CONTENTS

PART A

GENERAL INFORMATION

1. Public Entity's General Information

COUNTRY OF INCORPORATION AND DOMICILE	South Africa
LEGAL FORM OF THE ENTITY	State-Owned Entity
NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES	Trade, investment, sustainable economic development and job creation and tourism enterprise related activities.
DIRECTORS	Appointed on 5 November 2014 Mr B Khumalo (Chairperson) Mr A Fraser Ms J Brown Mr D McGluwa Ms N Koloti Mr L Moletsane (Acting CEO) Ms N Mojanaga Adv H Keyter Mr H Mashao (Acting Financial Director)
REGISTERED OFFICE	22 James Watt Crescent Industrial Sites MAHIKENG 2745
BUSINESS ADDRESS	22 James Watt Crescent Industrial Sites MAHIKENG 2745
POSTAL ADDRESS	PO Box 3011 MMABATHO 2735
HOLDING COMPANY	North West Provincial Government
BANKERS	ABSA, First National Bank and Standard Bank
AUDITORS	Auditor-General of South Africa

2. List of Abbreviations/Acronyms

ACT	Agriculture, Culture and Tourism
AGSA	Auditor General South Africa
APP	Annual Performance Plan
BBBEE	Broad-Based Black Economic Empowerment
BBP	Bokone Bophirima Province
BEDIA	Botswana Export Development and Investment Authority
BEE	Black Economic Empowerment
CCMA	Commission for Conciliation, Mediation and Arbitration
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CSI	Corporate Social Investment
DSM	Decision Support Model
DTI	Department of Trade & Industry
EDC	Enterprise Development Centre
FDI	Foreign Direct Investment
FEED	Department of Finance, Economy & Enterprise Development
GDP	Gross Domestic Product
GLR	Golden Leopard Resort
HR	Human Resources
ICT	Information Communication Technology
IDP(s)	Integrated Development Plan(s)
IDZ	Industrial Development Zone
IPAP	Industrial Policy Action Plan
MADP	Lovemore to provide (page 32)
MEC	Member of Executive Council
MRL	Madikwe River Lodge
MTSF	Medium-Term Strategic Framework
NDP	National Development Plan
NIPF	National Industrial Policy Framework
NT	National Treasury
NWDC	North West Development Corporation
NWU	North West University
OHS	Occupational Health and Safety
OOP	Office of the Premier
PDP	Provincial Development Plan
PFMA	Public Finance Management Act
PWC	Price Waterhouse Coopers
SA	South Africa
SA GAAP	South African Statements of Generally Accepted Accounting Practice
SARS	South African Revenue Services
SEDA	Small Enterprise Development Agency
SEZ	Special Economic Zone
SMME	Small Micro Medium Enterprise(s)
SOC	State Owned Company
TIA	Technology Innovation Agency
VTSD	Villages, townships and small dorpies
YES	Youth Enterprise Services

3. Strategic Overview

3.1 VISION

The heartbeat of trade, investment, sustainable economic development, job creation, and tourism enterprise related activities.

3.2 MISSION

To industrialise the economy, attract investments, promote exports and overcome the legacy of economic imbalances.

3.3 VALUES

BOTHO
The genesis of great achievements including attitudes, thoughts and feelings of people who are generous and willing and do not discriminate against age, race, colour, geographic location, language or status

INTEGRITY
Success will come and go but integrity is forever and means doing the right thing at all times and in all circumstances whether or not anyone is watching

EXCELLENCE
The will to win, the desire to succeed and the urge to reach our full potential are the keys that will unlock the door to the North West Development Corporation's excellence

DYNAMISM
Projecting a persuasive image of a desirable and practical future is extremely important to high morale, dynamism, consensus and in general to help the wheels of society turn smoothly

3.4 STRATEGIC OUTCOMES ORIENTED GOALS

STRATEGIC OUTCOME ORIENTED GOAL 1	**SUPPORT SERVICES**
GOAL STATEMENT	To provide strategic leadership, support services, monitoring performance and risks in the organisation

STRATEGIC OUTCOME ORIENTED GOAL 2	**ENTERPRISE DEVELOPMENT, SUPPORT & EMPOWERMENT**
GOAL STATEMENT	To contribute towards equitable economic growth and development through enterprise development

STRATEGIC OUTCOME ORIENTED GOAL 3	**INVESTMENT GROWTH & FINANCE**
GOAL STATEMENT	To contribute towards equitable economic growth and development through investment growth and finance

STRATEGIC OUTCOME ORIENTED GOAL 4	**DEVELOPMENT & SUPPORT**
GOAL STATEMENT	To contribute towards equitable economic growth and development through Development & Support

4. Legislative and Other Mandates

LEGISLATIVE MANDATES

a) Constitution Act No 108 of 1996;

b) North West Development Corporation Act No 6 of 1995;

c) Public Finance Management Act No 1 of 1999;

d) National Credit Act No 34 of 2005;

e) Rental Tribunal Housing Act No of 1999;

f) Companies Act No 61 of 1973;

g) South African Revenue Services Act No 34 of 1997;

h) Basic Conditions of Employment Act No 75 of 1997 for setting standards for personnel;

i) Broad-Based Black Economic Empowerment Act No 53 of 2003;

j) Employment Equity Act No 55 of 1998;

k) Labour Relations Act No 66 of 1995 for managing labour relations at the work place;

l) National Archive Act No 43 of 1996;

m) Preferential Procurement Policy Framework Act No 5 of 2000;

n) Promotion of Access to Information Act No 2 of 2000 regulates the management of access to information;

o) Protection of Information Act No 84 of 1982 informs the management of organisational information; and

p) Skills Development Act No 97 of 1998 to provide training to officials and build capacity.

POLICY MANDATES

The following forms part of the broad policy mandates that assist the North West Development Corporation in its endeavour to achieve its legislative mandates:

NATIONAL DEVELOPMENT PLAN

The National Development Plan (NDP) offers a long-term perspective. It defines the desired destination and identifies the role different sectors of society need to play in reaching that goal. The NDP aims to eliminate poverty and reduce inequality in South Africa by 2030. According to the plan, South Africa can realise these goals by drawing on the energies of its people, growing an inclusive economy, building capabilities, enhancing the capacity of the state, and promoting leadership and partnerships throughout society.

The NDP provides the framework for achieving the radical socio-economic agenda set out in the governing party's election manifesto. It recognises the need for a capable and developmental state, a thriving business sector and strong civil society institutions with shared and complementary responsibilities. It identifies decent work, education and the capacity of the state as particularly important priorities. It also highlights the need to improve the quality of administration of many government activities.

The NDP is the official policy guideline for South Africa and sets out SA's achievements and shortcomings identifying nine primary challenges including low employment, the low quality of school education for black people, infrastructure being poorly located, inadequate and under-maintained spatial divides hampering inclusive development, an unsustainable and resource-intensive economy, the public health system being unable to meet demand or sustain quality, public services being uneven and often of poor quality, high corruption levels and South Africa remaining a divided society.

Long-term planning was identified as one of the imperatives to address the challenges. The NDP Vision 2030 document was compiled with the main objective to eliminate poverty and to reduce inequality. To respond to the economic imperatives of the NDP, the role of the Department of Finance, Economy and Enterprise Development (FEED) and the North West Development Corporation (NWDC) as its implementing agency, is to unlock the economic potential in the Bokone Bophirima Province.

The key chapter applicable to the NWDC is Chapter 3 on the Economy and Employment with the objective to eliminate poverty and reduce inequality through faster inclusive economic growth by raising exports, improving skills development, lowering the costs of living for the poor, investing in competitive infrastructure, reducing the regulatory burden on small businesses, facilitating private investment and improving the performance of the labour market to reduce tension, ease access to young, unskilled work seekers and building effective partnerships.

The targets include a Gross Domestic Product (GDP) growth of over 5% up to 2030 with a GDP per capita more than twice the present level, accelerated export growth, and income levels above the poverty line for all with unemployment reduced from 25% to 6% by creating 11 million new jobs in South Africa by 2030. It is suggested that sustainable decent job opportunities should be created through sector and cluster strategies with substantial potential for either growth stimulation or employment, or both. Clusters recommended in the NDP include agro-industrial, mineral and metals, manufacturing, construction and infrastructure, green economy, retail and business services, tourism and culture, public-sector employment and public employment schemes.

The other chapters that are applicable to NWDC are Chapter 4 on Economic Infrastructure where the NWDC contributes to industrial infrastructure and Chapter 5 on Environmental Sustainability and Equitable Transition to Low-Carbon Economy. That is a cross-cutting issue that should be included in all activities.

THE NEW GROWTH PATH

The New Growth Path is aimed at stepping up the fight against poverty and unemployment in South Africa. The New Growth Path extrapolates its thrust by latching onto the Industrial Policy Action Plan (IPAP) to accelerate industrial development in the country.

IPAP2, as it has become known, builds on the National Industrial Policy Framework (NIPF) and the 2007/2008 IPAP. It represents a significant step forward in scaling up our efforts to promote long-term industrialisation and industrial diversification beyond our current reliance on traditional commodities and non-tradable services. Its purpose is to expand production in value-added sectors with high employment and growth multipliers that compete in export markets as well as compete in the domestic market against imports. In so doing, IPAP places emphasis on more labour-absorbing production and services sectors, the increased participation of historically disadvantaged people and regions in our economy.

MEDIUM-TERM STRATEGIC FRAMEWORK (MTSF)

The Medium-Term Strategic Framework (MTSF) is Government's strategic plan for the 2014-2019 electoral term. It reflects the commitments made in the election manifesto of the governing party, including the commitment to implement the NDP. The MTSF sets out the actions Government will take and targets to be achieved. It also provides a framework for the other plans of national, provincial and local governments.

The 2014-2019 electoral mandate focuses on the following priorities:

a) Radical economic transformation;
b) Rapid economic growth and job creation;
c) Rural development, land and agrarian reform and food security;
d) Ensuring access to adequate human settlements and quality basic services;
e) Improving the quality of and expanding access to education and training;
f) Ensuring quality health care and social security for all citizens;
g) Fighting corruption and crime;
h) Contributing to a better Africa and a better world; and
i) Social cohesion and nation building.

In its focus on these priorities, and their elaboration into fourteen key outcomes and associated activities and targets, the MTSF has two over-arching strategic themes – radical economic transformation and improving service delivery.

Summary of priorities and actions for the next five years:

- Quality basic education;
- A long and healthy life for all South Africans;
- All people in South Africa are safe and feel safe;
- Decent employment through inclusive growth;
- A skilled and capable workforce to support an inclusive growth path;
- An efficient, competitive and responsive economic infrastructure network;
- Vibrant, equitable, sustainable rural communities contributing towards food security for all;
- Sustainable human settlements and improved quality of household life;
- Responsible, accountable, effective and efficient local government;
- Protect and enhance our environmental assets and natural resources;
- Create a better South Africa and contribute to a better Africa and a better world;
- An efficient, effective and development-oriented public service;
- A comprehensive, responsive and sustainable social protection system; and
- A diverse, socially cohesive society with a common national identity

NATIONAL INDUSTRIAL POLICY FRAMEWORK (NIPF)

The NIPF is the cornerstone that facilitates and promotes industrial development initiatives in urban settings, and it extends our interventions into rural communities across the Province. This objective is encapsulated in the New Growth Path and IPAP.

INTEGRATED SUSTAINABLE RURAL DEVELOPMENT STRATEGY

The purpose of this strategy is to implement an integrated development for the rural areas in our country. The outcome of the strategy is to "attain socially cohesive and stable rural communities with viable institutions, sustainable economies and universal access to social amenities, able to attract and retain skills and knowledgeable people":

- Creation of delivery mechanism structures that will allow rural people to set the local development agenda, influence development in the district and province, influence the infrastructure investment programme, maintain the assets created, and access and control service delivery.

- Development and the improvement of rural services as the spur to developing rural areas by involving communities in planning and managing projects and their budgets, and maintaining the assets created.
- Use the capacity building programmes that are available through various government departments to assist rural areas, local government and community organisations in the development process.
- Create access to information for planning and implementing development projects and programmes at local level. This will allow communities to set priorities, measure progress and ensure that they meet the requirements of government programming.

PROVINCIAL DEVELOPMENT PLAN

The North West Provincial Development Plan (PDP) is based on the National Development Plan (NDP) and it has aligned its objectives and priorities with the NDP vision for 2030. The NDP aims to eliminate poverty and reduce inequality by 2030. The National Development Plan (NDP) offers a long-term perspective. It defines the desired destination and identifies the role different sectors of society need to play in reaching that goal. According to the plan, South Africa can realise these goals by drawing on the energies of its people, growing an inclusive economy, building capabilities, enhancing the capacity of the state, and promoting leadership and partnerships throughout society.

The PDP has identified eight of the priorities identified in the NDP as key focus areas for the Bokone Bophirima. The selected focus areas represent the main challenge areas hampering growth in the province. Particular focus will be placed on both the rural economy (due to the predominantly rural character of the province) as well as on the upgrading, the provisioning and the maintenance of economic infrastructure as the precondition of overall economic growth and development and for its significant potential to sustain employment. The province will also prioritise the transformation of human settlements (mainly due to the challenges presented by housing and living conditions in mining communities) and the eradication of corruption. All of the above will be done while building and establishing a capable and developmental state. The following are the chosen development priorities through which the Bokone Bophirima intends to align itself with the National Development Plan:

- Economic infrastructure;
- An integrated and inclusive rural economy;
- Human settlement and spatial transformation;
- Improving education, training and innovation;
- Building a capable and developmental state;
- Fighting corruption; and
- Transforming society and uniting the Province.

NORTH WEST SMALL MICRO MEDIUM ENTERPRISE (SMME) STRATEGY

In 1998 the Bokone Bophirima Province adopted a Small Micro Medium Enterprise (SMME) strategy for the Province that was informed by a range of activities at the time that focused on promoting the growth and development of small businesses in South Africa. The SMME Strategy of the BBP was reviewed in 2010 and a new strategy for 2010–2014 was adopted.

The thrust is to:

- Create and strengthen enterprise support services;
- Implement mentoring, skills and incubation services for new and growing enterprises;

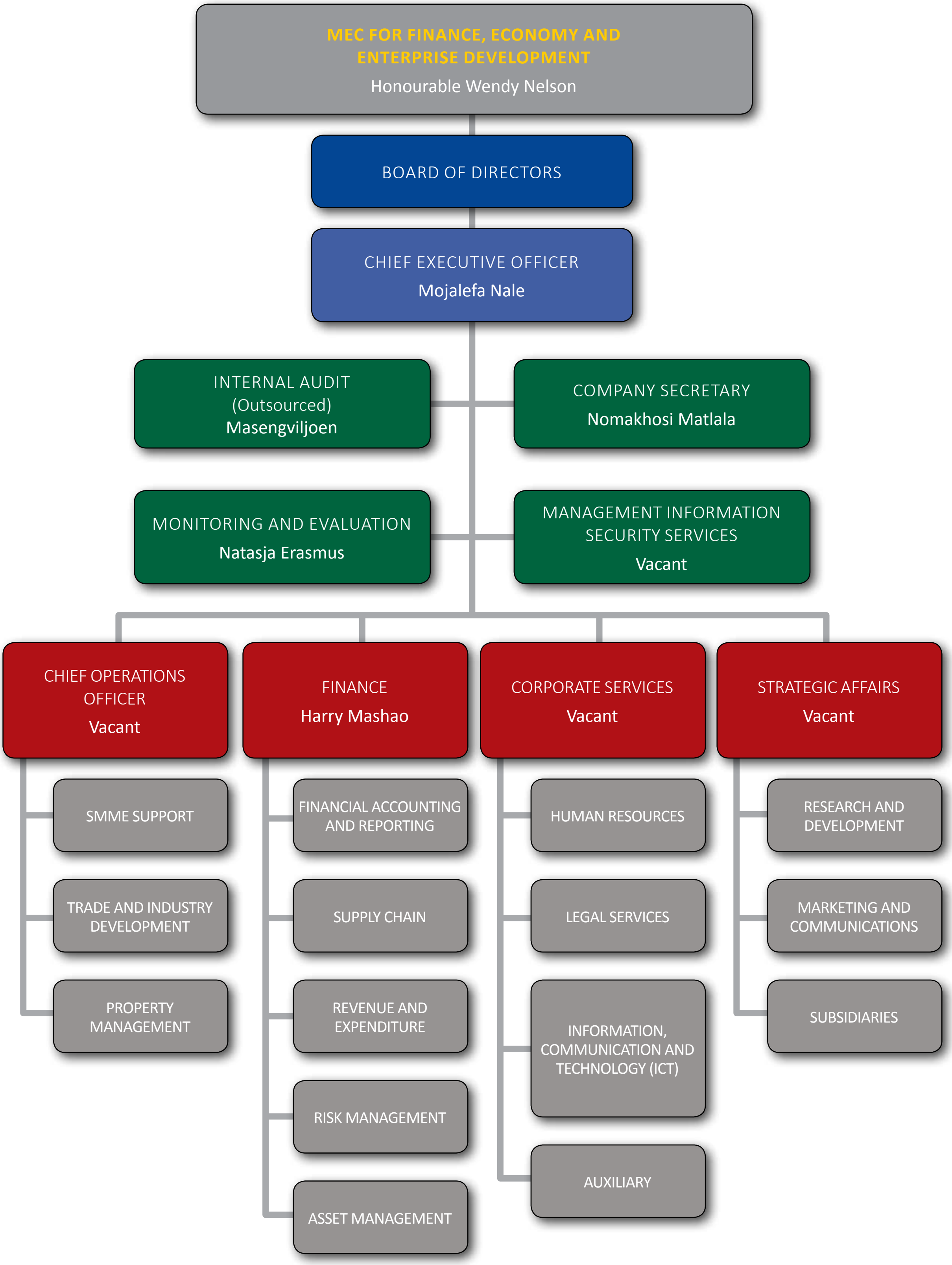
Establish SMME Support Units at Local Municipality level;

- Increase visibility of Provincial Government through outreach to rural areas to provide information; interact with ordinary members of the community and understand challenges faced by SMMEs in rural communities;
- Enhance access to government tenders; and
- Establish SMME forums at District and Local Municipality level to coordinate activities of SMMEs.

POLICY FRAMEWORK ON THE DEVELOPMENT OF BLACK INDUSTRIALIST

The Black Industrialist Programme is a Government agenda spearheaded by the Department of Trade and Industry. The State President launched the programme on the 25-26 March 2015 at Gallagher Estate. Black business was called to give input on policy as the programme has already been tabled in Parliament by Minister Davies. South Africa has the moral obligation to harness national resources towards the resolution of the historical injustice. In the realm of economic life, this implies the need to transform patterns of asset ownership. The bulk of industrial assets in SA have been racially concentrated. The Government has evolved a policy with the objective of an inclusive economy within the strategic framework of BEE. The prioritisation of industrial sectors will be informed by a combination of factors and the presence of black players in a specific value chain. Access to finance through DFI's has been secured and amongst others, relevant incentives for black enterprise within the **dti** will be enhanced.

5. Organisational Structure



6. FOREWORD BY THE CHAIRPERSON

BRIDGEMAN KHUMALO

CHAIRPERSON OF THE BOARD OF DIRECTORS

It remains a truly humbling experience to take stock and reflect on a fiscal that has passed. With each cycle of annual reporting, we weigh ourselves as an entity to determine if we had measured up to serving the people of the Bokone Bophirima Province to the best of our abilities.

From a macroeconomic perspective, the year under review has been challenging globally. South Africa's economy grew by 1.3% in 2015, down from 1.2% in 2013. The main contributors to the slowdown in 2015 were agriculture and the slump in commodity prices. Severe drought conditions saw the agricultural industry contracting by 8.4%, the largest annual fall in agriculture production since 1995. The decrease in 2015 was mainly due to a sharp drop in the production of field crops. Both these sectors are major contributors to the Bokone Bophirima economy as well.

Despite these less than favourable conditions, South Africa's credit rating was left unchanged and together with the rest of South Africa the NWDC is serious about contributing to the growth of the economy. Hence, with the economic development of the province firmly entrenched in our raison d' être , the North West Development Corporation is proud to report that we have gained significant ground in 2015/2016 towards fulfilling our mandate.

A provincial drive which the NWDC fully embraced during the year under review, was supporting Bokone Bophirima Premier Supra Mahumapelo's campaign to bolster growth and development in the province's villages, townships and small dorpies (VTSDs). Under the vigorous leadership of Acting CEO Lemogang Moletsane and his team of project leaders, a great number of special projects were embarked upon aimed at concretising this campaign. To the benefit of a number of VTSDs in the province, a trader's market was held in the town of Lichtenburg, a Golf Day hosted at the Ventersdorp Golf Club and numerous tuck shop and hair salon owners assisted to register their businesses and form cooperatives.

Complementary to initiatives embarked upon the inside of the Province, the NWDC continuously extends opportunities to small businesses and export-ready companies to benefit from market access and exposure outside of the Bokone Bophirima. Cases in point during the fiscal include NWDC facilitating participation for 14 companies in the 2015 Botswana Global Expo held in Gaborone during November 2015, with solid leads and interest generated, and taking two provincial companies and the Platinum Valley SEZ to exhibit their products and generate leads at the Africa Energy Indaba held at the Sandton Convention Centre during February 2016.

In closing, I sincerely thank the Board of Directors, NWDC management, staff as well as our stakeholders for their commitment to the organisation and support received during the last year.

We look toward the next fiscal with vigour, enthusiasm and drive. Let us continue on our journey to taking Bokone Bophirima Province forward.

Bridgeman Khumalo

Chairperson of the Board of Directors

7. Board of Directors

Bridgeman Khumalo
Chairperson

Adv. Hennie Keyter
Director

Arthur Fraser
Director

Nela Mojanaga
Director

David McGluwa
Director

Mpho Ndaba
Director

Jeanne-Marie Brown
Director

Lemogang Moletsane
Acting Chief Executive Officer

Harry Mashao
Acting Financial Director

Nomakhosi Matlala
Company Secretary

Absent: Adv. Tiny Seboko (Director) and Ntombi Koloti (Director)

8. OVERVIEW BY THE CHIEF EXECUTIVE OFFICER

LEMOGANG MOLETSANE
ACTING CHIEF EXECUTIVE OFFICER

I am deeply humbled to present the 2015/2016 fiscal year's account of the North West Development Corporation's organisational achievements, the challenges as well as how we see the NWDC soaring into an unequalled government agency set to promote trade and investment; develop strategic economic infrastructure; drive the re-industrialisation of the economy to support growth; build an innovative and knowledge-based economy; and strengthen green economy interventions to support sustainable economic growth and development.

The NWDC prides itself with having a stable financial reputation which enables the entity to perform in line with the mandate of the 5th Administration. For the financial year under review, the entity, through its property portfolio managed to generate R115,774m which represents an increase of 6.064% from the preceding year.

Small businesses are a critical element of our job creation, wealth sharing and poverty alleviation strategies. The support provided by the NWDC to assist small businesses and cooperatives is important for creating new jobs in our economy and protecting existing ones.

Therefore, work on strengthening the NWDC will continue, because this agency must practically contribute to the growth and development of our economy through such interventions as SMME development. On this front, I would like to report that for the year under review, SMMEs have been assisted with funding of R15,864m. The entity has also strengthened its after-care service, which involves business management training as well as mentorship as a support regime for SMMEs.

A formidable partnership with the Office of the Premier's Youth Enterprise Services (YES) Unit has been established to primarily assist in youth entrepeneurship. This has been done precisely because we are mindful that lofty plans that are not accompanied by committed action will remain only paper tigers. We must also be mindful that implementation ultimately determines the extent of our reach in breaking down the frontiers of poverty, empowering communities and building a better life for all.

The NWDC continues to renew itself on the acquisitions and the broadening of its mandate to ensure that it really becomes an economic hub that seeks to place the Bokone Bophirima Provincial Government on the growth trajectory. With the NWDC becoming this renewed entity, the Provincial Government wants to reduce the cost and time associated with doing business in Bokone Bophirima; produce an electronic opportunity atlas for investors who wish to plough their resources in various regions of the Province; and harness the export readiness of Bokone Bophirima based businesses.

In other words, investors will knock on only one door, the NWDC, to address all their needs instead of being sent from pillar to post, costing them valuable time and resources.

Attention for the 2016/2017 financial year will also be firmly on strengthening its participation in the Premier-led Setsokotsane Programme as this important government programme has helped the NWDC to reach out to the communities it has never served before, thereby increasing access to services rendered by the NWDC. We will also intensify NWDC's efforts towards creating market linkages for small businesses and cooperatives through partnerships as well as exhibitions and expos. Work on non-financial interventions such as business development support, mentorship, training and incubation must also continue.

Parallel to this work will be an acceleration of the implementation of our programmes. Our people want delivery of services, and we dare not postpone them! We have to pay an unprecedented attention to implementation.

"Attention for the 2016/2017 financial year will also be firmly on strengthening its participation in the Premier-led Setsokotsane Programme as this important government programme has helped the NWDC to reach out to the communities it has never served before..."

Other important strides that define the developmental journey we have traversed as the entity include the following:

1. PROPERTY MANAGEMENT

The NWDC's property portfolio include retail space for shopping malls and shopping complexes, commercial premises which relate largely to office space, industrial space hosting large producers/manufacturers and residential for housing purposes. The NWDC also has a decent vacant space portfolio which can be earmarked to attract additional investment into the related areas.

The biggest challenge in properties is the limitation in terms of the growth of the NWDC and has limited options available. For example, once the full occupancy is achieved and the vacant sites are developed, the NWDC will reach its peak in terms of growing its existing potential. This challenge speaks directly to the strategic intent of the organisation, which relates to the NWDC developing properties for rental, investment and/or sale.

The other challenge is the old structures of the NWDC properties due to lack of the preventive maintenance being done, however, in the year 2016/2017 the division is diligently implementing a maintenance plan.

2. TRADE & INDUSTRY DEVELOPMENT

The economic environment remains fluid nationally, as well as in the province. Declining investment in the mining sector in the province, mainly because of falling commodity prices, coupled with the drought situation, has made investments riskier and more difficult to unlock.

For the period under review, the NWDC organised for 14 companies from the Bokone Bophirima Province to participate in the Global Expo in Botswana in November 2015. One of the companies involved in agricultural processing, Staalmeester, opened an agency to distribute its products in Botswana.

NWDC is coordinating and liaising with municipalities to identify and promote opportunities for trade and investment in municipalities across the province.

A consortium was appointed by the NWDC to raise funds for piloting energy serving lights in interested municipalities in the Province as well as to implement renewable solutions. We have also facilitated the business visit of an Indian based company in the Horticulture sector to the province in May 2015 to explore opportunities in herbal farming and hope that out of these engagement key partnerships would be developed in line with the Province's ACT tributary.

3. PLATINUM VALLEY SEZ

The NWDC made significant progress in the implementation of the Platinum Valley Special Economic Zone (SEZ). The SEZ Strategic Plan was completed and an application for the designation of the zone was submitted to the **dti** for consideration and approval and this provides the corporation with a huge opportunity to consolidate all the opportunities in the area in terms of facilities and available land, to promote the zone in terms of the **dti** and SARS incentives, and, of critical importance, the NWDC can apply to the **dti** for Critical Infrastructure and SEZ Funds to respond to new investments in the zone. Five (5) companies have already shown interest to invest up to R100 million, and this clearly demonstrates the SEZ's viability and its tremendous huge potential to attract both Domestic and Foreign Direct Investments.

Going forward, the NWDC will focus on the refurbishment of the existing factories to locate the medium value investments attracted to date and this move would certainly solidify confidence in the investment community to locate in the Platinum Valley SEZ.

4. ENTERPRISE DEVELOPMENT CENTRES

The NWDC has so far established seven (7) fully-furnished EDCs. During the 2016/2017 financial year, the NWDC will focus on the roll-out of these Centres in the remainder of the nineteen municipalities of the Province within the VTSD strategy. These centres will provide training, incubation and support for small businesses. We will also work tirelessly and accelerate skills training, through these EDCs, for young business entrepreneurs as well as women and people living with disabilities in a variety of fields.

5. BAKERIES PROJECT

NWDC has registered 5 (five) out of 10 (10) cooperatives from designated groups for this exciting project. The beneficiaries of these bakery projects, which are 19 (nineteen) in total and spread throughout the Province, are people residing in VTSDs in line with the marching orders of the 5th Administration. The ultimate objective is to improve the livelihoods and economic status of the people of the Bokone Bophirima Province.

6. TUCK-SHOP INITIATIVE

The NWDC is championing the Tuck-shop Economy Project aimed at, amongst others, arming tuck-shop owners with a requisite competitive edge inherent in the purchasing power of bulk-buying and cultivating a sustained entrepreneurial culture amongst local participants in the retail economy. This is done to curtail soaring poverty, unemployment and economic inequality particularly in the VTSDs. Warehouses and distribution centres will be established to realise this goal.

7. ECONOMIC RESEARCH, POLICY DEVELOPMENT AND PLANNING

Research and Development is a key element of many organisations and it enables a business to generate increased wealth over a period of time. To this end it can be reported that the NWDC Research assisted the Department of Finance, Economy and Enterprise Development (FEED) with studies conducted by the North West University (NWU) on the Regional Economic Review: Current realities in the Bokone Bophirima Province, as well as a study on the potential role and contribution of ACT and VTSD in boosting provincial and local development and a pre-feasibility for the Mahikeng SEZ.

Another initiative was the subscription to the Trade Decision Support Model (DSM) of the NWU that assists in identifying potential markets for export products. The model is being customised by the NWU for the Bokone Bophirima Province and is used internationally and in South Africa by the **dti**. The NWDC will be utilising this tool in servicing exporters and identifying current and potential trade opportunities.

NWDC and Technology Innovation Agency (TIA) jointly exhibited at the launch of the Science and Technology Week at the NWU on the 1st of August 2015 to support innovation. Since the NWDC is a cardinal element of government's strategy to lure investors to the Province, it is currently assisting the Office of the Premier and the NWU with an Innovation Strategy for the Province that will include an Innovation Highway Office and satellites.

CONCLUSION

This overview would not be complete without acknowledging that there have been adverse audit findings, as reflected in the relevant section contained in this report. The NWDC takes these to heart and with the full support of the Board of Directors, Audit and Risk Committee and NWDC Management, remedial action plans shall be put in place and stringently monitored. Related to that, the financial statements reveal declining cash flows and asset values, which shall be addressed in the next fiscal, together with a number of historical challenges facing the organisation, such as the amalgamation of entities into the NWDC that had been plagued by deficient resources.

To the Shareholder and the Board of Directors, I would like to salute you for your guidance, oversight, hard work, encouragement as well as your constructive criticism as we traverse this path to turn the NWDC into a first-class entity. In the words of Frank A. Clark: "Criticism, like rain, should be gentle enough to nourish a man's growth without destroying his roots".

Without the management and staff of the NWDC, all of these achievements would not have been possible. *Bene factum*!

Lemogang Moletsane
Acting Chief Executive Officer

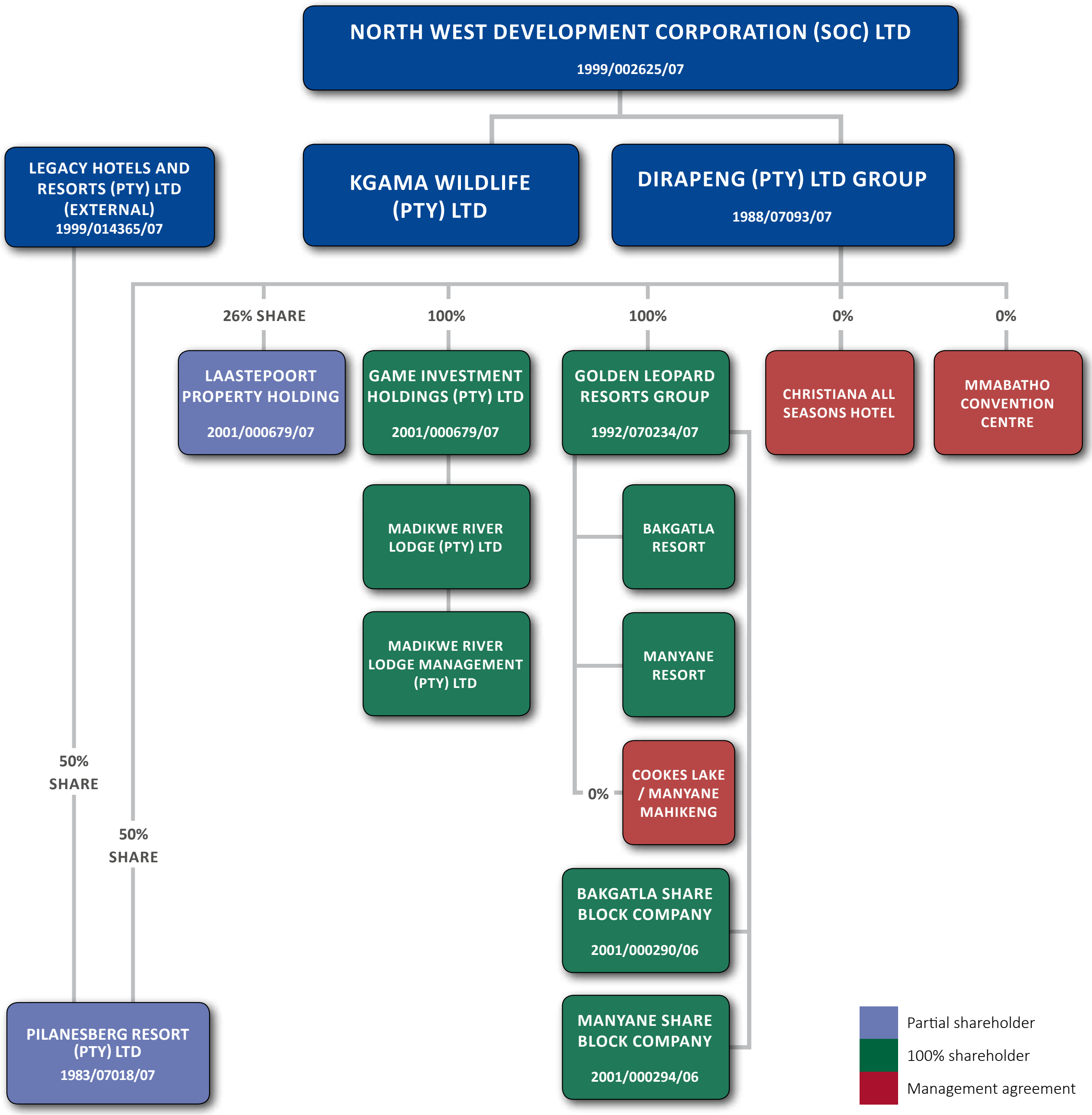
9. Shareholding Structure

The NWDC acquired the Christiana Hotel and Game Farm during April 2015.

At its fifth meeting of 2015 of the Bokone Bophirima Executive Council, it was resolved that the NWDC should take over Dirapeng in its entirety. Dirapeng was transferred from the former Parks and Tourism Board to the NWDC in April 2015. Dirapeng consist of four companies (Pilanesberg Resorts, Laastepoort Property Holdings, Game Investment Holdings & Golden Leopard Resorts) of which two namely Pilanesberg and Laastepoort are partially owed. Cookes Lake is managed by Golden Leopard Resorts on behalf of the erstwhile Parks and Tourism Board. The Christiana Hotel and Mmbatho Convention Centre are managed by Dirapeng on behalf of NWDC. The Game Investment Holdings (Pty) Ltd and Madikwe River Lodge Management (Pty) Ltd are dormant companies that are in the process of being deregistered.

The MEC for Finance, Economy & Enterprise Development handed over, as the responsibility of the NWDC, the management and administration of the Mmabatho Convention Centre effectively 1 December 2015.

The NWDC is the 100% share owner of Kgama Wildlife (Pty) Ltd effective April 2015. There are no financial liabilities for the NWDC relating to this transaction as this company did not trade for the last 12 months. The North West Parks Board took over all the staff of Kgama Wildlife (Pty) Ltd and this company remains a 100% subsidiary of the NWDC.



PART B
PERFORMANCE INFORMATION

1. Statement of Responsibility

STATEMENT OF RESPONSIBILITY FOR PERFORMANCE INFORMATION

The Chief Executive Officer is responsible for the preparation of the Public Entity's performance information and for the judgements made therein.

The Chief Executive Officer is responsible for establishing and implementing a system of internal control designed to provide reasonable assurance as to the integrity and reliability of performance information.

In my opinion, the performance information fairly reflects the actual achievements against planned objectives, indicators and targets as per the strategic and annual performance plan of the Public Entity for the financial year ended 31 March 2016.

The North West Development Corporation (SOC) Ltd performance information for the year ended 31 March 2016 has been examined by the external auditors and their report is presented on pages 4 and 5 of the Auditors Report.

The performance information of the entity set out on page 18 to 34 was approved by the Board of Directors.

2.Auditor's Report: Predetermined Objectives

The Auditor-General South Africa (AGSA) currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on performance against predetermined objectives is included in the Report to Management, under the Predetermined Objectives heading in the Report on other legal and regulatory requirements' section of the Auditor's Report.

Refer to pages 4 and 5 of the Auditors Report, published as Part E: Financial Information.

3. Overview of Performance

The Corporation's Performance Information provides results in terms of priorities set in line with the strategic goals for the financial year 2015/2016. The report is a combination of Quarter 1, 2, 3 and 4 on achievements, progress made and challenges encountered.

The Corporation's mandate as per outlined goals of the strategic plan is to ensure strategic implementation of the Department of Finance, Economy and Enterprise Development and to increase the developmental impact through the property portfolio, SMME funding and project management by leveraging the private sector investment and thereby creating new job opportunities.

The strategic deliverables as outlined by the Board of Directors for the year under review have been streamlined to realise the most efficient and effective ways of maximizing delivery and profitability. The performance of the Corporation was consistently monitored through performance reports, considered by management and respective Board Committees on a quarterly basis.

3.1 SERVICE DELIVERY ENVIRONMENT

During the year under review, it was evident that the NWDC exceeded its target in providing services to the public. Despite the challenges faced by the NWDC, the entity managed to perform through the development, support and funding of the SMMEs within the Bokone Bophirima Province in line with the VTSD focus.

In addition, the NWDC had a significant demand for services and training from clients which could not be met due to limited resources. The delivery of NWDC's services was greatly inspired by the vision of Bokone Bophirima Premier Supra Mahumapelo to uplift the economies of Villages, Townships and Small Dorpies (VTSDs). As a result, and as is evident in the narratives contained in this report, the NWDC embarked on a number of special projects aimed at empowering these rural areas of the Province. Examples of such projects focused in villages, townships and small dorpies include registering various co-operatives, especially in the hair salon and tuck shop sectors, the hosting of two trader's markets in which local SMMEs were provided with access to a market to showcase and sell their products and a VTSD Golf Day held in Ventersdorp. Moreover, as far as is possible, the NWDC aims to procure from local service providers whenever projects or events are held throughout the Bokone Bophirima Province.

3.2 ORGANISATIONAL ENVIRONMENT

The year under review saw significant progress made in designing and finalising an organisational structure, an aspect which remained a challenge following the merger of three organisations that commenced in 2013.

In the 2015/2016 financial year, six (6) project managers were appointed on contract with the aim of successfully delivering the key strategic projects which the Shareholder tasked the entity to implement.

3.3 KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

There were no policy developments or legislative changes during the period under review.

3.4 STRATEGIC OBJECTIVES

The strategic goals of the North West Development Corporation as encapsulated in the mission statement are pursued alongside upholding the organisation's values. The table that follows contains the North West Development Corporation's strategic goals.

STRATEGIC GOALS	STRATEGIC OBJECTIVES
Good Corporate Governance through effective shared services	To provide litigation and contract management support to the organisation
	To ensure compliance and good corporate governance, monitoring of the Organisation's performance, support systems and processes to achieve the organisations goals
	Effective knowledge management
	Effective Stakeholder relations and management
	To ensure sound risk management
	To support units through recruitment of human resources, skills development, sound labour relations, technology and necessary resources and support
	To ensure sound financial management and effective utilisation of resources
Equitable economic growth and development through enterprise development	Job and income creation for especially the youth, women and people with disabilities as part of the economic empowerment program of the government of Bokone Bophirima
	Sector and industry development and support
Equitable economic growth and development through investment growth/finance	To identify and facilitate sustainable commercially viable investment towards creating revenue that would finance projects intended to boost economic development in the province of Bokone Bophirima
	Ensure the self-sustainability of the Corporation and create surpluses that contribute to the provincial revenue by ensuring maximum utilisation of property assets
	To identify and facilitate sustainable commercially-viable investments
Equitable economic growth and development through development and support	Achieve sustainable sectors growth in line with provincial government priorities
	Position the North West Province as a key trade and investment destination
	Support Provincial Infrastructure Development Strategy

4. Performance Information by Programme

4.1 PROGRAMME 1: SUPPORT SERVICES

Purpose of the Programme: To deliver on the organisation's mandate and strategy as per the shareholders compact

SUB-PROGRAMME 1.1: OFFICE OF THE CEO

STRATEGIC OBJECTIVE	PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2014/2015	PLANNED TARGET 2015/2016	ACTUAL ACHIEVEMENT 2015/2016	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2015/2016	COMMENTS ON DEVIATIONS
To provide strategic and administrative leadership to the organisation in pursuit of good governance	85% delivery of all programmes of the organisation based on the outcomes	67%	85%	82.2%	2.8%	**Underachievement** Target could not be achieved due to the vacancies of critical positions within the Corporation. Microstructure was approved by the Board on 19 February 2016 and the migration and placement are in progress. Despite the achievement, the following challenges were experienced by NWDC: • State of the properties (dilapidated and needs to be renovated) • Projects still in infancy stage • Finalisation of SEZ designation still with the ministry of Trade & Industry

NARRATIVE

The overall organisational performance of the NWDC calculated to 82.7% and the target of 85% was therefore not met due to the following challenges experienced during the period under review:

- The micro-structure was only approved on 19 February 2016 which led to critical vacant positions not filled;
- The state of the properties of the NWDC (dilapidated and needs to be renovated);
- Projects that were still in infancy stage;
- Finalisation of SEZ designation still with the Ministry of Trade & Industry.

STRATEGY TO OVERCOME AREAS OF UNDERPERFORMANCE

- The approval of the organisational structure led to employees being placed into the new structure and the NWDC can capacitate units with the filling of vacant positions.
- The maintenance of the properties to commence to enable the NWDC to increase the vacancy rate that will lead to more income generation.
- The appointment of project managers to ensure the implementation of strategic investments into the Bokone Bophirima Province.
- Engagements regarding investment opportunities will be carried out to ensure monitoring thereby stimulating the investment opportunities in the province.
- The NWDC plans to engage with the Shareholder to assist with the process of obtaining the approval of the designation license. As soon as the license is granted, funding will become available for the infrastructure projects.

LINKING PERFORMANCE WITH BUDGETS

The financial information as presented in the table below outline the Office of the CEO's expenditure:

SUB-PROGRAMME NAME	2015/2016			2014/2015		
	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE
Office of the CEO	8 661 000	10 339 000	(1 678 000)	7 279 000	9 271 775	(1 992 775)
TOTAL	**8 661 000**	**10 339 000**	**(1 678 000)**	**7 279 000**	**9 271 775**	**(1 992 775)**

SUB-PROGRAMME 1.2: FINANCIAL MANAGEMENT

STRATEGIC OBJECTIVE	PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2014/2015	PLANNED TARGET 2015/2016	ACTUAL ACHIEVEMENT 2015/2016	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2015/2016	COMMENTS ON DEVIATIONS
To provide effective and efficient financial management within the organisation	Number of budget preparation and implementation reports produced	-	13	14	1	**Target exceeded** The annual target was 13 and the quarterly target was planned incorrectly and resulted in the target exceeded
	Number of financial statements submitted to Provincial Treasury and Auditor-General	-	25	22	3	**Underachievement** The underachievement in Q2 and Q3 was as a result of the MEC's request to submit the reports within 7 days after the end of the quarter. Therefore, the report for the last month of the quarter was not yet available
	Number of approved compliant procurement plan(s)	-	1	1	0	**Achieved**
	Number of supply chain management compliance monitoring reports	-	12	11	1	**Underachievement** The December 2015 report was not available at the time of reporting. This was also due to the MEC's request to submit the reports within 7 days
	Number of asset management reports	-	2	1	1	**Underachievement** The underachievement is due to lack of capacity
	Number of compliance reports on internal control submitted to the CFO	-	4	0	4	**Underachievement** Management has not yet established an Internal Control Unit. The function will reside within the Risk Unit. This Unit was not yet fully resourced because the microstructure was only approved on 19 February 2016. However, this function was performed in the meantime by the internal auditors
	Develop and implement Board-approved Risk Register	-	1	0	1	**Underachievement** The risk register is still in draft format
	Number of risk control and mitigation reports	-	12	6	6	**Underachievement** The underachievement is due to lack of capacity
	Number of Risk Management Reports through continuous monitoring and evaluation	-	4	4	0	**Achieved**

NARRATIVE

The Financial Management unit experienced a number of challenges during the year under review, which resulted in some of the targets not achieved. The Risk Management unit was not fully resourced and the Risk Manager was requested to assist with the property unit due to pressures in that unit as well. Internal Control unit was also not established and even though functions were performed by Internal Audit, Management could not report on them as they were already reported Internal Audit as deliverables. The Asset Management unit remained under resourced for the year. Therefore, the main challenge is that of capacity. This was compounded by the acquisition of subsidiaries and the acquisition and management of Christiana Hotel as well as the management of the Convention Centre. This increased the burden on the already overstretched staff.

STRATEGY TO OVERCOME AREAS OF UNDERPERFORMANCE

Critical positions have been filled and all the other positions are advertised. This will address the capacity matters. The Asset Management unit has been integrated into the Supply Chain Management unit to ensure a narrower span of control and optimum utilisation of the resources. The Risk Management unit has been moved to the office of the CEO in order to get attention at a more strategic level.

The management of the Christiana Hotel has been transferred to the Dirapeng Group (Subsidiary of the NWDC). The Task Team was established to assist with the management of the Dirapeng Group. The NWDC however still maintains the overall control of the subsidiaries.

LINKING PERFORMANCE WITH BUDGETS

The financial information as presented in the table below outline the Finance Unit's expenditure:

SUB-PROGRAMME NAME	2015/2016			2014/2015		
	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE
Financial Management	19 130 000	26 905 000	(7 775 000)	24 019 000	32 901 037	(8 882 037)
TOTAL	**19 130 000**	**26 905 000**	**(7 775 000)**	**24 019 000**	**32 901 037**	**(8 882 037)**

Cooperatives progressing raw material at the Bojanala Alternative Building Material Factory. The NWDC on behalf of the Bokone Bophirima Province successfully established an Alternative Building Material Factory in Kosmos, Madibeng, Hartebeespoort Dam. The factory has employed two local cooperatives, women and youth. It is producing building panels from recycling material with the aim of reducing building costs and time.

SUB-PROGRAMME 1.3: CORPORATE SERVICES

STRATEGIC OBJECTIVE	PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2014/2015	PLANNED TARGET 2015/2016	ACTUAL ACHIEVEMENT 2015/2016	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2015/2016	COMMENTS ON DEVIATIONS
To maintain effective communication relations with internal and external stakeholders of the organisation	Number of adverts, events & brand material produced	-	16	16	0	**Achieved**
	Number of stakeholder engagement initiatives	-	16	16	0	**Achieved**
	Number of property marketing initiatives	-	6	6	0	**Achieved**
	Number of SMME marketing initiatives	17	6	6	0	**Achieved**
	Number of products/ opportunities promoted	-	10	10	0	**Achieved**
To ensure the provision of ICT services by implementing the ICT strategy	Number of quarterly reports on ICT services rendered within the organisation	0	4	4	0	**Achieved**
To provide comprehensive and professional legal support to the organisation	Number of reports on written legal opinions and legal advice	-	4	5	1	**Target exceeded** The Legal Unit received more requests for legal opinions and legal advice
	Number of service level agreements/ contracts drafted	-	16	12	4	**Underachievement** Contracts drafted and sent to relevant units, however, at the time of submission signed contracts have not yet been returned
	Number of reports on litigation management	-	4	4	0	**Achieved**
	Percentage recovery of bad debt	8%	12%	7.8%	4.2%	**Underachievement** Target could not be achieved due to lack of capacity
	Quarterly updated register of Title Deeds, Lease Agreements and Offers to Rent/ Sell/Purchase	-	4	4	0	**Achieved**
To provide and promote strategic human resource management	Number of progress reports on the implementation of the Performance Management System	0	4	4	0	**Achieved**

SUB-PROGRAMME 1.3: CORPORATE SERVICES (CONTINUED)

STRATEGIC OBJECTIVE	PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2014/2015	PLANNED TARGET 2015/2016	ACTUAL ACHIEVEMENT 2015/2016	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2015/2016	COMMENTS ON DEVIATIONS
To provide and promote strategic human resource management (continued)	Number of labour relations reports (investigations, grievances and CCMA)	-	4	4	0	**Achieved**
	Number of human resource plan implementation reports	-	4	4	0	**Achieved**
	Submission of Annual Workplace Skills Plan	1	1	1	0	**Achieved**
	Submission of Employment Equity Plan	-	1	1	0	**Achieved**
	Number of reports on the implementation of the organisational development	-	4	2	2	**Under-achievement** No training was done during Q1 and Q4
	Implement-approved organisational structure	-	1	1	0	**Achieved**
	Number of reports on the implementation of the organisation's Employee Health & Wellness Plan	3	4	3	1	**Underachievement** Due to the strike in March 2016, the TB Awareness event could not take place as planned
To monitor and evaluate the impact of the organisation's projects, programmes and initiatives	Compile, review and submit approved Shareholders Compact	0	1	1	0	**Achieved**
	Compile, review and submit approved Strategic Plan	0	1	2	1	**Target exceeded** The Strategic Plan and Annual Performance Plan for 2015/16 were submitted on 2 April 2015 and felt outside the timeframe of 31 March 2015
	Compile, review and submit approved Annual Performance Plan	0	1	2	1	
	Compile and submit quarterly reports	4	4	4	0	**Achieved**
	Compile and submit the approved annual report	1	1	1	0	**Achieved**
	Number of monitoring and evaluation reports produced	4	4	4	0	**Achieved**

NARRATIVE

Marketing & Communications: During the year under review, the responsibility of the Marketing and Communications Unit ranged from corporate and stakeholder communications to branding, marketing, advertising and product promotion, as well as hosting several events and launches pertaining to special projects and the drive to empower villages, townships and small dorpies (VTSDs). Despite many demands outside of the unit's APPs, the unit performed exceptionally well by reaching 100% of their set targets. Highlights of the year under review include facilitating the participation and exposure of provincial SMMEs at both the 2015 Manufacturing Indaba and the 2016 Africa Energy Indaba, spearheading and hosting two traders markets, rebranding the NWDC with its new logo and bolstering the NWDC brand during various stakeholder and CSI events such as extensive Mandela Day projects and a VTSD Golf Day held in Ventersdorp.

In addition, the unit also bolstered the marketing reach of NWDC's tourism portfolio and managed to run various successful campaigns such as the Sizzling November Special at the Golden Leopard Resorts (Dirapeng) that generated R615 000 of revenue for one month.

Legal Services: The unit did not achieve all its targets during the 2015/16 financial year. The underperformance was due to the lack of capacity and the recovery of bad debt remains a serious challenge.

Human Resources: The unit performed well during the year under review. However, the NWDC did not design the Training and Development Plan according to the needs identified within the NWDC. The employee wellness event scheduled for Q4, as planned, could not take place due to the strike by employees.

Monitoring and Evaluation: The unit performed well and achieved all its targets during the year under review. The submission of the Strategic Plan 2015-2020 and the Annual Performance Plan for 2016/2017 was made timeously. Quarterly reporting was done and presented to the Portfolio Oversight Committee. Quarterly performance review sessions were held to ensure that the units better their performances and correct measures were implemented for improved performance.

STRATEGY TO OVERCOME AREAS OF UNDERPERFORMANCE

Legal Services: The NWDC appointed a service provider to collect the bad debt for the Corporation. The unit is confident that good progress will be made during the 2016/2017 financial year.

Human Resources: The process of the migration and placement commenced during March 2016 and will be finalised in Q1 of 2016/2017. This will bring stability within the NWDC and attend to the lack of capacity matters. The NWDC also embarked upon extensive training to all employees regarding the performance management system. The annual Workplace Skill Plan was designed and implemented in the next financial year. The unit also presented to the employees the opportunities regarding financial wellness education.

LINKING PERFORMANCE WITH BUDGETS

The financial information as presented in the table below outline the Corporate Services Unit's expenditure:

SUB-PROGRAMME NAME	2015/2016			2014/2015		
	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE
Corporate Services	69 344 000	71 506 000	(2 162 000)	99 016 000	59 325 849	39 690 151
TOTAL	**69 344 000**	**71 506 000**	**(2 162 000)**	**99 016 000**	**59 325 849**	**39 690 151**

SUB-PROGRAMME 1.4: ECONOMIC RESEARCH, POLICY DEVELOPMENT AND PLANNING

STRATEGIC OBJECTIVE	PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2014/2015	PLANNED TARGET 2015/2016	ACTUAL ACHIEVEMENT 2015/2016	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2015/2016	COMMENTS ON DEVIATIONS
To facilitate and undertake research that will inform the development and review of economic development plans, policies and strategies in alignment with national and provincial priorities	Quarterly Economic Data Report	4	4	4	0	**Achieved**
	Quarterly Research and Development Activity Report	-	4	4	0	**Achieved**

NARRATIVE

In a global and national economic environment, where the global growth outlook was lowered from 3.5% to 3.1% for 2015 and for the South African economy from 2% to 1.3%, it is important to identify opportunities that will position the BBP to achieve their growth objective of 6% per annum in future. A positive aspect is that in terms of The Global Competitiveness Report 2015/2016, South Africa was ranked no 49 out of 144 economies in 2015, up from number 56 in 2014.

Other contributions by the Research Unit include an Outbound Mission Framework and Policy, a Draft Investment Policy, content for the North West Opportunity Booklet, the situational analysis for the NWDC Strategic Plan, a total of 125 desktop studies and intelligence items sourced, analysed, compiled and integrated into other reports to internal and external clients. Assistance was also provided with a presentation by NWDC to various audiences.

A concept plan and budget were compiled on innovation in the Bokone Bophirima and the role of NWDC. The NWDC and TIA jointly exhibited at the launch of the Science and Technology Week at the North West University on the 1st of August 2015 to support innovation. At present, the NWDC is assisting the Office of the Premier and the North West University with an Innovation Strategy for the NWP that will include an Innovation Highway Office and satellites.

The Research Unit members also assisted as project leaders on special short projects including the Bulk Purchase for Tuck Shops and the Fresh Produce Markets projects. Assistance was also provided with the administration and liaison for the Hair Salon project.

LINKING PERFORMANCE WITH BUDGETS

The financial information as presented in the table below outline the Economic Research, Policy Development and Planning Unit's expenditure:

SUB-PROGRAMME NAME	2015/2016			2014/2015		
	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE
Economic Research, Policy Development and Planning	3 000 000	3 601 000	(601 000)	5 804 000	1 024 077	4 779 923
TOTAL	**3 000 000**	**3 601 000**	**(601 000)**	**5 804 000**	**1 024 077**	**4 779 923**

4.2 PROGRAMME 2: ENTERPRISE CREATION, DEVELOPMENT AND SUPPORT

Purpose of the Programme: To contribute towards equitable economic growth and development through enterprise development.

SUB-PROGRAMME 2.1: SMME COOPERATIVE SUPPORT

STRATEGIC OBJECTIVE	PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2014/2015	PLANNED TARGET 2015/2016	ACTUAL ACHIEVEMENT 2015/2016	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2015/2016	COMMENTS ON DEVIATIONS
To assist SMMEs through sector and industry development support	Number of enterprise centres (incubation centres) developed	-	4	7	3	**Target exceeded** The demand and the need for these services were very high
	Number of companies registered	-	200	216	16	**Target exceeded** The influx was very high
	Number of SMMEs supported	-	200	335	135	**Target exceeded** The influx was very high
	Number of SMMEs trained	-	100	572	472	**Target exceeded** The need for training was very high and due to the NWDC being trusted by the market for this service, SMMEs attended the training programmes
	Funding disbursed for SMME financing	R16,782 m	R10 m	R15,864 m	R5,864 m	**Target exceeded** Access to funding was of high priority to SMMEs and the NWDC serviced the market

NARRATIVE

The new SMME Fund Model only came into operation in August 2015. Although it meant just one month before the end of the second quarter, the SMME Unit performed very well to achieve results that are being published in the annual report.

The achievements have been outstanding despite limited resources, both human and capital. Ultimately, the results were achieved through the performance of the third and the fourth quarter.

Outstanding results have been on both financial and non-financial activities. Financial results were achieved mainly due to the unit's efforts in responding to the huge demand for loans applications, driven mostly by aggressive marketing support by the Bokone Bophirima's Setsokotsane Programme.

The need for business support and training were largely identified through the Setsokotsane Programme, and the unit's team interaction with communities.

LINKING PERFORMANCE WITH BUDGETS

The financial information as presented in the table below outline the SMME Cooperative Support Unit's expenditure:

SUB-PROGRAMME NAME	2015/2016			2014/2015		
	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE
SMME Cooperative Support	10 639 000	11 098 000	(459 000)	6 866 000	259 282	6 606 718
TOTAL	**10 639 000**	**11 098 000**	**(459 000)**	**6 866 000**	**259 282**	**6 606 718**

SUB-PROGRAMME 2.2: COOPERATIVES SUPPORT

STRATEGIC OBJECTIVE	PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2014/2015	PLANNED TARGET 2015/2016	ACTUAL ACHIEVEMENT 2015/2016	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2015/2016	COMMENTS ON DEVIATIONS
To assist towards creating jobs and income for the youth, women and people with disabilities as part of the economic empowerment program of the government of Bokone Bophirima, through cooperatives	Number of cooperatives registered	-	12	25	13	**Target exceeded** The influx was very high
	Number of jobs created	-	60	74	14	**Target exceeded** The influx was very high

NARRATIVE

Deliberate efforts were made to reach out to cooperatives, which were only considered for assistance for the first time in this financial period and through this effort, the unit exceeded its targets.

4.3 PROGRAMME 3: INVESTMENT GROWTH & FINANCE

Purpose of the Programme: To contribute towards equitable economic growth and development through investment growth and finance.

SUB-PROGRAMME 3.1: CORPORATE FINANCE

STRATEGIC OBJECTIVE	PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2014/2015	PLANNED TARGET 2015/2016	ACTUAL ACHIEVEMENT 2015/2016	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2015/2016	COMMENTS ON DEVIATIONS
To identify and facilitate sustainable commercially viable investments towards creating revenue that would finance projects intended to boost economic development in the Province of Bokone Bophirima	Equity Funding Framework approved	-	1	0	1	**Underachievement** The Equity Funding Framework not yet approved
	Number of equity investments	-	5	0	5	**Underachievement** Target is dependent on the approval of Equity Funding Framework which was not finalised in 2015/2016
	Percentage growth in property portfolio	-	10%	5.1%	4.9%	**Underachievement** In the year 2015/2016, NWDC's focus was on improving the conditions of the properties, and this required a substantial financial commitment by the NWDC

NARRATIVE

The Corporate Finance Unit was not yet established during the year under review.

STRATEGY TO OVERCOME AREAS OF UNDERPERFORMANCE

The Equity Funding Framework is currently in the drafting process and will be approved and implemented in the next fiscal year.

SUB-PROGRAMME 3.2: PROPERTY DEVELOPMENT AND MANAGEMENT

STRATEGIC OBJECTIVE	PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2014/2015	PLANNED TARGET 2015/2016	ACTUAL ACHIEVEMENT 2015/2016	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2015/2016	COMMENTS ON DEVIATIONS
To ensure the self-sustainability of the Corporation and create surpluses that contribute to the provincial revenue by ensuring maximum utilisation of property assets	Annual revision of rates per m²	-	1	1	0	**Achieved**
	Percentage of increase in occupancy rate	3%	6%	0.6%	5,4%	**Underachievement** The conditions of lettable properties were low in the year 2015/2016
	Percentage increase in rental revenue	-	5%	-0.5%	5%	**Underachievement** Target could not be achieved due to the fact that in 2015/2016, NWDC's focus was on improving the conditions of the properties, and this required a substantial financial commitment by the NWDC
	Maintenance expenditure as a percentage of total revenue	-	6%	4%	2%	**Underachievement** Lack of property assessment in 2015/2016 led to the non-achievement of the target
	Number of properties renovated	-	10	30	20	**Target exceeded** The demand for factory space has increased and the NWDC had to upgrade the properties to keep them at a desirable standard
	Percentage reduction in property portfolio debtors book	-	2%	5,25%	3,25%	**Target exceeded** Due to the newly improved processes, the unit focused on debt collection and therefore the reduction in the property portfolio debtors book

NARRATIVE

The redeployment of one of the experienced area managers to assist as a task team member at Dirapeng has to some extent affected the continuity in the unit. However, to overcome such limitation, the eastern region consisting of Mogwase, Rustenburg, Garankuwa and Babelegi branches were split into two sub-regions and two senior tenant coordinators were appointed to act as regional coordinators. The two area coordinators at first needed to be capacitated to be able to manage their portfolios effectively but are now operating the regions in a satisfactory manner. The main strategy for the unit was to maintain the standard that was already set and steadily move towards improvement of the areas that needed such improvement namely contracting using market value prices, defining the administration processes and planning for maintenance.

The property division has now been streamlined in terms of compliance with the Fixed Assets Policy, Rental Administration Policy and Procedures and the Policy for the Rental Residential Properties, which are the governing property policies of the NWDC.

STRATEGY TO OVERCOME AREAS OF UNDERPERFORMANCE

In order to overcome future causes for underperforming, the Property Unit will ensure that the job descriptions and performance agreements for positions in the unit are in line with the annual performance plans and more importantly, to increase focus on client services and satisfaction.

LINKING PERFORMANCE WITH BUDGETS

The financial information as presented in the table below outline the Corporate Finance Unit's expenditure:

SUB-PROGRAMME NAME	2015/2016			2014/2015		
	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE
Property Development and Management	73 245 000	64 666 000	8 579 000	75 729 000	44 425 077	31 303 923
TOTAL	**73 245 000**	**64 666 000**	**8 579 000**	**75 729 000**	**44 425 077**	**31 303 923**

4.4 PROGRAMME 4: TRADE AND SECTOR DEVELOPMENT

Purpose of the Programme: To facilitate the growth and development of economic opportunities through agro-processing, mining beneficiation, manufacturing and the green economy sectors in villages, townships and small dorpies.

SUB-PROGRAMME 4.1: SECTOR AND INDUSTRY DEVELOPMENT & SUPPORT

STRATEGIC OBJECTIVE	PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2014/2015	PLANNED TARGET 2015/2016	ACTUAL ACHIEVEMENT 2015/2016	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2015/2016	COMMENTS ON DEVIATIONS
To facilitate the growth and development of economic opportunities within the agro-processing, mining beneficiation, manufacturing and the green economy sectors in villages, townships and small dorpies	Number of projects implemented in villages	-	4	1	3	**Underachievement** Lack of resources led to the non-achievement of the target. Project managers have since been appointed in Q4, 2015/16
	Number of projects implemented in townships	-	3	2	1	**Underachievement** Lack of resources led to the non-achievement of the Target. Project managers have since been appointed in Q4, 2015/16
	Number of projects implemented in small dorpies	-	2	4	2	**Target exceeded** Lack of resources led to the non-achievement of the target. Project managers have since been appointed in Q4, 2015/2016

NARRATIVE

Tuck-shop Economy Project: The potential financial ramifications of the magnitude of the aforementioned project have entailed that the project undergoes a change management process. A task team was subsequently established to interrogate the viability of the proposed project models. Due diligence is underway on the said models and the comprehensive report recommending the most viable model most aligned with the key objectives of the project. Slight unintended delays on implementation are primarily attributable to the aforementioned.

Enterprise Development Centres: There is a lack of coordination and integration of business development services rendered to SMMEs and Cooperatives. Business development and support services and integration of service offerings will result in an ideal one-stop-shop to present a single citizen proposition to SMMEs and cooperatives. The Department of Small Business Development is tasked with the responsibility to lead an integrated approach to the promotion and development of small businesses and cooperatives through a focus on the economic and legislative drivers.

Alternative Building Material: NWDC is tasked with the responsibility of facilitating the establishment of alternative building material factories in all four districts in Bokone Bophirima. The project is aimed at reducing poverty and unemployment within Bokone Bophirima. To date one (1) out of a total of four (4) factories has been established at Hartebeespoort, in Madibeng, Bojanala District. Two cooperatives, youth and women have been employed in the project. A plan to roll-out the next factories in Dr Kenneth Kaunda and Ngaka Modiri Molema District simultaneously by the end of March 2017 is under way.

Bakeries: To date, NWDC managed to engage with ten (10) cooperatives from the database received from FEED and local municipalities based in Villages, Townships and Small Dorpies. All cooperatives are gender-balanced and cater both for women and youth. Out of ten cooperatives, five have registered and another five are in the process of registration. The Service Level of Agreement between NWDC and bakery beneficiaries was completed on 3 February 2016. The tender bidding for movable bakery containers was advertised and applied for. The issue of water in Transnet bakeries has been addressed. Slow assistance from municipalities also had time-consuming effects on the progress of the project. Some of the factors that hindered progress is some of the community members of areas identified not meeting the necessary requirements such as not having registered cooperatives.

Bobo Collectives: Bobo Collectives is an initiative of the NWDC whose focus is to create a conducive environment for SMMEs who are involved in the fashion, arts and craft sectors. This project will encompass all four districts in the province. To date, a successful photo shoot was held in Potchefstroom. Subsequent to the photo shoot, the Bobo collective's visits on the website grew and interest was generated from interested buyers. At least three fashion shows are planned for the next financial year. In addition, a huge buyer's market will be created before the end of the year.

STRATEGY TO OVERCOME AREAS OF UNDERPERFORMANCE

Milestones and deadlines have been established that will ensure the establishment of one warehouse, a key objective of the project, is achieved in July 2016.

Enterprise Development Centres: Align the establishment of the EDC with the national colocation programme and the National Development Plan with the objective of removing inefficiencies and inconsistencies across the small business development service value chain.

Alternative Building Material: A project plan with clear deliverables has been developed to ensure the smooth establishment of the next factories. Lessons learnt from the established factory are taken into consideration to improve on the establishment of the next factories.

SUB-PROGRAMME 4.2: TRADE AND INVESTMENT PROMOTION & FACILITATION

STRATEGIC OBJECTIVE	PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2014/2015	PLANNED TARGET 2015/2016	ACTUAL ACHIEVEMENT 2015/2016	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2015/2016	COMMENTS ON DEVIATIONS
To position the North West Province as a key trade and investment destination	Number of investments into the Province (SEZ 3 and Investment Promotion 3)	-	6	0	6	**Underachievement** Projects have not reached financial closure and suitable funding arrangements were still a challenge
	Value of investment projects brought into the Province	-	R180 m	R0 m	R180 m	**Underachievement** Declining investment in the mining sector in the Province mainly because of falling commodity prices The drought situation has made investment in agro-link projects riskier Absence of new project funding
	Number of local trade and investment initiatives facilitated	-	24	25	1	**Target exceeded** NWDC exceeded initiatives facilitated by just one more initiative, so generally, this was according to plan
	Number of outbound trade and investment missions facilitated	0	3	3	0	**Achieved**
	Number of inbound trade and investment missions facilitated	0	3	5	2	**Target exceeded** The NWDC endeavours to meet every business mission into the Province. Conversion of the visits into actual deals still outstanding
	Number of trade and investment initiatives implemented with the local and district municipalities	-	6	8	2	**Target exceeded** Liaising with municipalities to identify opportunities for trade and investment
	Number of projects appraised and packaged for promotion and funding	-	15	20	5	**Target exceeded** 5 more projects than planned were appraised for promotion but some additional projects did not have champions to drive them
	Number of export-ready companies assisted with access to new markets	-	10	17	7	**Target exceeded** 14 companies which were taken to Global Expo in Botswana from 24-29 November 2015. Some of the companies were linked to specific opportunities
	Number of companies linked to new markets	-	30	33	3	**Target exceeded** The actual number of companies assisted was slightly greater than target due to closer collaboration with other stakeholders

NARRATIVE

The NWDC organised for 14 companies from the Province to participate in the Global EXPO, hosted by Botswana Export Development and Investment Authority (BEDIA) in Botswana from 24-29 November 2015.

Other highlights for some SMMEs that participated in the Global Expo includes:

- Phina's Travel Agency established relationship with Central Kalahari Wild Tours; exchange travel packages with Dusk Travel and Glam Creations/Tecla Evans.
- EBJ Mining found partners interested in facilitating tendering in Botswana.
- Green IT Solar identified potential partners to represent them in Botswana and will be developing these leads in 2016.
- Green Buds found clients interested in franchising their model and were assisted with government contacts in Botswana.
- Moroeng Projects found several leads to supply bottle containers and will be seeking financing to manufacture.

The NWDC is coordinating and liaising with municipalities to identify and promote opportunities for trade and investment in municipalities across the Province.

The NWDC appointed Mazars Lemnis NTL Brenschots Consortium and gave them the green light to raise funding for piloting energy serving lights in interested municipalities in the Province. Jeka Resources, a solar company, was appointed by the NWDC to implement renewable solutions and is now seeking off-take agreements for tranches of 10MW to set up in the Province. The NWDC facilitated, an Indian-based company in the horticulture sector, to visit the Province in May 2015 to explore opportunities.

The Province has a basket of investment opportunities that are in the pipeline. Some of the opportunities identified have not taken off as there are no project champions to drive them to fruition. Funding for identified and scoped viable business opportunities in the Province remains a challenge. The persisting drought has left investment in agro-link projects in limbo.

STRATEGY TO OVERCOME AREAS OF UNDERPERFORMANCE

The NWDC will request for targeted missions to source for investment for key identified provincial projects in key source markets. The NWDC is seeking local and external funding for projects. The NWDC, in partnership with local institutions, can play a key-role in co-investing to unlock strategic projects and help reduce the risk inherent in new projects in this difficult economic environment.

LINKING PERFORMANCE WITH BUDGETS

The financial information as presented in the table below, outlines the Trade and Investment Promotion & Facilitation Unit's expenditure:

SUB-PROGRAMME NAME	2015/2016			2014/2015		
	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE
Trade and Investment Promotion & Facilitation	4 224 000	2 124 000	2 100 000	19 026 000	2 101 514	16 924 486
TOTAL	**4 224 000**	**2 124 000**	**2 100 000**	**19 026 000**	**2 101 514**	**16 924 486**

SUB-PROGRAMME 4.3: INFRASTRUCTURE DEVELOPMENT

STRATEGIC OBJECTIVE	PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2014/2015	PLANNED TARGET 2015/2016	ACTUAL ACHIEVEMENT 2015/2016	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2015/2016	COMMENTS ON DEVIATIONS
To support the Provincial Infrastructure Development Strategy	Special Economic Zone License granted	-	1	0	1	**Underachievement** Delay in the approval of the SEZ License submitted to the Department of Trade and Industry has resulted in the non-achievement of the target
	Number of infrastructure projects implemented	-	9	0	9	**Underachievement** Funds for infrastructure projects will be realised only after the designation license has been approved
	Number of Infrastructure projects funding facilitated	-	3	2	1	**Underachievement** Delays in the process of securing funding led to the non-achievement of the target

NARRATIVE

The challenge experienced has been the weakness by the Zone to attract huge investment due to the general poor global economic situation; this has been the experience for all the SEZs. To date, only two investments with a value ranging from R200 million and R500 million have been attracted in the two SEZ's. The **dti** has committed to play a greater role to support provinces in that regard. Two missions are now planned, one to China to leverage on the R600 million that the country has committed to invest in South Africa and another mission to the United States of America in the third quarter.

STRATEGY TO OVERCOME AREAS OF UNDERPERFORMANCE

The **dti** has subsequently agreed that the NWDC should incorporate Bodirelo Industrial Park into the SEZ and for new medium investments to be located at the Park. This new provision allows for Phase 1 of the Special Economic Zone to include the refurbishment of the existing factories and the location of such investment. In that regard, funding will be released for the infrastructure refurbishment from the Critical Infrastructure Fund and that will inform the decision to approve the application for designation.

5. Summary of Financial Information

5.1 REVENUE COLLECTION

SOURCES OF REVENUE	2015/2016			2014/2015		
	ESTIMATE	ACTUAL AMOUNT COLLECTED	(OVER)/UNDER COLLECTION	ESTIMATE	ACTUAL AMOUNT COLLECTED	(OVER)/UNDER COLLECTION
Revenue	115 735 000	115 774 000	(39 000)	181 635 000	109 155 000	72 420 000
Grants	86 878 000	86 878 000	-	40 937 000	35 269 000	5 668 000
Investment and other income	1 064 000	4 318 000	(3 254 000)	989 000	8 119 000	(7 130 000)
Other gains and losses	21 209 000	15 946 000	5 263 000	19 614 000	60 314 000	(40 673 000)
TOTAL	**224 886 000**	**222 916 000**	**1 970 000**	**243 202 000**	**212 857 000**	**30 345 000**

5.2 PROGRAMME EXPENDITURE

PROGRAMME NAME	2015/2016			2014/2015		
	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER COLLECTION	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER COLLECTION
Office of the CEO	8 661 000	10 339 000	(1 678 000)	7 279 000	9 271 775	(1 992 775)
Financial Management	19 130 000	26 905 000	(7 775 000)	24 019 000	32 901 037	(8 882 037)
Corporate Services	69 344 000	71 506 000	(2 162 000)	99 016 000	59 325 849	39 690 151
Economic Research, Policy and Planning Development	3 000 000	3 601 000	(601 000)	5 804 000	1 024 077	4 779 923
SMME Cooperative Support	10 639 000	11 098 000	(459 000)	6 866 000	259 282	6 606 718
Cooperatives Support	-	-	-	-	-	-
Corporate Finance	-	-	-	-	-	-
Property Development and Management	73 245 000	64 666 000	(29 579 000)	75 729 000	44 425 077	31 303 923
Sector and Industry Development & Support	-	-	-	-	-	-
Trade and Investment Promotion & Facilitation	4 224 000	2 124 000	(2 970 000)	19 026 000	2 101 514	16 924 486
Infrastructure Development	-	-	-	-	-	-
TOTAL	**188 243 000**	**190 239 000**	**(1 996 000)**	**237 739 000**	**149 308 611**	**88 430 389**

5.3 CAPITAL INVESTMENT, MAINTENANCE AND ASSET MANAGEMENT PLAN

INFRASTRUCTURE PROJECTS	2015/2016			2014/2015		
	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER COLLECTION	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER COLLECTION
Property	-	-	-	3 830 000	-	3 830 000
IT	-	-	-	1 788 000	458 000	1 330 000
Finance	-	-	-	1 546 000	706 000	840 000
TOTAL	**-**	**-**	**-**	**7 164 000**	**1 164 000**	**6 000 000**

PART C
GOVERNANCE

1. INTRODUCTION

Corporate Governance embodies processes and systems by which the North West Development Corporation are directed, controlled and held to account. In addition to legislative requirements based on the Companies Act, corporate governance with regard to the North West Development Corporation is applied through the precepts of the Public Finance Management Act (PFMA) and run in tandem with the principles contained in the King III Report on Corporate Governance.

The Department of Finance, Economy and Enterprise Development and the Board of Directors, the Executive and the Accounting Authority of the public entity are responsible for corporate governance.

2. EXECUTIVE AUTHORITY

The Board recognises its duty to ensure that the Shareholder is informed at all times of its corporate state of affairs. Information is communicated to the Shareholder and the public through:

- The Annual Report, which is distributed annually;
- The Annual General Meeting and other Shareholder meetings called to obtain approval for Board action as appropriate and as required;
- The quarterly performance and financial reports

The Board encouraged participation by the Shareholder or representative at the strategic planning session to ensure a high level of accountability and to ensure that the Shareholder remains informed about the Corporation's performance and goals.

3. ACCOUNTING AUTHORITY/BOARD

3.1 INTRODUCTION

The Board of Directors of the North West Development Corporation adopted the Board Charter as recommended in the Code of Governance Principles for South Africa (Code) during the current financial year.

3.2 THE ROLES AND RESPONSIBILITIES OF THE BOARD

The roles and responsibilities of the Board are to:

a) Act as the focal point for, and custodian of, corporate governance by managing its relationship with management, the Shareholder and other stakeholders of the company along sound corporate governance principles.

b) Provides strategic direction in line with the mandate.

c) Approve the strategic plan and provide oversight thereof.

d) Provide effective leadership on an ethical foundation and ensure that the Company's ethics are managed effectively.

e) Approve accounting policies, financial and other controls and any changes to them.

f) Approve the budget and forecasts.

g) Approve management initiatives, resource allocations and spending, subject to limitations as defined in the approved Delegations of Authority.

h) Ensure the risk management systems and procedures are in place to protect the Company's assets and reputation.

i) Approve the organisational structure, human resource plans, recruitment, development and succession of executive management, the assignment of executive management responsibilities, and the staff compensation strategy.

j) Approve the audit fee.

k) Any matter which would have a material effect on the Company's financial position, liabilities, future strategy or reputation.

l) Ensure that the Company complies with all relevant laws, regulations and codes of best business practice.

m) Review financial and operating results.

n) Provide counsel to the CEO and his/her team on critical matters.

o) Report annually to the Shareholder on all aspects of the Company's performance.

p) Evaluate the performance of the Board and of individual Board members.

q) Make recommendation of Board members and Executive Management Team.

r) Appreciate that stakeholder's perceptions affect the Company's reputation.

s) Act in the best interests of the Company by ensuring that individual Board Members:
   - Adhere to legal standards of conduct.
   - Are permitted to take independent advice in connection with their duties following an agreed procedure.
   - Disclose real or perceived conflicts to the Board and deal with them accordingly.

t) Commence business rescue proceedings as soon as the Company is financially distressed.

u) Appoint and evaluate the performance of the Chief Executive Officer.

3.3 DELEGATION

The Board delegates certain functions to well-structured Committees but without abdicating its own responsibilities. Delegation is formal and involves the following:

- Formal Terms of Reference are established and approved for each Committee of the Board.
- The Committees' Terms of Reference are reviewed once a year.
- The Committees are appropriately constituted with due regard to the skills required by each committee.
- The Board establishes a framework for the Delegation of Authority to management.

3.4 BOARD COMPOSITION

The Board existed in the current reporting financial year which comprised of nine Board Members in line with the Memorandum of Incorporation.

3.5 BOARD OF DIRECTORS QUALIFICATIONS, AREAS OF EXPERTISE AND BOARD DIRECTORSHIPS:

Below are the details pertaining to the current Board of Directors appointed by the MEC for Finance, Economy & Enterprise Development on 5 November 2014:

NAME & SURNAME	Mr B Khumalo
DESIGNATION	Chairperson
TERM IN OFFICE	1 August 2007 to date
QUALIFICATIONS	BA, BA Hons and Higher Diploma in Education (HDE)
AREAS OF EXPERTISE	Operations Management, Media Management, Economics Finance, Strategic Planning, Policy Development, Marketing, Advertising and Communications
BOARD DIRECTORSHIPS	• North West Development Corporation (Chairperson) • Anglo American Inyosi Coal (Pty) Ltd • Capital Edge Investments (Pty) Ltd • Minerals & Energy Development Board (Chairperson)
OTHER COMMITTEES	Nomination, Remuneration & HR Committee (NWDC)

NAME & SURNAME	Mr L Moletsane
DESIGNATION	Director
TERM IN OFFICE	1 October 2013 to date
QUALIFICATIONS	B.Com and MBA
AREAS OF EXPERTISE	Investment Structuring and Finance & Project Management
BOARD DIRECTORSHIPS	• Business Point • Woema Investment • Madikwe River Lodge
OTHER COMMITTEES	Acting CEO of the North West Development Corporation

NAME & SURNAME	Mr M Ndaba
DESIGNATION	Director
TERM IN OFFICE	1 May 2014 to 9 March 2016
QUALIFICATIONS	BA (Political Studies and Development Economics), MSc (Development Planning), Certificate Mineral Law for Industry Practitioners, Certificate Outcome Based Monitoring and Evaluation
AREAS OF EXPERTISE	Development Economics, Development Planning, Mineral Policy, Mining & Local Economic Development and Public & Private Partnerships, Outcomes Based Monitoring and Evaluation
BOARD DIRECTORSHIPS	None
OTHER COMMITTEES	Nomination, Remuneration & HR Committee (NWDC)

NAME & SURNAME	**Ms J Brown**
DESIGNATION	Director
TERM IN OFFICE	5 November 2014 to date
QUALIFICATIONS	B.Com Degree
AREAS OF EXPERTISE	Financial Management, Municipal Financial Management, Auditing, Project Management, Debt Management
BOARD DIRECTORSHIPS	• North West Transport Investment; • Audit Committee of North West Provincial Legislature and Bokone Bophirima Province
OTHER COMMITTEES	• Chairperson of Audit & Risk Committee (NWDC) • Member of the Social & Ethics Committee (NWDC)

NAME & SURNAME	**Adv T Seboko**
DESIGNATION	Director
TERM IN OFFICE	5 November 2014 to 4 March 2016
QUALIFICATIONS	BIuris, LLB
AREAS OF EXPERTISE	Commercial Law, Administrative and Constitutional Law, Environmental Law, Pharmacy Law and Medical Negligence, Drafting and Interpretation of Statutes
BOARD DIRECTORSHIPS	None
OTHER COMMITTEES	Chairperson of the Nomination, Remuneration & HR Committee (NWDC)

NAME & SURNAME	**Adv H Keyter**
DESIGNATION	Director
TERM IN OFFICE	5 November 2014 to date
QUALIFICATIONS	BA, BA Hons, BA Hons, BProc, LLB, LLM, LLM, LLM (Cum Laude) (University of Johannesburg)
AREAS OF EXPERTISE	Drafting and interpretation of contracts, Administrative and Municipal Law, Corporate Law, Political Studies and Psychology
BOARD DIRECTORSHIPS	• Retyek Holdings (Pty) Ltd • Retyek Industries (Pty) Ltd
OTHER COMMITTEES	• Member of the Audit & Risk Committee (NWDC) • Member of the Finance & Investment Committee (NWDC) • Member of the Board Tender Committee (NWDC)

NAME & SURNAME	**Mr A Fraser**
DESIGNATION	Director
TERM IN OFFICE	5 November 2014 to date
QUALIFICATIONS	BA (Hons)
AREAS OF EXPERTISE	• Risk Management and Investigations • Executive Management Mentoring and Coaching • Project Management • Intelligence and Counter Intelligence Operations • Executive Management • Stakeholder Relations Management • Strategy Development and Implementation • Marketing and Communication skills • Negotiation Skills
BOARD DIRECTORSHIPS	Resurgent Group Holdings
OTHER COMMITTEES	• Member of the Audit & Risk Committee (NWDC) • Member of the Nomination, Remuneration & HR Committee (NWDC) • Member of the Board Tender Committee (NWDC)

NAME & SURNAME	**Mr D McGluwa**
DESIGNATION	Director
TERM IN OFFICE	5 November 2014 to date
QUALIFICATIONS	B.Comm, North West University; Global Executive Development Programme, GIBS, (Cum Laude); Diploma Treasury Management and Trade Finance, Institute of Bankers in SA; Corporate Credit Analysis, New York Institute of Finance; Structured Trade Finance, Euromoney, UK; MBL, UNISA (final year, mini thesis)
AREAS OF EXPERTISE	Financial Management, Financial Modelling, Restructuring and Turnarounds, Due Diligence, Corporate Credit Analysis, Investment Banking, Corporate Finance, Trade Finance, Strategic Planning
BOARD DIRECTORSHIPS	Director: SEDA Platinum Incubator; Momentous Energy
OTHER COMMITTEES	• Chairperson of the Finance & Investment Committee (NWDC) • Member of the Nomination, Remuneration & HR Committee (NWDC) • Member of the Board Tender Committee (NWDC)

NAME & SURNAME	**Ms N Mojanaga**
DESIGNATION	Director
TERM IN OFFICE	5 November 2014 to date
QUALIFICATIONS	BA (SW) University of Fort Hare
AREAS OF EXPERTISE	Strategic Management, Policy Analysis and Formulation, People Management and Empowerment, Financial Management, Communications, Trust for Christian Outreach and Education, and National Progressive Primary Health Care Network
BOARD DIRECTORSHIPS	• Director: Black Management Forum
OTHER COMMITTEES	• Chairperson of the Nomination, Remuneration & HR Committee (NWDC) • Member of the Finance & Investment Committee (NWDC) • Member of the Social & Ethics Committee (NWDC)

NAME & SURNAME	**Ms N Koloti**
DESIGNATION	Director
TERM IN OFFICE	5 November 2014 to date
QUALIFICATIONS	Diploma in Management Finance and Leadership, Certificates in Management Advance Programme and Local Government Development Management
AREAS OF EXPERTISE	Leadership and Management of Local Government and Public Relations, Marketing and Communications/Media Liaison, Public Participation/ Sectoral Mobilisation
BOARD DIRECTORSHIPS	None
OTHER COMMITTEES	• Chairperson of the Social & Ethics Committee (NWDC) • Chairperson of the Board Tender Committee (NWDC) • Member of the Finance & Investment Committee (NWDC)

NAME & SURNAME	**Ms N Matlala**
DESIGNATION	Company Secretary
TERM IN OFFICE	18 May 2015 to date
QUALIFICATIONS	• CIS Professional Post-Graduate Qualification: Company Secretarial and Governance • B.Com Degree in Financial Management majoring in Business Management • Executive Leadership Municipal Development Programme • Certificate in Investment Analysis and Portfolio Management • Certificate in Business Management
AREAS OF EXPERTISE	Corporate Governance, Business Management and Finance Management
BOARD DIRECTORSHIPS	None
OTHER COMMITTEES	None

3.6 BOARD OF DIRECTORS BOARD MEETING ATTENDANCE (1 APRIL 2015 TO 31 MARCH 2016)

	NAME & SURNAME	DESIGNATION	TERM IN OFFICE	NWDC NORMAL BOARD MEETINGS		NWDC SPECIAL BOARD MEETINGS		DIRAPENG NORMAL BOARD MEETINGS		DIRAPENG SPECIAL BOARD MEETINGS	
				HELD	ATTENDED	HELD	ATTENDED	HELD	ATTENDED	HELD	ATTENDED
1	Mr B Khumalo	Chairperson	1 August 2007 to date	7	7	18	17	6	6	1	1
2	Mr LA Moletsane	Director	1 October 2013 to date	7	7	18	17	6	5	1	1
3	Mr M Ndaba	Director	1 May 2014 to 9 March 2016	7	5	18	10	6	4	1	1
4	Adv H Keyter	Director	5 November 2014 to date	7	7	18	18	6	6	1	1
5	Adv T Seboko	Director	5 November 2014 to 4 March 2016	7	1	18	7	6	0	1	0
6	Ms N Mojanaga	Director	5 November 2014 to date	7	5	18	12	6	5	1	1
7	Ms N Koloti	Director	5 November 2014 to date	7	5	18	12	6	5	1	1
8	Ms J Brown	Director	5 November 2014 to date	7	6	18	15	6	6	1	1
9	Mr D McGluwa	Director	5 November 2014 to date	7	7	18	14	6	5	1	1
10	Mr A Fraser	Director	5 November 2014 to date	7	3	18	10	6	3	1	1

4. COMMITTEES

4.1 THE COMPANY HAD THE FOLLOWING COMMITTEES IN PLACE, NAMELY:

- Nomination, Remuneration and HR Committee;
- Finance & Investment Committee;
- Social and Ethics Committee;
- Board Tender Committee ; and
- Audit & Risk Committee

4.2 THE OBJECTIVES OF THE COMMITTEES ARE AS FOLLOWS:

COMMITTEE	OBJECTIVES
NOMINATION, REMUNERATION & HR	The objective of the Human Resources Committee is to assist the Board in discharging its duty to oversee the establishment of appropriate Human Resources, Remuneration policies, Board Composition and strategies that provide the Company with the capability to achieve its short and long-term business objectives.
FINANCE & INVESTMENT	The objective of the Finance and Investment Committee is to assist the Board in fulfilling its oversight responsibilities for the Company's investment management activities and the consideration of issues arising from them.
SOCIAL & ETHICS	The objective of the Committee is to assist the Board with the oversight of social and ethical matters relating to the Company.
BOARD TENDER	The objectives of the Board Tender Committee are: • To ensure implementation of and compliance with the company Procurement Policy and Procedures and will make the necessary recommendations to the Board. The Committee shall ensure the company practices best value with integrity and accountability; • To ensure that the company complies with the applicable laws, regulations rules and guidelines to achieve best business practices in its procurement of equipment, materials, works or services; • To ensure that this policy is for the advancement of the company's business priorities as a Company; and • To engage in the highest level of ethical practice in integrity, objectivity, accountability and transparency, with zero tolerance to corruption, bribery or yielding to any form of undue inducements.
AUDIT & RISK	The Committee is established to: • Assist the Board in discharging its duties relating to the safeguarding of assets, the operation of adequate systems, internal controls and control processes and the preparation of accurate financial reporting and statements in compliance with all applicable legal requirements, corporate governance and accounting standards. • Provide support to the Board on the risk appetite and risk management of NWDC and Dirapeng. • It should have a role that is objective and independent, that operates as an overseer and a maker of recommendations and not one that intrudes into the area of management. • The Audit Committee should provide a direct channel of communication between the Board, management, internal auditors and external auditors.

4.3 COMMITTEE MEETINGS ATTENDANCE: 1 APRIL 2015 TO 31 MARCH 2016:

NOMINATION, REMUNERATION & HR COMMITTEE

NAME	ROLE	NORTH WEST DEVELOPMENT CORPORATION				DIRAPENG (PTY) LTD	
		SCHEDULED		SPECIAL		SCHEDULED & SPECIAL	
		HELD	ATTENDED	HELD	ATTENDED	HELD	ATTENDED
Adv T Seboko	Chairperson (resigned 4 March 2016)	2	1	4	3	1	0
Mr B Khumalo	Chairperson of Board	2	1	4	3	1	1
Mr M Ndaba	Director	2	2	4	2	1	1
Ms N Mojanaga	Chairperson (since 4 March 2016)	2	2	4	4	1	0
Mr D McGluwa	Director	2	2	4	4	1	1
Mr A Fraser	Director	2	0	4	2	1	0

FINANCE & INVESTMENT COMMITTEE

NAME	ROLE	NORTH WEST DEVELOPMENT CORPORATION				DIRAPENG (PTY) LTD	
		SCHEDULED		SPECIAL		SCHEDULED & SPECIAL	
		HELD	ATTENDED	HELD	ATTENDED	HELD	ATTENDED
Mr D McGluwa	Chairperson	5	4	1	1	2	2
Adv H Keyter	Director	5	5	1	1	2	2
Ms N Mojanaga	Director	5	5	1	1	2	2
Ms N Koloti	Director	5	2	1	1	2	2

SOCIAL & ETHICS COMMITTEE

NAME	ROLE	NORTH WEST DEVELOPMENT CORPORATION				DIRAPENG (PTY) LTD	
		SCHEDULED		SPECIAL		SCHEDULED & SPECIAL	
		HELD	ATTENDED	HELD	ATTENDED	HELD	ATTENDED
Ms N Koloti	Chairperson	2	2	0	0	0	0
Ms N Mojanaga	Director	2	2	0	0	0	0
Ms J Brown	Director	2	2	0	0	0	0

BOARD TENDER COMMITTEE

NAME	ROLE	NORTH WEST DEVELOPMENT CORPORATION				DIRAPENG (PTY) LTD	
		SCHEDULED		SPECIAL		SCHEDULED & SPECIAL	
		HELD	ATTENDED	HELD	ATTENDED	HELD	ATTENDED
Ms N Koloti	Chairperson	2	2	1	1	0	0
Adv H Keyter	Director	2	2	1	1	0	0
Mr D McGluwa	Director	2	2	1	1	0	0
Mr A Fraser	Director	2	0	1	0	0	0

AUDIT & RISK COMMITTEE

NAME	ROLE	NORTH WEST DEVELOPMENT CORPORATION				DIRAPENG (PTY) LTD	
		SCHEDULED		SPECIAL		SCHEDULED & SPECIAL	
		HELD	ATTENDED	HELD	ATTENDED	HELD	ATTENDED
Ms J Brown	Chairperson	5	5	6	6	3	3
Mr A Fraser	Director	5	2	6	4	3	2
Adv H Keyter	Director	5	5	6	6	3	3
Ms BE Diutlwileng	External Member	5	2	6	3	3	0
Mr ZG Mothibe	External Member	5	5	6	4	3	3
Mr C Mohalaba	External Member	5	3	6	4	3	1
Ms L Motlhamme	External Member	5	3	6	0	3	3
Mr M Mashinini	External Member	5	0	6	0	3	1

4.4 AUDIT & RISK COMMITTEE QUALIFICATIONS

NAME	ROLE	DATE APPOINTED	QUALIFICATIONS
Ms J Brown	Director (Chairperson of Audit & Risk Committee)	5 November 2014	B.Com Degree
Mr A Fraser	Director	5 November 2014	BA (Hons) Film and Video Production Degree
Adv H Keyter	Director	5 November 2014	BA, BA Hons, BA Hons, BProc, LLB, LLM, LLM, LLM (Cum Laude) (University of Johannesburg)
Ms BE Diutlwileng	External Member	1 November 2012 to June 2015	Bachelor of Commerce (Accounting & Auditing)
Mr ZG Mothibe	External Member	5 March 2014	CA.(SA), ACMA, CGMA, MBL
Mr C Mohalaba	External Member	5 March 2014	LLB Degree
Ms L Motlhamme	External Member	1 September 2015	CA.(SA), B.Com Hons, B.Com
Mr M Mashinini	External Member	1 September 2015	

5. RISK MANAGEMENT

5.1 RISK REGISTER

The Risk Register for 2015/2016 has been work-shopped with Management on 25 and 26 August 2015. The register for high risks was submitted to the Audit & Risk Committee on 10 September 2015 and approved by the Board on 16 October 2015.

5.2 RISK MANAGEMENT APPROACH

The Draft Risk Management Strategy, the Draft Risk Management Policy and the Draft Prevention of Fraud and Corruption Policy were work-shopped with Management and the Audit & Risk Committee on 25 and 26 August 2015 and 10 September 2015, respectively. The Risk Management Strategy, the Risk Management Policy and the Prevention of Fraud and Corruption Policy were approved by the Board on 16 October 2015.

5.3 RISK MANAGEMENT COMMITTEE ISSUES/MEETINGS AND ACTIVITIES FOR THE YEAR

Due to the organisational structure being approved in February 2016, the appointment of members to the Risk Management Committee by the Acting Officer could only materialise immediately thereafter and by the end of the financial year, the Committee was not able to meet during the current reporting period. However, now that committee members are appointed, it is envisaged that meetings will take place in the 2016/2017 financial year.

5.4 RISK MANAGEMENT CAPACITY

Key line positions could not be filled due to the fact that the organisational structure was only approved by the Board on 19 February 2016. The HR recruitment and placement process to fill positions in the structure are currently underway.

The Risk Management function in the current reporting period was therefore not yet fully capacitated.

5.5 RISK STRATEGY IMPLEMENTATION

The Mitigation Plan has been work-shopped with Management on 19 August 2015 and from this workshop, action plans were allocated accordingly. As at 31 March 2016, of the 81 key activities planned to mitigate against the identified risks, 33% were completed, 11% were partially done, 44% were not implemented, 7% were not due to occur during the period under review and 3% were no longer applicable.

5.6 RISK MONITORING PROCESSES AND REPORTING STRUCTURES

The Fraud and Risk Committee, the Audit & Risk Committee and the Board of Directors are the key oversight structures responsible for governance within the risk management framework. The Accounting Officer through its Executive Management assumes the responsibility of 'owners' of the corporate risks and the risk management processes including the effective dealing of risks by employing the necessary strategic and operational interventions. The monitoring structures are therefore in place.

6. INTERNAL CONTROL UNIT

The system of internal control applied by the Corporation over the financial risk and risk management is effective, efficient and transparent.

In line with the PFMA and the guidelines from King III Report on Corporate Governance requirements, Internal Audit provides the Audit & Risk Committee and Management with the assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes.

From the various reports of the Internal Auditors, the Audit Report on the Annual Financial Statements and the Management Report of the Auditor General South Africa, we noted that the reports did not indicate any material deficiencies in the system of internal control or any deviations therefrom. Accordingly, we can report that the system of internal control over financial and risk management is effective, efficient and transparent, and report further that the system of internal control over financial reporting for the period under review was efficient and effective.

7. INTERNAL AUDIT

7.1 KEY ACTIVITIES & OBJECTIVES OF THE INTERNAL AUDIT

The North West Development Corporation outsourced the Internal Audit function to an external institution with specialist audit expertise. The purpose, authority and responsibility of the internal audit function are defined in an audit charter. The

Internal Audit function must, in consultation with the Audit & Risk Committee, prepare:

- A rolling three-year strategic internal audit plan based on its assessment of key areas of risk for the NWDC, having regard to its current operations, the operations proposed in its corporate of strategic plan and its risk management strategy;
- An internal Audit Plan for the current financial year of the rolling plan;
- Plans indicating the scope of each audit in the Annual Internal Audit Plan; and
- Reports to the Audit & Risk Committee detailing its performance against the plan to allow effective monitoring and intervention when necessary

It is also the Corporation's policy that the Internal Auditor attends the strategic planning sessions and is available to report on the conduct of the audit, the preparation and content of the Auditor's Report.

8. COMPLIANCE WITH LAWS & REGULATIONS

The North West Development Corporation is guided by and implements the principles of the King III Report, Public Finance Management Act, Treasury Regulations and the Companies Act. Every department is responsible to monitor and contribute towards compliance with the relevant Acts. This effort is supported by the Legal Unit, Internal Auditors and Audit & Risk Committee under the oversight of the Board.

9. FRAUD & CORRUPTION

The approved Fraud, Corruption and Risk Management Policy is in place. However, the adoption of the updated policy is pending in order to achieve proper alignment with the other policy documents and strategies.

10. MINIMISING CONFLICT OF INTEREST

No conflict of interest in supply chain management was reported during the reported period.

11. CODE OF CONDUCT

The Board has approved a Code of Conduct and Ethics Policy to guide Board Members, Executives and Employees. The Policy was implemented in the current reporting period. Executives and Employees were encouraged to report any concerns regarding potentially unethical practices.

12. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

The Company has an occupational health and safety policy aimed at providing and maintaining a safe and healthy working environment for all employees of the NWDC.

13. COMPANY SECRETARY

The Company had a Company Secretary in the current year of reporting. The role and duties are to ensure secretarial services to the Board of Directors.

Amongst others the Company Secretary is responsible for:

- The induction, orientation and on-going training and education of Directors and Executive Management regarding fiduciary/governance responsibilities;
- Provision of guidance and advice to the Board on matters of good governance and changes in legislation;
- Raising matters that warrant Board attention;
- Proper recording, approval and circulation of minutes; and
- Assisting the Board in evaluation process (Board, Directors & Senior Management)

14. SOCIAL RESPONSIBILITY

The Company through its corporate social responsibility contributed to the following beneficiaries:

BENEFICIARY	TYPE OF BENEFICIARY	R AMOUNT
NG Kerk Lonely Park	Church Organization HDI Community	5 000.00
NHK Golf Day	Church organisation	5 000.00
Mandela Day Ga-Rankuwa	Elderly individual	2 000.00
Dilee Image & Beauty Consultants	Women	3 000.00
Mandela Day Taung	House renovations	115 276.80
Mandela Day Alabama	House renovations	192 507.89
Laerskool Burhmansdrift	School/Sports sponsorship	2 500.00
Sen Ten Wishbone Family Day	Disadvantaged youth	10 000.00
Mahikeng Montshiwa community	Disadvantaged youth and women	30 000.00
SOC Barrends	Disadvantaged youth in Alabama	10 000.00
Leopard Park Golf Open	Sport	20 000.00
China Week- Venue	OOP/FEED	373 050.00
China Week – Exhibition Stalls	OOP /FEED	397 854.30
China Week – plastic Pouches	OOP/FEED	1 800.00
Wesvaal Sponsorship	MEC Honorary Award	20 000.00
Chrystal Butterfly	Wine xtravaganza	20 000.00
TOTAL AMOUNT DISBURSED		**1 207 988.99**

PART D

HUMAN RESOURCES

1. INTRODUCTION

The Human Resource function within the NWDC focuses on the following:

- Recruitment of employees,
- Management of employees,
- Compensation of employees
- Facilitation of the performance management process
- Employee health and safety,
- Employee wellness programmes
- Employee benefits, motivation, communication, administration and training.

It is the responsibility of the Human Resource Function to have a proper HR Plan, the purpose of which is to enable the entity to adapt to changes in the competitive world, i.e. markets, technology and legislative requirements.

2. EXPENDITURE

The following tables summarise the final audited expenditure by Programme and by salary bands. In particular, it provides an indication of the amount spent on personnel costs in terms of each of the Programmes or salary bands within the Organisation.

TABLE 2.1: PERSONNEL COST BY PROGRAMME

PROGRAMME	TOTAL EXPENDITURE FOR THE ENTITY	PERSONNEL EXPENDITURE AS A % OF TOTAL EXPENDITURE	NUMBER OF EMPLOYEES
Office of the CEO	10 546 633.54	15%	18
Financial Management	12 806 538.53	19%	34
Support Services	9 237 807.83	13%	25
Economic Research, Policy Development and Planning	2 593 547.41	4%	4
Enterprise Creation, Development and Support	5 032 823.60	7%	8
Investment Growth and Finance	25 708 556.84	37%	142
Trade and Sector Development	2 774 454.79	4%	5
TOTALS	**68 700 362.55**	**100%**	**236**

TABLE 2.2: SALARIES, OVERTIME AND MEDICAL ASSISTANCE BY SALARY BAND

SALARY BAND	SALARIES AMOUNT	OVERTIME AMOUNT	MEDICAL ASSISTANCE AMOUNT
Top Management	4 648 136.33	-	-
Senior Management	12 003 239.82	-	19 372.00
Professional Qualified	9 582 283.56	-	71 433.00
Skilled	28 784 957.18	34 972.82	111 610.00
Semi-skilled	6 692 562.27	-	37 216.00
Unskilled	6 675 761.67	38 817.90	-
TOTALS	**68 386 940.83**	**73 790.72**	**239 631.00**

3. EMPLOYMENT AND VACANCIES

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff additional to the Organisation. This information is presented in terms of three key variables; programme, salary band and critical occupations. The vacancy rate reflects the percentage of posts that are not filled.

TABLE 3.1: EMPLOYMENT AND VACANCIES BY PROGRAMME

PROGRAMME	NUMBER OF POSTS	NUMBER OF POSTS FILLED	VACANCY RATE	NUMBER OF POSTS FILLED ADDITIONAL TO THE ORGANISATION
Office of the CEO	11	6	5	0
Financial Management	24	17	7	0
Support Services	80	65	15	3
Economic Research, Policy Development and Planning	3	4	0	1
Enterprise Creation, Development and Support	20	10	10	1
Investment Growth and Finance	107	99	8	21
Trade and Sector Development	4	1	3	0
Pay Bridge	2	0	2	0
TOTALS	**251**	**202**	**49**	**26**

Table 3.2: Employment and Vacancies by Salary Band

SALARY BAND	NUMBER OF POSTS	NUMBER OF POSTS FILLED	VACANCY RATE	NUMBER OF POSTS FILLED ADDITIONAL TO THE ORGANISATION
Top Management	5	4	1	1
Senior Management	20	11	9	0
Professional Qualified	19	11	8	0
Skilled	149	118	31	0
Semi-skilled	12	12	0	0
Unskilled	46	46	0	0
TOTALS	251	202	49	1

4. JOB EVALUATION

The Public Service Regulations 1999 introduced job evaluation as a way of ensuring that work of equal value is remunerated equally. Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in the Organisation. The following table summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

The following is the status quo relating to employees whose salary positions were upgraded due to their posts being upgraded. The number of employees might differ from the number of posts upgraded since not all employees are automatically absorbed into the new posts and some of the posts upgraded could be vacant.

TABLE 4.1: JOB EVALUATIONS: 1 APRIL 2015 TO 31 MARCH 2016

PROGRAMME	NUMBER OF POSTS	NUMBER OF JOBS EVALUATED	PERCENTAGE OF POSTS EVALUATED BY SALARY BAND	POSTS UPGRADED		POSTS DOWNGRADED	
				NUMBER	PERCENTAGE OF POSTS EVALUATED	NUMBER	PERCENTAGE OF POSTS EVALUATED
Top Management	5	3	4%	0	0	0	0
Senior Management	20	15	19%	0	0	0	0
Professional Qualified	18	16	21%	0	0	0	0
Skilled	159	37	40%	0	0	0	0
Semi-skilled	25	2	3%	0	0	0	0
Unskilled	91	4	5%	0	0	0	0
TOTALS	**318**	**77**	**100%**	**0**	**0**	**0**	**0**

TABLE 4.2: PROFILE OF EMPLOYEES WHOSE SALARY POSITIONS WERE UPGRADED DUE TO THEIR POSTS BEING UPGRADED: 1 APRIL 2015 TO 31 MARCH 2016

LEVEL	AFRICAN	ASIAN	COLOURED	WHITE	TOTAL
FEMALE	3	0	1	0	4
MALE	2	0	0	0	2
PEOPLE WITH DISABILITY	0	0	0	0	0
TOTALS	**5**	**0**	**1**	**0**	**6**

5. EMPLOYMENT CHANGES

This section provides information on changes in employment over the financial year. Turnover rates provide an indication of trends in the employment profile of the Organisation. The following table reflects a summary of turnover rates by salary band and by critical occupations.

TABLE 5.1: ANNUAL TURNOVER RATES BY SALARY BAND FOR THE PERIOD 1 APRIL 2015 TO 31 MARCH 2016

SALARY BAND	NUMBER OF EMPLOYEES PER BAND ON 1 APRIL 2015	APPOINTMENTS AND TRANSFERS INTO THE ORGANISATION	APPOINTMENTS AND TRANSFERS OUT OF THE ORGANISATION	TURNOVER RATE
Top Management	3	0	1	33%
Senior Management	20	2	2	10%
Professional Qualified	14	0	1	7%
Skilled	92	3	1	1%
Semi-skilled	27	0	0	0%
Unskilled	80	2	0	0%
TOTALS	**236**	**7**	**5**	**2%**

TABLE 5.2: REASONS WHY EMPLOYEES ARE LEAVING THE ORGANISATION

TERMINATION TYPE	NUMBER	PERCENTAGE OF TOTAL NUMBER OF EMPLOYEE LEAVING
Death	2	7%
Resignation	8	30%
Expiry of contract	13	48%
Dismissal (operational changes)	0	0%
Dismissal (Misconduct)	0	0%
Dismissal (Inefficiency)	0	0%
Discharged due to ill health	0	0%
Retirement	3	11%
Transfers to other public entities	0	0%
Other	1	4%
TOTALS	**27**	**100%**

TABLE 5.3: PROMOTION BY SALARY BAND

SALARY BAND	EMPLOYEES AT 1 APRIL 2015	PROMOTIONS TO OTHER SALARY LEVEL	SALARY BANDS PROMOTIONS AS A PERCENTAGE OF EMPLOYEES BY SALARY LEVEL	PROGRESSIONS TO ANOTHER NOTCH WITHIN A SALARY LEVEL	NOTCH PROGRESSIONS AS A PERCENTAGE OF EMPLOYEES BY SALARY BAND
Top Management	0	0	0	0	0
Senior Management	0	0	0	0	0
Professional Qualified	0	0	0	0	0
Skilled	0	0	0	0	0
Semi-skilled	0	0	0	0	0
Unskilled	0	0	0	0	0
TOTALS	**0**	**0**	**0**	**0**	**0**

6. EMPLOYMENT EQUITY

The tables in this section are based on the formats prescribed by the Employment Equity Act, Number 55 of 1998.

TABLE 6.1: TOTAL NUMBER OF EMPLOYEES (INCLUDING EMPLOYEES WITH DISABILITIES) IN EACH OF THE FOLLOWING OCCUPATIONAL CATEGORIES AT 31 MARCH 2016

LEVEL	MALE				FEMALE			
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE
Top Management	1	0	0	0	0	0	0	0
Senior Management	19	0	0	0	4	0	0	1
Professional Qualified	16	0	1	1	22	1	1	5
Skilled	4	0	1	0	14	0	0	1
Semi-skilled	15	1	0	0	18	0	0	0
Unskilled	66	0	0	0	40	1	0	0
People with disability	2	0	0	0	0	0	0	0
TOTALS	**117**	**1**	**2**	**1**	**98**	**2**	**1**	**7**

TABLE 6.2: RECRUITMENT FOR THE PERIOD 1 APRIL 2015 TO 31 MARCH 2016

LEVEL	MALE				FEMALE			
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE
Top Management	0	0	0	0	1	0	0	0
Senior Management	4	1	0	0	3	0	0	0
Professional Qualified	0	0	0	0	0	0	0	0
Skilled	1	0	0	0	2	1	0	0
Semi-skilled	0	0	0	0	0	0	0	0
Unskilled	5	0	0	0	3	0	0	0
People with disability	0	0	0	0	1	0	0	0
TOTALS	**10**	**1**	**0**	**0**	**10**	**1**	**0**	**0**

TABLE 6.3: PROMOTIONS FOR THE PERIOD 1 APRIL 2015 TO 31 MARCH 2016

LEVEL	MALE				FEMALE			
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE
Top Management	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0
Professional Qualified	0	0	0	0	0	0	0	0
Skilled	2	0	0	0	3	1	0	0
Semi-skilled	0	0	0	0	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
People with disability	0	0	0	0	0	0	0	0
TOTALS	**2**	**0**	**0**	**0**	**3**	**1**	**0**	**0**

TABLE 6.4: TERMINATIONS FOR THE PERIOD 1 APRIL 2015 TO 31 MARCH 2016

LEVEL	MALE				FEMALE			
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE
Top Management	1	0	0	0	0	0	0	0
Senior Management	1	0	0	0	1	0	0	0
Professional Qualified	0	1	0	0	2	0	0	0
Skilled	0	0	0	0	4	0	0	0
Semi-skilled	0	0	0	0	0	0	0	0
Unskilled	10	0	0	0	6	0	0	0
People with disability	0	0	0	0	0	0	0	0
TOTALS	**12**	**1**	**0**	**0**	**13**	**0**	**0**	**0**

TABLE 6.5: DISCIPLINARY ACTION FOR THE PERIOD 1 APRIL 2015 TO 31 MARCH 2016

LEVEL	MALE				FEMALE			
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE
Top Management	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0
Professional Qualified	0	0	0	0	0	0	0	0
Skilled	1	0	0	0	2	0	0	0
Semi-skilled	0	0	0	0	0	0	0	0
Unskilled	2	0	0	0	0	0	0	0
People with disability	0	0	0	0	0	0	0	0
TOTALS	**3**	**0**	**0**	**0**	**2**	**0**	**0**	**0**

TABLE 6.6: SKILLS DEVELOPMENT FOR THE PERIOD 1 APRIL 2015 TO 31 MARCH 2016

LEVEL	MALE				FEMALE			
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE
Top Management	0	0	0	0	0	0	0	0
Senior Management	7	0	0	0	2	0	0	0
Professional Qualified	5	0	0	0	8	1	0	1
Skilled	8	0	0	0	12	0	0	0
Semi-skilled	9	0	0	0	1	0	0	0
Unskilled	22	0	0	0	16	0	0	0
People with disability	0	0	0	0	0	0	0	0
TOTALS	**51**	**0**	**0**	**0**	**39**	**1**	**0**	**1**

7. PERFORMANCE REWARDS

The Organisation granted no performance rewards during the year under review.

8. FOREIGN WORKERS

The tables below summarise the employment of foreign nationals in the Organisation in terms of salary bands and by major occupation. The tables also summarise changes in the total number of foreign workers in each salary band and by each major occupation.

TABLE 8.1: FOREIGN WORKERS BY SALARY BAND: 1 APRIL 2015 TO 31 MARCH 2016

LEVEL	01 APRIL 2015		31 MARCH 2016		CHANGE	
	NUMBER	% OF TOTAL	NUMBER	% OF TOTAL	NUMBER	% OF TOTAL
Top Management	0	0	0	0	0	0
Senior Management	1	0.4%	1	0.4%	0	0
Professional Qualified	0	0	0	0	0	0
Skilled	0	0	0	0	0	0
Semi-skilled	0	0	0	0	0	0
Unskilled	0	0	0	0	0	0
People with disability	0	0	0	0	0	0
TOTALS	**1**	**0.4%**	**1**	**0.4%**	**0**	**0**

TABLE 8.2: FOREIGN WORKERS BY MAJOR OCCUPATION: 1 APRIL 2015 TO 31 MARCH 2016

MAJOR OCCUPATION	01 APRIL 2015		31 MARCH 2016		CHANGE	
	NUMBER	% OF TOTAL	NUMBER	% OF TOTAL	NUMBER	% OF TOTAL
Trade & Investment Facilitation Manager	1	0.4%	1	0.4%	0	0
TOTALS	**1**	**0.4%**	**1**	**0.4%**	**0**	**0**

9. LEAVE UTILISATION

The Public Service Commission identified the need for careful monitoring of sick leave within the Public Service. The following tables provide an indication of the use of sick leave and disability leave. In both cases, the estimated cost of the leave is also provided.

TABLE 9.1: SICK LEAVE: 1 APRIL 2015 TO 31 MARCH 2016

LEVEL	TOTAL DAYS	% DAYS WITH MEDICAL CERTIFICATION	NUMBER OF EMPLOYEES USING SICK LEAVE	% OF EMPLOYEES USING SICK LEAVE	AVERAGE DAYS PER EMPLOYEE	ESTIMATED COST
Top Management	0	0%	0	0%	0	0
Senior Management	13	2%	4	3%	3.25	58 780.54
Professional Qualified	265.5	32%	34	28%	7.75	11 037.75
Skilled	67	8%	12	10%	5.50	11 739.08
Semi-skilled	185	22%	28	23%	6.61	3 218.59
Unskilled	305	37%	44	36%	6.93	1 104.32
TOTALS	**833.5**	**100%**	**122**	**100%**	**6.0**	**85 880.29**

The table below summarised the utilisation of annual leave and management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

TABLE 9.2: ANNUAL LEAVE: 1 APRIL 2015 TO 31 MARCH 2016

LEVEL	TOTAL DAYS TAKEN	AVERAGE PER EMPLOYEE
Top Management	0	22
Senior Management	204.00	22
Professional Qualified	911.50	22
Skilled	461.51	22
Semi-skilled	639.12	22
Unskilled	1239.59	22
TOTALS	**3 455.72**	

TABLE 9.3: LEAVE PAY-OUTS FOR THE PERIOD 1 APRIL 2015 TO 31 MARCH 2016

REASON	TOTAL AMOUNT	NUMBER OF EMPLOYEES	AVERAGE PAYMENT PER EMPLOYEE
Leave payout for 2015/16 due to non-utilisation of leave for the previous cycle	-	-	-
Capped leave payouts on termination of service for 2015/2016	-	-	-
Current leave payout on termination of service for 2015/2016	175 519.56	17	10 324.68
TOTALS	**175 519.56**	**17**	**10 324.68**

10. HIV AND AIDS HEALTH PROMOTION PROGRAMMES

TABLE 10.1: DETAILS OF HEALTH PROMOTION AND HIV AND AIDS PROGRAMMES

QUESTION	YES	NO	DETAILS, IF ANY
Has the organisation designated a member of Senior Management to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2000? If so, provide her/his name and position	Yes		J P Matli HR Manager
Does the Organisation have a dedicated unit or has it designated specific staff members to promote the health and wellbeing of employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose	Yes		The Wellness Committee with 8 committee members Occupational Health & Safety Committee with 10 committee members Budget = R130 000 which is shared with the Employee Wellness committee.
Has the Organisation introduced an Employee Assistance or Health Promotion Programme for their employees? If so, indicate the key elements/services of this Programme	Yes		The corporation appointed a Wellness and OHS committee as well as a Service Provider for wellness referral. The committee has management representative and one member at each NWDC branch.
Has the Organisation established (a) committee(s) as contemplated in Part VI E 5(e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent	Yes		M Tamako (Committee chairperson) B Legotlo - Management Representative T Pitso – Management Representative I Leshomo – Babelegi Representative L Teledimo – Odi Representative H Molepo – Head Office Representative G Seikaneng – Ganyesa Representative T Plaatjie – Rustenburg Representative M Chabaesele – Taung Representative S Majwafi – Rustenburg Representative T Gaerupe – HR Representative H Lepholletse – HR Representative A Pitse – Wellness Committee Representative T Keganne – Wellness Committee Representative E Morare – Wellness Committee Representative J Landsberg – Wellness Committee Representative S Molusi – Wellness Committee Representative T Botman – HR Rep. T Ramong – Rustenburg Representative

TABLE 10.1: DETAILS OF HEALTH PROMOTION AND HIV AND AIDS PROGRAMMES (CONKTINUED)

QUESTION	YES	NO	DETAILS, IF ANY
Has the Organisation reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees based on their HIV status? If so, list the employment policies/practices so reviewed	Yes		• Disciplinary Procedure • Recruitment Procedure • Educational Assistance • Remuneration Procedure • Induction • Termination of Employment • Grievance • Business Ethics • Hours of Work
Has the Organisation introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures	Yes		• Employment equity policy • Inclusion of them in the recruitment processes – they are treated in the same manner as the others
Does the Organisation encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved	Yes		During the annual Wellness Day, the corporation invites health experts to give counselling and thereafter they are encouraged to continue attending such counselling sessions
Has the Organisation developed measures and/or indicators to monitor and evaluate the impact of its health promotion programme? If so, list these measures/indicators	Yes		The appointment of the Wellness and OHS committee

11. LABOUR RELATIONS

The following collective agreements were entered into with trade unions within the Organisation.

TABLE 11.1: COLLECTIVE AGREEMENTS: 1 APRIL 2015 TO 31 MARCH 2016

Wage Agreement (annual salary increases)

The following tables summarise the outcome of disciplinary hearings conducted within the Organisation for the year under review.

TABLE 11.2: MISCONDUCT AND DISCIPLINARY HEARINGS FINALISED FOR THE PERIOD 1 APRIL 2015 TO 31 MARCH 2016

OUTCOMES OF DISCIPLINARY HEARINGS	NUMBER	PERCENTAGE OF TOTAL
Correctional Counselling	1	20%
Verbal Warning	0	0%
Written Warning	0	0%
Final Written Warning	2	40%
Suspended without Pay	0	0%
Fine	0	0%
Demotion	0	0%
Dismissal	0	0%
Not Guilty	2	40%
Case Withdrawn	0	0%
TOTALS	**5**	**100%**

In support of Mandela Day celebration, the NWDC, together with the Department of Finance, Economy & Enterprise Development embodied this day by devoting 67 Minutes of our time to make a gesture of goodwill to our communities especially those who are in need, the disadvantaged and the schools that are distressed. The Nelson Mandela Task Team met with the Greater Taung Local Mayor and Municipal Manager and was allocated three households belonging to elderly people in the Localeng Village.

Pictured in the Photo from Left to Right: NWDC Maintenance Team Members Ezekial Moalusi (Kneeling), Joseph Oliphant (Shaking Hands with one of Ms Macinga's grandsons) and George Williams on the Right. Ms Macinga's two grandsons pictured standing on left hand side of Joseph Oliphant.

This house belonged to Ms Betty Duiker who was 99 years old at the time. Ms Duiker lived in a four bedroomed RDP house which needed a lot of attention. She walked on crutches, had four sons and depended on a social grant.

One grandson who also lived in the house took care of the elderly lady. He studied up to N5 Development studies and has volunteered at SASSA for some time but left as there was no promise of securing a job.

The house needed to be painted and there was no furniture and curtains. Blankets and clothes were very dirty and desperately needed washing. The Mandela Day Task Team intervened and managed to make a difference to the Duiker's family by painting their entire house. The house was cleaned and their laundry washed. Floors were mended and electrical wiring was done. A disability ramp was also erected to make it easier for Ms Duiker to ascend and descend the step from her house into the garden. The MEC, HOD and staff members donated groceries, cloths, blankets and slipper for the elderly ladies.

Mr Joseph Oliphant from the NWDC Taung Office shaking hands with Ms Betty Duiker upon completion of her house renovations

TABLE 11.3: TYPES OF MISCONDUCT ADDRESSED AT DISCIPLINARY HEARINGS FOR THE PERIOD 1 APRIL 2015 TO 31 MARCH 2016

TYPE OF MISCONDUCT	NUMBER	PERCENTAGE OF TOTAL
Absence from work	1	25%
Non-payment of rentals	2	50%
Rental stop-order cancellation	1	25%
TOTALS	4	100%

TABLE 11.4: GRIEVANCES LODGED FOR THE PERIOD 1 APRIL 2015 TO 31 MARCH 2016

	NUMBER	PERCENTAGE OF TOTAL
Number of grievances resolved	5	100%
Number of grievances not resolved	0	0%
TOTAL NUMBER OF GRIEVANCES LODGED	5	100%

TABLE 11.5: STRIKE ACTIONS FOR THE PERIOD 1 APRIL 2015 TO 31 MARCH 2016

	NUMBER
Total number of working days lost	3
Total cost of working days lost	R254 570.00
Amount recovered as a result of no-work-no-pay	R0.00

12. SKILLS DEVELOPMENT

This section highlights the efforts of the Organisation with regard to skills development.

TABLE 12.1: TRAINING NEEDS IDENTIFIED FOR THE PERIOD 1 APRIL 2015 TO 31 MARCH 2016

LEVEL	GENDER	NUMBER OF EMPLOYEES AS AT 1 APRIL 2015	TRAINING NEEDS IDENTIFIED AS START OF REPORTING PERIOD			
			LEARNERSHIPS	SKILLS PROGRAMMES AND OTHER SHORT COURSES	OTHER FORMS OF TRAINING	TOTAL
Top Management	Female	0	0	0	0	0
	Male	0	0	0	0	0
Senior Management	Female	2	0	0	0	2
	Male	7	0	0	0	7
Professional Qualified	Female	10	0	0	0	10
	Male	5	0	0	0	5
Skilled	Female	12	0	0	0	12
	Male	8	0	0	0	8
Semi-skilled	Female	1	0	0	0	1
	Male	9	0	0	0	9
Unskilled	Female	16	0	0	0	16
	Male	22	0	0	0	22
TOTALS		**92**	**0**	**0**	**0**	**92**

TABLE 12.2: TRAINING PROVIDED FOR THE PERIOD 1 APRIL 2015 TO 31 MARCH 2016

LEVEL	GENDER	NUMBER OF EMPLOYEES AS AT 1 APRIL 2015	TRAINING NEEDS IDENTIFIED AS START OF REPORTING PERIOD			
			LEARNERSHIPS	SKILLS PROGRAMMES AND OTHER SHORT COURSES	OTHER FORMS OF TRAINING	TOTAL
Top Management	Female	0	0			0
	Male	0	0			0
Senior Management	Female	0	0			0
	Male	0	0			0
Professional Qualified	Female	1	0	Managing Accounts		1
	Male	0	0			0
Skilled	Female	2	0	Receivable and Debt Recovery		2
	Male	1	0			1
Semi-skilled	Female	1	0			1
	Male	7	0		Workshop	7
Unskilled	Female	14	0		Wellness Workshop	14
	Male	14	0		Wellness Workshop	14
TOTALS		**40**	**0**			**40**

13. INJURY ON DUTY

The following table provides basic information on injury on duty

TABLE 13.1: INJURY ON DUTY FOR THE PERIOD 1 APRIL 2015 TO 31 MARCH 2016

NATURE OF INJURY ON DUTY	NUMBER	PERCENTAGE OF TOTAL
Required basic medical attention only	1	100%
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
TOTAL	**1**	**100%**

14. UTILISATION OF CONSULTANTS

The following tables relate to information on the utilisation of consultants in the Organisation.

In terms of the Public Service Regulations "consultant" means a natural or juristic person or a partnership who or which provides in terms of a specific contract on an ad hoc basis any of the following professional services to an Organisation against remuneration received from any source:

- The rendering of expert advice;
- The drafting of proposals for the execution of specific tasks; and
- The execution of a specific task which is of a technical or intellectual nature, but excludes and employee of a department

TABLE 14.1: REPORT ON CONSULTANT APPOINTMENTS USING APPROPRIATED FUNDS FOR THE PERIOD 1 APRIL 2015 TO 31 MARCH 2016

PROJECTS TITLE	TOTAL NUMBER OF CONSULTANTS THAT WORKED ON THE PROJECT	CONTRACT VALUE IN RAND
Macro and micro structure design by PWC	3	435 225.56
Professional service	1	103 788.70
Job evaluation	1	295 032.00
TOTAL NUMBER OF PROJECTS	**TOTAL INDIVIDUAL CONSULTANTS**	**TOTAL CONTRACT VALUE IN RAND**
5	5	834 046.26

PART E
FINANCIAL INFORMATION

1. Report of the Audit & Risk Committee

WE ARE PLEASED TO PRESENT OUR AUDIT & RISK REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

1.1 AUDIT & RISK COMMITTEE RESPONSIBILITY

The Audit & Risk Committee, an independent statutory committee, has adopted a formal terms of reference (Audit & Risk Committee Charter) that has been duly approved by the Board of Directors of the NWDC. The Audit & Risk Committee has, despite the challenges indicated below, complied, to the best of its ability, and taken into account its responsibilities arising from Section 51 of the Public Finance Management Act, Treasury Regulation 3.1.13 and King III Report. In terms of these guidelines, the Audit & Risk Committee's responsibilities are therefore not only to report to the Board of Directors on financial and performance information but also on the sustainability of the Entity.

The following are the key challenges that faced the NWDC in the current financial period:

- Addressing the investment property qualification that related to the vesting of ownership of properties on tribal land and the correct status of ownership of properties listed in the investment property register;
- Financial reporting alignment of Dirapeng (SOC) Ltd Group into the NWDC for consolidation purposes; and
- Incorporation of the Christiana Hotel into Dirapeng (SOC) Ltd and the NWDC.

1.2 THE EFFECTIVENESS OF INTERNAL CONTROLS

Based on the reviews of the design, implementation and effectiveness of the internal controls of the NWDC, as per the reports by Internal Audit, significant weaknesses have been identified. The weaknesses originated primarily as a result of poor alignment of business processes accordingly and inadequate risk management and change management processes. There is room for improvement in terms of the internal controls. The Board and Management have already developed a plan of improving the control environment but were challenged to implement such.

1.3 INTERNAL AUDIT

The Audit & Risk Committee has considered the reports of Internal Audit, and it performed risk-based audits and investigations. In the financial period under review the Internal Audit Unit, which is outsourced, was appointed on a month-to-month contract and this contract was, for some months, not reviewed. This resulted in limited coverage and due to their vast experience in the organisation, they played a big consulting role, as well as assurance as the control environment was inadequate and weak. The following interventions were performed by the Internal Audit Unit:

COMPLIANCE REVIEW OF MATERIAL LEGISLATION

- Supply Chain Management Review; and
- Quarterly Performance Information Review.

CONSULTING INTERVENTIONS

- Review and follow-up of quarterly action plan;
- Quarterly review of both financial and performance information;
- Providing support to management in compiling the annual financial statements; and
- Quality review of annual financial statements.

SPECIAL REQUESTS OR AD HOC INTERVENTIONS

- Review of securities tender for compliance to the Preferential Procurement Policy Framework Act

1.4 RISK MANAGEMENT

Risk Management is a very important component of any organisation and it is a constant challenge as Internal Audit has to perform the function. The NWDC has an independent Chairperson for the Risk Management Committee. A Chief Risk Officer was appointed during the year under review but there is no dedicated Risk Management Unit. There was subsequently no risk assessment performed in the year under review.

1.5 IN-YEAR MONITORING AND QUARTERLY REPORTS

The NWDC has submitted quarterly reports to the Executive, but, for the year under review, the timing and quality of such reports could be improved upon.

1.6 PERFORMANCE INFORMATION

The Audit & Risk Committee has received the performance information and the quality and reliability of the information need a lot of improvement. The capacity constraints in terms of monitoring & evaluation and strategy have been the biggest challenge. The usefulness and reliability of performance information continue to be a challenge and the AGSA findings in the past confirmed this opinion.

1.7 EVALUATION OF FINANCIAL STATEMENTS

The Audit & Risk Committee has reviewed the annual financial statements of the NWDC and has recommended that the Board of Directors may submit them for auditing by the Auditor-General.

1.8 AUDITOR-GENERAL'S REPORT

We have reviewed the department's implementation plan for audit issues raised in the previous year and we were dissatisfied that the matters have been adequately resolved despite numerous reports to the Audit and Risk Committee.

The Audit & Risk Committee has considered the Audit Strategy of the external auditors including the Budget and Audit Coverage. The Audit & Risk Committee has also had one-on-one interviews with the AGSA.

1.9 APPRECIATION

The Audit & Risk Committee would like to express its sincere appreciation to the Board of Directors, the Chief Executive, Management of the NWDC, Internal Audit and the AGSA for their support and co-operation during the year under review.

Jeanne -Marie Brown
Chairperson of the Audit & Risk Committee

2. Statement of Responsibility by the Directors

The Board of Directors is responsible for the integrity, fair preparation and presentation of efficient, effective and transparent financial statements and the related information included in the Annual Report.

The financial statements have been prepared in accordance with the South African Statements of Generally Accepted Accounting Practice (SA GAAP) and include amounts based on judgements and estimates.

In order to assist the Board to discharge its responsibilities fully, management has developed and continues to maintain a system of internal control. The Board has the ultimate responsibility for the system of internal control and reviews its operation primarily through the Audit & Risk Committee.

The internal controls include a risk-based system of internal accounting and administrative controls designed to provide reasonably, but not absolute assurance, that assets are safeguarded and that transactions are executed and recorded in accordance with generally accepted business practices and policies. These controls are implemented by suitably-trained and skilled personnel with appropriate and specific duties and roles monitored by management. These controls include a comprehensive budgeting and reporting system operating within strict deadlines and an appropriate control framework.

As part of the system of internal controls, the internal audit function, outsourced to Masengviljoen, conducts internal audits in accordance with the standards set by the Institute of Internal Auditors and co-ordinates audit coverage with the Auditor-General South Africa. The Auditor-General is responsible for the auditing of the financial statements.

The financial statements have been prepared on the going-concern basis based on forecasts, financial transfer commitments by the provincial government and available assets, as well as cash resources.

There were no events known by the Board after the balance sheet date that would affect the figures in the annual financial statements.

The financial statements for the year ended 31 March 2016 were approved by the Board of directors on 30 May 2016 and are signed on its behalf by:

Lemogang Moletsane
Acting Chief Executive Officer

Bridgeman Khumalo
Chairperson of the Board of Directors

Auditing to build public confidence

AUDITOR-GENERAL
SOUTH AFRICA

Report of the auditor-general to the North West provincial legislature on the North West Development Corporation SOC Ltd

Report on the consolidated and separate financial statements

Introduction

1. I have audited the separate financial statements and was engaged to audit the consolidated financial statements of the North West Development Corporation SOC Ltd and its subsidiaries set out on pages 72 to 137, which comprise the consolidated and separate statement of financial position as at 31 March 2016, the consolidated and separate statement of profit or loss and other comprehensive income, statement of changes in equity, and cash flow statement for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

The board of directors, which constitutes the accounting authority's responsibility for the consolidated and separate financial statements

2. The board of directors, which constitutes the accounting authority is responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with South African Statements of Generally Accepted Accounting Practice (SA statements of GAAP), the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and Companies Act of South Africa, 2008 (Act No. 71 of 2008) (Companies Act) and for such internal control as the accounting authority determines is necessary to enable the preparation of consolidated and separate 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 consolidated and separate 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 consolidated and separate financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated and separate financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated and separate 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 consolidated and separate 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 consolidated and separate financial statements.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion on the separate financial statements. Because of the matters described in the basis for disclaimer of opinion paragraphs, however, I was unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the consolidated financial statements.

Basis for disclaimer of opinion on the consolidated financial statements and qualified opinion on the separate financial statements

Group structure

6. I was unable to obtain sufficient appropriate audit evidence that the acquisition of Dirapeng SOC Ltd, its subsidiaries and Kgama Wildlife Operations were legally concluded as the agreements between the North West Development Corporation SOC Ltd and the North West Parks and Tourism Board were signed after the North West Parks and Tourism Board was disestablished. Consequently, I could not determine if these entities should have been included in the consolidated financial statements as required by IAS 27 *Consolidated and separate financial statements*.

Investment property

7. In terms of section 54(2)(d) of the PFMA the acquisition of a significant asset should be approved by the relevant executive authority. I was unable to obtain sufficient appropriate audit evidence that the purchase of the Christiana Hotel of R42 531 000 was appropriately approved by the executive authority or that the correct amount was paid. I was unable to confirm this purchase by alternative means. Consequently, I was unable to determine whether any adjustment relating to property, plant and equipment of R518 505 000 in the consolidated financial statements and investment property of R750 594 000 in the separate financial statements respectively, was necessary.
8. I was unable to obtain sufficient appropriate audit evidence for investment property as property belonging to the North West Development Corporation SOC Ltd were identified that were not valued, property that does not belong to North West Development Corporation SOC Ltd were included in the investment property register and property that does belong to the North West Development Corporation SOC Ltd that was not included the investment property register. I was unable to confirm these by alternative means. Consequently, I was unable to determine whether any adjustments relating to investment property of R706 994 000 (2015: R707 214 000) in the consolidated financial statements and investment property of the R750 594 000 (2015: R707 214 000) in the separate financial statements was necessary. Additionally, there was a resultant impact on the accumulated surplus.

Prior period errors

9. I was unable to obtain sufficient appropriate audit evidence for the restatement of the corresponding figure for investment property and retained income of R35 801 000 and fair value adjustments to investment property and retained income of R6 530 000. As described in note 41 to the financial statements, the restatement was made to rectify a prior year misstatement, but the restatement could not be substantiated by supporting audit evidence. I was unable to confirm the restatement by alternative means. Consequently, I was unable to determine whether any adjustment to investment property of R706 994 000 (2015: R707 214 000) in the consolidated financial statements and investment property of R750 594 000 (2015: R707 214 000) in the separate financial statements was necessary.

Irregular expenditure

10. I was unable to obtain sufficient appropriate audit evidence for irregular expenditure disclosed in the consolidated financial statements incurred by the subsidiaries. I was unable to confirm irregular expenditure by alternative means. Consequently, I was unable to determine whether any adjustments relating to irregular expenditure of R267 863 000 disclosed in note 36 to the consolidated financial statements was necessary.
11. Section 40(3)(b)(i) of the PFMA requires the disclosure of irregular expenditure incurred. North West Development Corporation SOC Ltd made payments of R42 531 000 for procurement of a property through an auction without following their supply chain management policy providing for procurement through auctions. Consequently, irregular expenditure as per note 36 to the consolidated and separate financial statements is understated by R42 531 000.

Investment in associates

12. I was unable to obtain sufficient appropriate audit evidence that investments in associates was correctly accounted for as required by IAS 28 *Investment in associates* due to a lack of proper accounting records. I was unable to confirm the investment in associates by alternative means. Consequently, I was unable to determine whether any adjustment relating to investments in associates of R55 592 000 in the consolidated financial statements was necessary.

Property, plant and equipment

13. The subsidiaries did not assess the residual values and useful lives as required by IAS 16 *Property, plant and equipment*. I was not able to determine the full impact on the net carrying amount of the property, plant and equipment, as it was impracticable to do so. Consequently, I was unable to determine whether any adjustments relating to property, plant and equipment of R518 505 000 in the consolidated financial statements was necessary.

Disclaimer of opinion on the consolidated financial statements and qualified opinion on the separate financial statements

14. Because of the significance of the matters described in the basis for disclaimer of opinion paragraphs, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on the consolidated financial statements.
15. In my opinion, except for the possible effects of the matters described in the basis for qualified opinion paragraphs, the separate financial statements present fairly, in all material respects, the financial position of the North West Development Corporation SOC Ltd as at 31 March 2016 and its financial performance and cash flows for the year then ended, in accordance with SA statements of GAAP and the requirements of the PFMA and the Companies Act.

Emphasis of matters

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

Restatement of corresponding figures

17. As disclosed in note 41 to the consolidated and separate financial statements, the corresponding figures for 31 March 2015 have been restated as a result of errors discovered during 31 March 2016 in the financial statements of the North West Development Corporation SOC Ltd at, and for the year ended, 31 March 2015.

Going concern

18. As disclosed in note 37 a turnaround strategy has been implemented for Dirapeng Group entities and in the 2016/17 this turnaround strategy will focus on improving these entities' financial sustainability. Currently North West Development Corporation SOC Ltd funds short falls and cash flow shortages for the Dirapeng Group. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the entities' ability to continue as a going concern.

Additional matters

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

Unaudited supplementary schedules

20. The supplementary information set out on pages 61 to 64 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly I do not express an opinion thereon.

Other reports required by the Companies Act

21. As part of my audit of the financial statements for the year ended 31 March 2016, I have read the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports I have not identified material inconsistencies between the reports and the audited financial statements in respect of which I have expressed a qualified of opinion. I have not audited the reports and accordingly do not express an opinion on them.

Report on other legal and regulatory requirements

22. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report, 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

23. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected programmes presented in the annual performance report of the entity for the year ended 31 March 2016:

- Programme 1: Support services on pages 18 to 24

- Programme 3: Investment growth and finance on pages 27 to 28

24. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for Managing Programme Performance Information (FMPPI).

25. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

26. The material findings in respect of the selected programmes are as follows:

Programme 1: Support services

Reliability of reported performance information

27. 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. Significantly important targets were not reliable when compared to the source information or evidence provided. This was due to a lack of standard operating and frequent review of the validity of reported achievements against source documentation.

Programme 3: Investment growth and finance

Reliability of reported performance information

28. 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. Significantly important targets were not reliable when compared to the source information or evidence provided. This was due to lack of frequent review of the validity of reported achievements against source documentation.

Additional matters

29. I draw attention to the following matters:

Achievement of planned targets

30. Refer to the annual performance report on pages 15 to 34 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 reliability of the reported performance information for the selected programmes reported in paragraphs 27 to 28 of this report.

Compliance with legislation

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

Financial statements, performance and annual reports

32. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records as required by section 55(1)(a) and (b) of the PFMA and section 29(1)(a) of the Companies Act. Material misstatements identified by the auditors in the submitted financial statements were not adequately corrected and the supporting records could not be provided subsequently, which resulted in the separate financial statements receiving a qualified audit opinion and the consolidated financial statements a disclaimer of opinion.

Procurement and contract management

33. Goods, works or service were not procured through a procurement process which is fair, equitable, transparent and competitive as required by the PFMA section 51(1)(a)(iii).
34. The procurement processes did not comply with the requirements of a fair SCM system as per section 51(1)(a)(iii) of the PFMA, in that invitations for competitive bidding were not advertised for a minimum period as prescribed in the SCM policy.

Expenditure management

35. Effective steps were not taken to prevent irregular expenditure as required by section 38(1)(c)(ii) of the PFMA and Treasury Regulation 9.1.1. The expenditure disclosed does not reflect the full extent of the irregular expenditure incurred as indicated in the basis for qualification paragraph.
36. Effective steps were not taken to prevent fruitless and wasteful expenditure, amounting to R2 323 000 as disclosed in note 35 of the financial statements, as required by section 38(1)(c)(ii) of the PFMA and Treasury Regulation 9.1.1.

Revenue management

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

Internal control

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

Leadership

39. Leadership and oversight responsibility regarding financial and performance reporting, compliance and related internal controls was inadequate since various material misstatements and non-compliance issues were identified. Policies and procedures did not adequately guide financial and performance activities. Action plans were not monitored to ensure that prior year audit findings do not re-occur. Implementation of effective human resource management to ensure that adequate and sufficiently skilled resources are in place and that performance is monitored.

Financial and performance management

40. Management did not implement a proper record keeping management system for the maintenance of documents supporting reported financial and performance results. There was also a lack of on-going monitoring and review of performance targets and key laws and regulations which impact the entity. Prepare regular accurate and complete financial and performance reports that are supported and evidenced by reliable information. Design and implement formal controls over IT systems to ensure the reliability of the systems and the availability, accuracy and protection of information.

Governance

41. Implement appropriate risk management activities to ensure that regular risk assessments, including consideration of IT risks and fraud prevention, are conducted and that a risk strategy to address the risks is developed and monitored.

Auditor General

Potchefstroom

31 July 2016

AUDITOR-GENERAL
SOUTH AFRICA

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4. Statement of FINANCIAL POSITION

as at 31 March 2016

	NOTES	GROUP 2016 R'000	GROUP 2015 R'000	GROUP 2014 R'000	COMPANY 2016 R'000	COMPANY 2015 R'000	COMPANY 2014 R'000
ASSETS							
Non-Current Assets							
Property, plant and equipment	3	518 505	273 376	270 402	267 377	273 376	270 402
Investment property	4	706 994	707 214	707 034	750 594	707 214	707 034
Biological assets	5	3 007	-	-	-	-	-
Intangible assets	6	-	-	4 358	-	-	4 358
Investments in associates	8	55 593	-	-	-	-	-
Loans to group companies	9	30	-	-	-	-	-
		1 284 129	**980 590**	**981 794**	**1 017 971**	**980 590**	**981 794**
Current Assets							
Inventories	10	1 088	-	1 494	-	-	1 494
Loans to group companies	9	-	-	-	13 972	-	-
Trade and other receivables	11	70 659	61 351	57 485	68 759	61 351	57 485
Accrued rental		1 000	1 044	1 179	1 000	1 044	1 179
Cash and cash equivalents	12	84 156	93 215	98 681	81 934	93 215	98 681
		156 903	**155 610**	**158 839**	**165 665**	**155 610**	**158 839**
Total Assets		**1 441 032**	**1 136 200**	**1 140 633**	**1 183 636**	**1 136 200**	**1 140 633**
EQUITY AND LIABILITIES							
Equity							
Share capital	13	303 854	303 854	303 854	303 854	303 854	303 854
Reserves		311 861	301 237	290 470	301 237	301 237	290 470
Retained income		415 892	245 537	245 136	259 273	245 537	245 136
		1 031 607	**850 628**	**839 460**	**864 364**	**850 628**	**839 460**
Liabilities							
Non-Current Liabilities							
Other financial liabilities	15	20 000	-	-	-	-	-
Deferred income	17	123 298	121 389	121 389	123 298	121 389	121 389
		143 298	**121 389**	**121 389**	**123 298**	**121 389**	**121 389**
Current Liabilities							
Trade and other payables	16	164 734	59 083	68 544	97 793	59 083	68 544
Other financial liabilities	15	101 340	105 100	111 240	98 128	105 100	111 240
Deferred income	17	53	-	-	53	-	-
		266 127	**164 183**	**179 784**	**195 974**	**164 183**	**179 784**
Total Liabilities		**409 425**	**285 572**	**301 173**	**319 272**	**285 572**	**301 173**
Total Equity and Liabilities		**1 441 032**	**1 136 200**	**1 140 633**	**1 183 636**	**1 136 200**	**1 140 633**

5. Statement of Profit or Loss and OTHER COMPREHENSIVE INCOME

for the year ended 31 March 2016

		GROUP			COMPANY		
	NOTES	2016 R'000	2015 R'000	2014 R'000	2016 R'000	2015 R'000	2014 R'000
Revenue	18	174 620	109 155	103 610	115 774	109 155	103 610
Grant received	19	69 640	35 269	28 009	67 937	35 269	28 009
Operating expenses	21	(130 861)	(74 988)	(70 851)	(91 415)	(74 988)	(70 851)
Other income	20	5 761	4 368	953	5 269	4 368	953
Employee benefit expenses	22	(100 511)	(52 357)	(47 711)	(68 700)	(52 357)	(47 711)
Depreciation, amortisation and impairment	23	(50 503)	(24 168)	(29 595)	(29 460)	(24 168)	(29 595)
Operating loss		**(31 854)**	**(2 721)**	**(15 585)**	**(595)**	**(2 721)**	**(15 585)**
Investment revenue	24	4 320	3 751	3 940	4 318	3 751	3 940
Fair value adjustments	25	-	-	66 559	10 624	-	66 559
Gain (loss) on non-current assets held for sale or disposal groups		116	(118)	(18)	53	(118)	(18)
Interest paid	26	(4 469)	(511)	(596)	(664)	(511)	(596)
(Loss) profit for the year		**(31 887)**	**401**	**54 300**	**13 736**	**401**	**54 300**
Other comprehensive income:							
Profit/loss with financial liability/ assets							
Gains on bargain purchase		202 241	-	-	-	-	-
Gains and losses on property revaluation		10 624	10 767	39 440	-	10 767	39 440
Total items that will not be reclassified to profit or loss		**212 865**	**10 767**	**39 440**	**-**	**10 767**	**39 440**
Other comprehensive income for the year net of taxation	28	**212 865**	**10 767**	**39 440**	**-**	**10 767**	**39 440**
Total comprehensive income for the year		**180 978**	**11 168**	**93 740**	**13 736**	**11 168**	**93 740**

6. Statement of CHANGES IN EQUITY

for the year ended 31 March 2016

	SHARE CAPITAL R'000	REVALUATION RESERVE R'000	RETAINED INCOME R'000	TOTAL EQUITY R'000
GROUP				
Opening balance as previously reported	303 854	290 470	242 613	836 937
Adjustments:				
Prior period error	-	-	2 615	2 615
Prior year adjustment of net income recognised directly in equity	-	-	(92)	(92)
Balance at 01 April 2014 as restated	**303 854**	**290 470**	**245 136**	**839 460**
Profit for the year	-	-	1 656	1 656
Other comprehensive income	-	10 767	-	10 767
Total comprehensive income for the year	**-**	**10 767**	**1 656**	**12 423**
Opening balance as previously reported	303 854	301 237	246 792	851 883
Adjustments:				
Prior period errors	-	-	(1 254)	(1 254)
Balance at 01 April 2015 as restated	**303 854**	**301 237**	**245 538**	**850 629**
Loss for the year	-	-	(31 887)	(31 887)
Other comprehensive income	-	10 624	202 241	212 865
Total comprehensive Income for the year	**-**	**10 624**	**170 354**	**180 978**
Balance at 31 March 2016	**303 854**	**311 861**	**415 892**	**1 031 607**
Note(s)	13	14 & 28	28 & 41	
COMPANY				
Opening balance as previously reported	303 854	290 470	242 612	836 936
Adjustments:				
Prior period error	-	-	2 615	2 615
Prior year adjustment of net income recognised directly in equity	-	-	(92)	(92)
Balance at 01 April 2014 as restated	**303 854**	**290 470**	**245 136**	**839 460**
Profit for the year	-	-	1 656	1 656
Other comprehensive income	-	10 767	-	10 767
Total comprehensive income for the year	**-**	**10 767**	**1 656**	**12 423**
Opening balance as previously reported	303 854	301 237	246 791	851 882
Adjustments:				
Prior period errors	-	-	(1 254)	(1 254)
Balance at 01 April 2015 as restated	**303 854**	**301 237**	**245 537**	**850 628**
Profit for the year	-	-	13 736	13 736
Total comprehensive income for the year	**-**	**-**	**13 736**	**13 736**
Balance at 31 March 2016	**303 854**	**301 237**	**259 273**	**864 364**
Note(s)	13	14 & 28	28 & 41	

7. Statement of CASH FLOWS

for the year ended 31 March 2016

	NOTES	GROUP 2016 R'000	GROUP 2015 R'000	GROUP 2014 R'000	COMPANY 2016 R'000	COMPANY 2015 R'000	COMPANY 2014 R'000
Cash flows from operating activities							
Cash receipts from customers		217 854	128 249	114 910	171 400	128 249	114 910
Cash paid to suppliers and employees		(180 634)	(134 773)	(101 909)	(132 136)	(134 773)	(101 909)
Cash generated from operations	29	37 220	(6 524)	13 001	39 264	(6 524)	13 001
Interest income		4 320	3 751	3 940	4 318	3 751	3 940
Interest paid		(4 469)	(511)	(596)	(664)	(511)	(596)
Net cash from operating activities		**37 071**	**(3 284)**	**16 345**	**42 918**	**(3 284)**	**16 345**
Cash flows from investing activities							
Purchase of property, plant and equipment	3	(44 819)	(307)	(1 164)	(4 988)	(307)	(1 165)
Sale of property, plant and equipment	3	5 183	157	-	-	157	-
Purchase of investment property	4	-	(250)	(6 342)	(32 976)	(250)	(6 342)
Sale of investment property	4	273	-	129	273	-	129
Purchase of other intangible assets	6	-	-	(4 358)	-	-	(4 358)
Sale of other intangible assets	6	-	4 358	-	-	4 358	-
Purchase of biological assets	5	(3 007)	-	-	(3 007)	-	-
Amalgamating inflow		-	-	(6 875)	-	-	(6 875)
Net cash from investing activities		**(42 370)**	**3 958**	**(18 610)**	**(40 698)**	**3 958**	**(18 611)**
Cash flows from financing activities							
Repayment of other financial liabilities		(3 760)	(6 140)	(7 369)	(6 972)	(6 140)	(7 369)
Long-term loans		-	-	(168)	-	-	(168)
Financing of subsidary		-	-	-	(6 529)	-	-
Net cash from financing activities		**(3 760)**	**(6 140)**	**(7 537)**	**(13 501)**	**(6 140)**	**(7 537)**
Total cash movement for the year		(9 059)	(5 466)	(9 802)	(11 281)	(5 466)	(9 803)
Cash at the beginning of the year		93 215	98 681	108 483	93 215	98 681	108 483
Total cash at end of the year	12	**84 156**	**93 215**	**98 681**	**81 934**	**93 215**	**98 680**

8. Accounting Policies

1. PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared on the basis of accounting applicable to schedule 3D public entities and trading entities, in accordance with South African Statements of Generally Accepted Accounting Practice . The consolidated financial statements have been prepared on the historical cost basis, except for the measurement of certain properties and certain financial instruments at fair value or re-valued amounts and incorporate the principal accounting policies set out below. They are presented in South African Rands.

Amounts are rounded to the nearest thousand, unless otherwise stated.

The 2014 and 2015 comparative figures have been restated as indicated in note 41 These accounting policies are consistent with the previous period.

1.1 CONSOLIDATION

Basis of consolidation

The consolidated consolidated financial statements incorporate the consolidated financial statements of the group and all investees which are controlled by the group.

The group has control of an investee when it has power over the investee; it is exposed to or has rights to variable returns from involvement with the investee; and it has the ability to use its power over the investee to affect the amount of the investor's returns.

The results of subsidiaries are included in the consolidated consolidated financial statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the consolidated financial statements of subsidiaries to bring their accounting policies in line with those of the group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the group's interest therein, and are recognised within equity. None of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interest.

Transactions which result in changes in ownership levels, where the group has control of the subsidiary both before and after the transaction are regarded as equity transaction and are recognised directly in the statement of changes in equity.

The difference between the fair value of consideration paid or received and the movement in non-controlling interest for such transactions is recognised in equity attributable to the owners of the parent.

Where a subsidiary is disposed of and a non-controlling shareholding is retained, the remaining investment is measured to fair value with the adjustment to fair value recognised in profit or loss as part of the gain or loss on disposal of the controlling interest.

Investment in associates

An associate is an entity over which the group has significant influence and which is neither a subsidiary nor a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

An investment in associate is accounted for using the equity method, except when the investment is classified as held-for-sale in accordance with IFRS 5 Non-current assets held-for-sale and discontinued operations. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost adjusted for post acquisition changes in the group's share of net assets of the associate, less any impairment identified in the associates.

Profits in an associate in excess of the group's interest in that associate are recognised only to the extent that the group has incurred a legal or constructive obligation to make payments on behalf of the associate.

Any goodwill on acquisition of an associate is included in the carrying amount of the investment, however, a gain on acquisition is recognised immediately in profit or loss.

Profits or Loss on transactions between the group and an associate are eliminated to the extent of the group's interest therein.

When the group reduces its level of significant influence or loses significant influence, the group proportionately reclassifies the related items which were previously accumulated in equity through other comprehensive income to profit or loss as a reclassification adjustment. In such cases, if an investment remains, that investment is measured to fair value, with the fair value adjustment being recognised in profit or loss as part of the gain or loss on disposal.

1.2 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

In preparing the consolidated financial statements, management is required to make estimates and assumptions that affect the amounts represented in the consolidated financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the consolidated financial statements. Significant judgements include:

Trade Receivables and Loans and Receivables

The group assesses its trade receivables and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the group makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables and loans and receivables is calculated on a individual basis based on historical and future data available on which repayment ratio's is determined and applied.

Allowance for slow moving, damaged and obsolete stock

An allowance for stock to write stock down to the lower of cost or net realisable value. Management have made estimates of the selling price and direct cost to sell on certain inventory items. The write down is included in the operating profit note.

Fair value estimation

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over the counter derivatives) is determined by using valuation techniques. The group uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial instruments.

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value- in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumptions may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.

The group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors, together with economic factors. (Refer to notes for details)

Useful lives and residual values

The entity's management determines the estimated useful lives, residual values and related depreciation charges for assets as noted in 1.5, Property, Plant and Equipment. These estimates are based on industry norms and the condition of the assets.

Changes in estimates and useful lives of assets are adjusted prospectively.

1.3 BIOLOGICAL ASSETS

An entity shall recognise a biological asset or agricultural produce when, and only when:

- the entity controls the asset as a result of past events;
- it is probable that future economic benefits associated with the asset will flow to the entity; and
- the fair value or cost of the asset can be measured reliably.

Biological assets are measured at their fair value less costs to sell.

The fair value of livestock is determined based on market prices of livestock of similar age, breed, and genetic merit.

A gain or loss arising on initial recognition of biological assets or agricultural produce at fair value less costs to sell is included in profit or loss for the period in which it arises.

Where market determined prices or values are not available, the present value of the expected net cash inflows from the asset, discounted at a current market-determined rate is used to determine fair value.

Where fair value cannot be measured reliably, biological assets are measured at cost less any accumulated depreciation and any accumulated impairment losses.

1.4 INVESTMENT PROPERTY

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

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

Owner-occupied property is property held for use in the production or supply of goods or services or for administrative purposes.

Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property will flow to the enterprise, and the cost of the investment property can be measured reliably.

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

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Fair value

Subsequent to initial measurement investment property is measured at fair value.

A gain or loss arising from a change in fair value is included in net profit or loss for the period in which it arises.

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

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

1.5 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are tangible assets which the group holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

The initial estimate of the costs of dismantling and removing an item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the group is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the group and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Major spare parts and stand by equipment which are expected to be used for more than one year are included in property, plant and equipment.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land and Buildings which is carried at revalued amounts being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. As well as leasehold improvements which is carried at revalued amounts.

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

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

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the group. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

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

ITEM	DEPRECIATION METHOD	AVERAGE USEFUL LIFE
Buildings	Straight line	50 years
Land		Indefinite
Furniture and fittings	Straight line	5- 23 years
Motor vehicles	Straight line	6- 15 years
Office Equipment	Straight line	4- 7 years
Computer equipment	Straight line	6 years
Computer software	Straight line	11 years
Leasehold improvements	Straight line	40 years
Sundry equipment	Straight line	6- 15 years
Infrastructure	Straight line	
• Water		40- 60 years
• Roads		40- 60 years
• Sewer		40- 60 years
• Stormwater		40- 60 years
• Bulk Electricity		10- 50 years
EDC project assets	Straight line	6- 23 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting 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 year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. Any 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.

Assets which the group holds for rentals to others and subsequently routinely sells 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.

1.6 INTANGIBLE ASSETS

An intangible asset is recognised when:

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

Intangible assets are initially recognised at cost.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation charge for the year is recognised in profit or loss.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

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

ITEM	USEFUL LIFE
Right to trade on premises of Taung Sun	99 years

An intangible asset is derecognised on disposal of the asset or when no future economic benefits are expected from its use or disposal.

The gain or loss arising from the derecognition of an intangible asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset. It is recognised in profit or loss when the asset is derecognised.

1.7 FINANCIAL INSTRUMENTS CLASSIFICATION

The group classifies financial assets and financial liabilities into the following categories:

- Financial assets at fair value through profit or loss
- Held-to-maturity investment
- Loans and receivables
- Available-for-sale financial assets
- Financial liabilities at fair value through profit or loss
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition.

Trade and other receivables and loans that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Unlisted shares and listed redeemable notes held by the company that are traded in an active market are classified as being available-for-sale.

Initial recognition and measurement

Financial instruments are recognised initially when the group becomes a party to the contractual provisions of the instruments.

The group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

Transaction costs on financial instruments at fair value through profit or loss are recognised in profit or loss.

Subsequent measurement

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Available-for-sale financial assets are subsequently measured at fair value. This excludes equity investments for which a fair value is not determinable, which are measured at cost less accumulated impairment losses.

Gains and losses arising from changes in fair value are recognised in the investment revaluation reserve with the exception of impairment losses and is accumulated in equity until the asset is disposed of or determined to be impaired. Interest on available-for-sale financial assets calculated using the effective interest method is recognised in profit or loss as part of other income. Dividends received on available-for-sale equity instruments are recognised in profit or loss as part of other income when the group's right to receive payment is established.

Changes in fair value of available-for-sale financial assets denominated in a foreign currency are analysed between translation differences resulting from changes in amortised cost and other changes in the carrying amount at the spot rate at year end.

Translation differences on monetary items are recognised in profit or loss, while translation differences on non-monetary items are recognised in equity.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership.

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss

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 shall be allocated between the part that continues to be recognised and the part that is derecognised, on the basis of the relative fair values of those parts on the date of the transfer. For this purpose, a retained servicing asset shall be treated as a part that continues to be recognised. The difference between the carrying amount (measured at the date of derecognition) allocated to the part derecognised and the consideration received for the part derecognised (including any new asset obtained less any new liability consumed) is recognised in profit or loss.

A financial liability is removed (or a part of a financial liability) when it is extinguished (when the obligation specified in the contract is discharged or cancelled or expires).

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 profit or loss.

Impairment of financial assets

At each reporting date the group assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For all other financial assets, including redeemable notes classified as available-for-sale and finance lease receivables, significant financial difficulties of the issuer or counterparty, or the probability that the borrower will enter bankruptcy or financial re-organisation, or default or delinquency in interest or principal payments are all considered indicators of impairment.

In the case of unlisted shares classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator of impairment. If any such evidence exists for available-for-sale financial assets, the cumulative loss- measured as the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss- is removed from equity as a reclassification adjustment to other comprehensive income and recognised in profit or loss.

Impairment losses are recognised in profit or loss.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses are recognised in profit or loss except for equity investments classified as available-for-sale.

Impairment losses are also not subsequently reversed for available-for-sale equity investments which are held at cost because fair value was not determinable.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period , as well as observable changes in national or local economic conditions that correlate with default on receivables. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Trade and other receivables and loans

Trade and other receivables and loans are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in interest or principal payments are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other payables

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

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Bank overdraft and borrowings

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the group's accounting policy for borrowing costs.

1.8 TAX

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

A deferred tax asset and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company's intends to settle its current tax assets and liabilities on a net basis.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

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.

Operating leases - lessor

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

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

Income for leases is disclosed under revenue in profit or loss.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the lease of assets are consumed. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

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

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

1.10 INVENTORIES

Inventories are measured at the lower of cost and net realisable value on the first-in-first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

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

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

The cost of inventories is assigned using the first-in, first-out (FIFO) 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 amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value 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, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.11 NON-CURRENT ASSETS HELD FOR SALE

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets held for sale are measured at the lower of its carrying amount and fair value less costs to sell. A non-current asset is not depreciated (or amortised) while it is classified as held for sale.

1.12 IMPAIRMENT OF ASSETS

The group assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the group estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the group also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.

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

The 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.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

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 had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.13 SHARE CAPITAL AND EQUITY

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are classified as equity.

If the group reacquires its own equity instruments, the consideration paid, including any directly attributable incremental costs (net of income taxes) on those instruments are deducted from equity until the shares are cancelled or reissued. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the group's own equity instruments. Consideration paid or received shall be recognised directly in equity.

1.14 EMPLOYEE BENEFITS

Short-term employee benefits

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

The expected cost of compensated absences is recognised as a liability (accrued expense) as the employees render services that increase their entitlement, after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, an entity shall 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.

The expected cost of non-accumulating absences is recognised as an expense when the absence occurs.

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

Defined contribution plans - Retirement beneftis

The fund is classified as a provident fund in terms of section 1 of the Income Tax Act, 1962. The fund is a defined contribution plan. The fund provides retirement benefits and administers other benefits for employees and their dependants in the event of their death.

The member contributes at a rate of 16% of members' fund salaries, subject to the member being given the option to have this contribution increased to a maximum of 21%, less the cost for that month of the member's benefits under the funeral insurance policy arranged by the employer and the contributions paid by the members to any other retirement benefit fund.

The funds are externally managed by Alexander Forbes.

1.15 PROVISIONS AND CONTINGENCIES

Provisions are recognised when:

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

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

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

Provisions are not recognised for future operating .

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 38.

1.16 GOVERNMENT GRANTS AND DEFERRED INCOME

Government grants are recognised when there is reasonable assurance that:

- the group will comply with the conditions attaching to them; and
- the grants will be received.

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

A government grant that becomes receivable as compensation for expenses or already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income of the period in which it becomes receivable.

Government grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position by setting up the grant as deferred income which is recognised as income on a systematic and rational basis over the useful life of the asset.

Grants related to income are presented as a credit in the profit or loss (separately).

1.17 REVENUE

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

- the group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the group 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 associated with the transaction will flow to the group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. 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 associated with the transaction will flow to the group;
- the stage of completion of the transaction at the end of the reporting period 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 shall be recognised only to the extent of the expenses recognised that are recoverable.

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

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

Interest is recognised, in profit or loss, using the effective interest rate method.

Dividends revenue from investments are recognised, in profit or loss, when the company's right to receive payment has been established.

1.18 COST OF SALES

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all 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, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.19 BORROWING COSTS

All other borrowing costs are recognised as an expense in the period in which they are incurred.

1.20 CAPITAL COMMITMENTS

Capital commitments are disclosed in respect of contracted amounts for which delivery by the contractor is outstanding at the accounting date and for amounts for which the Board approval has been obtained but not yet contracted for.

1.21 RELATED PARTIES

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

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

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

1.22 COMPARATIVE FIGURES

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year. Refer to prior year error note for details.

1.23 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.

1.24 IRREGULAR EXPENDITURE

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

(a) this Act; or

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

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

Irregular expenditure that was incurred and identified during the current financial and which was 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.

1.25 TRANSFERS OF FUNCTIONS BETWEEN ENTITIES UNDER COMMON CONTROL

An acquirer is the entity that obtains control of the acquire or transferor’s functions. The carrying amount of an asset or liability is the amount at which an asset or liability is recognised in the statement of financial position. The net effect are recorded directly in equity.

9. Notes to the

Consolidated Annual Financial Statements

2. NEW STANDARDS AND INTERPRETATIONS

AMENDMENT TO IAS 19: DEFINED BENEFIT PLANS: EMPLOYEE CONTRIBUTIONS

The amendment relates to contributions received from employees or third parties for defined benefit plans. These contributions could either be discretionary or set out in the formal terms of the plan. If they are discretionary then they reduce the service cost. Those which are set out in the formal terms of the plan are either linked to service or not. When they are not linked to service then the contributions affect the remeasurement. When they are linked to service and to the number of years of service, they reduce the service cost by being attributed to the periods of service. If they are linked to service but not to the number of years' service then they either reduce the service cost by being attributed to the periods of service or they reduce the service cost in the period in which the related service is rendered.

The effective date of the amendment is for years beginning on or after 01 July 2014.

The group has adopted the amendment for the first time in the 2016 consolidated financial statements.

The adoption of this amendment has not had a material impact on the results of the group, but has resulted in more disclosure than would have previously been provided in the consolidated financial statements.

AMENDMENT TO IFRS 3: BUSINESS COMBINATIONS: ANNUAL IMPROVEMENTS PROJECT

The amendment to the scope exclusions removes reference to the formation of joint ventures. It now excludes from the scope, the formation of a joint arrangement in the consolidated financial statements of the joint arrangement itself.

The effective date of the amendment is for years beginning on or after 01 July 2014.

The group has adopted the amendment for the first time in the 2016 consolidated financial statements.

The adoption of this amendment has not had a material impact on the results of the group, but has resulted in more disclosure than would have previously been provided in the consolidated financial statements.

AMENDMENT TO IFRS 3: BUSINESS COMBINATIONS: ANNUAL IMPROVEMENTS PROJECT

The amendment clarifies that contingent consideration in a business combination which meets the definition of a financial instrument shall be classified as a financial liability or equity. It further stipulates that contingent consideration which is required to be measured at fair value shall be done so by recognising changes in fair value through profit or loss. Reference to measuring contingent consideration to fair value through other comprehensive income has been deleted.

The effective date of the amendment is for years beginning on or after 01 July 2014.

The group has adopted the amendment for the first time in the 2016 consolidated financial statements.

The adoption of this amendment has not had a material impact on the results of the group, but has resulted in more disclosure than would have previously been provided in the consolidated financial statements.

AMENDMENT TO IFRS 13: FAIR VALUE MEASUREMENT: ANNUAL IMPROVEMENTS PROJECT

The amendment clarifies that references to financial assets and financial liabilities in paragraphs 48–51 and 53–56 should be read as applying to all contracts within the scope of, and accounted for in accordance with, IAS 39 or IFRS 9, regardless of whether they meet the definitions of financial assets or financial liabilities in IAS 32 Financial Instruments: Presentation.

The effective date of the amendment is for years beginning on or after 01 July 2014.

The group has adopted the amendment for the first time in the 2016 consolidated financial statements.

The adoption of this amendment has not had a material impact on the results of the group, but has resulted in more disclosure than would have previously been provided in the consolidated financial statements.

AMENDMENT TO IAS 38: INTANGIBLE ASSETS: ANNUAL IMPROVEMENTS PROJECT

The amendment adjusts the option to proportionately restate accumulated amortisation when an intangible asset is revalued. Instead, the gross carrying amount is to be adjusted in a manner consistent with the revaluation of the carrying amount. The accumulated amortisation is then adjusted as the difference between the gross and net carrying amount.

The effective date of the amendment is for years beginning on or after 01 July 2014.

The group has adopted the amendment for the first time in the 2016 consolidated financial statements.

The adoption of this amendment has not had a material impact on the results of the group, but has resulted in more disclosure than would have previously been provided in the consolidated financial statements.

AMENDMENT TO IFRS 5: NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS: ANNUAL IMPROVEMENTS PROJECT

The amendment clarifies that non-current assets held for distribution to owners should be treated consistently with non-current assets held for sale. It further specifies that if a non-current asset held for sale is reclassified as a non-current asset held for distribution to owners or visa versa, that the change is considered a continuation of the original plan of disposal.

The effective date of the group is for years beginning on or after 01 January 2016.

The group expects to adopt the amendment for the first time in the 2017 consolidated financial statements.

It is unlikely that the amendment will have a material impact on the group's consolidated financial statements.

AMENDMENT TO IFRS 7: FINANCIAL INSTRUMENTS: DISCLOSURES: ANNUAL IMPROVEMENTS PROJECT

The amendment provides additional guidance regarding transfers with continuing involvement. Specifically, it provides that cash flows excludes cash collected which must be remitted to a transferee. It also provides that when an entity transfers a financial asset but retains the right to service the asset for a fee, that the entity should apply the existing guidance to consider whether it has continuing involvement in the asset.

The effective date of the group is for years beginning on or after 01 January 2016.

The group expects to adopt the amendment for the first time in the 2017 consolidated financial statements.

The adoption of this amendment is not expected to impact on the results of the group, but may result in more disclosure than is currently provided in the consolidated financial statements.

AMENDMENT TO IAS 19: EMPLOYEE BENEFITS: ANNUAL IMPROVEMENTS PROJECT

The amendment clarifies that when a discount rate is determined for currencies where there is no deep market in high quality corporate bonds, then market yields on government bonds in that currency should be used.

The effective date of the group is for years beginning on or after 01 January 2016.

The group expects to adopt the amendment for the first time in the 2017 consolidated financial statements.

The adoption of this amendment is not expected to impact on the results of the group, but may result in more disclosure than is currently provided in the consolidated financial statements.

Disclosure Initiative: Amendment to IAS 1: Presentation of Financial Statements

The amendment provides new requirements when an entity presents subtotals in addition to those required by IAS 1 in its consolidated financial statements. It also provides amended guidance concerning the order of presentation of the notes in the consolidated financial statements, as well as guidance for identifying which accounting policies should be included. It further clarifies that an entity's share of comprehensive income of an associate or joint venture under the equity method shall be presented separately into its share of items that a) will not be reclassified subsequently to profit or loss and b) that will be reclassified subsequently to profit or loss.

The effective date of the group is for years beginning on or after 01 January 2016.

The group expects to adopt the amendment for the first time in the 2017 consolidated financial statements.

The adoption of this amendment is not expected to impact on the results of the group, but may result in more disclosure than is currently provided in the consolidated financial statements.

AMENDMENT TO IAS 34: INTERIM FINANCIAL REPORTING. ANNUAL IMPROVEMENTS PROJECT

The amendment allows an entity to present disclosures required by paragraph 16A either in the interim consolidated financial statements or by cross reference to another report, for example, a risk report, provided that other report is available to users of the consolidated financial statements on the same terms as the interim consolidated financial statements and at the same time.

The effective date of the group is for years beginning on or after 01 January 2016.

The group expects to adopt the amendment for the first time in the 2017 consolidated financial statements.

The adoption of this amendment is not expected to impact on the results of the group, but may result in more disclosure than is currently provided in the consolidated financial statements.

AMENDMENT TO IFRS 8: OPERATING SEGMENTS: ANNUAL IMPROVEMENTS PROJECT

Management are now required to disclose the judgements made in applying the aggregation criteria. This includes a brief description of the operating segments that have been aggregated in this way and the economic indicators that have been assessed in determining that the aggregated operating segments share similar economic characteristics.

The effective date of the amendment is for years beginning on or after 01 July 2014.

The group has adopted the amendment for the first time in the 2016 consolidated financial statements.

The adoption of this amendment has not had a material impact on the results of the group, but has resulted in more disclosure than would have previously been provided in the consolidated financial statements.

AMENDMENT TO IAS 24: RELATED PARTY DISCLOSURES: ANNUAL IMPROVEMENTS PROJECT

The definition of a related party has been amended to include an entity, or any member of a group of which it is a part, which provides key management personnel services to the reporting entity or to the parent of the reporting entity ("management entity"). Disclosure is required of payments made to the management entity for these services but not of payments made by the management entity to its directors or employees.

The effective date of the amendment is for years beginning on or after 01 July 2014.

The group has adopted the amendment for the first time in the 2016 consolidated financial statements.

The adoption of this amendment has not had a material impact on the results of the group, but has resulted in more disclosure than would have previously been provided in the consolidated financial statements.

AMENDMENT TO IAS 16: PROPERTY, PLANT AND EQUIPMENT: ANNUAL IMPROVEMENTS PROJECT

The amendment adjusts the option to proportionately restate accumulated depreciation when an item of property, plant and equipment is revalued. Instead, the gross carrying amount is to be adjusted in a manner consistent with the revaluation of the carrying amount. The accumulated depreciation is then adjusted as the difference between the gross and net carrying amount.

The effective date of the amendment is for years beginning on or after 01 July 2014.

The group has adopted the amendment for the first time in the 2016 consolidated financial statements.

The adoption of this amendment has not had a material impact on the results of the group, but has resulted in more disclosure than would have previously been provided in the consolidated financial statements.

AMENDMENT TO IAS 40: INVESTMENT PROPERTY: ANNUAL IMPROVEMENTS PROJECT

The amendment requires an entity to determine whether the acquisition of investment property is the acquisition of an asset or a business combination, in which case the provisions of IFRS 3 Business Combinations applies.

The effective date of the amendment is for years beginning on or after 01 July 2014.

The group has adopted the amendment for the first time in the 2016 consolidated financial statements.

The adoption of this amendment has not had a material impact on the results of the group, but has resulted in more disclosure than would have previously been provided in the consolidated financial statements.

IFRS 9 FINANCIAL INSTRUMENTS

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurements of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a)impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a “fair value through other comprehensive income” (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of IFRS 9:

- All recognised financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the outstanding principal are generally measured at amortised cost at the end of subsequent reporting periods. Debt instruments that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on outstanding principal, are measured at FVTOCI. All other debt and equity investments are measured at fair value at the end of subsequent reporting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income with only dividend income generally recognised in profit or loss.
- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of the liability is presented in other comprehensive income, unless the recognition of the effect of the changes of the liability’s credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Under IAS 39, the entire amount of the change in fair value of a financial liability designated as at fair value through profit or loss is presented in profit or loss.

- In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. It is therefore no longer necessary for a credit event to have occurred before credit losses are recognised.
- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been replaced with the principal of an "economic relationship". Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The effective date of the standard is for years beginning on or after 01 January 2018.

The group expects to adopt the standard for the first time in the 2019 consolidated financial statements.

The adoption of this standard is not expected to impact on the results of the group, but may result in more disclosure than is currently provided in the consolidated financial statements.

IFRS 15 REVENUE FROM CONTRACTS WITH CUSTOMERS

IFRS 15 supersedes IAS 11 Construction contracts; IAS 18 Revenue; IFRIC 13 Customer Loyalty Programmes; IFRIC 15 Agreements for the construction of Real Estate; IFRIC 18 Transfers of Assets from Customers and SIC 31 Revenue- Barter Transactions Involving Advertising Services.

The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

- Identify the contract(s) with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognise revenue when (or as) the entity satisfies a performance obligation.

IFRS 15 also includes extensive new disclosure requirements.

The effective date of the standard is for years beginning on or after 01 January 2017.

The group expects to adopt the standard for the first time in the 2018 consolidated financial statements.

The adoption of this standard is not expected to impact on the results of the group, but may result in more disclosure than is currently provided in the consolidated financial statements.

AMENDMENT TO IFRS 11: ACCOUNTING FOR ACQUISITIONS OF INTERESTS IN JOINT OPERATIONS

The amendments apply to the acquisitions of interest in joint operations. When an entity acquires an interest in a joint operation in which the activity of the joint operation constitutes a business, as defined in IFRS 3, it shall apply, to the extent of its share, all of the principles on business combinations accounting in IFRS 3, and other IFRSs, that do not conflict with the guidance in this IFRS and disclose the information that is required in those IFRSs in relation to business combinations. This applies to the acquisition of both the initial interest and additional interests in a joint operation in which the activity of the joint operation constitutes a business.

The effective date of the amendments is for years beginning on or after 01 January 2016.

The group expects to adopt the amendments for the first time in the 2017 consolidated financial statements.

The adoption of this amendments is not expected to impact on the results of the group, but may result in more disclosure than is currently provided in the consolidated financial statements.

AMENDMENTS TO IAS 16 AND IAS 38: CLARIFICATION OF ACCEPTABLE METHODS OF DEPRECIATION AND AMORTISATION

The amendment clarifies that a depreciation or amortisation method that is based on revenue that is generated by an activity that includes the use of the asset is not an appropriate method. This requirement can be rebutted for intangible assets in very specific circumstances as set out in the amendments to IAS 38.

The effective date of the amendment is for years beginning on or after 01 January 2016.

The group expects to adopt the amendment for the first time in the 2017 consolidated financial statements.

The adoption of this amendment is not expected to impact on the results of the group, but may result in more disclosure than is currently provided in the consolidated financial statements.

AMENDMENTS TO IFRS 10 AND IAS 28: SALE OR CONTRIBUTION OF ASSETS BETWEEN AN INVESTOR AND ITS ASSOCIATE OR JOINT VENTURE

If a parent loses control of a subsidiary which does not contain a business, as a result of a transaction with an associate or joint venture, then the gain or loss on the loss of control is recognised in the parents profit or loss only to the extent of the unrelated investors interest in the associate or joint venture. The remaining gain or loss is eliminated against the carrying amount of the investment in the associate or joint venture. The same treatment is followed for the measurement to fair value of any remaining investment which is itself an associate or joint venture. If the remaining investment is accounted for in terms of IFRS 9, then the measurement to fair value of that interest is recognised in full in the parents profit or loss.

The effective date of the group is for years beginning on or after 01 January 2016.

The group expects to adopt the amendment for the first time in the 2017 consolidated financial statements.

The adoption of this amendment is not expected to impact on the results of the group, but may result in more disclosure than is currently provided in the consolidated financial statements.

AMENDMENT TO IAS 27: EQUITY METHOD IN SEPARATE FINANCIAL STATEMENTS

The amendment adds the equity method to the methods of accounting for investments in subsidiaries, associates and joint ventures in the separate consolidated financial statements of an entity.

The effective date of the amendment is for years beginning on or after 01 January 2016.

The group expects to adopt the amendment for the first time in the 2017 consolidated financial statements.

The adoption of this amendment is not expected to impact on the results of the group, but may result in more disclosure than is currently provided in the consolidated financial statements.

IFRS 14 REGULATORY DEFERRAL ACCOUNTS

The new standard is an interim standard applicable to entities subject to rate regulation. The standard is only applicable to entities adopting IFRS for the first time. It permits entities to recognise regulatory deferral account balances in the statement of financial position. When the account has a debit balance, it is recognised after total assets. Similarly, when it has a credit balance, it is recognised after total liabilities. Movements in these accounts, either in profit or loss or other comprehensive income are allowed only as single line items.

The effective date of the standard is for years beginning on or after 01 January 2016.

The group expects to adopt the standard for the first time in the 2017 consolidated financial statements.

The adoption of this standard is not expected to impact on the results of the group, but may result in more disclosure than is currently provided in the consolidated financial statements.

AMENDMENTS TO IFRS 10, 12 AND IAS 28: INVESTMENT ENTITIES. APPLYING THE CONSOLIDATION EXEMPTION

The amendment clarifies the consolidation exemption for investment entities. It further specifies that an investment entity which measures all of its subsidiaries at fair value is required to comply with the "investment entity" disclosures provided in IFRS 12. The amendment also specifies that if an entity is itself not an investment entity and it has an investment in an associate or joint venture which is an investment entity, then the entity may retain the fair value measurement applied by such associate or joint venture to any of their subsidiaries.

The effective date of the group is for years beginning on or after 01 January 2016.

The group expects to adopt the amendment for the first time in the 2017 consolidated financial statements.

The adoption of this amendment is not expected to impact on the results of the group, but may result in more disclosure than is currently provided in the consolidated financial statements.

AMENDMENTS TO IAS 16 AND IAS 41: AGRICULTURE: BEARER PLANTS

The amendment defines bearer plants and include bearer plants within the scope of IAS 16 Property, Plant and Equipment. A bearer plant is defined as a living plant used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce. Bearer plants were previously within the scope of IAS 41 Agriculture.

The effective date of the amendment is for years beginning on or after 01 January 2016.

The group expects to adopt the amendment for the first time in the 2017 consolidated financial statements.

The adoption of this amendment is not expected to impact on the results of the group, but may result in more disclosure than is currently provided in the consolidated financial statements.

3. PROPERTY, PLANT AND EQUIPMENT

	2016			2015			2014		
GROUP	Cost or revaluation R'000	Accumulated depreciation R'000	Carrying value R'000	Cost or revaluation R'000	Accumulated depreciation R'000	Carrying value R'000	Cost or revaluation R'000	Accumulated depreciation R'000	Carrying value R'000
Land and buildings at valuation	51 980	-	51 980	8 380	-	8 380	8 380	-	8 380
Plant and machinery	396	(295)	101	-	-	-	-	-	-
Furniture and fixtures at cost	16 824	(10 593)	6 231	3 538	(1 879)	1 659	3 938	(1 672)	2 266
Motor vehicles at cost	6 543	(4 715)	1 828	5 561	(3 441)	2 120	5 980	(3 067)	2 913
Office equipment	4 388	(1 799)	2 589	-	-	-	-	-	-
IT equipment at cost	3 582	(2 594)	988	3 021	(1 811)	1 210	2 874	(1 449)	1 425
Computer software at cost	331	(264)	67	331	(191)	140	331	(161)	170
Leasehold improvements	215 327	(16 332)	198 995	-	-	-	-	-	-
Infrastructure at valuation	472 470	(218 752)	253 718	472 470	(212 603)	259 867	461 703	(206 455)	255 248
EDC Project Assets	2 016	(53)	1 963	-	-	-	-	-	-
Kitchen Equipment	147	(102)	45	-	-	-	-	-	-
Total	**774 004**	**(255 499)**	**518 505**	**493 301**	**(219 925)**	**273 376**	**483 206**	**(212 804)**	**270 402**

COMPANY									
Land and buildings at valuation	8 380	-	8 380	8 380	-	8 380	8 380	-	8 380
Furniture and fixtures at cost	3 586	(2 376)	1 210	3 538	(1 879)	1 659	3 938	(1 672)	2 266
Motor vehicles at cost	5 561	(4 509)	1 052	5 561	(3 441)	2 120	5 980	(3 067)	2 913
IT equipment at cost	3 525	(2 538)	987	3 021	(1 811)	1 210	2 874	(1 449)	1 425
Computer software at cost	331	(264)	67	331	(191)	140	331	(161)	170
Infrastructure at valuation	472 470	(218 752)	253 718	472 470	(212 603)	259 867	461 703	(206 455)	255 248
EDC Project Assets	2 016	(53)	1 963	-	-	-	-	-	-
Total	**495 869**	**(228 492)**	**267 377**	**493 301**	**(219 925)**	**273 376**	**483 206**	**(212 804)**	**270 402**

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Reconciliation of property, plant and equipment

GROUP: 2016	Opening balance R'000	Additions R'000	Additions through aquisitions R'000	Disposals R'000	Transfers R'000	Revaluations R'000	Depreciation R'000	Impairment loss R'000	Impairment reversal R'000	Total R'000
Land and buildings at valuation	8 380	32 976	-	-	-	10 624	-	-	-	51 980
Plant and machinery	-	6	173	-	-	-	(78)	-	-	101
Furniture and fixtures at cost	1 659	6 963	5 170	(4 436)	-	-	(2 993)	(132)	-	6 231
Motor vehicles at cost	2 120	871	663	(747)	-	-	(1 249)	-	170	1 828
Office equipment	-	1 964	1 444	-	-	-	(819)	-	-	2 589
IT equipment at cost	1 210	504	2	-	-	-	(676)	(52)	-	988
Computer software at cost	140	-	-	-	-	-	(57)	(16)	-	67
Leasehold improvements	-	1 528	192 836	-	11 538	-	(6 907)	-	-	198 995
Infrastructure at valuation	259 867	-	-	-	-	-	(6 149)	-	-	253 718
EDC Project Assets	-	2 016	-	-	-	-	(53)	-	-	1 963
Kitchen Equipment	-	7	66	-	-	-	(28)	-	-	45
Capital- Work in progress	-	-	11 538	-	(11 538)	-	-	-	-	-
	273 376	**46 835**	**211 892**	**(5 183)**	**-**	**10 624**	**(19 009)**	**(200)**	**170**	**518 505**

GROUP: 2015	Opening balance R'000	Additions R'000	Disposals R'000	Revaluations R'000	Depreciation R'000	Impairment loss R'000	Impairment reversal R'000	Total R'000
Land and buildings at valuation	8 380	-	-	-	-	-	-	8 380
Furniture and fixtures at cost	2 266	185	(549)	-	11	(250)	(4)	1 659
Motor vehicles at cost	2 913	-	(211)	-	-	(579)	(3)	2 120
IT equipment at cost	1 426	122	-	-	4	(328)	(14)	1 210
Computer software at cost	170	-	-	-	-	(30)	-	140
Infrastructure at valuation	255 248	-	-	10 767	-	(6 148)	-	259 867
	270 403	307	(760)	10 767	15	(7 335)	(21)	273 376

GROUP: 2014	Opening balance R'000	Additions R'000	Disposals R'000	Depreciation R'000	Impairment loss R'000	Impairment reversal R'000	Total R'000
Land and buildings at valuation	7 010	-	-	-	1 370	-	8 380
Furniture and fixtures at cost	1 367	706	-	374	-	(181)	2 266
Motor vehicles at cost	3 915	46	(250)	-	-	(798)	2 913
IT equipment at cost	1 028	412	-	276	-	(291)	1 425
Computer software at cost	184	-	-	16	-	(30)	170
Infrastructure at valuation	109 485	-	-	113 843	38 069	(6 149)	255 248
	122 989	**1 164**	**(250)**	**114 509**	**39 439**	**(7 449)**	**270 402**

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Reconciliation of property, plant and equipment

COMPANY : 2016	Opening balance R'000	Additions R'000	Disposals R'000	Depreciation R'000	Impairment loss R'000	Impairment reversal R'000	Total R'000
Land and buildings at valuation	8 380	-	-	-	-	-	8 380
Furniture and fixtures at cost	1 659	4 484	(4 436)	(365)	(132)	-	1 210
Motor vehicles at cost	2 120	-	(170)	(1 068)	-	170	1 052
IT equipment at cost	1 210	504	-	(675)	(52)	-	987
Computer software at cost	140	-	-	(57)	(16)	-	67
Infrastructure at valuation	259 867	-	-	(6 149)	-	-	253 718
EDC Project Assets	-	2 016	-	(53)	-	-	1 963
	273 376	**7 004**	**(4 606)**	**(8 367)**	**(200)**	**170**	**267 377**

COMPANY : 2015	Opening balance R'000	Additions R'000	Disposals R'000	Revaluations R'000	Other movements R'000	Depreciation R'000	Impairment loss R'000	Total R'000
Land and buildings at valuation	8 380	-	-	-	-	-	-	8 380
Furniture and fixtures at cost	2 266	185	(549)	-	11	(250)	(4)	1 659
Motor vehicles at cost	2 913	-	(211)	-	-	(579)	(3)	2 120
IT equipment at cost	1 425	122	-	-	5	(328)	(14)	1 210
Computer software at cost	170	-	-	-	-	(30)	-	140
Infrastructure at valuation	255 248	-	-	10 767	-	(6 148)	-	259 867
	270 402	307	(760)	10 767	16	(7 335)	(21)	273 376

COMPANY : 2014	Opening balance R'000	Additions R'000	Disposals R'000	Transfers from amalgamated entities * R'000	Revaluations R'000	Depreciation R'000	Total R'000
Land and buildings at valuation	7 010	-	-	-	1 370	-	8 380
Furniture and fixtures at cost	1 367	707	-	374	-	(182)	2 266
Motor vehicles at cost	3 915	46	(250)	-	-	(798)	2 913
IT equipment at cost	1 028	412	-	276	-	(291)	1 425
Computer software at cost	184	-	-	16	-	(30)	170
Infrastructure at valuation	109 484	-	-	113 843	38 069	(6 148)	255 248
	122 988	**1 165**	**(250)**	**114 509**	**39 439**	**(7 449)**	**270 402**

Annotation

* Refer to note for Transfers from amalgamated entities.

Property, plant and equipment encumbered as security

None of the assets serve as security.

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

REVALUATIONS

The fair value measurements for Infrastructure as of 31 March 2015 were performed by Thumelo Engineers, independent valuators. The fair value measurements for Land and Buildings as of 31 March 2014 were performed by Magau Property Valuers CC, independent valuators. These valuators are members of their respective professional body and they have the appropriate qualifications and more than 20+ years experience in the fair value measurement of properties in the relevant locations and property types.

The effective date for the revaluations on leasehold improvements was 1 April 2014 which was performed by Johan Vosloo Valuers, an independent valuator. The valuator is a member of their respective professional body and have the appropriate qualifications. Valuation was performed using the discounted cash flow approach, and assumptions were based on current market condiions.

The effective date of revaluation for additions in 2016 land and buildings (Group) was 31 March 2016. Revaluations were performed by independent valuators, UniqueCo Property Valuers, who is registered with their respective professional body and are expert in the field with more than 15+ combined experience.

A open market valuation was performed to determine the land and buildings value due to the singularly unique hotel and game farming property.

The full valuation report, with methods and assumptions used, is available at the company's head office, situated at number 22 James Watt Crescent, Industrial Sites, Mahikeng.

	GROUP			COMPANY		
Other information	2016 R'000	2015 R'000	2014 R'000	2016 R'000	2015 R'000	2014 R'000
Fully depraciated property, plant and equipment still in use	583	738	744	583	738	744

Registers with details of land and buildings are available for inspection at the registered office of the company, which is situated at 22 James Watt Crescent, Industrial Sites, Mahikeng.

4. INVESTMENT PROPERTY

	2016			2015			2014		
GROUP	Cost/Valuation R'000	Accumulated depreciation R'000	Carrying value R'000	Cost/Valuation R'000	Accumulated depreciation R'000	Carrying value R'000	Cost/Valuation R'000	Accumulated depreciation R'000	Carrying value R'000
Investment property	706 994	-	706 994	707 214	-	707 214	707 034	-	707 034
COMPANY									
Investment property	750 594	-	750 594	707 214	-	707 214	707 034	-	707 034

Reconciliation of investment property

GROUP: 2016	Opening balance R'000	Disposals R'000	Total R'000
Investment property	707 214	(220)	706 994

GROUP: 2015	Opening balance R'000	Additions R'000	Disposals R'000	Total R'000
Investment property	707 034	250	(70)	707 214

GROUP: 2014	Opening balance R'000	Additions R'000	Disposals R'000	Transfers R'000	Fair value adjustments R'000	Total R'000
Investment property	632 202	6 342	(129)	2 060	66 559	707 034

4. INVESTMENT PROPERTY (CONTINUED)

Reconciliation of investment property (continued)

COMPANY : 2016	Opening balance R'000	Additions R'000	Disposals R'000	Fair value adjustments R'000	Total R'000
Investment property	707 214	32 976	(220)	10 624	750 594

COMPANY : 2015	Opening balance R'000	Additions R'000	Disposals R'000	Total R'000
Investment property	707 034	250	(70)	707 214

COMPANY : 2014	Opening balance R'000	Additions R'000	Disposals R'000	Transfers R'000	Fair value adjustments R'000	Total R'000
Investment property	632 202	6 342	(129)	2 060	66 559	707 034

PLEDGED AS SECURITY

None of the assets serve as security.

OTHER INFORMATION

A detailed investment property register is available at the company head office, situated at number 22 James Watt Crescent, Industrial Sites, Mahikeng.

PTO's: Included in the above note, management has derecognised 22 PTO's with a total Cost Price of R1 194 (rounded to R'000) and an annual valuation increase amounting to R0 (2015/2016), R0 (2014/2015), R2 751 (rounded to R'000) (2013/2014) and a decrease in valuation of R21 (rounded to R'000) (2013/2014). The PTO's have been derecognised as no Tribal lease have been entered into with the Tribal Authority and no income derived through any rental agreements. The PTO's have been removed from the Investment Property Asset Register balance, but seperately disclosed.

Investment properties: Included in the above note, management has impaired 64 investment properties with a total cost price of R1 870 (rounded to R'000) and an annual valuation increase amounting to R0 (2015/2016), R0 (2014/2015). R697 (rounded to R'000) (2013/2014) and a decrease in valuation of R48 (rounded to R'000) (2012/2013). The investment properties as mentioned has been impaired due to an uncertainty raised in prior years of the ownership of the investment properties. The specified properties was investigated and a conclusion of impairment reached. The specified properties was investigated and a conclusion of impairment reached. The investment properties have been removed from the Investment Property Asset Register balance, but seperately disclosed.

DETAILS OF VALUATION

The effective date of the revaluations was 31 March 2014. Revaluations were performed by independent valuators, Magau Property Valuers CC, who is registered with their respective professional body and are experts in the field with more than 20+ years recent experience in location and category of the investment property being valued.

The income-capitalisation-method was used in asserting the value for industrial and retail properties while for the residential properties, the comparable sales method was adopted.

The effective date of revaluation for additions in 2016 (Company) was 31 March 2016. Revaluations were performed by independent valuators, UniqueCo Property Valuers, who is registered with their respective professional body and are expert in the field with more than 15+ combined experience.

A open market valuation was performed to determine the investment property value due to the singularly unique hotel and game farming property.

The full valuation report, with methods and assumptions used is available at the Corporation's head office, situated at number 22 James Watt Crescent, Industrial Sites, Mahikeng.

5. BIOLOGICAL ASSETS

GROUP	2016 Cost/Valuation R'000	2016 Accumulated depreciation R'000	2016 Carrying value R'000	2015 Cost/Valuation R'000	2015 Accumulated depreciation R'000	2015 Carrying value R'000	2014 Cost/Valuation R'000	2014 Accumulated depreciation R'000	2014 Carrying value R'000
Game	3 007	-	3 007	-	-	-	-	-	-

Reconciliation of biological assets

GROUP: 2016	Opening balance R'000	Additions R'000	Total R'000
Game	-	3 007	3 007

COMPANY: 2016	Opening balance R'000	Additions R'000	Disposals R'000	Total R'000
Game	-	3 007	(3 007)	-

Biological assets consist of wildlife that was purchased through the acquisition of the Christiana Hotel and Game farm. The wildlife was disposed to Dirapeng (Pty) Ltd.

The effective date of revaluation for additions in 2016 was 31 March 2016. Revaluations were performed by independent valuators, UniqueCo Property Valuers, who is registered with their respective professional body and are expert in the field with more than 15+ combined experience.

A open market valuation was performed to determine the value due to the singularly unique hotel and game farming property

6. INTANGIBLE ASSETS

GROUP	2016 Cost/Valuation R'000	2016 Accumulated amortisation R'000	2016 Carrying value R'000	2015 Cost/Valuation R'000	2015 Accumulated amortisation R'000	2015 Carrying value R'000	2014 Cost/Valuation R'000	2014 Accumulated amortisation R'000	2014 Carrying value R'000
Right of trade	-	-	-	-	-	-	4 358	-	4 358

COMPANY	2016 Cost/Valuation R'000	2016 Accumulated amortisation R'000	2016 Carrying value R'000	2015 Cost/Valuation R'000	2015 Accumulated amortisation R'000	2015 Carrying value R'000	2014 Cost/Valuation R'000	2014 Accumulated amortisation R'000	2014 Carrying value R'000
Right of trade	-	-	-	-	-	-	4 358	-	4 358

Reconciliation of intangible assets

GROUP: 2015	Opening balance R'000	Disposals R'000	Total R'000
Right of trade	4 358	(4 358)	-

GROUP: 2014	Opening balance R'000	Additions R'000	Total R'000
Right of trade	-	4 358	4 358

6. INTANGIBLE ASSETS (CONTINUED)

Reconciliation of intangible assets (continued)

COMPANY: 2015	Opening balance R'000	Disposals R'000	Total R'000
Right of trade	4 358	(4 358)	-

COMPANY: 2014	Opening balance R'000	Additions R'000	Total R'000
Right of trade	-	4 358	4 358

OTHER INFORMATION

Intangible assets consist of the right to trade on the premises at Taung Sun owned by the North West Provincial Government. The asset is currently carried at cost less impairment.

The right to trade on the premises of Taung Sun has a lease of 99 years. Therefore the intangible asset is considered to have a finite useful life of 99 years and is amortised on a straight line over its useful life. Amortisation is recognised in the profit and loss. The intangible asset was sold to North West Parks and Tourism Board on 02 October 2014.

7. INTERESTS IN SUBSIDIARIES INCLUDING CONSOLIDATED STRUCTURED ENTITIES

The following table lists the entities which are controlled by the group, either directly or indirectly through subsidiaries.

Group

Company

Name of company	Held by	% voting power 2016 %	% voting power 2015 %	% voting power 2014 %	Carrying amount 2016 R'000	Carrying amount 2015 R'000
Dirapeng (Pty) Ltd		100,00 %	-%	-%	-	-
Kgama Wildlife Operations (Pty) Ltd		100,00 %	-%	-%	-	-
					-	-

The above subsidiaries were purchase at R1 each (not rounded), on 1 April 2015 from North West Parks and Tourism Board

8. INVESTMENTS IN ASSOCIATES

The following table lists all of the associates in the group:

Group

Name of company	Held by	% ownership interest 2016 %	% ownership interest 2015 %	% ownership interest 2014 %	Carrying amount 2016 R'000	Carrying amount 2015 R'000	Carrying amount 2014 R'000
Laastepoort Property Holdings (Pty) Ltd		26,00 %	-%	-%	-	-	-
Pilansberg Resort (Pty) Ltd		50,00 %	-%	-%	55 593	-	-
					55 593	**-**	**-**

9. LOANS TO (FROM) GROUP COMPANIES

	GROUP			COMPANY		
	2016 R'000	2015 R'000	2014 R'000	2016 R'000	2015 R'000	2014 R'000
Subsidiaries						
Dirapeng (Pty) Ltd	-	-	-	13 972	-	-
Loan is interest free and has no fixed terms of repayment.						
Associates						
Laastepoort Property Holdings (Pty) Ltd	30	-	-	-	-	-
The loan is unsecured, bears no interest and has no fixed term of repayment						
Non-current assets	30	-	-	-	-	-
Current assets	-	-	-	13 972	-	-
	30	**-**	**-**	**13 972**	**-**	**-**

10. INVENTORIES

	GROUP 2016 R'000	GROUP 2015 R'000	GROUP 2014 R'000	COMPANY 2016 R'000	COMPANY 2015 R'000	COMPANY 2014 R'000
Merchandise	43	-	-	-	-	-
Food and Beverage	669	-	-	-	-	-
Electrical stock equipment	-	-	1 494	-	-	1 494
Fuel (Diesel, Petrol)	40	-	-	-	-	-
Other inventories for sale	336	-	-	-	-	-
	1 088	**-**	**1 494**	**-**	**-**	**1 494**

Reconciliation of the net realisable value of inventory

	GROUP 2016 R'000	GROUP 2015 R'000	GROUP 2014 R'000	COMPANY 2016 R'000	COMPANY 2015 R'000	COMPANY 2014 R'000
Opening balance as at 1 April	-	1 494	-	-	1 494	-
Transfers	-	-	5 781	-	-	5 781
Inventory write-down	-	-	(4 287)	-	-	(4 287)
Additions through Aquisitions	1 135	-	-	-	-	-
Sold	-	(1 494)	-	-	(1 494)	-
Used	(47)	-	-	-	-	-
	1 088	**-**	**1 494**	**-**	**-**	**1 494**

Inventory consist of consumables transferred from MIDZ. Refer to note 40 for transfers from amalgamated entities.

Management has taken a prudent approach and therefore impaired this inventory for 2014. The inventory was sold during 2014/2015 financial year with regard to inventory on company level.

11. TRADE AND OTHER RECEIVABLES

	GROUP			COMPANY		
	2016 R'000	2015 R'000	2014 R'000	2016 R'000	2015 R'000	2014 R'000
Trade receivables	42 708	46 040	30 720	40 808	46 040	30 720
VAT	4 608	85	-	4 608	85	-
Loan debtors	23 343	15 226	26 765	23 343	15 226	26 765
	70 659	**61 351**	**57 485**	**68 759**	**61 351**	**57 485**

Rental and other accounts receivable

Rental Debtors	67 462	52 235	51 339	67 462	52 235	51 339
Impairment of rental debtors	(41 801)	(24 285)	(31 021)	(41 801)	(24 285)	(31 021)
Trade debtors	20 558	-	-	-	-	-
Impairment of trade debtors	(18 658)	-	-	-	-	-
Other accounts receivables	15 147	18 090	10 402	15 147	18 090	10 402
	42 708	**46 040**	**30 720**	**40 808**	**46 040**	**30 720**

Movement

Opening balance as at 1 April	46 040	30 720	25 270	46 040	30 720	25 270
Rentals levied	132 821	124 197	116 545	132 821	124 197	116 545
Rental straight lining	1 000	1 044	1 179	1 000	1 044	1 179
Impairment	(28 014)	(2 035)	(8 969)	(17 476)	(2 035)	(8 969)
Accrued income (Rental)	1 946	2	1 106	1 946	2	1 106
Sundry Debtors	(4 138)	4 975	1 444	(4 138)	4 975	1 444
Bad debts recovered	(288)	(260)	(757)	(288)	(260)	(757)
Receipts	(119 097)	(112 603)	(104 978)	(119 097)	(112 603)	(104 978)
Write-offs	-	-	(120)	-	-	(120)
Assets through Aquisitions (Nett)	8 264	-	-	-	-	-
Sale of goods	48 811	-	-	-	-	-
Receipts (Sale of goods)	(44 637)	-	-	-	-	-
	42 708	**46 040**	**30 720**	**40 808**	**46 040**	**30 720**

The following is an aged analysis of trade receivables net of allowances for doubtful debts at year-end.

0- 30 days	13 456	6 549	9 621	13 456	6 549	9 621
31- 60 days	3 996	2 741	3 932	3 479	2 741	3 932
61- 90 days	4 077	2 701	2 735	3 645	2 701	2 735
91- 120 days and longer	21 179	34 049	13 982	20 228	34 049	13 982
	42 708	**46 040**	**30 270**	**40 808**	**46 040**	**30 270**

11. TRADE AND OTHER RECEIVABLES (CONTINUED)

	GROUP			COMPANY		
	2016 R'000	2015 R'000	2014 R'000	2016 R'000	2015 R'000	2014 R'000
Loans and advances to clients						
Loan Debtors	17 115	17 267	25 226	17 115	17 267	25 226
Impairment of loan debtors	(15 489)	(17 267)	(18 537)	(15 489)	(17 267)	(18 537)
Loan SMME debtors	42 222	30 568	26 928	42 222	30 568	26 928
Impairment of SMME Debtors	(20 505)	(15 341)	(6 852)	(20 505)	(15 341)	(6 852)
	23 343	**15 227**	**26 765**	**23 343**	**15 227**	**26 765**
Movement						
Opening balance as at 1 April	15 227	26 765	24 561	15 227	26 765	24 561
Interest / adjustments	3 253	2 795	1 172	3 253	2 795	1 172
Impairment	(3 417)	(14 778)	(10 627)	(3 417)	(14 778)	(10 627)
Receipts	(2 602)	(16 949)	(19 164)	(2 602)	(16 949)	(19 164)
Write-off	-	(4)	-	-	(4)	-
Advances	10 882	17 398	30 823	10 882	17 398	30 823
	23 343	**15 227**	**26 765**	**23 343**	**15 227**	**26 765**

The following is an aged analysis of loans and advances to clients for doubtful debts at year-end:

0- 30 days	523	856	3 076	523	856	3 076
31- 60 days	367	694	1 747	367	694	1 747
61- 90 days	432	753	769	432	753	769
91- 120 days and longer	22 021	12 924	21 173	22 021	12 924	21 173
	23 343	**15 227**	**26 765**	**23 343**	**15 227**	**26 765**

TRADE AND OTHER RECEIVABLES PLEDGED AS SECURITY

Trade and other receivables have not been pledges as security.

TRADE AND OTHER RECEIVABLES PAST DUE BUT NOT IMPAIRED

At 31 March 2016, R 42 249 (2015: R 46 973 ; 2014: R 35 157) were past due but not impaired on company level. At 31 March 2016, R43 717 (2015: R46 973; 2014: R35 157) were past due but not impaired on group level.

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

60 days	517	-	-	-	-	-
90 days	432	-	-	-	-	-
> 120 days	42 768	46 973	35 157	42 249	46 973	35 157

TRADE AND OTHER RECEIVABLES IMPAIRED

As of 31 March 2016, trade and other receivables of R 77 795 (2015: R 56 893 ; 2014: R 56 410) were impaired and provided for at company level. As of 31 March 2016, trade and other receivables of R96 453 (2015: R56 892; 2014: R56 410) were impaired and provided for at group level.

12. CASH AND CASH EQUIVALENTS

	GROUP			COMPANY		
	2016 R'000	2015 R'000	2014 R'000	2016 R'000	2015 R'000	2014 R'000
Cash and cash equivalents consist of:						
Cash on hand	64	37	44	36	37	44
Bank balances	84 026	93 178	98 637	81 898	93 178	98 637
Short-term deposits	7	-	-	-	-	-
Other cash and cash equivalents	59	-	-	-	-	-
	84 156	**93 215**	**98 681**	**81 934**	**93 215**	**98 681**

CASH AND CASH EQUIVALENTS PLEDGED AS COLLATERAL

Cash and cash equivalents have not been pledged as security.

For the purpose of the cash flow statement, cash and cash equivalents comprises of cash on hand and at bank, deposits held at call with banks and investments in money market instruments.

13. SHARE CAPITAL

Authorised						
303 854 057 Ordinary shares of R1 each	303 854	303 854	303 854	303 854	303 854	303 854
Reconciliation of number of shares issued:						
Reported as at 01 April	303 854	303 854	303 854	303 854	303 854	303 854
Issued						
Ordinary	303 854	303 854	303 854	303 854	303 854	303 854

The entity is wholly owned by North West Provincial Government. Shares are not transferrable.

The Corporation has issued 303 854 057 shares (not rounded) at R1 par value each in favour of North West Provincial Government.

14. REVALUATION RESERVE

The revaluation reserve is not distributable.

Properties revaluation

Balance as at 1 April	301 237	290 470	251 030	301 237	290 470	251 030
Additional	10 624	10 767	39 440	-	10 767	39 440
	311 861	**301 237**	**290 470**	**301 237**	**301 237**	**290 470**

15. OTHER FINANCIAL LIABILITIES

	GROUP			COMPANY		
	2016 R'000	2015 R'000	2014 R'000	2016 R'000	2015 R'000	2014 R'000
Held at amortised cost						
Development Bank of Southern Africa Limited	98 128	105 100	111 240	98 128	105 100	111 240

The above loans are guaranteed by the North West Provincial Government.

Other liability	3 212	-	-	-	-	-
Redeemable preference shares	20 000	-	-	-	-	-
	121 340	**105 100**	**111 240**	**98 128**	**105 100**	**111 240**

The variable rate redeemable cumulative preference shares issued to Standard Bank of South Africa Limited are redeemable at a premium of R9 999.99 per share on 3 October 2002. The preference dividend rate is equal to 75.83% of the prime overdraft rate as amended from time to time. Interest is payable at 2% above prime on dividends not paid. With Effect from 31 October 2002 interest was chanrged on the gross amount outstanding at a rate of prime plus 2%.

In terms of the preference share financing agreement, should any tax, penalties or interest be imposed on Standard Bank of South Africa Limited as a result of their holding of the preference shares, they have the right to increase the preference dividend rate to restore their after tax return to that contemplated in the original agreement.

During the 2006 financial period the North West Provincial Government (NWPG) bought the preference shares from Standard Bank of South Africa Limited. However the North West Development Corporation (SOC) Ltd still has an option to purchase the shares but now from NWPG. An agreement still needs to be negotiated between Dirapeng (Pty) Ltd and the NWPG. The agreement between Dirapeng (Pty) Ltd and Standard Bank has come to an end when the NWPG took over the shares and it is of the opinion that the more favourable conditions can be negotiated with NWPG.

The above loan from DBSA has been applied as follows:

Industrial Development: Project 2	24 635	25 249	26 477	24 635	25 249	26 477
Industrial Development: Project 3	48 097	48 097	52 395	48 097	48 097	52 395
Infrastructure: Project 3	25 396	25 396	25 396	25 396	25 396	25 396
Small Business: Project 2	-	3 176	3 176	-	3 176	3 176
Physical facilities						
Small Business: Working Capital and Equipment	-	3 182	3 796	-	3 182	3 796
	98 128	**105 100**	**111 240**	**98 128**	**105 100**	**111 240**

The above loans are guaranteed by the North West Provincial Government. The Corporation has defaulted on the repayment terms and has not entered into any new arrangements and this amount has been classified as current liabilities.

Non-current liabilities						
At amortised cost	20 000	-	-	-	-	-
Current liabilities						
At amortised cost	101 340	105 100	111 240	98 128	105 100	111 240
Total	**121 340**	**105 100**	**111 240**	**98 128**	**105 100**	**111 240**

16. TRADE AND OTHER PAYABLES

	GROUP			COMPANY		
	2016 R'000	2015 R'000	2014 R'000	2016 R'000	2015 R'000	2014 R'000
Trade payables	54 676	3 171	5 642	5 712	3 171	5 642
Advance Deposits	2 093	-	-	-	-	-
VAT	14 152	-	301	-	-	301
Rent deposits and other payables	18 419	15 889	15 147	18 419	15 889	15 147
Unspent portion of government projects	24 850	2 410	11 920	24 850	2 410	11 920
Accrued leave pay	4 840	3 356	3 490	3 697	3 356	3 490
SMME Fund	45 005	34 147	31 934	45 005	34 147	31 934
Other payables	699	110	110	110	110	110
	164 734	**59 083**	**68 544**	**97 793**	**59 083**	**68 544**

The advance deposits consist of bookings paid in advance as at year end for which cash has been received.

Group: Unspent portion of government projects Reconciliation 2015/2016	OPENING BALANCE R'000	AMOUNT RECEIVED R'000	ACTUAL EXPENDITURE R'000	TRANSFERRED RECEIVABLES R'000	BALANCE R'000
Wild Silk	201	-	-	-	201
Sisal Projects	58	-	-	-	58
SMME Business Development	28	-	-	-	28
Car Wash Matlosana	1 003	-	(998)	-	5
Consumer Court	8	-	-	-	8
Amaghawekaze Co-Op Sewing	1 095	-	-	-	1 095
Tshwane Metro	17	-	(11)	-	6
Alternative Building / Innovation	-	5 000	(3 147)	-	1 853
Alternative Energy / Blended Success	-	5 000	(3 404)	-	1 596
Youth Development	-	10 000	-	-	10 000
Textile	-	2 731	-	-	2 731
Atlegang	-	7 269	-	-	7 269
Bakeries	-	-	(16)	16	-
Superdrift / International corp	-	-	(1 674)	1 674	-
Premiers office	-	-	(203)	203	-
	2 410	**30 000**	**(9 453)**	**1 893**	**24 850**

16. TRADE AND OTHER PAYABLES (CONTINUED)

Group: Unspent portion of government projects Reconciliation 2014/2015	OPENING BALANCE R'000	AMOUNT RECEIVED R'000	ACTUAL EXPENDITURE R'000	TRANSFERRED RECEIVABLES R'000	BALANCE R'000
Wild Silk	201	-	-	-	201
Sisal Projects	58	-	-	-	58
Construction of Light Industrial Park- Tlokwe	28	-	-	-	28
Car Wash Matlosana	1 133	-	(130)	-	1 003
Car Wash Bojanala	1 250	-	(1 250)	-	-
Car Wash Professional Fees	1 103	-	(1 103)	-	-
Consumer Court	8	-	-	-	8
Women empowerment	524	-	(524)	-	-
Tshwane Metro	-	17	-	-	17
AFCON Funds	7 200	-	(7 200)	-	-
BRICS Expo	-	-	(1 666)	1 666	-
EPWP	415	796	(116)	-	1 095
	11 920	**813**	**(11 989)**	**1 666**	**2 410**

Group: Unspent portion of government projects Reconciliation 2013/2014	OPENING BALANCE R'000	AMOUNT RECEIVED R'000	ACTUAL EXPENDITURE R'000	TRANSFERRED RECEIVABLES R'000	BALANCE R'000
MIDZ	1 573	770	(2 343)	-	-
Wild Silk	216	-	(15)	-	201
Sisal Projects	58	-	-	-	58
Youth Development	116	-	(116)	-	-
Construction of Light Industrial Park- Tlokwe	1 434	-	(1 407)	-	27
Car Wash Matlosana	1 133	-	-	-	1 133
Car Wash Bojanala	1 250	-	-	-	1 250
Car Wash Professional Fees	1 425	-	(322)	-	1 103
Light Industrial Parks	3 769	-	(3 769)	-	-
Consumer Court	8	-	-	-	8
Amaghawekase Co-Op Sewing	4	-	(4)	-	-
Thusano Comm	4	-	(4)	-	-
Dikeledi Boutique	9	-	(9)	-	-
Women Empowerment	12	5 662	(5 149)	-	525
Gaditshwane	21	-	(21)	-	-
Lekgopung	10	-	(10)	-	-
Toro Ke Bophelo	450	-	(450)	-	-
AFCON Funds	-	7 200	-	-	7 200
BRICS Expo	-	5 701	(11 274)	5 573	-
EPWP	-	896	(481)	-	415
	11 492	**20 229**	**(25 374)**	**5 573**	**11 920**

16. TRADE AND OTHER PAYABLES

Company: Unspent portion of government projects Reconciliation 2015/2016 as at 31 March 2016	OPENING BALANCE R'000	AMOUNT RECEIVED R'000	ACTUAL EXPENDITURE R'000	TRANSFERRED RECEIVABLES R'000	BALANCE R'000
Wild Silk	201	-	-	-	201
Sisal Projects	58	-	-	-	58
Construction of Light Industrial Park- Tlokwe	28	-	-	-	28
Car Wash Matlosana	1 003	-	(998)	-	5
Consumer Court	8	-	-	-	8
Amaghawekaze Co-Op Sewing	1 095	-	-	-	1 095
Tshwane Metro	17	-	(11)	-	6
Alternative Building / Innovation	-	5 000	(3 147)	-	1 853
Alternative Energy / Blended Success	-	5 000	(3 404)	-	1 596
Youth Development	-	10 000	-	-	10 000
Textile	-	2 731	-	-	2 731
Atlegang	-	7 269	-	-	7 269
Bakeries	-	-	(16)	16	-
Superdrift / International corp	-	-	(1 674)	1 674	-
Premiers office	-	-	(203)	203	-
	2 410	**30 000**	**(9 453)**	**1 893**	**24 850**

Company: Unspent portion of government projects Reconciliation 2014/2015 as at 31 March 2015	OPENING BALANCE R'000	AMOUNT RECEIVED R'000	ACTUAL EXPENDITURE R'000	TRANSFERRED RECEIVABLES R'000	BALANCE R'000
Wild Silk	201	-	-	-	201
Sisal Projects	58	-	-	-	58
Construction of Light Industrial Park- Tlokwe	28	-	-	-	28
Car Wash Matlosana	1 133	-	(130)	-	1 003
Car Wash Bonjanala	1 250	-	(1 250)	-	-
Car Wash Professional Fees	1 103	-	(1 103)	-	-
Consumer Court	8	-	-	-	8
Women empowerment	524	-	(524)	-	-
Tshwane Metro	-	17	-	-	17
AFCON Funds	7 200	-	(7 200)	-	-
BRICS Expo	-	-	(1 666)	1 666	-
EPWP	415	796	(116)	-	1 095
	11 920	**813**	**(11 989)**	**1 666**	**2 410**

16. TRADE AND OTHER PAYABLES (CONTINUED)

Company: Unspent portion of government projects Reconciliation 2013/2014 as at 31 March 2014	OPENING BALANCE R'000	AMOUNT RECEIVED R'000	ACTUAL EXPENDITURE R'000	TRANSFERRED RECEIVABLES R'000	BALANCE R'000
MIDZ	1 573	770	(2 343)	-	-
Wild Silk	216	-	(15)	-	201
Sisal Projects	58	-	-	-	58
Youth Development	116	-	(116)	-	-
Construction of Light Industrial Park- Tlokwe	1 434	-	(1 407)	-	27
Car Wash Matlosana	1 133	-	-	-	1 133
Car Wash Bojanala	1 250	-	-	-	1 250
Car Wash Professional Fees	1 425	-	(322)	-	1 103
Light Industrial Parks	3 769	-	(3 769)	-	-
Consumer Court	8	-	-	-	8
Amaghawekase Co-Op Sewing	4	-	(4)	-	-
Thusano Comm	4	-	(4)	-	-
Dikeledi Boutique	9	-	(9)	-	-
Women Empowerment	12	5 662	(5 149)	-	525
Gaditshwane	21	-	(21)	-	-
Lekgopung	10	-	(10)	-	-
Toro Ke Bophelo	450	-	(450)	-	-
AFCON Funds	-	7 200	-	-	7 200
BRICS Expo	-	5 701	(11 274)	5 573	-
EPWP	-	896	(481)	-	415
	11 492	**20 229**	**(25 374)**	**5 573**	**11 920**

	GROUP			COMPANY		
Leave payable Current liabilities	2016 R'000	2015 R'000	2014 R'000	2016 R'000	2015 R'000	2014 R'000
Balance as at 1 April	3 356	3 490	1 616	3 356	3 490	1 616
Additional / (Reversal) leave payable recognised	38	(134)	1 874	341	(134)	1 874
Aquisition	1 446	-	-	-	-	-
	4 840	3 356	3 490	3 697	3 356	3 490

The leave payable for employee benefits represents annual leave entitlements accrued and leave claims made to employees.

16. TRADE AND OTHER PAYABLES (CONTINUED)

Group: Reconciliation SMME Funds 2015/2016	OPENING BALANCE R'000	AMOUNT RECEIVED - GRANT / OWN FUNDS USED R'000	INTEREST CAPITALISED R'000	EXPENDITURE INCURRED AGAINST THE FUND R'000	BALANCE R'000
SMME Funds	34 147	10 000	2 598	(1 740)	45 005

Group: Reconciliation SMME Funds 2014/2015	OPENING BALANCE R'000	AMOUNT RECEIVED - GRANT / OWN FUNDS USED R'000	INTEREST CAPITALISED R'000	EXPENDITURE INCURRED AGAINST THE FUND R'000	BALANCE R'000
SMME Funds	31 934	-	2 265	(52)	34 147

Group: Reconciliation SMME Funds 2013/2014	OPENING BALANCE R'000	AMOUNT RECEIVED - GRANT / OWN FUNDS USED R'000	INTEREST CAPITALISED R'000	EXPENDITURE INCURRED AGAINST THE FUND R'000	BALANCE R'000
SMME Funds	21 581	10 000	846	(493)	31 934

Company: Reconciliation SMME Funds 2015/2016	OPENING BALANCE R'000	AMOUNT RECEIVED - GRANT / OWN FUNDS USED R'000	INTEREST CAPITALISED R'000	EXPENDITURE INCURRED AGAINST THE FUND R'000	BALANCE R'000
SMME Funds	34 147	8 260	2 598	-	45 005

Company: Reconciliation SMME Funds 2014/2015	OPENING BALANCE R'000	AMOUNT RECEIVED - GRANT / OWN FUNDS USED R'000	INTEREST CAPITALISED R'000	EXPENDITURE INCURRED AGAINST THE FUND R'000	BALANCE R'000
SMME Funds	31 934	-	2 265	(52)	34 147

Company: Reconciliation SMME Funds 2013/2014	OPENING BALANCE R'000	AMOUNT RECEIVED - GRANT / OWN FUNDS USED R'000	INTEREST CAPITALISED R'000	EXPENDITURE INCURRED AGAINST THE FUND R'000	BALANCE R'000
SMME Funds	21 581	10 000	846	(493)	31 934

17. DEFERRED INCOME

	GROUP			COMPANY		
	2016 R'000	2015 R'000	2014 R'000	2016 R'000	2015 R'000	2014 R'000
Non-current liabilities	123 298	121 389	121 389	123 298	121 389	121 389
Current liabilities	53	-	-	53	-	-
	123 351	**121 389**	**121 389**	**123 351**	**121 389**	**121 389**
Grant received from MIDZ infrastructure grant	121 389	121 389	121 389	121 389	121 389	121 389
Deferred income- FEED/EDC	1 909	-	-	1 909	-	-
	123 298	**121 389**	**121 389**	**123 298**	**121 389**	**121 389**

The infrastructure assets transferred from the previous MIDZ have not been taken into use as at 31 March 2016. Due to this, the assets have not been depreciated or the associate recognition of deferred income to the statement of financial performance. The Board is currently in discussion with the North West Provincial Government, to transfer these assets to the appropriate department or entity.

18. REVENUE

	GROUP			COMPANY		
	2016 R'000	2015 R'000	2014 R'000	2016 R'000	2015 R'000	2014 R'000
Sale of goods	48 811	-	-	-	-	-
Rental Income	121 747	109 155	103 610	115 774	109 155	103 610
Dividends received (trading)	3 909	-	-	-	-	-
Miscellaneous other revenue	153	-	-	-	-	-
	174 620	109 155	103 610	115 774	109 155	103 610

Please refer to note 31 for Rental Agreements.

19. GRANTS RECEIVED

Deferred income realised	53	-	-	53	-	-
Government grants	69 587	35 269	28 009	67 884	35 269	28 009
	69 640	**35 269**	**28 009**	**67 937**	**35 269**	**28 009**

20. OTHER INCOME

Bad debts recovered	288	260	82	288	260	82
Insurance recovery	4 547	2 221	197	4 547	2 221	197
Sundry income	434	1 887	674	434	1 887	674
Timeshare recharges income	267	-	-	-	-	-
Miscellaneous other revenue	189	-	-	-	-	-
Fees earned	36	-	-	-	-	-
	5 761	**4 368**	**953**	**5 269**	**4 368**	**953**

21. OPERATING EXPENSES

	GROUP			COMPANY		
	2016 R'000	2015 R'000	2014 R'000	2016 R'000	2015 R'000	2014 R'000
Advertising	2 211	559	1 038	1 867	559	1 038
Auditors remuneration	7 709	4 816	1 839	3 716	4 816	1 839
Audit committee	905	421	234	905	421	234
Bank charges	1 040	380	371	809	380	371
Books and subscriptions	161	130	191	161	130	191
Computer expenses	2 228	1 480	957	2 205	1 480	957
Direct expenses on buildings	52 470	42 394	44 222	49 213	42 394	44 222
Entertainment	156	-	2	145	-	2
Fees for professional and consulting services	7 508	5 432	3 434	6 943	5 432	3 434
Insurance	8 643	6 793	5 911	6 7 907	6 793	5 911
Legal expenses	2 770	195	422	2 770	195	422
Licenses	308	126	114	103	126	114
Other expenses	3 345	2 238	1 345	2 539	2 238	1 345
Fines and penalties	288	-	223	288	-	223
Printing and stationery	1 593	820	470	1 043	820	470
Bad debts	-	-	122	-	-	122
Refreshments and staff welfare	1 975	175	205	492	175	205
Operating leases	1 553	1 315	903	1 553	1 315	903
Repairs and maintenance	3 010	233	186	630	233	186
Motor vehicle expenses	1 880	1 018	1 017	1 018	1 018	1 017
Sponsorship	1 029	1 046	-	-	1 046	-
Subsistance and travelling	5 525	2 725	2 277	4 922	2 725	2 277
Training and development	277	296	339	248	296	339
Telephone and fax	3 468	2 326	2 432	1 938	2 326	2 432
Winding up cost	-	-	919	-	-	919
Write off of properties	-	70	-	-	70	-
Other financial assets impairment	-	-	1 678	-	-	1 678
Commission paid	310	-	-	-	-	-
Consumables	1 191	-	-	-	-	-
Delivery expenses	57	-	-	-	-	-
IT expenses	48	-	-	-	-	-
Medical expenses	91	-	-	-	-	-
Postage and courier	4	-	-	-	-	-
Secretarial fees	148	-	-	-	-	-
Laundry	2 922	-	-	-	-	-
Administration and management fees	532	-	-	-	-	-
Sale of goods / inventory	7 523	-	-	-	-	-
Cost of sale	3 971	-	-	-	-	-
Lease rentals on operating lease	2 785	-	-	-	-	-
Packaging	79	-	-	-	-	-
Promotions	505	-	-	-	-	-
Subscriptions	25	-	-	-	-	-
Marketing and production	618	-	-	-	-	-
	130 861	**74 988**	**70 851**	**91 415**	**74 988**	**70 851**

	GROUP			COMPANY		
	2016 R'000	2015 R'000	2014 R'000	2016 R'000	2015 R'000	2014 R'000

22. EMPLOYEE COST

	2016 R'000	2015 R'000	2014 R'000	2016 R'000	2015 R'000	2014 R'000
Employee costs						
Basic	100 511	52 357	47 711	68 700	52 357	47 711

23. DEPRECIATION, AMORTISATION AND IMPAIRMENTS

The following items are included within depreciation, amortisation and impairments:

	2016 R'000	2015 R'000	2014 R'000	2016 R'000	2015 R'000	2014 R'000
Depreciation						
Property, plant and equipment	19 009	7 335	7 449	8 367	7 335	7 449
Impairments						
Property, plant and equipment	200	21	-	200	21	-
Inventories	-	-	4 287	-	-	4 287
Trade and other receivables	31 283	16 812	17 859	20 893	16 812	17 859
	31 483	**16 833**	**22 146**	**21 093**	**16 833**	**22 146**
Total depreciation, amortisation and impairments						
Depreciation	19 009	7 335	7 449	8 367	7 335	7 449
Impairments	31 483	16 833	22 146	21 093	16 833	22 146
	50 492	**24 168**	**29 595**	**29 460**	**24 168**	**29 595**

24. INVESTMENT REVENUE

	2016 R'000	2015 R'000	2014 R'000	2016 R'000	2015 R'000	2014 R'000
Interest revenue						
Bank	4 030	3 287	3 608	4 028	3 287	3 608
Interest charged on trade and other receivables	290	464	331	290	464	331
Sundry income	-	-	1	-	-	1
	4 320	**3 751**	**3 940**	**4 318**	**3 751**	**3 940**

Certain comparative figures were reclassified to enhance comparability.

25. FAIR VALUE ADJUSTMENTS

	2016 R'000	2015 R'000	2014 R'000	2016 R'000	2015 R'000	2014 R'000
Investment property (Fair value model)	-	-	66 559	10 624	-	66 559

26. INTEREST PAID

	2016 R'000	2015 R'000	2014 R'000	2016 R'000	2015 R'000	2014 R'000
Current borrowings	620	-	-	-	-	-
Late payment of tax	3 185	-	-	-	-	-
Interest on rental deposits	493	435	401	493	435	401
Interest on late payments	171	76	195	171	76	195
	4 469	**511**	**596**	**664**	**511**	**596**

27. TAXATION

	GROUP			COMPANY		
	2016 R'000	2015 R'000	2014 R'000	2016 R'000	2015 R'000	2014 R'000
Major components of the tax expense						
Current						
Local income tax- current period	-	-	-	-	-	-
Deferred						
Deferred tax- current period	-	-	-	-	-	-

The NWDC (stand alone) has an assessed loss of R177 513 251 (not rounded) per the 2015 assessment and a calculated tax loss of R145 958 596 (not rounded) as at 2016. Whilst the NWDC is expected to be profitable in the future, a deferred tax asset has not been raised as future taxable income realised by the NWDC will not be sufficient to utilise the assessed loss in the short term.

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

	Group 2016 R'000	Group 2015 R'000	Group 2014 R'000	Company 2016 R'000	Company 2015 R'000	Company 2014 R'000
Accounting profit	(21 263)	11 169	93 740	13 736	11 169	93 740
Tax at the applicable tax rate of 28% (2015: 28%) (2014: 28%)	-	3 127	26 247	3 846	3 127	26 247
Tax effect of adjustments on taxable income						
Straight-lining on operating leases	12	36	(330)	12	36	(330)
Adjustment for fair value adjustment on investment properties	-	-	(18 637)	(2 975)	-	(18 637)
Penalties	581	-	62	81	-	62
Provision for bad debt	8 759	4 707	5 001	5 850	4 707	5 001
Provision for leave	10	(38)	525	95	(38)	525
Depreciation	5 326	2 054	2 086	2 343	2 054	2 086
Wear and Tear	(2 458)	(450)	(470)	(417)	(450)	(470)
Revalue increase	(2 975)	(3 015)	(11 043)	-	(3 015)	(11 043)
Debt allowance section 11(j)	(727)	-	-	-	-	-
Assessed loss (Calculated loss)	(49 704)	(56 126)	(59 567)	(49 704)	(56 126)	(59 567)
Unused assessed loss (Calculated loss)	41 176	49 705	56 126	40 869	49 705	56 126
	-	**-**	**-**	**-**	**-**	**-**

28. OTHER COMPREHENSIVE INCOME

Components of other comprehensive income - Group - 2016 Items that will not be reclassified to profit or loss	GROSS R'000	TAX R'000	NET R'000
Movements on net liability/asset			
Gain with bargain purchase	202 241	-	202 241
Movements on revaluation			
Gains (losses) on property revaluation	10 624	-	10 624
Total items that will not be reclassified to profit or loss	**212 865**	**-**	**212 865**

Components of other comprehensive income - Group - 2015 Items that will not be reclassified to profit or loss	GROSS R'000	TAX R'000	NET R'000
Movements on revaluation			
Gains (losses) on property revaluation	10 767	-	10 767

Components of other comprehensive income - Group - 2014 Items that will not be reclassified to profit or loss	GROSS R'000	TAX R'000	NET R'000
Movements on revaluation			
Gains (losses) on property revaluation	39 440	-	39 440

Components of other comprehensive income - Company - 2015 Items that will not be reclassified to profit or loss	GROSS R'000	TAX R'000	NET R'000
Movements on revaluation			
Gains (losses) on property revaluation	10 767	-	10 767

Components of other comprehensive income - Company - 2014 Items that will not be reclassified to profit or loss	GROSS R'000	TAX R'000	NET R'000
Movements on revaluation			
Gains (losses) on property revaluation	39 440	-	39 440

29. CASH GENERATED FROM (USED IN) OPERATIONS

	GROUP			COMPANY		
	2016 R'000	2015 R'000	2014 R'000	2016 R'000	2015 R'000	2014 R'000
(Loss) profit before taxation	(31 887)	402	54 300	13 736	402	54 300
Adjustments for:						
Depreciation and amortisation	19 009	7 335	7 449	8 367	7 335	7 449
Net profit on disposal of property, plant and equipment	-	586	250	-	586	250
Disposal of Investment Property	(53)	70	-	(53)	70	-
Impairment reversal	(170)	-	-	(170)	-	-
Interest received- investment	(4 320)	(3 751)	(3 940)	(4 318)	(3 751)	(3 940)
Interest paid	4 469	511	596	664	511	596
Fair value adjustments	-	-	(66 559)	(10 624)	-	(66 559)
Impairment of debtors	31 283	16 812	17 859	20 893	16 812	17 859
Impairment of inventory	-	-	4 287	-	-	4 287
Accrual rental	44	135	169	44	135	169
Impairment	200	22	-	370	22	-
Leave payable	290	(134)	1 874	341	(134)	1 874
Changes in working capital:						
Inventories	47	1 494	-	-	1 494	-
Trade and other receivables	(32 327)	(20 678)	(17 831)	(28 301)	(20 678)	(17 831)
Trade and other payables	50 688	(9 328)	14 547	38 368	(9 328)	14 547
Deferred income	(53)	-	-	(53)	-	-
	37 220	**(6 524)**	**13 001**	**39 264**	**(6 524)**	**13 001**

30. BUSINESS COMBINATIONS

Business combinations occurring during the current and prior year

Other Information on aquisition

On 01 April 2015 the group acquired 100% of the voting equity interest of Dirapeng (Pty) Ltd which resulted in the group obtaining control over Dirapeng (Pty) Ltd. IFRS 3 is not applicable as entities is under common control. Acquisition occurred due to an order from EXCO for which R1 was paid for 100% of the share capital. A gain of bargain purchase of R202 241 (rounded) occurred at aquisition which were recorded through Other Comprehensive Income in return aquired, Inventory of R1 135 (rounded), Property, plant and equipment of R211 894 (rounded), Trade and other receivables of R8 264 (rounded), Cash and cash equivalents of R6 601 (rounded) ,Investment is associates of R53 184 (rounded) and loans to group companies R30 (rounded). The balances is liabilities.

Furthermore on 1 April 2015 the group obtained 100% of the voting equity interest of Kgama Wildlife Operations (SOC) Ltd which resulted in the group obtaining control over Kgama Wildlife Operations (SOC) Ltd. Acquisition occurred due to an order from EXCO for which R1 was paid for 100% of the share capital. The company is mainly dormant with the effect that a gain from bargain purchase arised of R99 (not rounded) which is recorded through the comprehensive income statement.

31. COMMITMENTS

	GROUP			COMPANY		
	2016 R'000	2015 R'000	2014 R'000	2016 R'000	2015 R'000	2014 R'000
Authorised capital expenditure						
Approved and contracted	-	36 638	4 051	-	36 638	4 051
Operating leases – as lessee (expense)						
Minimum lease payments due						
- within one year	7 929	1 294	903	1 290	1 294	903
- in second to fifth year inclusive	25 041	-	-	-	-	-
- later than five years	183 549	-	-	-	-	-
	216 519	**1 294**	**903**	**1 290**	**1 294**	**903**

Operating leases – as lessor (income)

Investment properties rental agreements were straight-lined over the contract period. These rental agreements can be divided into three classes namely: Industrial, Commercial and Residential properties.

Rental income- third party	174 664	109 285	102 431	115 818	109 285	102 431
Straightlining	(44)	(130)	11 179	(44)	(130)	11 179
	174 620	**109 155**	**113 610**	**115 774**	**109 155**	**113 610**

32. RELATED PARTIES

RELATIONSHIPS

Holding company	North West Provincial Government (NWPG)
Members of key management	Refer to note 7
Associates	Refer to note 8

RELATED PARTY BALANCES

Loan accounts - Owing (to) by related parties						
Dirapeng (Pty) Ltd	-	-	-	13 972	-	-
Provincial Departments rental outstanding / (in credit) at year- end						
Economic Development and Tourism	1 201	789	623	1 201	789	623

32. RELATED PARTIES (CONTINUED)

	GROUP			COMPANY		
	2016 R'000	2015 R'000	2014 R'000	2016 R'000	2015 R'000	2014 R'000
Other Related Parties - Provincial Departments rental outstanding / (in credit) at year-end						
Education	241	340	180	241	340	180
Finance	137	10	10	137	10	10
Gambling Board	55	11	3	55	11	3
Health	97	97	97	97	97	97
Local Government and Human Settlements	1 819	874	479	1 819	874	479
NWP Executive Committee	-	-	3	-	-	3
Public Works	365	323	934	365	323	934
SAMAF	(44)	(44)	(44)	(44)	(44)	(44)
SASSA	23	3	186	23	3	186
Social Development	(1)	119	46	(1)	119	46
Traditional Affairs	122	55	3	122	55	3
Office of the Premier - NW (Arrears)	-	54	-	-	54	-
Other Related Parties - Outstanding Balances	3 105	2 225	430	3 105	2 225	430
RELATED PARTY TRANSACTIONS						
Rental charges to Provincial Departments						
Economic Development and Tourism	11 986	12 134	11 020	11 986	12 134	11 020
Other Related Parties - Sale of Taung Trust						
North West Parks and Tourism Board	-	5 000	-	-	5 000	-
Other Related Parties - Rental charged to Provincial Departments						
Education	1 429	1 170	1 299	1 429	1 170	1 299
Finance	269	254	218	269	254	218
Gambling Board	491	451	406	491	451	406
Health	-	97	502	-	97	502
Local Government and Human Settlement	4 737	4 242	3 540	4 737	4 242	3 540
NWP Executive Committee	-	54	35	-	54	35
Public Works	1 188	2 243	1 334	1 188	2 243	1 334
SAMAF	-	(44)	-	-	(44)	-
SASSA	4 794	4 235	3 404	4 794	4 235	3 404
Social Development	274	325	401	274	325	401
Traditional Affairs	67	59	109	67	59	109
Other Related Parties - Transactions	848	2 748	1 176	848	2 748	1 176

33. DIRECTORS' AND KEY MANAGEMENT EMOLUMENTS

Executive (Group and Company): 2016	FEES AND EXPENSES R'000	TOTAL R'000
Mr B Khumalo (Chairperson)	296	296
Mr A Fraser	136	136
Adv VT Seboko (Ms)	74	74
Ms J Brown	193	193
Mr D McGluwa	211	211
Ms N Koloti	199	199
Mr M Ndaba	105	105
Ms N Mojanaga	293	293
Adv H Keyter	317	317
	1 824	**1 824**

Executive (Group and Company): 2015	FEES AND EXPENSES R'000	TOTAL R'000
Mr B Khumalo (Chairperson)	94	94
Mr A Fraser	34	34
Adv VT Seboko (Ms)	25	25
Ms J Brown	35	35
Mr D McGluwa	28	28
Ms N Koloti	31	31
Mr L Moletsane	47	47
Mr M Ndaba	26	26
Adv H Keyter	25	25
Ms KN Mosenogi (term ended)	12	12
Mr O Khutsoane (term ended)	8	8
Mr R Rahloa (term ended)	8	8
Ms S Molokoane-Machika (term ended)	12	12
Ms IF Motsoahe (term ended)	31	31
Ms MJ Sebata (term ended)	2	2
Ms GA Seatholo (term ended)	6	6
Adv T Mogatusi (term ended)	16	16
Ms SB Moiloa-Ngodi (term ended)	11	11
	451	**451**

33. DIRECTORS' AND KEY MANAGEMENT EMOLUMENTS (CONTINUED)

Executive (Group and Company): 2014	FEES AND EXPENSES R'000	TOTAL R'000
Mr B Khumalo (Chairperson)	106	106
Ms KN Mosenogi (Deputy Chairperson)	114	114
Mr O Khutsoane	85	85
Mr R Rahloa	59	59
Mr O Sefake	24	24
Ms IF Motseahae	63	63
Mr M Ndaba	28	28
Ms N Mojanaga	59	59
Ms	98	98
Ms LA Moletsane	26	26
Ms SB Moiloa-Nqodi	23	23
Ms C Mabe	5	5
	690	**690**

Key management' emoluments: 2016	SALARY AND OTHER BENEFITS R'000	BONUS R'000	TOTAL R'000
Mr MJ Nale (Acting Chief Executive Officer- Suspended)	1 529	-	1 529
Mr L Moletsane (Acting Chief Executive Officer)	1 825	-	1 825
Mr HM Mashao (Acting Chief Financial Officer from 01/08/2015)	767	-	767
Mr TF Motshegwa (Chief Financial Officer 04/2015- 08/2015 & 10/2015- 11/2015)	492	-	492
Mr BR Mabale (Acting Chief Financial Officer 03/2015 till 31/07/2015)	332	79	411
	4 945	**79**	**5 024**

Key management' emoluments: 2015			
Mr MJ Nale (Chief Executive Officer)	1 619	48	1 667
Mr BR Mabale (Acting Chief Financial Officer)	984	-	984
Mr F Motshegwa (Chief Financial Officer)	797	75	872
Mr L Moletsane (Chief Executive Officer) from 01/03/2015	150	-	150
	3 550	**123**	**3 673**

Key management' emoluments: 2014			
Mr. B. Tshwene (Acting CEO- Termination Date: 31/01/2014)	1 476	**61**	**1 537**
Mr. MJ Nale (Previously Acting COO and now CEO w.e.f. 01/02/2014)	1 010	**78**	**1 088**
Mr. BR Mabale (Acting CFO)	907	**35**	**942**
Ms. N Erasmus (Acting Corporate Service Manager)	690	**27**	**717**
	4 083	**201**	**4 284**

34. EVENTS AFTER THE REPORTING PERIOD

As from 01 April 2016 the entity Signal Development (Pty) Ltd be transfered from the North West Finance Department. The process is underway to include as part of the NWDC Group.

With regard to the Dirapeng group of companies creditors to the value of R10 259 (rounded to R'000) have initiated litigation through submission of summons against Golden Leopard Resort on outstanding debts disclosed at reporting date. Golden Leopard Resort (Pty) Ltd have subsequently entered into payment arrangements with them.

35. FRUITLESS AND WASTEFUL EXPENDITURE

	GROUP			COMPANY		
	2016 R'000	2015 R'000	2014 R'000	2016 R'000	2015 R'000	2014 R'000
Opening balance as at 1 April	11 797	2 677	-	2 753	2 677	-
Fruitless expenditure for the year	5 892	76	390	2 323	76	390
Transfers from amalgamated- entities *	-	-	2 468	-	-	2 468
Transfers to account receivables / recovered	-	-	(181)	-	-	(181)
	17 689	**2 753**	**2 677**	**5 076**	**2 753**	**2 677**

DETAILS OF THE ABOVE EXPENDITURE

		GROUP		
Group: Incident	**Action taken**	2016 R'000	2015 R'000	2014 R'000
Penalties on VAT submission	Pending investigation	288	-	209
Interest on Eskom / Telkom	Pending investigation	171	76	145
Transfers from amalgamated entities	Pending investigation	-	-	2 468
Penalties and interest to SARS,	Pending investigation	3 569	-	36
CEO on suspension		1 864	-	-
		5 892	**76**	**2 858**

		COMPANY		
Company: Incident	**Action taken**	2016 R'000	2015 R'000	2014 R'000
Penalties on VAT submission	Pending investigation	288	-	209
Interest on Eskom / Telkom	Pending investigation	171	76	145
Transfers from amalgamated entities	Pending investigation	-	-	2 468
Penalties and interest to SARS,	Pending investigation	-	-	36
CEO on suspension		1 864	-	-
		2 323	**76**	**2 858**

* Refer to note 40 for Transfers from amalgamated entities.

36. IRREGULAR EXPENDITURE

	GROUP			COMPANY		
	2016 R'000	2015 R'000	2014 R'000	2016 R'000	2015 R'000	2014 R'000
Opening balance as at 1 April	173 631	61 729	4 277	112 751	61 729	4 277
Irregular expenditure for the year	94 232	51 022	21 022	29 301	51 022	21 022
Transfers from amalgamated entities *	-	-	43 411	-	-	43 411
Condoned	-	-	(6 981)	-	-	(6 981)
	267 863	**112 751**	**61 729**	**142 052**	**112 751**	**61 729**

DETAILS OF THE ABOVE EXPENDITURE

		GROUP		
Group: Incident	**Action taken**	2016 R'000	2015 R'000	2014 R'000
Contract expired and continued with service	Pending investigation	29 228	51 021	2 103
Proper procurement process not followed	Pending investigation	73	1	11 938
Budget not approved as per PFMA	Pending investigation	64 931	-	6 981
Transfers from amalgamated entities	Pending investigation	-	-	43 411
		94 232	**51 022**	**64 433**

		COMPANY		
Company: Incident	**Action taken**	2016 R'000	2015 R'000	2014 R'000
Contract expired and continued with service	Pending investigation	29 228	51 021	2 103
Proper procurement process not followed	Pending investigation	73	1	11 938
Budget not approved as per PFMA	Pending investigation	-	-	6 981
Transfers from amalgamated entities	Pending investigation	-	-	43 411
		29 301	**51 022**	**64 433**

* Refer to note 40 , for transfers from amalgamated entities.

37. GOING CONCERN

We draw attention to the fact that at 31 March 2016, the group had accumulated surplus of R415 891 (rounded) and that the group's total assets exceed its liabilities by R1 031 606 (rounded). A turn around strategy have been implemented for Dirapeng Group entities and in 2016/2017 this turn around stategy will focus on improving these entities financial sustainability. Currently NWDC funds short falls and cash flow shortages for Dirapeng group companies.

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

38. CONTINGENCIES

	GROUP			COMPANY		
	2016 R'000	2015 R'000	2014 R'000	2016 R'000	2015 R'000	2014 R'000
Moses Kotane Municipality and Tshwane Metropole have raised invoices on the NWDC for rates and taxes payable on infrastructure that belongs to NWDC. Those invoices have not been recognised since NWDC disputes liability as it is paying the interest on the DBSA Loans over the infrastructure. In addition, the revenue raised on the infrastructure is kept by the Municipality and Metropole. This predicament has arisen as a result of the demarcation process whereby assets of NWDC now fall outside the North West Province.	7 046	7 046	7 046	7 046	7 046	7 046
NWDC is sued by a contractor for breach of contract. The matter is still under litigation.	-	137	137	-	137	137
NWDC is sued for breach of tender agreements by two contractors, the matters are still under litigation.	-	150	200	-	150	200
NWDC is sued by one 2016 two (2015 and 2014) lessees regarding the terms in the lease agreements. The matters are still under litigation.	430	2 930	415	430	2 930	415

39. DEFERRED TAX

Unrecognised deferred tax asset						
Analysis of temporary differences	535	798	800	535	798	800
Fair value adjustment on investment property Accrued rental	66 426	64 474	64 474	66 426	64 474	64 474
Leave pay accruals	280	292	330	280	292	330
Unused tax losses not recognised as deferred tax assets	(1 035)	(940)	(977)	(1 035)	(940)	(977)
Increase (decrease) in allowance	(66 206)	(64 624)	(64 627)	(66 206)	(64 624)	(64 627)
for bad debt	(2 182)	-	-	-	-	-
Taxable / (deductable) temporary difference movement on tangible fixed assets	2 065	-	-	-	-	-
Taxable / (deductable) temporary difference on income received in advance	(195)	-	-	-	-	-
Taxable / (deductable) temporary difference movement in provision	(85)	-	-	-	-	-
Utilisation of assessed loss	397	-	-	-	-	-
	-	**-**	**-**	**-**	**-**	**-**

40. TRANSFERS FROM AMALGAMATED ENTITIES

	GROUP			COMPANY		
	2016 R'000	2015 R'000	2014 R'000	2016 R'000	2015 R'000	2014 R'000

The MEC for the Department of Economic Development, Environment, Conservation and Tourism directed the transfer of assets and functions of two entities namely Mafikeng Industrial Development Zone (MIDZ) and Invest North West (INW) into North West Development Corporation (NWDC) with effect from 1st of April 2013. The impact of the determination is indicated below.

The following represents transfers of net assets and liabilities as at 30 September 2013 to North West Development Corporation

Invest North West	Group 2016 R'000	Group 2015 R'000	Group 2014 R'000	Company 2016 R'000	Company 2015 R'000	Company 2014 R'000
Property, Plant and Equipment	-	-	-	-	-	481
Investment property	-	-	-	-	-	2 060
Trade and other receivables	-	-	-	-	-	4 815
Cash and cash equivalents	-	-	-	-	-	7 247
Retained earnings / (deficit)	-	-	-	-	-	(881)
Trade and other paybles	-	-	-	-	-	(13 722)
Fruitless expenditure	-	-	-	-	-	-
Irregular expenditure	-	-	-	-	-	434

Mafikeng Industrial Development Zone	Group 2016 R'000	Group 2015 R'000	Group 2014 R'000	Company 2016 R'000	Company 2015 R'000	Company 2014 R'000
Property, plant and equipment	-	-	-	-	-	113 937
Inventory	-	-	-	-	-	5 781
Trade and other receivables	-	-	-	-	-	678
Retained Earnings	-	-	-	-	-	1 490
Trade and other payables	-	-	-	-	-	(497)
Deferred grant	-	-	-	-	-	(121 389)
Fruitless expenditure	-	-	-	-	-	2 468
Irregular expenditure	-	-	-	-	-	42 977

41. PRIOR PERIOD ERRORS

2013 PERIOD ADJUSTMENTS

Management has derecognised 22 PTO's . The PTO's have been derecognised as no Tribal Lease have been entered into with the Tribal Authority and no income derived through any rental agreements. The PTO's have been removed from the Investment Property Asset Register balance but separately disclosed in the notes of the financial statements. Management has impaired 64 investment properties. The investment properties as mentioned has been impaired due to uncertainty raised in prior years of the ownership status of the investment properties. The specified properties were investigated and a conclusion of impairment reached. The investment properties have been removed from the Investment Property Asset Register balance, but separately disclosed in the notes to the financial statement. The effect of the above in 2013 is a decrease in retained earnings of R35 801 (rounded) and a decrease of R35 801 (rounded) in investment property.

2014 PERIOD ADJUSTMENTS

Infrastructure was incorrectly overstated with R242 during the takeon balances from the almalgamation process. Correction of this resulted in Retained earnings (Net income recognised directly in equity) decrease with R242 and Infrastructure assets decrease with R242.

41. PRIOR PERIOD ERRORS (CONTINUED)

Furniture and Fittings was incorrectly overstated with R6, Office Equipment was incorrectly understated with R134 and Sundry Equipment was incorrectly understated with R22 during the takeon balances from the amalgamation process. Correction of this resulted in Retained earnings (Net income recognised directly in equity) increased with R150.

Management has derecognised 22 PTO's . The PTO's have been derecognised as no Tribal Lease have been entered into with the Tribal Authority and no income derived through any rental agreements. The PTO's have been removed from the Investment Property Asset Register balance but separately disclosed in the notes of the financial statements. Management has impaired 64 investment properties. The investment properties as mentioned has been impaired due to uncertainty raised in prior years of the ownership status of the investment properties. The specified properties were investigated and a conclusion of impairment reached. The investment properties have been removed from the Investment Property Asset Register balance, but separately disclosed in the notes to the financial statement. The effect of the above in 2014 is a decrease in fair value adjustment of R3 915 (rounded) and a decrease in investment property of R3 915 (rounded). Furthermore properties not previously valued in 2014 and not included in the investment property register was valued and included which resulted in a increase on fair value adjustment of R6 530 (rounded) and an increase in investment property of the same amount.

2015 PERIOD ADJUSTMENTS

Expenditure was incorrectly recorded as 2016 expenditure while it relates to 2015 expenditure. The correction of this resulted in an increase of Trade and other payables of R1 254 (rounded) and an increase in direct expenditure on buildings under operating expenses of R776, telephone and fax allocated under operating expenses increased with R19, staff welfare under operating expenses increased with R3, subsistance and travel under operating expenses increased with R21, auditors remuneration under operating expenses increased with R215, computer expenses under operating expenses increased with R73, fees for professional and consulting services increased with R1, legal fees under operating expenses increased with R2, advertising under operating expenses increased with R1, operating leases under operating expenses increased with R20, other expenses under operating expenses increased with R118, and salaries increased with R5.

Note is rounded in R'000

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

	GROUP			COMPANY		
Statement of Financial Position	**2016 R'000**	**2015 R'000**	**2014 R'000**	**2016 R'000**	**2015 R'000**	**2014 R'000**
Decrease of Infrastructure (Property, plant and Equipment)	-	242	-	-	242	-
Decrease in Retained earnings	-	242	-	-	242	-
Increase in Furniture and Fittings (Property, plant and Equipment)	-	150	-	-	150	-
Increase in Retained Earnings	-	150	-	-	150	-
Decrease in Retained earnings	-	-	35 801	-	-	35 801
Decrease in Investment Property	-	-	35 801	-	-	35 801
Increase in Investment property	-	6 530	-	-	6 530	-
Increase in trade and other payables	1 254	-	-	1 254	-	-
Decrease in Investment property	-	3 915	-	-	3 915	-
Profit or Loss						
Increase in fair value adjustment	-	6 530	-	-	6 530	-
Increase in Expenditure	1 254	-	-	1 254	-	-
Decrease in fair value adjustment	-	3 915	-	-	3 915	-

42. COMPARATIVE FIGURES

Certain comparative figures have been reclassified.

R17 was reclassified to trade and other payables to enhance disclosure.

Line item provision for bad debt previously allocated under other expenses is now disclosed as part of Depreciation, Amortisation and Impairments on the face of the statement of financial performance. Items allocated under the gains and losses were allocated to Loss/Profit on non current assets and impairments under depreciation, amortisation and impairments.

The effects of the reclassification are as follows:

	GROUP			COMPANY		
Statement of Financial Position	2016 R'000	2015 R'000	2014 R'000	2016 R'000	2015 R'000	2014 R'000
Increase Trade and other payables	-	-	17	-	-	17
Decrease in Deferred income	-	-	17	-	-	17
Profit or Loss						
Decrease Operating expenses	-	-	-	-	16 812	17 859
Increase Depreciation, amortisation and impairment	-	-	-	-	16 812	17 859
Decrease in other gains and losses	-	-	-	-	-	4 287
Increase in Depreciation, amortisation and impairments	-	-	-	-	-	4 287
Decrease in other gains and losses	-	-	-	-	-	1 678
Increase in operating expenses	-	-	-	-	-	1 678
Decrease in other gains and losses	-	-	-	-	118	18
Increase in Loss/Profit on non-current	-	-	-	-	118	18
Decrease in other gains and losses	-	-	-	-	21	-
Increase in Depreciation, amortisation and impairment	-	-	-	-	21	-

43. CATEGORIES OF FINANCIAL INSTRUMENTS

Categories of financial instruments - Group - 2016	Note(s)	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS R'000	FINANCIAL ASSETS AT AMORTISED COST R'000	FINANCIAL LIABILITIES AT AMORTISED COST R'000	EQUITY AND NON-FINANCIAL ASSETS AND LIABILITIES R'000	TOTAL R'000
ASSETS						
Non-Current Assets						
Biological assets	5	-	-	-	3 007	3 007
Investment property	4	-	-	-	706 994	706 994
Property, plant and equipment	3	-	-	-	518 505	518 505
Investments in associates	8	55 593	-	-	-	55 593
Loans to group companies	9	-	30	-	-	30
		55 593	**30**	**-**	**1 228 506**	**1 284 129**

43. CATEGORIES OF FINANCIAL INSTRUMENTS (CONTINUED)

Categories of financial instruments - Group - 2016	Note(s)	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS R'000	FINANCIAL ASSETS AT AMORTISED COST R'000	FINANCIAL LIABILITIES AT AMORTISED COST R'000	EQUITY AND NON-FINANCIAL ASSETS AND LIABILITIES R'000	TOTAL R'000
Current Assets						
Inventories	10	-	-	-	1 088	1 088
Trade and other receivables	11	-	66 051	-	4 608	70 659
Accrued rental		-	-	-	1 000	1 000
Cash and cash equivalents	12	-	84 156	-	-	84 156
		-	**150 207**	**-**	**6 696**	**156 903**
Total Assets		**55 593**	**150 237**	**-**	**1 235 202**	**1 441 032**
EQUITY AND LIABILITIES						
Equity						
Equity Attributable to Equity Holders of Parent:						
Share capital	13	-	-	-	303 854	303 854
Reserves	13	-	-	-	311 861	311 861
Retained income	13	-	-	-	415 892	415 892
		-	**-**	**-**	**1 031 607**	**1 031 607**
Total Equity		**-**	**-**	**-**	**1 031 607**	**1 031 607**
Liabilities						
Non-Current Liabilities						
Other financial liabilities	15	-	-	20 000	-	20 000
Deferred income	17	-	-	-	123 298	123 298
		-	**-**	**20 000**	**123 298**	**143 298**
Current Liabilities						
Other financial liabilities	15	-	-	101 340	-	101 340
Trade and other payables	16	-	-	164 737	-	164 737
Deferred income	17	-	-	-	53	53
		-	**-**	**266 077**	**53**	**266 130**
Total Liabilities		**-**	**-**	**286 077**	**123 351**	**409 428**
Total Equity and Liabilities		**-**	**-**	**286 077**	**1 154 958**	**1 441 035**

43. CATEGORIES OF FINANCIAL INSTRUMENTS (CONTINUED)

Categories of financial instruments - Group - 2015	Note(s)	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS R'000	FINANCIAL ASSETS AT AMORTISED COST R'000	FINANCIAL LIABILITIES AT AMORTISED COST R'000	EQUITY AND NON-FINANCIAL ASSETS AND LIABILITIES R'000	TOTAL R'000
ASSETS						
Non-Current Assets						
Investment property	4	-	-	-	707 214	707 214
Property, plant and equipment	3	-	-	-	273 376	273 376
		-	-	-	980 590	980 590
Current Assets						
Trade and other receivables	11	-	61 226	-	85	61 351
Accrued rental		-	-	-	1 044	1 044
Cash and cash equivalents	12	-	93 215	-	-	93 215
		-	**154 481**	**-**	**1 129**	**155 610**
Total Assets		**-**	**154 481**	**-**	**981 719**	**1 136 200**
EQUITY AND LIABILITIES						
Equity						
Equity Attributable to Equity Holders of Parent:						
Share capital	13	-	-	-	303 854	303 854
Reserves	13	-	-	-	301 237	301 237
Retained income	13	-	-	-	246 792	246 792
		-	**-**	**-**	**851 883**	**851 883**
Total Equity		**-**	**-**	**-**	**851 883**	**851 883**
Liabilities						
Non-Current Liabilities						
Deferred income	17	-	-	-	121 389	121 389
Current Liabilities						
Other financial liabilities	15			105 100	-	105 100
Trade and other payables	16	-	-	59 087	-	59 087
		-	**-**	**164 187**	**-**	**164 187**
Total Liabilities		**-**	**-**	**164 187**	**121 389**	**285 576**
Total Equity and Liabilities		**-**	**-**	**164 187**	**973 272**	**1 137 459**

43. CATEGORIES OF FINANCIAL INSTRUMENTS (CONTINUED)

Categories of financial instruments - Group - 2014	Note(s)	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS R'000	FINANCIAL ASSETS AT AMORTISED COST R'000	FINANCIAL LIABILITIES AT AMORTISED COST R'000	EQUITY AND NON-FINANCIAL ASSETS AND LIABILITIES R'000	TOTAL R'000
ASSETS						
Non-Current Assets						
Investment property	4	-	-	-	707 214	707 214
Property, plant and equipment	3	-	-	-	270 402	270 402
Intangible assets	6	-	-	-	4 358	4 358
		-	-	-	**981 974**	**981 974**
Current Assets						
Trade and other receivables	11	-	57 485	-	-	57 485
Accrued rental		-	-	-	1 179	1 179
Cash and cash equivalents	12	-	98 681	-	-	98 681
		-	**156 166**	**-**	**1 179**	**157 345**
Total Assets		**-**	**156 166**	**-**	**983 153**	**1 139 319**
EQUITY AND LIABILITIES						
Equity						
Equity Attributable to Equity Holders of Parent:						
Share capital	13	-	-	-	303 854	303 854
Reserves	13	-	-	-	290 470	290 470
Retained income	13	-	-	-	245 136	245 136
		-	**-**	**-**	**839 460**	**839 460**
Total Equity		**-**	**-**	**-**	**839 460**	**839 460**
Liabilities						
Non-Current Liabilities						
Deferred income	17	-	-	-	121 389	121 389
Current Liabilities						
Other financial liabilities	15			111 240		111 240
Trade and other payables	16	-	-	68 545	-	68 545
		-	**-**	**179 785**	**-**	**179 785**
Total Liabilities		**-**	**-**	**179 785**	**121 389**	**301 174**
Total Equity and Liabilities		**-**	**-**	**179 785**	**960 849**	**1 140 634**

43. CATEGORIES OF FINANCIAL INSTRUMENTS (CONTINUED)

Categories of financial instruments - Company - 2016	Note(s)	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS R'000	FINANCIAL ASSETS AT AMORTISED COST R'000	FINANCIAL LIABILITIES AT AMORTISED COST R'000	EQUITY AND NON-FINANCIAL ASSETS AND LIABILITIES R'000	TOTAL R'000
ASSETS						
Non-Current Assets						
Investment property	4	-	-	-	750 594	750 594
Property, plant and equipment	3	-	-	-	267 377	267 377
		-	**-**	**-**	**1 017 971**	**1 017 971**
Current Assets						
Loans to group companies	9		13 972			13 972
Trade and other receivables	11	-	64 151	-	4 608	68 759
Accrued rental		-	-	-	1 000	1 000
Cash and cash equivalents	12	-	81 934	-	-	81 934
		-	**160 057**	**-**	**5 608**	**165 665**
Total Assets		**-**	**160 057**	**-**	**1 023 579**	**1 183 636**
EQUITY AND LIABILITIES						
Equity						
Equity Attributable to Equity Holders of Parent:						
Share capital	13				303 854	303 854
Reserves	13	-	-	-	301 237	301 237
Retained income	13	-	-	-	259 273	259 273
		-	**-**	**-**	**864 364**	**864 364**
Total Equity		**-**	**-**	**-**	**864 364**	**864 364**
Liabilities						
Non-Current Liabilities						
Deferred income	17				123 298	123 298
Current Liabilities						
Other financial liabilities	15			98 128		98 128
Trade and other payables	16	-	-	97 795	-	97 795
Deferred income	17	-	-	-	53	53
		-	**-**	**195 923**	**53**	**195 976**
Total Liabilities		**-**	**-**	**195 923**	**123 351**	**319 274**
Total Equity and Liabilities		**-**	**-**	**195 923**	**987 715**	**1 183 638**

43. CATEGORIES OF FINANCIAL INSTRUMENTS (CONTINUED)

Categories of financial instruments - Company - 2015	Note(s)	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS R'000	FINANCIAL ASSETS AT AMORTISED COST R'000	FINANCIAL LIABILITIES AT AMORTISED COST R'000	EQUITY AND NON-FINANCIAL ASSETS AND LIABILITIES R'000	TOTAL R'000
ASSETS						
Non-Current Assets						
Investment property	4	-	-	-	707 214	707 214
Property, plant and equipment	3	-	-	-	273 376	273 376
		-	**-**	**-**	**980 590**	**980 590**
Current Assets						
Trade and other receivables	11	-	61 266	-	85	61 351
Accrued rental		-	-	-	1 044	1 044
Cash and cash equivalents	12	-	93 215	-	-	93 215
		-	**154 481**	**-**	**1 129**	**155 610**
Total Assets		**-**	**154 481**	**-**	**981 719**	**1 136 200**
EQUITY AND LIABILITIES						
Equity						
Equity Attributable to Equity Holders of Parent:						
Share capital	13	-	-	-	303 854	303 854
Reserves	13	-	-	-	301 237	301 237
Retained income	13	-	-	-	246 792	246 792
		-	**-**	**-**	**851 883**	**851 883**
Total Equity		**-**	**-**	**-**	**851 883**	**851 883**
Liabilities						
Non-Current Liabilities						
Deferred income	17	-	-	-	121 389	121 389
Current Liabilities						
Other financial liabilities	15	-	-	105 100	-	105 100
Trade and other payables	16	-	-	59 087	-	59 087
		-	**-**	**164 187**	**-**	**164 187**
Total Liabilities		**-**	**-**	**164 187**	**121 389**	**285 576**
Total Equity and Liabilities		**-**	**-**	**164 187**	**973 272**	**1 137 459**

43. CATEGORIES OF FINANCIAL INSTRUMENTS (CONTINUED)

Categories of financial instruments - Company - 2014	Note(s)	Financial assets at fair value through profit or loss R'000	Financial assets at amortised cost R'000	Financial liabilities at amortised cost R'000	Equity and non-financial assets and liabilities R'000	Total R'000
ASSETS						
Non-Current Assets						
Investment property	4	-	-	-	707 214	707 214
Property, plant and equipment	3	-	-	-	270 402	270 402
Intangible assets	6	-	-	-	4 358	4 358
		-	**-**	**-**	**981 974**	**981 974**
Current Assets						
Inventories	10	-	-	-	1 494	1 494
Trade and other receivables	11	-	57 485	-	-	57 485
Accrued rental		-	-	-	1 179	1 179
Cash and cash equivalents	12	-	98 681	-	-	98 681
		-	**156 166**	**-**	**2 673**	**158 839**
Total Assets		**-**	**156 166**	**-**	**984 647**	**1 140 813**
EQUITY AND LIABILITIES						
Equity						
Share capital	13	-	-	-	303 854	303 854
Reserves	13	-	-	-	290 470	290 470
Retained income	13	-	-	-	245 136	245 136
		-	**-**	**-**	**839 460**	**839 460**
Total Equity		**-**	**-**	**-**	**839 460**	**839 460**
Liabilities						
Non-Current Liabilities						
Deferred income	17	-	-	-	121 389	121 389
Current Liabilities						
Other financial liabilities	15	-	-	111 240	-	111 240
Trade and other payables	16	-	-	68 545	-	68 545
		-	**-**	**179 785**	**-**	**179 785**
Total Liabilities		**-**	**-**	**179 785**	**121 389**	**301 174**
Total Equity and Liabilities		**-**	**-**	**179 785**	**960 849**	**1 140 634**

44. RISK MANAGEMENT

CAPITAL RISK MANAGEMENT

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the group consists of debt, which includes the borrowings (excluding derivative financial liabilities) disclosed in notes 9 & 15 cash and cash equivalents disclosed in note 12, and equity as disclosed in the statement of financial position.

There are no externally imposed capital requirements.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

FINANCIAL RISK MANAGEMENT

Liquidity risk

The group's risk to liquidity is a result of the funds available to cover future commitments. The group manages liquidity risk through projected cashflows from operations. The company's objective is to balance between actual and budgeted operating expenses.

Interest rate risk

The group's exposure to risk for changes in market interest rates is minimum since the company only has finance leases which is linked to the prime interest rate.

Interest rate risks are presented by way of sensitivity analysis in accordance with IFRS7: Financial Instruments: Disclosures. These show the effects of changes in market interest rates on interest reapyments, interest expenses, other income components and, if applicable, shareholder's equity. The time frame, over which the the assessment is made, is 12 months due to the next reporting date, being 31 March 2016. The analysis is based on the assumption that the prime interest rate rate has increased / decreased by 2% with all other variables held constant. There were no changes in the assumptions and methods used from the previous period.

	+2%			-2%		
GROUP	**2016 R'000**	**2015 R'000**	**2014 R'000**	**2016 R'000**	**2015 R'000**	**2014 R'000**
(Decrease) / Increase in equity	(696)	(617)	(637)	696	617	637
(Decrease) / Increase in comprehensive income for the year	(696)	(617)	(637)	696	617	637
	-	-	-	-	-	-

COMPANY						
(Decrease) / Increase in equity	(696)	(617)	(637)	696	617	637
(Decrease) / Increase in comprehensive income for the year	(696)	(617)	(637)	696	617	637
	-	-	-	-	-	-

44. RISK MANAGEMENT (CONTINUED)

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, trade debtors and staff loans and advances. The group only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party. No guarentees are provided. Staff loans and advances are secured through salary deductions from staff member's salaries.

Financial assets exposed to credit risk at year end were as follows:

	GROUP			COMPANY		
Financial instrument	**2016 R'000**	**2015 R'000**	**2014 R'000**	**2016 R'000**	**2015 R'000**	**2014 R'000**
Trade and other receivables	70 659	61 351	57 485	68 759	61 351	57 485
Cash and cash equivalents	84 156	93 215	98 681	81 934	93 215	98 681
Accrued Rental	1 000	1 044	1 179	1 000	1 044	1 179

Price risk

The group is not exposed to price risk since no listed securities are held and has no financial assets available for sale.

Currency risk

The group only operates locally and therefore is not exposed to currency risk.