

ANNUAL REPORT

2014/2015



South African
NATIONAL PARKS





Legal and Constitutional Mandate

SANParks was established in terms of the National Environmental Management: Protected Areas Act, 57 of 2003. In terms of this Act, SANParks' mandate is to conserve, protect, control, and manage national parks and other defined protected areas and their biological diversity (biodiversity). The organisation is also subject to the prescripts of the Public Finance Management Act of 1999.



VISION

A sustainable National Park System connecting society



MISSION

To develop, expand, manage and promote a system of sustainable national parks that represents biodiversity and heritage assets, through innovation and best practise for the just and equitable benefit of current and future generations.



Corporate Values

SANParks has adopted 11 corporate values, which serve as guiding principles around which all employee behaviour and actions are governed and shaped.

These corporate values are listed below:

Leadership	We shall demonstrate leadership in all we do
Environmental Ethics	We shall embrace and be guided by environmental ethics in all we do
Transformation	We shall promote transformation within and outside of the organisation
Scientific and Service Excellence	We shall strive for scientific and service excellence at all times
Professionalism	We shall act with professionalism at all times
Initiative and Innovation	We shall adopt and encourage initiative and innovation by all
Equity and Justice	We shall treat all our stakeholders with equity and justice
Discipline	We shall exercise discipline at all times
Respect	We shall show respect to all
Honesty	We shall act with honesty and integrity
Transparency and Open Communication	We shall strive for transparency and open communication at all times

Parks Location & Operations

The operational component of SANParks is delivered through the current twenty-one (21) national parks – these being organised under two divisions namely, Kruger National Park and the Parks Division.

1. Addo Elephant National Park

2. Agulhas National Park

3. Augrabies Falls National Park

4. Bontebok National Park

5. Camdeboo National Park

6. Garden Route National Park (Wilderness; Knysna and Tsitsikamma)

7. Golden Gate Highlands National Park

8. Groenkloof National Park

9. Karoo National Park

10. Kgalagadi Transfrontier Park

11. Kruger National Park
12. Mapungubwe National Park

13. Marakele National Park

14. Mokala National Park

15. Mountain Zebra National Park

16. Namaqua National Park

17. Richtersveld Transfrontier Park

18. Table Mountain National Park

19. Tankwa Karoo National Park

20. Vaalbos National Park (Graspan Breeding Station)

21. West Coast National Park.



Figure 1: Map of SA National Parks



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Organisational Structure

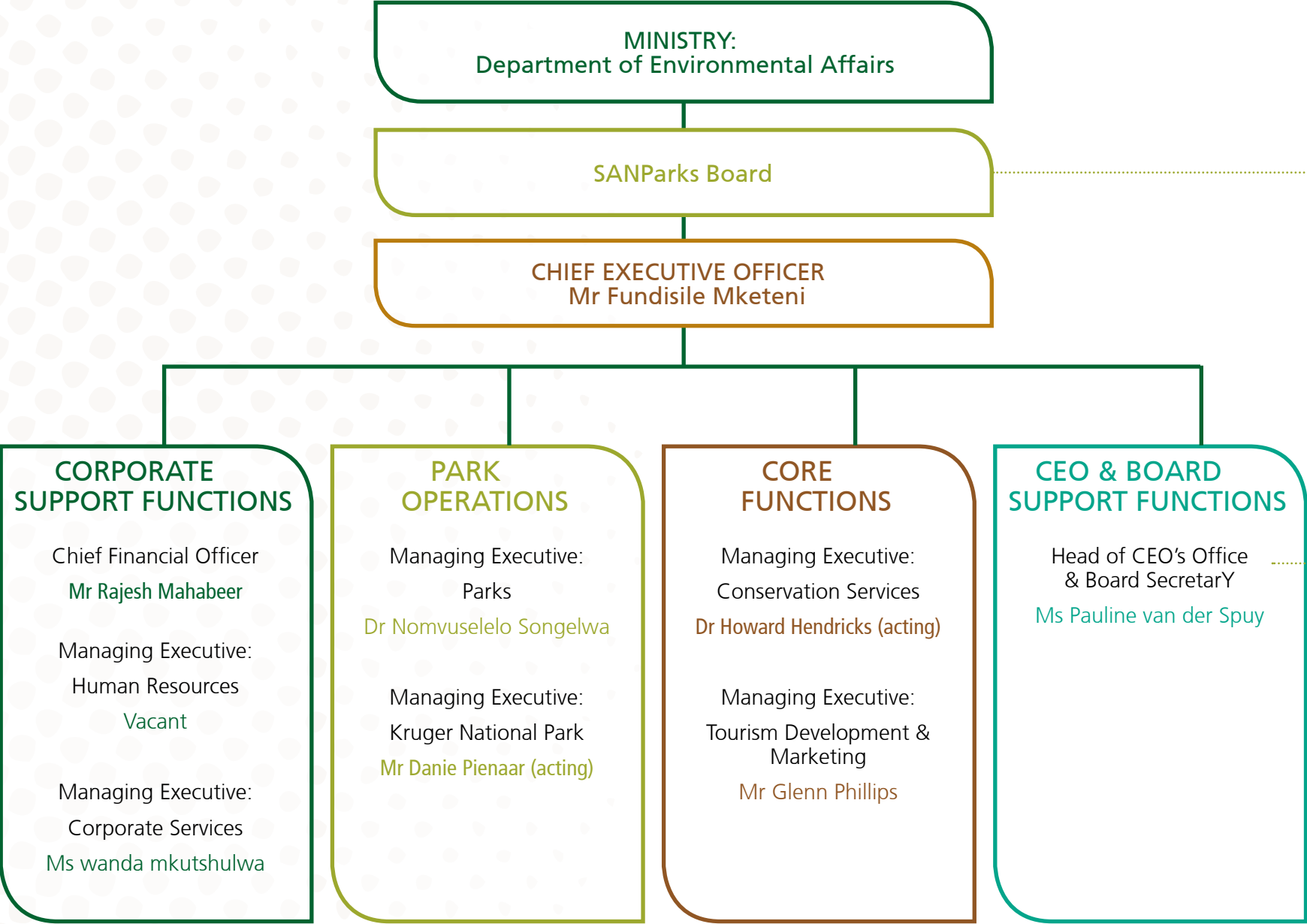


Figure 2: Organisational Structure

SANParks Board Members and Executive Management

BOARD MEMBERS

Mr KD Dlamini
Board Chairperson

Prof G Kerley

Prof G Swan
Chair of Conservation & Tourism Committee

Dr GC Dry
Chair of HR & REMCO

Ms B Kunene
Chair of Audit & Risk Committee

Mr S Mbanga

Ms L McCourt

Dr Z Lees

Ms R Kalidass

Ms NS Mteto

Mr F Mketeni
Chief Executive Officer

EXECUTIVE MANAGEMENT

Mr F Mketeni
Chief Executive Officer

Dr H Hendricks
Acting Managing Executive: Conservation Services

Mr R Mahabeer
Chief Financial Officer

Mr G Phillips
Managing Executive: Tourism Development & Marketing

Dr N Songelwa
Managing Executive: Parks Division

Mr D Pienaar
Acting Managing Executive: Kruger National Park

Ms w mkutshulwa
Managing Executive: Corporate Services

Ms P van der Spuy
Head: Chief Executive Office and Board Support (By invitation)

Minister's Foreword



Mrs B E E Molewa

We present to you the 2014/15 Annual Report of the South African National Parks (SANParks), within the context of a developmental state that seeks to locate conservation within the space of socio-economic development.

SANParks is one of the Public Entities reporting to the Department of Environmental Affairs. Its work is exemplary of how environmental management closely correlates with socio-economic development. This is owing to the fact that it has created employment for our people and continues to conserve our biodiversity and cultural heritage. In ensuring that the country's environmental assets are conserved, protected and sustainably used, we will continue to prioritise the issue of sustainable livelihoods for our people.

The environmental sector continues to be a hub of job creation and skills development for our people. Through our Green Economy Strategy, the Department of Environmental Affairs continues to work towards promoting equitable, inclusive, sustained and environmentally sound economic growth, as well as social development for the benefit of all.

Of particular significance in the year under review, is the extent to which SANParks has managed to expand its programmes providing socio-economic benefits to communities near our national parks. A flagship initiative in this regard is the Expanded Public Works Programme (EPWP) where SANParks has now become one of the leading implementers in the country.

Currently, there are five factories under the Eco-Furniture Programme (EFP), producing a range of furniture with a large focus on producing school desks from invasive species. In the year under review, 160 000 single-seater desks were delivered to 378 schools.

The first Eco-Furniture factory was established four years ago in the Farleigh area of the Garden Route National Park. SANParks performed outstandingly in managing this factory, and a further four new factories were established in locations far from national parks, and were entrusted to the entity to run.

The second EPWP programme that has taken SANParks beyond the boundaries of national parks is the Environmental Monitor Programme. SANParks was appointed the national implementer of this programme, including in provincial and private reserves. By March 2015, the programme had created 1 420 jobs which saw SANParks receive the Best Project Award at the annual Kamoso Awards hosted by the Department of Public Works.

Apart from the rapid growth of job opportunities created through the EPWP programmes, with a total of 5 892 Full Time Equivalents (FTEs) having been provided in 2014/15, SANParks is also a provider of direct employment on the SANParks payroll and through the concessionaire programme. By the end of March 2015, there were 5 346 people in the direct employ of SANParks, with a further 1 932 people employed by concessionaires in the parks. This means that on any week day morning, over 13 000 people got up to go to work in a national park, or in a project managed by SANParks.

In spite of the global economic challenges, SANParks' performance provides a basis for optimism regarding the financial future of the organisation. It has been noted that in the financial year in question, the total number of visitors to National Parks increased by 9,9% year on year to 4 167 216 with SA Citizens accounting for 73,8%, while SADC and international guests stood at 1,4% and 24,8% respectively. Black SA visitors improved by 2,2% year on year to 408 880 (25,9% of domestic visitors).

These positive tourism outcomes for the 2014/15 financial year are welcomed.

The 2014/15 financial year also saw an escalation in the intensity of rhino poaching and a re-doubling of efforts by Government to meet this challenge. Considerable progress was made by Government to put in place a multi-faceted strategy to deal with rhino poaching, within which SANParks has played a key role.

Government recognises that poaching is part of illicit wildlife trade thus making the issue of addressing the scourge complex. This is why South Africa will continue to strengthen holistic and integrated interventions and explore innovative options to ensure the long-term survival of the rhino species.

In August 2014, Cabinet approved the Strategy for the Integrated Management of Rhinoceros in South Africa, which includes inter alia the Biodiversity Management Plan for White Rhinoceros. This plan provides for a meta-population management strategy and sets a realistic target of at least 20 400 white rhino in South Africa by 2020.

Interventions on international collaboration will further strengthen efforts to address not only rhino poaching, but also illegal wildlife trade in general.

It is internationally acknowledged that illegal wildlife trade results in devastating impacts on species, ecosystems, sustainable livelihoods, economies, and national and regional security.

The strategic translocation of 56 white rhino from poaching hotspots to safer areas at the end of 2014 forms part of this strategy. This is an ongoing process.

We welcome the ongoing cooperation between SANParks and the Security Forces in combating the challenges of rhino poaching. This has since been consolidated with the establishment of the Joint Operations Centre (JOC) at Skukuza in the Kruger National Park.

We are proud to also note that once again SANParks has received an unqualified audit for the 2014/15 financial year and continues its unbroken run of unqualified audits since the dawn of democracy in 1994.



Mrs B E E Molewa, MP

Minister of Environmental Affairs

Chairperson's Report



Ms Joanne Yawitch

The 2014/15 financial year saw SANParks making good progress in the performance of its core functions. While the issue of rhino poaching in the Kruger National Park continued to place demands on resources and to attract media attention, it is important to note that SANParks has continued to perform effectively in the key conservation functions underpinning the successful development and management of the national parks entrusted to the organisation.

The park expansion programme has been implemented in accordance with a plan agreed to with the Department of Environmental Affairs. In the year under review, land has been added to the under-conserved Succulent Karoo and Fynbos biomes. This will ensure greater representivity of biomes and vegetation types within the national park system. The development and rehabilitation of land within the national parks has also moved forward with dedicated programmes for alien clearing, wetland rehabilitation and other conservation support functions implemented largely through the Expanded Public Works Programmes (EPWP). The alien clearing programme, implemented through Working for Water, for long the flagship programme within the EPWP, saw the clearing of over 260 000 hectares of alien vegetation in 2014/15, including both initial and follow-up programmes.

The management of the conservation function within SANParks is underpinned by a comprehensive programme of scientific research, which saw 374 active, registered research projects across the various research nodes within SANParks as at the end of March 2015. Through collaboration with external researchers, SANParks is able to bring substantial research capacity to bear on the challenges facing SANParks, while SANParks own research staff authored or co-authored 27 peer-reviewed articles in 20 national or international journals in 2014/15.

The growth in the number of tourists to national parks in 2014/15 by 6,6% and the increase in average unit occupancies from 70,9% to 72,1% bears testimony not only to the quality of our tourism product, but also to the conservation work that has been performed over decades by the dedicated women and men in our conservation function who ensure that national parks are developed and maintained to the highest standards.

Significant tourism developments in the year under review included the successful opening of the franchised restaurants in the Kruger National Park and Tsitsikamma, while the Skukuza Airport was re-opened for direct flights to

Johannesburg and Cape Town in June 2014. Overall, the Customer Satisfaction Index improved from 79,1% in 2013/14 to 80,5% for 2014/15 with the growth being attributed largely to the improvement in dining experience through the introduction of franchised restaurant operators.

In assessing the performance of SANParks for the year under review, however, we should not focus solely on the extent to which SANParks has fulfilled its conservation mandate or indeed on the excellent results in growing tourism to our national parks. It is important to place the tourism and conservation outputs within the context of an assessment of the degree to which our national parks have managed to transform their relationship to the communities surrounding the parks.

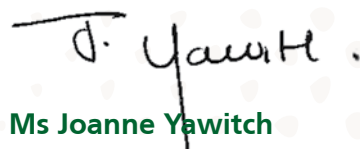
The long history of dispossession and exclusion of the majority of South Africans from national parks and other protected areas in the country has created major obstacles to ensuring that communities can both identify with and develop a sense of ownership and pride in our national parks. The sustainability of the national park system into the long term depends in large part on the degree to which the communities adjacent to national parks derive benefits from national parks and see them as a valued asset for themselves and the nation.

Therefore, it is important to expand the role that the national parks play as catalysts for socio-economic development in the rural areas in which they are situated. The role of SANParks as a creator of jobs needs to be recognised, including the direct jobs created within national parks and the indirect jobs within the surrounding economies. In addition, SANParks has come to play a significant role in the creation of livelihoods in many parts of the country through becoming a leading implementer of Government's Expanded Public Works Programmes. Having started 14 years ago by managing a small component of the Working for Water Programme, SANParks is now managing 11 different EPWP programmes with a combined budget of R500 million in the 2014/15 financial year. In addition, SANParks has the potential to stimulate increased enterprise creation through deepening of its local procurement.

A further significant aspect of building constituencies is the promotion of access to the national parks through a range of programmes and public events. The SA National Parks Week sees free access allowed to national parks during a week in September of each year and events are arranged to ensure that previously excluded communities neighbouring the parks are given access to these parks. During SA National Parks Week held in September 2014, there were 53 251 free access entrants to the national parks. In addition, SANParks continues to run a variety of environmental education programmes aimed largely at catering for children and youth from disadvantaged communities, with 213 744 learners participating in these programmes in the year under review.

The consistency of the achievements of SANParks and the organisation's role as an international leader in the management of protected areas would not be possible without compliance to the regulatory framework and the maintenance of high standards of governance within the organisation. In this context, it is a pleasure to report that SANParks has once again received an unqualified audit in respect of the 2014/15 financial year, and to indicate that this has been the case every year since the transition to democracy in 1994.

On behalf of the new Board of SANParks, I would like to thank the outgoing Board, whose term ended on 31 March 2015, for the work they have done in ensuring that high standards of performance are maintained in SANParks. I would like also to thank the Minister of Environmental Affairs, Mrs B E E Molewa, for the guidance and strategic vision that she has provided and continues to provide to SANParks in the fulfilment of its mandate. The Board of SANParks commits itself to working together with the management and staff to ensure that these high standards are not only maintained but are improved, while at the same time accelerating the pace in respect of the transformation agenda that SANParks has already embarked upon.



Ms Joanne Yawitch
Chairperson of the Board
SANParks

Chief Executive Officer's Report



Mr Fundisile Mketeni

SANParks' mandate as defined in the National Environmental Management: Protected Areas Act, No 57 of 2003 relates primarily to the conservation of biodiversity through the development and management of national parks. SANParks is responsible for the management of 21 national parks representing the various biomes across the country (see map on page 12).

It should be recognised, however, that the role of the organisation has to a large extent been expanded in the years since the transition to democracy to incorporate a key role in providing socio-economic benefits to communities living around the national parks, and a major role within the tourism economy of the country generally. It is for this reason that our national parks are not only providing ecosystem services and enjoyment, they are also catalysts for rural development and sustainable livelihoods for the poor, in rural areas in particular.

Over 80% of the SANParks operational budget is self-generated, thus reducing the extent to which SANParks is dependent on the fiscus in meeting conservation objectives. A thriving tourism business also underpins the ability of SANParks to make a meaningful contribution to both the national economy, and within the local economies in which national parks are found.

It is for this reason that the most significant achievement for SANParks in the 2014/15 financial year was the growth in revenue from our tourism business, which exceeded R1 billion for the first time despite the on-going international economic recession. The total number of guests visiting our national parks grew by 6,6% from 5 235 095 in 2013/14 to 5 578 532 in 2014/15, as a result the total revenue from SANParks' tourism business grew by 10,5% to reach the R1,07 billion mark. This meant a 6,1% increase above the budgeted total of R1,01 billion. This healthy state of SANParks' tourism business was further reflected by an improvement in average unit occupancies from 70,9% in the previous financial year to 72,1% in 2014/15. This is well above the South African tourism industry, which stood at 58%.

This healthy performance in respect of SANParks' tourism function is a critical component of our ability to perform our core conservation mandate. The existence of a well managed national park system in South Africa is a major draw card for both local and international tourists, while the Kruger and Table Mountain National Parks continue to function as icons for tourism in the country followed by Tsitsikamma, Kgalagadi and Addo National Parks respectively.

Despite the challenges posed by rhino poaching, SANParks has retained its standing as one of the world's leading conservation agencies. The expansion of the conservation estate continued in 2014/15 with the addition of 6 125 ha, largely in the Succulent Karoo and Fynbos biomes. It is worth noting in this regard that the post-1994 period has seen a massive growth and number of national parks increased. The land under protection in the national park system has been expanded by over 700 000 ha in the period since the inception of a democratic order, and seven new national parks have been established.

The management of national parks is underpinned by a comprehensive scientific research and monitoring system that allows for the evaluation and adaptation of management interventions and models. At the end of March 2015 there were 374 active registered research projects across all the science nodes, with over 78% of these being deemed to be essential or important to achieving SANParks management objectives.

The effectiveness of the management of the national park system has also been enhanced, as measured through the internationally accepted Management Effectiveness Tracking Tool (METT) system. The parks assessed through the METT assessment in 2014/15 achieved an average score of 80%, which was 12 percentage points higher than the previous assessment. Rhino poaching continued to escalate during the year under review with SANParks losing 878 rhino during this period to poachers. This represented a 42,8% increase over the previous financial year. SANParks continued, however, to deploy all resources at our disposal in combating rhino poaching and in playing a key role within government's multi-faceted integrated strategy to combat this challenge. Highlights during the year included the commencement of the Strategic Rhino Translocation Strategy, which saw the movement of a number of rhino out of poaching hotspots in the Kruger National Park, to safer areas within the Park and to other protected areas. Advertisements were also placed in national media for the sale of rhino to private landowners who meet requirements relating to security and habitat, in order to support the development of viable rhino populations across the country.

The aerial support to the rangers on the ground was also enhanced during the year with the purchase of two state of the art helicopters through donations from the Howard G Buffett Foundation. This increased the number of helicopters available for anti-poaching work in the Kruger National Park from two to four. It is worth re-stating the obvious in this regard that the tireless efforts of our rangers on the ground have contributed immensely to an increase in arrests of poaching suspects, and in containing the escalation in poaching. Longer term solutions are, however, to be found in the multi-faceted suite of measures which government is in the process of implementing.

Support from communities adjacent to national parks is recognised as being vital not only to the battle against wildlife crime, but also to the success of our

management of the national parks into the future. SANParks has over the years implemented a number of programmes to ensure that parks play a significant role in local economies and that socio-economic benefits accrue to the communities that reside adjacent to the parks. Perhaps the most significant of these interventions has been the implementation of the Expanded Public Works Programmes (EPWP) where SANParks has grown to be one of the most effective implementers in the country.

Through a range of programmes geared towards achieving biodiversity objectives, a total of 12 120 people gained employment for varying periods of time, translating into 5 892 Full Time Equivalents (FTEs).

In conclusion, the 2014/15 financial year saw progress being reported on a range of fronts in the management and development of a sustainable national park system which is relevant to the lives of local communities and to the population at large. While more needs to be done, SANParks is confident that a firm foundation has been laid in order to move into the future with confidence.



Mr Fundisile Mketeni
CEO SANParks

SOUTH AFRICAN NATIONAL PARKS: BIOME CONTEXT

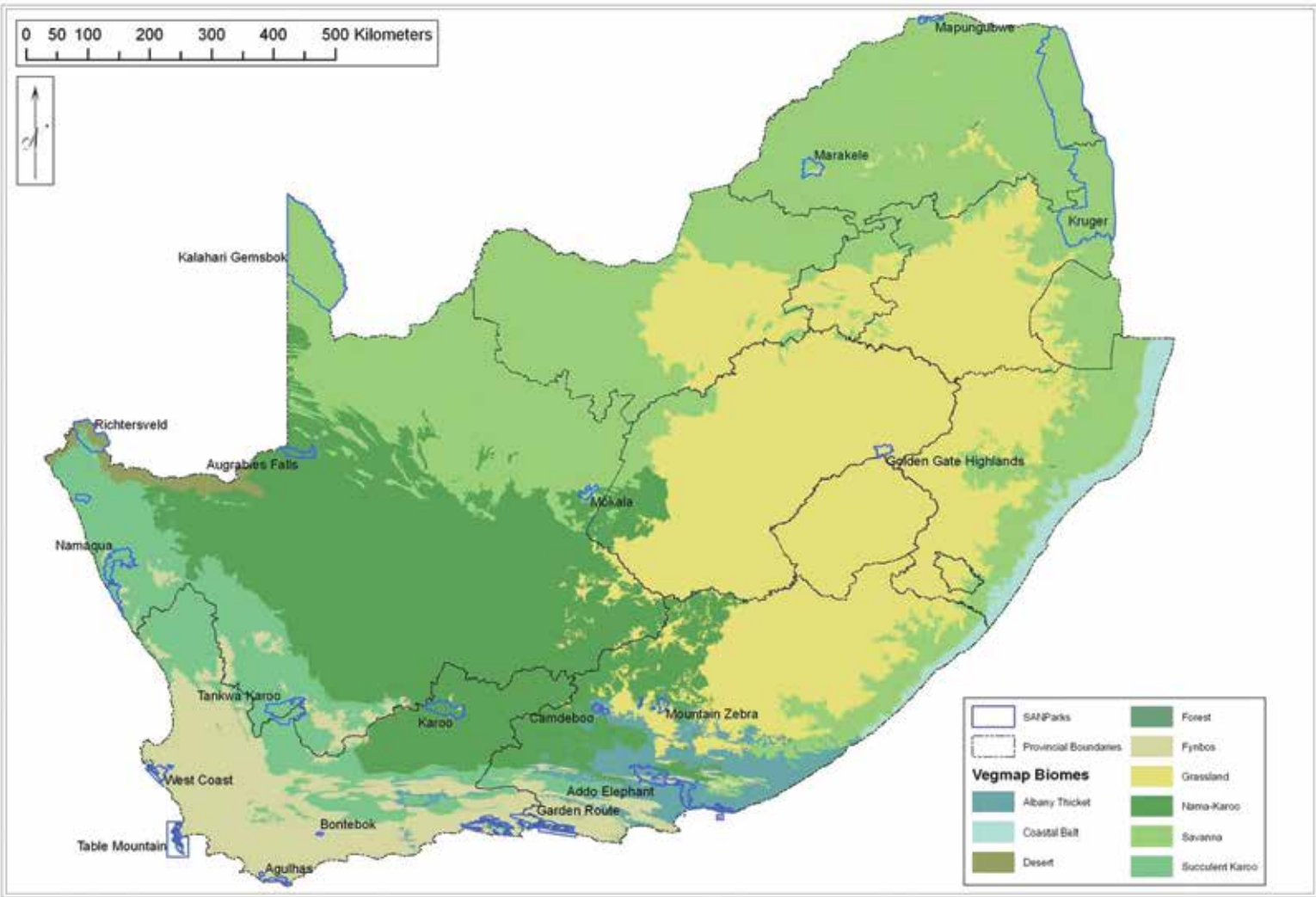


Figure 3: Positions of South African National Parks on the New Vegmap Biomes

**Golden Gate Highlands National Park
– Rock Formation**

Conservation Services Report

Conservation Services Report

Conservation Services is tasked with providing South African National Parks with leadership in biodiversity conservation through scientific, technical and policy support services. The functions of Conservation Services contribute to improving the state of conservation assets, building strong constituencies for the management of national parks, and continuous improvement of the knowledge and evidence on which management decisions are based.

IMPROVING THE STATE OF THE CONSERVATION ASSET

National Park Expansion

The area of land that was registered for inclusion into national parks for the year under review utilising the Land Grant as provided by the Department of Environmental Affairs and donor funding was 6 125ha. This comprised land in the Succulent Karoo added to the Tankwa Karoo National Park, lowland fynbos added to the Agulhas National Park and additional land added to the Table Mountain National Park and Namaqua National Park.

Park Management Plans and Management Effectiveness Survey

The Minister of Environmental Affairs approved the revised park management plans for Marakele and Tankwa Karoo National Parks in November 2014. The public consultation process on the revised park management plan for Addo Elephant National Park was completed. Two of nine scheduled public meetings for the revised Table Mountain National Park management plan were completed by the end of the financial year, with the remainder being postponed to May 2015 because of the fire challenges on Table Mountain.

Management Effectiveness Tracking Tool (METT) surveys were conducted during the year. The 19 national parks assessed achieved an average score of 80%, representing an increase of 12 percentage points on the 68% average recorded in the previous survey. All 19 national parks achieved the objective of scoring above the 67% target set as the minimum standard of effective management for protected areas in South Africa.

Rhino Management

SANParks embraces an integrated approach aligned with South Africa's Rhino Management Strategy that seeks to maintain persistent black and white rhino populations throughout their distribution ranges. The approach identifies that rhinos may play key roles in providing opportunities to improve people's

livelihoods through aesthetic, ecological and economic values. Rhino poaching, however, impacts on SANParks achieving these objectives. At the beginning of the financial year, SANParks rhino population was estimated at between 8 991 and 10 305 animals in seven national parks comprising both black and white rhino. At the close of the financial year, the rhino population was best estimated between 8 573 to 9 984 animals across all seven national parks. In the case of the rhino population in Kruger National Park, the combination of poaching and natural deaths (12%) exceeded the annual birth rate (10,7%) recorded during the reporting period.

For the period under review, SANParks lost 878 rhinos due to poaching, with Kruger National Park being the most affected national park. This is 42,8% (from 615 to 878) more poached animals when compared to the same period of the previous financial year. For the same reporting period, a total of 178 suspects were arrested in the Kruger National Park in relation to rhino poaching.

In response to the poaching threat, the integrated response strategy rests on four pillars.

- ***Compulsory interventions directed at protecting rhinos using zonal approaches with technology-led, intelligence-based and rhino guardian options.*** Within Kruger National Park, SANParks countered the escalating poaching threat with a composite response of effective law enforcement by all branches of the Ranger Corps. Anti-poaching capacity was enhanced through improved training, new equipment, strengthened air and land mobility, developing night capability and implementing customized technology. Close cooperation within the task force of South African government security cluster participants as well as all neighbouring parks and reserves within South Africa and in Mozambique, ensured a record number of poachers arrested. These initiatives allowed SANParks to increase the number of arrests in the face of an increasing poacher onslaught.

- **Biological rhino conservation management interventions, including strategic removals and the creation of rhino strongholds.** SANParks donated six black rhino to Botswana as a collaborative project with North West Parks and Tourism. In addition, the strategic rhino removals programme, an important measure to mitigate poaching risks in Kruger National Park, included the relocation of rhino from poaching hotspots to safe localities within the Kruger National Park, as well as the translocation of rhino from Kruger National Park to other national parks.
- The **sustainable use intervention** pillar is embedded in the Ministerial Committee of Inquiry assessment process which SANParks participates in. This process is on-going.
- An implementation framework for the **game changing intervention** pillar recognises the integration of disrupting organised crime with creating opportunities of more equitable benefit sharing of ecosystem services with local stakeholders.

The implementation of compulsory rhino protection as well as biological management interventions within the Kruger National Park contributed to increases in rhino numbers in the Intensive Protection Zone that offset the rhinos lost in the Joint Protection Zone where numbers decreased. Operation Rhino which consists of the National Wildlife Reaction Unit, SANParks, SAPS, NPA DEA and SARS continues to function as a coordination mechanism of governments' response to rhino poaching. In addition to the R33.5 million allocated by government for rhino anti-poaching operations, SANParks continues to receive financial and other support from private philanthropic organisations to improve its operations.

BUILDING STRONG CONSTITUENCIES FOR THE MANAGEMENT OF THE NATIONAL PARK SYSTEM

Land Claims

A valuer was appointed by the Land Claims Commission to conduct a historical value of the properties under claim in the Kruger National Park.

Phase one of the land claim in the Namaqua National Park has been settled. A total of 280 Hondeklipbaai beneficiaries have received financial compensation in lieu of the SANParks-owned properties within the Park.

A proportion of the land claims in the Golden Gate Highlands National Park were also settled through financial compensation. Through this agreement 79 families are due to receive the financial value of their claim as part of Phase one of the settlement.

The remainder of the families (36) will receive part restoration of the claimed properties.

Environmental Education and Awareness

A total of 213 744 learners participated in park-based environmental education and awareness programmes during the financial year. This includes projects such as the Kids in Parks Programme hosted in various national parks, including the 'Take Kruger to Kasie' Project which provided access to learners and educators to the national parks and enhanced environmental literacy. The Kids in Parks programme serves primary school learners from nearby communities. The Kudu Green School Initiative enhanced environmental literacy for learners and educators, while providing free access to the national parks. The Imbewu Youth Camps promoted indigenous knowledge systems for secondary school learners at wilderness camps held in Golden Gate, Namaqua and Marakele National Parks. Junior Rangers participated in several conservation-related activities while parks celebrated environmental calendar events such as World Environment Day with presentations, water games, and quizzes for learners from local schools.

CONTINUOUS IMPROVEMENT OF KNOWLEDGE AND EVIDENCE ON WHICH MANAGEMENT DECISIONS ARE BASED

Research Projects and Publications

Research and monitoring in national parks provides the essential 'feedback' that allows re-evaluation and adaptation of management interventions and the models upon which they are based. Selected highlights of research are published in the 2014 Annual Research Report.

At the end of March 2015 there were 374 active, registered research projects across all the research nodes, with over 78% of these rated as essential or important for SANParks against the annual target of 72%. In addition, external collaborators published 153 peer-reviewed papers during 2014. Through this process, SANParks facilitates significant capacity development within South Africa and draws substantial international research expertise and funding into the country. Special emphasis is also placed on science-management engagement, with the Science Management Dialogue held in Skukuza further building on mutual understanding of ecosystem management between scientists and park management.

During the 2014/15 financial year, SANParks research staff authored or co-authored 27 peer-reviewed articles in 20 national and/or international science journals including PLoS One, Ecosphere, Southern African Journal of Wildlife Research, Global Ecology and Conservation, Protected Area Governance and Management, Frontiers in Ecology and Evolution, Conservation Genetics,

Chemosphere, Ecology and Evolution, and Austral Ecology. SANParks staff presented 16 papers (and nine posters) at national and 23 papers (and two posters) at international conferences during the period. Four staff members were invited to give keynote presentations at two national and two international conferences.

SANParks' in-house research journal, *Koedoe*, was awarded an Impact Factor rating of 1.486, in the 2014 Release of Journal Citation Reports, placing it 21st out of 42 journals in the international biodiversity conservation category and highest in the natural sciences category in South Africa. The online publishing platform has significantly raised the journals accessibility and profile while the 2014 special edition on tourism and protected areas was launched at the Sydney World Parks Congress. A highlight was the 13th Annual Science Networking meeting held in Skukuza in March 2015, addressing the theme '*Sense-making over diverse knowledge domains for sustained conservation*' with close to 200 delegates representing more than 70 scientific institutions and conservation agencies from 12 countries.

Biodiversity Monitoring

Biodiversity monitoring continued to play a key role in supporting the organisations' adaptive management and learning approaches in the face of on-going change at multiple scales. Scientific Services, in conjunction with park management, continued to invest time and resources into monitoring. The extent and scale of monitoring required to understand, evaluate and inform effective biodiversity management of the national park estate is large. While it relied on prioritisation and leveraging additional resources and expertise through collaboration, it also required on-going adaptation to changing circumstances and knowledge needs. A key challenge remained the provision of appropriate air support to conduct aerial censuses, resulting in performance slightly below that projected at the beginning of the financial year. Nevertheless, a large amount has been achieved, including monitoring of additional parameters and unanticipated, unplanned events (such as the Wilderness Lakes avian die-off and the Table Mountain forest fires). Key focus areas throughout the year included:

- Indicators for sustainability of resource use (e.g. invertebrate diversity and biomass in Langebaan, West Coast National Park, sour fig harvest impacts in Agulhas National park, Table Mountain roving creel surveys, Garden Route fern harvesting);
- Species of special concern (e.g. floral species in Bontebok and Garden Route National Parks, cycads in Addo Elephant National Park);
- Freshwater and estuarine monitoring (e.g. wetland mapping and assessments in Agulhas, Golden Gate Highlands, Tankwa Karoo and Mountain Zebra National Parks, perennial river flow and quality monitoring in KNP, groundwater monitoring in Mapungubwe and Kruger National Parks);

- Restoration of degraded areas (e.g. landscape functionality and vegetation recovery in degraded areas in Marakele, Camdeboo, Karoo, Golden Gate, Mokala, Namaqua National Parks, spekboom recovery in Addo Elephant National Park); a diversity of aerial counts (e.g. herbivore census in Tankwa Karoo and Karoo National Parks, rhino counts in southern KNP);
- Indicators of ecosystem health (e.g. Wilderness lakes water bird counts, Garden Route National Park);
- Mapping alien and invasive species (e.g. Table Mountain distribution mapping; KNP *Parthenium* mapping);
- A diversity of biodiversity mechanisms monitoring efforts (e.g. Kruger and Marakele National Parks' fire scar mapping, Richtersveld vegetation monitoring, springbok demographic surveys in Camdeboo and Karoo National Parks, post-fire monitoring in Bontebok, Table Mountain and Agulhas National Parks);
- Climate and climate change monitoring across the suite of parks.



Tankwa Karoo National Park - Landscape

Tourism Development and Marketing Report

Tourism Development and Marketing Report

During this financial year there was continued focus on the delivery of the 2022 Responsible Tourism Strategy. In order to facilitate the implementation of the strategy, various policies, protocols and frameworks have been put in place. The following key outcomes were achieved:

- For the 2014/15 financial year total revenue from SANParks' tourism business increased by 10.5% to R1.07 billion, from R971.98 million in the previous year. This is 6.1% above the budgeted total of R1.01 billion. This is a major milestone in the history of SANParks.
- For the period under review, total Guests to Parks increased by 6.6% from 5 235 095 to 5 578 532 persons through SANParks gates.
- The final implementation of the branded restaurant Public Private Partnerships (PPPs) has been a tremendous success and has resulted in both improved facilities, visitor feedback as well as growth in revenue.
- Another important achievement has been the re-opening of Skukuza Airport to commercial flights. This too has enhanced both the airport facilities and revenues.
- In an effort to better manage and enhance the Open Safari Vehicle Industry business (OSV) SANParks worked closely with the South African Tourism Services Association in developing a self-regulation model. This model seeks not only to enhance the safety of the industry but also the reputation of the operators.
- The recent fires in the Table Mountain National Park caused the Tintswalo Atlantic Lodge Concession to burn down on 2 March 2014. SANParks and the concessionaire are working closely, and the rebuilding of the lodge is anticipated to be completed by mid-November 2015 before the festive period. Loss of revenue for SANParks as a result of the fire is covered through business interruption insurance.

BUSINESS DEVELOPMENT & PUBLIC PRIVATE PARTNERSHIPS

Strategic Plan for Commercialisation 2006 – 2015 Implementation

A significant development is the incorporation of all Tourism Product Development into the successful Public Private Partnership Portfolio. The requirement for increased revenue generation and defined processes for non PPP products resulted in all Tourism Product Development being positioned in the Business Development Unit. Grant funded Tourism Product Development will also now follow stringent feasibility and prioritisation processes. This inclusion is incorporated into the updated Strategic Plan for Commercialisation (SPfC). In the coming years, the capability for such non-PPP Tourism Product Development will be increased.

The existing PPP Portfolio continues to yield dividends. Over the past 14 years, SANParks has progressively increased the number of PPP transactions, covering a wide range of projects, including accommodation, restaurants, retail, activities and the Table Mountain Aerial Cableway. By March 2015, there were more than 40 PPP projects in active implementation.

An additional objective of the SPfC is to ensure an institutional understanding of the PPP imperatives and that SANParks has the fundamentals including capacity in place for managing existing, and for entering into new PPPs successfully.

The SPfC is aligned to the National Development Plan (NDP), SANParks Responsible Tourism Strategy 2022, as well as the National Tourism Sector Strategy, the National Minimum Standards for Responsible Tourism (SANS 1162), the SANParks Responsible Tourism Policy, the SANParks Product Development Protocol, the SANParks Management Plans and the SANParks Responsible Tourism Product Framework and their respective objectives.

During 2014/15 there has been substantial progress in the implementation of the SPfC and other Business Development Projects with emphasis placed on:

- Skukuza Airport Kruger National Park – The successful conclusion of the runway rehabilitation and the construction of the terminal building for the re-introduction of scheduled flights to and from Skukuza Airport on 2 June 2014. Two scheduled flights are being operated between OR Tambo International Airport and Skukuza, and one between Cape Town and Skukuza;
- The opening of the remaining six franchised restaurants – Mugg and Bean restaurants in Satara, Olifants and Letaba rest camps, a Wimpy in Pretoriuskop, the Cattle Baron Seafood Grill and Bistro in the Tsitsikamma Section of the Garden Route National Park and the Cattle Baron Grill and Bistro in the Skukuza Main restaurant and Take Away section;
- Skukuza Conference Lodge in the Kruger National Park – Significant progress made with the conclusion of the Basic Assessment Report submitted to the Department of Environmental Affairs, the finalisation of the Stage 2 Conceptual Design including the Green Building and Social Sustainability Principles;
- Conclusion of Management Agreements for the operation of the Punda Maria and Shingwedzi restaurants as well as the restaurant and retail operations in the Mountain Zebra National Park;
- Refurbishment of the Satara, Letaba and Orpen shops was concluded and includes various environmentally friendly initiatives i.e. use of recycled material for shelving and consolidation of the cooling equipment emissions and installation of low energy use air conditioners;
- Significant progress was made with the Environmental Impact Assessment for the Malelane Safari Lodge in the Kruger National Park with the Basic Assessment Report due for submission to the Department of Environmental Affairs;
- The appointment of an operator and the re-opening of the Kraalbaai Houseboats in the Langebaan Lagoon, West Coast National Park;
- The appointment of an operator for the Segway People Transporter in the Tsitsikamma section of the Garden Route National Park;
- The appointment of an operator for the Water-based Recreational and Adventure Activities in the Tsitsikamma section of the Garden Route National Park;
- Optimisation of the Open Safari Vehicle model which seeks to enhance controls through self – regulation by the sector;
- Auob Lodge – Agreement with the Khomani San community that SANParks will undertake the development as part of the Infrastructure Development Fund ensuring that community benefits are optimised;
- Mjejane Game Reserve Land Incorporation – The approval of an extension of the temporary access agreement linking Mjejane to the Kruger National Park;
- Post-award management of PPPs – progress has been made with the variation management of PPPs. This includes continued negotiations with Storms River Adventures in the Tsitsikamma section of the Garden Route National Park and the Roundhouse restaurant in Table Mountain National Park as well as a focus on the service delivery of certain outsourced operations in Parks. Following extensive legal processes, SANParks won the arbitration case against the Selati restaurant operator which resulted in eviction of the operator.
- Product Development – finalisation of the Product Development Protocol, the Product Development Guidelines and the Product Development Implementation Plan. Viability workshops conducted in 12 Parks to identify new products to be developed ensuring that conservation, community and market needs are taken into account. Furthermore, a Kruger National Park Viability Analysis was held with the aim of improving Tourism-related Efficiencies and Profitability in the Park.
- Activity Hubs - A concept document for Activity Hubs was developed and initial meetings with stakeholders in the Phalaborwa area outlined general acceptance of the concept in the area. The hub aims to channel extensive benefits toward the local community and more specifically land claimants residing in the area.

Summary Net PPP Income

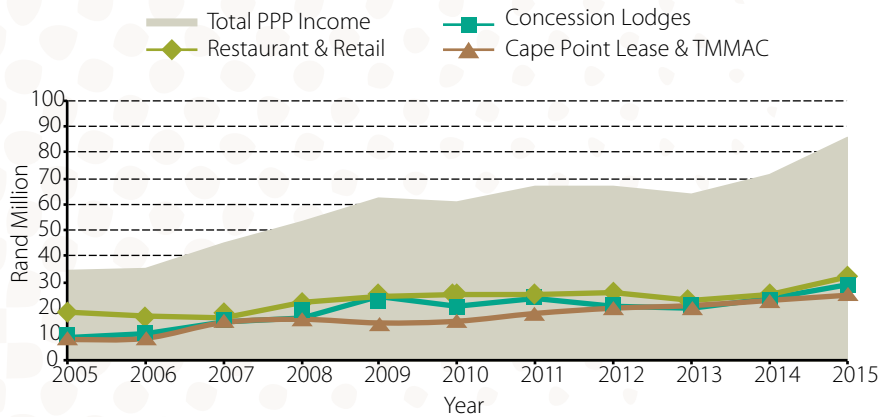
Since inception up to 31 March 2015, in addition to infrastructural developments worth over R450 million, commercialisation has resulted in a total PPP Income of R714 million to SANParks as follows:

SUMMARY NET PPP INCOME (R)			
	Life-to-Date		
	(2002 to 2015)	March 2015	March 2014
TMACC – TMNP	176 822 574	22 215 590	21 371 060
KNP Shops - Tigers Eye	187 143 206	21 568 414	19 245 751
Singita Lebombo – Kruger	89 242 331	8 279 475	7 860 556
Tinga Private Game Lodge – Kruger (Jakkalsbessie)	22 733 665	2 723 176	2 289 797
Shishangeni Lodge – Kruger	23 483 478	2 537 742	2 409 676
Imbali Safari Lodge – Kruger	16 714 067	2 495 458	2 036 926
Cape Point Lease - TMNP	4 390 314	2 345 328	2 044 986
Jock Safari Lodge – Kruger	18 102 388	2 002 321	1 028 356
Addo Shop - Tigers Eye	23 685 080	1 770 337	2 500 539
Lukimbi Safari Lodge – Kruger	8 173 419	1 672 030	817 691
Mugg and Bean - Lower Sabie, Kruger	1 474 987	1 417 856	57 131
Cattle Baron Grill and Bistro – Skukuza, Kruger (<i>new</i>)	1 386 564	1 386 564	
Gorah Elephant Camp – Addo	9 462 277	1 234 238	1 021 291
Tsitsikamma Forest Income (Various Operators)	3 287 747	1 127 719	692 947
Tsitsikamma Shop - Tigers Eye	19 414 784	987 257	2 034 044
Cattle Baron Seafood - Tsitsikamma Restaurant (<i>new</i>)	929 940	929 940	
Cattle Baron Grill and Bistro - Addo Restaurant (<i>new</i>)	905 735	905 735	
Marakele (Pty) Ltd – Marakele	6 967 377	877 163	370 868
Mugg and Bean/ Debonairs - Satara, Kruger (<i>new</i>)	849 788	849 788	
Knysna Forestry (<i>new</i>)	738 260	738 260	
Rhodes Memorial Tearoom	2 486 868	693 941	677 993
Skukuza Airport Management Company (<i>new</i>)	687 500	687 500	
Quay 4 Restaurant – Knysna	2 693 098	663 101	582 853
Rhino Walking Safaris – Kruger	4 309 186	580 166	523 711
River Bend Country Lodge – Addo	2 710 242	552 430	443 531
Roundhouse Restaurant - Table Mountain	2 222 537	521 482	185 088
Tintswalo Atlantic Lodge - Table Mountain (Koeelbay)	2 158 482	415 591	522 329
Quiver Tree - Augrabies Shop & Restaurant	899 546	415 350	398 405

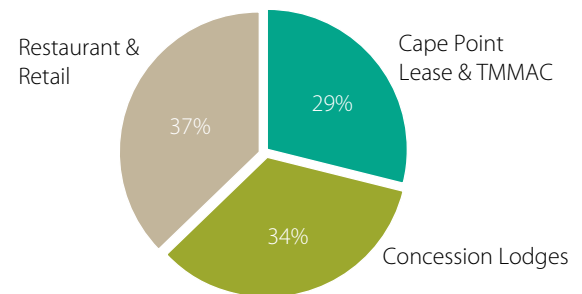
SUMMARY NET PPP INCOME (R)			
	Life-to-Date		
	(2002 to 2015)	March 2015	March 2014
Mugg and Bean - Letaba, Kruger (<i>new</i>)	385 589	385 589	
Mopani Restaurant - Tindlovu JV CC	784 982	376 629	323 448
Berg en Dal Restaurant - Select Events and Venues	485 733	374 113	111 620
Mugg and Bean - Olifants, Kruger (<i>new</i>)	363 756	363 756	
Wimpy - Pretoriuskop Kruger (<i>new</i>)	304 900	304 900	
Karoo Shop & Restaurant - Jan Viljoen	2 135 386	245 986	189 660
Untouched Adventures – Tsitsikamma	653 662	236 501	208 848
Abseiling - TMNP	254 192	137 420	55 812
Listers Arboretum Tea Room – TMNP	219 908	83 374	74 879
Duinepos Chalets - West Coast	409 936	78 424	65 733
Kuzuko Safari Lodge - Addo	1 618 752	59 496	367 030
Skukuza - Tindlovu Boskombuis (<i>temporary</i>)	46 069	46 069	
Kraalbaai Houseboats - West Coast (<i>new</i>)	42 939	42 939	
Geelbek Restaurant – West Coast	746 518	37 557	92 252
Langebaan Houseboats - West Coast	1 926 179	32 306	184 427
Eden Adventure Canoe Trails - Wilderness	561 389	28 176	167 113
KNP Avis Rentals	690 067	26 229	19 147
Goudveld Tearoom – Knysna	30 560	23 360	7 200
Canoe Trails – Augrabies	73 123	14 868	7 693
Tankwa Lodge – Tankwa	60 991	10 000	14 648
Wilderness - Segway Bike Tours (<i>new</i>)	3 528	3 528	
!Xaus Lodge – Kgalagadi	409 936	-2 222	24 445

SUMMARY NET PPP INCOME (R) - (Continued)			
	Life-to-Date		
	(2002 to 2015)	March 2015	March 2014
<i>PPP Income depicted below are contracts that have ended thus reflecting zero income as at 31 March 2015</i>			
Brandwag Hotel - Golden Gate	4 317 280	0	0
Addo Nyati Concession – Addo	3 876 789	0	696 311
Knysna Oyster Company – Knysna	1 039 767	0	0
Tender Fees Received	514 803	0	0
Eden Adventure Canoe Trails - Wilderness	460 890	0	0
Darlington Lodge - Addo	175 000	0	0
Intsomi Lodge – Addo	46 285	0	0
Duinepos - West Coast	24 081	0	0
MCA – Farleigh	16 200	0	0
KNP Restaurants – Compass Game Park Services	45 757 257	0	0
Kgalagadi Shops & Restaurants - EJ Viljoen	5 386 056	0	0
Augrabies Shop & Restaurant - EJ Viljoen	3 302 183	0	0
Staff Shop KNP - Stoffels and Pursad CC	1 353 421	0	0
Mountain Zebra Shop & Restaurant - Tigers Eye	1 286 098	0	0
Tshokwane & Nkuhlu KNP - Outpost Picnics	622 578	0	0
TOTAL PPP INCOME	714 116 739	85 502 951	71 725 797

SANPARKS PPP INCOME MULTIPLE YEARS



% OF TOTAL PPP INCOME 2014/15



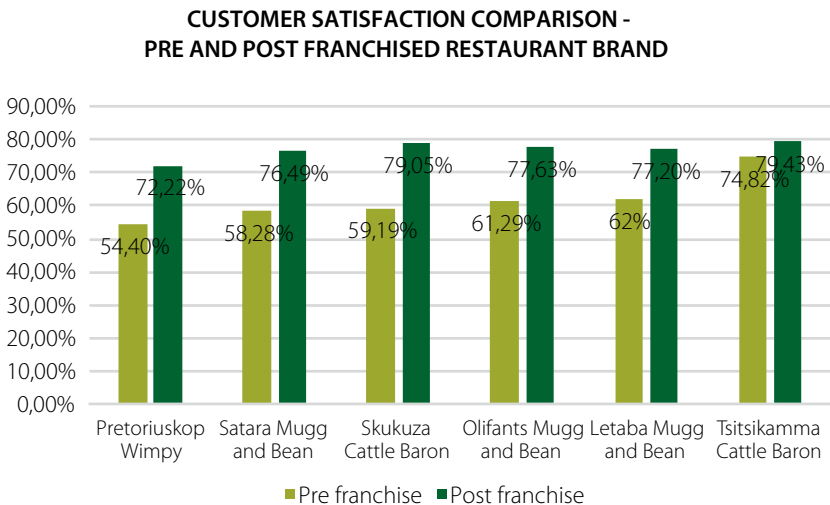
Concession Lodge Occupancies

The average annual Lodge Concession occupancies have shown an increase of 2% to 61,9% since the previous reporting period. This is an indication that despite a slowdown in the domestic economy, the country has become a high quality and value for money travel destination for international tourists when compared to other similar destinations due to the attractive exchange rate.

The highest average occupancy achieved by an operator was 81% in 2015 as opposed to 76% in 2014, 66% in 2013, 57% in 2012, 56% in 2011, 60% in 2010, 66% in 2009, 69% in 2008 and 63% in 2007.

Restaurant Performance

Due to unsatisfactory service levels at the majority of SANParks restaurants, the Business Development Unit in the previous financial year, embarked on a revised model for the restaurants with the introduction of franchised brands in order to improve the performance of restaurants. A Customer Satisfaction Index as measured by customers that visited the national parks and gave feedback through the customer satisfaction system, indicates significant improvements at all of the franchised restaurants facilities, as can be seen from the graph below:



*** Figure comparisons based on dates for the same period over the previous financial year (based on new contract starting date).**

Retail Performance

Whilst performance at retail outlets in national parks was consistently at acceptable levels, a key focus area was to improve customer service, i.e. freshness of vegetables, pricing and product range.

As part of the refurbishment fresh produce range (meat, bread and vegetables) as well as improved merchandise ranges with a focus on value for money were introduced and environmentally friendly design changes were made resulting in increased customer satisfaction levels.

RESEARCH, VISITOR MANAGEMENT AND INTERPRETATION

A key element in the delivery of the 2022 Responsible Tourism Strategy is the enhanced focus on both Tourism Research, Visitor Management and Interpretation.

Visitor Interpretation

The 2014/15 financial year saw SANParks' Executive Committee approve the organisation's Visitor Interpretation Protocol, Visitor Interpretation Framework and Visitor Interpretation Guidelines, with Park Interpretation and Site Plans to follow in the next year.

Visitor Management

The Visitor Management Protocol as well as Visitor Management guidelines have been approved for implementation into all park management plans.

A study of existing park rules concluded that some of the rules are outdated or irrelevant and that in some cases additional rules are required to facilitate the management of visitors in parks. Generic rules applicable to all parks were thus researched and written.

Tourism Research

During this reporting period, eight tourism research projects focussed on marketing analysis and exploration of possible activities were concluded at Kgalagadi, Namaqua, Table Mountain, Tankwa-Karoo and West Coast National Parks, of which three involved studies across multiple parks. Eight more are expected to be completed in the following financial year. A tourist perception study of the proposed development of a hydroelectric power station was concluded at Augrabies Falls National Park.

In addition to this, five academic tourism research projects were completed during the period under review. Two more are nearing completion and five new projects have been approved. Tourism Research will play a meaningful role in defining and guiding the Responsible Tourism management interventions of the organisation. Through consultation with various stakeholders, research networks, parks officials and academic institutions, a Tourism Research Agenda for the time frame 2015 – 2018 has been drafted for implementation in the new financial year.

SALES AND MARKETING

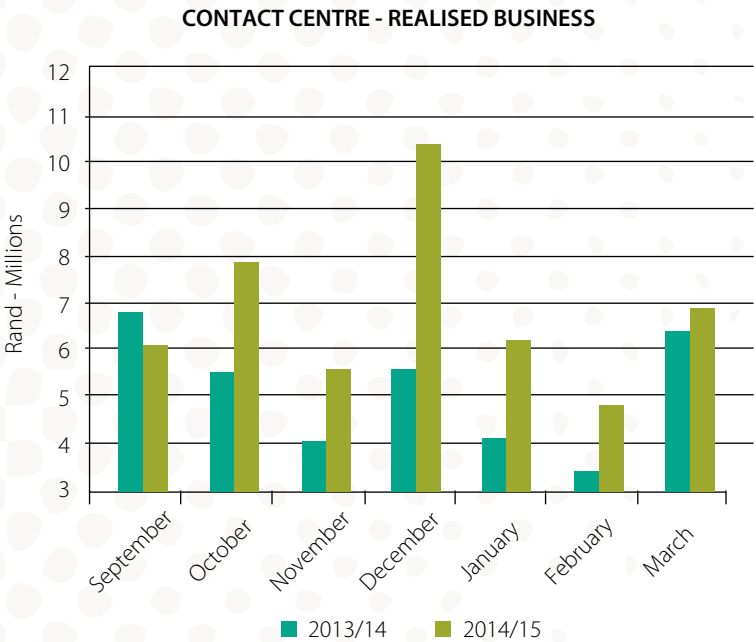
MAKING EVERY CALL COUNT

Every telephone call that comes through to the Central Reservations is important for our business. While, the latest reservations trends reflect that up to 30% of total reservations made to our parks are done through online self-service portal, more than 50% of bookings continue to be concluded through a telephonic interaction with Contact Centre sales consultants.

To enhance efficiencies a new call and email management system was installed in August 2014. On a busy day 700 to 1000 telephone calls and close to 600 e-mails can now be efficiently handled by the Contact Centre.

The ability to schedule sales consultants to match the anticipated volume of both calls and emails volume has revolutionised how the Contact Centre operates and also made it possible to terminate the overflow of unanswered calls to the satellite offices. While every effort is made to answer every call, the Amethyst call recording and quality management tool ensures that all calls are recorded for quality control and to assist in resolving customer disputes and queries.

The impact brought by the new technology on the volume of contact centre realised business has been phenomenal, in the first six months after the new systems were installed the revenue grew by 34% compared to the same time in the previous year.



EFFICIENT REVENUE GENERATION

To improve revenue generation opportunities another phase of continuous review of online tour operators (OTAs) and satellite office contracts was implemented. With OTAs the process involved the reduction of the level of commission paid out with an aim to cap it at 15% in 2016. The satellite office contracts were reviewed to reduce revenue loss to SANParks by terminating the payment of commission on discounted accommodation, furthermore the arrangement to overflow unanswered call to two satellite offices was also terminated.

MARKETING TO WIN – ONE SANParks

In order to grow revenue and to take the market awareness of SANParks products and services to the next level, a new three year Sales and Marketing Strategy was completed. The document was compiled following a thorough consultation with all relevant stakeholders within the organisation and the aims and objectives of the strategy have been unpacked on various forums for continuous buy-in.

WILD CARD

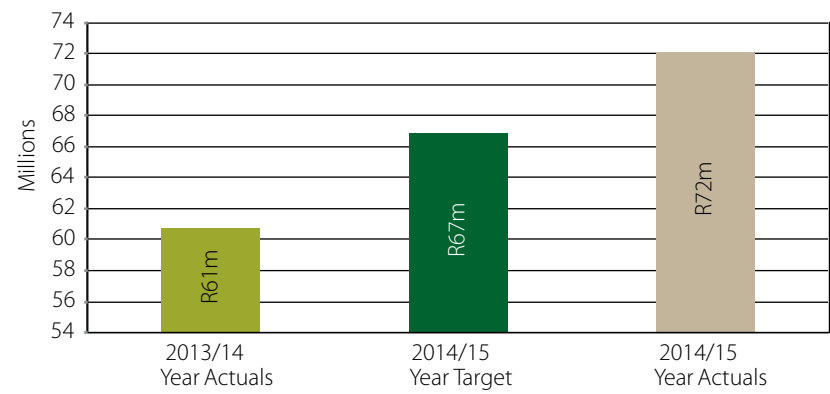
The *Wild Card Programme* increased sales by 18,7% with an annual turnover of R72 119 677 for the financial year, a first time over R70m. The previous year *Wild Card Membership* sales were R60 774 604.

Active membership increased by 6 275 from 76 989 memberships to 83 264. To date, a total of 159 640 new *Wild Cards* were created and issued, 25 698 in this financial year. A total of 4 397 *Wild Cards* were uncollected and returned by the SA Post Office, 2 573 cards were mailed again. The *Wild Card Service Centre* received a total of 33 081 calls with an excellent abandonment rate of only 2% (below the 10% target, 8% for the previous year). Email queries increased by 30% from 18 297 to 23 948.

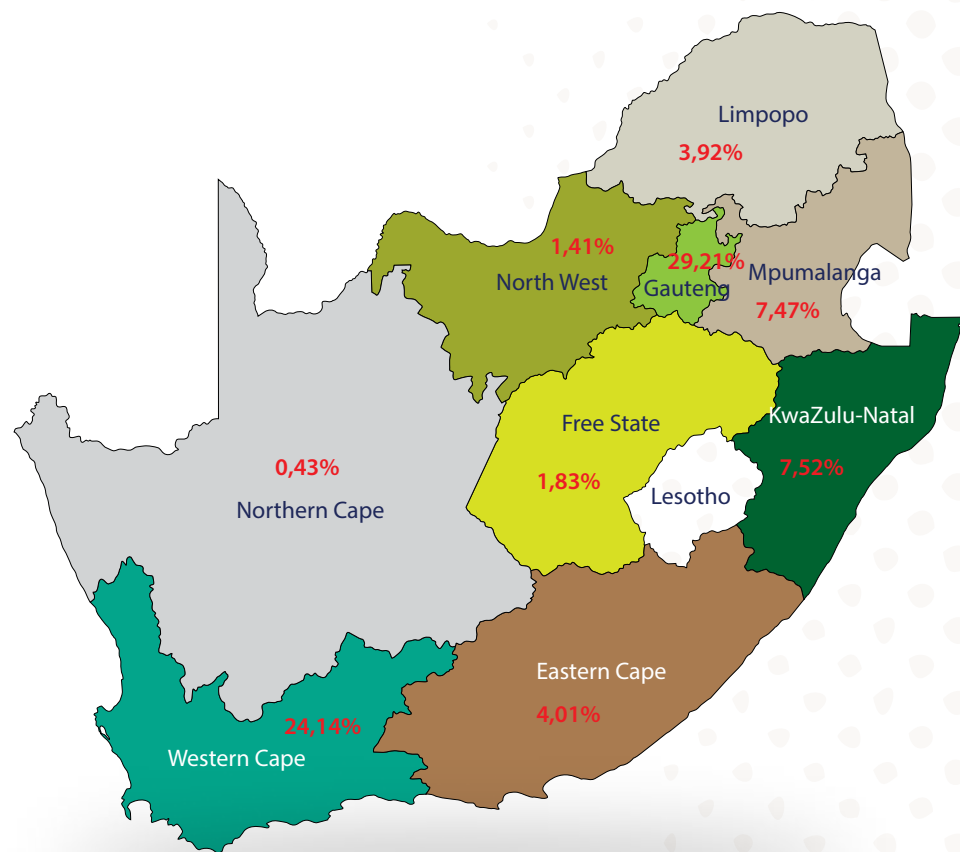
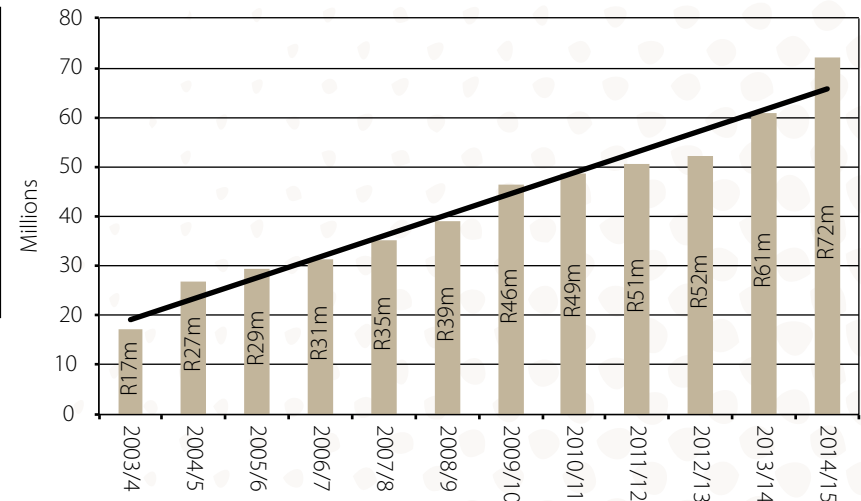
The *Wild Card Membership* demography for the year was 17,88% *Individual* membership, 57,13% *Couple* membership and 24,99% *Family* membership. The *All Parks* and *SANParks Clusters* remained the most popular at 67,26% and 20,62%.

Gauteng had the highest membership with 29% followed by 24% members in the Western Cape. International membership consists of 20%.

WILD CARD SALES: VALUE YEAR (APR - MARCH)



TOTAL WILD CARD SALES RAND VALUE (MILLIONS)



TOURISM SYSTEMS

RoomSeeker, SANParks’ central reservation and property management system has 545 active users based both internally and externally to the organisation and operates 24/7/365 with minimal downtime.

RoomSeeker has been significantly enhanced and customised since implementation (June 2004) in order to cater for SANParks unique environment, including processes such as the ability to maintain customer credits on hold for future bookings, directly allocating payments to reservations, extensive deposit, modification and cancellation rules, payment gateway integration, online and application-based reconciliation and basic gate controls, many of which are unique to SANParks.

RoomSeeker also provides the engine for enabling online bookings of both accommodation and activities to both the public and trade, making up approximately 30% of all SANParks reservations, as well as enabling Wild Card sales online. In 2014/15, payments worth over R279,7 million were processed through SANParks’ online booking system alone.

System enhancements and maintenance to improve the quality and security of the solution and to improve the customer experience will continue until RoomSeeker is replaced within the next 3 – 5 years. The amount invested in RoomSeeker enhancements during 2014/15 comes to R1,7 million.

The following were achieved in the 2014/15 financial year:

- Implement a functionality allowing web clients to book same-day activities online to boost activity revenue figures;
- Extend the process of refunding reservation credit balances from Credit On Hold to business level so to improve customer service;
- Upgrade the RoomSeeker platform to Windows Server 2012 R2 (64bit) in order to support SANParks growing environment over the next five years;
- Replace 99% of the old SC5000 credit card devices interfacing with RoomSeeker with VX680 devices, aligned with latest technology complete with development to monitor status of devices.

Development completed and testing underway, due for release early in the next (2015/16) financial year:

- Bringing Online Reservations payments into the ‘3D Secure’ compliant environment;
- Interfacing with alternative payment gateway that caters for ‘3D Secure’ for only purchases;

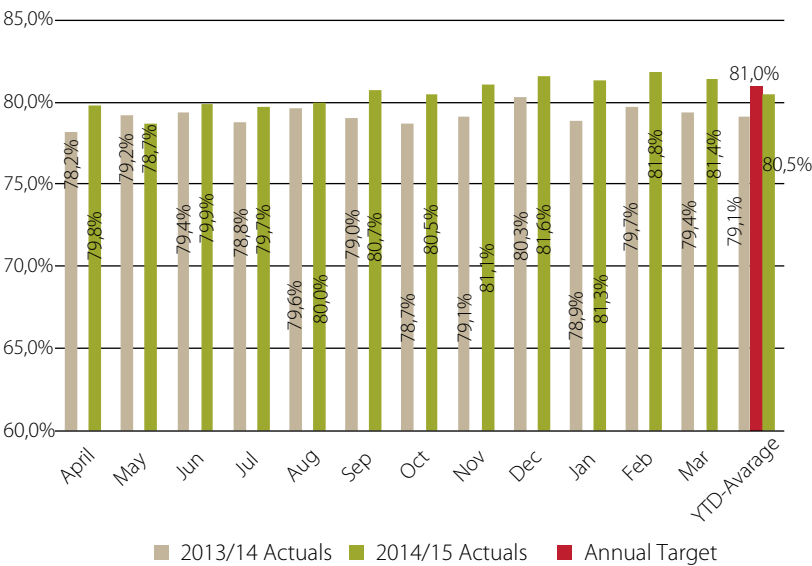
- Developing a functionality to monitor completeness of processes between online systems and thus enabling daily credit card reconciliations so to pro-actively address anomalies;

TOURISM STANDARDS

Customer Service

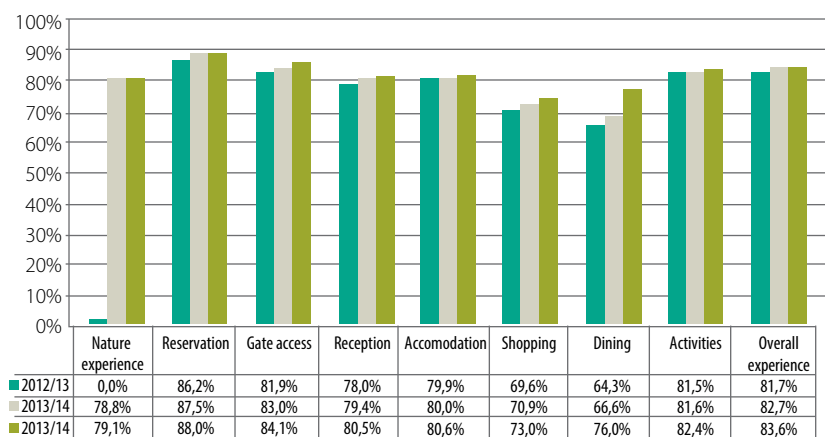
For 2014/15, 51 718 (a 10% improvement) Guest Feedback surveys were received through SANParks Web Based Guest Feedback System, which is a 29,8% return rate of the 173 726 email invites that were sent to guests that have visited our tourism establishments. This show a marginal decline in return rate from 30,5% for the previous year. The overall Customer Satisfaction Index (CSI) score increased by 1,4 percentage points from 79,1% to 80,5% when compared to the same period in the previous financial year, and is 0,5 percentage points below the annual target of 81,0%.

CUSTOMER SATISFACTION INDEX



For the period under review all service area touch points have shown an improvement when compared to the same period last year. However, the following areas under Nature Experience require further attention: guest compliance to park rules and regulations and poor standard of interpretation. On the other hand dining has shown the highest improvement by achieving 9,4 percentage points increase (from 66,6% to 76,0%). This significant increase can primarily be attributed to the introduction of new restaurant operators in the different parks.

PERFORMANCE AREA CHART



Responsible Tourism

Responsible Tourism Standards

National Responsible Tourism Minimum Standards (SANS 1162) benchmarking assessments were undertaken during 2014/15 financial year at the following sites: Marakele, Takwa Karoo, Table Mountain, Addo Elephant and Golden Gate Highlands National Parks. The outcome of the exercise was that SANS 1162 can be applied throughout the organisation, without any problem seeing that the facilities largely meet the prescribed standards.

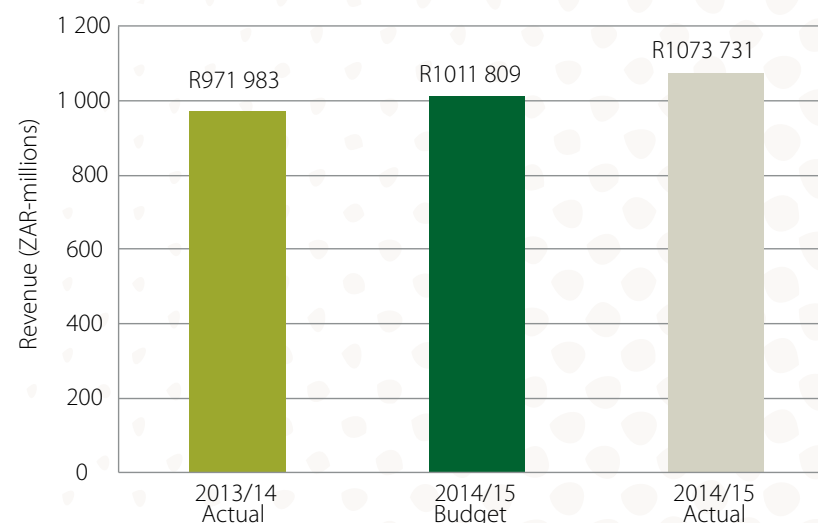
YIELD MANAGEMENT

For the 2014/15 financial year total revenue from SANParks' Tourism business increased by 10,5% to R1.073 billion, from R971.983 million in the previous year. This is 6,1% above the budgeted total of R1.012 billion.

- Revenue from accommodation (including camping) increased by 12,4% to R521.873 million.
- Revenue from conservation Fees (including Wild Card) increased by 16,5% to R336.914 million.
- Revenue from activities increased by 10,3% to R68.987 million.
- Revenue from retail activities decreased by 41,1% to R37.706 million. (This decline can primarily be attributed to the takeover of restaurants in the Kruger National Park by private operators after the termination of the management agreement with the previous operator).
- Revenue from the concession operators increased by 13,6% to R53.084 million.
- Revenue from the retail and food & beverage operators increased by 29,8% to R32.419 million.

- Revenue from the sundry sources and cancellation fees increased by 11,7% to R22.749 million.

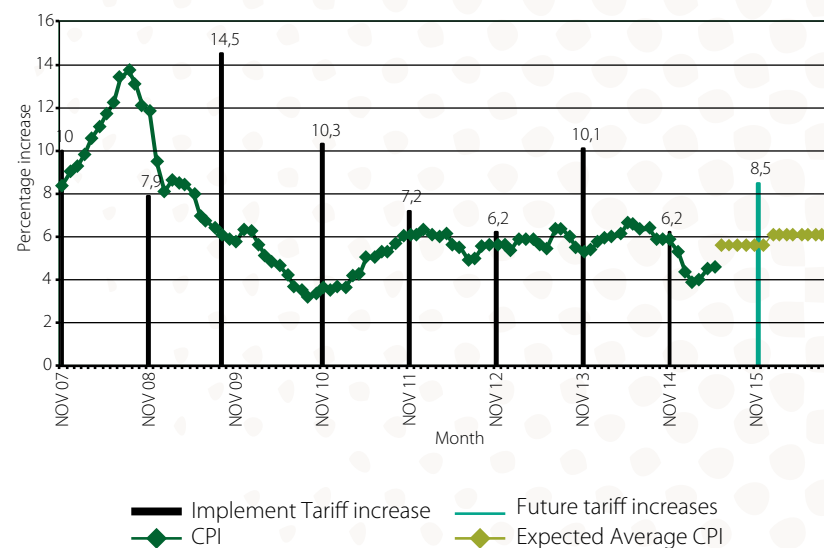
SANParks Tourism Revenue (ZAR-millions)



Annual tariff increases that took effect on 1 November 2014, for the tariff year to 31 October 2015, averaged 6,0% for guided activities, 6,1% for conference facilities, 6,2% for accommodation and camping, and 6,4% for conservation fees – higher than anticipated due to increased operational expenditure.

Average tariff increases of 6,0% for guided activities, 7,4% for conference facilities, 8,4% for conservation fees and 8,5% for accommodation and camping, will come into effect on 01 November 2015, for the tariff year to 31 October 2016.

SANParks Accommodation Tariff Increases vs CPI



The 2014/15 financial year registered growth of 2% in the number of accommodation unit nights booked by the Senior South African market segment compared to the previous financial year, realising growth of 11,1% in the value of these bookings to over R85.5 million. Camping site nights sold to Senior South Africans increased by 7,1% in the same period, with value from such camping bookings growing by 19,1% to R14.5 million. In total, the value of reservations for accommodation and camping made by Senior South Africans exceeded R100 million for the first time in the 2014/15 financial year (compared to R51 million in 2009 before the first changes were implemented).

Several other initiatives during 2014/15 yielded good results and included short notice discounts on distressed inventory and special tariffs for low season wilderness trails undertaken in Kruger National Park.

UNIVERSALLY ACCESSIBLE TOURISM

Universal Access in Tourism Protocols, Guidelines, Implementation Plans and a History and Status Report were completed during the 2014/15 financial year for application throughout SANParks Tourism Plant, and flowing from the Responsible Tourism Strategy 2022.

Broadly, the Universal Access protocols and guidelines will:

- Strengthen SANParks' commitment to providing universal access.
- Give the respective park managers the direction to follow and guidance on how to ensure their parks comply with the standards of universal accessibility.
- Define the areas which SANParks must focus on in order to achieve a level of universal accessibility that caters for all tourists regardless of their intellectual, physical or sensory capacity.

SANParks generally has a good reputation in the Disability Travel Market in terms of providing access, but application of protocols and guidelines will elevate universal access and push parks to go further to ensuring all people can experience the parks.

In 2014/15 SANParks continued with its active market penetration and involvement with disability travel industry forums and platforms and regularly hosted individuals, organisations and schools for people living with disabilities.

Universal Access Audits were conducted in Addo Elephant and Table Mountain National Parks as part of the responsible tourism planning process.

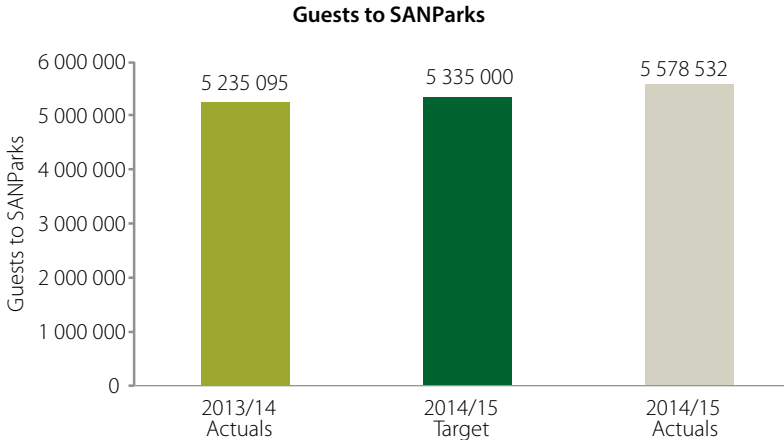
TOURISM STATISTICS

Of relevance to the 2014/15 tourism performance figures, the following significant differences impacted on comparisons to the previous year:

- The 2013/14 financial year included no Easter Weekend.
- The Kruger National Park was affected by severe flooding during January 2013 necessitating the closure of several camps and gates due to flood damage, inaccessible roads and service disruptions. Sirheni was fully operational again from June 2013 while all accommodation and camping units at Shingwedzi was available again by mid-September 2013.
- Maintenance work to the Agulhas Light House commenced on 4 February 2013 and it re-opened to visitors on 10 December 2013.
- The Table Mountain Aerial Cableway was closed for maintenance for a five week period from 22 July to 25 August 2013 (the annual closure normally spans only two weeks).
- Heavy rains and localised flooding during March 2014 saw precautionary, temporary closures of several facilities at Kruger and Marakele National Parks while the increased flow of the Orange River attracted an influx of visitors to the Augrabies Falls National Park.
- The Larus Houseboat at West Coast National Park has been out of commission since May 2014.
- Huge sections of the Table Mountain National Park suffered considerable fire damage early in March 2015, preventing tourists access to these areas.

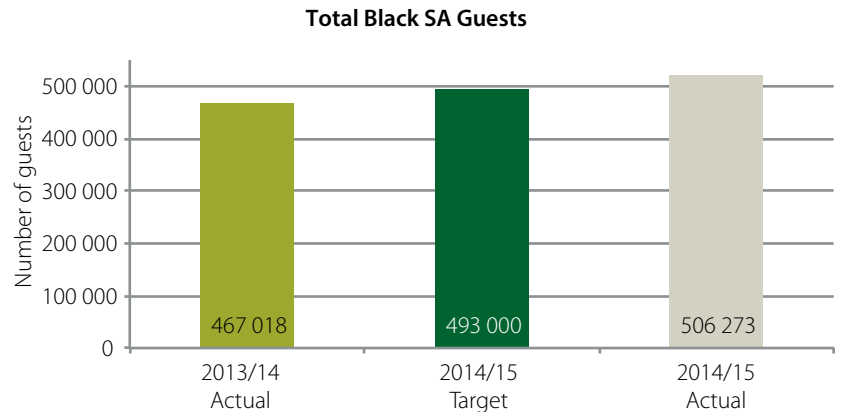
Guests to National Parks

For the period under review, total Guests to Parks increased by 6,6% from 5 235 095 to 5 578 532 persons through SANParks gates. For Kruger the number increased by 6,6% from 1 556 916 to 1 659 793 and for Parks increased by 6,5% from 3 678 179 to 3 918 739 persons.



Black South African Guests

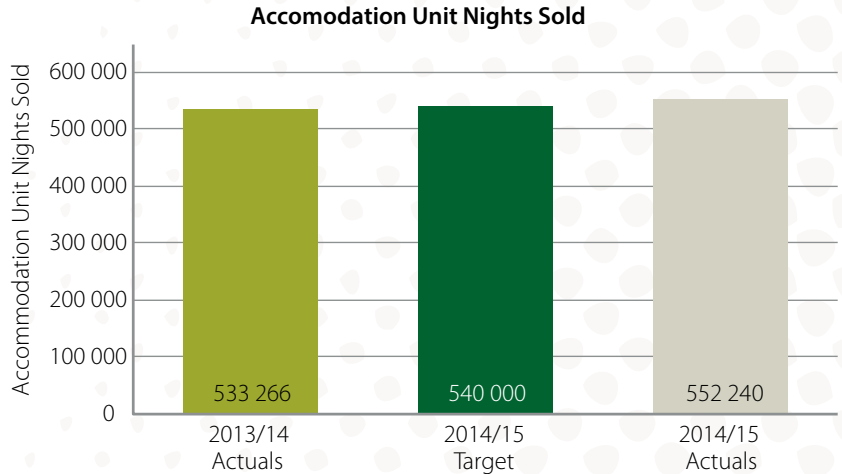
For the 12 month term, total Black guests increased by 8,4% from 467 018 to 506 273 comprising an increase of 9,7% from 424 489 to 465 689 in Day Visitors and a decrease of 4,6% from 42 529 to 40 584 in Overnight Guests. Black guests comprise a total of 32,1% (previous year 32,9%) of Total South African Day Visitors and 8,0% (previous year 8,6%) of Total South African Overnight Guests. The total Black guests (day visitor and overnight) comprise 25,9% (previous year 26,1%) of Total South African Guests.



NOTE: Due to the way in which the South African demographic figures are collected and captured, SANParks is aware and accepts that there may be a small margin of error involved and that these figures may not be 100% accurate. This does not diminish the value of these measures in indicating trends in Park visitation by South Africans. Please note that the Table Mountain and West Coast National Parks are excluded from reporting of this category, as demographic information is not captured there.

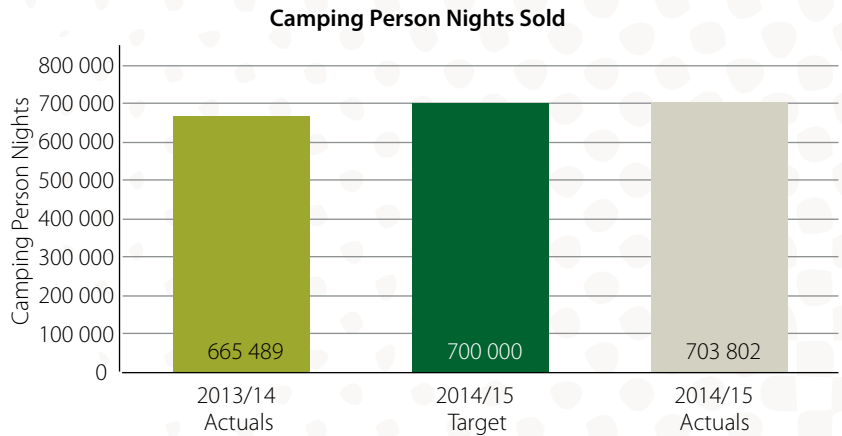
Accommodation Occupancy

The average Unit Occupancy for the period under review was 72,1% (last year 70,9% (+1.1)) comprising 60,5% (last year 58,2% (+2.3)) for Parks Division and 78,7% (last year 78,4% (+0.3)) for Kruger Division.



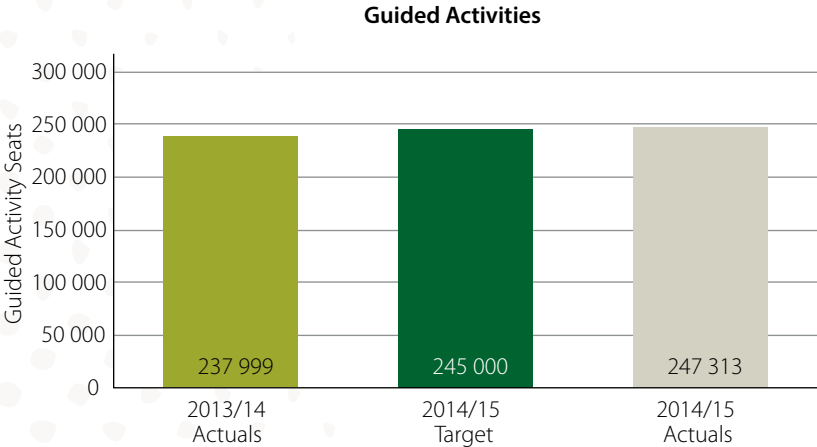
Camping

For the period under review, Camping Person Nights Sold is up by 5,8% from the previous year from 665 489 to 703 802 person-nights. In the case of Parks Division, Camping Person Nights Sold are up by 7,5% from 254 363 to 273 531 person-nights, while Kruger Division increased by 4,7% from 411 126 to 430 271 person-nights.



Guided Activities

For the period under review, the Activity statistics show an overall increase of 3,9% from 237 999 to 247 313 activities across SANParks with Kruger showing an increase of 5,0% from 157 874 to 165 801 activities and Parks showing an improvement of 1,7% from 80 125 to 81 512 activities. A total of 67,0% of all SANParks activities were performed in the Kruger National Park, compared to 66,3% (+0.7) for previous year.



Summary of Tourism Statistics for the 12 months ended 31 March 2015 for the South African National Parks

PARK	ACCOMMODATION (EXCL CAMPING)				CAMPING			GUESTS TO PARK	TOTAL ACTIVITIES
	UNIT NIGHTS SOLD	UNIT OCCUPANCY	BED NIGHTS SOLD	BED OCCUPANCY	SITE NIGHTS SOLD	CAMP SITE OCC	PERSON NIGHTS SOLD		
ADDO	27 498	86,7%	61,646	71,0%	9 389	77,9%	24 937	204 881	27 680
AGULHAS	2 795	34,9%	7,767	30,1%	NOT APPLICABLE			27 206	NOT APPLICABLE
AUGRABIES	9 370	46,1%	19,693	41,7%	5 098	27,9%	14 540	69 990	1 464
BONTEBOK	2 322	48,9%	5,597	31,9%	2 636	17,6%	7 121	17 611	NOT APPLICABLE
CAMDEBOO	865	59,4%	1,657	56,9%	2 059	37,6%	4 916	37 326	NOT APPLICABLE
GOLDEN GATE	19 224	35,6%	41,900	26,9%	4 715	28,7%	13 291	55 001	527
GARDEN ROUTE	32 560	62,9%	76,481	52,5%	22 810	19,1%	67 655	376 458	15 145
KAROO	10 081	73,8%	25,054	50,4%	5 661	64,9%	13 822	38 618	1 359
KGALAGADI	31 436	89,4%	72,414	69,7%	22 063	78,0%	63 501	40 086	5 387
KRUGER	383 569	78,7%	923,310	61,8%	157 419	66,9%	430 271	1 659 793	165 801
MARAKELE	2 952	74,0%	6,964	50,5%	6 453	45,7%	17 541	23 926	1 397
MAPUNGUBWE	5 596	56,0%	13,185	49,1%	2 357	64,6%	6 478	35 900	22 383
MOKALA	6 931	61,3%	15,334	49,4%	1 838	45,8%	4 874	17 626	1 160
MOUNTAIN ZEBRA	6 065	79,1%	15,442	49,2%	3 989	54,6%	10 177	24 426	2 508

PARK	ACCOMMODATION (EXCL CAMPING)				CAMPING			GUESTS TO PARK	TOTAL ACTIVITIES
	UNIT NIGHTS SOLD	UNIT OCCUPANCY	BED NIGHTS SOLD	BED OCCUPANCY	SITE NIGHTS SOLD	CAMP SITE OCC	PERSON NIGHTS SOLD		
NAMAQUA	835	45,9%	1 824	27,8%	2 899	17,5%	8 689	17 363	NOT APPLICABLE
RICHTERSVELD	2 179	33,5%	4 820	30,3%	3 854	18,9%	12 625	6 400	143
TABLE MOUNTAIN	4 771	40,5%	13 522	32,4%	NOT APPLICABLE			2 677 767	1 236
TANKWA KAROO	2 620	60,3%	7 389	33,4%	1 261	24,7%	3 364	5 837	NOT APPLICABLE
WEST COAST	571	75,6%	2 159	41,5%	NOT APPLICABLE			242 317	1 123
TOTAL 2014/15	552 240	72,1%	1 316 158	56,6%	254 501	48,0%	703 802	5 578 532	247 313

HONORARY RANGERS

During 2014/15 the Honorary Rangers celebrated their 50th anniversary as a volunteer organisation providing strategic assistance to SANParks. The year 2014/15 has been a year of growth, as shown by the annual measurable outcomes reflected below.

Membership

The membership of the Honorary Rangers has kept on showing a healthy growth and at the end of the year stood at 1 399 members, reflecting a growth of 5,98%. This is double the growth rate achieved in 2013/14. This shows a growth in public awareness and support due to increased activities and media exposure.

The growth in the number of HDI (Historically Disadvantaged Individual) members appears to have reached a plateau. The current number of 124 HDI members is a slight 2,3% decrease from 2013/14. More worrying, however, is that the number of HDI applicants has shown a significant decrease. The transformation agenda is extremely important not only for the organisation, but also for conservation in general and it remains important to increase the emphasis on this important task.

Environmental Education

The duties of Honorary Rangers in the area of environmental education have grown by 3,27% from 19 844 hours to 20 560 hours. In the future this will be a major focus and should show a significant increase due to growth in the public education and awareness programme and a new emphasis on junior rangers and interpretation activities.

Total Contribution to SANParks

Financial contribution: Total funds raised through Honorary Rangers fundraising activities in 2014/15 was R13 million (2013/14: R11 million). However, the cost of raising these funds was R5,7 million (2013/14: R4,7 million). Net funds raised therefore was R7,3 million (2013/14: R6,5 million) which is a 13% increase on the prior year. Of the R7,3 million R5,5 million was donated to SANParks through the parks wish list system.

In-kind contributions: Currently the available systems do not allow for accurate recording of the monetary value of in-kind donations. It is intended to improve the accuracy of the reporting of this information in the future.

Volunteer contribution: The most important donation made by the organisation is the voluntary contribution made by members. During the year Honorary Rangers spent 200 426 hours (2013/14: 177 640) and drove 2 168 890 kilometres (2013/14: 2 031 725) in support of SANParks.

Funds available: Funds that are available in the Honorary Rangers account which have not yet been spent on supporting SANParks continued to grow. This year it is up from R10,5 million to R13,0 million. It is not desirable for a service orientated organisation to have large amounts of money in trust which is not being used to make a difference. This will be addressed by the increased opportunities delivered via the parks wish lists.

Total contribution: In order to place a value on the total contribution to SANParks, and in line with previous reports, member hours are valued at R150 per hour and kilometres travelled at R3,71 per kilometre. On this basis volunteer hours are valued at R30,0 million for the year and kilometres travelled at R8,1 million. The total financial contribution in 2014/15 was R5,5 million bringing the total value of the contribution to SANParks by the Honorary Rangers to R43,6 million, reflecting an increase of 9% over the 2013/14 figure of R40,2 million.

Camdeboo National Park - Landscape

Human Resources Report

Human Resources Report

The Corporate Human Resources programme for the 2014/15 financial year has been aligned to SANParks' strategic business requirements, as outlined in the Corporate Business Plan. The programme was informed by both policy and strategy imperatives, and covers the following key strategic areas:

- Employee Benefits
- Staff Recruitment
- Labour Relations
- Learning and Development and Organisation Development
- Employee Wellness and Occupational Health and Safety

The report contains high level strategic objectives of the Human Capital programme, its highlights and achievements, and quantitative Human Resources information.

EMPLOYEE BENEFITS

Employee benefits serve the purpose of attracting and retaining talented staff in organisations, other than just normal regulated employment benefits. SANParks expresses its recognition for value-adding service through a number of benefits other than remuneration, as part of its retention programme. These include the following:

- Medical Aid Post-Retirement Benefits,
- Study bursary scheme (for employees and children of employed staff),
- Motor vehicle and financing scheme,
- Subsidised school accommodation for employee's children,
- Comprehensive Medical Aid Membership,
- Membership of Retirement and Provident Funds,
- Funeral Schemes,
- Pension backed lending scheme for all employees, in respect of housing needs,
- Free holiday accommodation for staff.

The above benefits are reviewed from time to time in order to ensure their continued relevance in providing SANParks with a competitive advantage. The broad range of medical aid schemes continues to have a positive impact on the employee wellness strategy.

EMPLOYEE RECRUITMENT

During the reporting period, the recruitment and selection policy was revised and updated for the purpose of continued attraction of skilled and experienced talent from industry.

The on-boarding and off-boarding process was introduced to streamline data collection, protect employee information, reduce compliance risks, and minimise loss of physical property. This process is cost-effective and easy to use for all employees.

SANParks continued to use assessment batteries in the recruitment of Senior Managers and other critical positions. Over and above the assessment batteries, career development, transfers and promotions were used for employee progression.

LABOUR RELATIONS

One of the strategic intents of the labour relations programme for the financial year under review was to ensure that employees in the bargaining unit are remunerated at a level that attracts, retains and motivates them to achieve SANParks' strategic objectives. The year has been successful due to the positive results after salaries and conditions of service negotiations and favourable awards from the Commission for Conciliation, Mediation and Arbitration. SANParks complied with all applicable labour legislation which resulted in good governance and labour peace.

The following recognised trade unions depicted in the table below played an active role within SANParks during the period under review.

Trade Union Membership in SANParks

Health and Other Services Personnel Trade Union of South Africa (HOSPERSA)	1 599
National Education, Health and Allied Workers Union (NEHAWU)	753
South African Commercial, Catering and Allied Workers Union (SACCAWU)	699

SALARIES AND CONDITIONS OF SERVICE NEGOTIATIONS

The 2014/15 salaries and conditions of service negotiations between the Health and Other Service Personnel Trade Union of South Africa (HOSPERSA); the National Education, Health and Allied Workers Union (NEHAWU), the South African Commercial, Catering and Allied Workers Union (SACCAWU) and SANParks were concluded after three (3) sessions held during April, May and June 2014. The signed Joint Salaries and Conditions of Employment Collective Agreement entailed the following:

- 10% across-the-board increase and minimum salary of R5 675.00 per month,
- Housing Allowance of R1 340.00 per month for A Band employees and R2 076.00 per month for B Band employees who reside outside the park,
- Danger Allowance of R324.00 per month for field rangers and R130.00 for employees who work at the Environmental Crime Division, Conservation Services, Technical Services and Tourism,
- Bicycle Allowance of R200.00 per month has been incorporated into the field rangers salaries,
- Special Danger Allowance of R55.00 per night is payable to field rangers, lance corporals, corporals and security officers,
- Dog Handler Allowance of R200.00 per month is payable to qualifying employees.

TRADE UNION ENGAGEMENTS

Joint Relationship Agreement

The Joint Relationship Agreement has been reviewed in order to ensure that there is an all-inclusive collective bargaining system. The said Agreement has been signed by the Health and other Services Personnel Trade Union of South Africa (HOSPERSA), the National Education, Health and Allied Workers Union (NEHAWU), the South African Commercial Catering and Allied Workers Union (SACCAWU) and SANParks.

Agency Shop Agreement

The Health and other Services Personnel Trade Union of South Africa (HOSPERSA), the National Education, Health and Allied Workers Union (NEHAWU), the South African Commercial Catering and Allied Workers Union (SACCAWU) and SANParks signed an Agency Shop Agreement.

LABOUR LITIGATION

Labour disputes were managed efficiently to ensure minimum liability for SANParks as per the statistics below:

- 41 cases were referred to the Commission for Conciliation, Mediation and Arbitration (CCMA).
- Of the above, 37 cases were resolved in favour of SANParks, one in favour of employee and three are still pending.
- there were 12 Labour Court (LC) cases, two of the applicants withdrew their matter, one application for review was dismissed by the CCMA.
- One Labour Court case was settled amicably and six cases are still pending.

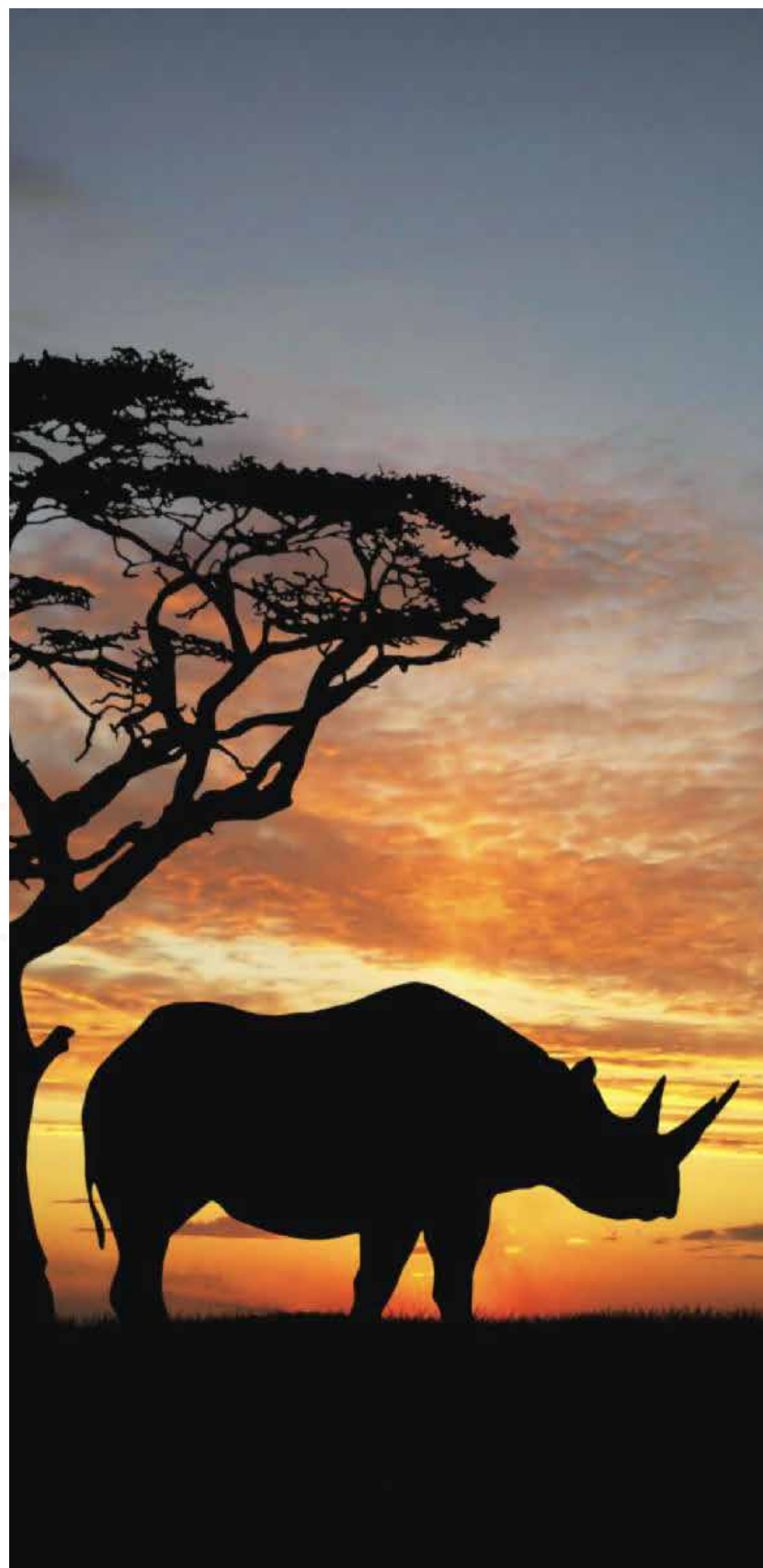
SANParks' success rate in CCMA cases is 90% and prospects of success are good for the pending CCMA and Labour Court cases. This is attributed to relevant training in handling disciplinary hearings and fair procedures.

LEARNING AND DEVELOPMENT

The objective of the learning and development programme is to ensure the organisation has the required skills, knowledge and competencies through learning and development interventions.

According to a survey conducted by Deloitte on the “Global Human Capital Trends 2015: Leading in the new world of work”, ten trends affecting organisations in the 21st century were identified, and learning and development (L&D) was rated the third most important challenge in addressing transformation and accelerated corporate learning. But as the importance of the issue rose, the readiness to address it went down. SANParks is equally aware of the challenges facing L&D in these turbulent times, and in response has strategically made the following concerted efforts in addressing and positioning L&D as a strategic partner in achieving business goals:

- Learning and Development (L&D) strategy has been reviewed and approved.
- The total spending on skills development has significantly increased from 1,57% in 2013/14 to 1,9% in the 2014/15 financial year.
- A total of 2 862 employees benefited from these interventions, which are meant to improve productivity and address transformational commitments of the organisation.
- A Skills Audit exercise was undertaken, to understand the skills inventory of the organisation and skills gaps of its employees.
- In its effort to contribute to the national agenda of reducing youth unemployment, SANParks hosted 137 graduates and matriculants in order to provide them with the necessary work experience to increase their chances of employment.
- SANParks is also assisting some of its employees in improving their levels of numeracy and literacy by implementing an ABET/AET project in Kruger, Marakele and Golden Gate Highlands National Parks. A total of 50 employees stand to benefit from this initiative. The project is co-funded with the Culture, Art, Tourism, Hospitality and Sport Sector Education and Training Authority (CATHSSETA).
- In order to improve service delivery, and maintain industry standards, L&D funded two learnership projects in Accommodation and Housekeeping Services, to improve the tourists experience in the parks. The projects are co-funded with CATHSSETA.



TRANSFORMATION

The strategic objective for the transformation function within SANParks is to continuously strive for holistic transformation of the organisation through governance structures and engagements in which employees participate. In the 2014/15 financial year the focus was mainly on people living with disability, women - especially at management levels and a continued focus on all matters around Employment Equity (EE). The table below illustrates SANParks progress in respect of the drive around EE.

SANParks WORKFORCE PROFILE AS AT 31 March 2015

OCCUP. LEVEL	MALE				FEMALE				TOTAL BLACK	TOTAL WHITE	TOTAL MALE	TOTAL FEMALE	TOTAL EMPLOYEES
	A	C	I	W	A	C	I	W					
F	1	0	1	2	2	0	0	0	4	2	4	2	6
	25%	0%	25%	50%	100%	0%	0%	0%	67%	33%	67%	33%	
E	14	5	1	20	8	1	0	3	29	23	40	12	52
	35%	13%	3%	50%	67%	8%	0%	25%	56%	44%	77%	23%	
D	80	18	5	87	50	12	2	48	167	135	190	112	302
	42%	9%	3%	46%	45%	11%	2%	43%	55%	45%	63%	37%	
C	195	47	1	44	140	38	3	57	424	101	287	238	525
	68%	16%	0%	15%	59%	16%	1%	24%	81%	19%	55%	45%	
B	976	291	0	24	290	112	3	31	1 672	55	1 291	436	1 727
	76%	23%	0%	2%	67%	26%	1%	7%	97%	3%	75%	25%	
A	753	55	0	1	556	86	0	2	1 450	3	809	644	1 453
	93%	7%	0%	0%	86%	13%	0%	0%	100%	0%	56%	44%	
TOTAL PERM	2 019	416	8	178	1 046	249	8	141	3 746	319	2 621	1 444	4 065
TOTAL TEMP	448	128	5	80	437	138	1	44	1 157	124	661	620	1 281
TOTAL	2 467	544	13	258	14 83	387	9	185	4 903	443	3 282	2 064	5 346

Note: A=Africans, C=Coloureds, I=Indians and W=Whites

The total number of permanent SANParks' employees is **4 065**, with **2 621 (64%)** males and **1 444 (36%)** being females across all occupational levels. Women representation at managerial levels in Bands D to F account for **35%** when compared to **65%** being males. Developmental interventions have been streamlined to be implemented across SANParks. The interventions include targeted skills programs, academic courses, management and leadership development programmes, and the establishment of Women's Forums.

Representation of people living with disability across SANParks occupational levels has improved significantly from 0,4% over the last financial year to 1,0% of the total staff compliment currently. The increase is mainly attributed to focussed awareness sessions and a drive to encourage staff to declare their disabilities.

ORGANISATION DEVELOPMENT

The objective for the unit is to encourage excellent performance through organisation development and design engagements.

Organisation Design – The following objectives were carried out:

Job Profiling and Evaluation - The Job Evaluation policy was reviewed, updated and approved by EXCO and the Board. In order to ensure understanding of the policy and the job evaluation process by all stakeholders, organised labour was taken through a workshop to understand the policy and its processes.

Job Profiling – in total over 34 jobs were profiled within the organisation.

The majority of the job profiles were carried out within the following departments:

Veterinary Unit – a review of the profiles and structure was done to align it to its strategic and current work focus within the organisation.

Technical Services Department – the review was to create career ladders within the department which involved the review of current structure and job profiles.

Leadership Development Survey – SANParks participated in a survey looking at Leadership Development within the organisation. The survey focused on how the changing work environment is impacting on the skills and experiences that leaders will require in future, in their own work and as they work with teams.

OCCUPATIONAL HEALTH AND SAFETY PROGRAMME (OHS)

In line with SANParks' OHS strategic objectives for the 2014/15 financial year, priority areas were identified regarding health, safety and environmental management performance improvements for period under review. Significant progress was made according to the action plans in consolidating health and safety with environmental management systems with the aim of ensuring that impacts of SANParks' work operations across the organisation are significantly minimised and mitigated. This was done in the interest of ensuring improved health, safety and environmental management performance in pursuit of reduction in injuries, occupational illnesses and diseases and also to protect the environment in which the business operates (eliminating fatalities, serious disabling incidents in the parks) through several key initiatives listed below:

- Reviewing SANParks' safety, health and environmental management audit methodology and management of occupational health, safety and environment (SHE) performance as a line responsibility with clear authority and accountability.

- Optimisation of available human resources by managing construction projects and processes through the direct utilisation of project managers by providing them with the required materials and resources as well as appropriate advice followed by periodic inspections and audits conducted by the skilled SHE practitioners.
- Maintaining and improving relationships with clients and stakeholders whilst protecting safety, health and environment and minimising impacts on the workers and the environment.
- Providing employees with the capabilities, knowledge and resources necessary to instil personal ownership and motivation to achieve SHE excellence through training.
- Continuing to maintain a secure work environment to protect workers, site contractors and the organisation's assets from risks of injury, property loss or damage resulting from hostile acts or neglect.
- Ensuring that staff members and contractors understand the importance of pre-work safety planning and procedures - and that working safely is a condition of employment, and that they are each responsible for their own safety and the safety of those around them through the revision of SANParks current contractor management standards.
- Performance measurement, through annual audits and public reporting of OHS performance and maintaining an open dialogue with stakeholder groups and client communities where SANParks operates. Through the review and implementation of SANParks SHE policies, the objective is to earn the public's trust and to be recognised as the leader in workplace health and safety performance.

Milestones

- OHSAS 18001 management system model which provides a comprehensive and international OHS management program that guides the organisation to achieving industry and global standards.
- Structured inspections and targeted audits to monitor progress and identify shortfalls thus aiding continuous improvement to current systems and programs.
- Analysis and monitoring of incident trends and legislative compliance monitoring across the organisation so that adequate advice and guidance is provided timeously.
- Compliance, control and enforcement to influence inculcation of positive organisational culture of safety, health and environment in order to achieve intended goal and to meet industry and global expectations.
- Establishment and maintenance of the organisation's health surveillance programme which is not as yet fully fledged.

Workplace incidents that were reported during the period under review:

Fatal incidents reported	= 3
Disabling injuries	= 42
Man-days lost due to injury	= 384

SANParks’ organisational health and safety performance statistics as of 31 March 2015.

	Actual 2014/15
Total Lost Time Accidents (LTA)	461
Work related deaths	3
Total Man-hours lost due to injury	24 576
Disabling Injuries (Over 3 Days off duty due to injury)	42
Disabling Injury Frequency Rate (DIFR) – Cumulative [@]	1,35
Disabling Injury Incident Rate (DIIR) – Cumulative	0,27
Disabling Injury Severity Rate (DISR) - Cumulative [*]	12,34

*Calculation for Organisational DISR rate = total number of days lost due to injury x 1,000,000/ total number of hours worked.

Calculation for DIIR rate = total number of Disabling Injuries x 200,000/total number of Man-hours worked for the period under review.

EMPLOYEE WELLNESS PROGRAMME

Research has shown that apathy in the workplace leads to decreased productivity which affects the organisation’s bottom line. Employees who demonstrate apathy at work do so because their jobs are not challenging enough, daily tasks are not fulfilling, management does not set challenging goals or because employee performance is not met with reward and this leads to feelings of powerlessness and frustration. To keep the workforce engaged, employees should be included in key decisions that affect themselves and their careers, and be assisted to become the best they could be. SANParks integrated wellness programme is premised on these and other principles, hence good progress can be reported during the reporting period.

24/7 personal support service

During the period under review, counselling constituted 41,8% of services utilised compared to 38,8% of the previous year. Managerial services increased to 10,7% compared to the previous year of 8,5% and among public sector (5,1%).

Stress was the commonly reported problem, this has changed from the previous comparable period where money management constituted the most commonly presenting broad problem category. Employees whose difficulty severely impacted on their job performance amounted to 2,8%, this compares to 5,7% average of ICAS clients and public service. A total of 47 individuals were assisted through group trauma debriefing sessions.

Garden Route National Park – Tsitsikamma section

Corporate Services Report

Corporate Services Report

The Corporate Services division was set up as from 1 April 2013 with its primary objective being to consolidate the already established departments of Corporate Communications, Corporate Social Investment, Information Technology, Legal Services and Head Office Facilities Management. The then Corporate Communications division was then incorporated as a department reporting under the Corporate Services division.

The Corporate Social Investment department was established, reporting under Corporate Services, as a vehicle to deliver on the 1% Tourism Fund as well as other socially oriented programmes. During the year under review the process of integrating Information Technology (IT) services across the organisation as well as improving the strategic focus of IT within SANParks has continued. This area is now well poised to be a strategic enabler for business development and processes.

CORPORATE COMMUNICATIONS

MEDIA RELATIONS

Media Monitoring

For the 12 months of the financial year 2014/15 SANParks coverage increased in all media by 266% (20 868 articles and 5 697 clips):

- Print Media: 2 176 to 6 766 – 211% increase (AVE: R239,6m)
- Broadcast Media: 1 721 to 6 426 – 273% increase (AVE: R217,5m)
- Online Media: 1 800 to 7 676 – 326% increase (AVE: R225,3m)

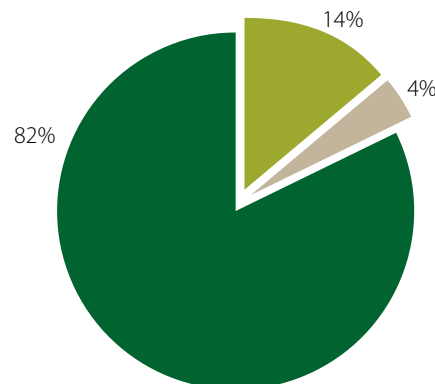
At the start of the financial year SANParks did not have a tool in place to measure the Media Reputation Rating (MRR). The service provider appointed to provide a media monitoring service was, however, engaged on this and agreed to develop a mechanism which would provide this analysis. A software programme was developed which employs certain key words to determine whether media coverage is positive, negative or neutral.

The application of this programme to determine the MRR is based on the Advertising Value Equivalent (AVE) rather than the number of articles and clips, which allows for factors such as prominence and reach to be taken into account. While this tool was only developed in the third quarter of the financial year, it was applied retrospectively in order to be able to determine the MRR for the year as a whole.

For the 2014/15 financial year SANParks had 20 868 articles and clips with an AVE of R682,3m and with a combined positive/neutral Media Reputation Rating (MRR) of 96% as per the table below.

MRR Annual Statistics 2014/15

MRR Annual Statistics 2014/15



	Clip Count	AVE (R)	MRR
Positive	3 512	R97 187 858	14%
Negative	1 083	R28 346 724	4%
Neutral	16 273	R556 764 060	82%
	20 686	R682 298 642	100%

Media Relations Policy

The Media Relations Policy was revised in the course of the year and tabled to EXCO, the Audit and Risk Committee and thereafter to the Board Meeting of 26 March 2015. The Policy was approved at that meeting.

Strategic Interventions towards Proactive Media Engagement

SANParks continues to nurture relations with the media in a bid to create a lasting relationship of mutual respect and trust. SANParks issued 58 press releases during the financial year and also engaged in a range of proactive media engagements in order to present comprehensive information and analysis on key issues through the media to the public at large.

These proactive media engagements included the following:

- Media tours to the Kruger National Park to provide exposure for the efforts that SANParks is making to fight the scourge of rhino poaching and to give coverage to the Strategic Rhino Translocation Programme.
- A media tour to the Agulhas National Park for the launch of the Agulhas Rest Camp extension, and to profile the SANParks Infrastructure Programme.
- Media briefings on key issues including the Skukuza Conference Lodge development, the fires in Table Mountain National Park, and the war on poaching in the Kruger National Park.
- Hosting media at public events such as World Wildlife Day, World Ranger Day, World Rhino Day, commissioning of helicopter donated by the Howard G Buffett Foundation, launch of SA National Parks Week.

Social Media

The role of social media is becoming increasingly important as evidenced by the growth in public participation in the various social media platforms in which SANParks is engaging. For the 12 months to the end of March 2015 the number of members of the SANParks Forum hosted on the SANParks Website had grown by 4,4% from 26 590 as at 1 April 2014 to 27 746 by year end. The number of Facebook fans had grown by 81,2% from 67 168 at the beginning of the financial year to 121 714 at the end of March 2015. Twitter followers grew by 51,5% in the same period from 33 158 to 50 217.

IMPLEMENTATION OF BRAND AWARENESS PLAN

The key branding events for SANParks, SA National Parks Week and the Kudu Awards, were successfully staged during the year. Both events were extremely successful with the SA National Parks Week recording an AVE of R7,3m.

The main focus of media activities and relations for the second quarter was the South African National Parks Week (SANPW) which was launched in the Tsitsikamma section of the Garden Route National Park on 8 September 2014. The launch was combined with a 50th Anniversary celebration of the Tsitsikamma section of the Garden Route National Park. The SABC Programme, Morning Live, broadcast the SA National Parks Week launch at Tsitsikamma and featured SANParks in their broadcasts for the whole week.

Prior to the event a comprehensive media plan for the campaign was created. This plan resulted in excellent publicity for SANParks including two successful partnerships during the week with RSG and Pretoria News. Both partnerships included a competition. As a result of the partnership between SANParks and Pretoria News, SANParks received full page coverage on national parks and SA National Parks Week 2014.

Several radio stations such as Classic FM, Tshwane FM, Lotus FM, Ikwekwezi FM, Soweto Radio, Soweto TV, Metro FM, Eden FM and Algoa FM interviewed SANParks representatives during and leading up to SA National Parks Week.

SANParks held the 10th Annual Kudu Awards Ceremony at Gallagher Estate on 27 November 2014. The 10th Anniversary event for the Kudu Awards was deemed by many of those who attended to be the best organised function since the inception of the event. A survey tool will be put in place to measure this level of satisfaction from participants going forward.

E-COMMERCE

E-Commerce Development

The main project during the year was to redesign the entire website according to "responsive design" principles that would allow it to load equally well on all major devices – PC, laptop, tablet and cell-phone – while being served from one source of data. This project was 95% complete at financial year end and the new website went live at the end of April 2015.

The Online Booking system was enhanced and refined continuously for the sake of streamlining E-Commerce operations and user-friendliness. Online customer feedback continued to be positive. For the 2014/15 financial year there were 2 997 positive messages and 99 negative messages posted on the website representing a 96,5% positive feedback and 3,4% negative. The website continued to run at an uptime in excess of 99%, ensuring a reliable and effective service to all users.

E-Commerce Revenue

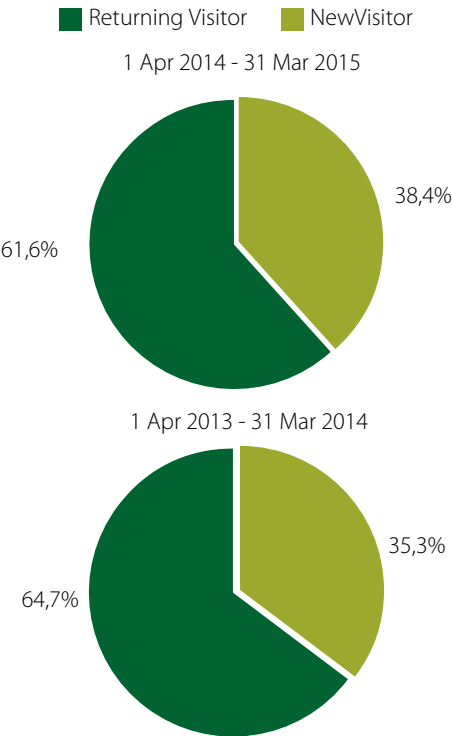
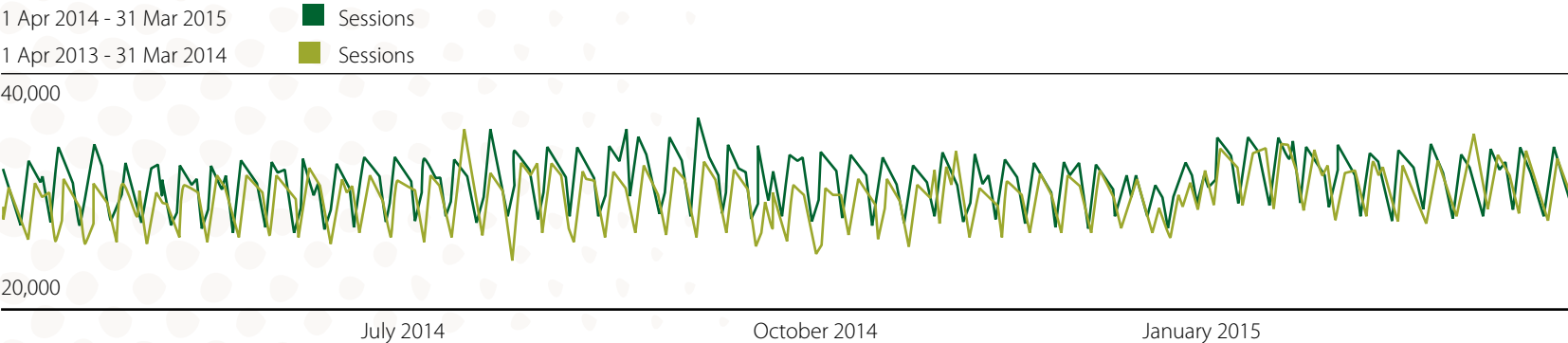
Total E-Commerce revenue for the 2014/15 financial year as at the end of March 2015 amounted to R280m, which represented an increase of 27% over the

previous year. The proportion of the total value of reservations that are made online grew from 25,7% in the 2013/14 year to 30,5% in the year under review.

	Current YTD R000	Increase YOY	Current YTD % of overall realised reservations value	Last year YTD % of overall realised reservations value
Online bookings	258 941	19%	30,50%	25,70%
Wild Card sales	20 268	22%	27%	
Fundraising	690	114%		
Total	279 899	29%		

Website Summary

The graph below shows the monthly movement since 1 April 2014 to the end of March 2015. There was an increase of 13.20% in visitor sessions, and 23.97% to unique visitors:



CORPORATE SOCIAL INVESTMENT

The mandate of the Corporate Social Investment department is to grow a strong constituency base for SANParks through the implementation of a robust programme contributing positively towards socio-economic development of communities living adjacent to national parks.

The following programs and projects were implemented in the 2014/15 financial year:

LEGACY PROGRAMME

The legacy programme aims to support and contribute to the achievement of government's mandate towards social development. It is a programme by which SANParks invests resources for the provision of much needed facilities in communities living adjacent to national parks. Legacy projects are funded from the 1% tourism income and other external strategic partners.

The programme currently supports the Department of Education through the provision of facilities ranging from science laboratories, computer centres, library and information centres. Once these facilities are developed, they are handed over to relevant government departments for operationalisation.

The following are projects which were successfully completed including provinces in which they were undertaken:

- Rietfontein Computer Laboratory – Northern Cape (Next to Kgalagadi Transfrontier Park)
- Emang Mmogo Science Laboratory - Northern Cape (Near Mokala National Park) and
- Spandou High School dormitory bedding - Eastern Cape (Near Camdeboo National Park)
- Walk and Learn on the Wildside (1st phase) – Limpopo and Mpumalanga (Kruger National Park)

The following projects were initiated as planned and are still in progress:

- Calata Science Laboratory – Eastern Cape (Near Mountain Zebra National Park);
- Students Support Programme - financial support to nine (9) learners nationally;
- Tlakulani Science Laboratory - Limpopo (Next to Kruger National Park);
- Sibisiswe Science Laboratory - Mpumalanga (Next to Kruger National Park);

- Takheleni Primary Kitchen Facility – Mpumalanga (Next to Kruger National Park);
- Groenvlei High School Science Laboratory - Limpopo (Next to Marakele National Park);
- Morithing wa Thuto Science Laboratory – Free State (Next to Golden Gate Highlands National Park);
- Qwaqwa Makwane Nursery & Greening – Free State (Next to Golden Gate Highlands National Park);
- Contractor Development Programme – Mpumalanga and Limpopo (Next to Kruger National Park);
- Siyasiphuhlisa Nursery – Eastern Cape (next to Camdeboo National Park);
- Kruger National Park Nursery – Mpumalanga (in the Kruger National Park);
- Water Provision (Belfast and Cork) – Mpumalanga (Next to Kruger National Park); and
- Khayaletu Medicinal Plant Nursery – Western Cape (in the Garden Route National Park).

WALK AND LEARN ON THE WILD SIDE

Walk and Learn on the Wild Side is an environmental education initiative run by the Kruger National Park aimed at growing SANParks youth ambassadors and contributing towards learners' career choices through exposing them to the tourism activities in the park. Learners from Limpopo and Mpumalanga provinces were exposed to, and given first-hand experience at various tourism work stations in the park including the reception, restaurant, filing/fuel station and the linen room. They were also taken on game drives using SANParks game drive vehicles.

A total of 1 600 learners, 160 educators and eight Departmental Curriculum coordinators participated on the program.

ENTERPRISE APPLICATION DEVELOPMENT

GOVERNANCE

Since 2009, the organisation has continued to improve on process governance and enforcement of business rules. The deployment of the Business Process Management Suite of applications has been a key driver in driving these efforts. The technology has assisted in standardising the execution patterns of key business processes, their visibility, efficiency and transparency.

SUPPLY CHAIN MANAGEMENT PROCESSES

The period under review has seen the automation of the key Supply Chain Management (SCM) process. The process for booking of travelling itineraries was automated allowing for an efficient procurement of services. The process includes automated interaction with the externally contracted travel agent. The travel booking of items such as car hire and flight bookings can be directly requested with the travel agent with the necessary delegation approval requirements already in place.

The process has eliminated manually intensive approval processes and internal travel management bottlenecks previously dependent on the availability of an internal supply chain resource.

HUMAN RESOURCES PROCESSES

In the last year a new Sage VIP Human Resources Management System was implemented. The new system includes key improvements and all Human Resource functions that were not available in the outgoing system. The implementation included a comprehensive data cleaning exercise of existing information structures and re-designing them for the new environment in order to improve on SANParks' HR department's management and reporting capabilities. The newly introduced system functionalities aim to improve on the organisation's management on issues such as Occupational and Health Services (OHS), Employment Equity (EE) assessments, and Learning and Development measurements.

An internal environment skills assessment process based on the Business Process Management system was also deployed in the last year. The design and development of the process was achieved by utilising internal development resources avoiding the need to purchase expensive third party systems. The skills assessment project allowed employees to capture their work experience, academic and industry certifications or qualifications. The submitted information was assessed and reports produced to reflect the gaps that existed between job requirements and employees that occupied them.

FINANCE PROCESSES

The finance department remains a key interest area for improving on governance. The travel and subsistence payment process has completed a year of operation. Over R30 million worth of claims have been completed through this process. The automation of the process has allowed the organisation to electronically track travel behaviours and enforce financial rules more efficiently.

INFORMATION AND COMMUNICATIONS TECHNOLOGY OPERATIONS (ICT)

During the year under review, the Information and Communications Technology (ICT) Department delivered on a number of initiatives in the SANParks environment, including improving service to visitors. SANParks visitors interact in various ways with SANParks including online reservations and Wild Card sales, and the face-to-face interaction at central reservations office or as a guest at arrival at one of the national parks. To enable our staff to provide a high standard of service to visitors, they expect a booking system that is always available and a data network that is stable and provides a good response when accessing the central reservations system. IT operations assisted in this achievement by upgrading the network as well as Internet access.

In addition, the core servers and storage were also upgraded with the latest technology. Furthermore the email service from Microsoft Exchange 2003 to 2013 was upgraded from a security and user access management perspective. Active Directory (AD) was upgraded from version 2003 to 2013. The centralised call centre received attention as well. The IT Department implemented new telephony based on Voice over Internet Protocol (VoIP) and a much improved Contact Centre Solution that enables the reservations unit to properly manage the interaction with prospective visitors.

A key initiative that received further attention during the year was the review of the Governance of Information and Communications Technology in line with the principles of the control objectives of Information Technology Framework, version 5 (COBIT 5©) and according to the guidelines provided by the Department of Public Administration of South Africa (DPSA). This review has the benefits of ensuring that the governance of ICT is in line with organisational governance and the functioning of ICT is formally aligned with business requirements and strategy. A Corporate Governance of ICT Policy (CGICT) has been implemented. A key component of this initiative is to establish regular maturity assessments to identify areas of improvement. A further key component of governance is to align ICT initiatives with business requirements and for that purpose SANParks IT function has developed a new strategy that will guide operations for the next five years and assist SANParks to leverage technology as a strategic enabler.

Marakele National Park - Landscape

Infrastructure and Expanded Public Works Programmes

Infrastructure and Expanded Public Works Programmes

EXPANDED PUBLIC WORKS PROGRAMME

SANParks implemented eight Expanded Public Works Programmes (EPWP) and various other projects during 2014/15. Projects were approved as part of the following Department of Environmental Affairs' Environmental Programmes:

- Natural Resource Management Programme
- Environmental Protection and Infrastructure Programme

A total of 12 120 people were employed in the various projects across the country, working 1 355 207 million person days and creating 5 892 Full Time Equivalent positions. The focus over the past year was on improving biodiversity such as alien vegetation clearing, erosion and wetland rehabilitation and conservation support. The Eco-Furniture Programme increased considerably to set-up new facilities to deliver school desks.

Table: EPWP Programmes implemented in 2014/15

EPWP Programme	Description
Working for the Coast	Cleaning of beaches, rehabilitation of coastal systems and maintenance of tourism infrastructure, including Blue Flag beaches.
Working for Wetlands	Rehabilitation of wetland systems.
Environmental Monitors	Support to conservation functions in parks, buffer zones, provincial nature reserves and private nature reserves.
Working for Water	Clearing of invasive alien vegetation.
Working for Ecosystems: Rehabilitation and Bush Clearing	Soil erosion projects, bush encroachment control and Addo Spekboom project for carbon sequestration.
Eco Furniture Projects	Manufacture school desks and furniture from alien vegetation.
Greening & Open Spaces	Nurseries – propagation of plants for rehabilitation, food security for local communities.
Working on Fire and High Altitude Teams	Fire prevention and control in national parks, and removal of alien vegetation from inaccessible mountainous areas and cliffs.

Other projects that were implemented included Bio-control and Alien Fish Removal, Kruger to Canyons Land Incentive and Working for Ecosystems in the nature reserves of Mpumalanga Tourism and Parks Agency and workers exiting the Medupi Power Plant project. The creation and use of SMMEs is a main focus of the programme and 701 small contractors were employed, receiving payments to a total of R174 million.

Highlights of the programme included the following:

- The Environmental Monitor programme with SANParks as the national implementer won the Best Project Award at the annual Kamoso Awards held by the Department of Public Works to acknowledge the work in the EPWP programme.
- 160 000 school desks were successfully delivered to 378 schools in the Northwest and Eastern Cape Provinces.
- Rehabilitation plans were developed for all parks to implement the Working for Ecosystems programme.
- Business plans were developed for infrastructure development on the People and Parks programme for implementation in the new year.

The table below presents the social deliverables achieved by the EPWP programme.

Table: Social deliverables of EPWP programme

Programme	No of People	Person days	FTEs	Training	SMMEs	Amount paid to SMMEs ('000)	Exp. Actual ('000)	Budget
Planned 2014/15	6 599	1 307 742	5 686	73 068	407	196.121	499.03	499.03
DEA Environmental Protection and Infrastructure Programme								
Working for the Coast	1 043	128 682	559	9 832	88	23.22	31.49	33.832
Environmental Monitors	1 420	270 356	1 175	2 242	0	-	45.56	52.922
Lisbon Project	154	29 361	128	1 548	11	4.41	4.79	5.286
Nurseries	116	20 755	90	802	16	2.65	4.85	6.232
Sub-Total	2 733	449 154	1 953	14 424	115	30.28	86.693	98.27
DEA Natural Resource Management Programme								
Working for Water	4 271	358 218	1 557	41 176	263	56.99	98.415	115.131
Working for Wetlands	548	40 659	177	5 366	29	7.07	10.614	11.523
WfE: Rehabilitation	2 260	204 348	888	14 529	153	34.22	47.497	49.540
WfE: Bush clearing	203	20 349	88	1 423	16	3.79	5.424	5.253
WfE: MTPA	168	24 955	109	757	24	5.43	7.826	8.157
K2C Land Incentive	133	12 946	56	1 006	11	1.50	2.215	2.904
Bio-control & Alien fish	338	15 558	68	1 915	25	2.68	5.341	6.364
Eco Furniture Programme	1 110	160 571	698	12 709	65	31.96	141.194	199.453
WfL: Medupi	67	5 326	23	2 714	-	0.00	1.479	2.430
Working on Fire	184	43 976	191	2 274	-	0.00	0.000	
WoF: High Altitude	105	19 147	83	-	-	0.00	0.000	
Sub-Total	9 387	906 053	3 939	83 869	586	143.64	320.005	400.76
TOTAL	12 120	1 355 207	5 892	98 293	701	173.92	406.698	499.03
Percentage	183%	103 %	103%	134%	172%	87%	81%	

The biodiversity deliverables included clearing of invasive alien plants, wetland rehabilitation, cleaning of beaches, land rehabilitation, erosion control and employment of Environmental Monitors. The main biodiversity deliverables are summarised below.

Table: Biodiversity deliverables of the EPWP programme

Deliverables	Planned	Achieved YTD	Percentage
Beach clean-up			
WftC Beach clean-up (km)	19 896	21 612	109%
Wetlands Rehabilitation			
Cubic metres	23 700	25 882	109%
Environment Monitors			
EMs appointed	1 441	1 420	99%
Co-operation Agreements	20	18	90%
Alien vegetation clearing			
Initial hectares	44 543	24 547	55%
Follow-up hectares	203 479	242 353	119%
Working for Ecosystems: Rehabilitation			
Initial Rehabilitation (ha)	5 397	4 252	79%
Follow-up Rehabilitation (ha)	2 805	4 352	155%
Working for Ecosystems: Bush clearing			
Initial bush clearing	896	1 234	138%
Follow-up bush clearing	15	67	447%
Eco Furniture Factories			
School desks (Double)	151 000	160 090	106%

INFRASTRUCTURE DEVELOPMENT PROGRAMME 2014/15

The Infrastructure Development Programme during the 2014/15 financial year achieved an expenditure of R269 million. The bulk of the funds, R253 million, were spent on Phase 3 of the programme which had an annual allocation of R315.8 million. The lower cash flow is related to the planning phase of the Kruger Safari Lodge, with construction to start in the new financial year once the Environmental Impact Assessment process is completed.

The focus of projects in Kruger National Park remained on the upgrade of existing roads, tourism accommodation and staff units. Planning of the Skukuza Safari Lodge is far advanced and includes comprehensive energy efficiency and community beneficiation measures. Within the Parks Division, the construction of new staff accommodation units in the Mapungubwe, Marakele, Mokala, Kgalagadi, Namaqua, Richtersveld and Agulhas National Parks is almost completed. The upgrade of existing roads started in Addo, Mountain Zebra, Mapungubwe and Mokala National Parks. The addition of new tourism accommodation units in Bontebok, Agulhas and in the Mata Mata Rest Camp in Kgalagadi National Park is almost completed.

The remaining projects in Phase 2 progressed to implementation stage. The new Bontle Tented Camp in Marakele with 10 new units was completed. Environmental authorisation was received for the proposed new units in Nossob Rest Camp, Kgalagadi which will include a serviced camp site (own ablution and kitchen) and upgrade of bulk services. Work has started on the new sewer plant at Cape Point in the Table Mountain National Park.

SANParks Performance against Predetermined Objectives

SANParks Performance Against Predetermined Objectives

– 2014/15 FINANCIAL YEAR

	Corporate Strategic Objectives	Performance Indicators	Annual Target	Actual Performance	
Financial	SO1: Growing Revenue	1.1 Budget Variance - Income	Break Even	R287.939 million surplus	Revenue from exchange was 6,4% better than budget
		1.1 Budget Variance - Expenditure			
		1.2 Gross/Operating Tourism Revenue (YOY)	7,5%	10,5%	R1.073 billion achieved against budget of R1.012 billion
		1.3 Fundraising Income (million)	R100 million	R 92,49 million	7,5% less than budget
Stakeholder / Customer	SO2: Facilitating Socio-Economic Development	2.1 Total Number of Free Access Entrants	18 100	53 251	194,2% more visitors than planned
		2.2 Total Number of Participants in Environmental Education Programme	180 600	213 744	18,4% better than target
		2.3 Total Number of Person-days on Temporary Jobs Created through EPWP	1 307 742	1 355 207	3,6% better than target
		2.4 Total Number of Temporary Jobs Created through EPWP	7 379	12 120	64,2% better than target
		2.5 Total Number of SMMEs Supported through EPWP	407	701	72,2% better than target
		2.6 Number of Community-based Socio-Economic initiatives implemented	12	17	41,7% above target
		3.1 Auditor General Audit Report	Unqualified, with no other matters	Unqualified, with no other matters	No material amendments were made to the Annual Financial Statements (AFS),
Internal Processes	SO3: Integrating Strategy Implementation	3.2 Accommodation Occupancy	71,0%	72,1%	1,1% points better than target
		3.3 Total Number of Visitors	5 335 000	5 578 532	4,6% better than target
		3.4 Total Number Domestic Black Visitors	493 000	506 273	2,7% better than target
		3.5 Total Number of Innovative Revenue Generating Products	5	8	60% better than target
		4.1 Total Area Added to National Parks (ha)	3 715	6 125,00	64,9% better performance than target
	SO4: Promoting Effective Management of National Parks	4.2 Total Area Rehabilitated of Alien/Invasive Species	New Area: 44 543 ha Follow-up Area: 203 479 ha	24 547 242 353	44,9% lower than target 19,1% better than target
		4.3 % progress against Biodiversity Monitoring Plan	100%	89,0%	11% points lower than target
		4.4 % progress against implementation of Cultural Heritage Programme	100%	86,0%	14% points lower than target
		4.5 Poaching Incident Rate (Rhino) (YoY)	Poaching Incidences not to Exceed Growth Rate	42.80%	Number of rhino poached increased by 42,8% (from 615 to 878) from last year
		4.6 % of new research projects relevant to SANParks key issues	72,0%	78,3%	6,3% points better than target in 374 research projects
Learning & Growth	SO5: Promoting Effective Management of Human Capital	5.1 Total Number New Employment (Jobs Created)	75 250	19 305	74,7% lower than target due to cost curtailment moratorium and to improved operational efficiencies, 22,0% better than target
		5.2 % of Employees from Designated EE Groups	Women % of Management = 37,0% People with Disabilities = 0,8%	35,0% 1,2%	2% points lower than target 0,4% points better than target
		5.3 Disabling Injury Frequency Rate (DIFR)	0,78	0,27	65,4% better than target
		5.4 % progress against implementation of Skills Development Programme	85,0%	80,0%	5% points lower than target

SO1: Growing Revenue

Performance Indicator	Annual Target	Actual Performance
1.1 Budget Variance	Break Even	R287.939 million surplus
Performance Analysis	<p>For the period under review, SANParks had a bottom line surplus of R287.938 million, which is 77,5% (equivalent of R255.044 million) better than the previous financial year.</p> <p>SANParks revenue from exchange transactions was 6,4% (equivalent of R87.028 million) better than the budget of R1.357 billion, which is 7,5% (equivalent of R100.173 million) improvement from the previous financial year.</p> <p>This performance can mainly be attributed to improvements realised from SANParks operating tourism revenue streams.</p> <p>For the same reporting period, income from non-exchange transactions was R1.107 billion better than the budget of R246.411 million. This increase was mainly affected by the revenue disclosures from government grants and special projects in order to comply with Generally Recognised Accounting Practice (GRAP) 23 standard.</p> <p>While containing its costs to essential goods and services, SANParks total operating expenditure was 15.7% (equivalent of R87.871 million) above the planned operating expenditure budget. This performance can mainly be attributed to increased employees' and operating expenses, mainly from increased costs associated with the fight against rhino poaching.</p>	
Planned Improvement/ Corrective Actions	<p>In addition to continuous budget variance monitoring, regular financial forecast will be undertaken to mitigate any possible financial risks the organisation might have been exposed to due to the current slow economic recovery. Furthermore, a special focus will be given to improve financial controls and management of assets, particularly as the organisation seeks to enhance its security measures against poaching and growing its revenue-generating streams.</p>	

Performance Indicator	Annual Target	Actual Performance
1.2 Operating Tourism Revenue (Year on Year)	7,5%	10,5%
Performance Analysis	<p>For the period under review, SANParks Operating Tourism Revenue was 6,1% (equivalent of R61.922 million) better than the planned budget of R1.012 billion, to realise a total of R1.073 billion. This is 10,5% (equivalent of R101.748 million) improvement from the previous financial year, and 3,0 percentage points above the set annual target of 7,5%.</p> <p>This performance can mainly be attributed to an increase in the number of visitors to national parks, including better performance from concessionaires when compared to the same period of the previous financial year. As a result there was an increase of 16,6% (equivalent of R47.835 million) from conservation levy and entrance fees; 12,1% (equivalent of R66.455 million) from tourism income; and 19,2% (equivalent of R13.777 million) from concession fees, when compared to the same period of the previous financial year.</p> <p>However, for the same period SANParks Retail Gross Profit declined by 41,1% (equivalent of R26.319 million), due to outsourcing of some restaurants to franchised restaurants in some of the national parks.</p>	
Planned Improvement/ Corrective Actions	<p>Continuous financial analysis and forecasts will be undertaken in order to improve tourism products yielding, and consider necessary interventions where required.</p> <p>Furthermore, the SANParks Strategic Plan for Commercialisation (SPfC) will be rolled out with particular focus on the following key initiatives:</p> <ul style="list-style-type: none"> ▪ The rollout of the Malelane Safari Lodge and the Skukuza Conference Lodge in the Kruger National Park, where the Environmental Impact Assessment (EIA) process is underway. ▪ Introduction of franchised restaurants in selected rest camps of the Kruger National Park. ▪ Monitoring of the Skukuza Airport yielding, which operate scheduled commercial flights between Skukuza; Johannesburg and Cape Town, through the SA-Airlink airline. 	

Performance Indicator	Annual Target	Actual Performance
1.3 Fundraising Income	R100 million	R92.485 million
Performance Analysis	<p>For the period under review, SANParks Fundraising Income was 7,5% (equivalent of R7.515 million) less than the planned budget of R100 million, to realise the total of R92.485 million.</p> <p>Although some of the contribution from various stakeholders were made in kind, these remain difficult to quantify into monetary terms. These include items such as anti-poaching equipment which were donated by the SANParks Honorary Rangers and other philanthropic private sector organisation. It is worth noting that due to the recent global economic downturn, gestures from the private sector have been diminishing, which made fundraising initiatives more difficult to plan ahead.</p>	
Planned Improvement/ Corrective Actions	<p>The SANParks' Fundraising Policy together with the related short-to-medium term strategy, are currently being reviewed, while engagements with key stakeholders are continuously being undertaken.</p>	

SO2: FACILITATING SOCIO-ECONOMIC DEVELOPMENT

Performance Indicator	Annual Target	Actual Performance
2.1 Total Number of Free Access Entrants	18 100	53 251
Performance Analysis	<p>For the period under review, the total number of people who were granted free access to national parks was 53 251. This is 194,2% (equivalent of 35 151) more visitors than the planned annual target of 18 100 visitors.</p> <p>The figures for the number of free access entrants are for SA National Parks Week which was launched in Tsitsikamma in September 2014. The number of free access entrants for SA National Parks Week in September 2014 exceeded those that were achieved in previous years as there was additional donor funding available. As a consequence of the additional donor funding, it was possible to put in place a more extensive programme of media engagements, advertisements, and programmes to bring the public to the national parks.</p> <p>While performance in this regard might seem extraordinary, visitor quotas in national parks make it difficult to project these numbers ahead of time. However, the organisation has been implementing various proactive stakeholders' engagement initiatives in pursuit of its vision statement of connecting national parks to society. These included SA National Parks Week that was launched in the Tsitsikamma National Park in September 2014.</p> <p>It is worth noting that since 2005 cumulatively, more than 189 000 people have been granted free access to the national parks.</p>	
Planned Improvement/ Corrective Actions	No corrective measures are required at this stage.	

Performance Indicator	Annual Target	Actual Performance
2.2 Total Number of Participants in Environmental Education Programme	180 600	213 744
Performance Analysis	<p>The total number of learners participating in the SANParks Environmental Education Programme for the year under review was 18,4% (equivalent of 33 144) better than the planned annual target of 180 600.</p> <p>Although this is 0,7% (equivalent of 1 488) less than the same period of the previous financial year, it is still a good performance considering the effect of the recently introduced policy by the Department of Basic Education, which limits schools' learners travelling during schooling hours.</p> <p>SANParks has been intensifying its efforts for recruitment and outreach to various schools, and as a result some educational districts have adopted this programme as part of their learning curriculum. The following is a list of initiatives that have contributed to the SANParks Environmental Education Programme:</p> <ul style="list-style-type: none"> ▪ Kudu Green School Initiative: This project is aimed at enhancing environmental literacy for learners and educators while providing free access to national parks. In support of formal and informal learning on the key environmental issues, learning materials have been developed for participants. ▪ Kids in Parks (including 'Take Kruger to Kasie Project'): The curriculum and training materials have been developed for both learners and their respective educators to enhance environmental literacy at primary school level. ▪ Park Based Environmental Education Programme: This is a programme for training of both school learners and the general public on environmental issues, particularly during the school holidays; an interactive booklet has been developed to hand-out. ▪ Imbewu Youth Project: This project aims to promote indigenous cultural knowledge, where wilderness camps are organised for local "wise elders" to engage with youth, and share information. In doing so traditional knowledge has been passed on from one generation to the next. For the year under review, the project has been rolled out in three national parks, namely Marakele, Golden Gate and Namaqua National Parks. ▪ SANParks Junior Rangers and Kruger National Parks' Kids in Kruger: this is a voluntary programme meant to enhance career development in the field of environmental science and nature conservation. 	
Planned Improvement/ Corrective Actions	Schools at regional levels and other educational NGOs will be engaged on regular basis to improve collaboration with external stakeholders towards environmental education goals.	

Performance Indicator	Annual Target	Actual Performance
2.3 Total Number of Person-days on Temporary Jobs Created through EPWP	1 307 742 (revised from 1 055 787)	1 355 207
Performance Analysis	<p>The Total Number of Person-Days in temporary jobs created through the SANParks Expanded Public Works Programme (EPWP) for the year under review was 3,6% (equivalent 47 465) better than the planned annual target of 1 307 742. This performance is an equivalent of 5 892 Full-Time-Employment opportunities (FTEs) created through SANParks EPWP for the period under review.</p> <p>This performance can mainly be attributed to corrective actions which were undertaken during the course of the year to improve the programme's critical path. Furthermore, due to additional funding invested in the programme, the Eco-Furniture projects achieved more person-days than originally planned.</p> <p>Due to delays in finalising some of the agreements, activities did not start as planned, namely the Environmental Monitor programme in Limpopo and iSimangaliso Wetland Authority in the Kwa-Zulu Natal. Other projects that started late are the "Kruger-to-Canyon Land Incentives" and "Working for Ecosystems: Medupi".</p> <p>It is worth noting that, due to differences between the DEA Environmental Programme approvals and the 2014/15 SANParks Annual Performance Plan (APP) planning processes, annual performance targets in this area have been revised. However, relevant notification was made to the DEA DG's office.</p>	
Planned Improvement/ Corrective Actions	No corrective actions are required.	

Performance Indicator	Annual Target	Actual Performance
2.4 Total Number of Temporary Jobs Created through EPWP	7 379 (revised from 5 302)	12 120
2.5 Total Number of SMMEs Supported through EPWP	407 (revised from 453)	701
Performance Analysis	<p>For the period under view, a total of 701 SMMEs were supported through SANParks EPWP programme. This is 72,2% (294) more SMMEs supported than the planned target of 407 at the cost of R173.9 million, which is 11,3% (equivalent of R22.1 million) lesser than the planned R196 million.</p> <p>For the same reporting period, a total of 12 120 temporary jobs were created through the EPWP programme. This is 64,2% (equivalent of 4 741) additional jobs created than the planned annual target of 7 379.</p> <p>This performance can mainly be attributed to additional funds received to make provision for the Eco-Furniture Programme's capital requirements, which further enabled employment of additional human capital in order to meet planned targets. More people were also employed in other projects such as Working for the Coast, Wetlands programmes, Working for Ecosystems: Medupi; and Kruger-to-Canyons Land Incentives as part of catch-up plans, projects started later than planned.</p>	
Planned Improvement/ Corrective Actions	No corrective actions are required.	

Performance Indicator	Annual Target	Actual Performance
2.6 Number of Community-based Socio-Economic initiatives implemented	12	17
Performance Analysis	<p>For the period under review, seventeen (17) SANParks socio-economic initiatives were implemented as planned. These initiatives were funded through 1% of SANParks tourism revenue and other funding partners, as a collective commitment to support communities adjoining national parks in various part of the country.</p> <p>The following is a list of projects which were completed, including provinces in which they were undertaken:</p> <ul style="list-style-type: none"> ▪ Rietfontein Computer Laboratory – Northern Cape (next to Kgalagadi Transfrontier National Park); ▪ Emang Mmogo Science Laboratory – Northern Cape (near Mokala National Park); ▪ Spandou High School dormitory bedding – Eastern Cape (near Camdeboo National Park); ▪ Walk and Learn on the Wildside (1st phase) – Limpopo and Mpumalanga (in the Kruger National Park). <p>However, the following projects were initiated as planned, and still in progress:</p> <ul style="list-style-type: none"> ▪ Calata Science Laboratory – Eastern Cape (near Mountain Zebra National Park); ▪ Students Support Programme - financial support to nine (9) learners nationally; ▪ Tlakulani Science Laboratory - Limpopo (next to Kruger National Park); ▪ Sibisiswe Science Laboratory - Mpumalanga (next to Kruger National Park); ▪ Takheleni Primary Kitchen facility – Mpumalanga (next to Kruger National Park); ▪ Groenvlei High School Science Laboratory - Limpopo (next to Marakele National Park); ▪ Morithing wa Thuto Science Laboratory – Free State (next to Golden Gate Highlands National Park); ▪ Qwaqwa Makwane Nursery & Greening – Free State (next to Golden Gate Highlands National Park); ▪ Contractor Development Programme – Mpumalanga and Limpopo (next to Kruger National Park); ▪ Siyasiphuhlisa Nursery – Eastern Cape (next to Camdeboo National Park); ▪ Kruger National Park Nursery – Mpumalanga (in the Kruger National Park); ▪ Water Provision – Belfast and Cork – Mpumalanga (next to Kruger National Park) and ▪ Khayaletu Medicinal Plan Nursery – Western Cape (in the Garden Route National Park). <p>A blue-print for socio-economic development initiatives in SANParks has been developed to ensure effective and efficient implementation of its CSI projects where they are needed most.</p>	
Planned Improvement/ Corrective Actions	<p>The SANParks Corporate Social Investment (CSI) policy and projects guidelines will be reviewed to ensure alignment of CSI projects with overall SANParks strategic goals and legislation obligations.</p>	

SO3: INTEGRATING STRATEGY IMPLEMENTATION

Performance Indicator	Annual Target	Actual Performance
3.1 Auditor General Audit Report	Unqualified, with no other matters	Unqualified, with no other matters
Performance Analysis	<p>Subsequent to conclusion of the Auditor General of South Africa (AGSA) field work to audit SANParks on Annual Financial Statements (AFS) and Performance against Pre-determined Objectives (as per the 2014/15 APP), the following outcomes were made:</p> <ul style="list-style-type: none"> SANParks obtained an unqualified with no other matters audit report of AFS for 2014/15 financial year. Two (2) of the strategic objectives as presented in the 2014/15 Annual Performance Plan, were qualified. 	
Planned Improvement/ Corrective Actions	<p>Management will engage both internal and external auditors (AG) on regular basis to ensure that systems of operations and controls are continuously improved, particularly in areas where potential risks and weaknesses have been identified.</p> <p>Furthermore, in addition to adopting GRAP 3 for its financial reporting, SANParks has also adopted COBIT for audit its ICT standing.</p>	

Performance Indicator	Annual Target	Actual Performance
3.2 Accommodation Occupancy	71,0% (revised from 69,0%)	72,1%
Performance Analysis	<p>For the year under review, the overall SANParks Accommodation Occupancy rate was 1,1 percentage points above the planned annual target of 71,0%. This is 1.2 percentage points improvement when compared to same period of the previous financial year.</p> <p>Furthermore, the Accommodation Units sold improved by 3,6% (18 974), while Camping Person Nights Sold and the number of Tourism Activities improved by 5,8% (38 313) and 3.9% (9 314) respectively, when compared to the same period of the previous financial year.</p> <p>This performance can mainly be attributed to favourable long-weekends included school holidays for the period under review. Although there has been slow economic recovery in the tourism industry, particularly at the macro-economic level, SANParks' performance in terms of its tourism occupancy levels was better than expected.</p> <p>Slow global economic growth, exacerbated by a weaker SA Rand (ZAR) against major currencies such as the US\$ and British pound (£) and local inflationary increases, are putting more pressure on local markets. Unless the next financial year improves, future accommodation occupancies might be affected.</p>	
Planned Improvement/ Corrective Actions	<p>Future SANParks accommodation bookings are being analysed on a continuous basis for better forecasts, while sales, marketing and promotional initiatives, particularly at regional levels, are being undertaken to sustain performance in this regard.</p>	

Performance Indicator	Annual Target	Actual Performance
3.3 Total Number of Visitors	5 335 000 (revised from 4 750 000)	5 578 532
3.4 Total Number of Domestic Black Visitors	493 000 (revised from 436 000)	506 273
Performance Analysis	<p>For the period under review, the total Number of Visitors to national parks were 4,6% (equivalent of 243 532) above the set annual target of 5 335 000. This is 6,6% (equivalent of 343 437) improvement when compared to the same period of the previous financial year.</p> <p>For the same reporting period (year-on-year), the total Number of Day Visitors to national parks improved by 14,5% (equivalent of 250 181), even though total Overnight Visitors declined by 3,6% (equivalent of 25 678).</p> <p>This performance can mainly be attributed to favourable long-weekends including school holidays for the period under review, which attracted more visitors to national parks. Furthermore, it is worth noting that the majority (73,7%) of total visitors to national parks remains local South Africans, while SADC and other countries' visitors account for 2,0% and 24,3% respectively.</p> <p>Please note that day and overnight visitor numbers, including other demographic numbers presented, exclude figures from Table Mountain and West Coast National Parks, as compatible entry monitoring systems in those parks are still being implemented.</p> <p>The total number of Domestic Black Visitors to national parks was 2,7% (equivalent of 13 273) above the set annual target of 493 000. This is 8,4% (equivalent of 39 255) improvement when compared to the same period of the previous financial year.</p> <p>This performance can mainly be attributed to 9,7% (equivalent of 41 200) improvement in Day Black Visitors, even though Overnight visitation for the same category has declined by 4,6% (equivalent of 1 945) compared to the same period of the previous financial year.</p> <p>Please note that the visitor numbers presented for black South Africans excludes Table Mountain and West Coast National Parks.</p> <p>It is worth noting that slower global economic recovery together with higher local inflation is continuing to exert pressure on local consumers. This is reflected by an increase of 19,3% (from 1 641 843 to 1 958 816) of local tourists to national parks, while international visitors improved by 47,8% (from 473 791 to 700 112) in the last five (5) years (from 2009/10 to 2014/15).</p> <p>Recent indications however show that new migration control regulations may have a negative impact on international inbound tourism figures to the country and SANParks, while a depressed domestic economic situation, increasing fuel price and other costs might inhibit domestic tourism growth.</p>	
Planned Improvement/ Corrective Actions	Continued marketing and sales efforts will be undertaken to attract and further improve visitor numbers to national parks, particularly the domestic black visitors. Furthermore, SANParks tourism products will be regularly reviewed to ensure that they remain relevant and attractive to targeted markets.	

Performance Indicator	Annual Target	Actual Performance
3.5 Total Number of Innovative Revenue Generating Products	5	8
Performance Analysis	<p>For the period under review, SANParks implemented eight (8) Innovative Revenue Generating Products, and those are:</p> <ul style="list-style-type: none"> ▪ Introduction of five (5) franchised restaurants in the Kruger National Park. The franchises implemented were: <ul style="list-style-type: none"> – One (1) Wimpy restaurant at Pretoriuskop Rest Camp. – One (1) Debonairs Pizza and Mugg & Bean restaurants at Satara Rest Camp. – Two (2) Mugg & Bean restaurants at Olifants and Letaba Rest Camps. – One (1) Cattle Baron Steakhouse and Bistro restaurant at Skukuza Rest Camp. ▪ Introduction of one (1) Cattle Baron Seafood Grill and Bistro restaurant at Tsitsikamma National Park. ▪ Introduction of one (1) Cattle Baron Steakhouse and Bistro restaurant at Addo Elephant National Park. ▪ Operationalisation of the Skukuza Airport in the Kruger National Park, to operate scheduled commercial flights between Skukuza, Johannesburg and Cape Town. <p>The rationale behind introduction of franchise restaurants as part of SANParks tourism products was to enhance the quality of service offering, while ensuring that visitors to national parks receive value for money, hence improving their visitation experience.</p> <p>Furthermore, while reopening of the Skukuza Airport has created an additional revenue stream for SANParks, this has positioned KNP as a strategic fly-in destination for other local game-reserves to receive tourists as well as conferencing customers.</p>	
Planned Improvement/ Corrective Actions	<p>The above mentioned revenue generating products will be monitored on regular basis for their sustainability and quality of services offering to the customers.</p>	

SO4: PROMOTING EFFECTIVE MANAGEMENT OF NATIONAL PARKS

Performance Indicator	Annual Target	Actual Performance
4.1 Total Area Added to National Parks (Terrestrial)	3 715 ha	6 125.00 ha
Performance Analysis	<p>The total area added into the National Park System for the period under review was 6 125.00 ha, at a total cost of R16.034 million, which is 64,9% (equivalent of 2 410.00 ha) better performance than the planned annual target of 3 715.00 ha.</p> <p>This performance can mainly be attributed to 3 515.16 ha of land that was acquired through the assistance of various donor funds.</p> <p>The following is a list of properties which were added to the National Parks Systems, per national park:</p> <ul style="list-style-type: none"> Tankwa Karoo National Park – Farm Taaibosch Plaat (Northern Cape) = 2 194.8390 ha; Agulhas National Park – Portion 61 of farm Paapekuil Fontein No. 281 (Western Cape) = 415.0045 ha; Agulhas National Park – Portion 14 of farm Paapekuil Fontein No. 281 (Western Cape) = 359.5727 ha Table Mountain National Park – ERF 16852 Fish Hoek (Western Cape) = 65.4722 ha; Table Mountain National Park - Portion 97 of Cape Farm 953 (Western Cape) = 133.9415 ha; Namaqua National Park – Portion 2 of the farm Nieuwe Plaats No. 445 (Northern Cape) = 1879.1773 ha; Namaqua National Park – Portion 24 of Ouss 463 (Northern Cape) = 648.4835; Namaqua National Park – Portion 12 of Ouss 463 (Northern Cape) = 428.5099 ha. 	
Planned Improvement/ Corrective Actions)	Performance in this regard is satisfactory given recent economic conditions, and the difficulty of concluding earmarked land acquisition deals.	

Performance Indicator	Annual Target	Actual Performance
4.2 Total Area Rehabilitated of Alien/ Invasive Species	New Area: 44 543 ha (revised from 34 400 ha) Follow-up Area: 203 479 ha (revised from 269 000 ha)	New Area: 24 547 Follow-up Area: 242 353
Performance Analysis	<p>For the period under review, the total new area rehabilitated of alien and/or invasive species was 44,9% (equivalent of 19 996 ha) below the planned annual target of 44,543 ha. However, follow-up areas were 19,1% (equivalent of 38 874 ha) above the set annual target of 203 479 ha.</p> <p>The performance can mainly be attributed to changes made on the EPWP plans to give follow-up areas more attention, particularly biodiversity sensitive areas such as the Golden Gate Highlands National Park, which contains vast amount of water catchment areas. Furthermore, alien clearing work that was planned for new areas in the Addo Elephant National Park had to be put on hold to accommodate the rollout of the rhino management initiatives in the area.</p> <p>Please note that annual allocations and business plans for alien clearing projects funded by DEA NRMP were finalised after SANParks 2014/15 APP was submitted to DEA. Performance targets in these areas of the 2014/15 APP had to be revised during the course of the year. However, necessary notifications were submitted to the DEA DG's office.</p>	
Planned Improvement/ Corrective Actions	Through collaboration with DEA, planning and proper projections for rehabilitation of alien/invasive species will be improved to take into account implementation schedule of the entire programme within the financial year.	

Performance Indicator	Annual Target	Actual Performance
4.3 % progress against Biodiversity Monitoring Plan	100%	89%
Performance Analysis	<p>SANParks Biodiversity Monitoring Plan achieved 89% of the planned deliverables for the year under review. The performance can mainly be attributed to limited resources such as aerial support, which made it impossible to complete some of the planned aerial censuses, including constraints of travelling in wider geographic locations of national parks.</p> <p>The following are key deliverables undertaken under SANParks Biodiversity Monitoring Plan for the period under review:</p> <ul style="list-style-type: none"> ▪ Monitoring and evaluation of the abundances of water birds within the Wilderness lakes system; ▪ Completion of field surveys of prawn density, biomass and diversity of other invertebrates in the Langebaan section of the West Coast National Park; ▪ Collection of the baseline data for monitoring of indigenous vegetation of Tokai section of the Table Mountain National Park following recent field fire; ▪ Location and mapping of floral species of special concern in Bontebok National Park; ▪ Evaluation of riparian vegetation and herbaceous recovery in Mapungubwe National Park; ▪ Evaluation of landscape functionality and vegetation recovery in degraded areas of Marakele National Park; ▪ Monitoring and evaluation of vegetation adaption and recovery in Mokala National Park; ▪ Assessment and mapping of various water catchments/wetland in Golden Gate Highlands and Mountain Zebra National Parks; ▪ Monitoring and evaluation of spekboom re-vegetation, cycad and river fish biodiversity in the Addo Elephant National Park; ▪ Investigation and control or treatment of fatal disease outbreak amongst water birds of Wilderness Lakes section of the Garden Route National Park. 	
Planned Improvement/ Corrective Actions	<p>Biodiversity monitoring programmes will be implemented on an on-going basis across all national parks as part of conservation mandatory obligations. It should be noted, however, that as much as the organisation would like to pursue more comprehensive biodiversity initiatives, limited resources constrain progress in this regard.</p>	

Performance Indicator	Annual Target	Actual Performance
4.4 % progress against implementation of Cultural Heritage Programme	100%	86%
Performance Analysis	<p>SANParks Cultural Heritage programme achieved 86% progress against activities planned for the period under review. This performance can mainly be attributed to delays in the official opening of Skukuza Museum.</p> <p>The following are key deliverables achieved in the period under review:</p> <ul style="list-style-type: none"> ▪ Completion in the restoration of the Thulamela dry stone walls in Kruger National Park; ▪ Training of local communities adjoining the Kruger National Park, in stone masonry for restoration purposes; ▪ Completion of the Masorini inventory, including evaluation of rock art sites in the Kruger National Park; ▪ Facilitation of Thulamela site to be nominated as a national heritage site by South African Heritage Resources Agency; ▪ Documentation of Masorini Museum Collections: The collection at the Masorini was documented and inventory of the collections developed. The inventory will provide the basis for future audits. ▪ Mapungubwe Collections: A draft collections management policy for the Mapungubwe collections has been completed and circulated for comments. ▪ Skukuza Museum: an audit of collections on display and storeroom was done in January 2015. There is need for thorough documentation of the collections and fumigation. ▪ Kruger Rock Art: A tour of the Highveld rock art (Ermelo) was carried out as part of preparation of the opening of the Kruger rock art package. 	
Planned Improvement/ Corrective Actions	The entire Cultural Heritage Strategy and its roll out plan will be reviewed to expedite outstanding projects, which will be undertaken in the next financial year.	

Performance Indicator	Annual Target	Actual Performance
4.5 Poaching Incident Rate (year-on-year)	Rhino = Poaching Incidences not to Exceed Growth Rate	42,8%
Performance Analysis	For the reporting period SANParks lost 878 rhinos due to poaching (2013/14: 615 rhino), with Kruger National Park being the most affected national park. This is an increase of 42,8% year on year.	
Planned Improvement/ Corrective Actions	The roll-out of the SANParks Rhino Management Strategy and the NATJOINTS Priority Committee “Operation Rhino” initiatives will continue to receive priority, particularly in the Kruger National Park as the most affected area. Furthermore, SANParks will enhance its participation in “Operation Pyramid” that is led by the Department of Home Affairs, in the border control environment.	

Performance Indicator	Annual Target	Actual Performance
4.6 % of new research projects relevant to SANParks key issues	72,0% in “Essential” and “Important” categories	78,3% in “Essential” and “Important” categories
Performance Analysis	For the period under review, a total of 374 research projects were registered across the three SANParks research nodes. A significant effort was made to update the current registered research projects database, including consideration of the end of the academic year in December 2014 and the closure of a number of postgraduate student projects at completion. The closing of old inactive projects has resulted in a significant reduction in overall project numbers. Currently, over 78% of research projects are rated as essential or important for SANParks against the annual target of 72%. There were 27 scientific publications that were authored or co-authored by SANParks researchers, and then published in various reputable academic literature and journals. These projects were further highlighted at the recent 13 th Annual Science Networking Conference, in Skukuza, which was attended by more 200 delegates representing over 70 scientific institutions from 12 countries.	
Planned Improvement/ Corrective Actions	No corrective actions are required at this stage.	

SO5: PROMOTING EFFECTIVE MANAGEMENT OF HUMAN CAPITAL

Performance Indicator	Annual Target	Actual Performance
5.1 Total Number of New Employment (Jobs Created)	Permanent: 75 (revised from 30) Temporary: 250 (revised from 15)	Permanent: 19 Temporary: 305
Performance Analysis	<p>For the year under review, a total of 19 new permanent and 305 temporary jobs were created in SANParks. Although a total of 102 permanent staff was hired during the course of the year, the amount of new permanent jobs created was 19, which is 74,7% (56) lower than the planned annual target of 75 new jobs. This therefore represents only a 0,47% growth on SANParks staff establishment.</p> <p>This performance can mainly be attributed to a moratorium that was introduced during the course of the year, in order to curtail organisational human capital costs, while paying more attention to critical posts to drive organisational performance.</p> <p>This significant increase in number of temporary jobs created can mainly be attributed to job created through the Biodiversity Social Projects (BSP), most of which were retained for a period of a year.</p>	
Planned Improvement/ Corrective Actions	No corrective actions are required.	

Performance Indicator	Annual Target	Actual Performance
5.2 % of Employees from Designated EE Groups	Women % of Management = 37,0% People with Disabilities = 0,8%	Women % of Management = 35,0% People with Disabilities = 1,2%
Performance Analysis	<p>As of 31 March 2015, SANParks had a permanent staff complement of 4 065. Women in management (Bands D - F) constituted 35,0% (equivalent of 126) out of a total of 360 incumbents, which was 2,0 percentage points below the planned annual target of 37,0%.</p> <p>For the same reporting period, people with disabilities accounted for 1,2% (equivalent of 50) of the entire permanent staff complement.</p> <p>For the period under review, SANParks had following demographics per occupancy level:</p> <ul style="list-style-type: none"> ▪ Top Management (F): out of six incumbents, there were 33,3% (2) females; 66,7% (4) were males; and of the total, 66,7% (4) were Black. ▪ Senior management (E) = out of 52 incumbents, there were 23,1% (12) females; 76,9% (40) were males; and of the total, 55,8% (29) were black. ▪ Professionally qualified and experienced specialists (D) = out of 302 incumbents, there were 37,1% (112) females; 62,9% (190) were males; and of the total, 55,3% (167) were black. ▪ Technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (C) = out of 525 incumbents, there were 45,3% (238) females; 54,7% (287) were males; and of the total, 80,8% (424) were black. ▪ Semi-skilled and discretionary decision making (B) = out of 1 727 incumbents, there were 25,2% (436) females; 74,8% (1 291) were males; and of the total, 96,8% (1 672) were black. ▪ Unskilled and defined decision making (A) = out of 1 453 incumbents, there were 44,3% (644) females; 55,7% (809) were males; and of the total, 99,8% (1 450) were black. <p>Although the majority (92,2% or 3 746) of SANParks permanent staff complement are black people, of which 94,7% (3 546) fall within the lower grades (Band C-A) of employment.</p> <p>For the period under review, SANParks had 35,5% (1 444) women in its staff complement, of which 91,3% (1 318) fall within the lower grades (Band C-A) of employment.</p> <p>For the same reporting period, there were only 1,2% (50) people with disabilities within SANParks permanent staff complement.</p>	
Planned Improvement/ Corrective Actions	<p>Developmental interventions are regularly reviewed and implemented to address gender, race and disability under-representation. These interventions include specific skills & training programs; and managerial and leadership development programmes.</p> <p>Furthermore, SANParks Employment Equity (EE) Plan will be regularly monitored to ensure that it remains relevant to represents true demographics of the country at all levels.</p>	

Performance Indicator	Annual Target	Actual Performance
5.3 Disabling Injury Frequency Rate (DIFR)	< 0,78	0,27
Performance Analysis	<p>For the period under review, SANParks Disabling Injury Frequency Rate (DIFR) was 0,27, which is 0,51 points better than the maximum of 0,78. This performance can mainly be attributed to effective Occupational Health & Safety (OHS) strategies that were implemented during the course of the year. These include training of personnel who are working with mechanical machinery and rangers' tactical training in selected areas.</p> <p>The introduction of OHSAS 18001 Safety Management System has also contributed to improvement in legal compliance, implementation of best practice and commitment to ethical principles of health and safety.</p>	
Planned Improvement/ Corrective Actions	<p>Development of several new risk management tools to further improve OHS performance.</p> <p>Further provision of awareness training and empowerment of available human resources will be planned and implemented in the next financial year.</p>	

Performance Indicator	Annual Target	Actual Performance
5.4 % progress against implementation of Skills Development Programme	85,0%	80,0%
Performance Analysis	<p>For the period under review, progress against implementation of SANParks Skills Development Programme was 80%, and the following key deliverables were achieved:</p> <ul style="list-style-type: none"> Completion of the Learnerships: Accommodation Services NQF level 2 Learnership is on track and will be completed in June 2015; Phase 2 of Adult Education Programmes (EAT/ABET level 1 and 2) is on track and will be completed in the first quarter of the new financial year. Progress made against implementation of the Annual Training Plan (ATP) is recorded at 100% achievement of both the plan and allocated budget, with 2 862 employees benefiting from various skills development initiatives, out of a staff complement of 4 307. The training expenditure at the end of the 4th quarter is R9 849 780.84 (this include skills development, internships and Bursaries for employees) against the budget of R7 622 000. The budget spent is 1,4% of the total payroll. 172 employees benefited from the SANParks Employee Bursary Loan Scheme. Regarding SANParks' Internship Programmes, 149 Interns were hosted across the divisions and Parks. A total of 98 completed their internship at the end of March 2015. SANParks has partnered with the South African National Botanical Institute, Department of Environmental Affairs, Cape Nature and Tourism College (Graff Reinet) on various biodiversity, conservation and related internship programmes. 	
Planned Improvement/ Corrective Actions	<p>The Learning and Development Strategy will be rolled out to ring-fences all learning and development interventions and enables strategic interface and seamless implementation of programmes.</p>	

West Coast National Park – Kraalbaai

Annual Financial Statements

South African National Parks
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GENERAL INFORMATION

Country of incorporation and domicile	South Africa
Legal form of entity	<p>South African National Parks (SANParks) was established in terms of the National Environmental Management Protected Areas Act 57 of 2003. SANParks is a Schedule 3A Public Entity, and therefore adheres to the rules and regulations as set out in the Public Finance Management Act 1 of 1999 (PFMA) and applicable Treasury Regulations.</p> <p>In addition to this, SANParks subscribes and is committed to comply, where applicable, to the principles and standards of integrity and accountability as contained in the recommendations of the King III Report on Corporate Governance 2009.</p>
Nature of business and principal activities	<p>In terms of the National Environmental Management: Protected Areas Act, 57 of 2003, SANParks mandate is to conserve, protect, control, and manage national parks and other pre-defined protected areas and their biological diversity (bio-diversity).</p>
Registered office	643 Leyds Street Muckleneuk Pretoria South Africa 0002
Business address	643 Leyds Street Muckleneuk Pretoria South Africa 0002
Postal address	PO Box 787 Pretoria 0001
Controlling entity	Department of Environmental Affairs (DEA) 473 Steve Biko Road Arcadia Pretoria 0083
Bankers	First National Bank 1 First Place 7th Floor Bank City Johannesburg 2000
Auditors	Auditor General of South Africa (AGSA) 300 Middel Street New Muckleneuk Pretoria 0002
Secretary	Ms P van der Spuy

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South African National Parks
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CORPORATE GOVERNANCE REPORT

SANParks is a Schedule 3A Public Entity, and therefore fully adheres to the rules and regulations as set out in the PFMA 1 of 1999 and applicable Treasury Regulations. In addition to this SANParks subscribes and is committed to comply, where applicable, to the principles and standards of integrity and accountability as contained in the recommendations of the King III Report on Corporate Governance 2009.

1. BOARD OF SOUTH AFRICAN NATIONAL PARKS

The Board of SANParks is established by the Minister of Environmental Affairs by notice in the Government Gazette for the control, management and preservation of national parks and protection of public interest therein. The current Board was established from 1 April 2012 for the three years ending 31 March 2015.

	Executive/Non- Executive	Appointment Date	Re-appointment Date	Termination Date
Mr KD Dlamini (Chairperson)	Non-Executive	1 April 2009	1 April 2012	31 March 2015
Dr GC Dry	Non-Executive	1 April 2009	1 April 2012	31 March 2015
Ms R Kalidass	Non-Executive	1 April 2009	1 April 2012	31 March 2015
Prof G Kerley	Non-Executive	1 April 2009	1 April 2012	31 March 2015
Ms B Kunene	Non-Executive	1 April 2009	1 April 2012	31 March 2015
Dr Z Lees	Non-Executive	1 April 2012		31 March 2015
Mr S Mbanga	Non-Executive	1 April 2012		31 March 2015
Ms L McCourt	Non-Executive	1 April 2012		28 February 2015
Ms NS Mteto	Non-Executive	1 April 2012		31 March 2015
Prof G Swan	Non-Executive	1 April 2009	1 April 2012	31 March 2015
Mr A Sibiya (Acting CEO)	Executive	1 April 2014		30 September 2014
Dr N Songelwa (Acting CEO)	Executive	1 October 2014		31 October 2014
Mr G Phillips (Acting CEO)	Executive	1 November 2014		30 November 2014
Mr F Mketeni (CEO)	Executive	1 December 2014		
Mr RT Mabilane (CFO)	Executive	1 April 2009		30 April 2014
Mr DJF Fourie (Acting CFO)	Executive	1 May 2014		31 January 2015

South African National Parks
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CORPORATE GOVERNANCE REPORT

The following board members were appointed on the dissolution of the previous board:

	Executive/Non-Executive	Appointment Date
Ms J Yawitch (Chairperson)	Non-Executive	1 April 2015
Ms K Njobe	Non-Executive	1 April 2015
Mr ET Khumalo	Non-Executive	1 April 2015
Dr CG Olver	Non-Executive	1 April 2015
Ms F Futwa	Non-Executive	1 April 2015
Ms BD Ferguson	Non-Executive	1 April 2015
Mr M India	Non-Executive	1 April 2015
Mr L Zitha	Non-Executive	1 April 2015
Dr M Matlou	Non-Executive	1 April 2015
Mr MT Mokono	Non-Executive	1 April 2015
Dr N Mzilikazi	Non-Executive	1 April 2015
Ms T Semane	Non-Executive	1 April 2015
Ms H Schoeman	Non-Executive	1 April 2015
Mr F Mketeni (CEO)	Executive	1 April 2015

CORPORATE GOVERNANCE REPORT

2. Audit and Risk Committee

The Committee assists the Board through critically evaluating the Board's financial control measures, accounting practices, information systems and audit procedures. It performs this function continuously by way of close liaison with the Executive Management and with the Board's internal and external auditors. The Audit and Risk Committee must consist of at least four non-executive Board members, the Chief Executive Officer (CEO) and Chief Financial Officer (CFO). Nominated representatives of the AGSA and DEA attend by standing invitation. The Committee may involve other members of management or external specialists in meetings for specific purposes. The authority and mandate of the Audit and Risk Committee, its duties and functions, its composition and its operations have been approved by the Board in the form of a detailed charter.

2.1. Risk Management

SANParks Board is accountable for the process of risk management, which is reviewed regularly for effectiveness. Appropriate risk and control policies are established and communicated throughout SANParks. The Board retains control through the final review of key risk matters affecting the organisation.

Risk management in SANParks is an on-going process, focused on identifying, assessing, managing and monitoring all known forms of significant risks across all operations. This has been in place for the year under review and up to the date of approval of the annual report and financial statements.

Management is involved in a continuous process of improving procedures to ensure effective mechanisms for identifying, managing and monitoring risks in the following major broad risk management areas: business; fraud; safety, occupational health; environmental management and operating and financial management.

Business risk management - The organisation has effective mechanisms in place for identifying and monitoring risks that impact on SANParks. The procedures for implementing business risk management process include a focus on areas such as human capital assessment and development, technological development and business continuity.

Fraud risk management - The objective is to manage the fraud risk and to raise the level of fraud awareness among SANParks internal and external stakeholders. SANParks fraud prevention plan intends to reduce the risk of fraud and provide mitigating measures that will protect the interests of the organisation.

The proactive approach consists of the responsibility for prevention, detection, reporting, communication and reaction to fraud.

Safety, occupational health and environmental management - SANParks is committed to the promotion of environmental, health and safety principles and practices to create a safe and healthy environment for all and to meet the requirements of all safety legislation as a minimum standard.

Financial risk management - Controls are designed to give assurance that assets are safeguarded and that liabilities and working capital are managed effectively. Organisational policies, procedures, structures and approval framework provide for segregation of duties and contain self-monitoring mechanisms. Compliance is measured through regular reporting against the business goals, internal audit checks and external audit verification.

2.2 Internal Control Systems

In order to meet its responsibility of providing reliable financial information, SANParks maintains financial and operational systems of internal control. These controls are designed to provide reasonable assurance that transactions are concluded in accordance with management's delegated authority, that the assets are adequately protected against material loss of unauthorised acquisition, use or disposition and that transactions are properly authorised and recorded. A three-year rolling internal audit plan has been completed by the Internal Auditors, but is reviewed annually, to ensure that risks identified in their risk assessment are adequately covered in their audit plan.

The system includes a documented organisational structure and division of responsibility, established policies and procedures, including a code of ethics to foster a strong ethical and internal control environment, which is communicated throughout the organisation, and the careful selection, training and development of staff.

SANParks internal auditors, SizweNtsalubaGobodo's contract expired on 31 March 2015. Grant Thornton was appointed on 1 April 2015 to provide internal audit services. Both appointments were subject to open tender. Internal auditors monitor the operation of the internal control system and report findings and recommendations to management and the Audit and Risk Committee. Corrective actions are taken to address control deficiencies and other opportunities for improving the systems, as they are identified. The Board, operating through the Audit and Risk Committee, provides oversight of the financial reporting process and internal control systems.

South African National Parks
Annual Financial Statements for the year ended 31 March 2015
CORPORATE GOVERNANCE REPORT

Audit and Risk Committee Members:

	Executive or Non-Executive Member	Appointment Date	Re-appointment Date	Termination Date
Ms B Kunene (Chairperson)	Non-Executive	1 April 2014		28 February 2015
Dr GC Dry (Chairperson)	Non-Executive	1 March 2015		31 March 2015
Dr GC Dry (Member)	Non-Executive	1 March 2009	1 March 2012	31 March 2015
Ms R Kalidass	Non-Executive	1 April 2012		31 March 2015
Ms NS Mteto	Non-Executive	1 April 2012		31 March 2015
Mr A Sibiya (Acting CEO)	Executive	1 April 2014		30 September 2014
Dr N Songelwa (Acting CEO)	Executive	1 October 2014		31 October 2014
Mr G Phillips (Acting CEO)	Executive	1 November 2014		30 November 2014
Mr F Mketeni (CEO)	Executive	1 December 2014		
Mr RT Mabilane (CFO)	Executive	1 April 2009		30 April 2014
Mr DJF Fourie (Acting CFO)	Executive	1 May 2014		31 January 2015
Mr R Mahabeer (CFO)	Executive	1 February 2015		

3. Conservation and Tourism Committee

The primary function of this Committee is to identify, acquire, develop and advise on the management of a system of national parks for South Africa. This Committee also monitors the application of both science and the ethics of conservation in SANParks and ensures that the Board is aware of international trends in biodiversity science and environmental management. The Committee further assists the Board in the formulation of policies especially with regard to reconciling conservation with human development needs by assessing and interpreting the significance of scientific and technological considerations.

The Committee must consists of at least four non-executive members of the Board and the CEO. The Managing Executives of Conservation Services, Tourism and Marketing, Parks and Kruger Divisions are required at each meeting. In addition, the Committee may co-opt ad-hoc members as and when required. The Committee will, as a primary responsibility, recommend the strategic plans of the Conservation Services and Tourism and Marketing Divisions prior to submission to the Board. This will ensure congruence to the strategic plan, communicate its activities to the Board and recommend to the Board any policy or financial requirements that may require the Board's attention or approval. The Committee also monitors the performance of the Tourism and Marketing and Conservation Services Divisions and helps forge business and stakeholder linkages where possible. The Committee further ensures the maintenance of the balance between tourism developments against the core mandate of SANParks, which is conservation.

South African National Parks
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CORPORATE GOVERNANCE REPORT

Conservation and Tourism Committee Members:

	Executive or Non-Executive members	Appointment Date	Re-Appointment Date	Termination Date
Prof G Swan (Chairperson)	Non-Executive	1 April 2009	1 April 2012	31 March 2015
Dr. GC Dry	Non-Executive	1 April 2009	1 April 2012	31 March 2015
Prof G Kerley	Non-Executive	1 April 2009	1 April 2012	31 March 2015
Dr Z Lees	Non-Executive	1 April 2012		31 March 2015
Mr A Sibiya (Acting CEO)	Executive	1 April 2014		30 September 2014
Dr N Songelwa (Acting CEO)	Executive	1 October 2014		31 October 2014
Mr G Phillips (Acting CEO)	Executive	1 November 2014		30 November 2014
Mr F Mketeni (CEO)	Executive	1 December 2014		

4. Human Resource and Remuneration Committee

The Committee provides strategic advice to the Board and Management on matters of Human Resource and Remuneration. The Committee formulates and reviews Human Resource and Remuneration policies as and when appropriate. The Committee consists of at least five non-executive members. The CEO is an executive member of the committee. The Managing Executive Human Resources is required to attend each meeting by invitation.

Human Resources Committee Members:

	Executive or Non-Executive Member	Appointment Date	Re-appointment Date	Termination Date
Dr GC Dry (Chairperson)	Non-Executive	1 April 2009	1 April 2012	31 December 2014
Dr GC Dry (Member)	Non-Executive	1 April 2009	1 April 2012	31 March 2015
Mr S Mbanga	Non-Executive	1 April 2012		31 March 2015
Prof G Kerley (Chairperson)	Non-Executive	1 January 2015		31 March 2015
Prof G Kerley (Member)	Non-Executive	1 April 2009	1 April 2012	31 March 2015
Dr Z Lees	Non-Executive	1 April 2012		1 March 2015
Ms L McCourt	Non-Executive	1 April 2012		28 February 2015
Mr A Sibiya (Acting CEO)	Executive	1 April 2014		30 September 2014
Dr N Songelwa (Acting CEO)	Executive	1 October 2014		31 October 2014
Mr G Phillips (Acting CEO)	Executive	1 November 2014		30 November 2014
Mr F Mketeni (CEO)	Executive	1 December 2014		

South African National Parks
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CORPORATE GOVERNANCE REPORT

Board and board sub-committee meetings held, and attendance by members are as follows:

	Board meetings and workshops	Conservation and tourism committee	Audit and risk committee meetings	HR and remuneration committee
Total no. of meetings	13	6	7	10
Mr KD Dlamini	12	-	-	-
Dr Z Lees	12	6	3	3
Mr S Mbanga	2	-	-	2
Prof G Swan	13	6	1	-
Prof G Kerley	13	6	-	-
Ms R Kalidass	6	-	3	-
Dr GC Dry	13	6	6	10
Ms B Kunene	9	-	5	-
Ms NS Mteto	3	-	3	-
Ms L McCourt	8	-	-	5
CEOs	12	6	5	6
CFOs	12	-	7	-

STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY OF THE ANNUAL REPORT

The Board is responsible and accountable for the integrity of the financial statements of the organisation and the objectivity of other information presented in the annual report.

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

- All information and amounts disclosed in this Annual Report are consistent with the annual financial statements audited by the AGSA. The report is complete, accurate and free of omissions.
- The annual report has been prepared in accordance with the guidelines as issued by National Treasury and the annual financial statements were prepared in accordance with the PFMA, and Generally Recognised Accounting Practice (GRAP).
- The going concern basis has been adopted in preparing the financial statements. The Board, after having reviewed management's assessment of SANParks ability to operate as a going concern, has a reasonable expectation that the organisation will have adequate resources to continue its operations as a going concern for the foreseeable future.
- Management and employees operated within a framework requiring compliance with all applicable laws and maintenance of the highest integrity in the conduct of all aspects of the business, except where indicated otherwise in the annual report.

The AGSA is responsible for expressing an independent opinion on the annual financial statements of SANParks.

The Board is well versed of its responsibilities as stipulated in the PFMA. Those responsibilities include, but are not limited to the following:

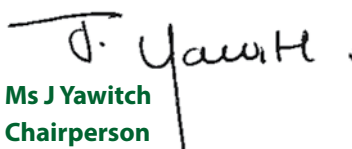
- establishing and maintaining an effective, efficient and transparent system of financial and risk management and internal control;
- managing, including the safe-guarding of assets and for the management of the revenue, expenditure and liabilities of SANParks;
- taking effective and appropriate steps to prevent irregular, fruitless and wasteful expenditure, losses resulting from criminal conduct, and expenditure not complying with the operational policies of SANParks;

- taking effective and appropriate disciplinary steps against any employee(s) of SANParks who contravenes or fails to comply with a provision of the PFMA; or commits an act which undermines the financial management and internal control system of SANParks; or makes or permits an irregular expenditure or a fruitless and wasteful expenditure to be incurred;
- keeping full and proper records of the financial affairs of SANParks; and
- preparation of financial statements for each financial year, in accordance with GRAP.

In the Board's opinion, the annual report and financial statements fairly present in all material respects, the state of affairs of SANParks, its business, its financial results, its performance against predetermined objectives for the year ended 31 March 2015 and its financial position as at 31 March 2015.



Mr F Mketeni
Chief Executive Officer



Ms J Yawitch
Chairperson

Pretoria
31 July 2015

AUDIT AND RISK COMMITTEE REPORT

1. Introduction

This report to the Board on how the Audit and Risk Committee has discharged its duties. It has been prepared in accordance with good governance principles.

2. Composition

The Audit and Risk Committee comprised five non-executive board members and two executive board members.

3. Frequency and attendance of meetings

In addition to the committee members, the Head of Risk Management, Internal Auditors and the AGSA attend all committee meetings by invitation. During the year under review, the committee met seven times. Attendance of meetings held during the year under review is presented on the corporate governance report.

4. Overview

In adherence to the terms of the PFMA and the King III Code of Governance Principles, the Board (as the Accounting Authority) has established an Audit and Risk Committee and defined its composition, purpose and duties in the Audit and Risk Committee Charter. The Audit and Risk Committee complies with all legal and regulatory requirements as necessary under South African legislation and elected to apply the corporate governance principles for audit committees as required by King III. The Board has approved the terms of reference for the Audit and Risk Committee and all responsibilities are set out in detail therein.

In fulfilling its duties, the Audit and Risk Committee has:

- approved the internal audit plan;
- received and considered reports from internal auditors;
- reviewed and discussed the audited annual financial statements with the AGSA, the CEO and the CFO;
- reviewed the adjustments resulting from external audit queries and accepted the unadjusted audit differences as they were not material; and

- reviewed the quality of the financial reporting and disclosures.

The Audit and Risk Committee recommended the adoption of the annual report to the Board. In this regard the committee:

- considered all facts and risks that may impact on the integrity of the Annual Report; and
- reviewed and commented on the financial statements included in the annual report.

The Board subsequently approved the annual report, including the financial statements.

Following a review conducted during the year, and meeting the requirements of the terms of reference, the committee is satisfied that:

- SANParks internal financial controls are effective and no material weaknesses in financial control have been identified;
- the outsourced internal audit function performed their duties as per the terms of reference tabled in the Internal Audit Charter and addressed all components of the Internal Audit Plan;
- the external auditors of SANParks are independent;
- the finance function of SANParks is adequately skilled, resourced and experienced; and
- the CFO, Mr R Mahabeer, has the appropriate expertise and experience to meet the responsibilities of the position.

AUDIT AND RISK COMMITTEE REPORT

5. Internal Audit

SANParks has an outsourced Internal Audit function, being provided by the firm SizweNtsalubaGobodo. The Internal Audit function provides the Board with assurance on the key areas of SANParks systems of internal control and risk management. The Internal Audit Plan and the Internal Audit Charter was reviewed and approved by the committee. Internal Audit provides assurance that SANParks operates in a responsibly governed manner by performing the following functions:

- objectively assuring effectiveness of risk management and the internal control framework;
- analysing and assessing business processes and associated controls; and
- reporting audit findings and recommendations to management and the Audit and Risk Committee.

The committee is of the opinion that SANParks system of internal financial controls is effective and provides reasonable assurance that the financial records may be relied on for the preparation of the Annual Financial Statements.

6. Annual Financial Statements

The Audit and Risk Committee has reviewed the annual financial statements for the year ended 31 March 2015 and concluded that it complies, in all material respects, with the requirements of GRAP. The committee has reviewed the AGSA's management letter and management's response thereto as well as significant adjustments resulting from the audit and recommended the approval of the annual financial statements to the Board.

7. Conclusion

The committee is satisfied that it has considered and discharged its responsibilities in accordance with its mandate and terms of reference during the year under review.



Dr CG Olver
Chairperson

Pretoria
31 July 2015

REPORT OF THE AUDITOR GENERAL ON SOUTH AFRICAN NATIONAL PARKS

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the South African National Parks set out on pages 82 to 149 which comprise the statement of financial position as at 31 March 2015, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting authority's responsibility for the financial statements

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

Auditor-general's responsibility

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

as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

Predetermined objectives

8. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected objectives presented in the annual performance report of the public entity for the year ended 31 March 2015:
 - Objective 2: Facilitating Socio Economic Development on pages 53 to 56.
 - Objective 3: Integrating Strategy Implementation on pages 57 to 59.
 - Objective 4: Promoting Effective Management of National Parks on pages 60 to 63.
9. I evaluated the reported performance information against the overall criteria of usefulness and reliability.

REPORT OF THE AUDITOR GENERAL ON SOUTH AFRICAN NATIONAL PARKS

10. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned objectives. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for managing programme performance information (FMPPi).
11. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
12. The material findings in respect of the selected objectives are as follows:

Integrating Strategy Implementation

Usefulness of reported performance information

13. A performance indicator was not verifiable.

The measurability of a planned target and indicator could not be assessed due to a lack of proper systems and processes and formal standard operating procedures.

Reliability of reported performance information

14. The FMPPi requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. A significantly important target was not reliable when compared to the source information or evidence provided. This is due to the fact that proper indicator definitions were not used to predetermine the evidence and method of calculation for actual achievements.

Promoting Effective Management of National Parks

Usefulness of reported performance information

15. Performance indicators were not clearly defined so that data can be collected consistently and is easy to understand and use. A performance indicator was also not verifiable.

The measurability of a planned target and indicator could not be assessed due to a lack of proper systems and processes and formal standard operating procedures.

Reliability of reported performance information

16. The FMPPi requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. A significantly important target was not reliable when compared to the source information or evidence provided. This is due to the fact that proper indicator definitions were not used to predetermine the evidence and method of calculation for actual achievements.
17. I did not identify any material findings on the usefulness and reliability of the reported performance information for the following objective:
 - Facilitating Socio Economic Development

Additional matter

18. I draw attention to the following matter:

Achievement of planned targets

19. Refer to the annual performance report on pages 50 to 66 for information on the achievement of the planned targets for the year. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information for the selected objectives reported in paragraph(s) 13 to 17 of this report.

Compliance with legislation

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

REPORT OF THE AUDITOR GENERAL ON SOUTH AFRICAN NATIONAL PARKS

Strategic planning and performance management

21. The public entity did not maintain an effective, efficient and transparent system and internal controls regarding performance management of the reported objectives, which described and represented how the institution's processes of performance planning, monitoring, measurement, review and reporting would be conducted, organised and managed, as required in terms of section 51 (1)(a)(i) of the PFMA.

Internal control

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

Financial and performance management

23. Management did not prepare regular, accurate and complete performance reports of the reported objectives that are supported and evidenced by reliable information.

Auditor-General

Pretoria

31 July 2015



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

South African National Parks
Annual Financial Statements for the year ended 31 March 2015

STATEMENT OF FINANCIAL POSITION

		2015	2014 Restated*
	Note(s)	R '000	R '000
Assets			
Current Assets			
Inventories	2	33 958	36 521
Receivables from exchange transactions	3	39 404	30 869
Receivables from non-exchange transactions	4	1 000	1 161
Cash and cash equivalents	5	882 817	795 223
		957 179	863 774
Non-Current Assets			
Property, plant and equipment	6	1 452 090	1 248 842
Intangible assets	7	34 591	33 930
Heritage assets	8	500 071	483 437
Receivables from exchange transactions	3	160 369	156 577
		2 147 121	1 922 786
Total Assets		3 104 300	2 786 560
Liabilities			
Current Liabilities			
Other financial liabilities	9	3 504	3 504
Finance lease obligation	10	3 287	3 491
Trade and other payables from exchange transactions	11	219 287	225 506
Liabilities from non-exchange transactions	12	476 030	371 135
Provisions	13	37 968	39 427
Reservation deposits	14	249 703	216 424
		989 779	859 487
Non-Current Liabilities			
Other financial liabilities	9	1 712	5 216
Finance lease obligation	10	3 011	3 924
Post-retirement health benefit obligation	15	456 647	408 758
Provisions	13	160 369	156 577
		621 739	574 475
Total Liabilities		1 611 518	1 433 962
Net Assets		1 492 782	1 352 598
Accumulated surplus		1 492 782	1 352 598

South African National Parks
Annual Financial Statements for the year ended 31 March 2015

STATEMENT OF FINANCIAL PERFORMANCE

		2015	2014 Restated*
	Note(s)	R '000	R '000
Revenue			
Revenue from exchange transactions			
Tourism, Retail, Concession and Other	16	1 355 861	1 257 587
Sales - fauna and flora	17	31 368	42 525
Other operating income	18	26 324	20 499
Interest and royalties received	19	31 070	23 839
Total revenue from exchange transactions		1 444 623	1 344 450
Revenue from non-exchange transactions			
Transfer revenue			
Government grants and other funding	20	1 341 169	932 890
Donations	21	12 644	5 391
Total revenue from non-exchange transactions		1 353 813	938 281
Total revenue		2 798 436	2 282 731
Expenditure			
Employee related costs	22	(871 215)	(885 530)
Depreciation and amortisation	23	(71 380)	(82 521)
Finance costs	24	(1 088)	(1 153)
Operating lease	28	(112 974)	(99 175)
Repairs and maintenance	25	(76 963)	(63 438)
Operating expenses	26	(1 373 875)	(1 114 751)
Total expenditure		(2 507 495)	(2 246 568)
Operating surplus		290 941	36 163
Loss on disposal of assets	29	(3 003)	(2 930)
Surplus for the year before extraordinary item		287 938	33 233
Loss due to natural disaster		-	(339)
Surplus for the year		287 938	32 894

South African National Parks
Annual Financial Statements for the year ended 31 March 2015

STATEMENT OF CHANGES IN NET ASSETS

	Accumulated surplus
	R '000
Opening balance as previously reported	1 335 899
Adjustments:	
Reclassification of Ivory Sales	66 725
Balance at 1 April 2013 as restated*	1 402 624
Changes in net assets	
Reclassification of liability of Ivory Sales	(7 856)
Reclassification of land grant from revenue to liabilities	(25 168)
Prior year adjustment and correction	(326 203)
Prior year additions in respect of assets	276 307
	1 319 704
Surplus for the year	32 894
Restated* Balance at 1 April 2014	1 352 598
Changes in net assets	
Surplus for the year	287 939
Asset adjustments and corrections	(147 755)
Total changes	140 184
Balance at 31 March 2015	1 492 782

South African National Parks
Annual Financial Statements for the year ended 31 March 2015

CASH FLOW STATEMENT

		2015	2014 Restated*
	Note(s)	R '000	R '000
Cash flows from operating activities			
Receipts			
Cash receipts from exchange transactions		1 440 594	1 434 951
Cash receipts from non-exchange transactions		579 083	206 761
Interest income		31 070	21 275
		2 050 747	1 662 987
Payments			
Employee costs		(823 317)	(714 361)
Suppliers		(852 704)	(683 599)
Finance costs		(567)	(1 153)
Interest paid		(521)	-
		(1 677 109)	(1 399 113)
Net cash flows from operating activities	32	373 638	263 874
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(289 041)	(71 335)
Proceeds from sale of property, plant and equipment		3 906	602
Purchase of other intangible assets	7	(8 027)	(31 339)
Expenditure from conditional grants		(286 007)	(220 204)
Cash received from conditional grants		318 694	306 843
Purchases of heritage assets	8	(16 634)	(7 655)
Movement in concession assets		(3 792)	-
Net cash flows from investing activities		(280 901)	(23 088)
Cash flows from financing activities			
Repayment of other financial liabilities		(3 504)	(13 936)
Finance lease payments		(1 639)	(820)
Net cash flows from financing activities		(5 143)	(14 756)
Net increase/(decrease) in cash and cash equivalents		87 594	226 030
Cash and cash equivalents at the beginning of the year		795 223	569 193
Cash and cash equivalents at the end of the year	5	882 817	795 223

South African National Parks
Annual Financial Statements for the year ended 31 March 2015

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Budget on Accrual Basis

Statement of Financial Performance

Revenue

Revenue from exchange transactions

Tourism, Retail, Concession and Other	1 272 128	-	1 272 128	1 355 861	83 733
Sales - fauna and flora	50 908	-	50 908	31 368	(19 540)
Other operating income	18 587	-	18 587	26 324	7 737
Interest received and royalties received	15 972	-	15 972	31 070	15 098

Total revenue from exchange transactions	1 357 595	-	1 357 595	1 444 623	87 028
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Revenue from non-exchange transactions

Transfer revenue

Government grants and other funding	240 411	-	240 411	1 341 169	1 100 758
Donations	6 000	-	6 000	12 644	6 644

Total revenue from non-exchange transactions	246 411	-	246 411	1 353 813	1 107 402
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Total revenue	1 604 006	-	1 604 006	2 798 436	1 194 430
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Expenditure

Employee related costs	(783 762)	-	(783 762)	(871 215)	(87 453)
Depreciation and amortisation	(62 856)	-	(62 856)	(71 380)	(8 524)
Finance costs	(1 367)	-	(1 367)	(1 088)	279
Operating lease	(110 510)	-	(110 510)	(112 974)	(2 464)
Repairs and maintenance	(69 729)	-	(69 729)	(76 963)	(7 234)
Operating expenses	(558 639)	-	(558 639)	(1 373 874)	(815 235)

Total expenditure	(1 586 863)	-	(1 586 863)	(2 507 494)	(920 631)
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Operating surplus	17 143	-	17 143	290 942	273 799
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Loss on disposal of assets	-	-	-	(3 003)	(3 003)
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Surplus for the year before extraordinary items	17 143	-	17 143	287 939	270 796
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Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	17 143	-	17 143	287 939	270 796
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STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

R '000

Reconciliation between actual and budget statement of financial performance

Variances on budget

Surplus as per the statement of financial performance	287 939
Revenue from exchange transactions is more than anticipated due to improvements realised from SANParks operating tourism revenue streams	(87 028)
Revenue from non-exchange transactions variance is due to the following:	(1 107 402)
▪ The application of GRAP 23 disclosure requirements, which was not included as part of SANParks budget	(354 616)
▪ Special projects income which is not part of SANParks normal budgeted revenue	(746 142)
▪ Donations received in excess of budget	(6 644)
Total expenditure variance results from the following:	920 631
▪ Special projects and infrastructure operational expenditure which is not part of SANParks normal budget	727 364
▪ Additional staff hired not budgeted for and additional post retirement medical health benefit costs incurred that were not budgeted for	87 453
▪ The remaining variance is attributable in part to the increased costs of anti-poaching activities, above inflation increase in costs, and an increase in operational expenditure which directly correlates with the increase in operational revenue	105 814
Loss as a result of natural disasters not budgeted for	3 003
Net surplus/(deficit) per approved budget	17 143

ACCOUNTING POLICIES

1. Basis of preparation

The annual financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations and directives issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act, (Act No 1 of 1999).

The annual financial statements were prepared on the accrual basis of accounting and incorporate the historical cost conventions as the basis of measurement, except where specified otherwise.

In the absence of an issued and effective Standard of GRAP, accounting policies for material transactions, events or conditions were developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 as read with Directive 5.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

The principal accounting policies, applied in the preparation of these annual financial statements, are set out below.

1.1 Underlying concepts and comparative figures

The financial statements are prepared on the going concern basis using accrual accounting.

Changes in accounting policies are accounted for in accordance with the transitional provisions in the standard. If no such guidance is given, they are applied retrospectively, unless it is impracticable to do so, in which case they are applied prospectively.

1.2 Inventories

SANParks inventories include consumables, retail goods and fuel.

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.

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.

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 entity incurs to acquire the asset on the reporting date.

The cost of inventories comprises 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 formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

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.

Inventories, which exclude fauna and flora, are stated at the lower of cost and net realisable value. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, adjusted for any selling expenses. Cost is determined by the first-in-first-out method.

ACCOUNTING POLICIES

1.3 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.

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

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

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

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the

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

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

A financial asset is:

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

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

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

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

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.

ACCOUNTING POLICIES

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.

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

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

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

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

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

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

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

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

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

Classification

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

South African National Parks
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1.3 Financial instruments (continued)

Class	Category
Cash and cash equivalents	Financial asset measured at fair value
Receivables from exchange transactions	Financial asset measured at cost

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

Class	Category
Post-retirement health benefit obligation	Financial liability measured at fair value
Long term borrowings	Financial liability at amortised cost
Long term liabilities from non-exchange transactions	Financial liability measured at cost
Trade and other payables from exchange transactions	Financial liability measured at cost
Provisions	Financial liability measured at cost
Short term portion of long term borrowings	Financial liability measured at amortised cost
Reservation deposits held	Financial liability measured at cost
Liabilities from non-exchange transactions	Financial liability measured at cost

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

The fair value of a financial asset or a financial liability is the amount the asset could be exchanged and the liability settled, between knowledgeable willing parties in an arm's length transaction.

Financial instruments at costs are financial assets and financial liabilities that do not have a quoted market price in an active market and whose fair value cannot be reliably measured.

Initial recognition

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

Initial measurement of financial assets and financial liabilities

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

the financial asset or financial liability.

SANParks measures a financial asset and financial liability initially at its fair value [if subsequently measured at fair value].

Subsequent measurement of financial assets and financial liabilities

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

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

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, SANParks establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions

ACCOUNTING POLICIES

between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the entity uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on entity-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, an entity calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data.

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

Reclassification

The entity does not reclassify a financial instrument while it is issued or held unless it is:

- combined instrument that is required to be measured at fair value; or
- an investment in a residual interest that meets the requirements for reclassification.

Where the entity cannot reliably measure the fair value of an embedded derivative that has been separated from a host contract that is a financial instrument at a subsequent reporting date, it measures the combined instrument at fair value. This requires a reclassification of the instrument from amortised cost or cost to fair value.

If fair value can no longer be measured reliably for an investment in a residual interest measured at fair value, the entity reclassifies the investment from fair value to cost. The carrying amount at the date that fair value is no longer available becomes the cost.

If a reliable measure becomes available for an investment in a residual interest for which a measure was previously not available, and the instrument would have been required to be measured at fair value, the entity reclassifies the instrument from cost to fair value.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Impairment and uncollectibility of financial assets

SANParks assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly or through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly or by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Financial assets measured at cost:

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its

ACCOUNTING POLICIES

1.3 Financial instruments (continued)

fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

Derecognition

Financial assets

The entity derecognises financial assets using trade date accounting.

The entity derecognises a financial asset only when:

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

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

If the entity transfers a financial asset in a transfer that qualifies for derecognition in its entirety and retains the right to service the financial asset for a fee, it recognise either a servicing asset or a servicing liability for that servicing contract. If the fee to be received is not expected to compensate the entity adequately

for performing the servicing, a servicing liability for the servicing obligation is recognised at its fair value. If the fee to be received is expected to be more than adequate compensation for the servicing, a servicing asset is recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

If, as a result of a transfer, a financial asset is derecognised in its entirety but the transfer results in the entity obtaining a new financial asset or assuming a new financial liability, or a servicing liability, the entity recognise the new financial asset, financial liability or servicing liability at fair value.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition in its entirety, the previous carrying amount of the larger financial asset is allocated between the part that continues to be recognised and the part that is derecognised, based on the relative fair values of those parts, on the date of the transfer. For this purpose, a retained servicing asset is treated as a part that continues to be recognised. The difference between the carrying amount allocated to the part derecognised and the sum of the consideration received for the part derecognised is recognised in surplus or deficit.

If a transfer does not result in derecognition because the entity has retained substantially all the risks and rewards of ownership of the transferred asset, the entity continue to recognise the transferred asset in its entirety and recognise a financial liability for the consideration received. In subsequent periods, the entity recognises any revenue on the transferred asset and any expense incurred on the financial liability. Neither the asset, and the associated liability nor the revenue, and the associated expenses are offset.

Financial liabilities

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

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

ACCOUNTING POLICIES

Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

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

Presentation

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Dividends or similar distributions relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Distributions to holders of residual interests are debited by the entity directly to net assets, net of any related income tax benefit [where applicable]. Transaction costs incurred on residual interests is accounted for as a deduction from net assets, net of any related income tax benefit [where applicable].

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when the entity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity does not offset the transferred asset and the associated liability.

1.4 Property, plant and equipment

Property, plant and equipment are tangible items that:

- are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and
- are expected to be used during more than one reporting period.

Recognition

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

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

Measurement at recognition

An item of property, plant and equipment that qualifies for recognition as an asset shall be measured at its cost.

Where an asset is acquired at no cost, or for a nominal cost, its cost shall be measured at its fair value as at the date of acquisition.

Property, plant and equipment in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees, direct materials, labour and overhead expenses. Interest costs on borrowings to finance the construction of infrastructure are capitalised during the period of time that is required to complete and prepare the infrastructure for its intended use, and form part of the cost of the asset.

Elements of cost

The cost of an item of property, plant and equipment comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates,

ACCOUNTING POLICIES

- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management; and
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Subsequent measurement

SANParks chose to use the cost model as its accounting policy, and applies this policy to the entire class of property, plant and equipment.

After initial recognition as an asset, an item of property, plant and equipment shall be carried at its cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation amount and depreciation period

The depreciable amount of an asset has been allocated on a systematic basis over its useful life.

The residual value and the useful life of an asset has been reviewed at least annually and, if expectations differ from previous estimates, the change(s) have been accounted for as a change in an accounting estimate in accordance with the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors.

Where significant parts of an item have different useful lives, or pattern in which future economic benefits are expected to be consumed, to the item itself, these parts are depreciated over their estimated useful lives. The methods of depreciation, useful lives and residual values are reviewed annually.

Item	Average useful life
Buildings and infrastructure	Straight line over 20 to 50 years
Vehicles, machinery and equipment	Straight line over 5 to 8 years
Aircraft	Straight line over 5 to 20 years as componentised
Furniture, office equipment and computer software	Straight line over 3 to 10 years

Depreciation of these assets, is on the same basis as other property assets, commences when the assets are ready for their intended use.

The residual value, the useful life and depreciation method of each asset are reviewed at least at each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Reviewing the useful life of an asset on an annual basis does not require the entity to amend the previous estimate unless expectations differ from the previous estimate.

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

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Derecognition

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 or disposal of the asset.

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

Property, plant and equipment which SANParks holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. These assets are not accounted for as non-current assets held for sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

Land is not depreciated.

SANParks has acquired the usage of certain land that is registered in the name of the State and which is incorporated as part of its national park system. This land is reflected as a heritage asset of SANParks.

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Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter over the term of the relevant lease.

Impairment of property, plant and equipment

An 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.

SANParks assesses at each reporting date whether there is any indication that property, plant and equipment may be impaired. No such indication existed at the end of the current financial reporting period.

1.5 Intangible assets

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

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

Recognition

An intangible asset is recognised when:

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

The entity assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Initial measurement

An intangible asset is measured:

- initially at cost by SANParks. Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition, is measured at its fair value as at that date.

Subsequent measurement

An intangible asset is measured:

- After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment losses.
- Amortisation is calculated on a straight-line basis, and the useful life varies between 3 and 10 years and is reviewed annually.

Impairment of Intangible Assets

An 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.

SANParks assesses at each reporting date whether there is any indication that the computer software may be impaired.

No such indication existed at the end of the current financial reporting period.

ACCOUNTING POLICIES

1.6 Heritage assets

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

Classes of heritage assets include conservation areas such as national parks.

Characteristics often displayed by heritage assets include the following:

- Their value in cultural, environmental, educational and historical terms is unlikely to be fully reflected in monetary terms.
- Ethical, legal and/or statutory obligations may impose prohibitions or severe stipulations on disposal by sale.
- They are often irreplaceable.
- Their value may increase over time even if their physical condition deteriorates.
- They have an indefinite life and their value appreciates over time due to their cultural, environmental, educational, natural scientific, technological, artistic or historical significance.
- They are protected, kept unencumbered, cared for and preserved.

Recognition

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

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

SANParks holds heritage assets through conservation areas in national parks that are regarded as heritage assets.

SANParks does not recognise heritage assets which on initial recognition, do not meet the recognition criteria of a heritage asset because they cannot be reliably measured.

Relevant and useful information about them has been disclosed in the notes to the financial statements.

Initial measurement

A heritage asset that qualifies for recognition as an asset shall be measured at its cost, and where it is acquired through a non-exchange transaction, at its fair value as at the date of acquisition.

Subsequent measurement

After recognition as an asset, a class of heritage assets is carried at its cost less any accumulated impairment losses.

Impairment

SANParks assesses at each reporting date whether there is an indication that it may be impaired. If any such indication exists, SANParks estimates the recoverable amount or the recoverable service amount of the heritage asset.

Transfers

Transfers from heritage assets are only made when the particular asset no longer meets the definition of a heritage asset.

Transfers to heritage assets are only made when the asset meets the definition of a heritage asset. The transfer will be made at the carrying value of the heritage asset.

Derecognition

SANParks derecognises heritage asset on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

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

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1.7 Impairment of cash-generating assets

Cash-generating assets are those assets held by SANParks with the primary objective of generating a commercial return.

When an asset is deployed in a manner consistent with that adopted by SANParks, it generates a commercial return.

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

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

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

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

Depreciation and/or amortisation is the systematic allocation of the depreciable amount of an asset over its useful life.

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

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

Useful life is either:

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

Identification

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

SANParks assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired.

If any such indication exists, SANParks estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, SANParks 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

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

Basis for estimates of future cash flows

In measuring value in use SANParks:

- 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;

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- 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.

Recognition and measurement (individual asset)

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

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease.

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

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

Reversal of impairment loss

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

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

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

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

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

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1.8 Impairment of non-cash generating units

Cash-generating assets are those assets held by SANParks with the primary objective of generating a commercial return.

When an asset is deployed in a manner consistent with that adopted by SANParks, it generates a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return. Non-cash-generating assets are assets other than cash-generating assets.

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

The 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.

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

Depreciation and/or amortisation is the systematic allocation of the depreciable amount of an asset over its useful life.

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

The 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:

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

At each reporting date a review is carried out to determine whether there are any indications that any assets and non-cash generating units may be impaired. If such indications exist, the recoverable amounts of the affected assets are determined.

Where the recoverable amount of an asset or non-cash-generating unit is lower than its carrying amount, an impairment loss is recognised in surplus or deficit in respect of assets at historic cost, and recognised in the revaluation reserve in respect of assets at revalued amounts.

Identification

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

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

Value in use

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

Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the SANParks would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an oversized or overcapacity asset. Oversized assets contain features

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which are unnecessary for the goods or services the asset provides.

Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss. An impairment loss is recognised immediately in surplus or deficit.

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

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

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

Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

1.9 Leases

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

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

Finance leases as per the GRAP 13 refers to a contract that transfers the risks, rewards, rights and obligations incident to ownership and is recorded as a purchase of equipment by means of long-term borrowings. All other leases are classified as operating leases.

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 on the remaining balance of the liability.

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

A finance lease gives rise to a depreciation expense for depreciable assets as well as finance expense for each accounting period. The depreciation policy for depreciable leased assets shall be consistent with that for depreciable assets that are owned, and the depreciation recognised shall be calculated in accordance with the Standard of GRAP on property, plant and equipment and on intangible assets. If there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

Operating leases - lessee

Assets acquired under leases where all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases.

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Operating lease payments are recognised as an expense on a straight-line basis over the lease term or another basis if more representative of the time pattern of the user's benefit. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

Where an operating lease is terminated before the lease expiry date, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which the termination takes place.

1.10 Provisions and contingencies

A provision is a liability of uncertain timing or amount.

Recognition

Provisions are recognised when:

- SANParks 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 some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if SANParks settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an

outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

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.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of SANParks.

No obligation arises as a consequence of the sale or transfer of an operation until SANParks is committed to the sale or transfer, that is, there is a binding arrangement.

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After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

A contingent asset is a possible asset that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A contingent liability is:

- a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- a present obligation that arises from past events but is not recognised because:
 - it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
 - the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 37.

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

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

SANParks recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement.

Indications that an outflow of resources may be probable are:

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Where a fee is received by SANParks for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date. Where a fee is charged and SANParks considers that an outflow of economic resources is probable, SANParks recognises the obligation at the higher of:

- the amount determined using in the Standard of GRAP on provisions, contingent liabilities and contingent assets; and
- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on revenue from exchange transactions.

1.11 Employee benefits

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

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in the Standard of GRAP on Related Party Disclosures) of SANParks, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to SANParks' own creditors (even in liquidation) and cannot be paid to SANParks, unless either:

- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or

ACCOUNTING POLICIES

1.11 Employee benefits (continued)

- the proceeds are returned to SANParks to reimburse it for employee benefits already paid.

Termination benefits are employee benefits payable as a result of either:

- SANParks' 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 12 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.

Composite social security programmes are established by legislation and operate as multi-employer plans to provide post-employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

A constructive obligation is an obligation that derives from SANParks' actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, SANParks has indicated to other parties that it will accept certain responsibilities and as a result, SANParks 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 12 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 12 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 12 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, SANParks 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. SANParks 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 SANParks 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.

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 SANParks provides post-employment benefits for one or more employees.

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Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment benefit plans under which SANParks pays fixed contributions into a separate SANParks (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to SANParks during a reporting period, SANParks recognise the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, SANParks 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 contribution in the cost of an asset.

Where contributions to a defined contribution plan do not fall due wholly within 12 months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the obligation.

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Actuarial gains and losses comprise of expense adjustments (other than non-transferable financial instruments issued by the reporting entity) that are held by an entity (a fund) that is legally separate from the reporting entity and exists solely to pay or fund employee benefits and are available to be used only to pay or fund employee benefits, are not available to the reporting entity's own creditors (even in liquidation) and cannot be returned to the reporting entity, unless either:

- the remaining assets of the fund are sufficient to meet all the related employee benefit obligations of the plan or the reporting entity ; or
- the assets are returned to the reporting entity to reimburse it for employee benefits already paid.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability the entity recognises past service cost as an expense in the reporting period in which the plan is amended.

Plan assets comprise assets held by a long-term employee benefit fund and qualifying insurance policies.

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The return on plan assets is interest, dividends and other revenue derived from the plan assets, together with realised and unrealised gains and losses on the plan assets, less any costs of administering the plan (other than those included in the actuarial assumptions used to measure the defined benefit obligation) and less any tax payable by the plan itself.

The entity accounts not only for its legal obligation under the formal terms of a defined benefit plan, but also for any constructive obligation that arises from the entity's informal practices. Informal practices give rise to a constructive obligation where the entity has no realistic alternative but to pay the employee benefits. An example of a constructive obligation is where a change in the entity's informal practices would cause unacceptable damage to its relationship with employees.

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1.11 Employee benefits (continued)

The amount recognised as a defined benefit liability is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly;
- plus any liability that may arise as a result of a minimum funding requirement.

The amount determined as a defined benefit liability may be negative (an asset). The entity measures the resulting asset at lower of:

- the amount determined above; and
- the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined using a discount rate which reflects the time value of money.

Adjustments arising from the limit above are recognised in surplus or deficit.

The entity determines the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

The entity recognises the net total of the following amounts in surplus or deficit, except to the extent that another standard requires or permits their inclusion in the cost of an asset.

- Current service cost
- Interest cost
- The expected return on any reimbursement right
- Actuarial gains and losses
- Past service cost
- The effect of any curtailments or settlements; and
- The effect of applying the limit on a defined benefit asset (negative defined benefit liability).

The entity uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

In determining the present value of its defined obligations and the related current service cost and, where applicable, past service cost, an entity shall attribute benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, an entity shall attribute benefit on a straight-line basis from:

- the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); or until
- the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

The entity recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment and settlement occurs. The gain or loss on curtailment or settlement comprises:

- any resulting change in the present value of the defined benefit obligation; and
- any resulting change in the fair value of the plan assets.

Before determining the effect of a curtailment or settlement, the entity re-measures the obligation (and the related plan asset, if any) using current actuarial assumptions (including current market interest rates and other current market prices).

When it is virtually certain that another party will re-imburse some or all the expenditure required to settle a defined benefit obligation, the right to

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reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as planned assets.

In surplus or deficit, the expense relating to a defined benefit plan is presented as the net amount recognised for reimbursement.

The entity offsets an asset relating to one plan against the liability relating to another plan, when the entity has a legally enforceable right to use a surplus in one plan to settle the obligations under the other plan and intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

Post-employment benefits: Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability SANParks recognise actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Assets held by a long-term employee benefit fund are assets (other than non-transferable financial instruments issued by the reporting SANParks) that are held by SANParks (a fund) that is legally separate from the reporting SANParks and exists solely to pay or fund employee benefits and are available to be used only to pay or fund employee benefits, are not available to the reporting SANParks' own creditors (even in liquidation), and cannot be returned to the reporting SANParks, unless either:

- the remaining assets of the fund are sufficient to meet all the related employee benefit obligations of the plan or SANParks; or
- the assets are returned to SANParks to reimburse it for employee benefits already paid.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability the entity recognise past service cost as an expense in the reporting period in which the plan is amended.

Plan assets comprise assets held by a long-term employee benefit fund and qualifying insurance policies.

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The return on plan assets is interest, dividends or similar distributions and other revenue derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of administering the plan (other than those included in the actuarial assumptions used to measure the defined benefit obligation) and less any tax payable by the plan itself.

The entity accounts not only for its legal obligation under the formal terms of a defined benefit plan, but also for any constructive obligation that arises from SANParks informal practices. Informal practices give rise to a constructive obligation where the SANParks has no realistic alternative but to pay employee benefits. An example of a constructive obligation is where a change in SANParks' informal practices would cause unacceptable damage to its relationship with employees.

The amount recognised as a defined benefit liability is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly;
- plus any liability that may arise as a result of a minimum funding requirement.

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1.11 Employee benefits (continued)

The amount determined as a defined benefit liability may be negative (an asset). SANParks measures the resulting asset at the lower of:

- the amount determined above; and
- the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined using a discount rate which reflects the time value of money.

Any adjustments arising from the limit above is recognised in surplus or deficit.

SANParks determines the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

SANParks recognises the net total of the following amounts in surplus or deficit, except to the extent that another standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement rights;
- actuarial gains and losses;
- past service cost;
- the effect of any curtailments or settlements; and
- the effect of applying the limit on a defined benefit asset (negative defined benefit liability).

SANParks uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

In determining the present value of its defined benefit obligations and the

related current service cost and, where applicable, past service cost, SANParks shall attribute benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, SANParks shall attribute benefit on a straight-line basis from:

- the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); until
- the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

SANParks recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:

- any resulting change in the present value of the defined benefit obligation; and
- any resulting change in the fair value of the plan assets.

Before determining the effect of a curtailment or settlement, SANParks re-measures the obligation (and the related plan assets, if any) using current actuarial assumptions (including current market interest rates and other current market prices).

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is [or is not] presented as the net of the amount recognised for a reimbursement.

SANParks offsets an asset relating to one plan against a liability relating to another plan when SANParks has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan and intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

ACCOUNTING POLICIES

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
 - those changes were enacted before the reporting date; or
 - past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

Other post retirement obligations

SANParks provides post-retirement health care benefits, housing subsidies and gratuities upon retirement to some retirees.

The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Independent qualified actuaries carry out valuations of these obligations.

The amount recognised as a liability for other long-term employee benefits is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly.

SANParks shall recognise the net total of the following amounts as expense or revenue, except to the extent that another standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement right recognised as an asset;
- actuarial gains and losses, which shall all be recognised immediately;
- past service cost, which shall all be recognised immediately; and
- the effect of any curtailments or settlements.

Termination benefits

SANParks recognises termination benefits as a liability and an expense when the entity is demonstrably committed to either:

- terminate the employment of an employee or group of employees before the normal retirement date; or
- provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

SANParks is demonstrably committed to a termination when the entity has a detailed formal plan for the termination and is without realistic possibility of withdrawal. The detailed plan includes [as a minimum]:

- the location, function, and approximate number of employees whose services are to be terminated;
- the termination benefits for each job classification or function; and
- the time at which the plan will be implemented.

Implementation begins as soon as possible and the period of time to complete implementation is such that material changes to the plan are not likely.

ACCOUNTING POLICIES

Where termination benefits fall due more than 12 months after the reporting date, they are discounted using an appropriate discount rate. The rate used to discount the benefit reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the benefit.

In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits shall be based on the number of employees expected to accept the offer.

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.

Applying the Probability Test on Initial Recognition of Revenue

This Interpretation of the Standards of GRAP provides guidance on how an entity applies the probability test on initial recognition of revenue where credit is extended for the settlement of an exchange or non-exchange revenue transaction and uncertainty exists about the entity's ability to collect such revenue based on past history or because discretion about collectability is exercised subsequently.

This interpretation of Standards of GRAP is applicable to SANParks based on past experience where less than 100% of the revenue where credit is extended for the settlement of an exchange or non-exchange revenue transaction, is expected.

SANParks recognises the full amount of exchange and non-exchange revenue based on the terms of the arrangement with each debtor, notwithstanding its knowledge based on past experience.

Consideration is given to whether there is objective evidence that an impairment loss has been incurred when making the impairment assessment for subsequent measurement of the receivables at the reporting date.

SANParks derives revenue from exchange and non-exchange transactions. An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Examples of exchange transactions include:

- the rendering of services - revenue from tourism, retail and concession fees
- the sale of goods and services - the sales of fauna and flora
- interest - from investment income.

Rendering of services

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

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

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

- Accommodation income is accrued on a daily basis.
- Conservation levies are recognised on a daily basis and other tourist related activities are recognised upon commencement of the activity.
- Wild Card sales are amortised over the validity period of the Wild Card.

Sale of goods

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

- SANParks has transferred to the purchaser the significant risks and rewards of ownership of the goods;

ACCOUNTING POLICIES

- SANParks 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 SANParks; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Sales are recognised upon delivery of the products and customer acceptance.

Interest and royalties received

Revenue arising from the use by others of SANParks assets yielding interest is recognised when:

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

Interest is recognised using the effective interest rate method on a time proportion basis.

Royalties are recognised as they are earned in accordance with the substance of the relevant agreements.

Measurement of revenue from exchange transactions

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

At the time of initial recognition it is inappropriate to assume that the collectability of amounts owing, to SANParks, by individual recipients of goods or services will not occur, because SANParks has an obligation to collect all revenue.

Exchange transactions

The following is included in revenue from exchange transactions:

- Tourism, retail, concession and other.

Concession income

Income from concessions granted to operators to build, operate and transfer lodges and from rental of facilities to operators is recognised as it accrues over the period of the agreement.

Management fees

Management fees for managing special projects are recognised on a monthly basis, based on the services performed.

Rent received

Rent received is accrued on a daily basis in accordance with the substance of the relevant agreements.

1.13 Revenue from non-exchange transactions

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

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to SANParks.

Recognition

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

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1.13 Revenue from non-exchange transactions (continued)

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

Measurement

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

The following are the major classes of revenue from non-exchange transactions, the basis on which the fair value of inflowing resources has been measured:

- Operational grants received: Revenue from operational grants received shall be measured at the amount of the increase in net assets which in this case will be the net proceeds received from Department of Environmental Affairs (DEA);
- Land infrastructure grant: Revenue from Land Infrastructure Grant shall be measured at the amount of the increase in net assets which in this case will be the net proceeds received from the DEA. If conditions are attached to the grant a liability will be recognised and shall be the best estimate of the amount required to settle the present obligation at the reporting date. When a liability is subsequently reduced because a condition is satisfied the amount of the reduction in the liability will be recognised as revenue;
- Donations received: Revenue from donations received shall be measured at the amount of the increase in net assets which in this case will be the net proceeds received from the various donors; and
- Special projects grant: Revenue from special projects grant shall be measured at the amount of the increase in net assets which in this case will be the net proceeds received from the DEA and other funders. If conditions are attached to the grant a liability will be recognised and shall be the best estimate of the amount required to settle the present obligation at the reporting date. When a liability is subsequently reduced because a condition is satisfied the amount of the reduction in the liability will be recognised as revenue.

Assets arising from non-exchange transactions

Recognition

An inflow of resources from a non-exchange transaction, other than services in-kind, that meets the definition of an asset shall be recognised as an asset when, and only when:

- it is probable that the future economic benefits or service potential associated with the asset will flow to the entity; and
- the fair value of the asset can be measured reliably. SANParks recognises an asset in respect of taxes when the taxable event occurs and the asset recognition criteria are met.

Initial measurement

An asset acquired through a non-exchange transaction shall initially be measured at its fair value as at the date of acquisition.

Subsequent measurement

The assets arising from a non-exchange transaction are subsequently measured in terms of the respective standard that the asset relates to.

Liabilities arising from non-exchange transactions

Recognition

A present obligation arising from a non-exchange transaction that meets the definition of a liability shall be recognised as a liability when, and only when:

- it is probable that an outflow of resources embodying future economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation. Apart from services in kind, which are not recognised, SANParks recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

ACCOUNTING POLICIES

Initial measurement

The amount recognised as a liability shall be the best estimate of the amount required to settle the present obligation at the reporting date.

Subsequent measurement

The liabilities arising from a non-exchange transaction are subsequently measured in terms of the respective standard that the liability relates to.

Stipulations

Assets may be transferred with the expectation and/or understanding that they will be used in a particular way and, therefore, that the recipient entity will act or perform in a particular way. Where laws, regulations or binding arrangements with external parties impose terms on the use of transferred assets by the recipient, these terms are stipulations as defined in this Standard of GRAP. A key feature of stipulations, as defined in this standard, is that an entity cannot impose a stipulation on itself, whether directly or through an entity that it controls.

1.14 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 -

- this Act; or
- the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- 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 condoned 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 condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

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

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 officer or 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 condoned 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.

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

1.16 Taxation

Income Tax

No provision has been made for taxation, as the entity is exempt from income tax in terms of Section 10 of the Income Tax Act, 1962 (Act No. 58 of 1962).

ACCOUNTING POLICIES

Value Added Tax (VAT)

SANParks accounts for VAT on the invoice basis as stipulated in Section 15 of the VAT act regulating that every vendor shall account for VAT on the invoice basis unless differently approved by the SARS.

1.17 Accounting Policies, Estimates and Errors

Change in accounting estimate

A change in accounting estimate is an adjustment of the carrying amount of an asset or a liability, or the amount of a period consumption of an asset, the results from the assessment of the present status of, and expected future benefits and obligations associated with assets and liabilities. Change in accounting estimate result from new information and new developments and are not correction of errors.

The effect of a change in accounting estimate shall be recognised prospectively by including it in surplus or deficit in:

- the period of the change, if the change affects that period only; or
- the period of the change and future periods, if the change affects both.

To the extent that a change in an accounting estimate gives rise to changes in assets and liabilities, or relates to an item of net assets, it shall be recognised by adjusting the carrying amount of the related asset, liability or item of net assets in the period of the change.

Prior period errors

Prior period errors are omissions from, and misstatements in, the entity's financial statements for one or more prior periods arising from a failure to use or misuse of, reliable information that:

- was available when financial statements for those period were authorised for issue; and
- could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

A prior period error shall be corrected by retrospective restatement except to the extent that it is impracticable to determine either the period-specific effects or the cumulative effect of the error.

When it is impracticable to determine the period-specific effects of the error on comparative information for one or more prior periods presented, the entity shall restate the opening balances of the assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable (which may be the current period).

When it is impracticable to determine the cumulative effect, at the beginning of the current period, the entity shall restate the comparative information to correct the error prospectively from the earliest date practicable.

Change in Accounting Policies

Accounting policies are the specific principles, bases, conventions, rules and practices applied by an entity in preparing and presenting financial statements.

An entity shall change an accounting policy only if the change :

- is required by a standard of GRAP; or
- results in the financial statements providing reliable and more relevant information about the effects of the transactions, other events or conditions on the entity's financial position, financial performance or cash flows.

A change in accounting policy shall be applied retrospectively, except to the extent that it is impracticable to determine either the period-specific effects or the cumulative effect of the change.

When is it impracticable to determine the period-specific effects of changing an accounting policy on comparative information of one or more prior periods presented, the entity shall apply the new accounting policy to the carrying amounts of the assets and liabilities as at the beginning of the earliest period of which retrospective application is practicable, which may be the current period, and shall make a corresponding adjustment to the opening balance of each affected component of net assets for that period.

When it is impracticable to determine the cumulative effect, at the beginning of the current period, of applying a new accounting policy to all prior periods, the entity shall adjust the comparative information to apply the new accounting policy prospectively from the earliest date practicable.

ACCOUNTING POLICIES

1.18 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control. As a minimum, the following are regarded as related parties of the reporting entity:

- A person or a close member of that person's family is related to the reporting entity if that person:
 - has control or joint control over the reporting entity;
 - has significant influence over the reporting entity; or
 - is a member of the management of the entity or its controlling entity.
- An entity is related to the reporting entity if any of the following conditions apply:
 - the entity is a member of the same economic entity (which means that each controlling entity, controlled entity and fellow controlled entity is related to the others), a related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.
 - one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of an economic entity of which the other entity is a member);
 - both entities are joint ventures of the same third party;
 - one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - the entity is a post-employment benefit plan for the benefit of employees of either the entity or an entity related to the entity. If the reporting entity is itself such a plan, the sponsoring employers are related to the entity;
 - the entity is controlled or jointly controlled by a person identified above; and
 - a person identified as a related party has significant influence over that entity or is a member of the management of that entity (or its controlling entity).

SANParks does not disclose the value of transactions with other public sector entities as the transactions were concluded within normal operating procedures and on terms that are no more or no less favourable than the terms it would use to conclude transactions with another entity or person.

1.19 New standards and interpretations

Standards and interpretations effective and adopted in the current year

SANParks adopted GRAP 103 Heritage Assets, in the current financial year as per directive 5.

The following standards have been approved but are not yet effective and SANParks has not applied any of these standards. The impact of these standards on SANParks when they do become effective are as follows:

GRAP 18: Segment Reporting - GRAP 18 is unlikely to have an impact on SANParks when it does become applicable because there are no activities in SANParks that are distinguishable from each other therefore it would not be appropriate to separately report financial information per segment since there are no distinguishable segments.

GRAP 32: Service Concession Arrangements: Grantor – The potential impact is that assets may be recognised by SANParks once this standard becomes effective. An assessment will have to be performed for each arrangement.

GRAP 105: Transfers of Functions between Entities Under Common Control – Unlikely to have an Impact on SANParks.

GRAP 106: Transfers of Functions between Entities Not Under Common Control – Unlikely to have an Impact on SANParks.

GRAP 107: Mergers – Unlikely to have an Impact on SANParks.

GRAP 108: Statutory Receivables – Unlikely to have an Impact on SANParks.

GRAP 17: Service Concession Arrangements Where a Grantor Controls a Significant Residual Interest in an Asset – The potential impact is that assets may be recognised by SANParks once this standard becomes effective. An assessment will have to be performed for each arrangement.

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2. Inventories

Consumable
Retail goods and fuel

2015	2014
R '000	R '000
18 636	18 206
15 322	18 315
33 958	36 521

3. Receivables from exchange transactions

Current Assets

Trade receivables
Prepayments
Debtors control - other
Provision for doubtful debts
VAT recoverable/(payable)

15 406	12 692
1 746	1 536
20 405	17 591
(1 874)	(230)
3 721	(720)
39 404	30 869

Trade Debtors Age Analysis

Current (0 - 30 days)
31 - 60 days
61 - 90 days
91 - 120
Over 120 days

8 490	8 869
3 224	2 688
1 286	415
408	142
1 998	578
15 406	12 692

Reconciliation of provision for doubtful debts

Opening balance
Amount utilised
Amount provided

(230)	(516)
-	286
(1 644)	-
(1 874)	(230)

Non-Current - Receivables from concessionaires

Opening balance
Movement

156 577	152 415
3 792	4 162
160 369	156 577

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2015	2014
R '000	R '000
1 161	1 845
(11 350)	(10 657)
<u>11 189</u>	<u>9 973</u>
1 000	1 161

4. Receivables from non-exchange transactions

Opening balance	1 161	1 845
Special projects grants received	(11 350)	(10 657)
Grant amount utilised	<u>11 189</u>	<u>9 973</u>
	1 000	1 161

SANParks receives conditional grants from different funders. Normally SANParks contracts with the funder over the budget of the special project the grant is funded for. For projects whose lifespan exceeds one reporting period, SANParks will contract with the funder to receive the funds in stages. It so happens that sometimes SANParks will exceed the annual allocation for a particular project by using from SANParks' funds to finance contracted project and recoup the money when the funder makes payments the following year. Receivables from non-exchange therefore, represents amounts of money from which SANParks has overspent the annual allocation for the funded project.

5. Cash and cash equivalents

Cash on hand	345	347
Bank balances	598 040	500 808
Short term investments	284 432	294 068
	882 817	795 223

Bank balances per institution

First National Bank	597 850	500 665
Standard Bank	190	143
	598 040	500 808

Short term Investments

Notice account: First National Bank	58 985	55 610
Notice Account: Investec Bank	99 634	88 199
Notice Account: Nedbank	-	19 887
Notice Account: ABSA Bank	82 293	76 075
Notice Account: Standard Bank	43 520	54 297
	284 432	294 068

First National Bank was appointed as banker for SANParks by tender process and is used for all SANParks activities. Standard Bank was appointed in accordance with the conditions of the Howard G Buffett Foundation Grant.

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6. Property, plant and equipment

	2015			2014		
	Cost/ Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost/ Valuation	Accumulated depreciation and accumulated impairment	Carrying value
	R'000	R'000	R'000	R'000	R'000	R'000
Buildings and infrastructure	1 328 956	(267 668)	1 061 288	1 229 853	(244 944)	984 909
Vehicles and mechanical equipment	159 497	(102 769)	56 728	174 262	(123 735)	50 527
Furniture and office equipment	156 413	(95 387)	61 026	154 982	(106 447)	48 535
Aircraft	103 189	(23 736)	79 453	-	-	-
Assets under construction	193 595	-	193 595	164 871	-	164 871
Total	1 941 650	(489 560)	1 452 090	1 723 968	(475 126)	1 248 842

Reconciliation of property, plant and equipment - 2015

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Buildings and infrastructure	984 909	5 376	(588)	100 802	(29 210)	1 061 289
Vehicles and mechanical equipment	50 527	28 620	(782)	(8 530)	(13 107)	56 728
Furniture and office equipment	48 535	34 987	(1 643)	(479)	(20 375)	61 025
Aircraft	-	71 905	(104)	8 678	(1 026)	79 453
Assets under construction	164 871	148 153	-	(119 429)	-	193 595
	1 248 842	289 041	(3 117)	(18 958)	(63 718)	1 452 090

Reconciliation of property, plant and equipment - 2014

	Opening balance	Additions	Disposals	Transfers	Adjustments	Depreciation	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Buildings and infrastructure	677 273	39 110	(1 248)	26 955	281 550	(38 731)	984 909
Vehicles, aircraft and mechanical equipment	41 701	10 085	(1 592)	-	16 467	(16 134)	50 527
Furniture and office equipment	31 671	21 705	(1 531)	-	17 166	(20 476)	48 535
Assets under construction	83 435	99 804	-	(26 955)	8 587	-	164 871
	834 080	170 704	(4 371)	-	323 770	(75 341)	1 248 842

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	2015	2014
	R '000	R '000
Included in movable assets are assets that serve as security for long term borrowings, and assets that are held under finance leases:		
Assets as security for a notarial bond in favour of IDC as detailed in note 9		
Cost	154 761	173 706
Accumulated depreciation	(108 588)	(120 349)
	46 173	53 357
Assets that serve as security under finance leases as detailed in note 10		
Cost	28 041	26 878
Accumulated depreciation	(22 613)	(20 522)
	5 428	6 356
Vehicles:		
Cost	4 823	4 823
Accumulated depreciation	(4 496)	(4 099)
	327	724
Furniture, Office equipment and Computer software:		
Cost	23 218	22 055
Accumulated depreciation	(18 117)	(16 423)
	5 101	5 632

The register containing details of land and buildings is available for inspection at the Head Office of SANParks. The Board is of the opinion that the market value of land and buildings substantially exceeds its book value.

SANParks assesses at each reporting date whether there is any indication that the property, plant and equipment may be impaired. The fires in the Western Cape will give rise to an impairment, however the amount of damages have not yet been determined at reporting date.

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7. Intangible assets

	2015			2014		
	Cost/ Valuation	Accumulated amortisation and accumulated impairment	Cost Value	Cost/ Valuation	Accumulated amortisation and accumulated impairment	Cost Value
	R'000	R'000	R'000	R'000	R'000	R'000
Rights	20 200	-	20 200	20 200	-	20 200
Computer software	41 176	(26 785)	14 391	32 574	(18 844)	13 730
Total	61 376	(26 785)	34 591	52 774	(18 844)	33 930

Reconciliation of intangible assets - 2015

	Opening balance	Additions	Transfers	Prior year adjustments	Amortisation	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Rights	20 200	-	-	-	-	20 200
Computer software	13 730	8 027	(20)	315	(7 661)	14 391
Total	33 930	8 027	(20)	315	(7 661)	34 591

Reconciliation of intangible assets - 2014

	Opening balance	Additions	Disposals	Transfers	Amortisation	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Rights	-	20 200	-	-	-	20 200
Computer software	9 632	11 139	(30)	169	(7 180)	13 730
Total	9 632	31 339	(30)	169	(7 180)	33 930

SANParks purchased real rights over immovable property, to graze and stock water. SANParks have full access to the purchased rights from signature date to infinity, thus making the rights an intangible asset with an indefinite useful life. As the right has an indefinite useful life, it has not been amortised. The useful life of the right has been reviewed for the reporting period under review, to determine whether events and circumstances continue to support an indefinite useful life assessment for the rights. Furthermore, through an assessment conducted, it was noted that no conditions existed at year end that might be indicative that rights are impaired.

The computer software useful life used in the calculation of amortisation of software is between 3 years and 10 years. SANParks assesses at each reporting date whether there is any indication that the computer software may be impaired, or that the useful life is still appropriate. No such indication existed at the end of the current financial reporting period.

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8. Heritage assets

Items that qualify as heritage assets for which SANParks can determine the historical costs associated with these items, SANParks performed an asset count and allocated costs for each such item and these have been recognised on the annual financial statements. The following items were identified:

	2015			2014		
	Cost/ Valuation	Accumulated impairment losses	Carrying value	Cost/ Valuation	Accumulated impairment losses	Carrying value
	R'000	R'000	R'000	R'000	R'000	R'000
Statues	552	-	552	-	-	-
Conservation land	499 519	-	499 519	483 437	-	483 437
Total	500 071	-	500 071	483 437	-	483 437

Reconciliation of heritage assets 2015

	Opening balance	Additions	Total
	R'000	R'000	R'000
Statues	-	552	552
Conservation land	483 437	16 082	499 519
	483 437	16 634	500 071

Reconciliation of heritage assets 2014

	Opening balance	Additions	Adjustments	Total
	R'000	R'000	R'000	R'000
Conservation land	494 410	7 655	(18 628)	483 437

Condition of heritage assets destroyed by fire

The fires in the Western Cape have created a possible impairment on some of the conservation areas in Western Cape. The damage has occurred even though the extent of it, has not yet been determined at year end.

Heritage assets which fair values cannot be reliably measured

A significant value of SANParks heritage assets were obtained through non-exchange transactions from various state-owned organisations. For heritage assets obtained from non-exchange transactions, SANParks attempted to establish the value thereof using guidance from Directive 7 issued by the Accounting Standards Board. Due to the nature of SANParks activities, SANParks could not establish neither a fair value/deemed cost nor a replacement cost for its heritage assets acquired from non-exchange transactions. For that reason SANParks heritage assets acquired from non-exchange transactions could not be recognised in the annual financial statements. However, information pertaining to such assets has been disclosed below.

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8. Heritage assets (continue)

Names of National Parks	Size in Hectares
Kruger National Park	1 962 362
Kalahari Gemsbok National Park	960 029
Addo Elephant National Park	163 297
Mountain Zebra National Park	27 900
Bontebok National Park	2 432
Golden Gate Highlands National Park	34 062
Augrabies Falls National Park	58 699
Groenkloof National Park	7
Karoo National Park	84 082
West Coast National Park	47 026
Tankwa Karoo National Park	138 570
Richtersveld National Park	162 445
Marakele National Park	60 865
Mapungubwe National Park	15 311
Table Mountain National Park	33 010
Agulhas National Park	20 415
Namaqua National Park	130 641
Camdeboo National Park	18 946
Mokala National Park	25 902
Garden Route National Park	137 796
Vaalbos National Park	4 575
	4 088 372

Other Heritage Assets

Location

Table Mountain National Park	Rhodes Memorial Monument
Table Mountain National Park	Cecil John Rhodes
Table Mountain National Park	Bronze Man on Horse
Table Mountain National Park	Bronze Cast Lion x8
Kruger National Park	Thulamela Dry Stone Walls
Kruger National Park	Skukuza Museum
Kruger National Park	Masorini Rock Art Sites
Kruger National Park	Kruger Statue
Kruger National Park	Kruger Rock Art
Kruger National Park	Nombolo Mdluli Statue
Mapungubwe National Park	Mapungubwe Collections
Groenkloof National Park	Kudu Sculptures x2

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2015	2014
R '000	R '000

9. Other financial liabilities

Secured borrowings

IDC Loan

The commercial development IDC long-term loan was entered into for development of new infrastructure to a total value of R35 million.

The loan is repayable in 119 equal monthly instalments of R0.292 million which commenced on 1 October 2006 with a final instalment of R0.252 million due on 1 August 2016. The loan bears interest at prime less 2,5%. At 31 March 2015 the interest rate was 7,5% (2014 -7,5%) subject to a minimum rate of 7,5%.

Long term portion - non-current liability

Short term portion - current liabilities

1 712	5 216
3 504	3 504

10. Finance lease obligation

Minimum lease payments due

- within one year

- in second to fifth year inclusive

- later than five years

3 609	3 854
3 125	4 150
-	-
6 734	8 004
(436)	(589)
6 298	7 415

less: future finance charges

Present value of minimum lease payments

Non-current liabilities

Current liabilities

3 011	3 924
3 287	3 491
6 298	7 415

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2015	2014
R '000	R '000

11. Trade and other payables from exchange transactions

Trade payables	107 937	131 940
Payments received in advanced - contract in process	26 594	72 695
Other accrued expenses	77 895	12 863
Deposits received	212	128
Other payables	6 649	7 880
	219 287	225 506

Trade Payables Age Analysis

Current (0 - 30 days)	97 327	104 327
31 - 60 days	(5)	2 593
61 - 90 days	9 762	1 143
91 - 120 days	(9 193)	(4 835)
Over 120 days	10 046	28 712
	107 937	131 940

12. Liabilities from non-exchange transactions

Unspent conditional grants comprise:

Unspent conditional grants

Infrastructure grant	200 499	124 161
Special projects	251 237	221 804
Land grant	24 294	25 170
	476 030	371 135

Movement during the year

Infrastructure opening balance	124 161	37 522
Infrastructure grants received during the year	284 240	306 843
Grant amount utilised during the year	(207 902)	(220 204)
Infrastructure closing balance	200 499	124 161
Land grant opening balance	25 170	-
Land grant prior year adjustment	-	16 974
Land grant received during the year	15 159	14 301
Land grant amount utilised during the year	(16 035)	(6 105)
Land grant closing balance	24 294	25 170

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	2015 R '000	2014 R '000
Opening balance for special projects grants	221 804	225 858
Special project fund reclassification	-	(62 377)
Special projects grant amount received during the year	765 437	565 213
Special project grant amount utilised during the year	(736 004)	(506 890)
Special projects closing balance	251 237	221 804
Special projects are detailed below:		
(i) Nature Conservation Trust - HGBF		
Opening balance	54 440	-
Grant Income	76 741	54 440
Grant amount utilised	(87 468)	-
	43 713	54 440
(ii) Working for Water		
Opening balance	6 513	500
Grant income	497 349	290 388
Grant amount utilised	(452 811)	(284 375)
	51 051	6 513
(iii) Limpopo Transfrontier Park		
Opening balance	295	4 799
Grant income	2 689	-
Grant amount utilised	(2 087)	(4 504)
	897	295
(iv) Mellon Foundation		
Opening balance	13 760	7 863
Grant income	705	12 484
Grant amount utilised	(1 769)	(6 587)
	12 696	13 760

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12. Liabilities from non-exchange transactions (continued)

(v) Theta

Opening balance
Grant income
Grant amount utilised

(vi) EPWP

Opening balance
Grant income
Grant amount utilised

(vii) Other

Opening balance
Grant income
Grant amount utilised

2015	2014
R '000	R '000
13 308	2 724
1 483	11 304
(446)	(720)
14 345	13 308
1 634	(3 342)
39 486	29 562
(40 702)	(24 586)
418	1 634
131 854	141 990
146 984	135 176
(150 721)	(145 312)
128 117	131 854

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13. Provisions

Reconciliation of provisions - 2015

	Opening Balance	Additions	Utilised during the year	Total
	R'000	R'000	R'000	R'000
Concessionaires provision	156 577	3 792	-	160 369
Leave liability	39 427	-	(1 459)	37 968
	196 004	3 792	(1 459)	198 337

Reconciliation of provisions - 2014

	Opening Balance	Additions	Total
	R'000	R'000	R'000
Concessionaires provision	4 162	152 415	156 577
Leave liability	34 339	5 088	39 427
	38 501	157 503	196 004
Non-current liabilities		160 369	156 577
Current liabilities		37 968	37 968
		198 337	196 004

The lodge concessions entail allowing private operators to build and operate tourism facilities within the national parks, on the basis of a defined period usually over a 20 year concession contract. Investors take over and upgrade specified existing lodge facilities, or build new ones. The contractual mechanism is a concession contract, which enables the private operator to use a defined area of land, plus any building that may already exist on that land, over a specific time period in return for payment of concession fees. Against these rights of occupation and commercial use of facilities, there is a set of obligations on the part of the concessionaire regarding financial terms, environmental management, social objectives, empowerment and other factors. Infringement of these requirements carries specified penalties, underpinned by performance bonds, and finally termination of the contract. The assets will revert to SANParks at a consideration equal to the residual value of the asset at the date of transfer. The provision arose as a result of the liability payable at the termination date of the concessionaire contract.

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2015	2014
R '000	R '000

14. Reservation deposits

Opening balance	216 424	147 025
Current year deposits	287 873	4 907 342
Deposits utilised during the year	(254 594)	(4 837 943)
	249 703	216 424

15. Post-retirement health benefit obligation

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

Carrying value

Present value of the defined benefit obligation-wholly unfunded	(408 758)	(242 681)
Interest cost	(36 374)	(20 364)
Current service cost	(7 377)	(2 890)
Actual employer benefit payments	16 569	14 677
Actuarial gain/(loss) recognised during the year	(20 707)	(157 500)
	(456 647)	(408 758)

Net expense recognised in the statement of financial performance

Current service cost	7 377	2 890
Interest cost	36 374	20 364
Actuarial (gains) losses	20 707	157 500
	64 458	180 754

Key assumptions used

Assumptions used at the reporting date:

Discount rates used	9.00 %	9.00 %
Medical cost trend rates	7.80 %	6.50 %
Net effect discount rate	(0.50)%	0.28 %

Retirement age

Males and females	65	65
Number of eligible members	929	985
Number of pensioners	457	447

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Mortality pre-retirement

Male	SA 85 - 90 (light)
Female	SA 85 - 90 (light) down by 3 years

Mortality post retirement

Male	PA90 male - rated down by one year
Female	PA90 female - rated down by one year

Sensitivity analysis

Effect of 1% increase and decrease in the health care cost inflation rate is as follows:

	Valuation basis	1% increase	1% decrease
	R '000	R '000	R '000
Employer's accrued liability	456 647	528 488	397 820
Actuarial (gain)/loss	20 692	92 215	(38 452)

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	2015	2014
	R '000	R '000
16. Tourism, retail, concession and other		
Retail Activities		
Shops and restaurant	64 427	111 975
Filling station sales	173 278	162 459
	<u>237 705</u>	<u>274 434</u>
Tourism		
Accommodation	566 798	508 559
Drive fees	40 593	36 526
Trail fees	28 394	26 039
Other tourism related activities	22 749	20 363
	<u>658 534</u>	<u>591 487</u>
Concession		
Facilities rental	32 419	24 979
Concession fees received	53 084	46 747
	<u>85 503</u>	<u>71 726</u>
Conservation levy and entrance fees		
Wild Card income	55 137	45 642
Conservation fees	290 428	250 901
Entrance fees	6 528	5 775
	<u>352 093</u>	<u>302 318</u>
Other		
Rent received	14 435	11 058
Services rendered	7 591	6 564
	<u>22 026</u>	<u>17 622</u>
	<u>1 355 861</u>	<u>1 257 587</u>
17. Sales - fauna and flora		
Sales - fauna and flora	<u>31 368</u>	<u>42 525</u>

The sale of fauna and flora is used for bio-diversity and related expenses to expand the national park system.

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	2015	2014
	R '000	R '000
18. Other operating income		
Settlement discount received	1 645	2 017
Sales - non-retail	1 641	1 275
Fines	1 461	1 433
Course fees	1 298	1 200
Commission received	847	757
Water and electricity	7 111	6 834
Rebates received	2 649	664
Location fee for filming right	1 747	1 797
Other income	7 925	4 522
	26 324	20 499

19. Interest and royalties received

Interest revenue

Interest and royalties received	31 070	23 839
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20. Government grants and other funding

Roads	19 277	10 526
Conservation	559 716	382 211
Land acquisition	16 034	34 040
Special projects income	746 142	506 113
	1 341 169	932 890

21. Donations

Donations	12 644	5 391
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Non-specific donations form a minor part of the funding of conservation and people and conservation programs of SANParks. Due to the varying nature of such funding and the direct allocation thereof to identifiable projects, it is not deemed to be part of normal operations.

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2015	2014
R '000	R '000

22. Employee related costs

Salaries and wages	660 263	573 883
Social contributions	86 079	74 371
Other salary related costs	60 415	56 522
Post-retirement benefits	64 458	180 754
	871 215	885 530

23. Depreciation and amortisation

Furniture and office equipment	20 375	20 476
Buildings and infrastructure	29 210	38 731
Vehicle and mechanical equipment	13 108	16 134
Aircraft	1 026	-
Intangible assets - amortisation	7 661	7 180
	71 380	82 521

24. Finance costs

Finance leases	521	309
Current borrowings	567	844
	1 088	1 153

25. Repairs and maintenance

Property and buildings	55 767	42 076
Machinery and equipment	6 268	6 377
Office and computer equipment	541	1 042
Consumables utilised in maintenance programs	14 387	13 943
	76 963	63 438

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2015	2014
R '000	R '000

26. Operating expenses

Assessment rates and municipal charges	46 648	45 857
Auditors remuneration (Note 27)	9 361	6 910
Bank charges	20 344	17 582
Consulting and professional fees	21 750	17 920
Consumables	50 393	46 169
Insurance	30 749	8 202
IT expenses	12 247	10 480
Motor vehicle expenses	16 021	16 486
Promotions	11 893	14 386
Software expenses	6 933	7 227
Subsistence allowance	47 838	38 227
Telephone and fax	23 386	23 886
Other operating expenses	202 378	134 147
Special projects expenses	673 934	516 864
Cost of retail operations	200 000	210 408
	1 373 875	1 114 751

27. Auditors' remuneration

Internal audit fees	3 627	1 267
External audit fees	5 734	5 643
	9 361	6 910

28. Operating lease payments

Rent paid vehicles	101 075	88 923
Rent other	11 899	10 252
	112 974	99 175

29. Loss on disposal of assets

Loss on disposal of assets	3 003	2 930
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2015	2014
R '000	R '000

30. Irregular expenditure

Expenditure identified in the current year

Less: Amount condoned

Balanced carried forward not condoned

126	144
-	-
126	144

During the current year SANParks made payments to suppliers which are prohibited suppliers according to the National Treasury Database of Restricted Suppliers.

31. Fruitless and wasteful expenditure

Interest on overdue creditors

Penalties paid to SARS for late payments

Cash embezzlement in Golden Gate Highlands National Park

Stock losses

52	-
3	-
1 583	-
1 313	-
2 951	-

A financial misconduct incident was reported during the financial year under review. The incident pertains to embezzlement of cash at Golden Gate Highlands National Park. This resulted in an internal investigation, and three officials were suspended and disciplinary actions are in progress. Criminal charges have been laid with the South African Police Services.

Subsequently, management has reviewed the internal controls around the incident and additional controls have been implemented.

32. Cash generated from operations

Surplus

287 939 32 894

Adjustments for:

Depreciation and amortisation

71 380 82 521

Loss on sale of assets

3 003 2 930

Finance costs

521 309

Movements in retirement benefit liabilities

47 889 166 077

Movements in provisions

2 333 5 088

Other non-cash items

(165 570) 16 007

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Changes in working capital:

	2015 R'000	2014 R'000
Inventories	2 562	(1 952)
Receivables from exchange transactions	(8 535)	(3 973)
Other receivables from non-exchange transactions	161	59 008
Trade and other payables from exchange transactions	(6 219)	27 327
Liabilities from non-exchange transactions	104 895	(191 774)
Reservation deposits	33 279	69 412
	<u>373 638</u>	<u>263 874</u>

33. Risk management

Financial risk management

SANParks activities exposes it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

SANParks overall risk management program focusses on the unpredictability of financial markets and seeks to minimise potential adverse effects on SANParks financial performance. Risk management is carried out under policies approved by the Accounting Authority. The Accounting Authority provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment.

Liquidity risk

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

Cash flow forecasts are prepared and borrowing facilities are monitored.

Maximum credit risk exposure

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. SANParks only deposits cash with major banks with high quality credit standing.

Cash deposits and cash equivalents: SANParks minimises its credit risk, which is the risk of loss due to the failure of the security issuer by using banks with an A1+ or A1 grading according to the Fitch IBCA and similar grading reports. These banks are registered in South Africa and approved by the National Treasury.

Trade debtors: Sales to retail customers are settled in cash or using major credit cards. No credit is allowed unless backed by tender or agreement whereby risk control assesses the credit worthiness of the customer, taking into account its financial position, past experience and other factors.

The financial assets carried at cost exposes the entity to credit risk. The value of the maximum exposure to credit risk is as follows for each class of financial asset at cost.

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33. Risk management (continued)

Financial instrument

2015	2014
R'000	R'000
Cash and cash equivalents	795 223
Receivables from exchange transactions	30 869

Cash and cash equivalents
Receivables from exchange transactions

Concentration of Credit Risk

Potential concentrations of credit risk consist mainly of short-term cash, cash equivalent investments and trade debtors.

SANParks limits its counter party exposure from its money market investment operations by only dealing with well-established financial institutions of high quality standing. The credit exposure to any one counter party is managed by setting transaction/exposure limits, which are reviewed annually.

Trade debtors comprise a large number of customers, dispersed across different industries and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Trade debtors are presented net of doubtful debts.

Concentration of credit risks

Exposure	Percentage of total exposure
R'000	R'000
Cash and cash equivalents	68 %
Short term investments	32 %
882 817	100 %

Cash and cash equivalents
Short term investments

Capital Risk Management

SANParks objectives, when managing capital, are to safeguard their ability to continue as a going concern in order to provide benefits for stakeholders and to maintain an optimal capital structure.

The capital structure of SANParks consist of debt, which includes borrowings and cash and cash equivalents.

Interest rate risk

As SANParks has no significant interest-bearing assets, SANParks income and operating cash flows are substantially independent of changes in market interest rates. SANParks interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose SANParks to cash flow interest rate risk. Borrowings issued at fixed rates will expose the entity to fair value interest rate risk.

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The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date together with the cash flow interest rate risk.

2015

	Within one year	Later than one year and not later than five years	Current interest rate
	R'000	R'000	
Gross finance lease obligation	3 609	3 125	7%
Borrowings	3 504	1 712	Prime - 2,5%
Trade and other payables	219 287	-	
Revenue received in advance	249 703	-	
Post retirement health benefit obligation	456 647	-	
Liabilities from non-exchange transactions	476 030	-	

2014

	Within one year	Later than one year and not later than five years	Current interest rate
	R'000	R'000	
Gross finance lease obligations	3 854	4 150	7%
Borrowings	3 504	5 216	Prime - 2,5%
Trade and other payables	225 506	-	
Revenue received in advance	216 424	-	
Post retirement health benefit obligation	408 758	-	
Liabilities from non-exchange transactions	371 135	-	

These amounts best represent maximum exposure to credit risk at the end of the reporting period without taking into account any credit enhancements.

Interest rate risk sensitivity analysis

The susceptibility of SANParks' financial performance to changes in interest rates can be illustrated as follows:

Effect of 1% change in the interest rate	Current interest rate	Value 31 March 2015	Discounted value at current rate	Discounted value at Current rate (+1%)	Discounted value at Current rate (-1%)
		R'000	R'000	R'000	R'000
Trade and other receivables from exchange transactions	12,25%	39 236	39 236	44 435	43 649
Trade and other payables from exchange transactions	9,25%	219 287	219 287	239 387	237 196
Cash in current banking institution	5%	598 040	598 040	633 926	562 160
Call investment deposits	6%	284 432	284 432	304 342	264 522

The sensitivity analysis was based on the assumption that a 1% increase or decrease in the interest rate could occur. The method used to prepare the sensitivity analysis was based on the discounted value of the respective cash flow for one year using the respective current interest rate in order to determine the effect of applicable market risk of a 1% increase or decrease in the interest rate.

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33. Risk management (continued)

Financial assets pledged as security

The following financial assets were pledged as security for liabilities

Description of financial asset	Line item financial asset is included in	Value of the balance pledged as security - R'000	Details of the liability that it was pledged as security for
Mechanical and office equipment	Property, plant and equipment	46 173	A notarial bond in favour of the IDC borrowing
Vehicles, furniture and office equipment and computer software	Property, plant and equipment and intangible assets	5 428	Serves as security under finance leases

34. SANParks Retirement Fund

SANParks Pension Fund

Contributions by the employer and the employees are allocated to the SANParks Pension Fund. The fund is a defined contribution plan which is controlled by the Pension Funds Act, 1956 and administered by a financial institution. During the year SANParks contributed an amount of R34,1 million for 2 148 employees (2014 - R31,2 million for 2 131 employees), to the retirement fund.

SACCAWU National Provident Fund

The fund is a defined contribution plan, which is controlled by the Pension Funds Act, 1956, and administered by a financial institution. Retirement benefits are based on the accumulated credits as contributed by both employer and employee. During the year SANParks contributed an amount of R19,2 million for 1 904 employees (2014 - R16,8 million for 1 889 employees).

35. Related Parties

Relationships

Controlling entity: Department of Environmental Affairs

SANParks does not have control or significant influence over any other entity. SANParks is a statutory organisation governed by the National Environmental Management Protected Areas Act, No. 57 of 2003, and a national public entity as listed under Schedule 3A of the PFMA No. 1 of 1999 as amended.

SANParks is not required to disclose the value of transactions with other public sector entities as the transactions were concluded within normal operating procedures and on terms that are no more or no less favourable than the terms it would use to conclude transactions with another entity or person.

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Key management personnel remuneration

2015

	Emoluments	Other benefits	Bonuses and incentives	Total
	R'000	R'000	R'000	R'000
Dr MD Mabunda - CEO (Resigned 31 March 2014)	14	-	52	66
Mr A Sibiyi - ME KNP (Resigned 30 November 2014)	925	1	481	1 407
Dr DT Magome - ME Conservation Services (Resigned 28 February 2015)	1 631	1	568	2 200
Mr L Mavuso - ME Human Resources (Resigned 28 February 2015)	1 350	1	500	1 851
Mr G Phillips - ME Tourism	1 522	1	141	1 664
Ms w mkutshulwa - ME Corporate Services	1 613	1	-	1 614
Dr N Songelwa - ME Parks	1 472	1	129	1 602
Mr RT Mabilane - CFO (Resigned 30 April 2014)	156	1	-	157
Mr F Mketeni - CEO (Appointed 01 December 2014)	660	1	-	661
Mr R Mahabeer - CFO (Appointed 01 Feb 2015)	296	1	-	297
	9 639	9	1 871	11 519

2014

	Emoluments	Other benefits	Bonuses and incentives	Total
	R'000	R'000	R'000	R'000
Dr MD Mabunda - CEO	2 394	1	530	2 925
Mr A Sibiyi - ME KNP	1 620	1	349	1 970
Dr DT Magome - ME Conservation Services	1 620	1	342	1 963
Mr L Mavuso - ME Human Resources	1 302	1	265	1 568
Mr G Phillips - ME Tourism	1 405	1	294	1 700
Ms w mkutshulwa - ME Corporate Services	1 490	1	326	1 817
Dr N Songelwa - ME Parks	1 311	1	30	1 342
Mr RT Mabilane - CFO	1 756	1	362	2 119
	12 898	8	2 498	15 404

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35. Related Parties (continued)

Board members and attendance at meetings, remuneration and associated costs

2015

	Board meetings and workshops	Conservation and tourism committee meetings	Audit and risk committee meetings	HR and remuneration committee meetings	Remuneration (R)	Subsistence and travel allowance (R)
Mr KD Dlamini (Chairperson)	12	-	-	-	-	-
Dr Z Lees	12	6	3	3	76 200	7 846
Mr S Mbanga	2	-	-	2	1 524	354
Prof G Swan	13	6	1	-	60 960	3 260
Prof G Kerley	13	6	-	-	60 960	32 044
Ms R Kalidass	6	-	3	-	21 168	23 989
Dr GC Dry	13	6	6	10	45 720	35 422
Ms B Kunene	9	-	5	-	7 620	1 148
Ms NS Mteto	3	-	3	-	7 620	-
Ms L McCourt	8	-	-	5	-	-
CEOs	12	6	5	6	-	-
CFOs	12	-	7	-	-	-
					281 772	104 063

2014

	Board meetings and workshops	Conservation and tourism committee	Audit and risk committee	HR and remuneration committee	Remuneration (R)	Subsistence and travel allowance (R)
Mr KD Dlamini (Chairperson)	5	-	-	-	-	-
Dr Z Lees	4	3	-	-	26 898	2 168
Mr S Mbanga	4	-	-	2	14 246	10 215
Prof G Swan	5	3	-	-	26 744	2 630
Prof G Kerley	6	3	-	-	40 166	30 723
Ms R Kalidass	5	-	-	2	25 766	16 950
Dr MD Mabunda	4	3	4	3	-	-
Dr GC Dry	-	-	6	3	49 784	3 752
Ms B Kunene	3	-	5	-	17 126	3 127
Ms NS Mteto	4	-	4	-	15 686	787
Ms L McCourt	5	-	-	1	-	-
Mr RT Mabilane	4	-	6	1	-	-
					216 416	70 352

The chairperson of the Board, Mr KD Dlamini has opted not to claim any remuneration.

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2015	2014
R'000	R'000

36. Commitments

Authorised capital expenditure

Commitments in respect of capital expenditure

▪ Approved and contracted for	722 720	118 648
▪ Approved but not yet contracted for	679 286	-
Total capital commitments	1 402 006	118 648

Commitments represent goods/services that have been ordered, but no delivery has taken place at 31 March 2015. These amounts are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance, but are only disclosed in this note. The majority of SANParks capital commitments are funded by grants from the DEA. Approved and contracted for capital commitments pertains to existing contracts with external parties for the construction of SANParks infrastructure. Approved but not yet contracted for capital commitments represents agreements for funding, of specific capital projects, between SANParks and the DEA. Other commitments are funded by SANParks operational grant and pertains to operational orders that were not delivered as at 31 March 2015.

Commitments in respect of operational leases

Contracted for but not provided for

▪ Within one year	60 019	55 024
▪ Between two and five years	30 162	65 063
	90 181	120 087

This committed expenditure relates to vehicles, buildings and equipment and will be financed by funds internally generated.

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37. Contingencies

Contingent liabilities

SANParks incurred damages due to the recent fires in the Western Cape. In terms of SANParks mandate, SANParks will be required to rehabilitate the land that was damaged by the fires. At this stage, no assessment has been performed to determine the extent of the damage and as a result, there is no reliable estimate available for SANParks to determine what the present value of the provision would be.

Land Claims

The Department of Rural Development and Land Reform did not award any land rights or land managed by SANParks to any claimant person or communities in the past financial year. SANParks is still supportive of the process of appropriate redress for persons or communities who unjustly lost rights or ownership of land as a result of it being declared a National Park. No significant financial obligations are placed on SANParks in consequence of this process, however, the co-management framework with successful claimant communities and the attendant beneficent scheme will exert financial strain on SANParks once the land has been restored to the claimants.

Municipal Property Rates

National parks constitute rateable property in terms of the Local Government: Municipal Property Rates Act, No. 6 of 2004 (the Rates Act) which came into effect on 2 July 2005. The Rates Act started applying to national parks as from 2 July 2009.

SANParks made a submission to the Minister of Environmental Affairs in March 2011 whereby the Minister was requested to make a formal submission on behalf of SANParks to the Minister of Co-operative Governance and Traditional Affairs requesting:

- a total exemption of all national parks from the application of the Property Rates Act; or
- to consider prescribing a National Rates framework that can be applied to all national parks to bring about consistence to the application of the Rates Act by all municipalities to ensure that national parks afford the prescribed rates; and
- in the interim all national parks that are rateable, be exempted from payment of Property Rates until such time that the Minister of Co-operative Governance and Traditional Affairs has made a decision in respect of the paragraphs above.

Contingent assets

SANParks incurred damages due to the recent fires in the Western Cape. SANParks is insured for such incidents. At year end the insurer had not yet performed the assessment of the extent of the damages. SANParks is of the opinion that it is highly probable that the insurer will pay for all covered damages incurred. The timing and amount concerned thereof, is however uncertain.

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38. Public Private Partnership Programme - PPP Fee Income

Lodge Concession PPP Fees

The lodge concessions entail allowing private operators to build and operate tourism facilities within the national parks, on the basis of a defined period usually over a 20 year concession contract. Investors take over and upgrade specified existing lodge facilities, or build new ones. The contractual mechanism is a concession contract, which enables the private operator to use a defined area of land, plus any building that may already exist on that land, over a specific time period in return for payment of concession fees. Against these rights of occupation and commercial use of facilities, there is a set of obligations on the part of the concessionaire regarding financial terms, environmental management, social objectives, empowerment and other factors. Infringement of these requirements carries specified penalties, underpinned by performance bonds, and finally termination of the contract, with the assets reverting to SANParks.

The annual concession fee payable by the concessionaire to SANParks for any given concession year shall be the higher of a minimum rental as determined by the agreement for the concession year or a calculated annual concession fee based on the bid percentage of gross revenue for the concession year.

At the end of the concession period the concessionaires shall hand over the concession area, the camp, all concession assets and its rights or interest in the developments to SANParks free of charges, liens, claims or encumbrances of any kind whatsoever and free of any liabilities in good condition, fair wear and tear excepted. The concessionaire shall not, other than as provided for in respect of the residual value, be entitled to payment of any compensation in connection therewith.

Performance bonds were provided to SANParks by the concessionaires that are operative from the effective dates. The concessionaires will maintain valid performance bonds from the effective dates until 90 business days after the expiry or earlier termination of the concession contracts. The amounts to be guaranteed by the performance bonds shall be equal to R250 000 at effective date and increased every three years by CPI per Concession Area.

The calculated annual concession fee is based on the bid percentage of actual gross revenue for that concession year. The specific obligations per concession are detailed in the schedule below:

National Park - Concession Area	Concession holder	Commissioning date	Termination date	Percentage of Gross Revenue
Addo - Gorah Elephant Camp	Hunter Hotels (Pty) Ltd	1 January 2001	31 December 2025	5% - 12,5%
Kruger - Mutlumuvi	Rhino Walking Safaris (Pty) Ltd	1 July 2002	30 June 2022	5% - 8%
Kruger Mpanamana	Shishangeni Lodge (Pty) Ltd	1 January 2002	31 December 2021	10% - 20%
Kruger - Jakkalsbessie	Jakkalsbessie Lodge (Pty) Ltd	1 January 2002	31 December 2021	10% - 15%
Kruger - Jock of the Bushveld	Mitomeni River Lodge (Pty) Ltd	1 July 2001	30 June 2021	11,5% - 22%
Kruger - Lwakahle	Lukimbi Safari Lodge (Pty) Ltd	1 November 2001	31 October 2021	5% - 25%
Kruger - Mluwati	Imbali Safari Lodge (Pty) Ltd	1 January 2002	31 December 2021	10% - 25%
Kruger - Nwanetsi	Singita Lebombo (Pty) Ltd	1 March 2002	31 December 2032	12,3%
Table Mountain - Roundhouse	Roundhouse (Pty) Ltd	1 August 2002	31 July 2027	4% - 5%
Table Mountain - Koeel Bay	Koeel Bay Hospitality (Pty) Ltd	1 January 2004	31 December 2023	3,5% - 10%
West Coast - Houseboats	Langebaan Houseboats (Pty) Ltd	1 November 2004	31 October 2014	10% - 20%
West Coast - Houseboats	Kraalbaai Houseboats	15 December 2014	30 November 2016	14,50%

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38. Public Private Partnership Programme - PPP Fee Income (continued)

Public Private Partnership Programme: Retail and Restaurant Facility Rental Income

The concession contracts for retail and restaurant operations entail allowing private operators to operate SANParks' existing facilities on the basis of a medium-term operating agreement. Investors manage and upgrade existing retail and restaurant facilities (it should be noted that as part of the most recent tender process SANParks undertook refurbishments to some facilities, which included upgrading to electricity, refrigeration, roofs, floors and tiling). The agreements enable the operators to use a defined area over a pre-determined term in return for payment of concession fees. Funding for the refurbishment of ageing infrastructure is for the concessionaires account. Against the right of occupation and commercial use of facilities, there are set obligations on the part of the concessionaire regarding financial terms, environmental management, social objectives, empowerment and other factors. Infringement of these requirements carries specified penalties, including termination of the contract with the assets reverting to SANParks.

The monthly rental payable for the facilities by the private operator to SANParks for any given month shall be the higher of the fixed monthly rental as defined by the agreements, escalating on an annual basis; or the rental based on actual gross revenue realised, expressed as a percentage of gross revenue.

The private operators have provided SANParks with Performance Bonds equivalent to three months fixed rental in the form of performance guarantees that secure the operators performance under the Operating Agreement on the basis set out in the Facilities Rental Agreement.

The following schedule summarises the potential income receivable from the various operators for the various sites:

Retail and Restaurant	Commissioning date	Termination date	Annual Minimum rental (R)	Percentage of gross revenue
The Park Shop North - Tigers Eye - KNP	1 February 2013	31 January 2023	10 670 000	12%
The Park Shop South - Tigers Eye - Addo and Tsitsikamma	1 February 2013	31 January 2023	1 402 000	12%
Jobojali cc t/a Salt and Pepper Restaurant - Karoo	1 December 2013	30 November 2023	144 900	5%
Geelbek Restaurant	1 March 2013	28 February 2018	60 000	5%
Tindlovu JV cc	1 December 2012	30 November 2022	144 900	7,5%
Astrorail 145 cc Augrabies - Shop and Restaurant	15 Novembver 2012	14 November 2022	249 200	7%
Goedeten (Pty) Ltd - Mugg and Bean – Lower Sabie	1 March 2014	28 February 2024	415 722	7%
Tourvest Holdings (Pty) Ltd Cattle Baron Restaurant - Skukuza	1 October 2014	30 September 2024	426 815	5% - 8%
Select Events and Venues cc	1 December 2013	30 November 2023	193 295	7%
Ringgold 470 (Pty) Ltd - Mugg and Bean - Letaba	14 April 2014	13 April 2024	236 459	7%
Quay 4 Knysna	28 March 2008	27 March 2023	609 472	6% - 10%
Tourvest Holdings (Pty) Ltd - Cattle Baron Restaurant - Tsitsikamma	1 August 2013	31 July 2024	342 555	8%
Tourvest Holdings (Pty) Ltd - Cattle Baron Restaurant - Addo	1 April 2014	31 March 2024	283 047	8%
Ringgold 474 (Pty) Ltd - Mugg and Bean - Olifants	3 April 2014	2 April 2024	202 460	7%
Ringgold 477 (Pty) Ltd - Mugg and Bean - Satara	11 March 2014	10 March 2024	363 635	7%
Eysbos (Pty) Ltd - Wimpy – Pretoriuskop	25 March 2014	24 March 2024	175 858	7%

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Activities	Contracting Party	Commissioning Date	Termination Date	Percentage of gross revenue
Kruger National Park	Avis	19 December 2001		19% - 25%
Kruger National Park	Skukuza Airport Management Co	1 June 2014	31 May 2024	19% - 25%
Cape Point Lease and TMACC	Cape Point - Concor	1 May 1995	30 June 2021	10%
	Table Mountain Aerial Company	26 November 2006	25 November 2025	12,5%
	Listers Arboretum Tearoom	1 August 2010	31 July 2015	10%
	Abseiling	1 December 2011	30 November 2014	7%
	Rhodes Memorial	1 October 2010	30 September 2018	10%
Tsitsikamma Forest Income	Mild2Wild	1 April 2013	30 September 2013	R25pp
	Tube and Axe	1 April 2013	30 September 2013	R25pp
	Adventures Out There	1 October 2013	30 September 2018	8%
	Storms River Adventures Tree Top	1 April 2013		R25pp
	Tours and Woodcutter Trail Cadeau Hiking Trail	1 September 2011	30 September 2016	8%
Tsitsikamma Rest Camp	Untouched Adventures	1 April 2014	30 September 2014	10%
Wilderness Rest Camp	Eden Adventures Canoe Trails	1 April 2013	31 May 2014	15%
	Segway Bike Tours	1 December 2013	30 September 2014	R18 000 p.a.
Farleigh Forest	Goudveld Tea Garden	1 December 2013	31 March 2017	R21 600 p.a.
Knysna Timber Harvesting	Kwakhanyisa	1 January 2013	31 December 2022	R500 000 minimum rental or 15% of revenue.
Augrabies Canoe Trails	Echo Canyon Trading 76 t/a Kahalari Outventures	30 April 2008	31 March 2016	10%

Contractual Parks	Contracting Party	Commissioning Date	Termination Date	Percentage of gross revenue
Addo Nyati Section	Riverbend Country Lodge	1 June 2004	03 May 2054	3,5% - 7,5%
Marakele	Marakele (Pty) Ltd	2 November 2000	1 December 2030	4% - 8%
Addo	Kuzuko Lodge	99 year lease	99 year lease	4%
West Coast National Park	Duinepos Chalets	1 March 2009	28 February 2019	5%
Kgalagadi National Park	Ixhaus Lodge	1 May 2007	30 April 2027	5% - 10%
Tankwa Karoo National Park	Gannaga / Tankwa Lodge	1 April 2010	Revised every 3 years	6%

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39. Changes in accounting policies, errors and estimates

The annual financial statements have been prepared in accordance with GRAP on a basis consistent with the prior year except for the adoption of the following new standards:

- GRAP 103 - Heritage assets

Heritage assets

During the current year, SANParks changed its accounting policy with respect to the treatment of heritage land purchased. This change was effected to conform with the benchmark treatment in GRAP 103, which came into effect on 1 April 2014, and requires all land purchased for conservation purposes to be treated as a heritage asset, as it meets the definition of a heritage asset. SANParks has adopted, in the current financial year, GRAP 103 to account for all its heritage land as heritage assets.

This change in accounting policy has resulted in heritage land, for both the current and previous year, being accounted for retrospectively to heritage assets. This is outlined in the note to Heritage assets (note 8).

The following adjustments were made to amounts previously reported in the annual financial statements of the entity arising from the implementation of new accounting policies and changes to existing policies:

2015	2014
R'000	R'000

The comparative amount has been restated as follows:

Statement of financial position

Property, Plant and Equipment

Previously stated as land	-	502 065
Allocated to heritage assets	-	(502 065)

Heritage assets - conservation land

Allocation from Property Plant and Equipment	-	502 065
	-	502 065

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2015	2014
R'000	R'000

During an extensive fixed asset review that was conducted during the year, SANParks established that heritage assets - land, was overstated. The error has been retrospectively rectified and comparative amounts restated accordingly. The effect of the error is as follows:

Heritage Assets

Increase in assets under construction	-	18 628
Decrease in heritage assets - land	-	(18 628)
Effect on accumulated surplus	-	-

Statement of financial position

Nature: SANParks incorrectly interpreted the stipulations of the service concessionaire contracts. As a result of the misinterpretation, the assets and liabilities arising from these arrangements were not recognised in the financial statements. The error has been corrected and comparative amounts restated accordingly. The effects of the change in prior year's annual financial statements is as follows:

Concessionaire contracts

Allocated to receivables from exchange	-	156 577
Allocated to provisions	-	(156 577)
Effect on accumulated surplus	-	-

During an extensive fixed asset review that was conducted during the year, SANParks established that property, plant and equipment - land, was understated. The error has been retrospectively rectified and comparative amounts restated accordingly. The effect of the error is as follows:

Property, Plant and Equipment

Increase in property, plant and equipment	-	323 770
Increase in accumulated depreciation	-	(47 463)
Effect on accumulated surplus	-	276 307

During the current financial year, SANParks noted that a conditional grant was incorrectly recognised as revenue from non-exchange transactions, as opposed to recognising it as a liability from non-exchange transactions. The error was retrospectively rectified and comparative amounts restated as follows:

Reclassification of conditional grant

Increase in liabilities from non-exchange transactions	-	25 168
Decrease in revenue from non-exchange transactions	-	(25 168)
Effect on accumulated surplus	-	(25 168)

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2015	2014
R'000	R'000

39. Changes in accounting policies, errors and estimates (continued)

During the current financial year SANParks noted that revenue from the sale of Ivory, was incorrectly classified as a liability, instead of being disclosed as revenue. The reclassification resulted in the following restatement of accumulated surplus:

Reclassification of Ivory Sales

Decrease in accumulated surplus - 31 March 2014	-	(7 856)
Increase in accumulated surplus previously stated as a liability - 31 March 2013	-	66 725

Statement of Financial Performance

Reclassification of revenue from exchange transactions and operating expenses.

Nature: With regards to these items they were incorrectly mapped to revenue accounts and operating expenses and should have been shown as part of expenditure.

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

Revenue from exchange transactions

Previously stated	-	(1 265 601)
Interest received now included as revenue	-	(21 274)
Incorrectly allocated to revenue	-	(57 575)
Restated amount	-	(1 344 450)

Operating expenses

Previously stated	-	1 142 627
Incorrectly allocated to revenue	-	57 575
Depreciation separately disclosed	-	(82 521)
Loss on disposal separately disclosed	-	(2 930)
Restated amount	-	1 114 751

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40. Biological assets that form part of an agricultural activity

Non-Financial information

SANParks main purpose is the conservation of a representative system of biodiversity, landscape, encompassing fauna, flora, geological structures and unique scenery within the national park under its management authority. SANParks does not focus on traditional natural resource management of species, but rather on ecosystem management and ecological integrity within the national park. SANParks can intervene in ecosystems responsibly and sustainably, but it focuses management on complementing natural processes (e.g. floods, fires and disease outbreaks) under a minimum interference philosophy. SANParks does not manage for the reproduction of biodiversity, but for biodiversity representivity and complementarity that promote resilience and ensure ecosystem integrity. SANParks acquired the majority of biodiversity at no cost to SANParks.

SANParks' major source of revenue comprise retail, tourism and concession with tourism (in the form of accommodation and conservation fees) being the most significant revenue source. SANParks management is involved in the biological transformation of fauna and flora primarily as a service to the public for the purpose of a recreational activity, rather than for sale.

SANParks performs wildlife censuses from time-to-time on animals that can easily be counted from the air and for specific sections of national parks where after the results of such counts are extrapolated to estimate the total number of animals in the national park. SANParks is not able to accurately measure the quality and/or quantity of all their faunal and floral biological diversity within the national park. SANParks does not perform counts on small animals, insects, birds, marine and freshwater biodiversity.

SANParks does not measure the quantities of biological assets as they are not of a nature that can be easily counted and the parks cannot keep up with births and deaths and migrations of wild life, although the parks undertake an annual game census. As the biological assets cannot be counted it is impossible to calculate gains and losses in biological assets during the year. This is a significant judgement by management.

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