rand (thousand)	2017	2016

5. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	64	62
Bank balances	27 095	47 851
Other cash and cash equivalents	1 422	5 737
	28 581	**53 650**

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, refer to note 16.

The entity's exposure to interest rate risk including risk to its financial assets and liabilities is disclosed in note 39.

6. Game held for sale

Game held for sale	14 979	23 658

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 as follows:

Live game - 328 animals (2016: 492 animals)	8 816	17 972
Hunting game - 853 animals (2016: 720 animals)	2 392	2 262
External culling game - 3 067 animals (2016: 4 468 animals)	3 347	2 986
Internal culling game - 663 animals (2016: 965 animals)	424	438
	14 979	**23 658**

The number of animals for take-off (disposal) is approved by The ECPTA Board, and the value of game held for sale varies with the type of species identified for disposal. The Board resolved at its board meeting in November 2016 on the take-off figures for game in 2017.

The Board in resolving the number of animals for the 2017 off-take included animals for stimulating the transformation of the game and conservation industries by nurturing emerging game farmers. The number of the animals included is 266 (2016: nil) valued at R2, 751 million.

Notes to the Annual Financial Statements

Figures in Rand (thousand)	2017	2016

7. Intangible assets

	2017			2016		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Computer software licences	3 442	(3 051)	391	3 432	(2 820)	612

Reconciliation of intangible assets - 2017

	Opening balance	Additions	Amortisation	Total
Computer software licences	612	10	(231)	391

Reconciliation of intangible assets - 2016

	Opening balance	Additions	Amortisation	Total
Computer software licences	838	131	(357)	612

Notes to the Annual Financial Statements

Figures in Rand (thousand)	2017	2016

8. Property, plant and equipment

	2017			2016		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	160	-	160	160	-	160
Buildings	191 102	(24 891)	166 211	160 228	(19 830)	140 398
Plant and machinery	8 262	(5 873)	2 389	7 553	(5 456)	2 097
Furniture and fixtures	17 938	(11 998)	5 940	16 977	(11 091)	5 886
Motor vehicles	32 963	(17 913)	15 050	26 975	(15 316)	11 659
Office equipment	4 462	(2 689)	1 773	3 670	(2 339)	1 331
IT equipment	11 477	(7 736)	3 741	10 046	(6 330)	3 716
Roads and storm water	369 267	(281 229)	88 038	364 470	(255 790)	108 680
Fencing	65 954	(49 983)	15 971	62 765	(47 231)	15 534
Building attachments	3 117	(2 263)	854	3 289	(2 368)	921
Field equipment	1 045	(463)	582	579	(419)	160
Electricity infrastructure	10 790	(5 236)	5 554	9 756	(4 960)	4 796
Sanitation infrastructure	6 860	(3 040)	3 820	6 329	(2 859)	3 470
Water supply infrastructure	23 286	(10 854)	12 432	22 872	(10 383)	12 489
Total	**746 683**	**(424 168)**	**322 515**	**695 669**	**(384 372)**	**311 297**

Reconciliation of property, plant and equipment – 2017

	Opening Balance	Additions	Disposals	Depreciation	Total
Land	160	-	-	-	160
Buildings	140 398	13295	(334)	(5 148)	166 211
Plant and machinery	2 097	940	(20)	(628)	2 389
Furniture and fixtures	5 886	1 489	(140)	(1 295)	5 940
Motor vehicles	11 659	6 783	(418)	(2 974)	15 050
Office equipment	1 331	911	(24)	(445)	1 773
IT equipment	3 716	1 629	(12)	(1 592)	3 741
Roads and storm water	108 680	5 100	(216)	(25 526)	88 038
Fencing	15 534	5 344	(539)	(4 368)	15 971
Building attachments	921	268	(84)	(251)	854
Field equipment	160	466	-	(44)	582
Electricity infrastructure	4 796	1 034	-	(276)	5 554
Sanitation infrastructure	3 470	531	-	(181)	3 820
Water supply infrastructure	12 489	414	-	(471)	12 432
	311 297	**56 204**	**(1 787)**	**(43 199)**	**322 515**

Notes to the Annual Financial Statements

Figures in Rand (thousand) 2017 2016

8. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2016

	Balance as previously reported	Cost restatement	Accumulated depreciation restatement	Additions as previously reported	Additions restatement	Disposals as previously reported	Disposals restatement	Depreciation as previously reported	Depreciation restatement	Total
Land	160	-	-	-	-	-	-	-	-	160
Buildings	139 603	163	(19)	6 315	59	(689)	(193)	(4 840)	(1)	140 398
Plant and machinery	2 399	2	84	365	5	(46)	-	(712)	-	2 097
Furniture and fixtures	6 988	(30)	67	444	-	(203)	-	(1 380)	-	5 886
Motor vehicles	4 888	-	(27)	8 152	30	(23)	(111)	(1 250)	-	11 659
Office equipment	1 559	(540)	397	326	(19)	(36)	-	(356)	-	1 331
IT equipment	3 557	7	(92)	1 967	-	(23)	-	(1 700)	-	3 716
Roads and storm water	111 610	-	-	28 149	-	-	-	(31 079)	-	108 680
Fencing	20 197	67	184	1 106	(67)	(88)	(6)	(5 859)	-	15 534
Building attachments	1 076	-	4	117	11	(5)	-	(282)	-	921
Field equipment	-	560	(374)	-	19	-	-	(45)	-	160
Electricity infrastructure	5 017	-	-	25	-	-	-	(246)	-	4 796
Sanitation infrastructure	3 482	188	-	208	(188)	-	-	(220)	-	3 470
Water supply infrastructure	12 820	-	-	135	-	-	-	(466)	-	12 489
	313 356	**417**	**224**	**47 309**	**(150)**	**(1 113)**	**(310)**	**(48 435)**	**(1)**	**311 297**

Included in additions are donated assets of amount R19,885 million - (2016: R29,061 million), refer to note 27.

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

ADVENTURE PROVINCE
Eastern Cape
PARKS & TOURISM AGENCY

Notes to the Annual Financial Statements

Figures in Rand (thousand)	2017	2016

9. Service concession assets

	2017			2016		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Buildings	18 950	(504)	18 446	18 950	(94)	18 856
Plant and machinery	550	(126)	424	550	(41)	509
Electricity infrastructure	4 300	(126)	4 174	4 300	(21)	4 279
Sanitation infrastructure	375	(8)	367	375	(2)	373
Water supply infrastructure	3 001	(78)	2 923	3 001	(18)	2 983
IT equipment	1 021	(355)	666	1 021	(104)	917
Office equipment	454	(114)	340	454	(25)	429
Furniture and fittings	24	(5)	19	24	(1)	23
Total	**28 675**	**(1 316)**	**27 359**	**28 675**	**(306)**	**28 369**

Reconciliation of service concession assets – 2017

	Opening balance	Depreciation	Total
Buildings	18 856	(410)	18 446
Plant and machinery	509	(85)	424
Electricity infrastructure	4 279	(105)	4 174
Sanitation infrastructure	373	(6)	367
Water supply infrastructure	2 983	(60)	2 923
IT equipment	917	(251)	666
Office equipment	429	(89)	340
Furniture and fittings	23	(4)	19
	28 369	**(1 010)**	**27 359**

Reconciliation of service concession assets – 2016

	Opening balance	Additions	Depreciation	Total
Buildings	-	18 950	(94)	18 856
Plant and machinery	-	550	(41)	509
Electricity infrastructure	-	4 300	(21)	4 279
Sanitation infrastructure	-	375	(2)	373
Water supply infrastructure	-	3 001	(18)	2 983
IT equipment	-	1 021	(104)	917
Office equipment	-	454	(25)	429
Furniture and fittings	-	24	(1)	23
	-	**28 675**	**(306)**	**28 369**

Notes to the Annual Financial Statements

Figures in Rand (thousand)	2017	2016

9. Service concession assets (continued)

Concession service arrangements

Mthatha dam concession

The ECPTA entered into a concession agreement with Naritasan Koya Trading, trading as Mthatha dam amenities (the operator); whereby the entity has granted the operator the right during the concession period to generate, charge and collect revenues from the operation of Mthatha dam facilities at Luchaba Nature Reserve during the concession period of twenty (20) years effective from 01 December 2015, with no renewal option; and to use the concession facilities received as a donation from the National Department of Environmental Affairs for the purpose of this project.

Donated assets to the value of R56,238 million; and consisting of service concession assets (R27,176 million) and property, plant and equipment (R29,062 million) has been received from the National Department of Environmental Affairs by the entity for this project to date. Service concession assets are maintained by the operator during the concession period; and after expiry of the concession period, the facilities are to be operated by the local community identified as beneficiaries in partnership with the entity.

- The concession payments, subject to annual review and payable by the operator are as follows:
- Fixed rental of R85 thousand per annum with escalation linked to the consumer price index payable to the ECPTA;
- Concession fee of four percent (4.00%) of net profit payable to the community development fund;
- Concession fee of four percent (4.00%) of net profit and fifty percent (50%) of gate takings profit payable to the ECPTA

10. Heritage assets

	2017			2016		
	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 2017

	Opening balance	Total
Land	22 991	22 991

Reconciliation of heritage assets 2016

	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 the heritage assets which were 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 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.

Notes to the Annual Financial Statements

Figures in Rand (thousand) 2017 2016

10. Heritage assets (continued)

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:

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 million	
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 million	
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 million	
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

ADVENTURE PROVINCE
Eastern Cape
PARKS & TOURISM AGENCY

Notes to the Annual Financial Statements

Figures in Rand (thousand)	2017	2016

11. Investment property

	2017			2016		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	7 100	(932)	6 168	7 100	(803)	6 296

Reconciliation of investment property – 2017

	Opening balance	Depreciation	Total
Investment property	6 296	(128)	6 168

Reconciliation of investment property – 2016

	Opening balance	Depreciation	Total
Investment property	6 425	(129)	6 296

Details of property

	2017	2016
Unit 2 Bhisho business village	956	975
Tourism House Phalo avenue	5 212	5 321
	6 168	**6 296**

Unit 2 Bhisho business village:

The property consists of an office block situated in the Bhisho business village and transferred to the ECPTA as at 1 July 2010. 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 R1,48 million (31 March 2016: R1,4 million).

Tourism House Phalo avenue:

The property consists of an office block situated in Phalo avenue in Bhisho and transferred to the ECPTA as at 1 July 2010. 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 R8,6 million (31 March 2016: R8 million)

Amounts recognised in surplus and deficit for the year

	2017	2016
Rental revenue from investment property	1 169	1 140
Direct operating expenses from rental generating property	-	131

ADVENTURE PROVINCE
Eastern Cape
PARKS & TOURISM AGENCY

Notes to the Annual Financial Statements

Figures in Rand (thousand)	2017	2016

12. Infrastructure - work in progress

Capital projects	16 382	15 319

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

Opening balance	15 319	11 511
Additions	21 284	11 849
Transfers to property, plant and equipment	(19 772)	(6 485)
Amounts expensed	(449)	-
Transfers to inventories	-	(1 556)
	16 382	**15 319**

13. Finance lease obligation

Minimum lease payments due		
- within one year	46	548
- in second to fifth year inclusive	-	46
	46	594
less: future finance charges	(1)	(30)
Present value of minimum lease payments	**45**	**564**

Present value of minimum lease payments due		
- within one year	45	519
- in second to fifth year inclusive	-	45
	45	**564**

Non-current liabilities	-	45
Current liabilities	45	519
	45	**564**

The entity has considered the following leases as significant:

- Equipment located at the East London head office is leased from Minolco for a period of three years, with one (1) month remaining at year-end. The lease rental for the equipment is R22 thousand per month, with no escalation.
- Equipment located at nature reserve offices is leased from Bytes Document Solutions for a period of three years, with one (1) month remaining at year-end. The lease rental for the equipment is R23 thousand per month, with no escalation.

Notes to the Annual Financial Statements

Figures in Rand (thousand)	2017	2016

14. Trade payables

Trade creditors	13 952	12 709
Payments received in advance - contract in process	3 813	1 335
Accrued expense trade	2 790	3 167
Operating lease payables	178	93
Other trade payables	50	28
	20 783	**17 332**

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 39.

15. Employee related payables

Salaries and wages	718	610
Pension and provident	112	-
Skills development levy	117	-
Accrued leave pay	9 061	7 640
Workmen's compensation	121	72
SARS payable	27	-
Medical aid	753	652
	10 909	**8 974**

The ECPTA, as a schedule 3C PFMA entity, is required to surrender surplus cash resources to the Provincial Treasury. Historically, the ECPTA has not retained cash to fully back the accrued leave pay accrual in light of this. The Provincial Treasury does however allow a retention based on prior year trends. The cash back portion is equivalent to the prior payments to employees leaving the ECPTA amounting to R 549 thousand.

16. Poverty alleviation projects

Poverty alleviation projects	1 422	5 737

Represents amounts available for poverty relief projects which are administered on behalf of the National Department of Environmental Affairs, refer to note 5.

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 R102,709 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.

Notes to the Annual Financial Statements

Figures in Rand (thousand)	2017	2016

17. Provisions

	2017	2016
Legal proceedings	230	425
Professional fees	-	150
Performance bonus	6 800	7 820
	7 030	**8 395**

Reconciliation of provisions – 2017

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Legal proceedings	425	224	(196)	(223)	230
Professional fees	150	-	(150)	-	-
Performance bonus	7 820	6 800	(6 782)	(1 038)	6 800
	8 395	**7 024**	**(7 128)**	**(1 261)**	**7 030**

Reconciliation of provisions – 2016

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Legal proceedings	628	220	(423)	-	425
Professional fees	-	150	-	-	150
Performance bonus	7 322	7 820	(6 727)	(595)	7 820
	7 950	**8 190**	**(7 150)**	**(595)**	**8 395**

Legal proceedings provisions

The provision on legal proceedings represents management's best estimate of the entity's liability on legal costs relating to the following cases: resettlement of people residing on acquired land R20 thousand (2016: R200 thousand), eviction of former employees, R10 thousand (2016: R5 thousand), review applications Rnil (2016: R220 thousand) and reclaiming of game R200 thousand (2016: Rnil). The actual amounts to be paid will depend on the nature and extent of work performed by the attorneys in the litigation process.

Professional fees provision

The provision on professional fees represents management's offer, in prior year, on the disputed claim on professional services rendered to the entity. During the year, a full and final settlement offer of R170 thousand, has been accepted and the amount has been included in trade payables.

Performance bonus provision

The provision on performance bonus of R6,8 million (2016: R7,820 million) relates to management's estimate on possible performance payments in terms of the entity's performance management policy. The payments of such bonuses is subject to the availability of funds and dependent on the outcome of performance evaluations which are to be conducted after year end.

Notes to the Annual Financial Statements

Figures in Rand (thousand)	2017	2016

18. Deferred revenue - game held for sale

	2017	2016
Game held for sale	14 979	23 658

Deferred revenue - game held for sale relates to the corresponding revenue for large mammals which are identified through the game census process as being excess game, and have been recognised as "held for sale" for deferral until when the sale has been concluded and the entity has discharged its responsibilities in terms of the sale agreement, refer to note 6.

19. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts	2017	2016
The Department of Economic Development, Environmental Affairs and Tourism (DEDEAT)	3 847	18 508
Culture, Arts, Tourism, Hospitality and Sports Sector Education and Training Authority (CATHSSETA)	-	871
South African National Biodiversity Institute	461	-
Marine and Coastal Management	-	222
African Wildlife Foundation	677	252
Buffalo City Metropolitan Municipality	200	-
United Nations Developmental Programme (UNDP) (Wild Coast)	181	-
South African National Parks	312	-
	5 678	**19 853**

Reconciliation of movement in grants

31 March 2017	Balance unspent at start of year	Current year receipts	Transfers to revenue	Balance unspent at year-end
DEDEAT	18 508	196 205	(210 866)	3 847
CATHSSETA	871	889	(1 760)	-
South African National Biodiversity Institute	-	1 373	(912)	461
Marine and Coastal Management	222	3 000	(3 222)	-
African Wildlife Foundation	252	807	(382)	677
Buffalo City Metropolitan Municipality	-	200	-	200
UNDP (Wild Coast)	-	1 361	(1 180)	181
South African National Parks	-	2 643	(2 331)	312
	19 853	**206 478**	**(220 653)**	**5 678**

31 March 2016	Balance unspent at start of year	Current year receipts	Transfers to revenue	Balance unspent at year end
DEDEAT	18 735	193 081	(193 308)	18 508
National Department of Tourism	250	-	(250)	-
CATHSSETA	1 031	790	(950)	871
South African National Biodiversity Institute	-	68	(68)	-
Marine and Coastal Management	-	2 560	(2 338)	222
African Wildlife Foundation	-	291	(39)	252
Nelson Mandela Bay Metropolitan Municipality	150	-	(150)	-
South African Association for Marine Biological Research	-	170	(170)	-
	20 166	**196 960**	**(197 273)**	**19 853**

Notes to the Annual Financial Statements

Figures in Rand (thousand)	2017	2016

20. 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 perfomed using generally accepted actuarial principles.

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

	2017	2016
Carrying value		
Long service award	2 304	2 413
Medical aid benefit	21 788	21 795
	24 092	**24 208**

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

	2017	2016
Opening balance	24 208	22 587
Benefits paid	(346)	(186)
Net expense recognised in the statement of financial performance	230	1 807
	24 092	**24 208**

Net expense recognised in the statement of financial performance

	2017	2016
Current service cost	1 021	969
Interest cost	2 518	1 995
Actuarial (gains) losses	(3 309)	(1 157)
	230	**1 807**

Key assumptions used

Assumptions used at the reporting date:

	2017	2016
Actual return on plan assets	9,75%	10,15%
Discount rates used	10,71%	10,50%
Expected rate of return on assets	8,20%	8,25%
Medical cost trend rates	10,16%	10,00%
Expected pension increases	8,66%	8,50%

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 average age 63 (2016: 63 years).

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

The ECPTA, as a schedule 3C PFMA entity, is required to surrender surplus cash resources to the Provincial Treasury. Historically, the ECPTA has not retained cash to fully back the employee benefit obligation in light of this. In addition, the Provincial Treasury does not allow a retention of cash for this obligation. The entity, therefore, does not cash back employee benefit obligation.

Notes to the Annual Financial Statements

Figures in Rand (thousand)	2017	2016

21. Sale of goods

Culling revenue	2 089	1 058
Hunting and fishing income	2 289	1 398
Live game sales	10 172	13 422
Venison sales	119	169
Other sales	-	3
	14 669	**16 050**

22. Rendering of services

Entrance fees and day tours	1 020	855
Hiking trails, game guides and game drives	87	72
Other services	42	53
	1 149	**980**

23. Accommodation revenue

General accommodation	4 606	4 247
Camping income	821	960
	5 427	**5 207**

24. Other income

Concession income	365	221
Commission	45	37
Ecological services income	115	202
Insurance proceeds	796	290
Implementers fees	301	304
Sale of tender documents	33	38
Sundry income	146	84
	1 801	**1 176**

25. Finance income

Bank interest	2 572	2 373
Trade and other receivables interest	-	16
	2 572	**2 389**

ADVENTURE PROVINCE
Eastern Cape
PARKS & TOURISM AGENCY

Notes to the Annual Financial Statements

Figures in Rand (thousand)	2017	2016

26. Grants and subsidies

The Department of Economic Development, Environmental Affairs and Tourism	210 866	193 308
National Department of Tourism	-	250
Culture, Arts, Tourism, Hospitality and Sports Sector Education and Training Authority	2 006	950
South African National Biodiversity Institute	912	68
Marine and Coastal Management	3 222	2 338
African Wildlife Foundation	382	39
Nelson Mandela Bay Metropolitan Municipality	-	150
South African Association for Marine Biological Research	-	170
United Nations Developmental Programme (wild Coast)	1 180	-
South African National Parks	2 331	-
The Eastern Cape Department of Roads and Public Works	3 831	-
	224 730	**197 273**

27. Donations received

Property, plant and equipment	19 885	29 061
Service concession assets	-	28 675
Repairs and maintenance	500	-
	20 385	**57 736**

The following are details of donations received:

Property, plant and equipment		
Roads - Luchaba Nature Reserve	-	28 148
Fencing - Luchaba Nature Reserve	-	913
Buildings - Mpofu Nature Reserve	6 220	-
Buildings - East London Coast Nature Reserve	2 900	-
Commercial vehicles - Baviaanskloof Nature Reserve	248	-
Fencing - Fort Fordyce Nature Reserve	5 000	-
Roads - East London Coast Nature Reserve	1 500	-
Roads - Mpofu Nature Reserve	3 600	-
Field equipment - Great Fish Nature Reserve	399	-
IT equipment - Great Fish Nature Reserve	18	-
Repairs and maintenance		
Roads - East London Coast Nature Reserve	500	-
Service concession assets		
Buildings - Luchaba Nature Reserve	-	18 950
Plant and machinery - Luchaba Nature Reserve	-	550
Furniture and fixtures - Luchaba Nature Reserve	-	24
Office equipment - Luchaba Nature Reserve	-	454
IT equipment - Luchaba Nature Reserve	-	1 021
Electricity infrastructure - Luchaba Nature Reserve	-	4 300
Water supply infrastructure - Luchaba nature reserve	-	3 001
Sanitation infrastructure - Luchaba Nature Reserve	-	375
	20 385	**57 736**

Notes to the Annual Financial Statements

Figures in Rand (thousand)	2017	2016

27. Donations received (continued)

The aforementioned donations were received from the following donors:

National Department of Environmental Affairs	19 720	29 588
The Eastern Cape Department of Roads and Public Works	-	28 148
International Rhino Foundation	399	-
Wilderness Foundation	266	-
	20 385	**57 736**

Donations in kind

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

Stop Rhino Poaching - aircraft, office equipment, training, research	877	840
Wilderness Foundation - motor vehicle, computer, training, research and consulting	885	1 232
African Wildlife Foundation - training and development	-	650
Other donors* - animal costs, staff welfare, training	23	7
	1 785	**2 729**

* Other donors consist of Chipembere Rhino Foundation, Hills, Merial, and Save Rhino Foundation.

28. Personnel related costs

Basic salary	98 831	87 195
Performance bonus	5 763	7 820
Medical aid - company contributions	3 305	3 130
Unemployment insurance fund	788	676
Skills development levy	117	105
Leave pay provision charge	2 097	1 298
Defined contribution plans	13 243	11 913
Overtime payments	3 488	3 437
Car allowance	650	737
Other allowances	2 645	1 907
Workmen's compensation	912	858
	131 839	**119 076**

29. Depreciation and amortisation

Intangible assets	231	357
Property, plant and equipment	43 199	48 436
Service concession assets	1 009	307
Investment property	128	129
	44 567	**49 229**

Notes to the Annual Financial Statements

Figures in Rand (thousand)	2017	2016

29. Depreciation and amortisation (continued)

Change in estimate - change in economic useful lives

During the year an assessment for remaining useful lives was conducted for non-current assets. The remaining useful lives of items of property, plant and equipment were revised with the following effect on depreciation and amortisation:

Depreciation and amortisation

	As per revised useful lives	As per original useful lives	Change in estimate
Intangible assets	231	(379)	(148)
Property, plant and equipment	413 199	(51 992)	(8 793)
Service concession assets	1 009	(991)	18
Investment property	128	(142)	(14)
	44 567	(53 504)	(8 937)

30. Finance costs

	2017	2016
Employee benefit obligation	2 518	1 995
Finance lease obligation	30	75
	2 548	2 070

31. Repairs and maintenance

	2017	2016
Property, plant and equipment	6 398	6 243
Investment properties	-	131
	6 398	6 374

Notes to the Annual Financial Statements

Figures in Rand (thousand)	2017	2016

32. Operating expenses

Advertising and marketing	9 978	10 402
Animal costs	424	81
Assessment rates & municipal charges	73	106
Auction expenses	3 505	4 044
Auditors remuneration	2 446	2 369
Bank charges	215	201
Board expenses	2 197	2 416
Chemicals	546	519
Cleaning	919	697
Community projects	56	32
Compliance and law enforcement	1 876	607
Computer expenses	54	68
Conferences and seminars	2 905	2 120
Consulting and professional fees	5 760	7 643
Consumables	1 389	1 115
Electricity	4 438	3 811
Entertainment	39	20
Fleet	2 903	2 081
Fuel and oil	720	990
Game management	1 847	1 449
Hire	881	700
Insurance	1 484	1 170
Internal audit fees	1 104	612
Lease rentals on operating lease	5 987	3 926
Levies	214	141
Medical expenses	19	5
Placement fees	890	154
Postage and courier	197	100
Printing and stationery	1 370	1 039
Profit & loss on foreign exchange	29	159
Protective clothing	72	107
Refuse	128	104
Research and development costs	189	91
Royalties and license fees	3 129	2 672
Security	921	524
Special projects	-	282
Staff welfare	379	322
Subscriptions and membership fees	471	205
Telephone and fax	4 234	3 826
Tourism development	621	1 118
Training	2 802	2 573
Travel - motor car, accommodation and subsistence	3 057	3 488
Travel - local	8 585	7 389
Travel - overseas	1 486	938
Uniforms	1 607	1 077
	82 146	**73 493**

Corrections were made to prior year corresponding errors on operating expense line items which has no effect on the total amount for operating expenses. An amount of R622 thousand was re-classified from lease rentals on operating lease to hiring expenses, refer to note 44.

33. Auditors' remuneration

Included in note 32 is External audit fees of:	2 446	2 369

Notes to the Annual Financial Statements

Figures in Rand (thousand)	2017	2016

34. Cash generated from operations

Surplus	6 225	31 695
Adjustments for:		
Depreciation and amortisation	44 567	49 229
Loss on disposal of assets	1 766	1 177
Donations	(19 885)	(57 736)
Debt impairment	-	45
Movements in employee benefit obligations	(116)	1 621
Movements in provisions	(1 365)	445
Changes in working capital:		
Inventories	(1 201)	(1 571)
Trade receivables	(82)	600
Other receivables	(3 985)	271
Trade payables	3 451	4 077
Employee related payables	1 935	1 408
Unspent conditional grants and receipts	(14 175)	(313)
	17 135	**30 948**

35. Operating leases

Operating leases as the leasee:

Minimum lease payments due		
- not later than one year	5 440	1 284
- in second to fifth year inclusive	7 404	-
	12 844	**1 284**

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 was for a period of thirty six (36) months commencing on 01 April 2014 and ending at 31 March 2017. The rental per month was R26 thousand with an escalation of eight percent (8.00 %) per annum. The lease was subsequently extended for three months at R33 thousand rental per month.

- Palgrow Property Investments CC in Queenstown at number 28 Grey Street. The lease contract was for a period of thirty six (36) months commencing on 01 March 2014 and ending on 28 February 2017. The rental per month was R27 thousand 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 and ending at 31 March 2017. The rental per month was R41 thousand with an escalation of eight percent (8.00 %) per annum. The lease was subsequently extended for three months at R51 thousand rental per month.

Notes to the Annual Financial Statements

Figures in Rand (thousand)	2017	2016

35. Operating leases (continued)

- Rough Diamond Industrial Properties in East London, at number 6, St Marks Road, Southernwood. The contract was on a month-to-month basis and was terminated on 31 October 2016. The rental per month was R 188 thousand with an escalation of eight and a half percent (8,50 %) per annum.

- Hemipac Investments (Pty) Ltd, a division of SKG Properties Group in East London, at number 17-25 Oxford Street, Central Business District. The lease contract is for a period of thirty six (36) months commencing on 04 October 2016 and is renewable for a further twenty four (24) months. The rental per month is R 362 thousand including parking with an escalation of eight percent (8,00 %) per annum. Subsequent to the procurement process, there were variations on the building. These variations amounted to a once-off payment of R2,2 million and R113 thousand per month payable over twelve (12) months.

Operating leases as the lessor:

	2017	2016
Minimum lease payments due		
- not later than one year	1 208	293
- in second to fifth year inclusive	1 192	170
	2 400	**463**

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 thirty six (36) months lease commencing on 01 May 2016 with 25 months remaining at year end. The rental is R82 thousand 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 twenty four (24) months lease commencing on 01 January 2016 with 9 months remaining at year end. The commencement rental is R18 thousand per month with a seven percent (7.00 %) escalation rate at the end of each lease year.

- Eastern Cape Department of Education at Island Nature Reserve in Port Elizabeth. The contract was for a sixty (60) months lease ending at 31 March 2019 and was terminated during the year. The rental was R3 thousand per month with no escalation.

36. Emoluments

Members

2017

	Members' fees	Other benefits*	Total
Ms V Zitumane - (Chairperson of the Board) - Appointed on 1 June 2012	293	37	330
Mr SFW Ncume - (Board Member) - Appointed on 1 March 2015	185	16	201
Dr A Muir - (Board Member) - Appointed on 1 June 2012	110	3	113
Ms T Tsengiwe - (Board Member) - Appointed on 1 June 2012	107	11	118
Mr S Mgxaji - (Board Member) - Appointed on 1 June 2012	87	2	89
Ms P Yako - (Board Member) - Appointed on 1 December 2015	115	3	118
	897	**72**	**969**

Other benefits includes stakeholder engagements and cell phone allowances.

ADVENTURE PROVINCE Eastern Cape PARKS & TOURISM AGENCY

Notes to the Annual Financial Statements

Figures in Rand (thousand)	2017	2016

36. Emoluments (continued)

2016

	Members' fees	Other benefits*	Total
Ms V Zitumane - (Chairperson of the Board) – Appointed on 1 June 2012*	400	63	463
Mr F Makiwane - (Deputy Chairperson of the Board) – Appointed on 1 June 2012	155	4	159
Mr SFW Ncume - (Board Member) - Appointed on 1 March 2015*	240	15	255
Dr A Muir - (Board Member) - Appointed on 1 June 2012*	168	4	172
Ms T Tsengiwe - (Board Member) - Appointed on 1 June 2012*	180	15	195
Mr S Mgxaji - (Board Member) - Appointed on 1 June 2012*	72	2	74
Ms P Yako - (Board Member) - Appointed on 1 December 2015	55	2	57
	1 270	105	1 375

* Re-appointed by the Member of the Executive Council with effect from 1 December 2015 for a period of 3 years.

Audit Committee

2017

	Committees fees	Total
Ms T Mahlati - (Chairperson) - Appointed on 1 April 2014	113	113
Mr ZL Fihlani - (Member) - Appointed on 1 April 2014	29	29
Mr C Sparg - (Member) - Appointed on 1 April 2015	48	48
	190	190

2016

	Committee fees	Other benefits	Total
Ms T Mahlati - (Chairperson) - Appointed on 1 April 2014	108	4	112
Mr D Coovadia - (Member) - Resigned on 01 June 2015	20	2	22
Mr ZL Fihlani - (Member) - Appointed on 1 April 2014	40	1	41
Mr C Sparg - (Member) - Appointed on 1 April 2015	55	-	55
	223	7	230

* Other benefits includes reimbursed expenses.

Executive Directors

2017

	Salary	Retirement fund contributions	Other contributions	Performance incentive bonus	Total
Mr V Dayimani - (Chief Executive Officer)	1 830	-	62	305	2 197
Mr J Jackson - (Chief Financial Officer)	1 312	189	53	237	1 791
Dr N Songelwa - (Chief Operations Officer)	1 680	-	29	170	1 879
Ms N Mxunyelwa - (Chief Marketing Officer)	960	138	59	149	1 306
Ms L Gower - (Executive Director: Corporate Services)	1 287	-	38	218	1 543
Ms X Mapoma - (Legal Advisor and Board Secretary)	877	131	56	132	1 196
	7 946	458	297	1 211	9 912

Notes to the Annual Financial Statements

Figures in Rand (thousand)	2017	2016

36. Emoluments (continued)

2016

	Salary	Retirement fund contributions	Other contributions	Performance incentive bonus	Total
Mr V Dayimani - (Chief Executive Officer)	1 722	-	7	361	2 090
Mr J Jackson - (Chief Financial Officer) Appointed on 1 May 2015	1 146	166	17	-	1 329
Dr N Songelwa - (Chief Operations Officer) Appointed on 1 September 2015	929	-	4	-	933
Ms N Mxunyelwa - (Chief Marketing Officer) Appointed on 8 June 2015	730	109	13	-	852
Ms L Gower - (Executive Director: Corporate Services)	1 241	-	-	285	1 526
Ms X Mapoma - (Legal Advisor and Board Secretary)	863	125	15	179	1 182
	6 631	400	56	825	7 912

37. 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 million being the reasonable market value of the animals. The legal costs paid amount to R1,563 million.

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 ECPTA. The capital involved amount to R652 thousand. 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.

- **Alibiprops 1005 cc t/a Indlovu Thatch v ECPTA:**
  This matter relates to a contractual dispute between the Plaintiff and the ECPTA. The capital amount is R369 thousand. The matter is dormant and the prospects of success are more favourable to the ECPTA. The estimated legal costs at reporting date amount to R631 thousand.

- **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 thousand. The matter is dormant and the prospects of success are more favourable to the ECPTA. The estimated legal costs at reporting date amount to R120 thousand.

Notes to the Annual Financial Statements

Figures in Rand (thousand)	2017	2016

37. Contingencies (continued)

- **Khayalethu Geelbooi v ECPTA:**
  This is a claim for personal injuries. The ECPTA was served with a letter of demand in which the claimant is claiming R500 thousand for damages. No summons has been issued as yet. The ECPTA will defend the matter through the attorneys appointed by its insurers and is accordingly not in a position to quantify its legal costs.

- **SHE QMS Consulting and Auditing (Pty) Ltd v ECPTA:**
  This matter relates to a contractual dispute on services rendered between the ECPTA and the Plaintiff. The capital amount is R194 thousand. The estimated legal costs at reporting date amount to R60 thousand.

- **Andre Prinsloo v ECPTA:**
  This matter relates to a buffalo attack which took place on the Baviaanskloof Nature Reserve on 13 June 2015. The ECPTA is being sued for damages to the amount of R3,089 million. 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.

38. Related party disclosures

Related parties:

The ECPTA operates in an economic sector whereby it interacts with other entities within the national and 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:

Relationships Controlling entity	- The Department of Economic Development, Environmental Affairs and Tourism
Entities under common control	- Eastern Cape Development Corporation
National government departments	- The National Department of Environmental Affairs - The Department of Water and Sanitation - The National Department of Tourism - The Department of Public Works
Provincial government departments	- The Eastern Cape Department of Education - The Eastern Cape Department of Roads and Public Works
Local government municipal entities	- Buffalo City Metropolitan Municipality - Nelson Mandela Bay Metropolitan Municipality
Entities with co-management agreements	- The Dwesa / Cwebe Land Trust - The Mkhambathi Land Trust - Marine and Coastal Management
Strategic partnership entities	- Culture, Arts, Tourism, Hospitality and Sports Sector Education and Training Authority - South African National Biodiversity Institute - South African National Parks

Notes to the Annual Financial Statements

Figures in Rand (thousand)	2017	2016
38. Related party disclosures (continued)		
Amounts included in trade and other receivables regarding related parties		
The Department of Economic Development, Environmental Affairs and Tourism	208	208
The Department of Public Works and Roads	3 831	-
The Eastern Cape Department of Roads and Public Works	18	-
The Department of Public Works	69	73
Eastern Cape Development Corporation	-	2
The Eastern Cape Department of Education	-	34
Culture, Arts, Tourism, Hospitality and Sports Sector Education and Training Authority	247	-
Transfer payments received from related parties		
The Department of Economic Development, Environmental Affairs and Tourism	196 205	193 081
Amounts received from related parties for tourism development programmes		
Buffalo City Metropolitan Municipality (Lilizela awards)	200	-
Amounts received from related parties for biodiversity conservation projects		
Marine and Coastal Management	3 000	2 560
African Wildlife Foundation (Stop rhino poaching)	807	292
South African National Biodiversity Institute	1 373	68
South African National Parks	2 643	-
Amounts received from related parties for skills development programmes		
Culture, Arts, Tourism, Hospitality and Sports Sector Education and Training Authority	889	790
Donations received from related parties		
The National Department of Environmental Affairs (Donation of assets)	19 720	57 736
Rent received from related parties		
The Department of Public Works	1 032	835
The Eastern Cape Department of Roads and Public Works	219	212
The Eastern Cape Department of Education	16	32
Eastern Cape Development Corporation	-	2

39. 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 audit 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)	2017	2016

39. Risk management (continued)

Classification of financial instruments

31 March 2017	At fair value	At amortised cost	At cost	Total
Financial assets				
Trade receivables	-	300	-	300
Other receivables	-	5 193	-	5 193
Cash and cash equivalents	-	28 581	-	28 581
Financial liabilities				
Trade payables	-	(20 783)	-	(20 783)
Employee related payables	-	(10 909)	-	(10 909)
Poverty alleviation projects	-	-	(1 422)	(1 422)
Provisions	-	(7 030)	-	(7 030)
Finance lease obligation	-	(45)	-	(45)
Employee benefit obligation	-	(24 092)	-	(24 092)
	-	(28 785)	(1 422)	(30 207)

31 March 2016	At fair value	At amortised cost	At cost	Total
Financial assets				
Trade receivables	-	218	-	218
Other receivables	-	1 208	-	1 208
Cash and cash equivalents	-	53 650	-	53 650
Financial liabilities				
Trade payables	-	(17 332)	-	(17 332)
Employee related payables	-	(8 974)	-	(8 974)
Poverty alleviation projects	-	-	(5 737)	(5 737)
Provisions	-	(8 395)	-	(8 395)
Finance lease obligation	-	(564)	-	(564)
Employee benefit obligation	-	(24 208)	-	(24 208)
	-	(4 397)	(5 737)	(10 134)

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.

Analysis by credit quality of financial assets:

	2017	2016
Neither past due nor impaired		
Cash and cash equivalents	28 581	53 650
Trade and other receivables	5 038	859
	33 619	54 509
Past due and not impaired		
Trade and other receivables	26	58
Past due and impaired		
Trade and other receivables	255	498

ADVENTURE PROVINCE
Eastern Cape
PARKS & TOURISM AGENCY

Notes to the Annual Financial Statements

Figures in Rand (thousand)	2017	2016

39.Risk management (continued)

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

Past due and not impaired		
- less than 6 months past due	-	17
- 6 months to within 1 year past due	26	41
	26	**58**

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.

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.

Notes to the Annual Financial Statements

Figures in Rand (thousand)	2017	2016

39. Risk management (continued)

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 2017	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
Trade payables	20 783	-	-	20 783
Employee related payables	10 909	-	-	10 909
Poverty alleviation projects	1 422	-	-	1 422
Provisions	7 030	-	-	7 030
Finance lease obligation	45	-	-	45
Employee benefit obligation	-	-	24 092	24 092
	40 189	**-**	**24 092**	**64 281**

At 31 March 2016	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
Trade payables	17 332	-	-	17 332
Employee related payables	8 974	-	-	8 974
Poverty alleviation projects	5 737	-	-	5 737
Provisions	8 395	-	-	8 395
Finance lease obligation	519	45	-	564
Employee benefit obligation	-	-	24 208	24 208
	40 957	**45**	**24 208**	**65 210**

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.

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:

	2017	2016
Cash and cash equivalents	271	479
Finance lease obligation	-	(6)
Employee benefit obligation	(241)	(242)
Increase on surplus	**30**	**231**

ADVENTURE PROVINCE
Eastern Cape
PARKS & TOURISM AGENCY

Notes to the Annual Financial Statements

Figures in Rand (thousand)	2017	2016

40. Irregular expenditure

Opening balance	2 473	2 473
Less: Amounts condoned	(2 473)	-
	-	**2 473**

The Board reviewed the circumstances around the Irregular expenditure of R2,473 million incurred by the entity. Consequence management, as contemplated by the prescripts, was carried out by the Board in the 2014/15 financial year. This included, amongst others, disciplinary action against employees of the entity. The expenditure was condoned by the Board in a meeting held on 12 May 2016.

41. Commitments

Capital expenditure - approved and contracted	2 888	20 054
Capital expenditure - approved and not yet contracted	590	-
Goods and services - approved and contracted	600	2 205
	4 078	**22 259**

The committed expenditure relates to outstanding expenditure orders at period end and will be financed from available resources within a year, as follows:

- DEDEAT: R3, 847 million - (2016: R18,197 million); and
- The Eastern Cape Department of Roads and Public Works: R231 thousand - (2016: R4,062 million).

42. 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 2017.

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.

Other grants:

The under-collection of R8,646 million refers mainly to the re-imbursement of R3,831 million expenditure from the Department of Public Works and Roads and an amount of R5 million budgeted for but not received in the current year.

Grants and subsidies:

The amount of R24,993 million relates to cash received in the prior year, and rolled-over to the current year.

Compensation of employees:

The underspending of R4,626 million is a timing difference related to the provision for performance bonus which is normally paid in September of every year.

Capital, goods and services:

An amount of R3,847 million is expected to be rolled-over into the new year. An amount of R5 million was not spent in respect of the current year in respect of the Department of Public Works and Roads.

Notes to the Annual Financial Statements

Figures in Rand (thousand)	2017	2016

43. Segment information

General information

Identification of segments

The entity is organised and reports to management on the basis of four major functional areas: head office, biodiversity and heritage cluster, game management and recreation cluster and marine and coastal cluster. The segments were organised around the type of service delivered and the target market. Management uses these same segments for determining strategic objectives. Segments were aggregated for reporting purposes.

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

Types of goods and/or services by segment

These reportable segments as well as the goods and/or services for each segment are set out below:

Reportable segment	Goods and/or services
Head office	Corporate services
Biodiversity and heritage cluster	Biodiversity and heritage management
Game management and recreation cluster	Game management and recreation services
Marine and coastal cluster	Tourism and coastal conservation management

Segment surplus or deficit, assets and liabilities

2017

	Head office	Biodiversity and heritage	Game management and recreation	Marine and coastal	Total
Revenue					
Revenue from exchange transactions	8 584	8 906	8 586	4 118	30 194
Grants and subsidies	89 111	53 829	30 683	51 107	224 730
Donations received	-	665	14 820	4 900	20 385
Fines, penalties and forfeits	86	10	2	42	140
Debt impairment	40	-	-	-	40
Total segment revenue	**97 821**	**63 410**	**54 091**	**60 167**	**275 489**
Entity's revenue					**275 489**
Expenditure					
Operating expenses	61 758	9 317	4 780	6 291	82 146
Repairs and maintenance	1 901	2 028	813	1 656	6 398
Personnel related costs	30 944	44 467	23 403	33 025	131 839
Depreciation and amortisation	9 376	17 145	9 699	8 347	44 567
Finance costs	2 548	-	-	-	2 548
Loss on disposal of assets	166	159	1 387	54	1 766
Total segment expenditure	**106 693**	**73 116**	**40 082**	**49 373**	**269 264**
Total segmental surplus					**6 225**

Notes to the Annual Financial Statements

Figures in Rand (thousand)	2017	2016

43. Segment information (continued)

	Head office	Biodiversity and heritage	Game management and recreation	Marine and coastal	Total
Assets					
Inventories	1 188	1 100	465	38	2 791
Game held for sale	-	5 805	9 104	70	14 979
Trade receivables	300	-	-	-	300
Other receivables	5 193	-	-	-	5 193
Service concession assets	-	-	-	27 359	27 359
Investment property	6 168	-	-	-	6 168
Property, plant and equipment	22 899	99 171	96 696	103 749	322 515
Heritage assets	-	15 534	7 457	-	22 991
Intangible assets	391	-	-	-	391
Total segment assets	**36 139**	**121 610**	**113 722**	**131 216**	**402 687**
Cash and cash equivalents					28 581
Infrastructure - work in progress					16 382
Total assets as per Statement of financial Position					**447 650**

	Head office	Biodiversity and heritage	Game management and recreation	Marine and coastal	Total
Liabilities					
Deferred revenue - game held for sale	-	5 805	9 104	70	14 979
Finance lease obligation					45
Trade payables					20 783
Employee related payables					10 909
Poverty alleviation projects					1 422
Provisions					7 030
Employee benefit obligation					24 092
Unspent conditional grants and receipts					5 678
Total liabilities as per Statement of financial Position					**84 938**

The assets and liabilities which have been reported in aggregate are not directly attributable nor can be reasonably allocated to segments. Segmented amounts for these assets and liabilities are not regularly provided to management for the purpose of assessing performance and making decisions about how future resources will be allocated to the various activities of the entity.

2016

Revenue	Head office	Biodiversity and heritage	Game management and recreation	Marine and coastal	Total
Revenue from exchange transactions	5 986	5 411	13 117	3 625	28 139
Grants and subsidies	86 480	25 016	52 519	33 258	197 273
Donations received	-	-	-	57 736	57 736
Fines, penalties and forfeits	-	-	-	11	11
Total segment revenue	**92 466**	**30 427**	**65 636**	**94 630**	**283 159**
Entity's revenue					**283 159**

ADVENTURE PROVINCE
Eastern Cape
PARKS & TOURISM AGENCY

Notes to the Annual Financial Statements

Figures in Rand (thousand)	2017	2016

43. Segment information (continued)

Expenditure	Head office	Biodiversity and heritage	Game management and recreation	Marine and coastal	Total
Operating expenses	62 701	3 646	3 456	3 690	73 493
Repairs and maintenance	3 004	657	1 381	1 332	6 374
Personnel related costs	29 171	19 368	44 235	26 302	119 076
Depreciation and amortisation	2 060	10 153	22 944	14 072	49 228
Debt impairment	45	-	-	-	45
Finance costs	2 070	-	-	-	2 070
Loss on disposal of assets	18	37	199	923	1 177
Total segment expenditure	**99 069**	**33 861**	**72 215**	**46 319**	**251 464**
Total segmental surplus					**31 695**

Assets	Head office	Biodiversity and heritage	Game management and recreation	Marine and coastal	Total
Inventories	-	1 091	477	22	1 590
Game held for sale	-	3 261	20 363	34	23 658
Trade receivables	218	-	-	-	218
Other receivables	1 146	35	18	9	1 208
Service concession assets		-	-	28 369	28 369
Investment property	6 296	-	-	-	6 296
Property, plant and equipment	10 367	65 378	147 328	88 224	311 297
Heritage assets	-	15 534	7 457	-	22 991
Intangible assets	612	-	-	-	612
Total segment assets	**18 639**	**85 299**	**175 643**	**116 658**	**396 239**

Cash and cash equivalents	53 650
Infrastructure - work in progress	15 319
Total assets	**465 208**
as per Statement of financial Position	

Liabilities	Head office	Biodiversity and heritage	Game management and recreation	Marine and coastal	Total
Deferred revenue - game held for sale	-	3 261	20 363	34	23 658

Finance lease obligation	564
Trade payables	17 332
Employee related payables	8 974
Poverty alleviation projects	5 737
Provisions	8 395
Employee benefit obligation	24 208
Unspent conditional grants and receipts	19 853
Total liabilities	**108 721**
as per Statement of financial Position	

The assets and liabilities which have been reported in aggregate are not directly attributable nor can be reasonably allocated to segments. Segmented amounts for these assets and liabilities are not regularly provided to management for the purpose of assessing performance and making decisions about how future resources will be allocated to the various activities of the entity.

Notes to the Annual Financial Statements

Figures in Rand (thousand)	2017	2016

44. Prior period adjustments

Statement of financial position	Amount as previously reported	Restated amount	Prior period adjustment
Property, plant and equipment	311 117	311 297	180
Inventories	1 477	1 590	113
Other receivables	982	1 208	226
Infrastructure - work in progress	15 326	15 319	(7)
	328 902	**329 414**	**512**

Statement of financial performance	Amount as previously reported	Restated amount	Prior period adjustment
Repairs and maintenance	6 329	6 374	45
Depreciation and amortisation	49 227	49 229	2
Loss on disposal of assets	867	1 177	310
Operating expenses	73 507	73 493	(14)
	129 930	**130 273**	**343**

Property, plant and equipment and Infrastructure - work in progress

In the prior year, a review of property, plant and equipment was conducted for classification of assets and an assessment was made for remaining useful lives. After, the review the general ledger did not agree to the fixed asset register resulting in the understatement of property, plant and equipment by R224 thousand. Other adjustments resulted in property, plant and equipment being understated by R44 thousand.

During the year, an error was identified relating to incorrect classification of assets whereby incomplete infrastructure projects amounting to R7 thousand were included in the cost of property, plant and equipment. This has resulted in the overstatement of property, plant and equipment and the understatement of infrastructure - work in progress by R7 thousand.

Change in accounting policy

During the review of the classification of property, plant and equipment, certain items of property, plant and equipment that are primarily used outdoors were reclassified from office equipment to field equipment with no change to the useful lives of the reclassified items. This resulted in the reclassification to the cost amount by R579 thousand, depreciation for the year by R45 thousand and accumulated depreciation by R419 thousand with no effect on the overall carrying amount of property, plant and equipment.

Inventories

During the year an error was identified relating to maintenance materials resulting in the understatement of inventories amounting to R113 thousand.

Other receivables

During the year an error was identified relating to the prepayment of software licences. This resulted in other receivables being understated by R226 thousand in prior years and operating expenses in being overstated by R14 thousand in the prior year.

Loss on disposal of assets

During the year, a review of audit findings raised in respect of property, plant and equipment resulted in property plant and equipment being derecognised and a resultant loss on disposal of assets of R310 thousand.

Repairs and maintenance

During the year, the review of the infrastructure - work in progress, and the correction thereof resulted in an understatement of repairs and maintenance to the amount of R45 thousand.

Notes to the Annual Financial Statements

Figures in Rand (thousand)	2017	2016

44. Prior period adjustments (continued)

Operating expenses

A correction was made to an error that was identified during the year relating to the prepayment of software licences which had resulted in overstatement of royalties and license fees by R14 thousand in the prior year. A re-classification from lease rentals on operating lease to hiring expenses amounting to R622 thousand with no effect on the total amount for operating expenses was made to the prior year figures.

Over all, the correction of the errors and the restatement of the amounts had the following effect on accumulated surplus:

Statement of changes in net assets	Capitalisation reserve	Accumulated surplus	Total
Balance at 01 April 2015, as previously reported	39 304	284 633	323 937
- Adjustments to the statement of financial position	-	512	512
- Adjustments to the statement of financial performance	-	343	343
Balance at 01 April 2015, as restated	39 304	285 488	324 792
- Surplus for the year, as previously reported	-	32 038	32 038
- Adjustments to surplus for the year	-	(343)	(343)
Balance at 01 April 2016, as restated	**39 304**	**317 183**	**356 487**

Donations in kind

The prior year figures have been corrected for the disclosure of donations in kind which had been understated by R1 million.

45. Events after the reporting date

The entity has no adjusting events after the reporting date.

“life is either a daring adventure or nothing.”
– helen keller

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