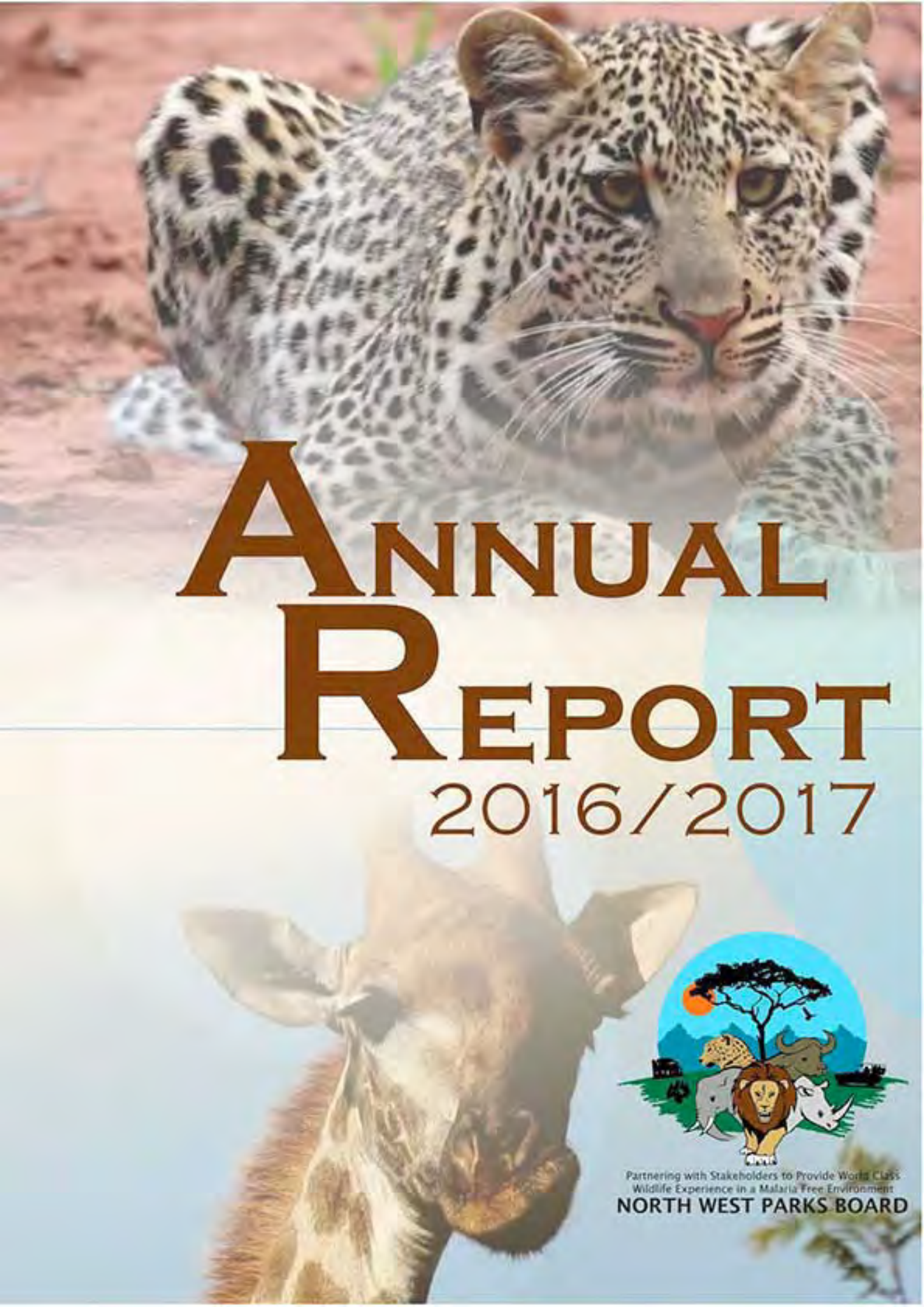

Annual Report 2016/2017

Partnering with Stakeholders to Provide World Class Wildlife Experience in a Malaria Free Environment

NORTH WEST PARKS BOARD

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PART A

general information

1.1 NORTH WEST PARKS BOARD GENERAL INFORMATION

Registered Name	North West Parks Board
Registration Number	Schedule 3C Entity PFMA Act 1 of 1999 as amended
Registered Office Address	Heritage House Stand 3031, Cookes Lake Mafikeng 2745
Postal Address	P. O Box 4488 Mmabatho 2735
Contact Telephone numbers	018 397 1500
Email Address	info@nwpb.org.za
Website Address	www.northwestparks.co.za
External Auditors Information	Auditor General of South Africa 124 Kok Street Rustenburg 0300
Bankers	First National Bank PO Box 109 Mafikeng 2745
Acting Board Secretary	Mr Edward Sekgarametso

1.2 List of Abbreviations

ACT	Agriculture, Culture and Tourism
AFS	Annual Financial Statements
AGSA	Auditor General of South Africa
AIS	Alien Invasive Species
BCMD	Biodiversity Conservation Management Development
Board	North West Parks Board
board	Board of Directors of the North West Parks Board also known as the Accounting Authority
CATA	The Department of Culture, Arts and Traditional Affairs
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COID	Compensation for Occupational Injuries and Diseases
CPA	Communal Property Association
CRR	Capital Replacement Reserve
DBSA	Development Bank of Southern Africa
GAAP	Generally Accepted Accounting Practice
GFN	Global Footprint Network
GRAP	Generally Recognised Accounting Practice
HDI	Historically Disadvantaged Individuals
HOD	Head of Department
IAS	International Accounting Standards
IPSAS	International Public Sector Accounting Standards
MEC	Member of the Executive Council/Executive Authority
METT	Management Effective Training Tool – South Africa
NDR	Non Distributable Reserve
NWPB	North West Parks Board
NWPTB	North West Parks and Tourism Board
PFMA	Public Finance Management Act
PPP	Public Private Partnerships
VTSD	Villages, Townships and Small Dorpies

READ	The Department of Rural, Environment and Agricultural Development
RHR	Reconciliation, Healing and Renewal
SCM	Supply Chain Management
NDP	National Development Plan
PDP	Provincial Development Plan
SMME	Small Medium Micro Enterprises

1.3 Foreword by the MEC

The North West Parks Board (NWPB), having completed its second year of operations as a stand-alone entity, is charged amongst others with the responsibility of transforming the wildlife sector by ensuring that, through the management of protected areas, it robustly encourages communities to get involved and benefit in matters of Conservation and Wildlife Management. We take this opportunity to give you details of the Board's services and its eco-tourism offerings.

The fifth Provincial Administration has developed a vision at Repositioning, Rebranding and Renewal of the North West Province anchored on five concretes namely: Agriculture, Culture and Tourism (ACT); Reconciliation, Healing and Renewal (RHR); Villages, Township, and Small Dorpies (VTSD); Setsokotsane and Saamwerk-Saamtrek philosophy on which basis the vision of the board finds its expression.

The ACT strategy seeks to link programmes of Agriculture, Culture and Tourism to positively impact the economy of the Province and its people. It is envisaged that entities such as NWPB will do their best to impart information to the people of the Province and the country at large about nature conservation, the benefits of having nature and game reserves in their periphery, means and ways of creating job opportunities inside and outside the reserves and the general economic spinoffs within the parks industry.

Conservation plays a critical role in the economic growth of the Province. It has become an alternative to cattle farming due to climate change and a key partner in attracting visitors, who come to see and experience the wildlife. The inception of the NWPB comes with added responsibilities which include eco-tourism, wildlife economy and investment promotions.The Board will continue to act as a vehicle to fast-track an eco-tourism economy that creates jobs, alleviates poverty and protects the environment.

Due to the quality of water in our parks, the Province prides itself as a host to three

International Fresh Water Angling Championships. In addition, we also host migratory birds annually, we offer five star safari lodging through our partners and are home to the much loved Big Five.

The North West Province will soon be establishing the Wildlife Academy with the NWPB playing a key role in the project. This will open doors of learning to those who are interested in wildlife management and game ranging. I would, therefore, like to encourage the youth of Bokone Bophirima to consider a career in nature conservation and eco-tourism.

In closing, my compliments go to the Chairperson and the Board of Directors for their oversight during the year under review. I commend the management of the Board for their continued hard work in ensuring that we deliver on our mandate and all the sta ff in their various roles. The Department will continue to support you, in ensuring that you achieve on your set goals. The support of stakeholders is acknowledged with gratitude; including that of the Communal Property Associations (CPAs), Traditional lea ders, their Authorities and the communities living on the periphery of our Parks and Reserves. The role played by the executive council and various oversight committees is also greatly appreciated.

HON.MS MANKETSI TLHAPE
MEC: Department of Rural Environment and Agricultural Development

1.4 Foreword by the Chairperson

The NWPB is a public entity that is responsible for conservation and management of protected areas. The North West Parks Board Act no 3 of 2015 stipulates the objectives of the Board, the powers of the Responsible Member, the compositions of the board, and the appointment and functions of the Chief Executive Officer, which are in line with the Public Finance Management Act (PFMA) as reflected in the structure of the organisation.

The NWPB is an entity of READ, mandated to carry out biodiversity conservation and associated activities within the North West Province protected areas. The primary focus of the organisation is biodiversity conservation, with the purpose to enhance eco-tourism, to unite conservation, communities and to ensure the sustainable use of natural resources within the Province.

Strategic Relationships

The responsibility of conserving and preserving wildlife in protected areas in the North West Province is challenging and remains a team effort. This was made possible by various stakeholders of the NWPB. The Board has identified strategic partners in preserving and restoring populations of animals and herbal plant species, natural communities and ecosystems. This strategic tie between the Board and stakeholders brought various skills and knowledge together.Exclusive appreciation is apportioned to the MEC for READ and other strategic wildlife conservation agencies, Traditional Leaders and Authorities, Communal Property Associations (CPAs), both district and local Municipalities, Youth Development Agencies and communities, for their far-reaching dedication and support.

Challenges faced by the Board

The board faced the following operational challenges during the year under review:

- Continuous poaching of wildlife within the parks
- Outbreak of diseases in the parks affecting animals
- Finalisation of co-management agreements and partnerships
- High elephant population
- Upgrading of Infrastructure within the parks.

In addition to the above operational challenges, the Board also faced climate change which resulted in droughts and floods.

Medium to long term goals

The challenges above will be addressed during the 2017/2018 financial year. The plan will be to give specific attention to addressing these challenges by engaging other agencies and stakeholders to address all the operational challenges.

The Board plans to prioritise the following as key projects during the 2017/2018 financial year:

The transformation of the wildlife sector to encourage black South Africans to be involved and benefit in Conservation and Wildlife

The establishment of an eco-tourism city between Pilanesberg and Madikwe Game Reserves

The establishment of the Bokone Bophirima Wildlife Academy

Eco-tourism infrastructure development at Bloemhof Dam

The staging of Heritage Park Walk

Review of concessionaire agreements

Job creation through newly established projects and

Support to SMME's.

The Board is in a process of upgrading its facilities within the parks and attracting investors to erect new upgraded facilities as part of enhancing investment and job creation. We have identified investment opportunities within the parks to the value of R570 million that can

create jobs for 2900 people over the medium term. It is important to mention that youth development, conservation awareness and environmental education rem ain on top of the NWPB's priority agenda.

I acknowledge with gratitude, the continued support and leadership of READ led by MEC Manketsi Tlhape. I thank the individual members of the Board of Directors for the expertise that they bring to their different portfolios, the CEO and staff of the Board and all our partners and stakeholders for their unwavering support and cooperation.

I thank you.

DR. T.E. KHAKHANE-LEBALLO
CHAIRPERSON OF THE BOARD.

1.5 Chief Executive Officer's Overview

During the 2016/17 financial year, the NWPB implemented the second year of its five-year strategic plan, which focused on establishing and promoting the structures and processes that ensure authentic leadership and good governance.

On that note, the Board has identified Public Private Partnership (PPP) investment opportunities. Among other opportunities, this includes; commissioning of up-market accommodation facilities within most of our parks, increasing and upgrading of current lodging and the development of adequate dining facilities directly under management of the Board, enhancement of angling opportunities, upgrading and maintenance of the current ablution facilities, and upgrading of day visitor sites to increase demand from nearby communities as a means to enhance revenue collection within the Board.

The NWPB currently has 15 videos of its Parks on YouTube and Where Are You Now digital (WAYN) platforms. The videos have generated a lot of interest in our initial first phase globally and most particularly from emerging markets. The videos posted on the WAYN digital platforms has attracted over 50 000 subscribers globally.

General financial review of the Public Entity

The Board's major source of income is Government grants. The main reason is that the primary purpose of the Board is to facilitate sustainable biodiversity conservation management. The operations are more service delivery orientated than revenue generation focused. The Board had spin off operations that generated income, such as entrance fees, concession fees and revenue from trading with excess game, however, these were not sufficient to make the Board financially self-sustainable. Although these income generation activities are not our primary focus, it is essential that they must grow to become a significant contributor in respect of additional funding to assist the Board in achieving its objectives.

As reported in our Annual Financial Statements (AFS), 70% of our budget is allocated to personnel cost. This left the Board with very little financial resources to attend to day-to-day operations and essential requirements, such as maintenance and replacement of equipment and machinery.

The Board reflected a net deficit of R28 013 478 for the period 2016/2017, which included depreciation of R54 242 446, while the assets exceeded its liabilities by R1 054 373 463.

The following table summarises revenue, grants and expenses, while the detail is reflected in the AFS.

Summary of revenue and expenditure

R'000

Year	2016/2017			2015/2016(Restated)		
Description	Budget	Actual	Difference	Budget	Actual	Difference
Expenses	-176,057	-235,471	59,414	-134,355	-181,070	46,715
Grants received	127,887	128,040	-153	91,243	88,020	3,223
Own Income	48,170	79,417	-31,247	35,108	72,251	-37,143
Surplus/Deficit	-	-28,014	-28,014	-8,004	-20,799	12,795

Included in the grants received from READ, is an amount of R16 million that will be utilised during the 2017/2018 financial year to complete projects as identified during the past financial year.

Revenue Collection

As mentioned above, the Board needs to generate additional income to ensure delivery , as

the grants received from Government are not sufficient. The table below reflects the major components for direct income from operational activities against the budget. This included grants received through infrastructure development donations.

Summary of revenue

R'000

Year	2016/2017			2015/2016(Restated)		
Description	Budget	Actual	Difference	Budget	Actual	Difference
Service rendered	41,500	46,350	4,850	32,501	53,683	10,248
Games Sales	3,350	5,225	1,875	1,667	20	- 1,647
Other Income	2,320	25,726	23,406	25	17,418	- 1,159
Interest received	1,000	2,116	1,116	915	1,130	415
Total	48,170	79,417	31,247	35,108	72,251	7,857

The revenue as reported under service rendered included gate fees and concessionaire fees, while other income included ad hoc revenue such as hiking fees, angling fees and proceeds from wood and map sales. The recovery of the income related to game sales and entrance fees together wit h the smaller ad hoc income generating activities are not a challenge and paid as the activity or event takes place. Unfortunately, this is not always the situation with concessionaire fees.

Spending trends of the Public Entity

The financial stability o f the Board will remain a concern in its current format, as long as Government continues with their financial support to the Board to achieve its mandate. Revenue generated from own sources will not be enough at this stage to sustain the Board financially. As funding is the Board's biggest challenge, management is in a process to review operational activities and alternative sources of income. Included, are revenue from

current and future investments as well as infrastructure developments in partnership with the private sector. With the assistance of the North West Provincial Treasury, the Board was able to address and clear previous audit findings and are now able to implement systems and control measures to manage these activities and to ensure compliance.

Capacity constraints and challenges facing the Public Entity

NWPB's sustainability of personnel obligations coupled with difficulty in growth within required operational funding remains a serious concern. This results in limited resources, which subsequently forced the Entity to focus solely on sector indicators and national objectives. Operational challenges relate to:

Poaching

Poaching of animals is taking place in a number of game parks. NWPB experienced an increase in Rhino poaching during the year under review. The numbers increased from 20 to 28 Rhinos poached in 2016/17. The largest number was experienced in Botsalano Game Reserve where nine Rhinos were poached and Mafikeng Game Reserve where seven Rhinos were poached. During the year under review, the Board experienced challenges relating to aged personnel, as well as inadequately trained employees on Rhino poaching techniques which led to excessive overtime payments as reflected in the financial statements. Furthermore, a lack of tools and equipment to curb poaching was experienced. The Board has stiffened its operational measures to counter Rhino poaching within the parks, by among others: intensified awareness campaigns in communities, involvement of conservation community ambassadors and advancing of anti-poaching training for field rangers.

Fire

Uncontrolled fire which normally attacks and invades some of the parks destroys a lot of natural resources such as trees and animals. Stringent measures are now in place to monitor any possible fire near the parks. Through the partnership with the Working on Fire programme, the Board managed to minimise the financial impact of dealing with uncontrolled fires.

Lack of park maintenance and resources

As reflected in the financial statements, a large amount of the expenses go towards the improvement of infrastructure, equipment and machinery due to the condition that they are currently in. Additional funding will be required to get these assets in an acceptable and operational condition.

Discontinued activities/ activities to be discontinued

During the year under review, the Board did not have any of its planned activities discontinued.

New or proposed activities

In addition to the future projects stated by the Chairperson , the Board will engage in the following projects:

Mafikeng Game Reserve Security Wall at R3 million
Bokone Bophirima Wildlife Academy at R4 million
Purchasing of anti-poaching equipment at R3 million
Creation of investment opportunities inside the Parks at R3 million
Game management solutions at R2 million
Admin support systems at R1 million
Conducting of feasibility studies to unlock Eco-tourism.

Supply chain management

During the 2016/2017 financial year, policies, systems and procedures were in place and executed accordingly. However , some procurement processes were not complied with in line with the PFMA which has led to irregular expenditure as disclosed in the financial statement.

The Board did not engage in any unsolicited bids for the year under review. The position of Supply Chain Manager could not be filled due to circumstances and therefore , compliance became a challenge within the Board. The Accounting Authority are in process to implement proper control and monitoring process es to avoid recurrence. The process of filling the post will be pursued during the year 2017/2018. Service level agreements will be entered into with suppliers to ensure compliance. The Board will further attend to the training aspect to capacitate the SCM unit.

Audit report matters in the previous year and how they would be addressed

The Board received a qualified audit opinion as indicated in the report by the Audiitor General of South Africa (AGSA) on page 73 with the main contributing factors under

- Property, plant and equipment
- Employee related costs
- Irregular expenditure
- Cost of sale of biological assets
- Consolidation of financial matters.

The AGSA also raised issues on performance information due to inadequate technical indicator description and proper performance management systems that determine how the achievement would be measured, monitored and reported.

The Accounting Authority developed a post audit action plan and are in the process to address the findings and are working towards a clean audit report.

Outlook/ Plans for the future to address financial challenges

The NWPB plans to implement tight manage ment measures to maintain sound financial management practices. Continuous monetary evaluations will be performed to display and examine the entity's economic overall performance. The Board in addition, will strive towards maximising the performance of its very own sales streams, considering the

resource restrained environment it faces. Moreover, compliance to cost containment measures, reprioritisation and figuring out change-offs are on-going top priorities. The Board's objective will also be to reform the imbalance between personnel and operational funding.

Events after the reporting date

There were no significant events that occurred after the reporting date.

Economic viability

The Board will continue to challenge the current status of the national economy by tightening its financial controls and measures and identifying other sustainable economic opportunities. NWPB is also attempting to implement proper economic and administrative concepts which are in line with all the ap plicable legislative prescripts. It is in addition, growing numerous measures to mitigate the gap between its operations and constraints. The Board remains dedicated to contribute to provincial monetary growth and task advent in the province.

Acknowledgement/s or appreciation

I would like to dedicate my gratitude to the board members, under the Chairpersonship of Dr Leballo, and also thank the various board committees. Special appreciation goes to Hon. Manketsi Tlhape, the MEC of READ for the funding received and for her ongoing valued support. In closing, I convey my sincere thanks to the NWPB staff for their hard work and dedication during the period under review.

Mr D. MOMPEI
ACTING CHIEF EXECUTIVE OFFICER

1.6 Statement of responsibility and confirmation of the accuracy of the Annual Report

The NWPB as a Public Entity is accountable and responsible for the integrity of the financial statements of the Board, and the objectivity of different statistics provided within the Annual Report. To the best knowledge of the Board, we affirm the following:

- All records and amounts disclosed in this annual record are in line with the AFS audited by the AGSA. The document in its entirety, is correct and free from omissions
- The Annual Report has been prepared in line with the guidelines issued by the Treasury and the AFS were prepared in accordance with the PFMA, and the Generally Recognised Accounting Practice (GRAP)
- Management and employees operated within a framework requiring compliance with all relevant legal guidelines and upkeep of the highest integrity inside the conduct of all factors of the enterprise, except where otherwise indicated in the Annual Report document. The AGSA is responsible for expressing an impartial opinion of the AFS of the Board. The Board is well versed in its obligations as stipulated in the PFMA. those responsibilities consist of, but not limited to the following:
  - Setting up and preserving an effective, efficient and obvious system of economic, risk and internal controls
  - Managing and safe-guarding its belongings for the management of revenue, expenditure and liabilities of the NWPB
  - Taking effective and suitable steps to avoid irregular, fruitless and wasteful expenditure, as well as losses attributable to criminal behaviour
  - Taking appropriate disciplinary steps towards any employee(s) of the NWPB who contravene or fail to comply with the provisions of the PFMA; or commits an act which undermines the financial control established by the NWPB; or allows irregular expenditure or the occurrence of fruitless and wasteful expenditure

- Preserving complete and factua linformation on the economic affairs of the NWPB
- Reviewing of financial statements for each financial year, in accordance with GRAP.

In the Board's opinion, this Annual Report gives in all respect, the state of affairs of the NWPB, its business, financial results, performance against predetermined targets for the year ended 31 March 2017 and its financial position as at 31 March 2017.

Dr TE Khakhane-Leballo
Chairperson of the Board

1.7 Strategic Overview

Vision
Eco-tourism economy that creates jobs, alleviates poverty, addresses inequality and protects the environment.

Mission
To be a leader in partnering with stakeholders by providing wildlife experience in a Malaria Free Environment through uniting conservation, communities and sustainable travel.

Values

- **Batho Pele Principles:**

We promise to be cli ent orientated and responsive by displaying a positive and helpful attitude to our clients. We undertake to be accessible, approachable, friendly and sensitive and always show empathy towards our clients.

- **Dedicated and committed:**

We resolve to be committ ed and motivated by approaching our work with passion and diligence, be disciplined and take ownership of everything we do. Of utmost significance, we commit to be punctual.

- **Integrity:**

We undertake to be ethical, transparent, honest and approach our work with openness and fairness. We pledge to be always trustworthy and reliable.

- **Innovative:**

We shall embrace a culture of learning, adaptation and creativity at all times.

- **Excellence:**

We shall strive to apply best practise to achieve the highest quality an d standards at all times.

- **Cooperative governance:**

We will engage through joint planning and coordination of stakeholders ensure holistic, integrated and coherent programmes and projects.

1.8 Legislative and other mandates

The NWPB is established as a S chedule 3 (C) Provincial Public Entity in terms of the PFMA Act 1 of 1999 as amended. Furthermore, the Board is constituted through the North West Parks Board Act no. 3 of 2015.

The following are the other constitutional and legislative functional and poli cy mandates that govern the establishment and operations of the NWPB:

Basic Conditions of Employment Act 20 of 2013
Employment Equity Amendment Act 47 of 2013
Labour Relations Amendment Act 6 of 2014
Employment Services Act 4 of 2014
Occupational Health and Safety Act, 1993 Act 85 of 1993
National Environmental Management Act 107 of 1998
Biodiversity Act 10 of 2004
Protected Areas Act 57 of 2003
Broad Based Black Economic Empowerment Act.

1.9 Organisational Structure

PART B

performance information

2.1 Auditor-General's Report: Predetermined Objectives

Refer to the AGSA report on predetermined objectives set out on page 73.

2.2 Situational analysis

Performance delivery environment

NWPB realised a preliminary bottom line deficit of R 28 013 478 for the period under review. Going forward however, this might not be the case, as is evident from the economic downturn in the c ountry, and a rise in interest rates. When compared to the same period last year the revenue to cost ratio has improved slightly. However, the budgeted expenditure was higher than planned. The reason budgeted expenditure was exceeded is attributable to increased operating activities, which resulted in additional cost.

Organisational Environment

The realignment within the Board to improve organisational efficiencies, resulted in the amalgamation of the other portfolios of such as Marketing and Branding, Investment Promotion and Social Responsibility and Prospecting Business Development under the Eco-tourism and Wildlife. Additionally, the Protected Area Management Unit was established, with earmarked funding from the other potential financial support and relevant appointments were made to capacitate the established units. These appointments strengthened the overall governance and operations within the Board.

Regarding socio-economic development, NWPB has taken a strategic decision to expand its role in the devel opmental support provided to neighbouring communities as an Entity of the developmental state.

Key policy developments and legislative changes

There were no major changes to existing relevant policies or legislations for the year under review.

2.4 Situational analysis

PROGRAMME 1. ADMINISTRATION

SUB-PROGRAMME 1.1.: To ensure overall management and accountability for the NWPB

Part A: Business management/ leadership

Summary of key issues impacting on the above strategic goals

- Employee satisfaction in the Board will lead to delivery of better eco -tourism products to customers which will contribute to achieving customer loyalty. Having a loyal base of satisfied customers within such a competitive environment, increases revenues, decreases costs and builds market share . It has been revealed that, there is a strong linkage between employee satisfaction and job performance and that satisfied employees show higher performance than others.

Internal Audit

Purpose

Render good corporate governance services over the MTEF ending 2019 towards a clean audit report.

Introduction and overview of the subprograms

Attainment of a clean audit outcome within an effective control environment to ensure that the core functions are delivered according to their mandate.

Summary of key issues impacting on above strategic goals

Incomplete risk register

Lack of management cooperation

Late submission of documents requested for audit purposes.

Internal audit is not sufficiently resourced.

2. PART B: Performance Information

Legal Services

Purpose

To provide proper legal service and support.

Introduction and overview:

To ensure Legal compliance of the Institution.

Summary of key issues impacting on above strategic goals

Report on legislation and policies reviews

- Report on legal representations and legal advices

Report on Legal Agreements and notices

Report on Litigations.

Risk Management

Summary of key issues impacting on above strategic goals

- Lack of funding for risk management activities.

Lack of staff capacity

Resource Security

Summary of key issues impacting on above strategic goals

Ensure wildlife resources security and law enforcement

Social Responsibility Programme & Infrastructure Projects

Purpose

Job Creation,poverty alleviation and skills development through the development of infrastructure in and around Parks and Reserves.

Summary of key issues impacting on above strategic goals

The Social Responsibility Unit as a sub -program formerly known as Poverty Relief Unit applied for funds from National government (DEA & NDT) to implement projects within the Reserves by creating temporary jobs and addressing the infrastructure backlog within our parks to alleviate poverty and to aid skills development.

To ensure that the mandate responds to government priorities of poverty eradication, sustainable development, economy and social development within the North West Province.

The following are objectives of the programme in line with this goal:

Better environmental management practices
Job creation
* Skills development
Development of Small Medium and Micro Enterprises (SMMEs).

Internal Resource Management (HR management)

Summary of key issues impacting on above strategic goals

Provide resources for delivering training to all employees
* Provide Quality assured training which is aligned with NQF and SAQA requirements
Establish Partnerships and Consultation with all Stakeholders
Changes in the legal framework surrounding employment HR and employment practice being developed in other organisations, such as new flexible work practices.

The Unit core functions:

* Employee Relations Management
* Occupational Health and Safety Management
* Employment Equity, Gender and Performance and Development Management
* Remuneration and Benefits Management
* Employee Wellness Programme Management
* Recruitment and Development Management.

Finance and Administration

Introduction

Render Good Corporate Governance services over the MTEF ending 2020 and to ensure a clean audit report.

Summary of key issues impacting on above strategic goals

* Policy and accounting standard changes
* Implementation of policies and procedures
* Execution of management control
* Provide management information.

Changes in needs and directives

To monitor and report on compliance and/or non-compliance matters detected

Liaison with stakeholders.

Supply Chain Management

Summary of key issues impacting on above strategic goals

Lack of policy and a Provincial Supply Chain Management System

Implementation of policies and procedures.

Information Technology Management

Purpose

- To provide a sound Information Technology support system towards achieving the objectives of North West Parks Board.

Summary of key issues impacting on above strategic goals

Conduct and complete IT server backups and record in line with ISO standard.

CORPORATE COMMUNICATIONS PUBLIC RELATIONS AND INFORMATION R E C ORDS MANAGEMENT SERVICES SUPPORT

Sub-Programme 1.2: To manage the relationship between the NWPB, relevant provincial departments and the MEC.

Sub-programme 1.3: To revitalize, commercialize and market the Protected Areas Estate and transformation of the wildlife sector

Introduction and overview of the unit

To establish and enhance working relations with internal and external stakeholders to uplift and maintain NWPB corporate identity and memory through available communication networks and mediums

Strategic goal 1

To provide Corporate Communications, Public Relations, Information Records Management and Graphic Design Support Services.

Strategic goal 2

Promote and market tourism offerings in the 15 parks and reserves.

Messages/content support
Corporate promotional material requests
Internal communications services
Electronic information updates
External communications services
Attending to client publications requirements
Improving corporate image/identity
Ensuring business excellence within the Unit
Public relations management
Web development, Graphic design &photography services
Events support services
Corporate branding services
Information and records management.

Summary of key issues impacting on the above strategic goal

The unit has been given an added responsibility of Marketing the parks, most of the activities where directed to marketing, there is need for tourism infrastructure to be repaired according to the World access and tourism grading council guidelines, including the repairing of roads inside parks, Pilanesberg being top of the list.

Records management has been halted indefinitely, h owever a Heritage sites audit was conducted inside the parks jointly with CATA, a report is available;
Distribution of information through emails is still a challenge, since not everyone is able to access emails, especially staff at the Parks.

Programme 1: Administration

Sub-Programme 1.1: To ensure overall management and accountability for the NWPB

Strategic Objective	Performance Indicator	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on Deviations
To ensure internal business excellence within the Board programmes	Climate / employee satisfaction rating (%)	50	47,09	2.91	The global satisfaction rating index is 45% therefor the Board has over stated the target
	Client satisfaction rating (%)	70	53,9	16.10	The global satisfaction rating index is 45% therefore the Board has over stated the target
	Number of internal audit projects conducted as per audit plan	8	8	None	None
	Conduct a Due Diligence on all Contracts to establish value for money for the North West Parks Board	1	1	None	None
	Development of Risk Management Framework	1	0	1	The organisational structure and appointment were not

Strategic Objective	Performance Indicator	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on Deviations
					finalized yet
	Review the Strategic Risk Register	1	0	1	The organisational structure and appointment were not finalised yet
	Number of Risk Assessment conducted per quarter	9	0	9	The organisational structure and appointment were not finalized yet
	Joint compliance operations conducted with stakeholders	4	4	None	None
	Implementation of projects as per approved project plans	100	100	None	None
	Develop and implement 70% of training as determined by mandatory grant plan (%)	70	63,63	6.37	Due to financial constraints and moratorium on expenditure, planned training could not be conducted
	Increase recruitment of under-represented groups (%)	2	0	2	The vacancies in the unit will be filled in 2017/18 financial year

Strategic Objective	Performance Indicator	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on Deviations
	Performance review frequency	4	1	3	The funds for PDMS were used to purchase staff uniforms. Job descriptions were not aligned to the operation plan and strategic plan. Therefore PMDS will be implemented during 2017/18
	Number of expense and revenue evaluations conducted versus budget	12	12	None	None
	Audit issues received versus cleared (%)	85	76,25	8.75	The asset verification team could not complete the process timeously as they do it together with the 2016/17 verification process
	Implementation of approved supply chain requests (%)	100	78,75	21.25	Purchases restricted and postponed due suppliers availability and

Strategic Objective	Performance Indicator	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on Deviations
					financial challenges
	Assist core business to grow annual revenue (%)	5	41	36	Due to game and redundant asset sales, concession and gate fees
	Conduct and complete IT server backups and record in line with ISO standard	12	12	None	None
	Number of events conducted	4	4	None	None

Strategy to overcome areas of under-performance

Strategic Objectives	Performance Indicator	Strategy to address Under-Performance
To ensure internal business excellence within the Board programmes	Climate / employee satisfaction rating (%)	The Board will align the target to the Global Target during 2017/18
	Client satisfaction rating (%)	The Board will align the target to the Global Target during 2017/18
	Development of Risk Management Framework	The GM: Internal Audit and Risk Management position will be filled during 2017/18
	Review the Strategic Risk Register	The GM: Internal Audit and Risk Management position will be filled during 2017/18
	Number of Risk Assessment conducted per quarter	The GM: Internal Audit and Risk Management position will be

Strategic Objectives	Performance Indicator	Strategy to address Under-Performance
		filled during 2017/18
	Develop and implement 70% of training as determined by mandatory grant plan (%)	All outstanding training will be addressed in 2017/18 financial year.
	Increase recruitment of under-represented groups (%)	The vacancies in the unit will be filled in 2017/18 financial year
	Performance review frequency	The reviews will be conducted in 2017/18 after the alignment of job descriptions of staff
	Audit issues received versus cleared (%)	All audit issues will be cleared during the preparation of the AFS for 2017
	Implementation of approved supply chain requests (%)	Implementation will be in line with the demand management plan

Sub-Programme 1.2: Manage the relationship between the NWPB, relevant provincial departments and the MEC

Strategic Objective	Performance Indicator	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on Deviations
To ensure good stakeholder relations management and communication	Stakeholder relations strategy (n)	1	0	1	The strategy is in draft format and part of its activities were implemented

Strategy to overcome areas of under-performance

Strategic Objectives	Performance Indicator	Strategy to address Under-Performance
To ensure good stakeholder relations management and communication	Stakeholder relations strategy (n)	The strategy will be approved during first quarter 2017/18

Sup-Programme 1.3: Revitalize, Commercialize and Market the Protected Areas estate and transformation of the wildlife sector within the Province

Strategic Objective	Performance Indicator	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on Deviations
To ensure sound branding and marketing of the 15 Parks in our Estate; through parks branding and portfolio promotions	Develop Marketing and Branding strategy (n)	1	0	1	The strategy is in draft format and part of its activities were implemented

Strategy to overcome areas of under-performance

Strategic Objectives	Performance Indicator	Strategy to address Under-Performance
To ensure sound branding and marketing of the 15 Parks in our Estate; through parks branding and portfolio promotions	Develop Marketing and Branding strategy (n)	The strategy will be approved during first quarter 2017/18

Sub-Programme 1.4: To ensure the development of a conducive environment for investment promotion

Strategic Objective	Performance Indicator	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on Deviations
To ensure Eco-Tourism investment promotions, opportunity scoping and management support	SMME training conducted (n)	6	0	6	The organisational structure and appointment were not finalised yet
	Skills development in eco-tourism enterprises engaged with the Board	3	0	3	The organisational structure and appointment were not finalised yet
	Eco-Tourism investment promotion strategy developed	1	0	1	The organisational structure and appointment were not finalised yet
	Investment opportunity scoping conducted (n)	1	0	1	Transfer of earmarked funds were only received on the 30 March 2017
	Conduct feasibility study for identified	4	0	4	Transfer of earmarked funds were only received on the 30

Strategic Objective	Performance Indicator	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on Deviations
	projects (n)				March 2017
	Investment packages/ projects developed (n)	2	0	2	Transfer of earmarked funds were only received on the 30 March 2017

Strategy to overcome areas of under-performance

Strategic Objectives	Performance Indicator	Strategy to address Under-Performance
To ensure Eco-Tourism investment promotions, opportunity scoping and management support	SMME training conducted (n)	Vacancy will be filled in 2017/18 financial year
	Skills development in eco-tourism enterprises engaged with the Board	Vacancy will be filled in 2017/18 financial year
	Eco-Tourism investment promotion strategy developed	Vacancy will be filled in 2017/18 financial year
	Investment opportunity scoping conducted (n)	Execution will be done during 2017/18 financial year
	Conduct feasibility study for identified projects (n)	Execution will be done during 2017/18 financial year
	Investment packages/ projects developed (n)	Execution will be done during 2017/18 financial year

PROGRAMME 2: BIODIVERSITY CONSERVATION MANAGEMENT

SUB-PROGRAMME 2.1: To ensure the management and development of provincial protected areas within the context of relevant national and provincial policies and legislation

Protected Areas Management

Introduction and overview of the subprograms

The Protected Areas Management is a Section within the Biodiversity Conservation Management Development (BCMD) of the Board. The main mandate of the section is to ensure that all wildlife sanctuaries of the Board within the Province are managed based on sound global principles and all that is based on scientific proven acceptable standards. In order for that to be achieved, the section is charged with the following objectives:

- Vegetation monitoring and management through alien plant control, bush thinning, security fire-breaks, block and mosaic burning, soil erosion reclamation and climate monitoring.
- Game management through game monitoring, game census, research and surveys, and the security thereof
- Infrastructure maintenance through the development of roads, fences, buildings and dams.
- Tourism management through the facilitation of infrastructure maintenance and development, visitor monitoring, promotion.
- Maximise income through the development of park facilities and opportunities
- Maximise public relations with strategic social partners in the conservation management fraternity, local municipalities and communities surrounding parks.

Summary of key issues impacting on the above strategic goals

- Rhino Poaching
- Development of park management plans which underpin operational orientation of all protected areas
- Inadequate funding for infrastructure development and maintenance
- Adequately qualified human capital and continued in-service training and development
- Political will and support in all endeavors to deliver on the objectives of the Section.
- Broader consultation and interaction with sister organizations nationally and internationally. This assists the organization to remain relevant in the changing environments and practice approaches.

Protected Areas Expansion and Development

Introduction and overview of the subprograms

Purpose of Existence

Recruitment of land for expansion and development of protected areas, and ensure compliance with environmental legislation.

Introduction and overview of the subprograms

Protected Areas Expansion and Development - is responsible for expansion of representative protected areas network in the province

Biodiversity Stewardship – responsible for implementation of Biodiversity Stewardship programme as recruitment mechanism for Protected Area expansion.

Summary of key issues impacting on above strategic goals

Hectares of land recruited under formal conservation management

Ensuring environmental compliance within all Board establishments.

Social Ecology

Purpose of the Unit

To drive a progressive conservation management program that advances the relevance of conservation to the socio-economic realities of local communities provincially and nationally.

Introduction and overview of the subprograms

Social Ecology unit has three sub units: People and Parks, Community Development and Education for Sustainable Development.

People and Parks

Promote implementation of intergovernmental sector programs, support conservation and land reform processes, and strengthen linkages and relationships with communities residing immediate to the parks by providing cultural resource management.

Community Development

Community Liaison and Communication

Capacity Building Program

Community Base Natural Resource Initiatives

Education for Sustainable Development

Build conservation and environmental Awareness and Patronage

Provide both conservation and environmental education to our communities especially that are surrounding the parks.

2.3 Performance information by programme

PROTECTED AREAS MANAGEMENT

Strategic Objective	Performance Indicator	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on Deviations
Combat land degradation, improve management effectiveness of protected areas	Number of ha cleared of alien invasive plant species	80	99	19	Excess rain resulted in the increase in AIS which were removed thus resulting in over achievement.
	Percentage of parks with an average METT assessment	70	67	3	Due to activities performed but not documented for evaluation

Strategic Objective	Performance Indicator	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on Deviations
	score of more than 67%				
	Number of Park Management Plans revised	14	0	14	Park Management Plans were internally revised and awaiting approval

Strategy to overcome areas of under-performance

Strategic Objectives	Performance Indicator	Strategy to address Under-Performance
Combat land degradation, improve management effectiveness of protected areas	Percentage of parks with an average METT assessment score of more than 67%	Activities performed will be documented during 2017/18 as per METT requirements
Number of Park Management Plans revised		Public participation and approval will be conducted during 2017/18

PROTECTED AREAS EXPANSION AND DEVELOPMENT

Strategic Objective	Performance Indicator	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on Deviations
To recruit land for conservation	Number of hectares that parks expand by	10 000	958	9 042	The 9 042 hectares were recruited but not signed off yet
	Number of bio-stewardship agreements signed	1	0	1	The Stewardship site was recruited and not signed yet.
	Number of protected areas declarations submitted	1	9	8	Using internal GIS reserve property data for some of the reserves enhanced speedy performance where budget could have been a constraint in procuring services of land surveyors.

Strategy to overcome areas of under-performance

Strategic Objectives	Performance Indicator	Strategy to address Under-Performance
To recruit land for conservation	Number of hectares that parks expand by	The agreements will be singed off during 2017/18
	Number of bio-stewardship agreements signed	The agreement will be singed off during 2017/18

SOCIAL ECOLOGY

Strategic Objective	Performance Indicator	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on Deviations
To advance the relevance of conservation to the socio-economic realities of local communities	Number of Business cases developed for Education for sustainable development	1	1	None	None
	Number of plans developed for Community Based Natural Resource Management	1	1	None	None
	Number of Co-Management Agreements concluded	2	9	7	The Board managed to finalize the planned and additional co-management agreements

This report of non-financial data reflects the performance of the Entity as planned in the Annual Performance Plan 2016/2017.

2.4 Revenue Collection

As mentioned above, the Board needs to generate additional income to ensure delivery as the grants received from Government are not sufficient. The table below reflects the major components for direct income from operational activities against budget. Th ese exclude grants received through infrastructure development donations.

Trends of Revenue Collection

'000

Year	2016/2017			2015/2016		
Description	Budget	Actual	Difference	Budget	Actual	Difference
Service rendered	41 500	46 350	4 850	32 501	53 683	10 248
Games Sales	3 350	5 225	1 875	1 667	20	- 1 647
Other Income	2 320	25 695	23 375	25	17 337	- 1 159
Interest received	1 000	2 116	1 116	915	1 130	415
Total	48 170	79 386	31 216	35 108	72 170	7 857

The revenue as reported under service rendered include gate fees and concessionaire fees, while other income include ad hoc revenue such as hiking fees, angling fees, revenue from wood and map sales. The recovery of income related to game sales and entrance fees together with the smaller ad hoc income generating activities are not a challenge and paid as the activity or event takes place. Unfortunately, this is not always the situation with concession fees. Concessionaires do not always have the financial resources to settle commitments as and when required, due to low occupancy levels and high costs at Lodges. In most instances payment arrangements must be made and these have a negative impact on NWPB's operational activities.

2.5 Capital Investments

The Board is currently in the process of developing a capital investment and asset management plan in line with the directives issued. As part of the asset management planning, the Board engaged in an asset verification process, which included movable and immovable assets. After the Board compartmentalised the infrastructure and determined the conditions of the assets, the deemed cost of each component was established and recorded as such within our asset register. Infrastructure development projects were financed by Provincial and National Departments as well as the private sector. These projects were monitored by the Board through its Social Responsibility and Infrastructure Unit. As stated within the AFS, projects worth R23 million at fair valuation were donated to the NWPB during the past financial year. An additional R11 million relating to social contribution was spent bringing the total contribution to R34 million. The donated projects are situated within the Botsalano Game Reserve and Kgaswane Mountain Reserve.

Infrastructure projects

		2016/2017		
Infrastructure projects	Status	Budget	Actual Expenditure	Material Variances
		R'000	R'000	
Botsalano Fence Upgrade Removal of old Fence &Installation of new fence Renovation and Additions of staff accommodation (Gate 3) Construction of New Accommodation (Gate 1) Renovation and Additions of staff accommodation (Gate 1)	Completed	7 000 000	7 000 000	Completed Within the Budget

		2016/2017		
Infrastructure projects	**Status**	**Budget**	**Actual Expenditure**	**Material Variances**
		R'000	**R'000**	
Kgaswane Tourism Infrastructure Renovation of Building Construction of Conference Centre Erection of 36km Game Fence General Cleaning and Alien Vegetation Removal	Completed	27 000 000	27 000 000	Completed Within the Budget

Infrastructure projects that are currently in progress

		2016/2017	
Bloemhof Dam Infrastructure projects	Status	Budget	Actual Expenditure
		R'000	R'000
Infrastructure Upgrade Scope of Work: Twenty electrified non-water camp sites Upgrade of 2 separate Staff Housing Upgrade Guard House / Entrance Gate Construction of new staff accommodation to cater for 5 staff Construction of Boat Area and Slip way Upgrade of 3 self-catering dormitories Upgrade of 3 self-catering chalets	Funds Received still busy with Procurement Processes	30 000 000	0

		2016/2017	
Bloemhof Dam Infrastructure projects	Status	Budget	Actual Expenditure
		R'000	R'000
Construction of 2 new ablution blocks Construction of 12 new self-catering chalets.			

Plans to close down or down-grade any current facilities

		2016/2017
Bloemhof Dam Infrastructure projects	**Plans to close down or down-grade any current facilities,**	**Budget**
		R'000
Infrastructure Upgrade Scope of Work:		30 000 000
Twenty electrified non-water camp sites	No	
Upgrade of 2 separate Staff Housing	Yes	
Upgrade Guard House / Entrance Gate	Yes	
Construction of new staff accommodation to cater for 5 staff	No	
Construction of Boat Area and Slip way		
Upgrade of 3 self-catering dormitories	Yes	
Upgrade of 3 self-catering chalets	Yes	
Construction of 2 new ablution block	Yes	
Construction of 12 new self-catering chalets.	No	
	No	

PART C

governance

3.1 Introduction

Corporate governance embodies processes and systems though which the Entity is directed. In addition to legislative requirements the Executive Authority and the Board of Directors are responsible for corporative governance.

3.2 Portfolio Committees

Four meetings were held with the Portfolio Committee on READ for the financial year under review. Two meeting s concerned the review of c oncession agreements for various parks and reserves while the other t wo meetings were related to the tabling of quarterly reports.

3.3 Executive Authority

Several management and operational issues were raised during the year under review which included irregular expenditure, management agreements, cost containment, appointments which are reflected in the audit committee report.

3.4 The Accounting Authority/the board

The Board of Directors is the Accounting Authority of the NWPB in terms of section 49 of the Public Finance Management Act No. 1 of 1999 as amended. The board is appointed in terms of section 6 and 7 of the North West Parks Board Act No.03 of 2015.

Board charter

A draft board charter has been tabled for comments and is awaiting final board approval.

Composition of the board

There are currently five board members. No alternative board members have been appointed. The Board is a mixture of finance, legal, human resources and conservation representation. The Board of directors were appointed by the responsible Member of the Executive Council for READ.

Composition of the NWPB Board of Directors

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 (e.g: Audit committee Ministerial task team)	No. of Meetings attended
Dr. TE Khakhane-Lebalio	Chairperson of the board	01 August 2015	N/A	Bachelor of Medicine	Strategy, Policy skills, Medical Practitioner	N/A	N/A	04
Dr T Magome	Chairperson of the Conservation Committee	01 August 2015	N/A	Doctorate	Conservation Specialist	Mpumalanga Conservation Sub-Committee	N/A	04
Adv. T Seboko	Member of Audit & Risk Committee	01 September 2016	N/A	B. Iuris, LLB	Legal Practitioner	N/A	N/A	00
Rev. P Tihabanyane	Chairperson of the Human Resources & Finance committee	01 March 2016	N/A	B. Degree	Human Resources, Policy and Administration	Harmony Christian School & Marico Conservation Association	Advisory Committee of the Premier of North West	03
Adv. MMM Raborife	Chairperson of the Audit & Risk Committee	01 August 2015	N/A	LLB	Legal Skills	N/A	N/A	04
Ms. L Motlhamme	Deputy Chairperson	03 August 2015	31 August 2016	CA (SA)	Accounting and auditing	N/A	N/A	N/A

Committees

The NWPB board established the following committees:

Committee	No. of meetings held	No. of members	Name of members
Audit & Risk	02	03	Adv. Raborife, Dr Magome, Adv. Seboko
Conservation	02	03	Dr. Magome, Adv. Raborifi, Pastor Tlhabanyane
Finance and Human Resources	01	03	Rev. Tlhabanyane, Dr Magome, Adv. Raborifi

Attendance of audit committee meetings by audit committee members

Name	Qualifications	Internal or external	If internal, position in the public entity	Date appointed	Date Resigned	No. of Meetings attended
Adv. MMM Raborife	Advocate of the High Court of RSA	Non-Executive member	N/A	01 August 2015	N/A	02
Adv.T Seboko	Advocate of the High Court of RSA	Non-Executive member	N/A	01 September 2016	N/A	00
Dr. DT Magome	Doctorate	Non-Executive member	N/A	01 August 2015	N/A	02

Remuneration of the board

Non-executive members of the board are remunerated based on the NWPB policy on remuneration which is prepared in line with the approval granted by the Minister of Finance in terms of Treasury Regulations 20.2.2. Below:

	Emoluments	Other benefits	Total
Dr. TE Khakhane Lebalo (Chairperson of the board)	167,200	21,414	188,614
Ms. LK Motlhamme (Deputy Chairperson)	3,626	3,015	6,641
Mr. DT Magome	216,634	94,441	311,075
Adv. MMM Raborife	224,202	88,805	313,052
Dr. TM Guma	7,586	5,109	12,677
Rev. PM Tlhabanyane	184,470	27,959	212,429

3.5. Risk Management

The strategy and policies were drafted through the assistance of the Department of Finance and were pending approval by the Executive Authority. Based on the draft strategy and policy, an assessment was done for the Board. The risk activities were managed by the audit and risk sub-committee which advised management on all risk related matters. The said committee advised management to ensure the appointment of the risk management unit which was advertised during the year in review and the appointments will follow in 2017/2018.

3.6 Internal Control Unit

Internal Control is part of the monitoring and evaluation unit which ensures that the organization achieves its objectives in operational effectiveness and efficiency, reliable financial reporting, and compliance with laws, regulations and policies. For the year under review that evaluation was achieved in line with the required quarterly reports.

In addition to the above, the internal audit unit executed their audit plan to ensure internal controls.

3.7 Internal Audit

Key activities and objectives of the internal audit

The internal audit activity is to evaluate and contribute to the improvement of governance, risk management, and control processes using a systematic and disciplined approach

Internal audit base conclusions and engagement results on appropriate analyses and evaluations of the process put in place.

A summary of key audit work done during the period in review is as follows:

- Ecological Services Audit
- Auditor General Follow-up
- Plant Management follow up
- Revenue Management follow up
- Overtime Management follow up
- Security Patrol follow up
- Petroleum Management follow up
- Co-Management follow up.

3.8 Compliance with laws and regulations

The board has complied with all applicable laws a nd regulations during the year under review.

3.9 Fraud and Corruption

The following were the Entity's fraud prevention plans and the progress made in implementing them.

- The approved Fraud Prevention Plan was implemented and is currently under review.
- The Board has established the following measures to address fraud and corruption as per the approved Fraud Prevention Plan:
- Reporting Fraud and Corruption
- Investigating fraud and corruption incidents
- Disciplinary enquiry
- Criminal prosecution
- Litigations.

3.10 Minimising Conflict of interest

During the year under review, the Entity introduced a process of declaration of interest during all meetings and internal processes.

3.11 Code of Conduct

The Entity implemented a code of conduct in line with the Public Service Act and good practices as part of the human resources policies.

3.12 Health, Safety and Environmental Issues

Measures have been put in place to ensure that the HR plan provides for occupational health and safety issues within the Entity.

3.13 Board Secretary

All the secretariat services of the board were carried out in line with the legislation as follows:

- The coordination of meetings
- Safe custody of board and committee documents
- Compliance to the King IV report and the public entity requirements as per
- Companies Act
- Advising board members in their individual and collective capacities
- Managing the board office.

3.14 Social responsibility

During the year under review, the NWPB supported nearby communities with firewood, meat and water for unforeseen circumstances such as funerals.

3.15 Report of the Audit Committee

The Audit Committee is governed by an audit committee charter which has been approved and incorporates all the requirements of the Act. This charter guides the committee in terms of its objectives, authority and responsibilities, both statutory and those assigned by the Accounting Authority.

The audit committee fulfils a dual function, being both an aud committee and a risk committee. The audit committee recognizes its important role as part of the risk management and corporate governance processes and procedures of NWPB. The committee comprised of independent non-executive directors and the Chairperson of the committee is not the Chairperson of the board.

The committee considered the information as disclosed in the entity's Annual Report, assessed its consistency with the AFS and is satisfied that the information is not contradictory to that disclosed in the AFS

The Audit Committee reviewed the financial statements of the Entity and is satisfied that the Annual Financial Statements do comply with Generally Recognised Accounting Practise (GRAP) and the Public Finance Management Act (PFMA), in particular that the financial statements are fairly presented in accordance therewith GRAP except for the possible effects highlighted by the AGSA. The Committee further reviewed the Auditor-General's final management report, management responses thereto and the post audit action plan generated to address the findings. The committee also notes the adjustments made to the AFS resulting from the audit.

The Audit Committee acknowledges the internal audit function shortfall in carrying out the independent assessment of the Entity's governance, risk assessment and internal control processes due to adequate staffing during the year under review. The committee will capacitate the internal audit unit with the required skills in the next financial year to fulfill its legislative requirements. Going forward, the audit committee will continue to focus on the ability of the Entity to curtail irregular expenditure, cost of employment and bad debts.

In addition, the committee reviewed management's assessment of going concern and accepts the going concept adopted by NWPB in preparation of its AFS.

The audit committee has evaluated the AFS of the NWPB for the year ended 31 March 2017, during their meeting held on 30 May 2017. The committee recommended the approval of the AFS to the Accounting Authority at the meeting held 30 May 2017.

Adv. M Raborife
Chairperson of the Audit Committee

PART D

human resource management

4.1 Introduction

The programme provides support services to its clients to ensure internal business excellence that contributes to client satisfaction and leads to improved competence level s within the Board.

Purpose

The Human Resources Division provides Human Resource leadership to ensure a high performing workforce. The division provides strategic direction and advice related to human resources policies and initiatives such as diversity and leadership management. The division fulfils legislative and delegated responsibilities for recruitment, compensation, pension and benefits, employee development, organisational health and labour relations.

PROGRAMMES

- Employment Equity and Performance Management and Development System
- Occupational Health and Safety Management
- Employee Wellness Programme Management
- Remuneration and Benefits Management
- Employee Relations Management
- Recruitment and Development.

Set HR priorities for the year under review and the impact of these priorities

- Assess the human resources necessary to perform departmental functions
- Assess existing human resources by race, gender, and disability, as well as by occupational categories, organisational components, and grade

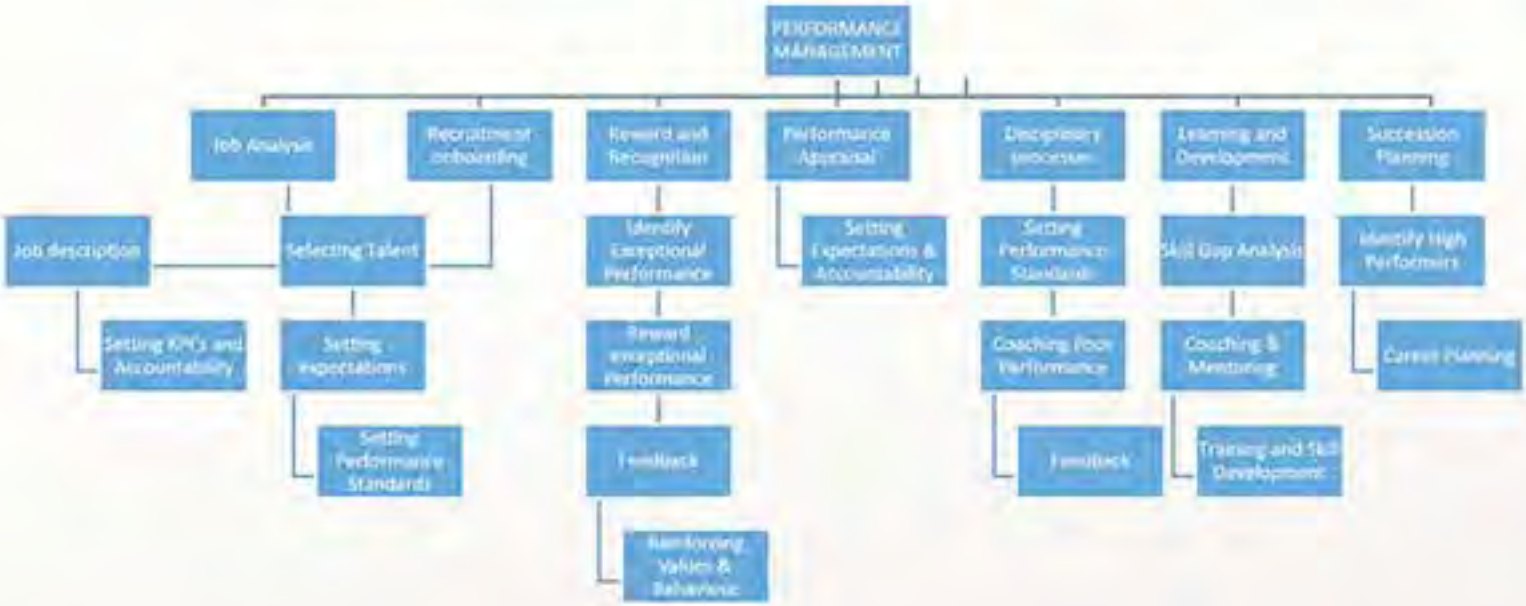
- Plan within available budgeted funds for t he recruitment, retention, deployment, and development of human resources according to departmental requirements and
- Address the position of employees affected by the abolition of unnecessary posts.

Workforce planning framework and key strategies to att ract and recruit a skilled and capable workforce

The NWPB recognises that its most important asset is human capital. A great deal of time and money is invested in the recruitment, training and development of employees, and as such, every effort should be made to retain experience d, scarce and critical skills. It is generally agreed that the achievement of the NWPB's strategic objectives is largely dependent on its ability to attract and retain high caliber individuals. This is particularly important for defined critical occupations, strategically critical individuals and for ensuring adequate succession.

Human resource planning aims to ensure a dedicated, responsive, and productive workforce having the right people, at the right place, at the right time, all the time. To realise this vision, management 's buy-in and commitment is essential to ensure that the HR planning process achieves its set objectives. Without building organisational capacity to develop and implement an HR plan, this vision will not be realised.

Employee performance management framework



Employee wellness programme

The Employee Health and Wellness Programme offers integrated wellness services which include:

- Employee study assistance programme
- Health promotion
- Physical wellness and
- Communicable, non-communicable and chronic disease management programmes.

Policy development

The policies were developed in line with relevant legislative frameworks in consultation with the necessary stakeholders. They were further reviewed for legal compliance.

Highlight achievements

- The recruitment process was initiated during the year in review and appointments are earmarked for the next financial year.

Challenges faced by the public entity

- Vacant executive management posts
- High turnover rate.

Future plans

- Filing of key vacancies
- Prioritisation of employee wellness and occupational health and safety programmes
- Uplifting of staff morale.

4.2 Human Resources Oversight Statistics

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)
Programme 1 and 2	227 000 000.00	132 571 221,70	58.4%	499	265 673.791

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				
Senior Management	R 5 585 621,54	4%	4	1 396 405,385
Professional qualified	R 17 802 752,95	13%	30	593 425,098
Skilled	R 48 690 512,67	37%	153	318 238.645
Semi-skilled	R 59 496 945,29	45%	308	193 171.900
Unskilled				
Disability	R 995 389.25	1%	4	248 847.312
TOTAL	R 132 571 221,70	100%	499	265 673.791

Performance Rewards

Level	Performance rewards	Personnel Expenditure (R,000)	% of performance rewards to total personnel cost (R,000)
Top Management	0	N/A	N/A
Senior Management	0	N/A	N/A
Professional qualified	0	N/A	N/A
Skilled	0	N/A	N/A
Semi-skilled	0	N/A	N/A
Unskilled	0	N/A	N/A
TOTAL			

Training Costs

Activity	Personnel Expenditure (R,000)	Training Expenditure (R,000)	Training Expenditure as a % of Personnel Cost	No. of employees trained	Avg training cost per employee
Competency Based Assessment for Development purpose		R214 349.62	0.16%	35	R6 124.275
First Aid Level 1 & 2 Training		R107 730	0.08%	54	R1 995
VIP Basic Payroll Training		R7 345.90	0 .006%	01	R7 345.90
Employee Health, Safety and Wellness Training		R26 780.88	0 .02%	01	R 26 780.88
Conflict Management Training		R99 948	0.08%	22	R4 543.09
Diversity Management Training		R92 124	0.07%	16	R5 757.75
Job Evaluation Training		R47 956	0.04%	12	R3 996
Customer Care Training		R128 674	0.10%	32	R4 021.06
Fire-arm Training		R57 446	0.004%	14	R4 103.29
Study Assistance Programme		R112 481.25	0.08%	11	R10 225.57
TOTAL	R 132 571 221,70	R894 835.65	0.67%	198	R4 519.371

Employment and vacancies

Level	2016/2017 Approved Posts	2016/2017 No. of Employees	2016/2017 Vacancies	% of vacancies
Top Management				
Senior Management	2	2	2	.42%
Professional qualified	26	25	28	5.98%
Skilled	49	145	93	19.87%
Semi-skilled	14	296	68	14.52%
Unskilled				
TOTAL	91	468	191	40.8

All senior manager positions were advertised and recruitment will be finalised by the end of July 2017. Internal candidates were shortlisted for the positions.

Employment changes

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management				
Senior Management	4	0	2	2
Professional qualified	30	0	5	25
Skilled	153	0	8	145
Semi-skilled	308	0	12	296
Unskilled				
Total	495	0	27	468

Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	3	10.34%
Resignation	14	48.27%
Dismissal	0	0
Retirement	7	24.13%
Ill health	2	6.89%
Expiry of contract	1	3.44%
Other Settlement	2	6.89%
Total	29	5.85%

Labour Relations: Misconduct and disciplinary action

Nature of disciplinary Action	Number
Verbal Warning	01
Written Warning	00
Final Written warning	01
Dismissal	00

Equity Target and Employment Equity Status

Levels			MALE					
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	0	0	0	0	0	0	0
Senior Management	1	0	0	0	0	0	1	0
Professional qualified	6	0	1	1	0	0	2	0
Skilled	66	0	2	2	0	1	4	2
Semi-skilled	252	0	4	2	0	1	2	2
Unskilled	1	0	0	0	0	0	0	0
TOTAL	326	0	7	5	0	2	9	4

Levels			FEMALE					
	AFRICAN		COLOURED		INDIAN		WHITE	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0
Professional qualified	7	0	0	1	0	0	1	0
Skilled	50	0	4	2	0	1	3	2
Semi-skilled	81	0	0	2	1	1	1	2
Unskilled	2	0	0	0	0	0	0	0
TOTAL	140	0	4	5	1	2	4	4

Levels		Disabled	Staff	
	Male		**Female**	
	Current	**Target**	**Current**	**Target**
Top Management	0	0	0	0
Senior Management	0	0	0	1
Professional qualified	0	1	0	1
Skilled	3	0	0	0
Semi-skilled	2	0	0	0
Unskilled	0	0	0	0
TOTAL	5	1	0	2

Employment Equity targets vs actuals											
Race		African Appointed	National Target	Coloured Appointed	National Target	Indian Appointed	National Target	White Appointed	National Target	Disabled	National Target
Gender	Male	64%	41%	2%	6%	0%	2%	2%	1%	1%	2%
	Female	30%	34%	1%	5%	0%	1%	1%	5%	0%	2%

PART F

financial information

AUDITOR GENERAL
SOUTH AFRICA

Report of the auditor-general to the North West provincial legislature on the North West Parks Board

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of the North West Parks Board set out on pages 79 to 133, which comprise the statement of financial position as at 31 March 2017, and 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, except for the possible effects of the matters described in the basis for qualified opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the North West Parks Board as at 31 March 2017, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

Basis for qualified 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 qualified opinion.

Property plant and equipment

6. I was unable to obtain sufficient appropriate audit evidence for disposal of assets of R7 309 659 due to in adequate record management I was unable to confirm disposal of assets by alternative means. Consequently, I was unable to determine whether any adjustments relating to property plant and equipment of R508 283 558 disclosed in note 6 to the financial statements was necessary.

Employee related cost

7. I was unable to obtain sufficient appropriate audit evidence for overtime of R10 604 955 included employee related cost as the entity did not maintain accurate and complete records for overtime paid. I was unable to confirm overtime paid by alternative means. Consequently, I was unable to determine whether any adjustments relating to other payment of R11 570 241disclosed in note 22 to the financial statements was necessary.

Irregular expenditure

8. Section 55(2)(b)(i) of the PFMA requires the disclosure of irregular expenditure incurred. The entity made payments of R2 049 399 in contravention with the supply chain management requirements which were not included in irregular expenditure disclosed. Consequently, irregular expenditure as per note 31 to the financial statements is understated by R2 049 399. As the entity did not quantify the full extent of the irregular expenditure, it was impracticable to determine the resultant understatement of irregular expenditure as per note 31 to the financial statements.

Cost of sale of biological assets

9. The entity did not recognise the expense from the cost of sale of inventory as required by GRAP 1 *Presentation of financial statements*. Consequently, game biological assets was overstated by R3 350 000 and expenses was understated by R3 350 000.

Consolidation of financial statements

10. I was unable to obtain sufficient appropriate audit evidence that the sale of Kgama Wildlife Operations during 2015 was legally concluded as the agreement between North West Parks and Tourism Board (NWPTB) and the North West Development Corporation were signed after the NWPTB was disestablished.I was unable to determine whether the newly established entity North West Parks Board should have prepared consolidated financial statements in accordance with GRAP 6 *Consolidation and separate financial statements* for the current and previous financial years.

Emphasis of matters

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

Restatement of corresponding figures

12. As disclosed in 33 to the financial statements, the corresponding figures for 2016 have been restated as results of an error in the financial statements of the entity at, and for the year ended, 31 March 2017.

Material impairments

13. As disclosed in note 8 to the financial statements, material losses to the amount of R16 457 171 were incurred as a result of significant impairment of debtors due to poor collection.

Responsibilities of accounting authority for the financial statements

14. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the SA standards of 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.

15. In preparing the financial statements, the accounting authority is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the there is an intention either to liquidate the entity or to cease operations, or there is no realistic alternative but to do so.

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

16. 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

17. 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

18. 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 programme presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.

19. My procedures address the reported performance information, which must be based on the approved performance planning documents of the entity. 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.

20. 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:

Programme	Pages in the annual performance report
Programme 02 – Bio-diversity Conservation Management	42 – 45

21. 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.

22. The material findings in respect of the usefulness and reliability of the selected programme are as follows:

Programme 2 – Bio-diversity Conservation Management

Indicator: Number of hectares cleared of alien invasive plant species

23. I was unable to obtain sufficient appropriate audit evidence for the reported achievement of this indicator. This was due to inadequate technical indicator description and proper performance management systems that predetermine how the achievement would be measured, monitored and reported, as required by the Framework for managing programme performance information (FMPPI). I was unable to confirm that the reported achievement of this indicator was reliable by alternative means. Consequently I was unable to determine whether any adjustment was required to the reported achievement of 99 hectares cleared of alien invasive species.

Various indicators

24. The reported achievements for the following indicators were misstated as the evidence provided did not agreed with the reported achievements:

Indicator	Reported achievement	Audit value
Percentage of parks with an average METT assessment score of more than 67%	67%	47%
Number of co-management agreements concluded	9	4

Other matter

25. I draw attention to the matter below.

Achievement of planned targets

26. Refer to the annual performance report on pages 26 to 49 for information on the achievement of planned targets for the year and explanations provided for the under/overachievement of a significant number of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs 23 to 24 of this report.

Report on audit of compliance with legislation

Introduction and scope

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

28. The material findings in respect of the compliance criteria for the applicable subject matters are as follows:

Strategic planning and performance management

29. Procedures for quarterly reporting to facilitatethe effective performance monitoring, evaluation and corrective action were not established, as required by Treasury Regulation 30.2.1.

Financial statements, performance and annual reports

30. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records, as required by section 55(1)(a) and (b) of the PFMA. Material misstatements of non-current assets, current assets, liabilities, revenue and expenditure identified by the auditors in the submitted financial statements were corrected and the supporting records were provided subsequently, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.

Procurement and contract management

31. Some of the goods and services with a transaction value below R500 000 were procured without obtaining the required price quotations, as required by Treasury Regulation 16A6.1.

32. Some of the goods and services of a transaction value above R500 000 were procured without inviting competitive bids, as required by Treasury Regulation 16A6.1.

33. The preference point system was not applied in some of the procurement of goods and services above R30 000 as required by section 2(a) of the Preferential Procurement Policy Framework Act and Treasury Regulation 16A6.3(b).

34. Some of the contracts and quotations were awarded to bidders based on preference points that were not allocated in accordance with the requirements of the Preferential Procurement Policy Framework Act and the Preferential Procurement Regulations.

35. Some of the contracts and quotations were awarded to bidders that did not score the highest points in the evaluation process, as required by section 2(1)(f) of the Preferential Procurement Policy Framework Act and the Preferential Procurement Regulations.

Expenditure management

36. Effective steps were not taken to prevent irregular expenditure, as required by section 51(1)(b)(ii) of the PFMA. The full extent of the irregular expenditure could not be quantified as indicated in the basis for qualification paragraph.

Revenue management

37. Effective and appropriate steps were not taken to collect all money due, as required by section 51(1)(b)(i) of the PFMA and Treasury Regulation 31.1.2(a) and (e).

Consequence management

38. Allegations of financial misconduct against the members of the accounting authority were not investigated, as required treasury regulation 33.1.3.

Other information

39. The accounting authority of the entity is responsible for the other information. The other information comprises the information included in the annual report which includes the director's report. The other information does not include the financial statements, the auditor's report thereon and those selected programme presented in the annual performance report that have been specifically reported on in the auditor's report.

40. My opinion and findings do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

41. 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 programme objectives presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

42. I have not yet received the annual report. When I do receive this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to re-issue my auditor's report amended as appropriate.

Internal control deficiencies

43. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for qualified opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report:

- Leadership did not ensure that policies and procedures were approved and implemented to enable and support the understanding and execution of internal control objectives, processes, and reporting responsibilities resulting in misstatements identified in the financial statements and annual performance report and material deviations from legislation.
- Management did not properly review the financial statements and annual performance report which resulted in material misstatements identified during the audit process.
- The effectiveness of the audit committee and internal audit's role as an assurance provider was compromised by management's inability to adequately address their findings and recommendations.

Other reports

44. I draw attention to the following engagements conducted by various parties that had, or could have, an impact on the matters reported in the entity's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

Donation of game animals

45. The Environmental Affairs National Assembly Committee instigated an inquiry into the process of a donation of high value wildlife animals made by the entity to private individuals in previous years. The outcome of this inquiry has not been finalised at reporting date.

Auditor-general

Rustenburg

31 July 2017

AUDITOR GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general's responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected programmes and on the entity's compliance with respect to the selected subject matters.

Financial statements

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

   - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
   - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
   - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting authority.
   - conclude on the appropriateness of the accounting authority's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the North West Park Board's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of the auditor's report. However, future events or conditions may cause anentity to cease to continue as a going concern.
   - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

3. I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

4. I also confirm to the accounting authority that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and here applicable, related safeguards.

NORTH WEST PARKS BOARD

Act 3 of 2015

Annual Financial Statements

for the 12 months ended 31 March 2017

NORTH WEST PARKS BOARD

Act 3 of 2015
Annual Financial Statements for the 12 months ended 31 March 2017

General Information

Nature of business and principal activities	The primary purpose of the establishment is to facilitate sustainable responsible biodiversity conservation management
Members	Dr. TE Khakhane Leballo (Chairperson of the Board) Dr. DT Magome Adv. MMM Raborife Rev. PM Tlhabanyane ME Mothobi (Ex Officio)
Registered office	Heritage House Stand 3031, Cookes Lake Mahikeng 2745
Business address	Stand 3031 Cookes Lake Mahikeng 2745
Postal address	PO Box 4488 Mmabatho 2745
Bankers	First National Bank
Auditors	Auditor General South Africa Registered Auditors
Relevant Legislation	North West Parks Board Act 3 of 2015
Lawyers	Internal

NORTH WEST PARKS BOARD

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Annual Financial Statements for the 12 months ended 31 March 2017

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

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Abbreviations

COID	Compensation for Occupational Injuries and Diseases
CRR	Capital Replacement Reserve
DBSA	Development Bank of South Africa
GRAP	Generally Recognised Accounting Practice
NWPB	North West Parks Board
IAS	International Accounting Standards
IPSAS	International Public Sector Accounting Standards
NDR	Non distributable reserve
Member of the Executive Council	Member of the Executive Council
PFMA	Public Finance Management Act
The Act	North West Parks Board Act 3 of 2015

NORTH WEST PARKS BOARD

Act 3 of 2015
Annual Financial Statements for the 12 months ended 31 March 2017

Accounting Authority's Responsibilities and Approval

The Accounting Authority is required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and is 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 Accounting Authority to ensure that the annual financial statements fairly present the state of affairs of NWPB as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and were given unrestricted access to all financial records and related data.

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

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

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

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

The Accounting Authority has reviewed the NWPB's cash flow forecast for the 12 months to 31 March 2018 and, in the light of this review and the current financial position, they are satisfied that NWPB has or has access to adequate resources to continue in operational existence for the foreseeable future.

The annual financial statements have been examined by the Auditor General.

The annual financial statements set out on pages 80 to 133, which have been prepared on the going concern basis, were approved by the Accounting Authority on 30 May 2017 and were signed on its behalf by:

Dr. TE Khakhane Leballo
Chairperson

NORTH WEST PARKS BOARD

Act 3 of 2015
Annual Financial Statements for the 12 months ended 31 March 2017

Accounting Authority's Report

The Accounting Authority submits the report for the 12 months ended 31 March 2017

1. Incorporation

The NWPB was established on 01 June 2015 as per NWPB Act 3 of 2015 and listed as a schedule 3C entity within the PFMA.

2. Review of activities

Main business and operations

The primary purpose of the establishment is to facilitate sustainable responsible biodiversity conservation management and operates principally in the North West Province of South Africa.

Net deficit of the NWPB was R 28,013,478.

3. Going concern

The NWPB had accumulated surplus of R 582,521,927 and that the NWPB's total assets exceed its liabilities by R 1,054,373,463.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The NWPB Act 3 of 2015 motivating the establishment of the Board addresses the financial resources required for the entity's sustainability and therefore its ability to meet its mandate.

4. Subsequent events

The Accounting Authority is not aware of any matter or circumstance arising since the end of the financial 12 months that will have a significant influence on the financial position of the Board.

5. Accounting policies

The annual financial statements have been prepared in accordance with the Generally Recognised Accounting Practices (GRAP) including any interpretations of such Statements issued by the Accounting Practices Board as the prescribed framework by National Treasury.

6. Accounting Authority

The directors of the NWPB during the 12 months and to the date of this report are as follows:

Name	Nationality	Changes
Dr. TE Khakhane Lebalo (Chairperson of the Board)	South African	
Dr. DT Magome	South African	
Ms. LK Motlhamme (Deputy Chairperson)	South African	Resigned 31 August 2016
Adv. MMM Raborife	South African	
Dr. TM Guma	South African	Resigned 01 July 2016
Rev. PM Thabanyane	South African	Appointed 01 August 2016
Adv T Seboko	South African	Resigned 31 March 2017
ME Mothobi (Ex Officio)	South African	

NORTH WEST PARKS BOARD

Act 3 of 2015
Annual Financial Statements for the 12 months ended 31 March 2017

Accounting Authority's Report

7. Corporate governance

Board of directors

The board:

retains full control over the NWPB, its plans and strategy;
acknowledges its responsibilities as to strategy, compliance with internal policies, external laws and regulations, effective risk management and performance measurement, transparency and effective communication both internally and externally by the NWPB;
is of a unitary structure comprising:
- non-executive directors, all of whom are independent directors as defined in the Code; and
- executive directors.

has established a Board directorship continuity programme

Meetings

The Board schedules to meet at least 4 times per annum.

Non-executive directors have access to all members of management of the entity.

8. Auditors

The Auditor General South Africa will continue in office for the next financial period.

NORTH WEST PARKS BOARD

Act 3 of 2015
Annual Financial Statements for the 12 months ended 31 March 2017

Statement of Financial Position as at 31 March 2017

Figures in Rand	Notes	March 2017	Restated March 2016
Assets			
Current Assets			
Inventories	7	3,690,762	3,620,231
Receivables from exchange transactions	8	8,993,127	18,548,900
Receivables from non-exchange transactions	9	1,131,669	81,309
Vat receivable - SARS	10	-	2,780,438
Cash and cash equivalents	11	48,002,751	16,363,368
		61,818,309	**41,394,246**
Non-Current Assets			
Game - Biological assets	4	513,138,625	567,275,365
Investment property	5	8,987,839	9,181,702
Property, plant and equipment	6	508,283,558	544,109,094
		1,030,410,022	**1,120,566,161**
Total Assets		**1,092,228,331**	**1,161,960,407**
Liabilities			
Current Liabilities			
Finance lease obligation	14	30,384	27,573
Unspent grants and receipts	15	15,157,172	9,867,026
Provisions	16	1,794,000	331,000
Payables	17	20,851,354	15,408,785
		37,832,910	**25,434,384**
Non-Current Liabilities			
Finance lease obligation	14	21,958	52,342
Total Liabilities		**37,854,868**	**25,486,726**
Net Assets		**1,054,373,463**	**1,136,473,681**
Reserves			
Game revaluation reserves	12	471,851,536	525,938,276
Accumulated surplus		582,521,927	610,535,405
Total Net Assets		**1,054,373,463**	**1,136,473,681**

NORTH WEST PARKS BOARD

Act 3 of 2015
Annual Financial Statements for the 12 months ended 31 March 2017

Statement of Financial Performance

Figures in Rand	Notes	12 months ended March 2017	Restated 10 months ended March 2016
Revenue			
Rendering of services		46,349,844	53,683,175
Game sales		5,225,116	20,362
Poverty relief		-	4,917,316
Donations received		23,856,786	4,863,500
Government grants & subsidies	21	128,040,169	88,020,355
		203,471,915	**151,504,708**
Other income			
Bad debts recovered		640,934	6,537,749
Insurance settlement		261,598	223,932
Other income	19	967,009	874,398
Interest received	20	2,116,187	1,130,548
		3,985,728	**8,766,627**
Expenses (Refer to page 8)		**(235,440,419)**	**(180,989,410)**
Operating deficit		**(27,982,776)**	**(20,718,075)**
Finance costs		(30,702)	(81,357)
Deficit for the 12 months		**(28,013,478)**	**(20,799,432)**

NORTH WEST PARKS BOARD

Act 3 of 2015
Annual Financial Statements for the 12 months ended 31 March 2017

Statement of Financial Performance

Figures in Rand	Note(s)	12 months ended March 2017	Restated 10 months ended March 2016
Operating expenses			
Advertising		(1,474,901)	(187,633)
Alien plant control		(18,102)	(5,353)
Auditors remuneration	23	(3,592,114)	(1,457,452)
Bank charges		(545,811)	(327,424)
CPA expenses		(4,800,000)	-
Cleaning materials and services		(576,205)	(391,556)
Commission paid provision		-	21,578
Consulting and professional fees		(1,175,763)	(611,522)
Consumables		(137,040)	(254,483)
Delivery expenses		(7,671)	(6,072)
Depreciation, amortisation and impairments		(54,242,446)	(45,005,571)
Directors fees		(811,917)	(451,745)
Donations		(4,514)	(3,050)
Employee costs		(123,884,937)	(97,118,371)
Employment equity and employee relations		(11,755)	(26,919)
Entertainment		(2,782)	(48,910)
Functions		(193,256)	(13,256)
Game census		(189,923)	(2,074,696)
Impairment loss on assets		(63,811)	718,237
Insurance		(845,763)	(900,321)
Kgama expenses		-	(2,417,411)
Laundry		(18,618)	(2,763)
Legal expenses		(2,848,283)	(123,655)
Levies and leave		(626,141)	(690,059)
Licence and membership fees		(282,728)	(302,698)
Loose tools		(27,593)	(26,182)
Loss on disposal of assets		(5,825,688)	(99,154)
Marketing promotions		(3,570,625)	(156,745)
Motor vehicle expenses		(2,603,075)	(2,548,982)
Office and equipment rentals		(1,776,590)	(1,114,997)
Other expenses		(487,719)	(945)
PWT Gate sales - anti-rhino poaching awareness		(176,575)	(208,965)
Performance management		-	(399,138)
Poverty relief		-	(5,393,161)
Printing and stationery		(878,310)	(726,378)
Rates and taxes		(249,193)	(114,095)
Recruitment expenses		(537,626)	(54,127)
Repairs and maintenance		(5,722,736)	(4,774,440)
Research and survey costs		(994,472)	(481,966)
Security		(2,632,775)	(2,331,866)
Software expenses		(14,470)	(355)
Special projects		(192,870)	(201,192)
Staff meetings		(410,628)	(673,290)
Staff training		(879,549)	(664,759)
Staff welfare and transport		(79,900)	(14,771)
Subsistence		(1,178,194)	(345,458)
Telephone and fax		(1,164,457)	(1,114,946)
Travel - local		(4,910,982)	(4,110,734)
Uniforms		(510,237)	(233,645)
Water and electricity		(4,261,674)	(3,517,814)
		(235,440,419)	**(180,989,410)**

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Statement of Changes in Net Assets

Figures in Rand	Game revaluation reserve	Accumulated surplus	Total net assets
Balance at 01 June 2015	-	-	-
Changes in net assets			
Opening balance as previously reported	-	150,790,334	150,790,334
Trf of revaluation reserve to accumulated surplus	-	161,237,828	161,237,828
Transfer from NWPTB	525,938,276	-	525,938,276
PY adjustments - see note 34	-	322,024,063	322,024,063
Restated balance as at 01 June 2015	525,938,276	634,052,225	1,159,990,501
Total recognised income and expenses for the period	525,938,276	634,052,225	1,159,990,501
PY adjustments - see note 34	-	(23,516,820)	(23,516,820)
Total changes	525,938,276	610,535,405	1,136,473,681
Balance at 01 April 2016	**525,938,276**	**610,535,405**	**1,136,473,681**
Changes in net assets			
Deficit for the period	-	(28,013,478)	(28,013,478)
Movement in game	(54,086,740)	-	(54,086,740)
Total changes	(54,086,740)	(28,013,478)	(82,100,218)
Balance at 31 March 2017	**471,851,536**	**582,521,927**	**1,054,373,463**
Notes	12		

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Cash Flow Statement

Figures in Rand	Notes	12 months ended March 2017	Restated 10 months ended March 2016
Cash flows from operating activities			
Receipts			
Sale of goods and services		62,860,811	37,210,207
Grants		133,530,315	97,687,381
Interest income		2,116,187	1,130,548
Donations received		-	4,863,500
Other income		1,869,541	7,636,079
		200,376,854	148,527,715
Payments			
Employee costs		(123,871,937)	(97,037,371)
Suppliers		(44,357,367)	(26,579,947)
Finance cost		(30,702)	(81,357)
		(168,260,006)	(123,698,675)
Net cash flows from operating activities	24	**32,116,848**	**24,829,040**
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(2,107,483)	(5,639,894)
Proceeds from sale of property, plant and equipment	6	1,657,592	-
Net cash flows from investing activities		**(449,891)**	**(5,639,894)**
Cash flows from financing activities			
Finance lease payments		(27,573)	79,915
Transfer from NWP&TB		-	(5,576,872)
Net cash flows from financing activities		**(27,573)**	**(5,496,957)**
Net increase/(decrease) in cash and cash equivalents		**31,639,384**	**13,692,189**
Cash and cash equivalents at the beginning of the year		16,363,368	2,671,179
Cash and cash equivalents at the end of the year	11	**48,002,752**	**16,363,368**

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Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand	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						
Rendering of services	41,500,000	-	**41,500,000**	57,635,695	**16,135,695**	1
Game sales	3,350,000	-	**3,350,000**	5,225,116	**1,875,116**	2
Bad debt recoveries	-	-	-	640,934	**640,934**	
Insurance settlement	-	-	-	261,598	**261,598**	3
Other income	2,320,000	-	**2,320,000**	967,009	**(1,352,991)**	4
Interest received	1,000,000	-	**1,000,000**	2,116,187	**1,116,187**	5
Total revenue from exchange transactions	**48,170,000**	-	**48,170,000**	**66,846,539**	**18,676,539**	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants & subsidies	101,830,000	26,057,640	**127,887,640**	133,530,315	**5,642,675**	6
Total revenue	**150,000,000**	**26,057,640**	**176,057,640**	**200,376,854**	**24,319,214**	
Expenditure						
Personnel	(96,473,447)	(10,120,000)	**(106,593,447)**	(123,871,937)	**(17,278,490)**	7
Finance costs	(350,000)	50,000	**(300,000)**	(30,702)	**269,298**	8
Rental for offices and accommodation	(1,365,000)	155,800	**(1,209,200)**	(1,776,590)	**(567,390)**	9
Repairs and maintenance	(8,060,508)	703,932	**(7,356,576)**	(7,668,656)	**(312,080)**	10
General Expenses	(43,751,045)	(789,732)	**(44,540,777)**	(34,912,120)	**9,628,657**	11
Project expenses	-	(16,057,640)	**(16,057,640)**	-	**16,057,640**	12
Total expenditure	**(150,000,000)**	**(26,057,640)**	**(176,057,640)**	**(168,260,005)**	**7,797,635**	
Operating surplus	-	-	-	**32,116,849**	**32,116,849**	
Asset Purchases	-	(2,105,087)	**(2,105,087)**	(2,107,483)	**(2,396)**	
Deficit	-	**(2,105,087)**	**(2,105,087)**	**30,009,366**	**32,114,453**	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	-	**(2,105,087)**	**(2,105,087)**	**30,009,366**	**32,114,453**	

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Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Reconciliation						
Basis difference						
Donations received				23,856,786		
Loss on disposal of assets and liabilities				(5,825,688)		
Asset Purchases				2,107,483		
Movement in provisions				(1,450,000)		
Long service awards - current year movement				(13,000)		
Movement in receivables				(11,285,852)		
Depreciation				(54,500,389)		
Unspent conditional grants				(5,490,146)		
Movement in payables				(5,442,569)		
Movement in inventory				20,531		
Actual Amount in the Statement of Financial Performance				**(28,013,478)**		

Note 1
The variance is recorded mainly due to an increase of visitors to our parks, the gate fee increases and the adjustments to concession agreements related to annual increases and prior year adjustments based on finalised turnover confirmations.

Note 2
Due to the demand within the wildlife industry, for both hunting and live sales, the market price per animal was much higher than what was originally expected and was therefore able to record more income than what was budgeted for.

Note 3
The amount received was due to claims submitted to the broker and recovered, while the Board did not provide for recoveries as we did not anticipated any insurance claims.

Note 4
The variance recorded is mainly due to higher income from non-core operational activities as well as from the disposal of redundant assets.

Note 5
The variance recorded is the additional interest received from the investments made, which related to the additional income generated and the grants received. The Board was able to keep funds on call account and therefore recorded the additional interest.

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Note 6
The variance is due to additional funds received for earmarked projects

Note 7
Overspending recorded due to overtime, and a personnel structure that was not fully funded as expected to be

Note 8
Related to under budgeting of bank charges, mainly due to cash deposits made at parks

Note 9
Related to additional office rental paid while the finalisation of the re-allocation of employees was still ongoing

Note 10
The under spending is related to maintenance that was not completed, due to the non-availability of the necessary roadwork machinery and equipment

Note 11
The under spending is mainly due to operational activities that could not be implemented due to the availability of suppliers.

Note 12
The variance is due to an unconditional grant received for the implementation of specific projects.

Note 13
The variance is due to the revaluation of the assets.

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Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared on the accrual basis in accordance with the effective Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations and directives issued by the Accounting Standards Board, except for approved deviations granted by Treasury for compliance with GRAP 101. The functional and reporting currency is South African Rand. The North West Parks Board has adopted a full GRAP accounting framework, except for the approved deviation for the accounting for game from GRAP 101 to an entity specific accounting policy.

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

The former North West Parks and Tourism Board was split into North West Parks Board and the North West Tourism Board. Assets, liabilities, revenue and expenses relating to the core activities of both new entities were directly allocated.

Based on the principle of resources following function the cost of the core activities were calculated and found to be in the ratio of 61%:39%. Cost related to support functions that could not be specifically identified were then apportioned between North West Parks Board and North West Tourism Board at 61% and 39% respectively.

The entity was in operation for ten months covering 01 June 2015 to 31 March 2016 after the enactment of Act No 3 2015 North West Parks Board Act and a complete year during 2016/2017 financial year.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

1.1 Game-Biological assets

Game is measured at their fair value less estimated point of sale. The fair value of game is determined based on market prices of game of similar age, breed and generic ment.

The estimated quantity of game is scientifically calculated by using statistical projections that are based on game movements, actual hunts, introductions and an estimated growth rate. Game is counted in September of each year. Count quantities are compared to estimated quantities. All movements after stock count date are taken into account in the year end estimated quantities. During 2016/2017 financial year the Board engaged into a different methodology due to no aerial counting.

The surplus / deficit on valuation is transferred to a revaluation reserve.

Game has been disclosed in terms of an entity specific accounting policy , reviewed by Provincial Treasury and found adequate for implementation. This policy may be used by the Board until an alternative standard is available.

Excess game as determined during the game counts and identified for sale during the next year will be recorded as inventory.

1.2 Investment property

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 NWPB, and the cost or fair value of the investment property can be measured reliably.

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

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

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

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Accounting Policies

1.2 Investment property (continued)

Cost model

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

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

Item	Useful life
Investment property-buildings	50 years

Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

Gains or losses arising from the retirement or disposal of investment property is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of retirement or disposal.

Investment property, principally comprising residential property and tourist facilities held for long-term rental yields and are not occupied by the Board. Investment property is recognised using the cost model and is carried at depreciated cost.

1.3 Property, plant and equipment

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 NWPB; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

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

Land is not depreciated.

All other property, plant and equipment are depreciated on a straight line basis so as to write each asset down to its estimated residual value over the expected term of its useful life. Depreciation is calculated from the month of purchase and not in the month of disposal. Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

The carrying amount of property, plant and equipment shall be derecognised on disposal or when no future economic benefits or service potential are expected from its use or disposal. The gain or loss from derecognition shall be included in the surplus or deficit when the property, plant and equipment is derecognised.

The Board re-assesses the useful lives and residual values of property, plant and equipment on an annual basis. In reassessing the useful lives and residual values of property, plant and equipment management considers the condition and use of the individual assets, to determine the remaining period over which the asset can and will be used. Land, buildings and infrastructure is re-assessed every 5 years.

The gain or loss arising from the derecognition of an item of Property Plant & 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 & Equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings when the asset is derecognised.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings as the asset is used. The amount transferred is equal to the difference between depreciation based on the revalued carrying amount and depreciation based on the original cost of the asset.

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

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Accounting Policies

1.3 Property, plant and equipment (continued)

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

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Any increase in an asset's carrying amount, as a result of a revaluation, is credited directly to a revaluation surplus. The increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in surplus or deficit in the current period. The decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

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

Item	Depreciation method	Average useful life
Land		Indefinite
Buildings	Straight line	4 to 50 years
Infrastructure	Straight line	4 to 50 years
Furniture and fixtures	Straight line	4 to 17 years
Motor vehicles	Straight line	10 to 23 years
Office equipment	Straight line	4 to 17 years
Computer equipment	Straight line	4 to 15 years
Finance leased assets	Straight line	Over the lease agreement term

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

1.4 Heritage assets

Heritage assets are recognised when it is probable that future economic benefits or services potential associated with these assets will flow to the North West Parks Board and the cost or fair value of these assets can be measured reliably.

On initial recognition, the measurement could not be reliable measured and as a result these assets have not been recognised as Heritage Assets. The North West Parks Board do not possess the title deeds for the land on which the game parks and nature reserves are situated. These may not be disposed of nor may they be pledged as security for any liabilities incurred by the North West Parks Board.

1.5 Financial instruments

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

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

A concessionary loan is a loan granted to or received by an entity on terms that are not market related.

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.

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.

Accounting Policies

1.5 Financial instruments (continued)

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

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 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.

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.

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.

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

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.

Other 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.

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 agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

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.

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Accounting Policies

1.5 Financial instruments (continued)

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.

1.6 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.

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

Finance leases - lessor

The NWPB recognises finance lease receivables as assets on the statement of financial position. Such assets are presented as a receivable at an amount equal to the net investment in the lease.

Finance revenue is recognised based on a pattern reflecting a constant periodic rate of return on the NWPB's net investment in the finance lease.

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.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

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

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

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.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

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

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Accounting Policies

1.6 Leases (continued)

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.

1.7 Inventories

Inventories are measured at the lower of cost and current replacement cost where they are held for:
- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Inventories are valued at the lowest of cost for consumable inventory. Inventory includes the portion of game held for selling during the next financial period, valued at their fair value less estimated point of sale cost.

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.

Current replacement cost is the cost the NWPB incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the NWPB.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.8 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.

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Accounting Policies

1.8 Impairment of cash-generating assets (continued)

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

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

Useful life is either:

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

Identification

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

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

Irrespective of whether there is any indication of impairment, the NWPB also test 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. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

Value in use of 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 NWPB estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the NWPB applies the appropriate discount rate to those future cash flows.

Basis for estimates of future cash flows

In measuring value in use the NWPB:

base cash flow projections on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset. Greater weight is given to external evidence;
base cash flow projections on the most recent approved financial budgets/forecasts, but excludes any estimated future cash inflows or outflows expected to arise from future restructuring's or from improving or enhancing the asset's performance. Projections based on these budgets/forecasts covers a maximum period of five years, unless a longer period can be justified; and
estimate cash flow projections beyond the period covered by the most recent budgets/forecasts by extrapolating the projections based on the budgets/forecasts using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. This growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used, unless a higher rate can be justified.

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1.8 Impairment of cash-generating assets (continued)

Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the NWPB determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the NWPB use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:

its fair value less costs to sell (if determinable);
its value in use (if determinable); and
zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

1.9 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.

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

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 NWPB; or
(b) the number of production or similar units expected to be obtained from the asset by the NWPB.

Criteria developed by the NWPB to distinguish non-cash-generating assets from cash-generating assets are as follow: [Specify criteria]

1.10 Employee benefits

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

Termination benefits are employee benefits payable as a result of either:
an entity's decision to terminate an employee's employment before the normal retirement date; or
an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

A constructive obligation is an obligation that derives from an entity's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:
wages, salaries and social security contributions;
short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:
as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

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 entity measure the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognise the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

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1.10 Employee benefits (continued)

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which an entity provides post-employment benefits for one or more employees.

Multi-employer plans are defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that pool the assets contributed by various entities that are not under common control and use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned.

The North West Parks Board contributes to a defined contribution plan, i.e. the North West Parks Board Provident Fund registered under and governed by the Pension Fund Acts, 1956, as amended. These contributions are recognised as an expense in the Statement of Financial Performance. The amount of post-employment benefits received by an employee is therefore determined by the amount of contributions paid by the Board, together with investment returns arising from these contributions. Actuarial risk and investment risk, in consequence, falls on the employee.

1.11 Provisions and contingencies

Provisions are recognised when:

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

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating deficits.

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

has a detailed formal plan for the restructuring, identifying at least:
- the activity/operating unit or part of a activity/operating unit concerned;
- the principal locations affected;
- the location, function, and approximate number of employees who will be compensated for services being terminated;
- the expenditures that will be undertaken; and
- when the plan will be implemented; and

has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

The provision for long service relates to the Board's estimated liabilities arising as a results of services rendered by employees. This provision is based on rates approved in the Board's policies.

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1.11 Provisions and contingencies (continued)

The provision for rehabilitation of land fill sites relates to areas where pollution has been identified within the smaller parks and these land areas would require rehabilitation in an attempt to restore the land to its formal state.

The North West Parks Board does not recognise the contingent liability and assets. Contingent liabilities and assets are disclosed in note 25, unless the possibility of the in/outflow of resources embodying economics benefits or services potential are remote.

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

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

Measurement

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

Sale of goods

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

- the NWPB has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the NWPB 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 NWPB; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from the sale of goods is recognised when the significant is recognised when the significant risks and rewards of ownership are transferred to the buyer.

Revenue arising from game sales is recognised on an accrual basis.

Revenue arising from concession fees is recognised on an accrual basis in accordance with the substance of the relevant agreements.

Revenue arising from entrance fees is recognised on a cash basis.

Interest, royalties and dividends

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

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

Interest is recognised, in surplus or deficit, using the effective interest rate method.

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

1.13 Revenue from non-exchange transactions

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

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1.13 Revenue from non-exchange transactions (continued)

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 arise when the NWPB 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 NWPB either receives value from another NWPB without directly giving approximately equal value in exchange, or gives value to another NWPB without directly receiving approximately equal value in exchange.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

1.14 Borrowing costs

In terms of section 32.1.1 of the Treasury Regulations, Public Entity Limited may borrow money for bridging purposes with the approval of the Minister of Finance, subject to certain conditions.

1.15 Fruitless and wasteful 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 12 months 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.

1.16 Irregular expenditure

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

(a) this Act; or
(b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act, or
(c) any provincial legislation providing for procurement procedures in that provincial government.

National Treasury practice note no. 4 of 2008/2009 which was issued in terms of sections 76(1) to 76(4) of the PFMA requires the following (effective from 1 April 2008):

Irregular expenditure that was incurred and identified during the current financial and which was written off before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register . In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which is to be written off or condoned and must be recorded in the irregular expenditure register and require the updating of the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only written of f in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

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1.16 Irregular expenditure (continued)

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register . If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been written off and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register .

1.17 Taxation

The North West Parks Board is a provincial public entity which is exempt from South African normal taxation

1.18 Budget information

Budgets are not prepared on a comparable basis to the financial statements. Financial statements are prepared on an accrual basis and the budget on a cash basis of accounting. A reconciliation between the surplus/(deficit) for the period as per Statement of Financial Performance and budgeted Surplus/(deficit) is included in the Statement of Comparison of Budget and Actual Amounts. An explanation of material differences between the budget and actual amounts in included.

Entity are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by NWPB shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on a cash basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 01/04/2016 to 31/03/2017

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

1.19 Related parties

The NWPB operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the national sphere of government are considered to be related parties.

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

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the NWPB.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

Related party transactions will only be disclosed when those transactions occur other than in accordance with the operating parameters established in the normal course of business on terms and conditions that are no more or less favourable than those it is reasonable to expect the North West Parks Board to have adopted if dealing with an individual entity or a person in the same circumstances. Related party transactions include transactions entered into with its reporting body, the North West Province Department of Rural Environment and Agricultural Development.

1.20 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

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1.20 Events after reporting date (continued)

those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

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

The NWPB 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.

1.21 Revaluation reserve

The surplus arising from the revaluation of property, plant and equipment is credited to a non-distributable reserve. The revaluation surplus is realised as revalued buildings are depreciated, through a transfer from the revaluation reserve to the accumulated surplus/deficit. On disposal, the net revaluation surplus is transferred to the accumulated surplus/deficit while gains or losses on disposal, based on revalued amounts, are credited or charged to the statement of financial performance.

1.22 Use of estimates

The preparation of annual financial statements in conformity with Standards of GRAP requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the annual financial statements are disclosed in the relevant sections of the annual financial statements. Although these estimates are based on management's best knowledge of current events and actions they may undertake in the future, actual results ultimately may differ from those estimates.

1.23 Commitments

Commitments disclosed in the financial statements represent the contractual balance committed on the reporting date that will be incurred in the period subsequent to the specific reporting date.

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2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The NWPB has not applied the following standards and interpretations, which have been published and are mandatory for the NWPB's accounting periods beginning on or after 01 April 2017 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
GRAP 18: Segment Reporting	01 April 2017	The impact of the amendment is not material.
GRAP 20: Related parties	01 April 2017	The impact of the amendment is not material.
GRAP 109: Accounting by Principals and Agents	01 April 2017	The impact of the amendment is not material.
GRAP 21 (as amended 2015): Impairment of non-cash-generating assets	01 April 2017	The impact of the amendment is not material.
GRAP 26 (as amended 2015): Impairment of cash-generating assets	01 April 2017	The impact of the amendment is not material.
Directive 12: The Selection of an Appropriate Reporting Framework by Public Entities	01 April 2016	The impact of the amendment is not material.

3. Risk management

Interest rate risk

As the NWPB has no significant interest-bearing assets, the NWPB's income and operating cash flows are substantially independent of changes in market interest rates.

The NWPB analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the NWPB calculates the impact on surplus and deficit of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies.

Fair values

Financial instruments are comprised primarily of loans to subsidiaries, trade and other receivables, cash deposits with banks, long term loans and trade creditors. The carrying amounts of all financial assets and liabilities included in these financial statements are considered to approximate their fair values.

Liquidity risk

The NWPB's risk to liquidity is a result of the funds available to cover future commitments. The NWPB manages liquidity risk through an ongoing review of future commitments and credit facilities.

At 31 March 2017	Less than 1 year
Trade payables from exchange transactions	5,400,421
Trade payables from non-exchange transactions	14,337,462

At 31 March 2016	Less than 1 year
Trade payables from exchange transactions	3,048,350
Trade payables from non-exchange transactions	12,360,435

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3. Risk management (continued)

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The NWPB only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

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4. Game - Biological assets

	2017		2016	
	Cost / Valuation	Carrying value	Cost / Valuation	Carrying value
Biological assets - Game	513,138,625	513,138,625	567,275,365	567,275,365

Reconciliation of game- biological assets- 2017

	Opening balance	(Loss)/gain arising from changes in fair values less estimated point-of-sale costs attributable to price changes	(Loss)/gain arising from changes in fair values less estimated point-of-sale costs attributable to physical changes	Decrease due to sales	Add back prior year estimates	Game to be sold within next financial year	Total
Biological assets - Game	567,275,365	(54,122,596)	5,260,971	(5,225,115)	3,350,000	(3,400,000)	513,138,625

Reconciliation of game - biological assets - 2016

	Opening balance	Transfer from NWPTB	(Loss)/gain arising from changes in fair values less estimated point-of-sale costs attributable to price changes	(Loss)/gain arising from changes in fair values less estimated point-of-sale costs attributable to physical changes	Decrease due to sales	Game to be sold within next financial year	Total
Biological assets - Game	-	692,253,471	(137,179,515)	15,571,771	(20,362)	(3,350,000)	567,275,365

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4. Game - Biological assets (continued)

Quantities of each biological asset

2017

Species	Quantity	Average market price	Market value	Board's valuation
Black Rhino	123	500,000	61,500,000	36,900,000
Black Wildebeest	2,857	2,993	8,551,001	5,130,601
Blesbuck	2,529	2,078	5,255,262	3,153,157
Blue Wildebeest	3,804	3,137	11,933,148	7,159,889
Buffalo	1,182	354,675	419,225,850	251,535,510
Eland	1,242	8,319	10,332,198	6,199,319
Elephant	1,904	10,000	19,040,000	11,424,000
Gemsbuck	2,358	8,083	19,059,714	11,435,828
Giraffe	535	16,738	8,954,830	5,372,898
Hippo	72	46,388	3,339,936	2,003,962
Impala	7,344	1,721	12,639,024	7,583,414
Kudu	1,662	6,473	10,758,126	6,454,876
Lion	99	66,125	6,546,375	3,927,825
Nyala	5	18,175	90,875	54,525
Ostrich	506	2,503	1,266,518	759,911
Red Hartebeest	1,623	5,362	8,702,526	5,221,516
Roan	2	269,156	538,312	322,987
Sable	46	122,437	5,632,102	3,379,261
Springbok	2,803	2,313	6,483,339	3,890,003
Tsessebe	62	40,500	2,511,000	1,506,600
Waterbuck	705	5,176	3,649,080	2,189,448
White Rhino	564	383,975	216,561,900	129,937,140
Wild dog	29	1,500	43,500	26,100
Zebra	5,073	3,604	18,283,092	10,969,855
	37,129	**1,881,431**	**660,897,708**	**516,538,625**

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4. Game - Biological assets (continued)

2016

Species	Quantity	Average market price	Market value	Board's valuation
Black Rhino	121	500,000	60,500,000	36,300,000
Black Wildebeest	2,441	3,221	7,862,461	4,717,477
Blesbuck	2,253	2,778	6,258,834	3,755,300
Blue Wildebeest	3,738	4,216	15,759,408	9,455,645
Buffalo	1,425	334,879	477,202,575	286,321,545
Eland	1,129	10,703	12,083,687	7,250,212
Elephant	1,255	10,000	12,550,000	7,530,000
Gemsbuck	2,153	7,126	15,342,278	9,205,367
Giraffe	530	14,683	7,781,990	4,669,194
Hippo	71	52,500	3,727,500	2,236,500
Impala	7,903	2,568	20,294,904	12,176,942
Kudu	1,311	9,828	12,884,508	7,730,705
Lion	102	232,500	23,715,000	14,229,000
Nyala	9	19,301	173,709	104,225
Ostrich	477	2,389	1,139,553	683,732
Red Hartebeest	1,753	6,450	11,306,850	6,784,110
Roan	1	305,050	305,050	183,030
Sable	48	154,489	7,415,472	4,449,283
Springbok	2,780	3,502	9,735,560	5,841,336
Tsessebe	59	38,253	2,256,927	1,354,158
Waterbuck	707	7,626	5,391,582	3,234,949
White Rhino	604	354,794	214,295,576	128,577,346
Wild dog	29	1,500	43,500	26,100
Zebra	4,957	4,643	23,015,351	13,809,211
	35,856	**2,082,999**	**951,042,275**	**570,625,365**

Cheetah, leopard, warthog, bushbuck, duiker, bushpig, klipspringer, common and mountain reedbuck, rheebok, steenbok, caracal, serval, brown and spotted hyena, jackal, baboon, vervet monkey and game birds have not been included in the above valuation. These animals are not included due to their elusive nature and / or their low monetary values.

Market values are determined based on average auction prices realised during the current financial year.

In the absence of a GRAP accounting standard on wildlife, the North West Parks Board obtained an entity specific accounting policy approval from Provincial Treasury. The physical verification is performed by a team of four members (2 counters, a data processor and a pilot) by flying over the park/reserve and performs physical identification and counting within 500 meter strips. This process is repeated in smaller parks and triplicated in bigger parks to eliminate variances. Information relating to very important species (VIS) is compared to the day to day management monitoring information before a final report is submitted.

The entity specific policy is formulated based on significant management judgement.

Information relating to very important species (VIS) is compared to the day to day management monitoring information before a final report is submitted.

As the calving season is mainly after game counts, the reproduction and offspring information is incorporated in the final report as at year-end and reflected accordingly.

During 2016/2017 a different methodology was used due to no aerial counts. The opening balance plus all movements (increase and decrease) was added to obtain the closing balances. The value was determined based on the previous methodology.

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4. Game - Biological assets (continued)

Game donated

National Department of Environment Affairs has developed a strategy to ensure that there is maximum participation of previously disadvantaged individuals through adopting a deliberate and biased support for aspirant black game farmers. This is done through provision of training in the game farming industry, disposing available state and restituted land for game farms, and donation of founder game populations where necessary. The Board entered into a project with the South African Rare Game Breeders Holdings (SARGBH) to drive and support this process. This project is to be executed over a period of 10 years. On completion of the project half of the donated game should be transferred to the North W est Parks Board.

No game donations made during 2016/17 financial year.

Details	Quantities approved for donation	Quantities donated as at 31 March 2016	Quantities committed to be removed	Value of game removed
Buffalo	130	25	105	8,371,975
Sable antelope	50	27	23	4,171,203
Nyala	32	29	3	559,729
White rhino	50	-	50	-
	262	**81**	**181**	**13,102,907**

All animals except rhinos, elephants and zebras in Madikwe Game Reserve have no trade value due to tuberculosis and the quarantine as per the Health Act.

5. Investment property

	2017			2016		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	9,343,698	(355,859)	8,987,839	9,343,698	(161,996)	9,181,702

Reconciliation of investment property - 2017

	Opening balance	Depreciation	Total
Investment property	9,181,702	(193,863)	8,987,839

Reconciliation of investment property - 2016

	Opening balance	Transfers received	Transfers	Depreciation	Total
Investment property	-	9,343,698	(329)	(161,667)	9,181,702

A register containing investment properties is available for inspection at the registered of fice of the NWPB.

None of the properties were pledged as security for any financial liability. There were no contractual obligations in respect of investment property.

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6. 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	1,200,000	-	1,200,000	1,200,000	-	1,200,000
Buildings	357,956,132	(34,275,904)	323,680,228	339,693,010	(15,654,077)	324,038,933
Furniture and fixtures	21,260,050	(10,496,475)	10,763,575	22,367,584	(7,855,440)	14,512,144
Motor vehicles	19,451,930	(13,714,189)	5,737,741	24,242,539	(16,783,659)	7,458,880
IT equipment	2,953,868	(1,658,819)	1,295,049	2,740,901	(1,400,943)	1,339,958
Infrastructure	220,540,380	(54,982,600)	165,557,780	220,471,007	(24,990,519)	195,480,488
Capitalised Leased Assets	88,526	(39,341)	49,185	88,526	(9,835)	78,691
Total	**623,450,886**	**(115,167,328)**	**508,283,558**	**610,803,567**	**(66,694,473)**	**544,109,094**

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6. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Disposals	Transfer from (to) NWTB	Depreciation	Impairment loss	Total
Land	1,200,000	-	-			-	1,200,000
Buildings	324,038,933	24,393,760	(5,815,934)	-	(18,931,604)	(1,947)	323,680,228
Furniture and fixtures	14,512,144	87,724	(492,640)	(154,138)	(3,177,517)	(11,798)	10,763,575
Motor vehicles	7,458,880	1,040,623	(971,060)	-	(1,763,535)	(27,167)	5,737,741
IT equipment	1,339,958	372,781	(26,825)	(19,483)	(356,034)	(15,348)	1,295,049
Infrastructure	195,480,488	69,365	-	-	(29,984,529)	(7,542)	165,557,780
Capitalised Leased Assets	78,691	-	-	-	(29,506)	-	49,185
	544,109,094	**25,964,271**	**(7,309,659)**	**(173,621)**	**(54,242,725)**	**(63,802)**	**508,283,558**

Reconciliation of property, plant and equipment - 2016

	Opening balance	Transfers received	Additions	Newly identified assets at fair value	Depreciation	Total
Land	-	1,200,000		-		1,200,000
Buildings	-	224,462,429		115,210,581	(15,634,077)	324,038,933
Furniture and fixtures	-	17,083,904	96,563	-	(2,668,323)	14,512,144
Motor vehicles	-	8,303,330	555,606	-	(1,400,056)	7,458,880
IT equipment	-	1,467,121	137,725	-	(264,888)	1,339,958
Infrastructure	-	11,265,975	4,850,000	204,355,032	(24,990,519)	195,480,488
Capitalised Leased Assets	-	92,545	-	-	(13,854)	78,691
	-	**263,895,304**	**5,639,894**	**319,565,613**	**(44,991,717)**	**544,109,094**

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6. Property, plant and equipment (continued)

Details of properties

A schedule of land and buildings is available for inspection at the registered of fice of the North W est Parks Board. Certain land, game parks, properties and infrastructure represent buildings erected on tribal land over which the Board intends securing leasehold title.

Split of assets

The property, plant and equipment specifically identified as park related assets were transferred to NWPB on 01/06/2015. The movable assets in the custody of the employees now placed in the NW PB were also transferred to the Board.

As per GRAP 105, Transfer of Functions between entities under common control, the assets transferred to NW PB were carried at carrying amounts as at 1 June 2015. A list of the property, plant and equipment can be provided.

6.1 Heritage assets

The North West Parks Board has user rights over 208 760 hectares within 15 parks and reserves situated in the North West Province. Presently the Board does not have any land ownership over these parks and reserves, but ownership is vested with the provincial and National Departments of Public Works as well as municipalities or communities. In some instances land claims have been registered over certain areas of the parks and reserves. Communities were also awarded ownership in certain parks and reserves with the purpose of co-management. Due to this uncertainty no additions or adjustments to land values were made within the financial statements. As per the requirements of GRAP 103, the properties referred to also qualify as heritage assets and this has been disclosed in the accounting Policy Notes to the Annual Financial Statements.

Protected area	Hectares
Madikwe Game Reserve	61,468
Pilanesburg National Park	49,543
Molopo Game Reserv	23,798
Bloemhof Dan Nature Reserve	14,791
Vaalkop Dam Nature Reserve	5,037
Borakalalo National Park	11,894
Highveld National Park	8,630
Molemane Nature Reserve	4,988
Botsalano Game Reserve	5,671
Kgaswane Mountain Reserve	5,388
Mafikeng Game Reserve	4,611
SA Lombard Nature Reserve	3,636
Baberspan Bird Sanctuary	3,156
Boskop Dam Nature Reserve	3,067
Wolvespruit Nature Reserve	1,752

7. Inventories

Game to be sold within the next financial year	3,400,000	3,350,000
Consumable stores	290,762	270,231
	3,690,762	**3,620,231**

No inventory was pledged as security for any financial liability.

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8. Receivables from exchange transactions

Trade debtors	29,054,768	42,945,309
Deposits	334,045	334,045
Concessionaires invoiced in advance	(3,938,514)	(3,714,015)
Less: Provision for impairment	(16,457,172)	(21,016,439)
	8,993,127	**18,548,900**

The directors consider that the carrying amount of trade and other receivables approximates to their fair value. No receivables were pledged as security for any financial liability.

Credit quality of trade and other receivables

The credit rating used to rate the credit quality in categories of high, medium and low quality debtors is based on the debtors payment history. The ageing analysis is used to determine the credit rating. Debtors aged as current and 1-30 days are rated as high quality debtors, those aged 31-60 days are rated medium quality debtors and those debtors aged over 60 days are rated low quality debtors. Trade and other debtors comprise a widespread customer base and the Board performs ongoing credit evaluations of the recoverability of these debts. There is no significant credit risk attached to these debtors that have not been provided for as doubtful.

Trade receivables from exchange transactions impaired

The amount of the impairment was R 16,457,171 as of 31 March 2017

The ageing of these receivables is as follows:

Age analysis		
1 to 30 days	12,868,452	5,472,343
31-60 days	(4,534,908)	(6,323,891)
61-90 days	952,809	1,246,216
over 90 days	19,768,415	42,550,641
	29,054,768	**42,945,309**

Reconciliation of provision for impairment of trade and other receivables

Opening balance	21,016,439	-
Movement	(4,559,268)	21,016,439
	16,457,171	**21,016,439**

Management is of the opinion that all receivables outstanding over 90 days are not recoverable and therefore the appropriate allowances for the estimated irrecoverable amounts are provided for as doubtful receivables. The provision for doubtful debt has also been determined by reference to past experience as well as actual review of all individual debtors accounts and excludes special payment arrangements entered into with specific debtors.

The North West Parks Board is currently operating several consession agreements for tounst facilities and game drive facilities within its parks and reserves. These agreements are for periods up to 99 years and payments are charged based on different criteria, amongst these being turnover generated by the operators. These charges escalate at the Consumer Price Index (CPI) per annum or negotiated increases.

The North West Parks Board is not able to disclose the required information as the lease payments receivable cannot be calculated on a straight line basis. Leases are operational over a long period and increases are based on CPI as well as turnover. The current method of accounting for concession fees receivable is therefore more representative of the lease agreements.

NORTH WEST PARKS BOARD

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9. Receivables from non-exchange transactions

Staff and other debtors	29,961	99,082
Sundry debtors	1,186,877	142,442
Less: Provision for impairment	(85,169)	(160,215)
	1,131,669	**81,309**

Receivables from non-exchange transactions impaired

The amount of the impairment was R 85,169 as of 31 March 2017.

The ageing of these receivables is as follows:

Current and 1 -30 Days	4,363	(1,965)
31-60 Days	1,061	2,000
61-90 days	24,537	99,047
	29,961	**99,082**

Reconciliation of provision for impairment of receivables from non-exchange transactions

Opening balance	160,215	-
Movement	(75,046)	160,215
	85,169	**160,215**

Management is of the opinion that all receivables outstanding over 90 days are not recoverable and therefore the appropriate allowances for the estimated irrecoverable amounts are provided for as doubtful receivables. The provision for doubtful debt has also been determined by reference to past experience as well as actual review of all individual debtors accounts and excludes special payment arrangements entered into with specific debtors.

10. Vat receivable - SARS

Opening balance	2,780,438	2,780,438
Provision for impairment	(2,780,438)	-
Closing balance	-	**2,780,438**

11. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	29,714	30,900
Bank balances	40,565,849	15,875,147
Short-term deposits	7,407,188	457,321
	48,002,751	**16,363,368**

Bank balances and cash comprise short-term, highly liquid investments that are held with registered banking institutions with maturities of six months or less and that are subject to insignificant interest rate risk. The carrying amount of these assets approximates to their fair value.

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11. Cash and cash equivalents (continued)

The entity has the following bank accounts

	Bank statement balances		Cash book balances	
Account description	2017	2016	2017	2016
ABSA - FIXED DEPOSIT	91,959	89,166	91,959	89,166
COLLATERAL DEPOSITS	-		99,154	99,154
FNB - SALARIES ACCOUNT	42,514	1,101	42,514	1,101
FNB - BLOEMHOF DAM DEVELOPMENT PROJECT	6,960,708	63,379	6,960,708	63,379
STD - INSURANCE	212,853	204,520	212,853	204,520
FNB - MAIN ACCOUNT	2,168,886	671,564	2,168,886	787,889
FNB - PIL SPEED PNT	25,425	(3,734)	42,235	15,621
FNB - PILANESBERG	76,764	46,919	180,774	410,839
FNB - CALL	36,581,417	11,709,882	36,581,417	11,709,882
FNB - RHINO MANAGEMENT PROJECT	452,501	435,230	452,501	435,230
FNB - COPENHAGEN ZOO PROJECT	653,661	536,173	653,661	536,173
FNB - BOTSALANO FENCE UPGRADE PROJEC	-	1,441,909	-	1,441,909
FNB - LICHTENBURG GAME BREEDING PROJECT	223,200	239,086	223,200	239,086
FNB - SEBELE RARE SPECIES PROJECT	167,528	208,191	167,528	208,191
FNB - GUARANTEE DEPOSIT: ESKOM	94,741	90,327	94,741	90,326
FNB - NWPB ENVIRONMENTAL MONITORS	905		905	-
Subtotal	47,753,062	15,733,713	47,973,036	16,332,466
	47,753,062	**15,733,713**	**47,973,036**	**16,332,466**

12. Game revaluation reserve

Opening balance	525,938,276	-
Transfer from NWPTB	-	525,938,276
Movement in game	(54,086,740)	-
	471,851,536	**525,938,276**

13. Revaluation reserve

Game- Revaluation Surplus

Revaluation surplus beginning of period	516,538,275	570,625,365
Game to be hunted in the next financial period	(3,400,000)	(3,350,000)
	513,138,275	**567,275,365**

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14. Finance lease obligation

Minimum lease payments due		
- within one year	34,153	34,153
- in second to fifth year inclusive	22,769	56,922
	56,922	91,075
less: future finance charges	(4,580)	(11,160)
Present value of minimum lease payments	**52,342**	**79,915**
Non-current liabilities	21,958	52,342
Current liabilities	30,384	27,573
	52,342	**79,915**

The finance leases mentioned above include equipment leased. The rental payable on these leases is escalated at rates of up to 10% per annum. The Board will not exercise any options to renew or purchase the assets under finance leases.
The are no restrictions imposed on the above finance leases.

15. Unspent grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent unconditional grants and receipts (earmarked funds)		
Provincial Capital Development Fund	1,086,428	1,086,428
Park Expansion Project Fund	1,293,222	1,293,222
Park Fencing Project Fund	1,130,839	1,130,839
Pilanesburg Roads Project Fund	9,323	9,323
Alien Plant Control Fund	992,461	992,461
Expanded Public Works Programme	898,538	898,538
Unspent conditional grants and receipts		
Social Responsibility Fund	9,746,361	4,256,215
	15,157,172	**9,667,026**

Movement during the 12 months

Balance at the beginning of the period	9,667,026	9,183,891
Receipts	6,940,542	483,135
Expenses	(1,450,396)	-
Balance at the end of the 12 months	**15,157,172**	**9,667,026**

This liability represents amounts received through sponsorships and institutions earmarked for specific projects. This includes the Provincial Capital Development Fund and Social Responsibility contributions. The Board approved the use of the interest accrued on the funds for other Board operations with effect from 01 April 2004. The interest accrued on these funds have been transferred to the Revenue Reserve Fund. Interest on the Social Responsibility Fund is credited to that fund.

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16. Provisions

Reconciliation of provisions - 2017

	Opening Balance	Additions	Total
Environmental rehabilitation	250,000	250,000	500,000
Provision for Long Service	81,000	13,000	94,000
Bakgatla Bakgafela CPA	-	1,200,000	1,200,000
	331,000	**1,463,000**	**1,794,000**

Reconciliation of provisions - 2016

	Opening Balance	Additions	Total
Environmental rehabilitation	-	250,000	250,000
Provision for Long Service	-	81,000	81,000
	-	**331,000**	**331,000**

The provision for long service relates to the Board's estimated liabilities arising as a result of services rendered by employees. This provision is based on rates approved in the Board's policies.

The provision for rehabilitation of land fill sites relates to areas where pollution has been identified within the smaller parks and these land areas would require rehabilitation in an attempt to restore the land to its former state.

Bakgatla Bakgofela is part of the Pilanesburg CPA's co-management agreements that was awarded R1.2 million per year, over a period of three years compensation for loss of income as land owners. The agreement between NWPB and CPAs were concluded, but Bakgatla Bakgofela contract was not yet signed.

17. Payables

Trade payables	5,400,424	3,048,350
Sundry creditors	345,343	326,947
Accrual for leave pay	11,444,450	10,858,254
Other payables	3,661,137	1,175,234
	20,851,354	**15,408,785**

The above payables are expected to be settled within the next financial year, and do not bear any interest.

Ageing of payables and sundry creditors

Payables from exchange transactions		
Current and 1 - 30 days	3,099,915	-
31 - 60 days	629,188	-
61 - 90 days	118,712	-
Over 90 days	1,897,955	-
	5,745,768	**-**

The information to disclose the ageing for 2016 was not available.

Fair value of payables from exchange transactions

The directors consider that the carrying amount of trade and other payables approximate their fair value.

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18. Revenue

Rendering of services	46,349,844	53,683,175
Game sales	5,225,116	20,362
Poverty relief	-	4,917,316
Donations	23,856,786	4,863,500
Recoveries	640,934	6,537,749
Insurance settlements	261,598	223,932
Other income	967,009	874,398
Interest received - investment	2,116,187	1,130,548
Government grants & subsidies	128,040,169	88,020,355
	207,457,643	**160,271,335**

Donations received related to infrastructure donated to the entity.

Rendering of services

Rendering of services is comprised of revenue generated from entrance fees, lease rentals, accommodation and camping, angling fees, filming income, firewood sales, hiking fees as well as sales from maps and books on the various parks and nature reserves.

Rendering of services		
Accommodation and camping	1,189,191	1,151,658
Lease rentals	11,361,708	26,819,252
Entrance fees	31,866,331	24,783,014
Other services	1,932,614	929,251
	46,349,844	**53,683,175**

Lease Agreements

To enhance tourism within the protected areas, although not a mandatory function, the NWPB entered into concession lease agreements for the establishments of lodge facilities and other concession services. These concessions are established, maintained and operated by the concessionaire. Currently NWPB has 42 active agreements, which are related to different terms and conditions. Lease terms can be for a period from 3 months to 99 years, especially those dated before 2000, while the financial terms could be based on monthly or annual amounts with a CPI increase and some with a fixed percentage or a percentage of turnover. Each lease agreement is unique and must be evaluated on its individual status and merits. A straight line evaluation is therefore not recommendable.

The amount included in revenue arising from exchanges of goods or services are as follows:		
Rendering of services	46,349,844	53,683,175
Game Sales	5,225,116	20,362
Poverty relief	-	4,917,316
Recoveries	640,934	6,537,749
Insurance settlements	261,598	223,932
Other income	967,009	874,398
Interest received	2,116,187	1,130,548
	55,560,688	**67,387,480**

The amount included in revenue arising from non-exchange transactions is as follows:		
Transfer revenue		
Government grants & subsidies	128,040,169	88,020,355
Donations	23,856,786	4,863,500
	151,896,955	**92,883,855**

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19. Other income		
Income - projects	405,751	469,349
Other income	561,258	405,049
	967,009	**874,398**
20. Interest revenue		
Interest revenue	2,116,187	1,130,548
21. Government grants and subsidies		
Operating grants		
Equitable share	111,830,000	87,331,397
CATHSETA Grant	152,529	688,958
Grant received for adminstrative purposes	16,057,640	-
	128,040,169	**88,020,355**
Unpent conditional grants		
Social Responsibility Fund		
Balance unspent at beginning of the period	4,256,215	4,732,060
Current-year receipts	6,940,543	4,917,316
Conditions met - transferred to revenue	(1,450,397)	(5,393,161)
	9,746,361	**4,256,215**
Unpent unconditional grants for earmarked funds		
Provincial Capital Development Fund		
	1,086,428	1,086,428
Park Expansion Project Fund		
	1,293,222	1,293,222
Park Fencing Project Fund		
	1,130,839	1,130,839
Pilanesburg Roads Project Fund		
	9,323	9,323
Alien Plant Control Fund		
Balance unspent at beginning of 12 months	992,461	1,992,461
Conditions met - transferred to revenue	-	(176,083)

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21. Government grants and subsidies (continued)

Expanded Public Works Programme

	898,538	898,538

22. Employee related costs

Basic	82,410,672	69,527,115
Bonus	3,719,675	3,823,595
Medical aid contributions	1,709,583	1,639,770
UIF	774,601	720,225
SDL	1,051,576	794,995
Provident fund contributions	12,295,973	10,300,736
Group life contributions	2,581,145	2,190,196
Car allowance	1,235,741	851,996
Funeral cover allowances	140,684	143,200
Acting Allowances	653,506	389,052
Cell phone allowance	494,050	444,244
Shift allowance	66,400	42,950
Other payments	11,570,241	3,936,235
Leave paid	1,035,501	225,837
Backpay/lumpsum	2,351,835	923,351
Arbitration	1,793,754	1,164,874
	123,884,937	**97,118,371**

Remuneration of Chief Executive Officer: Mr M.E Mothobi
01 April 2016 - 31 March 2017

Annual Remuneration	924,889	213,538
Car Allowance	312,000	84,974
Contributions to UIF, Medical and Pension Funds	271,404	80,338
Other	322,159	32,623
	1,830,452	**411,473**

Remuneration of Chief Financial Officer: Mr Z.J van der Merwe
01 April 2016 - 31 March 2017

Annual Remuneration	1,051,108	518,525
Contributions to UIF, Medical and Pension Funds	154,434	105,196
Other	169,108	74,329
	1,374,650	**698,050**

Remuneration of Chief Operations Officer: Mr P Moholo
01 April 2016 - 31 May 2016

Annual Remuneration	67,910	476,505
Contributions to UIF, Medical and Pension Funds	10,089	121,799
Arbitration	879,264	81,629
Other	333,506	-
	1,290,769	**679,933**

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22. Employee related costs (continued)

Remuneration of Acting Chief Audit Executive: Ms K Magae (Acting)
1 August 2016 - 31 March 2017

Annual Remuneration	252,842	349,327
Contributions to UIF, Medical and Pension Funds	78,419	99,448
Other	132,799	48,108
	464,060	**496,883**

Remuneration of Chief Conservation Officer: Mr M Magodielo
01 April 2016 - 31 December 2016

Annual Remuneration	675,238	730,216
Car Allowance	46,287	51,430
Contributions to UIF, Medical and Pension Funds	68,712	80,557
Other	112,668	128,028
	902,905	**990,231**

Remuneration of Human Resources Manager: Ms B Kegakilwe
01 April 2016 - 31 March 2017

Annual Remuneration	763,085	411,533
Contributions to UIF, Medical and Pension Funds	113,030	81,490
Other	191,979	52,114
	1,068,094	**545,137**

Remuneration of Acting Company Secretary: Mr E.M Sekgarametso
01 April 2016 - 31 March 2017

Annual Remuneration	466,763	-
Contributions to UIF, Medical and Pension Funds	44,745	-
Other	221,787	-
	733,295	-

23. Auditors' remuneration

Fees	3,592,114	1,457,452

24. Cash generated from operations

Deficit	(28,013,478)	(20,799,432)
Adjustments for:		
Depreciation and amortisation	54,242,446	45,005,571
Gain on sale of assets and liabilities	5,825,688	99,154
Movements in provisions	1,463,000	81,000
Donations received	(23,856,786)	-
Depreciation other	257,943	147,813
Changes in working capital:		
Inventories	(20,531)	(3,620,231)
Receivables from exchange transactions	11,285,851	(21,410,646)
Payables	5,442,569	15,658,785
Unspent grants and receipts	5,490,146	9,667,026
	32,116,848	**24,829,040**

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25. Commitments

Communal Properties Associates (CPA)

Minimum payments due		
- within one year	5,481,447	512,818
- in second to fifth year inclusive	4,800,000	622,498
	10,281,447	**1,135,316**

The commitments as above stated relate to land claims by the relevant owners and co-management agreements.

26. Contingent assets and liabilities

26.1 ANDRIES STEYN V/S North West Parks Board & OTHERS:

Dries Steyn alleges that he bought a TB infected buffalo during the Madikwe Buffaloes auctions in October 2011 which according to him died as a result of TB. He is claiming compensation of the amount R63 565 379.40 for damages and failure of the animal to reproduce. The matter is being opposed. The significance of this matter is unknown and the matter is disclosed accordingly.
Kgomo Attorney were appointed to represent the Board.

26.2 GLADYS PULE V/S North West Parks Board:

This matter follows from the twenty six staff members who were dismissed at a disciplinary hearing due to participation on an illegal strike action at Pilanesberg National Park in 2008. Following their dismissal these employees pursued the Labour Court process for their reinstatement and won the case. Though others were compensated six months' pay per the court order and reinstated, Ms Gladys Pule wanted to be paid compensation the amount from the date of their dismissal and she took the matter for review. The estimated settlement amount from the date of dismissal of Ms. Gladys Pule would be around R600 000. The matter is disclosed accordingly.
Kgomo Attorney were appointed to represent the Board.

26.3 Montoza Engineering Projects 10 (Pty) Ltd vs North West Parks Board:

The Board terminated the fence maintenance contracts awarded to Montoza Engineering Projects (Pty) Ltd for fraud on the basis that the Company alleged it was VAT registered when it bid for the two contracts while it was not. The company was as a result paid VAT amount on two invoices when it was not VAT registered.

After termination of the two contracts Montoza Engineering 10 (Pty) Ltd took the Board to High Court on an urgent basis. The court ruled that the matter was not urgent and it is now going through the normal court application route. The Company claims an amount of R1 661 561.96 for the two contracts terminated plus costs. The matter is being opposed and it is disclosed accordingly.
Kgomo Attorney were appointed to represent the Board.

26.4 Contingent assets

Due to unlawful charge of VAT by the supplier the contract was terminated and the Board instituted a claim of recovery of the VAT amount paid of R 155 130

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27. Related parties

Relationships	Refer to directors' report note
Controlling department	Department of Rural Environment and Agricultural Development
Schedule 3C entity with shared services	North West Tourism Board
Co-management partner	Pilanesburg National Park CPA Leratogapile General Suppliers CC t/a Log Trading Projects
Service provider on behalf of board	Shaya Security Services CC
Co-beneficiaries and implementors	Pilanesburg Wildlife Trust Coopenhagen Zoo

Related entities:

DEPARTMENT OF RURAL ENVIRONMENTAL AND AGRICULTURAL DEVELOPMENT
The North West Parks Board is a public entity under schedule 3 of the Public Finance Management Act of 1999 as amended, reporting to the North West Province Department of Rural Environment and Agricultural Development. T he department exercise control over the Board and its financing operating policies.

NORTH WEST TOURISM BOARD (NWTB)
The NWTB is a public entity registered as a schedule 3c entity within the Public Financial Management Act of 1999 as amended and reporting to the North West Provincial Department of Tourism. Currently the NWTB and the North West Parks Board (NWPB) share facilities and administrative systems. Certain operational expenses are paid on behalf of the NW TB and recovered during the financial year due to the fact that suppliers did not separated vendor accounts

PILANESBERG NATIONAL PARK COMMUNIAL PROPERTY ASSOCOATION (CPA)
The Pilanesberg National Park CPA is an association and land owners of certain areas within the Pilanesberg National Park. Through their cooperation management agreement they have certain rights that could benefit communities and ensure the upliftment of their livelihood. Through their participation in management they then recommend service providers from their communities that will render the required services to the NW PB, within the Pilanesberg National Park.

PILANESBERG WILDLIFE TRUST (PWT)
The NWPB was the founder of the PWT with their operations within the Pilanesberg National Park and sell products to tourist by using our gate systems and facilities. The PWT also support the NWPB from time to time with operational cost.

COOPENHAGEN ZOO
The Coopenhagen Zoo established a satellite office within the Pilanesberg National Park that assist the Board with certain operational activities and the funding thereof. The Board is responsible for some administrative functions on behalf of the Coopenhagen Zoo and recover all cost from the Coopenhagen Zoo.

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27. Related parties (continued)		
Related party transactions		
Amounts included in Trade receivable (Trade Payable) regarding related parties		
North West Tourism Board	(4,523,833)	-
North West Tourism Board	2,866,963	-
Other		
Roma nna Legacy	60,000	-
Related party transactions		
Unconditional grants received from related parties		
Pilanesburg National Park CPA	766,080	-
Pilanesburg Wildlife Trust	656,575	-
Coopenhagen Zoo	1,362,922	-
Coopenhagen Zoo	1,975,084	-
Unconditional grants received		
Equitable share (Rural, Environment and Agricultural Department)	127,887,640	112,807,033
Remuneration of management		
Refer to the employee related cost note		
Related party balances		
Receivables from related parties		
North West Tourism Board	1,457,657	-
Payables to related parties		
North West Tourism Board	109,315	-

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28. Directors' emoluments

Non-executive

2017

	Emoluments	Other benefits	Total
Dr. TE Khakhane Leballo (Chairperson of the Board)	167,200	21,414	188,614
Ms. LK Motlhamme (Deputy Chairperson)	3,626	3,015	6,641
Dr. DT Magome	216,634	94,441	311,075
Adv. MMM Raborife	224,202	88,850	313,052
Dr. TM Guma	7,568	5,109	12,677
Rev. PM Tlhabanyane	184,470	27,959	212,429
	803,700	**240,788**	**1,044,488**

2016

	Emoluments	Other benefits	Total
Dr. TE Khakhane Leballo (Chairperson of the Board)	34,056	2,613	36,669
Prof. TJ Mokgoro	-	7,715	7,715
Dr TA Hank	41,624	416	42,040
Ms. LK Motlhamme (Deputy Chairperson)	30,968	14,813	45,781
Dr. DT Magome	125,818	68,106	193,924
Adv. MMM Raborife	52,976	33,580	86,556
Dr. TM Guma	11,352	5,156	16,508
	296,794	**132,399**	**429,193**

29. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The Business Case motivating the establishment of the Board addresses the financial resources required for the entity's sustainability and therefore its ability to meet its mandate.

30. Fruitless and wasteful expenditure

Addition during the year	24,121	57,996

31. Irregular expenditure

Opening balance	6,266,830	2,729,552
Add: Irregular Expenditure - current year	6,776,322	3,537,278
	13,043,152	**6,266,830**

Analysis of expenditure awaiting condonation per age classification

Current year	6,776,322	3,537,278
Prior years	6,266,830	2,729,552
	13,043,152	**6,266,830**

The irregular expenditure was restated from R 2 807 071 in the prior year to R 6 266 830 in the current year.

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31. Irregular expenditure (continued)

Details of irregular expenditure – current year

Incident	
Emergencies	549,489
Strip and quote	119,736
Repairs and maintenance	892,214
Marketing / Communication	2,473,194
Legal Costs	2,500,562
Administrative Costs	241,128
	6,776,323

The above irregular expenditure has been identified as results of challenges arising from the consistent application of the supply chain management process. The irregular expenditure has been submitted to the board for investigation.

The required disciplinary action against relevant employees is in the process.

32. Retirement Benefit-controling entity

The Board continues to contribute to the North West Parks Board Provident Fund, being a defined contribution plan. The funds are registered under and governed by the Pension Funds Act, 1956, as amended. All employees who are eligible through qualifying services are members of the respective funds. The Board does not currently bear and is in no way contractually liable for the cost of funding post retirement medical aid benefits. The contribution to the Medical Aid Funds, should an employee choose to continue membership of the scheme on retirement, is payable by the retired employee.

The total cost charged to income of R15 871 437 represents contributions payable to the scheme by both the North West Parks Board according to the rates specified in the rules of the scheme. This cost is recognised as retirement benefit expense and is included under staff cost.

The number of staff employed by the Board as at the end of the financial year was 454 permanent employees and 3 temporary employees.

33. Prior period errors

33.1 Property, Plant and Equipment - Assets Take On

The entity performed a full scale physical verification of all property, plant and equipment at the 2017 financial year-end. Through this verification process, several errors were identified, mainly relating to incorrect calulation of depreciation in the past, as well as several assets which were previously never recognised in the asset register, or the accounting records. Retrospective corrections were made to reflect the corrected balances, that agrees to the re-constructed asset register.

The correction of the error(s) results in adjustments as follows:

Adjustments affecting the statement of change in net assets		
Increase in accumulated surplus	-	(322,024,393)
Adjustments affecting the statement of financial position		
Increase in the cost of property, plant and equipment	-	334,537,062
Increase in accumulated depreciation	-	(47,311,878)
	-	**287,225,184**
Adjustments affecting the statement of financial performance		
Increase in depreciation expense	-	35,503,862
Increase in the depreciation of capitalised leased assets	-	13,584
Decrease in impairment	-	(718,237)
	-	**34,799,209**

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33. Prior period errors (continued)

33.2 Investment Property

The entity performed a full scale physical verification of of investment propoerty at the 2017 financial year-end. Through this verification process, several errors were identified. Retrospective corrections were made to reflect the corrected balances, that agrees to the re-constructed asset register.

Adjustments affecting the statement of change in net assets		
Decrease in the revaluation reserve	-	329
Adjustments affecting the statement of financial position		
Decrease in the cost of investment property	-	(356,302)
Decrease in accumulated depreciation	-	355,973
	-	**(329)**
Adjustments affecting the statement of financial performance		
None	-	-

33.3 Revaluation Reserve

NWPB has adopted the cost model to value their assets and when the assets were transferred from NW P&TB, they were taken on at the carrying value, which was assumed to be the cost. As such, the revaluation reserve which was created in 2016 was created in error as those assets should have been accounted for through the acumulated surplus.

Adjustments affecting the statement of change in net assets		
None	-	-
Adjustments affecting the statement of financial position		
Increase in accumulated surplus	-	(161,237,829)
Decrease in the revaluation reserve	-	161,237,829
	-	-
Adjustments affecting the statement of financial performance		
None	-	-

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33. Prior period errors (continued)
33.4 Receivables from Exchange Transactions

Errors were identified in the amounts charged to concessionaries and trade debtors in the prior years, which was rectified

Adjustments affecting the statement of change in net assets		
None	-	-
Adjustments affecting the statement of financial position		
Increase in receivables from exchange transactions	-	10,851,140
Adjustments affecting the statement of financial performance		
Increase in rendering of services	-	(10,937,659)
Decrease in other income	-	86,519
	-	**(10,851,140)**

33.5 Finance Lease Obligation

Calculation errors were identified in the lease liability which was rectified

Adjustments affecting the statement of change in net assets		
None	-	-
Adjustments affecting the statement of financial position		
Decrease in finance lease obligation	-	106,790
Adjustments affecting the statement of financial performance		
Decrease in operating expenses	-	(106,790)

33.6 Payables from Exhange Transactions

Reversal of the concessionare fees received in advance as well as additional errors in recognising trade creditors

Adjustments affecting the statement of change in net assets		
None	-	-
Adjustments affecting the statement of financial position		
Decrease in payables from exchange transactions	-	324,459
Adjustments affecting the statement of financial performance		
Increase in rendering of services	-	3,665
Decrease in operating expenses	-	(328,124)
	-	**(324,459)**

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34. Comparative figures

The following comparative figures have been reclassified.

Amounts due from the bank on a credit card have been allocated as receivables from non-exchange transactions as opposed to being classified as cash and cash equivalents.

Concession fees invoiced in advance have been reclassified as receivables from exchange transactions as opposed to being classified as payables from exchange transactions.

The effects of the reclassification are as follows:

Statement of financial position - extract

	Comparative figures previously reported	Reclassification	After reclassification
Receivables from exchange transactions	15,788,810	(3,714,015)	12,074,795
Payables from exchange transactions	(19,122,800)	3,714,015	(15,408,785)
Receivables from non-exchange transactions	225,724	15,800	241,524
Cash and bank	16,379,168	(15,800)	16,363,368
Total	**13,270,902**	**-**	**13,270,902**

35. Financial instruments disclosure

Categories of financial instruments

2017

Financial assets

	At amortised cost	Total
Trade and other receivables from exchange transactions	8,993,127	8,993,127
Trade and other receivables from non-exchange transactions	1,131,669	1,131,669
Cash and cash equivalents	48,002,751	48,002,751
	58,127,547	**58,127,547**

Financial liabilities

	At amortised cost	Total
Finance lease obligation	52,342	52,342
Unspent grants and receipts	15,157,172	15,157,172
Payables	19,737,887	19,737,887
	34,947,401	**34,947,401**

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36. Financial instruments disclosure (continued)

2016

Financial assets

	At amortised cost	Total
Trade and other receivables from exchange transactions	18,548,900	18,548,900
Trade and other receivables from non-exchange transactions	81,309	81,309
Cash and cash equivalents	16,363,368	16,363,368
	34,993,577	**34,993,577**

Financial liabilities

	At amortised cost	Total
Finance lease obligation	79,915	79,915
Unspent grants and receipts	9,667,026	9,667,026
Payables	15,408,785	15,408,785
	25,155,726	**25,155,726**

North West Parks Board

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PR270/2017
ISBN: 978-0-621-45768-1