CONTENTS

PART A

GENERAL INFORMATION

1. NORTH WEST DEVELOPMENT CORPORATION 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
DIRECTORS NORTH WEST DEVELOPMENT CORPORATION SOC LTD	**Term of Office: 5 November 2014 to 30 June 2016** Mr B Khumalo (Chairperson) Mr A Fraser Ms J Brown Mr D McGluwa Ms N Koloti Ms N Mojanaga Adv H Keyter
DIRECTORS NORTH WEST DEVELOPMENT CORPORATION SOC LTD	**Term of Office: 1 July 2016 to 31 March 2017** Mr D Duma (Chairperson) Mr B Khumalo Adv H Keyter Ms KA Dikgole Mr TC Dlamini Mr KK Tlhoaele Ms N Koloti Ms M Chokoe Prof L Jackson Prof A Nevhutanda
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
WEBSITE:	www.nwdc.co.za
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

APB	Accounting Practices Board
APP	Annual Performance Plan
BBBEE	Broad Based Black Economic Empowerment
BPDM	Bojanala Platinum District Municipality
CFO	Chief Financial Officer
CPI	Consumer Price Index
DKKDM	Dr Kenneth Kaunda District Municipality
DTI	Department of Trade & Industry
FDI	Foreign Direct Investment
FEED	Department of Finance, Economy & Enterprise Development
FIFO	First-in, First-Out
GDP	Gross Domestic Product
GDS	Growth & Development Summit
GVA	Gross Value Added
ICT	Information Communication Technology
IDP(s)	Integrated Development Plan(s)
IDZ	Industrial Development Zone
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards
IPAP	Industrial Policy Action Plan
LED	Local Economic Development
MEC	Member of Executive Council
M&E	Monitoring & Evaluation
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NDP	National Development Plan
NIPF	National Industrial Policy Framework
NMMDM	Ngaka Modiri Molema District Municipality
NSDP	National Spatial Development Perspective
NT	National Treasury
NWDC	North West Development Corporation
PFMA	Public Finance Management Act
PDP	Provincial Development Plan
PGDS	Provincial Growth & Development Strategy
PIIS	Provincial Industrial Implementation Strategy
PPP(s)	Public Private Partnership(s)
RDP	Reconstruction & Development Programme
RIDS	Regional Industrial Development Strategy
RSMDM	Ruth Segomotsi Mompati District Municipality
SDI	Spatial Development Initiative
SEDA	Small Enterprise Development Agency
SEZ	Special Economic Zone
SIC	Standard Industrial Classification
SITA	State Information Technology Agency
SME	Small Medium Enterprise(s)
SMME	Small Micro Medium Enterprise(s)
SONA	State of the Nation Address
SOPA	State of the Province Address

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	ADMINISTRATION & SUPPORT
GOAL STATEMENT	To ensure compliance with legislation, sound financial management, good corporate governance and best practices

STRATEGIC OUTCOME ORIENTED GOAL 2	INVESTMENT GROWTH
GOAL STATEMENT	To sustain and increase the investment portfolio (property development and management, equity investments, foreign direct investment, subsidiaries) and export trade

STRATEGIC OUTCOME ORIENTED GOAL 3	ENTERPRISE DEVELOPMENT AND SUPPORT
GOAL STATEMENT	To facilitate the creation, sustainability and competitiveness of enterprises

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 71 of 2008

g) Small Business Development Act No 102 of 1996

h) Co-operatives Act No 14 of 2005

i) South African Revenue Services Act No 34 of 1997

j) Basic Conditions of Employment Act No 75 of 1997

k) Employment Equity Act No 55 of 1998

l) Broad Based Black Economic Empowerment Act No 53 of 2003

m) Labour Relations Act No 66 of 1995

n) National Archive Act No 43 of 1996

o) Preferential Procurement Policy Framework Act No 5 of 2000

p) Promotion of Access to Information Act No 2 of 2000

q) Protection of Information Act No 84 of 1982

r) Skills Development Act No 97 of 1998

s) Public Service Corporate Governance of ICT Policy Framework

t) Occupational Health and Safety Act No 85 of 1993

u) Financial Intelligence Act No 38 of 2001 (FICA)

v) Tourism Act No 72 of 1993

w) National Environmental Management Act No 107 of 1998

x) Intellectual Property Rights from Publicly Financed Research and Development Act No 51 of 2008

y) Municipal Property Rates Act No 6 of 2004

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, (the list is, however, not exhaustive):

NATIONAL DEVELOPMENT PLAN

a) The National Development Plan (NDP) is the official policy guideline for South Africa and sets out the country'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

b) The National Development Plan (NDP) offers a long-term perspective as long-term planning was identified as one of the imperatives to address the challenges. It defines a desired destination and identifies the role different sectors of society need to play in reaching that goal. The NDP Vision 2030 document was compiled with the main objective to eliminate poverty and to reduce inequality by 2030 and addresses the following:

- Accelerated economic growth and employment
- Infrastructure expansion
- Low–carbon economy transformation
- Urban and rural space transformation
- Positioning South Africa in the world
- Human settlement
- Education, innovation and training improvement
- Quality healthcare provision
- Social protection
- Safe communities
- Capable state building
- Fighting corruption
- Transformation and unity

c) 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.

d) The National Development Plan (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 and prioritises:

- A capable and developmental state with improved quality of administration of many government activities;
- A thriving business sector creating sustainable, decent work;
- A strong civil society having institutions with shared and complementary responsibilities; and
- A world class educational environment to move from a resourced-based to a knowledge-based economy.

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 IPAP to accelerate industrial development in the country. IPAP builds on the National Industrial Policy Framework (NIPF) and 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.

INSTITUTIONAL DRIVERS

- Developmental state to align market-outcomes with developmental needs
- Business, organised labour and civil society
- State efficiency, effectiveness and responsiveness are key
- Step-up integration of national, provincial and local policies and growth strategies
- Strategic partnerships between government, labour and business
- Social dialogue and mobilisation

IMPLICATIONS FOR PROVINCES AND LOCAL SPATIAL DIMENSIONS OF THE NGP

- Need to break apartheid spatial divide backed by heavy infrastructure investment
- Identification of viable and sustainable opportunities for poor regions
- Provinces and localities must adapt broad drivers to their environment
- Spatial economic strategy will show linkages to localities, provinces, rural and industrial development strategies
- Communication between spheres will be enhanced
- Long-term spatial perspective to be developed, considering settlement patterns

NATIONAL INDUSTRIAL POLICY FRAMEWORK (NIPF)

The NIPF is the cornerstone that facilitates and promotes industrial development initiatives in urban settings to extend interventions into rural communities across the province. This objective is encapsulated in the New Growth Path and IPAP.

THE ROLE OF MANUFACTURING (IPAP 2015/16) – KEY OBJECTIVES:

- To promote diversification beyond the economy's current reliance on traditional and non-tradable services via the promotion of value-addition, characterised particularly by the movement into non-traditional tradable goods and services that can compete effectively in export markets and against imports.
- To promote a labour-absorbing industrialisation path, with the emphasis on tradable labour-absorbing goods and services and the systematic building of economic linkages that create employment.
- To promote industrialisation characterised by increasing participation of historically disadvantaged people and marginalised regions in the industrial economy.
- To contribute towards industrial development in Africa, with a strong emphasis on building the continent's productive capacity and securing deeper regional economic integration.
- To ensure the long term intensification of South Africa's industrialisation process and movement towards a knowledge economy.

INTEGRATED SUSTAINABLE RURAL DEVELOPMENT STRATEGY

The purpose of the 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 and 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.

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 government.

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

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

Summary of priorities and actions for the next five years

THE 14 OUTCOMES
• Quality Basic Eduction • A long and healthy life for all South Africans • All people in South Africa are 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 • Responsibe, 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 • A diverse, socially cohesive society with a common national identity

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.

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 NDP also offers a long term perspective. It defines a desired destination and identifies the role different sectors of society needs 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 North West. 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 predominant 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 chosen development priorities through which the North West intends to align itself to the National Development Plan (NDP) are:

- Economy and employment
- 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
- Transforming society and uniting the province

NORTH WEST SMME STRATEGY

In 1998 the North West Province adopted an 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 Provincial SMME Strategy of the North West 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 villages, townships and small dorpies;
- Enhance access to government tenders; and
- Establish SMME forums at district and local municipality level to co-ordinate activities of SMMEs.

INTEGRATED STRATEGY ON THE DEVELOPMENT AND PROMOTION OF COOPERATIVES

Promoting an Integrated Cooperative Sector in South Africa 2012 to 2022:

This sets out an implementation framework for the Co-operatives Development Policy of 2004 and the Co-operatives Act, No 14 of 2005, as amended.

The strategy:

- ensures that government utilises various partnership models and engages in joint initiatives with all relevant stakeholders to holistically promote strong, viable, self-reliant, autonomous and self-sustaining co-operatives in the country;
- is aimed at promoting co-operatives, in order to unleash their potential to create and develop income-generating activities and decent, sustainable employment;
- the four strategic pillars constitute the core of the strategy and aim to promote the development of co-operatives, while addressing the identified challenges still confronting existing and emerging co-operatives in South Africa;
- the four strategic pillars entail the provision of strategic support programmes for co-operatives; and
- cross-cutting support programmes.

Policy Framework on the Development of Black Industrialists:

The Black Industrialists Policy aims to leverage the state's capacity to unlock the industrial potential that exists within black-owned and managed businesses that operate within the South African economy through deliberate, targeted and well-defined financial and non-financial interventions as described in the IPAP and other government policies.

The policy seeks to achieve the following objectives:

- Accelerate the quantitative and qualitative increase and participation of black industrialists in the national economy, selected industrial sectors and value chains, as reflected by their contribution to growth, investment, exports and employment; and
- Create multiple and diverse pathways and instruments for black industrialists to enter strategic and targeted industrial sectors and value chains.

Definition of black industrialists:

In conventional terms, the concept of black industrialists refers to black people directly involved in the origination, creation, significant ownership, management and operation of industrial enterprises that derive value from the manufacturing of goods and services at a large scale; acting to unlock the productive potential of our country's capital assets for massive employment locally. The following are important elements of being an "industrialist":

- Significant influence in an enterprise or industry;
- Control of an enterprise through shareholding;
- Board and executive management control; and
- Production of products (goods and/or services) with significant wide use.

For the purposes of this programme, the term "black industrialist" will in a general sense refer to black South Africans who own and, through significant shareholding, control an enterprise whose products are significantly used and have significant impact on decent employment and create broad-based economic opportunities.

The NWDC can contribute to the development of black industrialists by:

- Determining a preferential rate for rental of industrial properties;
- Providing SMME loans at a determined preferential rate;
- Working closely with DFIs and establishing a MoU with the IDC/NEF on mutual sharing of assistance and support to black industrialists; and
- Assist in finding markets for the goods and services of black industrialists.

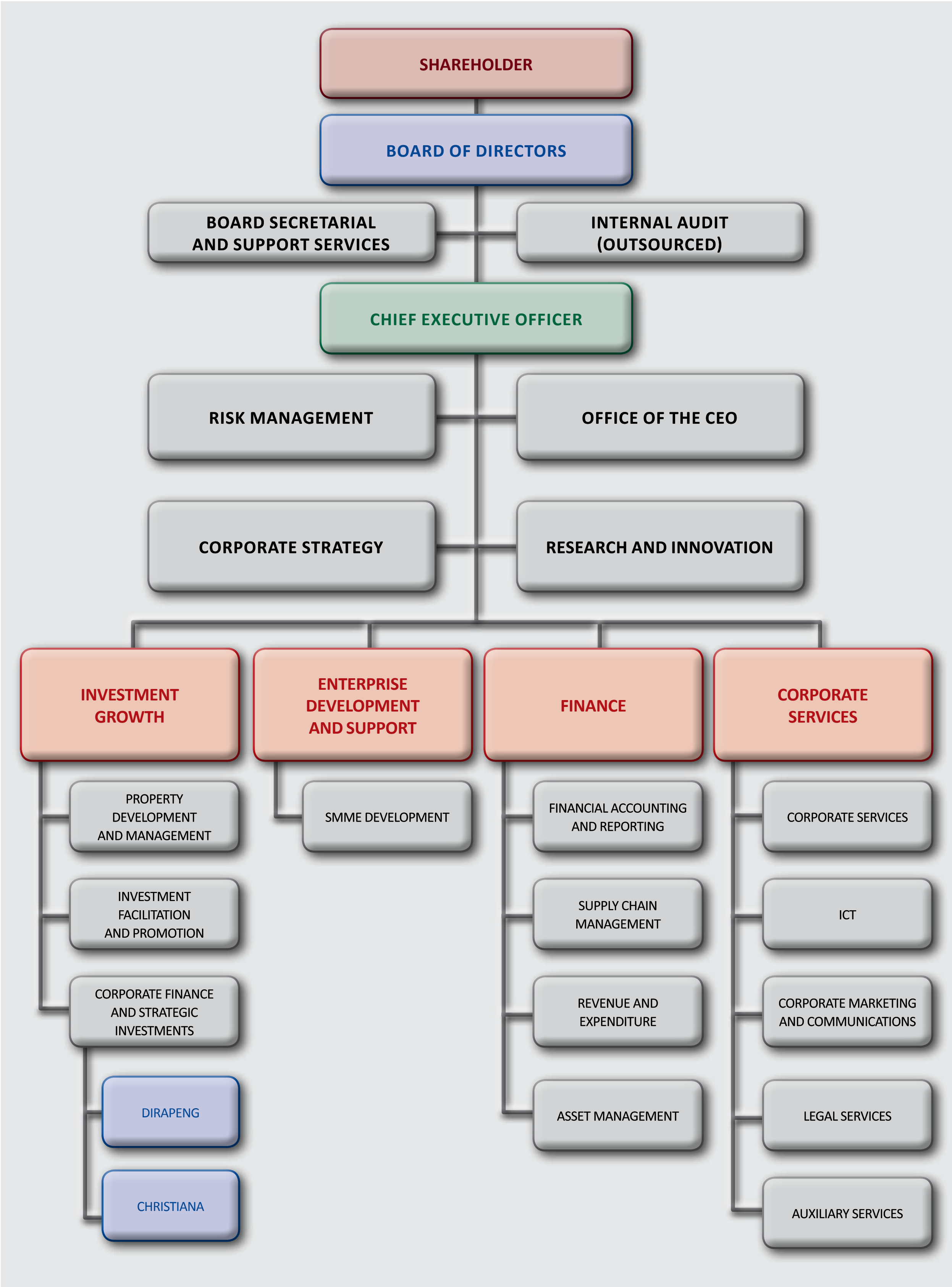
GOVERNANCE

a) Specific measures are unique to companies and they will depend on many factors: legal and regulatory frameworks, ownership structure, size of the company, motivation for improvements, stage of the company's development and prevalent corporate culture and traditions.

b) Despite the uniqueness of individual company governance frameworks, good governance practices are based on internationally and domestically recognised principles and standards of best practices. Modify practices depending on regional and country context.

c) Governance improvement actions focus on committing company leadership to good governance; strengthening the role and responsibilities of the Board of Directors, improving the control environment; promoting disclosure and transparency; and protecting shareholder rights.

5. ORGANISATIONAL STRUCTURE



6. FOREWORD BY THE CHAIRPERSON

"See money as the flow of energy and giving, which cycles between you, others and me. Now let it flow kindly, fairly and mindfully."

- Rasheed Ogunlaru

The powerful quote by business and life coach Rasheed Ogunlaru, so strikingly describes our raison d' etre at the North West Development Corporation.

The NWDC is a state-owned entity with a firm mandate of delivering economic development services to the people of the North West Province. For us to best deliver on this vision, which we like to refer to as our brand promise, we are consciously and responsibly balancing funds and resources. In everything that we do, we strive to be responsible custodians of public money and resources.

We are in view of the public eye, and here to serve entrepreneurs, small business owners, tenants, co-operatives, traders and investors passionately, with sound advice and where possibly, with loan financing – kindly, fairly and mindfully.

The Annual Report of the North West Development Corporation for the 2016/2017 fiscal bears testimony to the labour of our hands, including the Board, Management and our dedicated employees. The report paints a picture of our relentless efforts to maintain and improve on the services we deliver despite financial, structural and operational challenges.

We are proud to present this annual report to you. It demonstrates the entity's resilience and steady improvement since the three-entity merger of 2013.

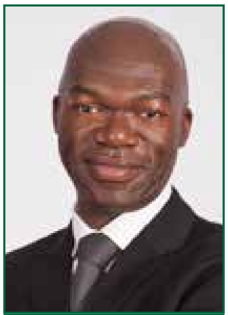
In the year under review, the NWDC was able to deliver on a number of economic development projects, with real and concrete prospects of sustainable job creation. This also shows that the establishment of a dedicated Projects Unit has borne fruit.

We are excited about the future. The vision and drive of the provincial government of growing and supporting the economies of the province's villages, townships and small towns, find a perfect match in the vision and mandate of the NWDC.

With the sound support of the Board, management and our remarkable employees, we are well-positioned to continue our flow of energy and giving to the people of the North West Province.

Dali Duma
Chairperson of the Board of Directors

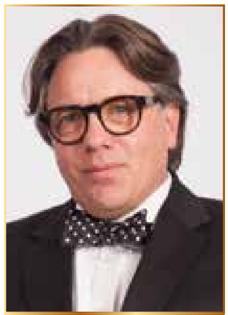
7. BOARD OF DIRECTORS



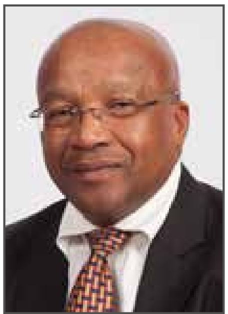
Mr D Duma
Chairperson

Mr B Khumalo
Member

Ms M Chokoe
Member



Adv H Keyter
Member



Mr TC Dlamini
Member

Mr M Mthimunye
Acting Chief Executive Officer

Ms N Koloti
Member

Prof. L Jackson
Member

Ms N Matlala
Company Secretary

Mr T Pitso
Acting Chief Financial Officer

Mr K Tlhoaele
Member

Ms KA Dikgole
Member

Prof Nevhutanda
Member

Absent: Ms L Molebatsi

8. OVERVIEW BY THE ACTING CHIEF EXECUTIVE OFFICER

It gives me great pleasure to provide a report of the North West Development Corporation SOC Ltd for the period 2016/2017. Our performance is a testament to the appeal of suite of services. The journey to propel the NWDC into a profitable, innovative, and sustainable entity continues to pose challenges and opportunities. We relish these alongside our successes for making this entity a vibrant and dynamic company to work for.

The NWDC presents its 2016/2017 Annual Report to the North West Provincial Legislature, the Office of the Premier (Shareholder), and the public, as a detailed and accurate expose' of the performance of the NWDC and matters related thereto for the period under review.

This report provides information which accounts for the activities of the NWDC as well as governance considerations, financial management processes and performance management systems and controls which enabled the organisation to achieve its strategic objectives. This account of organisational performance is supported by all relevant documents and financial records, which were subjected to constant internal audit interventions during the year under review and audit by the Auditor-General of South Africa, as represented by the report of the Auditor-General included herein.

During the Financial Year under review, management recognised that its performance against objectives of the NWDC could have been improved if adequate financial resources were provided to overcome its Human Resources challenges and the requisite operating requirements. However, the organisation managed with the available resources to meet its strategic objectives, as outlined in the relevant Corporate Plan.

As an organisation, we have not performed to the level we have set for ourselves and this calls on us to be more astute in our financial discipline, tactical organic investment and portfolio management. These areas, we assert, should be handled in a way that would ultimately deliver satisfactory returns in the ensuing financial year.

The property portfolio managed to generate income to the tune of R133,797,000.00 for the current reporting period. The view held by the Board and Management is that the NWDC has the potential to exceed this mark.

The NWDC, in line with our overall mandate as well as the marching orders of the 5th Administration of the North West Provincial Government, has incorporated and promoted the notion of township and village economies. To this effect, the NWDC has initiated some work on these areas, in the form of high impact projects to benefit people living in these areas. It is important to salute and appreciate the commitment of the North West Province and the efforts it has advanced to make the VTSD approach its line of attack in terms of service delivery.

The NWDC will continue to infuse the notion of township and village economies in the inter-sphere planning engagements. Our dream is to build capacity to drive the economy informed by strong people participation in shaping the destination of their economy and socio-economic development. We believe that it is activism at this level that will unleash energies, innovation, creativity and adaptability towards shaping their physical, economic, social and intellectual environment to achieve the socio-economic changes they seek to realise.

STRATEGIC OVERVIEW AND IMPLEMENTATION

The Board developed a clear strategy with specific objectives to be achieved through implementation of numerous programmes and projects by management. As a norm within the organisation, relevant business and implementation plans were developed to support the determined strategic direction of the organisation against which this report has been compiled.

The Board has a solid view that Performance Management in the NWDC remains one of the areas that should be strengthened. This has been informed by the disjuncture that has been picked up between the performance of the organisation and that of staff. On this score, management has its hands on decks to ensure that in the new financial year the entity implements an appropriate automated and reliable management performance system against which the company could be evaluated. This would help better motivate and retain top performers, more closely align individuals' goals with those of the organization, and create a more engaged workforce— all of which leads to greater productivity, and ultimately, improves the company's bottom line.

Currently we have "automated" the process somewhat through the use of standardized word-processing documents, database templates and other rudimentary electronic methods and have discovered that these tools can often create more headaches than they alleviate. Today, in other entities similar to the NWDC, a profound transformation is taking place across the business landscape as it relates to performance management. A growing number of businesses are turning to innovative technologies to help improve their performance management processes. Our performance management would be automated in order to realise many financial benefits—including increased employee productivity, improved worker retention, optimized compensation, and more.

In the ensuing financial year, the Board and Management would revisit the whole ensemble of policies aimed at shaping the strategic direction of the entire organisation to update them, thereby ensuring its alignment and relevance.

The financial support from government and the diligence of our Financial Management Team cannot be over-emphasised, though a lot still needs to be done, particularly in curbing irregular, fruitless and wasteful expenditures. Cost-saving measures were introduced during the period under review- and these included cuts in the use of telephones; 3G Cards; subsistence and travelling amongst others. Massive savings were realised as a result of this exercise.

The record presented by the performance details contained in this report indicates clear understanding of the pre-determined objectives of the organisation and realisation of the targets set. These targets were divided into quarterly milestones which are monitored by management on a monthly basis and followed-up against the trends of expenditure. The assessment of performance against organisational strategic objectives and implementation expectation is programme-driven in order to individually assess the impact of each department. The performance of staff was assessed on quarterly basis against Key Performance Areas and the organisational value system.

Going forward, the record of individual staff performance would be supported by specific training plans incorporated into the organisational training schedule, which would form part of the assessment of performance of managers and supervisors. This is a comprehensive system of performance monitoring which enhances implementation of our strategic objectives as are consolidated into quarterly reports submitted to the Board for consideration and the Office of the Premier to which the entity reports.

CORPORATE GOVERNANCE AND RISK MANAGEMENT

The NWDC operates with high levels of good corporate governance and more emphasis is being placed on the Board's fiduciary duties. For the financial year under review, the Board has been trained by the Institute of Directors on its roles and responsibilities and the benefits of such training has been displayed in its open and transparent, as well as fair and equitable decision-making processes, which stood the test of all legal challenges.

The NWDC Group remains fully committed to business integrity, fairness, transparency and accountability in all its activities. On a quarterly basis the NWDC reports to the Office of the Premier on progress made towards the achievement of the predetermined objectives and implementation of the strategic plan.

The Board assigned Management to perform their duties in terms of expectations to achieve specific strategic deliverables, and there is a clear line of separation of responsibilities between these arms of governance within the NWDC and this done to safeguard the organisation against unnecessary interruptions and promotes focus on compliance with organisational policies and accountability at all levels of management.

The Board and its Committee charters set out the roles, duties and responsibilities of the Board, as well as salient corporate governance principles. The Board and committee charters are revised annually to ensure effectiveness and relevance.

The NWDC has, in the current reporting period, also adhered to good corporate governance and maintains best practices in this respect to keep the organisation clean of corruption and fraud and socially responsive. In addition, this approach has ensured that the NWDC regularly review its policies; processes and practices for legal compliance; uses funds in an economic, efficient and effective manner; and adheres to good corporate governance practices, which are continually benchmarked against national norms and standards and appropriate to its changing circumstances from time to time.

To enhance control over the environment that the NWDC operates in, the Board adopted an approach of regularly assessing organisational risks. In this regard, much emphasis has been placed on Management discharging their responsibility by continuously assessing risks facing the organisation and developing, reviewing and implementing a risk management plan. This plan is utilised to guide the Board, via its Audit and Risk Committee, through the risks that the organisation is exposed to, and ensuring that there are controls in place to address them.

NWDC has a risk management policy and strategy and conducts regular risk assessments to determine the effectiveness of its risk management strategy and to identify new and emerging risks. NWDC has an Audit and Risk Committee that advises management on the overall system of risk management (especially the mitigation of unacceptable levels of risk) and independently monitors the effectiveness of the system of risk management.

Submission of quarterly reports in line with the PFMA and the institutionalisation of risk management into the day to day operations of the entity continues to find expression in all management, departmental and subsidiary meeting sessions. The Risk Management process has indeed matured and continues to receive attention and support from the Board, Audit and Risk Committee and Management.

With a view to ensure that the organisational risks are not the sole responsibilities of the Risk Office, the view of the Board is that performance contracts of all Senior Managers in the Financial Year 2017/2018 would have risks apposite to their Units. The Board believes that this is the best approach to diligent management and commits to the importance of this exercise, which is incorporated in the NWDC's organisational planning, with a view to constant monitoring.

NWDC, together with its management, continues to implement sound principles of corporate governance and ensure that risk management continues to remain a way of thinking and operation and not just a tick box or compliance exercise.

The NWDC has adopted a fraud prevention policy, which policy encompasses whistle blowing which emphasises the NWDC's commitment to ensure that its exposure to corrupt activity is constrained, mitigated, regularly monitored and subject to periodic risk assessments.

In support of the expectation for employees and all stakeholders to report incidents, the NWDC has an independently-administered Fraud Hotline. This hotline can be used to report known or suspected incidents without fear or occupational detriment and/or victimisation. In the year under review, there were no tip-offs received which were investigated and/or reviewed. There is therefore a need to popularise the use of this hotline.

HEALTH AND SAFETY

The Board of the NWDC is committed to ensuring a safe and healthy workplace for all its employees, clients and guests. The NWDC complies with all relevant legislation, in particular, the Occupational Health and Safety (OHS) Act. This includes monitoring risks in the workplace, addressing reported incidents and raising awareness and responsibility among employees around serious diseases. I would like to report that no adverse report on health and safety matters was made for the current reporting period.

INVESTMENT GROWTH

NWDC's Property Development and Management Programme is geared to build and maintain a property portfolio that can generate income; help to achieve organisational sustainability; and facilitate employment creation.

As a chief objective, NWDC strives to prove that property development and management can yield sustainable good and achieve significant growth. The valuation of our property portfolio stands at R 895m as at 31 March 2017.

Rental collection is the only revenue generation mechanism within the organisation and it is not moving as expected. This has resulted in the implementation of the rental collection strategy and the review of the rental policy. As a way forward, Management is exploring different options to enhance and maximize the revenue generation capacity of the property portfolio and one of the options explored is to engage consultants within the property industry to assist management with strategies to better manage the Property Portfolio.

The revised application for a licence for the SEZ was submitted to the Department of Trade & Industry (DTI) on the 12th August 2016. The Technical Committee of the dti recommended that a Mining Capital Equipment Supply and Manufacturing Strategy should be submitted as part of conditions for the licence consideration. A revised strategy will be submitted by the end of June 2017 and the Dti will convene a SEZ Advisory Board after completing further engagements with all the stakeholders. The NWDC is fired up by the political will displayed by the Hon. Premier, Rre SOR Mahumapelo and EXCO to ensure that the Province secures this SEZ.

NWDC is the go-to agency for small, medium and micro-enterprises (SMMEs) and co-operatives in the Province, when seeking affordable, customised loan packages. This is because our loan packages are ideal for historically disadvantaged individuals who may not meet the stringent requirements or criteria of commercial lenders.

Believing in the enormous value of finance for starting new ventures or developing already-existing businesses, the team at the NWDC applies a unique set of criteria to dispense loans, including prioritising women, youth and people living with disability and their ability to afford credit, as per the National Credit Act. For the year under review, the NWDC has dispensed loans in all four districts of the Province. This funding was made possible by the collaborative efforts of the NWDC and the Youth Entrepreneurial Service (YES) Unit established in the Office of the Premier.

The NWDC is constantly pursuing projects that are aligned with its mandate and strategic objectives. It is also the aim of the NWDC to pursue potential leads that may translate into projects by subjecting said leads to relevant due processes and assessments. On this score, the NWDC has been tasked with establishing nineteen (19) bakeries throughout the Province. Ten co-operatives that would be tasked with operating these bakeries have already been provided with the necessary training.

Tigane Industrial Laundromat in Hartebeesfontein is also one of the projects being pursued by the company. It can be reported that equipment have been procured for this project already and training for the co-operatives will be conducted on-site once the Laundromat becomes fully operational.

The NWDC is working very hard to buy a fifty percent (50%) shareholding in Country Bird Holding as part of its revenue generation and enhancement tactic. Due diligence as well as feasibility studies have been finalised negotiations with strategic funders such as the PIC and the Land Bank have been are at an advanced stage.

The NWDC has conceptualized the project with the aim of implementing a fully operational Security Company as a subsidiary of the NWDC. The main aim of the project is to establish a self-sustained, revenue-proliferating Security Company as a subsidiary of the NWDC whilst espousing cost-saving objectives for the Provincial Government Departments and Entities. Service Level Agreements would be crafted with all government departments for Tokiso Security to take over the security services of such entities as and when those contracts expire.

To this end, it is also the aim of the proposed Security Company to ensure, not only that said savings are re-routed to enhance service delivery initiatives for the people of the North West, but that revenues attendant to security services are not expatriated from the Province by security companies from other provinces.

The targeted beneficiaries for the project are the unemployed youth that will benefit from, inter alia, accredited training in the afore-mentioned disciplines of the security industry with the aim of placing qualifying youth within the employ of the Security Company. Shareholding in the security company has the NWDC (60%); Marang Co-operative (20%); and Ba-Ga-Naphtaly (20%). Marang Co-operative is the co-operative initiated by the South African National Defence Force and Ba-Ga-Naphtaly is a Family Trust comprising persons with highest level of experience and expertise on matters of security.

The Office of the Premier has committed R30m to assist the NWDC with its Tuckshop Economy Project. One warehouse would be established in each district and already training has been provided on the tuckshop-owners in terms of basic business management to assist them to better manage their business entities.

CONCLUSION

The NWDC has not achieved a clean audit for the year under review. This is a matter of serious concern to management and the Board. We need to harness all our energies to ensure that in the ensuing year this situation improves. Nevertheless, the Board of Directors are to be commended for effectively dealing with various issues affecting the NWDC this year, such as performance reports, audit reports, budgets and for the first time, the NWDC operates with an approved Corporate Plan.

I remain optimistic that the NWDC has the capability to tackle these challenges, but it will require the support and determination of all the stakeholders to play their part in order to make the NWDC a strong and dynamic entity that is positioned in such a way that it contributes to the economic development biased towards Villages, Townships and Small Dorpies.

The NWDC believes in its capacity to chart its own course and will not stop until it fully achieves the mandate the 5th Administration has bestowed on it. It would steer this ship through stormy seas until it completes its journey and is in a safe harbour. It would not let anything leads it off-course. It would stay firmly at the helm until this journey is a success. It is responsible for its crew and the passengers and may have to ride tumultuous waves to get them home. In business our crew and our passengers are our employees and our customers. As captain the NWDC has a duty to them. This is the story of the NWDC.

“When writing the story of your life, don’t let anyone else hold the pen”- Harley Davidson

COMPLIMENTS

The challenges of the past year have created greater awareness of the driving forces of development in our province and the NWDC is better positioned to meet and execute its mandate to enhance growth in the province and impact on the people who, through their daily toils and cooperation with their state institutions make the North West the People’s Province.

On behalf of management and staff, I would like to thank the NWDC Board of Directors for having been a self-critical and punctilious overseer, welcoming all the opportunities to inform itself directly or through its sub-committees and to translate this knowledge into better management. In this regard, management extends its profound gratitude to the Board and all expert advisors, consultants and officials of the province who are continuing to help bring the NWDC onto a new plateau of performance. We thank, in particular, the Hon. Premier, political head and ultimate accounting executive of the NWDC for his unstinting and warm support through this year. Management also thanks staff without whose commitment we would not have achieved anything.

More work still needs to be done!

Mike Mthimunye
Acting Chief Executive Officer

PART B

PERFORMANCE INFORMATION

1. STATEMENT OF RESPONSIBILITY FOR PERFORMANCE INFORMATION

The Chief Executive Officer is responsible for the preparation of the State Owned Entity's performance information and judgements made on this information.

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

It is believed that 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 2017 has been examined by the external auditors and their report is presented on page 76 to 81.

The performance information of the entity set out on pages 20 to 40 were 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 page 76 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 2016/2017. The report is a consolidation 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 Office of the Premier 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 realize 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 the Audit & Risk Committee on a quarterly basis.

3.1 SERVICE DELIVERY ENVIRONMENT

During the year under review, the NWDC showed an target exceeded in providing services to the public. Despite the challenges faced by the NWDC, we managed to perform through the development, support and funding of the SMME's within the North West Province in line with the VTSD focus.

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.

As an interim measure, while permanent placements could not be affected, six (6) project managers were appointed on contract in the 2015/2016 financial year, with the aim of successfully delivering on the key strategic shareholder projects.

3.3 KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

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

3.4 STRATEGIC OUTCOME-ORIENTED GOALS

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 below contains the North West Development Corporation's strategic goals.

STRATEGIC OUTCOME ORIENTED GOAL 1	ADMINISTRATION & SUPPORT
GOAL STATEMENT	To ensure compliance with legislation, sound financial management, good corporate governance and best practices

STRATEGIC OUTCOME ORIENTED GOAL 2	INVESTMENT GROWTH
GOAL STATEMENT	To sustain and increase the investment portfolio (property development and management, equity investments, foreign direct investment, subsidiaries) and export trade

STRATEGIC OUTCOME ORIENTED GOAL 3	ENTERPRISE DEVELOPMENT AND SUPPORT
GOAL STATEMENT	To facilitate the creation, sustainability and competitiveness of enterprises

4. PERFORMANCE INFORMATION BY PROGRAMME

PROGRAMME 1: ADMINISTRATION & SUPPORT

SUB-PROGRAMME 1.1.1: OFFICE OF THE CEO

STRATEGIC AIM	PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from Planned Target to Actual Achievement 2016/2017	COMMENTS ON DEVIATIONS
To give strategic and administrative leadership to the NWDC in pursuit of good governance	Percentage of overall performance of programmes of the organisation	82.2%	100%	80	20	The under achievement of some of the set targets within the NWDC was due to: • Cash flow constraints; • Routine/preventative maintenance on properties not being done due to lack of funding; • Constrained economic environment; • Inadequate funding to link companies to new markets; • Absence of SEZ designation license; and • Lack of implementation of special projects

SUB-PROGRAMME 1.1.2: BOARD SECRETARIAL SERVICES

STRATEGIC AIM	PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from Planned Target to Actual Achievement 2016/2017	COMMENTS ON DEVIATIONS
To give strategic and administrative leadership to the NWDC in pursuit of good governance	Number of Board Charters reviewed	-	2	6	4	Achieved The Board changed the terminology to Charters and no longer Terms of References. These charters were reviewed when the new Board took office
	Number of Terms of References reviewed	-	4	0	4	
	Number of approved Board Minutes	-	4	15	11	Targets exceeded Board and Committee meetings were planned quarterly. Due to the current business environment within the NWDC, the need arose for the Board and its Committees to meet more regularly
	Number of approved Committee minutes	-	20	31	11	
	Number of Board Induction Manuals developed	-	1	1	0	Achieved

SUB-PROGRAMME 1.1.3: INTERNAL AUDIT

STRATEGIC AIM	PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from Planned Target to Actual Achievement 2016/2017	COMMENTS ON DEVIATIONS
To give strategic and administrative leadership to the NWDC in pursuit of good governance	Number of approved Internal Audit Charters	-	1	1	0	Achieved
	Number of approved Rolling Three-Year Strategic Internal Audit Plan	-	1	1	0	Achieved
	Percentage achievement of Internal Audit Plan	-	100%	75%	25%	
	Percentage achievement of Audit Action Plan	-	100%	60%	40%	

SUB-PROGRAMME 1.1.4: RISK MANAGEMENT

STRATEGIC AIM	PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from Planned Target to Actual Achievement 2016/2017	COMMENTS ON DEVIATIONS
To give strategic and administrative leadership to the NWDC in pursuit of good governance	Number of Risk Management Policies reviewed	-	1	2	1	Under achievement The policies reviewed in Q4 were to make them take effect at the start of the new financial year i.e. 2017/2018 as opposed to reviewing them when already into the new financial year. The double reviews will cease henceforth
	Number of Risk Management Strategies approved	-	1	1	0	Achieved
	Number of Risk Registers	0	1	2	1	Under achievement Additional risks identification and assessment sessions were held after Q1 to cater for changed business circumstances thus resulting in the expanded risk register (31 risks) that was approved on 18 February 2017 by the Accounting Authority
	Number of Mitigation Plans	-	1	1	0	Achieved

SUB-PROGRAMME 1.1.5: CORPORATE STRATEGY

STRATEGIC AIM	PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from Planned Target to Actual Achievement 2016/2017	COMMENTS ON DEVIATIONS
To give strategic and administrative leadership to the NWDC in pursuit of good governance	Number of Shareholders Compact's reviewed	1	1	0	1	Under achievement The Shareholders Compact was reviewed and submitted to the Board for final approval however, it was not signed off timeously
	Number of approved Strategic Plans submitted timeously to the Shareholder	2	1	0	1	Under achievement The NWDC drafted the Strategic and Annual Performance Plans for 2017/2018. The final draft Annual Performance Plan was delivered at the Legislature on 13 March 2017 and presented to the Portfolio Committee on 14 March 2017. The Portfolio Committee at the tabling of the final draft Annual Performance Plan rejected it due to the NWDC being requested to submit the Corporate Plan. Subsequently the NWDC drafted the Corporate Plan and it is in the process of finalization. This matter will be finalised during Q1 of 2017/2018
	Number of approved Annual Performance Plans submitted timeously to the Shareholder	2	1	0	1	
	Number of approved Quarterly Reports submitted timeously to the Shareholder	4	4	4	0	Achieved
	Number of approved Annual Reports submitted on time	1	1	1	0	Achieved
	Number of performance review meetings held	4	4	4	0	Achieved

SUB-PROGRAMME 1.1.6: RESEARCH & INNOVATION

STRATEGIC AIM	PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from Planned Target to Actual Achievement 2016/2017	COMMENTS ON DEVIATIONS
To give strategic and administrative leadership to the NWDC in pursuit of good governance	Number of Economic Data Reports distributed	4	4	4	0	Achieved
	Percentage achievement or Research and Innovation Activity Plan	-	100%	100%	0	Achieved

NARRATIVE

The unit sourced, analysed, compiled and distributed 134 desktop studies and intelligence items and responded to 56 requests for information during the year. The unit is proud to mention the following achievements and contributions.

A quarterly economic data report is compiled and published on the NWDC website. The report contains updated economic statistics from a global to provincial level as well as key information on subjects of interest, trade and investment. The report is also supplied to the Office of the Premier (OOP) and the Department of Economy and Enterprise Development (EED). The drafting of the Situational Analysis for the NWDC Corporate Plan is a further responsibility of the Research Unit.

The Research Unit of NWDC cooperates with EED and supported it with inputs to a study on a Pre-feasibility study for the Mahikeng SEZ, as well as a study on the Identification of projects aligned with North West Province's Agriculture, Culture and Tourism (ACT) Strategy that was commissioned to the North West University. EED further sponsored subscriptions for NWDC Research and Trade and Investments to the TRADE DSM Model Tool that assist in identifying new trade opportunities. The Research Directorate in the Office of the Premier Research was also assisted with the drafting of the North West Innovation Strategy.

Information for the North West Investment Opportunity Booklet was compiled and the Research Unit assisted to compile information for the VTSD Lekgotla, the Tourism, Trade and Investment Lekgotla as well as the Energy, Science and ICT Lekgotla.

In terms of innovation, the NWDC, in collaboration with the North-West University (NWU), the Technology Innovation Agency (TIA) of the Department of Science and Technology, the Office of the Premier and the North West Department of Economy and Enterprise Development (EED) formulated and executed the province's first Innovation Competition during 2016. The main objective of the Innovation Competition was to raise awareness in communities that they can make a difference to their lives, and those of others, by being innovative. Khupari Mpona (Debrak), Morebodi Kaotsane (Taung) and Prince Nkoe (Mogwase) were crowned as the top three innovative minds in the province during the awards function held at Cookes Lake in Mahikeng on Wednesday, 8 February 2017.

Challenges experienced include that the vacant position can not be filled due to austerity measures and that the unit is coping with a significant work load. However the Research and Innovation Unit is proud of its performance during this year and will continue to contribute to the vision of an economically powerful Bokone Bophirima.

LINKING PERFORMANCE WITH BUDGETS

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

SUB-PROGRAMME NAME	2016/2017			2015/2016		
	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)
TOTAL				**8 661 000**	**10 339 000**	**(1 678 000)**

SUB-PROGRAMME 1.2.1: FINANCE

STRATEGIC AIM	PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from Planned Target to Actual Achievement 2016/2017	COMMENTS ON DEVIATIONS
To plan and budget financial activities in compliance with all relevant legislation and policies, regulations, frameworks and guidelines	Number of financial statements submitted to Treasury (12 IYM and 3 Interim AFS)	-	15	12	3	Under achievement Management was unable to produce interim Annual Financial Statements. Firstly, management had to purchase the reporting software (Caseware) and obtain the necessary training on the use of the software. The interim Annual Financial Statements were only produced in January 2017 but were not approved by the Audit Committee
	Number of financial statements submitted to AGSA	1	1	1	0	Achieved
	Number of tax compliance submissions to SARS	-	13	12	1	Under achievement At the time of the submission of the Annual Report, the vat submission for December was not yet due. This was subsequently submitted in January 2017
	Number of compliance reports on asset management	1	3	2	1	Under achievement The report for the valuation is expected in April 2017
	Number of procurement plans submitted to Treasury	1	1	1	0	Achieved
	Number of SCM performance reports produced	11	4	4	0	Achieved
	Number of Financial Delegation Frameworks reviewed	-	1	0	1	Under achievement The Financial Delegation Framework was not reviewed during the 2016/2017 financial year
	Number of budgets submitted	-	2	2	0	Achieved

STRATEGIC AIM	PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from Planned Target to Actual Achievement 2016/2017	COMMENTS ON DEVIATIONS
To plan and budget financial activities in compliance with all relevant legislation and policies, regulations, frameworks and guidelines (continued)	Number of budget performance reports submitted	14	12	12	0	Achieved
	Number of credit control policies developed	0	1	1	0	Achieved
	Percentage collection of rental due	-	80%	85%	5%	Under achievement This is due to the exercise where management aligned the rental to the 10% escalation clause for the tenants that have not renewed the lease agreements
	Percentage reduction of irregular expenditure schedule	-	50%	0%	50%	Under achievement The submission made for condoning irregular expenditure was at an advanced stage and a reviewed submission will be submitted to the Audit & Risk Committee during April 2017

LINKING PERFORMANCE WITH BUDGETS

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

SUB-PROGRAMME NAME	2016/2017			2015/2016		
	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE
Finance				19 130 000	26 905 000	(7 775 000)
TOTAL				**19 130 000**	**26 905 000**	**(7 775 000)**

SUB-PROGRAMME 1.3.1: HUMAN RESOURCES

STRATEGIC AIM	PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from Planned Target to Actual Achievement 2016/2017	COMMENTS ON DEVIATIONS
To provide effective HR services by ensuring appropriate support to all other programmes	Percentage achievement of HR procedure manual plan	-	50%	59%	9%	Target exceeded More procedures were reviewed during the 2016/2017 financial year as was anticipated. These procedures was workshopped with all the employees of the NWDC
	Percentage of employees developed against annual Workplace Skills Plan	-	100%	100%	0	Achieved
	Percentage employees developed against Employment Equity Plan	-	100%	100%	0	Achieved
	Percentage achievement of HR work plan	-	100%	100%	0	Achieved
	Percentage reduction of vacancy rate	[	3%	5%	2%	Target exceeded Most of the critical positions were filled however, the Executive positions were not filled during the 2016/2017 financial year

SUB-PROGRAMME 1.3.2: ICT

STRATEGIC AIM	PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from Planned Target to Actual Achievement 2016/2017	COMMENTS ON DEVIATIONS
To provide effective ICT services by ensuring appropriate support to all other programmes	Percentage uptime of ICT services	-	99%	86.3%	12.7%	Under achievement Cable theft at branch level on three different occasions caused major downtime on the network and mitigation plans will be implemented to ensure that cable theft are not repeated
	Percentage achievement of work plan	-	100%	91%	9%	Under achievement Some of the projects that was planned for implementation were placed on hold due to financial constraints
	Number of ICT Strategies reviewed	-	1	1	0	Achieved

SUB-PROGRAMME 1.3.3: CORPORATE MARKETING & COMMUNICATIONS

STRATEGIC AIM	PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from Planned Target to Actual Achievement 2016/2017	COMMENTS ON DEVIATIONS
To provide effective Marketing & Communication services by ensuring appropriate support to all other programmes	Number of Marketing & Communication Strategies developed	-	1	1	0	Achieved
	Percentage achievement of the Marketing & Communication work plan	-	100%	100%	0	Achieved

SUB-PROGRAMME 1.3.4: LEGAL SERVICES

STRATEGIC AIM	PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from Planned Target to Actual Achievement 2016/2017	COMMENTS ON DEVIATIONS
To provide effective Legal services by ensuring appropriate support to all other programmes	Percentage achievement of litigation schedule	-	100%	100%	0	Achieved
	Percentage recovery of bad debt	7.8%	30%	41.7%	11.7%	Target exceeded Attempts to collect and recover the bad debt continued during the period under review and led to positive results in the collection of the bad debt

SUB-PROGRAMME 1.3.5: AUXILIARY SERVICES

STRATEGIC AIM	PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from Planned Target to Actual Achievement 2016/2017	COMMENTS ON DEVIATIONS
To provide effective Auxiliary services by ensuring appropriate support to all other programmes	Number of reviewed fleet management policies	-	1	1	0	Achieved
	Number of maintenance plans developed	-	1	1	0	Achieved
	Number of fleet analyses reports produced	-	12	12	0	Achieved
	Number of project plans on document control management developed	-	1	1	0	Achieved
	Number of document control policies reviewed	-	1	1	0	Achieved
	Number of operational plans developed for auxiliary services	-	1	1	0	Achieved

NARRATIVE

The unit has performed well during the year under review. Fleet management procured 7 long wheel base LDV's, as well as a bus that is utilized as a mobile office during outreach programmes of the Premier. The mobile office is utilised by the SMME Development and Support Unit as a platform to provide support to clients who do not have access to NWDC offices.

LINKING PERFORMANCE WITH BUDGETS

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

SUB-PROGRAMME NAME	2016/2017			2015/2016		
	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE
Corporate Services				69 344 000	71 506 000	(2 162 000)
TOTAL				**69 344 000**	**71 506 000**	**(2 162 000)**

The mobile office utilised by the SMME Development and Support Unit as a platform to provide support to clients who do not have access to NWDC offices.

PROGRAMME 2: INVESTMENT GROWTH

SUB-PROGRAMME 2.1: PROPERTY DEVELOPMENT AND MANAGEMENT

STRATEGIC AIM	PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from Planned Target to Actual Achievement 2016/2017	COMMENTS ON DEVIATIONS
To let, maintain and develop property to generate revenue for the NWDC	Percentage of occupancy rate	-	80%	84.8%	4.8%	Target exceeded A steady increase in the occupancy of the properties due to attraction of new tenants and properties becoming available due to maintenance and the existing tenants preferring to renew their contracts with the NWDC
	Percentage achievement of Maintenance Plan (routine / preventative maintenance)	-	100%	61%	39%	Under achievement The lack of funding impacted on the implementation of the Maintenance Plan for routine and preventative maintenance
	Number of vacant land developed	-	2	0	2	Under achievement The unfavourable cash flow constraints led to the NWDC not being able to develop vacant land. It is anticipated in 2017/2018 to generate income by disposing off some of the non-performing assets in order to invest in viable new and/or renovated properties

SUB-PROGRAMME 2.2: INVESTMENT PROMOTION AND FACILITATION

STRATEGIC AIM	PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from Planned Target to Actual Achievement 2016/2017	COMMENTS ON DEVIATIONS
To contribute to the economic growth of the North West Province	Value of successful investment projects facilitated into the Province	0	R500m	R98m	R402m	Under achievement The investment environment remained very difficult under this financial year. The NWDC is seeking funding for identified projects from national funding sources such as IDC, PIC, NEF, SEFA and business partners
	Number of companies linked to new markets (exports)	17	40	25	15	Under achievement The planned outbound missions for exports were not undertaken due to funding constrains. The aspiring exporters could therefore not explore potential markets to promote their products
	Number of companies linked to new markets (domestic)	33	40	58	18	Target exceeded More companies that was planned were linked to new markets because many were small cooperatives. This also became a focus area in the absence of export focus.

NARRATIVE

The location assessment for Chongqing Storsack Jianfeng Plastic Industry, an investment project earmarked for Mogwase, was completed and now awaits final approval from the parent company in China to commence the 3-year R92m industrial sack manufacturing plant.

The economic environment remained constrained in the period under review and focus is more on investment projects with better potential to secure funding. Declining mining environment in the provinces affecting businesses linked to this sector. Effects of drought in agriculture affected investment into the agricultural sector value chain.

Inadequate funding to undertake external investment missions to attract foreign investors, and difficult investment climate conditions compared to other similar locations, was noted during the year. Planned outward bound missions were not undertaken due to financial constrains.

STRATEGY TO OVERCOME AREAS OF UNDERPERFORMANCE

The unit intends to make use of external SA missions through the coordinating office of DIRCO to promote local opportunities. The NWDC plans to work with local embassies, particularly from BRICs countries, to highlight key North West opportunities. Advocate for a provincially focused investment fund to increase the attractiveness of the province as an investment destination. Identify additional partners and request for funding to take export ready companies and bankable projects on missions.

SUB-PROGRAMME 2.3.1: CORPORATE FINANCE AND STRATEGIC INVESTMENTS

STRATEGIC AIM	PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from Planned Target to Actual Achievement 2016/2017	COMMENTS ON DEVIATIONS
To ensure the NWDC's self sustainability through strategic investments	Number of Dti SEZ Designation Licenses issued	0	1	0	1	Under achievement The SEZ designated license was not issued during the financial period. It is anticipated that the designation license will be issued in June 2017
	Number of Treasury SEZ Proclamations	-	2	0	2	
	Number of SEZ Management Companies registered	-	1	0	1	
	Percentage return on investments	-	0%	0%	0%	Not applicable

SUB-PROGRAMME 2.3.2: SPECIAL PROJECTS

STRATEGIC AIM	PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from Planned Target to Actual Achievement 2016/2017	COMMENTS ON DEVIATIONS
To ensure the NWDC's self sustainability through strategic investments	Number of warehouses developed for tuck shop economy	-	4	0	4	Under achievement Lack of funding for implementation. Commitment has been made by Provincial Treasury to provide funding for the inaugural pilot warehouse. Successful implementation of the pilot warehouse will be the springboard and a catalyst for submissions for Funding Agencies for the remaining warehouses
	Number of alternative building material factories developed	-	3	0	2	Under achievement No budget for additional factory establishment has been allocated to the NWDC in 2016/2017; The NWDC Board resolved that no extra factory should be established until the existing Bojanala Alternative Factory is sustainable
	Number of bakeries established	-	19	3	16	Under achievement Members of the Cooperatives that were formed are no longer active directors. Cooperatives were formed without compliance workshop which resulted in Members not understanding the cooperative model
	Percentage of achievement of projects implemented in villages	-	100%	25%	75%	Under achievement Lack of funding played a major role in the non achievement of projects implemented in villages
	Percentage of achievement of projects implemented in townships	-	100%	25%	75%	Under achievement Lack of funding played a major role in the non achievement of projects implemented in villages
	Percentage of achievement of projects implemented in small dorpies	-	100%	25%	75%	Under achievement Lack of funding played a major role in the non achievement of projects implemented in villages

LINKING PERFORMANCE WITH BUDGETS

The financial information as presented in the table below outline the Investment Growth's expenditure:

SUB-PROGRAMME NAME	2016/2017			2015/2016		
	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE
Property Development & Management						
Investment Promotion & Facilitation						
Corporate Finance & Strategic Investments						
Special Projects						
TOTAL						

PROGRAMME 3: ENTERPRISE DEVELOPMENT & SUPPORT

SUB-PROGRAMME 3.1.1: SMME DEVELOPMENT

STRATEGIC AIM	PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from Planned Target to Actual Achievement 2016/2017	COMMENTS ON DEVIATIONS
To effectively develop sustainable SMMEs and Cooperatives through financial and non-financial support	Value of funds disbursed to SMMEs/ Cooperatives	R15,864m	37 000 000.00	24 818 690.48	12 181 309.52	Under achievement An assumption that never materialised (MOU with SEFA), caused the deviation
	Percentage of SMMEs/ Cooperatives funded	-	100%	60%	40%	
	Number of SMMEs funded	-	55	72	17	Target exceeded Outreach programs such as Setsokotsane and the utilization of the mobile office has marketed NWDC which resulted in a high influx of support services rendered to clients
	Number of Cooperatives funded	-	15	9	6	Under achievement Funding to Cooperatives was lower than targeted due to internal challenges caused by non-cooperation between Members
	Number of SMMEs supported	335	200	2 571	1 371	Targets exceeded Outreach programs such as Setsokotsane and the utilization of the mobile office has marketed NWDC which resulted in a high influx of support services rendered to clients
	Number of Cooperatives supported	25	50	254	204	
	Number of SMMEs supported into Black Industrialist Programme	-	4	0	4	Under achievement Conceptualisation of Black Industrialisation programme could not be concluded within the period

LINKING PERFORMANCE WITH BUDGETS

The financial information as presented in the table below outlines the Enterprise Development & Support's expenditure:

SUB-PROGRAMME NAME	2016/2017			2015/2016		
	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE
Enterprise Development and Support						
TOTAL						

5. SUMMARY OF FINANCIAL INFORMATION

5.1 REVENUE COLLECTION

SOURCES OF REVENUE	2016/2017			2015/2016		
	ESTIMATE	ACTUAL AMOUNT COLLECTED	(OVER)/ UNDER COLLECTION	ESTIMATE	ACTUAL AMOUNT COLLECTED	(OVER)/ UNDER COLLECTION
Revenue						
Grants						
Investment & Other Income						
Other Income						
Fair Value Adjustment						
Other Gains & Losses						
TOTAL						

5.2 PROGRAMME EXPENDITURE

PROGRAMME NAME	2016/2017			2015/2016		
	BUDGET	ACTUAL EXPENDITURE	(OVER)/ UNDER COLLECTION	BUDGET	ACTUAL EXPENDITURE	(OVER)/ UNDER COLLECTION
Office of the CEO						
Finance						
Corporate Services						
Economic Research, Policy and Planning Development						
Property Development & Management						
Investment Promotion & Facilitation						
Corporate Finance & Strategic Investments						
Enterprise Development and Support						
TOTAL						

5.3 CAPITAL INVESTMENT, MAINTENANCE AND ASSET MANAGEMENT PLAN

INFRASTRUCTURE PROJECTS	2016/2017			2015/2016		
	BUDGET	ACTUAL EXPENDITURE	(OVER)/ UNDER COLLECTION	BUDGET	ACTUAL EXPENDITURE	(OVER)/ UNDER COLLECTION
Property						
IT						
Finance						
TOTAL						

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PART C
GOVERNANCE

1. INTRODUCTION

Corporate Governance embodies processes and systems by which the North West Development Corporation is 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 SOC Ltd, 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 Office of the Premier and the Board of Directors, the Executive and the Accounting Authority of the entity are responsible for corporate governance.

2. EXECUTIVE AUTHORITY

The Board recognizes its duty to ensure that its 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 after the Audit;
- 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 Shareholders or its 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 SOC Ltd 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) Provide 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) Manage 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

During the current reporting financial year, the Board comprised 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 Board of Directors, whose term of office ended on 30 June 2016:

NAME & SURNAME	MS N MOJANAGA
DESIGNATION	Director
TERM IN OFFICE	5 November 2014 to 30 June 2016
QUALIFICATIONS	Matric, BASW, District Health Management, International Diploma in teaching and training, Managing health services, Executive Development Programme
AREAS OF EXPERTISE	Deputy Director/ Sub District Manager, District Director, District Chief Director: Dr Kenneth Kaunda Hospital Services: District Hospitals, Health Programmes Management, Management of Forensic Medical Services
BOARD DIRECTORSHIPS	• Member of the Executive of Trust for Christian Outreach and Education (TCOE) in the Free State in 1985-1989. • Executive member of the National Progressive Primary Health Care Network (NPPHCN) in the Free State 1987- 1993. • Served as a member of the policy subcommittee on Primary Health Care • Executive member of the Free State Rural Committee (FSRUC), an alliance of Transvaal Rural Action Committee (TRAC)1990- 1996. • Member of the Black Management Forum 1999 to date.

NAME & SURNAME	MS J BROWN
DESIGNATION	Director
TERM IN OFFICE	5 November 2014 to 30 June 2016
QUALIFICATIONS	B.Com Degree
AREAS OF EXPERTISE	Financial Management, Municipal Financial Management, Auditing, Project Management, Debt Management
BOARD DIRECTORSHIPS	• Member of Audit Committee at Moses Kotane (2008-2011) • Member of Audit Committee at North West Provincial Legislation – Chairperson • Member of Audit Committee at North West Department of Education • Member of Audit Committee at North West Transport Investment – Chairperson • Member of Provincial Audit Committee

NAME & SURNAME	**MR D MCGLUWA**
DESIGNATION	Director
TERM IN OFFICE	5 November 2014 to 30 June 2016
QUALIFICATIONS	B.Com, 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

NAME & SURNAME	**MR A FRASER**
DESIGNATION	Board Member
TERM IN OFFICE	5 November 2014 to 30 June 2016
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

BELOW ARE THE DETAILS PERTAINING TO BOARD OF DIRECTORS APPOINTED ON 1 JULY 2016

NAME & SURNAME	**MR D DUMA**
DESIGNATION	Chairperson
TERM IN OFFICE	1 July 2016 to date
QUALIFICATIONS	MBA, Bachelor of Technology, Senior Management Development Programme, Diploma in Project Management
AREAS OF EXPERTISE	Corporate/Executive Management; Shared Services Management (Supply Chain, Information Technology; Stakeholder Engagement; Remuneration, Time & Attendance, Personnel & Administration, Property Development & Management, Capital Procurement); Sustainability; Local Economic (Community) Development; Operations Management; Quantity Surveying; Property Management
BOARD DIRECTORSHIPS	• Impala Platinum Properties (North West) (Pty) Ltd • Impala Platinum Properties (Rustenburg) (Pty) Ltd • Impala Platinum Properties (Johannesburg) (Pty) Ltd • Impala Platinum Investments (Pty) Ltd • Impala Platinum Chrome (Pty) Ltd • Makgomo Chrome (Pty) Ltd • Impala Pension Fund Trustee • Impala Provident Fund Trustee • Impala Medical Fund Trustee
OTHER COMMITTEES	• Transitional Integration Committee Member • Finance and Investment Committee Member

NAME & SURNAME	**MR B KHUMALO**
DESIGNATION	Director
TERM IN OFFICE	1 July 2016 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 corporate governance, marketing, strategy, business development
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	**ADV H KEYTER**
DESIGNATION	Director
TERM IN OFFICE	1 July 2016 to date
QUALIFICATIONS	BA, BA Hons, BA Hons, BProc, LLB, LLM, LLM, LLM (Cum Laude) (University of Jhb)
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	**MS KA DIKGOLE**
DESIGNATION	Director
TERM IN OFFICE	1 July 2016 to date
QUALIFICATIONS	National Diploma: Internal Auditing, National Certificate: Internal Auditing
AREAS OF EXPERTISE	Auditing and Financial Accounting. Corporate Governance, Risk Management, Managerial Skills.
BOARD DIRECTORSHIPS	None
OTHER COMMITTEES	• Chairperson of the Social and Ethics Committee • Audit and Risk Committee Member

NAME & SURNAME	**MR TC DLAMINI**
DESIGNATION	Director
TERM IN OFFICE	1 July 2016 to date
QUALIFICATIONS	Diploma in Business Administration, Bachelor of Economics (Honours-Cum Laude), Master of Arts in Development Economics
AREAS OF EXPERTISE	Business Administration, Audit and Risk, Economics
BOARD DIRECTORSHIPS	• National Planning Commission • Board Member National Homebuilders Council • Board Member National Library of SA • Board Member Metropolitan Trading
OTHER COMMITTEES	• Chairperson of the Human Resource and REMCO Committee • Social and Ethics Committee Member • Audit and Risk Committee Member

NAME & SURNAME	**MR KK TLHOAELE**
DESIGNATION	Director
TERM IN OFFICE	1 July 2016 to date
QUALIFICATIONS	Bachelor of Commerce, Investment Management, International Executive Development Programme, Managing Credit Risk in the Commercial Segment, Executive Leadership Programme
AREAS OF EXPERTISE	Financial Services, Property Investments, Enterprise Development and Risk Management
BOARD DIRECTORSHIPS	• African Diamond Investments (Pty) Ltd (Company Secretary) • African Diamond Investments (Pty) Ltd (Diamond Prospecting/Director & Shareholder)
OTHER COMMITTEES	• Chairperson Finance and Investment Committee • Social and Ethics Committee Member

NAME & SURNAME	**MS N KOLOTI**
DESIGNATION	Director
TERM IN OFFICE	1 July 2016 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	Board Member Witrand Hospital
OTHER COMMITTEES	• Chairperson of the Social & Ethics Committee (NWDC) • Member of the Finance & Investment Committee (NWDC)

NAME & SURNAME	**MS M CHOKOE**
DESIGNATION	Director
TERM IN OFFICE	1 July 2016 to date
QUALIFICATIONS	MBL, Management Development Programme, B Com Honours (Business Management), B Com (Management, Statistics, Cost Accounting and Economics)
AREAS OF EXPERTISE	Finance and Audit, Strategic Leadership of both narrow based and BBBEE. Strategic Leadership of both Enterprise and Supplier Development. Functional Leadership and Management of Finance and Audit. Innovation and Management of Strategic ESD Initiatives. Monitoring and Evaluation of ESD Initiatives to ensure they deliver maximum impact. Stakeholder Management. Capacity and Capability Development. Spearheaded the DTIS IPAP Programme and the DPE's CSDP Programme.
BOARD DIRECTORSHIPS	• ERF 26952 Table View • Secheba Logistics • Maruwa Consulting Services • SK Gaming Solutions • Eyesizwe Health Services • Reyakopele Trading • Earthwalk Communications SA • Kanana Restaurant in Africa Cooperative • Godisa Supplier Development Fund • Imperial Throne • Maruwa Consulting services • Bakgatla Share Block • Manyane Share Block • Maruwa Energy Services • Broad Based BEE haven Investments • The Maritime BEE Charter Company • State Owned Enterprises Procurement Forum
OTHER COMMITTEES	• Audit and Risk Committee Member • Finance and Investment Committee Member

NAME & SURNAME	**PROF L JACKSON**
DESIGNATION	Director
TERM IN OFFICE	1 July 2016 to date
QUALIFICATIONS	PhD, MA, MBA, Hons. BA, Senior Primary Education Diploma
AREAS OF EXPERTISE	Industrial Psychology, Strategic Management, Education (Mathematics and Science)
BOARD DIRECTORSHIPS	• LTB Jackson and Associates: Consulting (Managing) • Afriforte (PTY) LTD: Consulting (Managing)
OTHER COMMITTEES	HR and REMCO Committee Member

NAME & SURNAME	**PROF A NEVHUTANDA**
DESIGNATION	Director
TERM IN OFFICE	1 July 2016 to date
QUALIFICATIONS	Professor of Environmental Sciences, MBA Course Work, Dip Management, DMus, DEd, BMus (Hon), Med, BEd, HEd, BA, Higher Education Diploma
AREAS OF EXPERTISE	Strategic Marketing and Deal Making, Governance, Human Resource Development, Economic Development Programme, Social Responsibility Programmes, Leadership Role, Public Passenger Transport
BOARD DIRECTORSHIPS	• Coal of Africa • Bakgatla Holdings
OTHER COMMITTEES	HR and REMCO Committee Member

NAME & SURNAME	**MS L MOLEBATSI**
DESIGNATION	Director
TERM IN OFFICE	1 July 2016 to 17 September 2016
QUALIFICATIONS	BA in Psychology, Diploma in Senior Management Development Programme, Post Graduate Diploma in Rural Development and Management
BOARD DIRECTORSHIPS	• Non executive Director Red Cross Society (SA) • Board Member Lonmin

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

Previous Board: 1 April 2016 to 30 June 2016

NAME & SURNAME		DESIGNATION	TERM IN OFFICE	SPECIAL BOARD MEETINGS	
				HELD	ATTENDED
1	Mr B Khumalo	Chairperson	1 August 2007 to date	4	4
2	Adv H Keyter	Director	5 November 2014 to date	4	4
3	Ms N Mojanaga	Director	5 November 2014 to 30 June 2016	4	3
4	Ms N Koloti	Director	5 November 2014 to date	4	2
5	Ms J Brown	Director	5 November 2014 to 30 June 2016	4	4
6	Mr D McGluwa	Director	5 November 2014 to 30 June 2016	4	3
7	Mr A Fraser	Director	5 November 2014 to 30 June 2016	4	3

New Board: 1 July 2016 to 31 March 2017

NAME & SURNAME		DESIGNATION	TERM IN OFFICE	NORMAL BOARD MEETINGS		SPECIAL BOARD MEETINGS	
				HELD	ATTENDED	HELD	ATTENDED
1	Mr B Khumalo	Director	1 July 2016 to date	4	3	7	7
2	Adv H Keyter	Director	1 July 2016 to date	4	4	7	7
3	Ms N Koloti	Director	1 July 2016 to date	4	1	7	7
4	Mr D Duma	Chairperson	1 July 2016 to date	4	4	7	6
5	Mr T Dlamini	Director	1 July 2016 to date	4	4	7	5
6	Mr K Tlhoaele	Director	1 July 2016 to date	4	3	7	3
7	Ms M Chokoe	Director	1 July 2016 to date	4	2	7	4
8	Ms K Dikgole	Director	1 July 2016 to date	4	4	7	7
9	Prof L Jackson	Director	1 July 2016 to date	4	3	7	5
10	Prof A Nevhutanda	Director	1 July 2016 to date	4	2	7	5
11	Ms L Molebatsi	Director	1 July 2016 to 17 September 2016	4	2	7	0

4) COMMITTEES

4.1 THE COMPANY HAD COMMITTEES IN PLACE NAMELY:

- Nomination, Remuneration and HR;
- Finance & Investment;
- Social and Ethics;
- Audit & Risk ; and
- Transitional Integration Committee

4.2 THE OBJECTIVES OF THE COMMITTEES ARE AS FOLLOWS:

COMMITTEE	OBJECTIVE
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 provides 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.
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.
Transitional Integration Committee	• The role of the Committee is to assist the Board with the oversight of the merger of the state owned entities into NWDC. • The Committee will receive and consider all the projects brought to NWDC and make the necessary recommendations to the Finance and Investment Committee and the Board for approval. • The Committee will monitor the implementation of the Shareholder's mandates by the Executive and report progress to the Board.

4.3 COMMITTEE MEETINGS ATTENDANCE: 1 APRIL 2016 TO 31 MARCH 2017:

Nomination, Remuneration & HR Committee

NAME & SURNAME		ROLE	SCHEDULED		SPECIAL	
			HELD	ATTENDED	HELD	ATTENDED
1	Mr B Khumalo	Director	4	4	1	1
2	Ms N Mojanaga	Chairperson from 4 March to 30 June 2016	1	1	1	1
3	Mr D McGluwa	Director	1	1	1	1
4	Mr A Fraser	Director	1	0	1	1
5	Ms L Molebatsi	Chairperson from 1 July to 17 September 2016	3	1	0	0
6	Mr Dlamini	Chairperson from 18 September 2016 to date	3	2	0	0
7	Prof L Jackson	Director	3	3	0	0
8	Prof A Nevhutanda	Director	3	0	0	0

Finance & Investment Committee

	NAME & SURNAME	ROLE	SCHEDULED		SPECIAL	
			HELD	ATTENDED	HELD	ATTENDED
1	**Mr D McGluwa**	Chairperson until 30 June 2016	1	1	2	2
2	**Adv H Keyter**	Director	1	1	2	2
3	**Ms N Mojanaga**	Term ended 30 June 2016	1	1	2	1
4	**Mr K Tlhoaele**	Chairperson from 1 July 2016 to date	3	3	3	3
5	**Ms N Koloti**	Director	4	3	5	5
6	**Mr D Duma**	Chairperson of the Board	3	3	3	2
7	**Ms M Chokoe**	Director	3	1	3	1

Social & Ethics Committee

	NAME & SURNAME	ROLE	SCHEDULED		SPECIAL	
			HELD	ATTENDED	HELD	ATTENDED
1	**Ms N Koloti**	Chairperson from 1 April to 30 June 2016	4	3	0	0
2	**Ms N Mojanaga**	Director	1	1	0	0
3	**Ms J Brown**	Director	1	1	0	0
4	**Ms Dikgole**	Chairperson from 1 July 2016 to date	3	3	0	0
5	**Mr K Thloaele**	Director	3	2	0	0
6	**Mr T Dlamini**	Director	3	1	0	0

Audit & Risk Committee

	NAME & SURNAME	ROLE	SCHEDULED		SPECIAL	
			HELD	ATTENDED	HELD	ATTENDED
1	**Ms J Brown**	Chairperson from 1 April to 30 June 2016	1	1	4	4
2	**Mr A Fraser**	End of Term 30 June 2016	1	0	4	1
3	**Adv H Keyter**	Chairperson since 1 July 2016 to date	6	6	9	9
4	**Mr ZG Mothibe**	External Member until 30 June 2016	3	2	5	5
5	**Mr C Mohalaba**	External Member until 30 June 2016	3	2	5	5
6	**Ms L Motlhamme**	External Member until 30 June 2016	3	3	5	3
7	**Ms K Dikgole**	Director	5	5	5	5
8	**Ms M Chokoe**	Director	5	2	5	3
9	**Mr T Dlamini**	Director	5	4	5	0
10	**Ms A Kistan**	External Member	3	2	4	4
11	**Ms A Tjale**	External Member	3	3	4	4
12	**Mr S Ngobeni**	External Member	3	2	4	3

Transitional Integration Committee

	NAME & SURNAME	ROLE	SCHEDULED		SPECIAL	
			HELD	ATTENDED	HELD	ATTENDED
1	**Mr B Khumalo**	Chairperson	1	1	4	4
2	**Adv H Keyter**	Director	1	1	4	3
3	**Mr D Duma**	Director	1	1	4	3

AUDIT & RISK COMMITTEE QUALIFICATIONS

	NAME	ROLE	DATE APPOINTED	QUALIFICATIONS
1	**Ms J Brown**	Director (Chairperson of Audit & Risk Committee)	5 November 2014 to 30 June 2016	B.Com Degree
2	**Mr A Fraser**	Director	5 November 2014 to 30 June 2016	BA (Hons) Film and Video Production Degree
3	**Adv H Keyter**	Director	5 November 2014 to date	BA, BA Hons, BA Hons, BProc, LLB, LLM, LLM, LLM (Cum Laude) (University of Jhb)
4	**Mr ZG Mothibe**	External Member	5 March 2014 to 30 June 2016	CA.(SA),ACMA,CGMA,MBL
5	**Mr C Mohalaba**	External Member	5 March 2014 to 30 June 2016	LLB Degree
6	**Ms L Motlhamme**	External Member	1 September 2015 to 30 June 2016	CA.(SA), B.Com Hons, B.Com
7	**Ms K Dikgole**	Director	1 July 2016 to date	National Diploma: Internal Auditing National Certificate: Internal Auditing
8	**Ms M Chokoe**	Director	1 July 2016 to date	MBL Management Development Programme B.Com Honours (Business Management) B.Com (Management, Statistics, Cost Accounting and Economics)
9	**Mr T Dlamini**	Director	1 July 2016 to date	Diploma Business Administration Bachelor of Economics (Honours-Cum Laude) Master of Arts in Development Economics
10	**Ms A Kistan**	External Member	1 September 2016 to date	BCompt Degree Postgraduate Diploma in Accounting (BCompt Hons/CTA) Final Qualifying Examination Part 1 Public Accountants and Auditors Board Public Practice Examination Part 11 Public Accountants and Auditors Board CA (SA) SAICA (South African Institute of Chartered Accountants)- Current IIASA (Institute of Internal Auditors South Africa)
11	**Ms A Tjale**	External Member	20 September 2016 to date	BCompt Degree CA (SA), RA Pastel certified Trainer MDP – BBBEE BCompt. Honors CTA Bcompt. Degree BCompt. Honors OR CTA CA (SA) Program for Management Development (B-BBEE) Pastel Certified Trainer
12	**Mr S Ngobeni**	External Member	1 September 2016 to date	BCom Accounting, B.Compt (honours), Master in commerce- Taxation Master in Business Administration- MBA Certificate in Portfolio Management and Investment Analysis, Higher Diploma in Computer Auditing- Certificate in Mining Taxation- Certificate in Project Management- Certificate in Labour Relations, Professional Accountant (SA)- (SAIPA) Registered Government Auditor, RGA SA Tax Professional – (SAIPA) South African Institute of Professional Accountants (SAIPA)- 30116 South African Institute of Government Auditors(SAIGA)- 1648 Institute of Internal Auditors (IIA)- 87731

5. RISK MANAGEMENT

5.1 INTRODUCTION

As an integral part of Management, risk management relies on the effectiveness of the functioning of other divisions or units. Implementation and monitoring of the risk management strategies is pertinent to service delivery and the overall performance of the organisation.

In this regard, the Risk Management unit at the NWDC has developed and reviewed all the necessary strategies and policies and periodically held workshops in order to continuously identify emerging risks and monitor the implementation of the mitigation plans.

5.2 RISK KEY ACTIVITIES FOR THE PERIOD UNDER REVIEW

- Appointments for the members of the Risk Management Committee took place in February 2016 and the committee consists of 9 employees, chaired by the Accounting Officer;
- The call for risk inputs was made through email to all staff on 14 March 2016 and it culminated in three (3) risk assessment workshops being held on 3 June 2016 and 7 to 8 June 2016 with fifteen (15) to twenty (20) officials attending. The employees attending the three workshops were a mixture of Managers and senior representatives of the units;
- The first workshop on 3 June 2016 dealt with polices and any review inputs. The second two-day workshop dealt with the Mitigation Plans of the previous financial year and the assessment of new risks for 2016/2017;
- With regard to the Risk Management Committee (RMC), it held its first meeting for 2016/2017 financial year on 29 June 2016, with follow up meeting on 12 July 2016. Further committee meetings were held on 15 September 2016 and extended to 23 September 2016, and lastly on 12 December 2016. The matter regarding the External Chairperson for the RMC and the Risk Management Committee Charter were also tabled at the December 2016 meeting.

5.3 MITIGATING PLANS/TREATMENT PLANS – 2016/2017

The report on the Mitigation Plans/Treatment Plans can be summarised as per table below. It can be deduced from the table below that Management needs to convert the “Not Achieved” and “In Progress” into “Achieved”. This aspect will be given priority in 2017/2018 by the Risk Management unit in terms of facilitating rigorously the implementation of the identified and agreed upon mitigation plans.

COLOUR CODE	DESCRIPTION	2015/2016	2016/2017
		89 RISKS	31 RISKS
		PERCENTAGE	PERCENTAGE
	Not Achieved	44%	6%
	In Progress	11%	11%
	Achieved	33%	14%
	Not Yet Due	9%	65%
	No Longer Applicable	2%	4%
		100%	**100%**

QUALITATIVE

COMMITTEE	OBJECTIVE
Purpose of the Programme	To give strategic and administrative leadership to the NWDC in pursuit of good governance
Achievements	The Risk Management unit was able to run three (3) sessions in March 2017 with Management on the Mitigation Plans
Challenges/Reasons for variances	Challenges facing the NWDC continue to be inadequate capacity with regard to skilled and qualified personnel, excessive internal bureaucracy and silo orientation; limited resources; competing priorities; and additional or growing mandates. These challenges are also reflected, albeit with different emphasis and detail, in the risks assessment exercises held from time to time
Plans to overcome challenges	The Executive Management must instill the culture of risk management throughout the organisation
Conclusion	The processes of risk management are steadily gaining recognition and attendance of different workshops is picking up

5.4 PERFORMANCE OF THE RISK MANAGEMENT FOR THE YEAR UNDER REVIEW

The Risk Management unit's performance for the year under review can be summarised as tabulated above.

5.5 CHALLENGES ON RISK CULTURE WITHIN THE ENTITY

The challenge facing the NWDC primarily relates to the risk culture to be instilled in the employees and Management in particular. This is evidenced by the lack of adequate response to mitigate the high and medium risks as identified so far in the two risk registers for 2015/2016 and 2016/2017 respectively. However, to ensure that the risk management matters do not fall through the cracks, Management agreed to revise the individual job descriptions and performance contracts in order to include Risk Management factors.

5.6 RISK MONITORING PROCESSES AND REPORTING STRUCTURES

The Risk Management 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 and functioning.

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 IV Report on Corporate Governance requirements, Internal Audit provides the Audit & Risk Committee and Management with 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 is defined in the 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 strategic plan and its risk management strategy;
- An internal Audit Plan for the current financial year;
- 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 thereon to the Audit and Risk Committee.

8. COMPLIANCE WITH LAWS & REGULATIONS

The North West Development Corporation is guided by and implements the principles of the King IV Report, Public Finance Management Act, Treasury Regulations and the Companies Act. Every department is responsible to monitor and contribute towards compliance of 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 now due in order to achieve proper alignment with the other policy documents and strategies.

10. MINIMISING CONFLICT OF INTEREST

In terms of the NWDC Human Resources Policy: Business Code of Ethics, paragraph 4 (Policy Declaration), and Supply Chain Management Regulation 16A8.4, all the employees are required to declare their business interests. Furthermore, in all Procurement, Management and Board Meetings, members declare all their interests by filling in the declaration of interest form. Should there be any discussion matter which any member of the Committee is in conflict with, the member will at that stage recuse himself/herself from that discussion point.

During the year under review, no conflict of interest was reported.

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 Corporation 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/BOARD SECRETARY

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

Amongst others, the Company Secretary is responsible for:

- The induction, orientation and ongoing 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 the evaluation process (Board, Directors & Senior Management)

14. SOCIAL RESPONSIBILITY

The Corporation through its corporate social responsibility programme contributed to the beneficiaries listed in the table below.

BENEFICIARY	TYPE OF BENEFICIARY	SPONSORSHIP	AMOUNT
Little Miss Universe Send Off	Youth & School		R3,000.00
Mandela Day Individual Staff Voluntary Donation for Sanitary Pads via once off signed debit order	School Girls	This amount was sponsored by individual staff	R260.00
Women's Day – NWDC/MEC for FEED Women's Outreach Programme	School Girls in Bray	50 gift packs	R6,500.00
Premier's Golf Day (Tshidilamolomo Project)	Participants in Golf Day (Golf Prizes were sponsored)		R10,526.30
Mafikeng Innovation Hub Hackathon	Event participants	Venue	R13,000.00
Leopard Park Golf Club	School Children (School Shoe project)		R3,157.89
TOTAL AMOUNT DISBURSED			R36,184.19

PART D
HUMAN RESOURCES




1. INTRODUCTION

OVERVIEW OF HR MATTERS AT THE PUBLIC ENTITY

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 Corporation.

TABLE 2.1: PERSONNEL COST BY PROGRAMME

PROGRAMME	TOTAL EXPENDITURE FOR THE ENTITY	PERSONNEL EXPENDITURE AS A % OF TOTAL EXPENDITURE	NUMBER OF EMPLOYEES
Administration & Support	41 459 961,71	51%	69
Investment Growth	31 016 344,00	38%	139
Enterprise, Development and Support	8 150 825,59	10%	21
Pay Bridge	94 868,70	0%	2
TOTALS	**80 722 000,00**	**100%**	**231**

TABLE 2.2: PERSONNEL COST BY SALARY BAND

SALARY BAND	PERSONNEL EXPENDITURE	PERCENTAGE OF PERSONNEL EXPENDITURE TO TOTAL PERSONNEL COST	NUMBER OF EMPLOYEES
Top Management	4 797 965,75	6%	2
Senior Management	22 751 124,88	28%	28
Professional Qualified	11 603 313,54	14%	22
Skilled	27 359 351,33	34%	78
Semi-skilled	11 271 122,47	14%	63
Unskilled	2 939 322,03	4%	38
TOTALS	**80 722 000,00**	**100%**	**231**

The following tables provide a summary per programme and salary bands of expenditure incurred as a result of salaries, overtime and medical assistance. In each case, the table provides an indication of the percentage of the personnel budget that was used for these items.

TABLE 2.3: SALARIES, OVERTIME AND MEDICAL ASSISTANCE BY PROGRAMME

SALARY BAND	SALARIES AMOUNT	OVERTIME AMOUNT	MEDICAL ASSISTANCE AMOUNT
Administration & Support	40 778 455,84	12 054,10	264 365,00
Investment Growth	28 811 925,89	65 541,74	-
Enterprise Development & Support	10 789 657,43	-	-
TOTALS	**80 380 039,16**	**77 595,84**	**264 365,00**

TABLE 2.4: SALARIES, OVERTIME AND MEDICAL ASSISTANCE BY SALARY BAND

SALARY BAND	SALARIES AMOUNT	OVERTIME AMOUNT	MEDICAL ASSISTANCE AMOUNT
Top Management	6 356 775,89	-	-
Senior Management	22 129 951,83	-	77 124,00
Professional Qualified	11 619 734,23	-	93 992,60
Skilled	25 061 197,82	-	93 248,40
Semi-skilled	11 244 153,81	12 054,10	-
Unskilled	3 968 225,59	65 541,74	-
TOTALS	**80 380 039,16**	**77 595,84**	**264 365,00**

3. EMPLOYMENT AND VACANCIES

The following tables summarise the number of posts in the establishment, the number of employees, the vacancy rate, and whether there are any staff that are 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 AND SALARY BAND

SALARY BAND	NUMBER OF POSTS	NUMBER OF POSTS FILLED	VACANCY RATE	NUMBER OF POSTS FILLED ADDITIONAL TO THE ORGANISATION
Administration & Support	83	69	17%	0
Investment Growth	146	139	5%	0
Enterprise Development & Support	28	21	25%	0
Pay Bridge	2	2	0%	
TOTALS by Programme	**259**	**231**	**11%**	0
Top Management	5	2	60%	0
Senior Management	33	28	9%	0
Professional Qualified	32	22	31%	0
Skilled	92	78	15%	0
Semi-skilled	63	63	0	0
Unskilled	38	38	0	0
TOTALS by Salary Band	**263**	**231**	**12%**	0
Top Management	5	2	60%	0
Senior Management	33	28	15%	0
Professional Qualified	32	22	31%	0
Skilled	0	0	0	0
Semi-skilled	0	0	0	0
Unskilled	0	0	0	0
TOTALS by Critical Occupation	**70**	**52**	**26%**	0

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 2016 TO 31 MARCH 2017

LEVEL	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	0	0%	0	0%	0	0
Senior Management	33	1	3%	1	1%	0	0
Professional Qualified	32	2	6%	3	2%	0	0
Skilled	92	0	0%	0	0%	0	0
Semi-skilled	63	0	0%	0	0%	0	0
Unskilled	38	0	0%	0	0%	0	0
TOTALS	263	3	1%	4	3%	0	0

TABLE 4.2: PROFILE OF EMPLOYEES WHOSE SALARY POSITIONS WERE UPGRADED DUE TO THEIR POSTS BEING UPGRADED: 1 APRIL 2016 TO 31 MARCH 2017

	AFRICAN	ASIAN	COLOURED	WHITE	TOTAL
Female	31	0	1	1	33
Male	44	1	1	1	47
People with Disability	0	0	0	0	0
TOTALS	75	1	2	2	80

The following table summarises the number of cases where remuneration levels exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

TABLE 4.3: EMPLOYEES WHOSE SALARY BAND EXCEEDS THE GRADE DETERMINED BY JOB EVALUATION: 1 APRIL 2016 TO 31 MARCH 2017

OCCUPATION	NUMBER OF EMPLOYEES	JOB EVALUATION LEVEL	REMUNERATION LEVEL	REASON FOR DEVIATION
Accountants	2	P08		Merger of entities
Tenant Coordinator	2	P08		Role ambiquity
Credit Controller	1	P08		Role deviation
Fund Administrator	7	P07		Salary Harmonisation
Manager Office of the CEO	1	P06		Positioning the job as per grading system
Total Number of Employees whose salaries exceeded the level determined by job evaluation in 2016/2017				**13**
Percentage of Total Employment				**8%**

TABLE 4.4: PROFILE OF EMPLOYEES WHOSE SALARY BAND EXCEEDS THE GRADE DETERMINED BY JOB EVALUATION: 1 APRIL 2015 TO 31 MARCH 2016

	AFRICAN	ASIAN	COLOURED	WHITE	TOTAL
Female	1	0	0	1	2
Male	0	0	0	0	0
People with Disability	0	0	0	0	0
TOTALS	**1**	**0**	**0**	**1**	**2**

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 provides 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 2016 TO 31 MARCH 2017

SALARY BAND	NUMBER OF EMPLOYEES PER BAND AS ON 1 APRIL 2016	APPOINTMENTS AND TRANSFERS INTO THE ORGANISATION	APPOINTMENTS AND TRANSFERS OUT OF THE ORGANISATION	TURNOVER RATE
Top Management	2	0	2	100%
Senior Management	28	3	4	14%
Professional Qualified	22	2	0	0%
Skilled	78	2	7	9%
Semi-skilled	63	0	9	14%
Unskilled	38	2	0	0%
TOTALS	**231**	**9**	**22**	**10%**

TABLE 5.2: ANNUAL TURNOVER RATES BY OCCUPATION FOR THE PERIOD 1 APRIL 2016 TO 31 MARCH 2017

SALARY BAND	NUMBER OF EMPLOYEES PER OCCUPATION AS ON 1 APRIL 2016	APPOINTMENTS AND TRANSFERS INTO THE ORGANISATION	APPOINTMENTS AND TRANSFERS OUT OF THE ORGANISATION	TURNOVER RATE
Top Management	5	0	2	1%
Senior Management	33	3	0	0%
Professional Qualified	32	0	0	0%
Skilled	0	0	0	0%
Semi-skilled	0	0	0	0%
Unskilled	0	0	0	0%
TOTALS	**70**	**3**	**2**	**1%**

TABLE 5.3: REASONS WHY EMPLOYEES ARE LEAVING THE ORGANISATION

TERMINATION TYPE	NUMBER	PERCENTAGE OF TOTAL NUMBER OF EMPLOYEES LEAVING
Death	2	9%
Resignation	1	5%
Expiry of Contract	17	77%
Dismissal (Operational changes)	0	0%
Dismissal (Misconduct)	0	0%
Dismissal (Inefficiency)	0	0%
Discharged due to ill health	0	0%
Retirement	2	9%
Transfers to other public entities	0	0%
Other	0	0%
TOTALS	**22**	100%
TOTAL NUMBER OF EMPLOYEES WHO LEFT AS A % OF THE TOTAL EMPLOYMENT		**31%**

TABLE 5.4: PROMOTION BY CRITICAL OCCUPATION

LEVEL	EMPLOYEES AS AT 1 APRIL 2016	PROMOTIONS TO ANOTHER SALARY LEVEL	SALARY LEVEL PROMOTIONS AS A PERCENTAGE OF EMPLOYEES BY OCCUPATION	PROGRESSIONS TO ANOTHER NOTCH WITHIN A SALARY LEVEL	NOTCH PROGRESSIONS AS A PERCENTAGE OF EMPLOYEES BY OCCUPATION
Top Management	2	0	0%	0	0
Senior Management	28	0	0%	0	0
Professional Qualified	22	0	0%	0	0
Skilled	78	0	0%	0	0
Semi-skilled	63	0	0%	0	0
Unskilled	38	0	0%	0	0
TOTALS	**231**	**0**	**0%**	**0**	**0**

TABLE 5.5: PROMOTION BY SALARY BAND

LEVEL	EMPLOYEES AS AT 1 APRIL 2016	PROMOTIONS TO ANOTHER SALARY LEVEL	SALARY BANDS PROMOTIONS AS A % OF EMPLOYEES BY SALARY LEVEL	PROGRESSIONS TO ANOTHER NOTCH WITHIN A SALARY LEVEL	NOTCH PROGRESSIONS AS A % OF EMPLOYEES BY SALARY BAND
Top Management	2	0	0%	0	0
Senior Management	28	16	8%	0	0
Professional Qualified	22	28	15%	0	0
Skilled	78	54	0%	0	0
Semi-skilled	63	52	35%	0	0
Unskilled	38	12	0%	0	0
TOTALS	**231**	**162**	**58%**	**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 2017

LEVEL	MALE				FEMALE			
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE
Top Management	2	0	0	0	0	0	0	0
Senior Management	14	0	0	1	3	1	1	2
Professional Qualified	8	1	1	0	10	0	0	2
Skilled	21	0	0	0	48	3	0	2
Semi-skilled	45	0	0	0	11	0	0	0
Unskilled	8	0	0	0	13	0	0	0
People with Disability	2	0	0	0	0	0	0	0
TOTALS	**100**	**1**	**1**	**1**	**85**	**4**	**1**	**6**

TABLE 6.2: RECRUITMENT FOR THE PERIOD 1 APRIL 2015 TO 31 MARCH 2017

LEVEL	MALE				FEMALE			
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE
Top Management	0	0	0	0	0	0	0	0
Senior Management	3	0	0	0	0	0	0	0
Professional Qualified	0	0	0	0	0	0	0	0
Skilled	0	0	0	0	0	0	0	0
Semi-skilled	0	0	0	0	0	0	0	0
Unskilled	4	0	0	0	0	0	0	0
People with Disability	0	0	0	0	0	0	0	0
TOTALS	**7**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

TABLE 6.3: PROMOTIONS FOR THE PERIOD 1 APRIL 2016 TO 31 MARCH 2017

LEVEL	MALE				FEMALE			
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE
Top Management	0	0	0	0	0	0	0	0
Senior Management	3	0	0	1	1	1	1	1
Professional Qualified	5	1	1	0	7	0	0	1
Skilled	4	0	0	0	19	1	0	1
Semi-skilled	33	0	0	0	8	0	0	0
Unskilled	0	0	0	0	11	0	0	0
People with Disability	0	0	0	0	0	0	0	0
TOTALS	**45**	**1**	**1**	**1**	**46**	**2**	**1**	**3**

TABLE 6.4: TERMINATIONS FOR THE PERIOD 1 APRIL 2016 TO 31 MARCH 2017

LEVEL	MALE				FEMALE			
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE
Top Management	2	0	0	0	0	0	0	0
Senior Management	3	0	0	0	1	0	0	0
Professional Qualified	0	0	0	0	0	0	0	0
Skilled	1	0	0	0	3	0	0	1
Semi-skilled	3	1	0	0	1	0	0	0
Unskilled	35	0	0	0	11	0	0	0
People with Disability	0	0	0	0	0	0	0	0
TOTALS	**44**	**1**	**0**	**0**	**16**	**0**	**0**	**1**

TABLE 6.5: DISCIPLINARY ACTION FOR THE PERIOD 1 APRIL 2016 TO 31 MARCH 2017

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	1	0	0	0	0	0	0	0
Skilled	0	0	0	0	0	0	0	0
Semi-skilled	4	1	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	**5**	**1**	**0**	**0**	**0**	**0**	**0**	**0**

TABLE 6.6: SKILLS DEVELOPMENT FOR THE PERIOD 1 APRIL 2016 TO 31 MARCH 2017

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	4	0	0	2
Professional Qualified	0	0	0	0	0	0	0	0
Skilled	0	0	0	0	0	0	0	0
Semi-skilled	0	0	0	0	0	0	0	0
Unskilled	32	0	0	0	3	0	0	0
People with Disability	0	0	0	0	0	0	0	0
TOTALS	**32**	**0**	**0**	**0**	**7**	**0**	**0**	**2**

7. PERFORMANCE REWARDS

To encourage good performance, the organisation has granted the following performance rewards during the year under review. This information is presented in terms of race, gender and disability.

TABLE 7.1: PERFORMANCE REWARDS BY RACE, GENDER AND DISABILITY: 1 APRIL 2016 TO 31 MARCH 2017

None

TABLE 7.2: PERFORMANCE REWARDS BY SALARY BANDS FOR PERSONNEL BELOW SENIOR MANAGEMENT: 1 APRIL 2016 TO 31 MARCH 2017

None

TABLE 7.3: PERFORMANCE REWARDS BY CRITICAL OCCUPATIONS: 1 APRIL 2016 TO 31 MARCH 2017

None

TABLE 7.4: PERFORMANCE REWARDS BY SALARY BAND FOR SENIOR MANAGEMENT: 1 APRIL 2016 TO 31 MARCH 2017

None

8. FOREIGN WORKERS

The table below summarises 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 2016 TO 31 MARCH 2017

LEVEL	1 APRIL 2016		31 MARCH 2017		CHANGE	
	NUMBER	% OF TOTAL	NUMBER	% OF TOTAL	NUMBER	% OF TOTAL
Top Management	0	0%	0	0	0	0
Senior Management	1	100%	1	0	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**	100%	**1**	**0**	**0**	**0**

TABLE 8.2: FOREIGN WORKERS BY MAJOR OCCUPATION: 1 APRIL 2016 TO 31 MARCH 2017

MAJOR OCCUPATION	1 APRIL 2016		31 MARCH 2017		CHANGE	
	NUMBER	% OF TOTAL	NUMBER	% OF TOTAL	NUMBER	% OF TOTAL
Trade and Investment Facilitation Manager	1	0	1	0	0	0
TOTALS	**1**	**0**	**1**	**0**	**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 2016 TO 31 MARCH 2017

LEVEL	TOTAL DAYS	% DAYS WITH MEDICAL CERTIFICATION	NUMBER OF EMPLOYEES USING SICK LEAVE	% OF TOTAL EMPLOYEES USING SICK LEAVE	AVERAGE DAYS PER EMPLOYEE	ESTIMATED COST
Top Management	0	0%	0	0%	-	0
Senior Management	17	3%	6	6%	2,83	33 960,49
Professional Qualified	91	15%	10	10%	9,10	36 081,65
Skilled	286	47%	47	48%	6,09	3 709,37
Semi-skilled	160	26%	27	28%	5,93	3 699,33
Unskilled	58	9%	8	8%	7,25	6 214,53
TOTALS	**612**	100%	**98**	100%	**31,19**	**83 665,38**

TABLE 9.2: DISABILITY LEAVE (TEMPORARY AND PERMANENT): 1 APRIL 2016 TO 31 MARCH 2017

None

The table below summarises 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 9.3: ANNUAL LEAVE: 1 APRIL 2016 TO 31 MARCH 2017

LEVEL	TOTAL DAYS TAKEN	AVERAGE PER EMPLOYEE
Top Management	0,00	0
Senior Management	390,17	13,93
Professional Qualified	543,50	24,70
Skilled	1 558,00	19,97
Semi-skilled	1 289,50	20,47
Unskilled	320,83	8,44
TOTALS	**4 102,00**	**17,76**

TABLE 9.4: CAPPED LEAVE: 1 APRIL 2016 TO 31 MARCH 2017

None

TABLE 9.5: LEAVE PAY-OUTS FOR THE PERIOD 1 APRIL 2016 TO 31 MARCH 2017

REASON	TOTAL AMOUNT	NUMBER OF EMPLOYEES	AVERAGE PAYMENT PER EMPLOYEE
Leave payout for 2016/2017 due to non-utilisation of leave for the previous cycle	-	-	-
Capped leave payouts on termnation of service for 2016/2017	-	-	-
Current leave payouts on termnation of service for 2016/2017	864 753,76	78	11 086,59
TOTALS	**864 753,76**	**78**	**11 086,59**

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
1	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		No	
2	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		A Wellness Committee was established with a total of 7 employees
3	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 NWDC promotes health as follows: • Nutrition • Encourage Healthy Lifestyle • Instil early detection attitude to control chronic diseases • Instil prevention is better than cure attitude • Encourage active lifestyle • Mental Health • Discourage unhealthy habits such as smoking • Encourage voluntary testing and counselling • Promote Awareness

	QUESTION	YES	NO	DETAILS, IF ANY
4	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		A Wellness Committee was established and consists of the following members: • Eunice Morare: Administration Officer: Rustenburg Branch • Jurg Landsberg: IT Manager Head Office • Tshegofatso Keganne: Tenant Coordinator Mothibistadt Branch • Amos Pitse: GES ODI Branch • Tuelo Gaerupe: Senior HR Practitioner Head Office • Moeketsi Kgomo: GES Lehurutshe Branch • Mmathapelo Tamako: Senior HR Practitioner Head Office
5	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		The NWDC drafted a Wellness Policy and the policy is currently pending approval
6	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		The Schedule of offence in place discourages divulgence of confidential information as well as spreading rumours either about the company or a fellow employee.
7	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 of the NWDC, employees are encouraged to undergo testing
8	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 indicator is the annual Wellness Days

11. LABOUR RELATIONS

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

TABLE 11.1: COLLECTIVE AGREEMENTS: 1 APRIL 2016 TO 31 MARCH 2017

REASON	TOTAL AMOUNT
Wage increase agreement	14 June 2016
Agency fee agreement	27 March 2017

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 2016 TO 31 MARCH 2017

OUTCOMES OF DISCIPLINARY HEARINGS	NUMBER	PERCENTAGE OF TOTAL
Correctional Counselling	0	0%
Verbal Warning	1	17%
Written Warning	2	33%
Final Written Warning	1	17%
Suspended without Pay	0	0%
Fine	0	0%
Demotion	0	0%
Dismissal	0	0%
Not Guilty	2	33%
Case Withdrawn	0	0%
TOTALS	**6**	**100%**

TABLE 11.3: TYPES OF MISCONDUCT ADDRESSED AT DISCIPLINARY HEARINGS FOR THE PERIOD 1 APRIL 2016 TO 31 MARCH 2017

TYPE OF MISCONDUCT	NUMBER	PERCENTAGE OF TOTAL
Defying to take instruction	4	80%
Tarnishing the name of the Corporation	1	20%
TOTALS	**5**	**100%**

TABLE 11.4: GRIEVANCES LODGED FOR THE PERIOD 1 APRIL 2016 TO 31 MARCH 2017

None

TABLE 11.5: DISPUTES LODGED WITH COUNCILS FOR THE PERIOD 1 APRIL 2016 TO 31 MARCH 2017

None

TABLE 11.6: STRIKE ACTIONS FOR THE PERIOD 1 APRIL 2016 TO 31 MARCH 2017

None

TABLE 11.7: PRECAUTIONARY SUSPENSIONS FOR THE PERIOD 1 APRIL 2016 TO 31 MARCH 2017

	NUMBER
Number of people whose suspension exceeded 30 days	1
Average number of days suspended	73

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 2016 TO 31 MARCH 2017

OCCUPATIONAL CATEGORIES	GENDER	NUMBER OF EMPLOYEES AS AT 1 APRIL 2016	TRAINING NEEDS IDENTIFIED AT START OF REPORTING PERIOD			
			LEARNERSHIPS	SKILLS PROGRAMMES & 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	4	0	0	0	4
	Male	5	0	0	0	5
Professional Qualified	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled	Female	12	0	0	0	12
	Male	8	0	0	0	8
Semi-skilled	Female	8	0	0	0	8
	Male	0	0	0	0	0
Unskilled	Female	1	0	0	0	1
	Male	0	0	0	0	0
		38	**0**	**0**	**0**	**38**

TABLE 12.2: TRAINING PROVIDED FOR THE PERIOD 1 APRIL 2016 TO 31 MARCH 2017

OCCUPATIONAL CATEGORIES	GENDER	NUMBER OF EMPLOYEES AS AT 1 APRIL 2016	TRAINING PROVIDED WITHIN THE REPORTING PERIOD			
			LEARNERSHIPS	SKILLS PROGRAMMES & OTHER SHORT COURSES	OTHER FORMS OF TRAINING	TOTAL
Top Management	Female	0	0			0
	Male	0	0			0
Senior Management	Female	3	0	Social Media Marketing	Microeconomics	3
	Male	0	0			0
Professional Qualified	Female	0	0			0
	Male	0	0			0
Skilled	Female	3	0	Facilitation coaching and Mentoring	Microeconomics	3
	Male	0	0			0
Semi-skilled	Female	0	0			0
	Male	0	0			0
Unskilled	Female	3	0	Skills portal		3
	Male	32	0	Skills portal		32
		41				41

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 2016 TO 31 MARCH 2017

None

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 an employee of a department

TABLE 14.1: REPORT ON CONSULTANT APPOINTMENTS USING APPROPRIATED FUNDS FOR THE PERIOD 1 APRIL 2016 TO 31 MARCH 2017

PROJECT TITLE	TOTAL NUMBER OF CONSULTANTS THAT WORKED ON THE PROJECT	DURATION: WORK DAYS	CONTRACT VALUE IN RAND
Executive search	1	3 Months	R690 000
Job evaluation	1		R23 940

TABLE 14.2: ANALYSIS OF CONSULTANT APPOINTMENTS USING APPROPRIATED FUNDS, IN TERMS OF HISTORICALLY DISADVANTAGED INDIVIDUALS (HDIs) FOR THE PERIOD 1 APRIL 2016 TO 31 MARCH 2017

None

TABLE 14.3: REPORT ON CONSULTANT APPOINTMENTS USING DONOR FUNDS FOR THE PERIOD 1 APRIL 2016 TO 31 MARCH 2017

None

TABLE 14.4: ANALYSIS OF CONSULTANT APPOINTMENTS USING DONOR FUNDS, IN TERMS OF HISTORICALLY DISADVANTAGED INDIVIDUALS (HDIs) FOR THE PERIOD 1 APRIL 2016 TO 31 MARCH 2017

None

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 2017.

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 North West Development Corporation. The Audit & Risk Committee has, despite the challenges indicated below, complied with, 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 4 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 entity 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 (Pty) Ltd Group into the North West Development Corporation (NWDC) for consolidation purposes; and
- Incorporation of the Christiana Hotel into Dirapeng (Pty) Ltd and the NWDC.

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, weaknesses have been identified. The weaknesses originated primarily as a result of poor alignment of business processes and inadequate Risk Management and Change Management processes. There has been improvement noted in terms of the Internal Controls and Board and Management have already developed a plan of improving the Control environment.

3. INTERNAL AUDIT

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

Compliance Review of Material Legislation

- Supply Chain Management review
- 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
- Quality review of Annual Financial Statements

Special Requests or Ad-hoc interventions

- Review of Securities Tender for compliance with the Preferential Procurement Policy Framework Act

In October 2016, Morar Incorporated was appointed as Internal Auditors of NWDC Group and have made adequate coverage in their approved audit plan thus far.

4. RISK MANAGEMENT

As an integral part of Management, risk management relies on the effectiveness of the functioning of other divisions or units. Implementation and monitoring of the risk management strategies is pertinent to service delivery and the overall performance of the organisation. In this regard, the Risk Management unit at the NWDC has developed and reviewed all the necessary strategies and policies, and periodically held workshops in order to continuously identify emerging risks and monitor the implementation of the mitigation plans.

5. IN- YEAR MONITORING AND QUARTERLY REPORTS

The NWDC has submitted quarterly reports to the North West Provincial Legislature.

6. PERFORMANCE INFORMATION

The Audit & Risk Committee has received the Performance Information and the quality and reliability of the information has improved in relation to the previous year. The capacity constraints in terms of Monitoring and Evaluation and Strategy have been the biggest challenge. The usefulness and reliability of Performance Information has improved to address the AGSA findings that were raised in the previous year.

7. EVALUATION OF FINANCIAL STATEMENTS

The Audit & Risk Committee has considered the Audit Strategy of the external auditors, including the Audit Coverage and the Budget. We raised concerns regarding the Budget and requested the AGSA to provide a transparent breakdown of the resources, time and value of the element of the proposed Budget.

8. AUDITOR-GENERAL'S REPORT

We have reviewed the Auditor-General's implementation plan for audit issues raised in the previous year and we have noted that certain matters have not been adequately resolved, whereas due progress has been made on other matters.

Progress has been made to address the issues and concerns raised by the Auditor-General. However, the issues and concerns raised were legacy issues and will be resolved in the next financial year. The Audit and Risk Committee has requested management to set specific targets for addressing these issues and concerns satisfactorily that can be monitored by the Audit and Risk Committee on a continuous basis to ensure progress is made as time is of the essence. The Audit and Risk Committee will hold management accountable to to perform in line herewith.

The Audit & Risk Committee has considered the Audit Strategy of the external auditors, including the Audit Coverage and the Budget. We raised concerns regarding the Budget and requested the AGSA to provide a transparent breakdown of the resources, time and value of the elements of the proposed Budget.

9. APPRECIATION

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

Adv Hennie Keyter
Chairperson of the Audit & Risk Committee

2. STATEMENT OF RESPONSIBILITY BY THE DIRECTORS

The directors are required in terms of the Companies Act 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the consolidated financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated financial statements fairly present the state of affairs of the group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with South African Generally Accepted Accounting Practices (SA GRAP). The external auditors are engaged to express an independent opinion on the consolidated financial statements.

The consolidated financial statements are prepared in accordance with South African Generally Accepted Accounting Practices (SA GRAP) and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

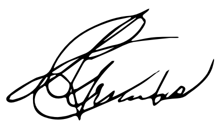
The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated financial statements. However, any system of internal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

The directors have reviewed the group's cash flow forecast for the year to 31 March 2018 and, in light of this review and the current financial position, they are satisfied that the group has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the group's consolidated financial statements. The consolidated financial statements have been examined by the group's external auditors and their report is presented on pages 76 to 81.

The consolidated financial statements set out on pages 82 to 162, which have been prepared on the going concern basis, were approved by the board on 30 May 2017 and were signed on their behalf by:

Mr Mike Mthimunye
Acting Chief Executive Officer



Mr Dali Duma
Chairperson of the Board of Directors

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

Report on the audit of the consolidated financial statements

Disclaimer of opinion

1. I was engaged to audit the consolidated and separate financial statements of the North West Development Corporation SOC Ltd and its subsidiaries (the group) set out on pages 82 to 162, which comprise the consolidated and separate statement of financial position as at 31 March 2017, the consolidated and separate statement of profit or loss and other comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. I do not express an opinion on the financial statements of the North West Development Corporation SOC Ltd and its subsidiaries because of the significance of the matters described in the basis for disclaimer of opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated and separate financial statements.

Basis for disclaimer of opinion

Group structure

3. I was unable to obtain sufficient appropriate audit evidence that the acquisition of Dirapeng SOC Ltd, its subsidiaries and Kgama Wildlife Operations during 2015 was 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 17 Consolidated and separate financial statements.

Property, plant and equipment

4. The entity did not correctly value infrastructure assets in terms of the accounting policy and as required by IAS 16 Property, plant and equipment. Damaged electrical infrastructure assets of R54 727 000 was not impaired and the revaluation reserve was incorrectly increased by R33 172 000. Consequently, property, plant and equipment was overstated by R87 899 000, the revaluation reserve was overstated by R14 549 000 and the depreciation, amortisation and impairment expense was understated by R73 350 000 in both the consolidated and the separate financial statements.

Investment property

5. I was unable to obtain sufficient appropriate audit evidence that investment property was correctly recognised as properties that do not belong to the entity were included, properties that do belong to the entity not being included and an unexplained difference between investment property register and the general ledger. I was unable to confirm the investment property by alternative means. Consequently, I was unable to determine whether any adjustments relating to investment property of R851 354 000 (2016: R707 189 000) (2015: R707 214 000) in the consolidated financial statements and investment property of R894 954 000 (2016: R750 789 000) (2015: R707 214 000) in the separate financial statements was necessary.
6. During 2016, 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 in terms of section 54(2)(d) of the PFMA or that the correct amount was paid. Consequently, I was still unable to determine whether any adjustment relating to property, plant and

equipment of R529 027 000 in the consolidated financial statements or investment property of R750 789 000 in the separate financial statements respectively was necessary. My audit opinion on the financial statements for the period ended 31 March 2016 was modified accordingly. I was still unable to confirm this purchase by alternative means. My opinion on the current period's financial statements is also modified because of the possible effect of this matter on the comparability of the current period's figures.

Deferred income

7. The entity did not correctly recognise deferred income relating to assets constructed with government grants as required by IAS 20 Accounting for Government Grants and Disclosure of Government Assistance. The fair value of the infrastructure assets reduced below the carrying amount when calculated on the original depreciated cost value. Consequently, deferred income was overstated by R47 722 000 and revenue was understated by R47 722 000 in both the consolidated and the separate financial statements.

Trade and other payables

8. I was unable to obtain sufficient appropriate audit evidence for trade and other payables due to reconciliations not being prepared. I was unable to confirm the trade and other payables by alternative means. In addition, grant income was not recognised in terms of IAS 20 Accounting for government grants and disclosure of government assistance resulting in trade and other payables being overstated by R3 634 000 and grant received income understated by the same amount in the consolidated and separate financial statements. Consequently, I was unable to determine whether any adjustments relating to trade and other payables of R214 234 000 (2016: R182 298 000) and R114 096 000 (2016: R102 439 000) in the consolidated and separate financial statements respectively as disclosed in note 17 to the financial statements was necessary.

Cash and cash equivalents

9. I was unable to obtain sufficient appropriate audit evidence for cash and cash equivalents due to reconciling items on the bank reconciliations not having been investigated and corrected. I was unable to confirm the cash and cash equivalents by alternative means. Consequently, I was unable to determine whether any adjustments relating to cash and cash equivalents of R46 336 000 in the consolidated financial statements and cash and cash equivalents of R43 900 000 in the separate financial statements disclosed in note 12 to the consolidated and separate financial statements was necessary.

Material uncertainty related to going concern

10. I draw attention to note 38 in the consolidated financial statements, which indicates that the group had retained income of R512 444 000 as at 31 March 2017 and, as of that date the groups' total assets exceeds its liabilities by R1 149 776 000. A turnaround strategy has been implemented for the Dirapeng Group entities that will focus on improving these entities' financial sustainability. Currently, North West Development Corporation SOC Ltd funds shortfalls and cash flow shortages for the Dirapeng Group. My opinion is not modified in respect of this matter.

Emphasis of matters

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

Restatement of corresponding figures

12. As disclosed in note 41 to the consolidated financial statements, the corresponding figures for the previous balance sheet date have been restated as a result of errors in the financial statements of the group at, and for the year ended 31 March 2017.

Irregular and fruitless and wasteful expenditure

13. As disclosed in note 37 to the consolidated and separate financial statements, irregular expenditure of R155 922 000 and

R24 714 000 was incurred in the current year and irregular expenditure of R564 765 000 and R188 215 000 from prior years had not yet been resolved.

14. As disclosed in note 36 to the consolidated and separate financial statements, fruitless and wasteful expenditure of R8 243 000 and R1 540 000 was incurred in the current year and fruitless and wasteful expenditure of R18 354 000 and R4 861 000 from prior years was still under investigation.

Responsibilities of the board of directors, which constitutes the accounting authority, for the financial statements

15. The board of directors, which constitutes the accounting authority, is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with the SA statements of GAAP/IFRS and the requirements of the PFMA and 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.
16. In preparing the consolidated and separate financial statements, the accounting authority is responsible for assessing the North West Development Corporation SOC Ltd and its subsidiaries' ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the there is an intention either to liquidate the group or to cease operations, or there is no realistic alternative but to do so.

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

17. My responsibility is to conduct an audit of the consolidated and separate financial statements in accordance with International Standards on Auditing (ISAs) and to issue an auditor's report. However, because of the matters described in the basis for disclaimer of opinion section of my report, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.
18. I am independent of the group in accordance with the International Ethics Standards Board for Accountants' Code of ethics for professional accountants (IESBA code) together with the ethical requirements that are relevant to my audit of the consolidated and separate financial statements in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

Report on the audit of the annual performance report

Introduction and scope

19. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
20. My procedures address the reported performance information, which is based on the approved performance planning documents of the entity. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
21. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the entity for the year ended 31 March 2017:

Programmes	Pages in the annual performance report
Programme 2 – Investment Growth	30 – 34
Programme 3 – Enterprise Development and Support	35

22. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
23. The material findings in respect of the usefulness and reliability of the selected programmes are as follows:

Programme 2 – Investment Growth

Various indicators

24. The reported achievements for these indicators were misstated as the evidence provided did not agree to the reported achievements as follows:

Indicator	Reported achievement	Audited value
Percentage of occupancy rate	84.64%	77.29%
Percentage achievement of maintenance plan (routine/preventative maintenance)	61%	124.35%
Value of successful investment projects facilitated into the Province	R98 000 000	R0
Number of companies linked to new markets (exports)	25	21
Number of companies linked to new markets (domestic)	58	37
Number of bakeries established	3	1

Programme 3 – Enterprise Development and Support

Indicator: Number of cooperatives funded

25. The reported achievement for the indicator was misstated as the evidence provided indicated 10 and not 9 as reported.

Other matters

26. I draw attention to the matters below.

Achievement of planned targets

27. Refer to the annual performance report on pages 20 to 35 for information on the achievement of planned targets for the year and explanations provided for the under and overachievement of a significant number of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs 23 to 25 of this report.

Report on audit of compliance with legislation

Introduction and scope

28. In accordance with the PAA and the general notice issued in terms thereof I have a responsibility to report material findings on the compliance of the entity with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
29. The material findings in respect of the compliance criteria for the applicable subject matters are as follows:

Revenue management

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

Asset management

31. Proper control systems to safeguard and maintain assets were not implemented, as required by sections 50(1)(a) and 51(1)(c) of the PFMA.

Expenditure management

32. Effective steps were not taken to prevent irregular expenditure of R24 714 000 as disclosed in note 37 to the separate financial statements, as required by section 51(1)(b)(ii) of the PFMA. The irregular expenditure was caused by payments for continued service on a contract which has expired.
33. Effective steps were not taken to prevent fruitless and wasteful expenditure of R1 540 000, as disclosed in note 36 to the separate financial statements, in contravention of section 51(1)(b)(ii) of the PFMA. The majority of the fruitless and wasteful expenditure due to interest on late payments to suppliers.

Procurement and contract management

34. Some of the goods, works or service were not procured through a procurement process which is fair, equitable, transparent and competitive, as required by section 51(1)(a)(iii) of the PFMA. Similar non-compliance was also reported in the prior year.
35. The preferential point system was not applied in some of the procurement of goods and services above R30 000, as required by section 2(a) of the Preferential Procurement Policy. Similar non-compliance was also reported in the prior year.

Financial statements

36. 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 of non-current assets, current assets, current liabilities, revenue and expenditure identified by the auditors in the submitted financial statements were corrected, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a disclaimer audit opinion.

Consequence management

37. Allegations of financial misconduct against the members of the accounting authority were not investigated, as required by Treasury Regulation 33.1.3.

Other information

38. The accounting authority of the entity is responsible for the other information. The other information comprises the information included in the annual report which includes the director's report, the audit committee's report and the company secretary's

certificate as required by the Companies Act. The other information does not include the consolidated and separate financial statements, the auditor's report thereon and those selected programmes presented in the annual performance report that have been specifically reported on in the auditor's report.

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

40. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

41. As a result of the disclaimer of opinion expressed on the financial statements, I do not conclude on material misstatements of the other information relating to the financial statements. If, based on the work I have performed relating to the audit of performance information and compliance with legislation, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Internal control deficiencies

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

    - 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 HR management to ensure that adequate and sufficiently skilled resources are in place and that performance is monitored was not in place.
    - Management did not implement a proper record 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. The entity did not prepare regular accurate and complete financial and performance reports that are supported and evidenced by reliable information. They did not design and implement formal controls over IT systems to ensure the reliability of the systems and the availability, accuracy and protection of information.
    - Management did not 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. The audit committee did not promote accountability and service delivery through evaluating and monitoring responses to risks and providing oversight over the effectiveness of the internal control environment, including financial and performance reporting and compliance with laws and regulations.

Auditor General

Potchefstroom

31 July 2017

AUDITOR-GENERAL
SOUTH AFRICA

4. STATEMENT OF FINANCIAL POSITION

as at 31 March 2017

		GROUP			COMPANY		
	NOTES	2017 R'000	2016 R'000	2015 R'000	2017 R'000	2016 R'000	2015 R'000
ASSETS							
Non-Current Assets							
Property, plant and equipment	3	531 831	529 027	273 354	281 333	267 355	273 354
Investment property	4	851 354	707 189	707 214	894 954	750 789	707 214
Biological assets	5	3 717	2 619	-	-	-	-
Intangible assets	6	49	-	-	-	-	-
Investments in associates	8	79 794	69 104	-	-	-	-
		1 466 745	**1 307 939**	**980 568**	**1 176 287**	**1 018 144**	**980 568**
Current Assets							
Inventories	10	12 172	1 088	-	-	-	-
Trade and other receivables	11	95 629	69 748	60 627	90 142	66 803	60 627
Accrued rental		551	1 000	1 044	551	1 000	1 044
Cash and cash equivalents	12	46 336	84 333	93 215	43 900	81 934	93 215
		154 688	**156 169**	**154 886**	**134 593**	**149 737**	**154 886**
Total Assets		**1 621 433**	**1 464 108**	**1 135 454**	**1 310 880**	**1 167 881**	**1 135 454**
Equity and Liabilities							
Equity							
Share capital	13	303 854	303 854	303 854	303 854	303 854	303 854
Reserves		333 478	311 563	300 826	322 054	301 237	301 237
Retained income		512 444	422 240	245 923	354 308	238 872	245 515
		1 149 776	**1 037 657**	**850 603**	**980 216**	**843 963**	**850 606**
Liabilities							
Non-Current Liabilities							
Other financial liabilities	15	38 082	20 000	-	-	-	-
Finance lease liabilities	16	-	90	-	-	-	-
Deferred income	18	123 352	123 298	121 389	123 352	123 298	121 389
		161 434	**143 388**	**121 389**	**123 352**	**123 298**	**121 389**
Current Liabilities							
Trade and other payables	17	214 234	182 298	58 362	114 096	102 439	58 359
Other financial liabilities	15	95 138	99 438	105 100	93 216	98 128	105 100
Finance lease liabilities	16	90	507	-	-	-	-
Deferred income	18	-	53	-	-	53	-
Current tax payable		761	767	-	-	-	-
		310 223	**283 063**	**163 462**	**207 312**	**200 620**	**163 459**
Total Liabilities		**471 657**	**426 451**	**284 851**	**330 664**	**323 918**	**284 848**
Total Equity and Liabilities		**1 621 433**	**1 464 108**	**1 135 454**	**1 310 880**	**1 167 881**	**1 135 454**

5. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 March 2017

	NOTES	GROUP			COMPANY		
		2017 R'000	2016 R'000	2015 R'000	2017 R'000	2016 R'000	2015 R'000
Revenue	19	189 544	169 177	111 100	133 797	119 204	111 100
Grant received	20	52 029	66 692	35 269	52 029	63 437	35 269
Operating expenses	22	(155 253)	(130 518)	(74 989)	(102 411)	(91 280)	(74 989)
Other income	21	19 386	11 881	4 368	17 225	6 685	4 368
Employee cost	23	(121 987)	(100 967)	(52 357)	(80 722)	(68 665)	(52 357)
Depreciation, amortisation and impairment	24	(37 900)	(49 420)	(26 112)	(48 137)	(50 355)	(26 112)
Operating loss		**(54 181)**	**(33 155)**	**(2 721)**	**(28 219)**	**(20 974)**	**(2 721)**
Investment revenue	25	2 800	4 330	3 751	2 760	4 318	3 751
Fair value adjustments	26	142 003	-	-	142 003	10 624	-
Income from equity accounted investments		13 490	7 087	-	-	-	-
Gain (loss) on non-current assets held for sale or disposal groups		-	53	(118)	-	53	(118)
Interest paid	27	(7 807)	(4 570)	(511)	(1 108)	(664)	(511)
Profit (loss) for the year		**96 305**	**(26 255)**	**401**	**115 436**	**(6 643)**	**401**
Other comprehensive income:							
Profit / loss with financial liability / assets							
Gains on bargain purchase		(6 106)	202 985	-	-	-	-
Gains and losses on property revaluation		21 217	10 624	10 767	21 217	-	10 767
Biological assets- Game PPE		1 098	113	-	(400)	-	-
Revaluation & Revaluation admin building							
Total items that will not be reclassified to profit or loss		**16 209**	**213 722**	**10 767**	**20 817**	**-**	**10 767**
Other comprehensive income for the year net of taxation	**29**	**16 209**	**213 722**	**10 767**	**20 817**	**-**	**10 767**
Total comprehensive income (loss) for the year		**112 514**	**187 467**	**11 168**	**136 253**	**(6 643)**	**11 168**

6. STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2017

	Share capital R'000	Revaluation reserve R'000	Retained income R'000	Total equity R'000
GROUP				
Balance at 01 April 2015	**303 854**	**300 826**	**245 515**	**850 195**
Other comprehensive income	-	10 737	202 985	213 722
Total comprehensive income for the year	-	10 737	202 985	213 722
Loss for the year	-	-	(31 887)	(31 887)
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**-**	**(31 887)**	**(31 887)**
Opening balance as previously reported Adjustments	303 854	311 563	416 613	1 032 030
Prior period errors	-	-	5 632	5 632
Balance at 01 April 2016 as restated	**303 854**	**311 563**	**422 245**	**1 037 662**
Total comprehensive income for the year	**-**	**-**	**96 305**	**96 305**
Other comprehensive income	-	21 915	(6 106)	15 809
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**21 915**	**(6 106)**	**15 809**
Balance at 31 March 2017	**303 854**	**333 478**	**512 444**	**1 149 776**
Note(s)	13	14&29	29	

	Share capital R'000	Revaluation reserve R'000	Retained income R'000	Total equity R'000
COMPANY				
Balance at 01 April 2015	**303 854**	**301 237**	**245 515**	**850 606**
Profit for the year	-	-	13 736	13 736
Total comprehensive income for the year	-	-	13 736	13 736
Opening balance as previously reported	**303 854**	**301 237**	**259 251**	**864 342**
Adjustments				
Prior period errors	-	-	(20 379)	(20 379)
Balance at 01 April 2016 as restated	**303 854**	**301 237**	**238 872**	**843 963**
Profit for the year	-	-	115 436	115 436
Other comprehensive income	-	20 817	-	20 817
Total comprehensive income for the year	**-**	**20 817**	**115 436**	**136 253**
Balance at 31 March 2017	**303 854**	**322 054**	**354 308**	**980 216**
Note(s)	13	14&29	29	

7. STATEMENT OF CASH FLOWS

for the year ended 31 March 2017

	NOTES	GROUP 2017 R'000	GROUP 2016 R'000	GROUP 2015 R'000	COMPANY 2017 R'000	COMPANY 2016 R'000	COMPANY 2015 R'000
Cash flows from operating activities							
Cash receipts from customers		217 828	210 003	128 855	153 665	157 662	128 855
Cash paid to suppliers and employees		(244 404)	(158 246)	(136 155)	(161 081)	(116 035)	(136 154)
Cash used in operations	30	(26 576)	51 757	(7 300)	(7 416)	41 627	(7 299)
Interest income		2 800	4 300	3 751	2 760	4 318	3 751
Interest paid		(7 807)	(4 570)	(511)	(1 108)	(664)	(511)
Net cash from operating activities		**(31 583)**	**51 488**	**(4 060)**	**(5 764)**	**45 281**	**(4 059)**
Cash flows from investing activities							
Purchase of property, plant and equipment	3	(4 357)	(62 448)	(573)	(3 235)	(40 175)	(573)
Sale of property, plant and equipment (Proceeds)	3	2	5 644	948	-	4 879	948
Purchase of other intangible assets	6	(52)	-	-	-	-	-
Financing of subsidiary		-	-	(1 782)	(24 123)	(14 294)	(1 782)
Net cash from investing activities		**(4 407)**	**(56 804)**	**(1 407)**	**(27 358)**	**(49 590)**	**(1 407)**
Cash flows from financing activities							
Repayment of other financial liabilities		(4 807)	(5 065)	-	(4 912)	(6 972)	-
Financing dividends		2 800	1 500	-	-	-	-
Net cash from financing activities		**(2 007)**	**(3 565)**	**-**	**(4 912)**	**(6 972)**	**-**
Total cash movement for the year		**(37 997)**	**(8 882)**	**(5 467)**	**(38 034)**	**(11 281)**	**(5 466)**
Cash at the beginning of the year		84 333	93 215	98 681	81 934	93 215	98 681
Total cash at end of the year	12	**46 336**	**84 333**	**93 214**	**43 900**	**81 934**	**93 215**

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 General accepted accounting practices (SA GAAP) . 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 2015 and 2016 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 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 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 are 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 on 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 (Game) when, and only when:

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

Game is kept by the entity for tourism attraction, and through game viewing there are probable future inflows of economic benefits associated with them.

The cost of game can be reliably measured as there is an active market for wildlife species. Biological assets (Game) shall initially be measured at cost.

Game shall subsequently be measured at fair value. Game is counted and valued on an annual basis through the use of a specialist appointed by the entity. All movements after stock count date are taken into account in the year-end estimated quantities. The surplus / deficit on valuation is transferred to a revaluation reserve. Increases / (decreases) in the carrying value of game as a result of the periodic valuations are credited / (debited) to the revaluation reserve.

The carrying amount of an item of game shall be recognised on disposal or when no future economic benefits are expected from its use or disposal.

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 and infrastructure assets which are 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 are 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
Computer software	10 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, and 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 intent 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 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 the end of each 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 losses.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 39.

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 losses 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 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, 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 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 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 ANNUAL FINANCIAL STATEMENTS

2. NEW STANDARDS AND INTERPRETATIONS

2.1 STANDARDS AND INTERPRETATIONS EFFECTIVE AND ADOPTED IN THE CURRENT YEAR

No standards or interpretations relevant to the company became effective for the current financial year

2.2 STANDARDS AND INTERPRETATIONS EARLY ADOPTED

The company has not early adopted any standards and interpretations

2.3 STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE

The company has historically applied South African Statement of Generaly Accepted Accounting Practice, as issued by the Accounting Practices Board (APB). The South African Statements of Generally Accepted Accounting Practice were withdrawn by the APB from 1 December 2012.

For those Government Business Enterprises that appy Statements of SA GAAP, the ASB agreed that, as an interim measure, these entities should continue to apply Statements of SA GAAP (as issued at 1 April 2012) until the ASB has understaken more extensive research to identify the most appropriate reporting framework

Statements of SA GAAP are drawn from International Financial Reporting Standards (IFRS's), International Accounting Standards (IAS's), Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC's and SIC). Directive 5, as issued by the ASB, outlined which of these pronouncements constituted the Statement of SA GAAP (called the "GAAP Reporting Framework") at 1 April 2012.

The Statement of SA GAAP as at 1 April 2012 comprise the IFRS's, IAS's, IFRIC's and SIC's, and any amendments thereto, issued by the International Accounting Standards Board (IASB) or the IFRIC up until May 2011.

At year-end the APB has not yet identified the most appropriate reporting framework and therefore there are no "standards and interpretations not yet effective".

Since the statements of GAAP in 2012, the Board has been deliberating on what the most appropriate reporting framework should be for entities that applied statements of GAAP.

During this time, the Board agreed as an interim measure that Government Business Enterprises should retain the status quo regarding the reporting framework applied in preparing their financial statements. (Therefore continue applying statements of SA GAAP).

Directive 12, the selection of an Appropriate Reporting Framework by Public Entities issued in July 2015 sets out the criteria to be applied in determining whether IFRS could be applied. FDC meets the criteria as set out in this Directive.

The Directive is effective for financial year commencing on or after 1 April 2018.

3. PROPERTY, PLANT AND EQUIPMENT

	2017			2016			2015		
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	49 500	-	49 500	51 980	-	51 980	8 380	-	8 380
Sundry Equipment	2 400	(659)	1 741	2 158	(309)	1 849	-	-	-
Furniture and fixtures at cost	20 113	(11 702)	8 411	19 652	(7 818)	11 834	3 516	(1 879)	1 637
Motor vehicles at cost	9 592	(5 748)	3 844	6 822	(4 699)	2 123	5 561	(3 441)	2 120
Office equipment	2 885	(1 522)	1 363	2 703	(873)	1 830	-	-	-
IT equipment at cost	4 874	(3 879)	995	4 431	(2 998)	1 433	3 021	(1 811)	1 210
Computer software at cost	331	(330)	1	331	(264)	67	331	(191)	140
Leasehold improvements	214 925	(19 803)	195 122	214 777	(13 052)	201 725	-	-	-
Infrastructure at valuation	493 687	(224 901)	268 786	472 470	(218 752)	253 718	472 470	(212 603)	259 867
EDC Project Assets	2 016	(16)	2 000	2 016	(53)	1 963	-	-	-
Motor Vehicles- Leased	2 187	(2 119)	68	2 187	(1 682)	505	-	-	-
Total	**802 510**	**(270 679)**	**531 831**	**779 527**	**(250 500)**	**529 027**	**493 279**	**(219 925)**	**273 354**

COMPANY									
Land and buildings at valuation	5 900	-	5 900	8 380	-	8 380	8 380	-	8 380
Furniture and fixtures at cost	3 693	(2 725)	968	3 564	(2 376)	1 188	3 516	(1 879)	1 637
Motor vehicles at cost	8 331	(5 377)	2 954	5 561	(4 509)	1 052	5 561	(3 441)	2 120
IT equipment at cost	3 860	(3 136)	724	3 525	(2 538)	987	3 021	(1 811)	1 210
Computer software at cost	331	(330)	1	331	(264)	67	331	(191)	140
Infrastructure at valuation	493 687	(224 901)	268 786	472 470	(218 752)	253 718	472 470	(212 603)	259 867
EDC Project Assets	2 016	(16)	2 000	2 016	(53)	1 963	-	-	-
Total	**517 818**	**(236 485)**	**281 333**	**495 847**	**(228 492)**	**267 355**	**493 279**	**(219 925)**	**273 354**

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Reconciliation of property, plant and equipment

GROUP: 2017	Opening balance R'000	Additions 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	51 980	-	-	(2 080)	(400)	-	-	-	49 500
Sundry Equipment	1 849	242	-	-	-	-	(313)	(37)	1 741
Furniture and fixtures at cost	11 834	454	(2)	-	-	22	(2 000)	(1 897)	8 411
Motor vehicles at cost	2 123	2 770	-	-	-	-	(1 049)	-	3 844
Office equipment	1 830	182	-	-	-	-	(336)	(313)	1 363
IT equipment at cost	1 433	172	-	-	-	270	(784)	(96)	995
Computer software at cost	67	-	-	-	-	(37)	(29)	-	1
Leasehold improvements	201 725	148	-	-	-	-	(6 751)	-	195 122
Infrastructure at valuation	253 718	-	-	-	21 217	-	(6 149)	-	268 786
EDC Project Assets	1 963	-	-	-	-	37	-	-	2 000
Motor Vehicles leased	505	-	-	-	-	-	(437)	-	68
	529 027	**3 968**	**(2)**	**(2 080)**	**20 817**	**292**	**(17 848)**	**(2 343)**	**531 831**

GROUP: 2016	Opening balance R'000	Additions R'000	Additions through business combinations	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
Sundry Equipment	-	1 718	357	-	-	-	(226)	-	-	1 849
Furniture and fixtures at cost	1 637	6 921	9 824	(4 436)	-	-	(1 980)	(132)	-	11 834
Motor vehicles at cost	2 120	1 206	862	(866)	-	-	(1 369)	-	170	2 123
Office equipment	-	745	1 396	-	-	-	(311)	-	-	1 830
IT equipment at cost	1 210	599	528	(24)	-	-	(828)	(52)	-	1 433
Computer software at cost	140	-	-	-	-	-	(57)	(16)	-	67
Leasehold improvements	-	1 529	195 387	-	11 538	-	(6 729)	-	-	201 725
Infrastructure at valuation	259 867	-	-	-	-	-	(6 149)	-	-	253 718
EDC Project Assets	-	2 016	-	-	-	-	(53)	-	-	1 963
Motor Vehicles leased	-	-	944	-	-	-	(439)	-	-	505
Capital- Work in progress	-	-	11 538	-	(11 538)	-	-	-	-	-
	273 354	**47 710**	**220 836**	**(5 326)**	**-**	**10 624**	**(18 141)**	**(200)**	**170**	**529 027**

GROUP: 2015	Opening balance R'000	Additions R'000	Disposals R'000	Revaluations R'000	Other changes, 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	2 244	185	(549)	-	11	(250)	(4)	1 637
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	-	-	10 768	-	(6 149)	-	259 867
	270 380	**307**	**(760)**	**10 768**	**16**	**(7 336)**	**(21)**	**273 354**

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Reconciliation of property, plant and equipment

COMPANY: 2017	Opening balance R'000	Additions R'000	Transfers R'000	Revaluations R'000	Other changes, movements R'000	Depreciation R'000	Total R'000
Land and buildings at valuation	8 380	-	(2 080)	(400)		-	5 900
Furniture and fixtures at cost	1 188	108	-	-	22	(350)	968
Motor vehicles at cost	1 052	2 770	-	-	-	(868)	2 954
IT equipment at cost	987	64	-	-	271	(598)	724
Computer software at cost	67	-	-	-	(37)	(29)	1
Infrastructure at valuation	253 718	-	-	21 217	-	(6 149)	268 786
EDC Project Assets	1 963	-	-	-	37	-	2 000
	267 355	**2 942**	**(2 080)**	**20 817**	**293**	**(7 994)**	**281 333**

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	1 637	4 484	(4 436)	(365)	(132)	-	1 188
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 Projects Assets	-	2 016	-	(53)	-	-	1 963
	273 354	**7 004**	**(4 606)**	**(8 367)**	**(200)**	**170**	**267 355**

COMPANY: 2015	Opening balance R'000	Additions R'000	Disposals R'000	Revaluations R'000	Other changes, 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	2 244	185	(549)	-	11	(250)	(4)	1 637
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
	270 380	**307**	**(760)**	**10 767**	**16**	**(7 335)**	**(21)**	**273 354**

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	GROUP			COMPANY		
Pledged as security	2017 R'000	2016 R'000	2015 R'000	2017 R'000	2016 R'000	2015 R'000
Motor Vehicles	68	506	-	-	-	-

The entity leases certain motor vehicles under an operating lease, based on the terms of the operating lease contract, it is seen as a finance lease based on SA GAAP. The average lease term was 5 years and the average effective borrowing rate was 10,5% (2016: 10,25%). Interest rates are linked to prime at the contract date. All leases have fixed terms of repayment with monthly installments of R45 519.

Capitalised expenditure						
Leasehold improvements	-	11 538	-	-	-	-

Revaluations

The fair value measurements for Infrastructure as of 31 March 2017 were performed by Thumelo Engineers, independent valuators. Details on the valuation method are available at the company's head office due to various method's applicable in determining the value. 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 bodies 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, and which were performed by Johan Vosloo Valuers, an independent valuator. The valuator is a member of their professional body and have the appropriate qualifications. Valuation was performed using the discounted cash flow approach, and assumptions were based on current market condiions. This is revalued professionally every 5 years.

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 professional body and is an expert in the field with more than 15 years experience.

A open market valuation was performed to determine the value of 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.

Other information						
Fully depreciated property, plant and equipment still in use	583	583	738	583	583	738

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

	2017			2016			2015		
	Cost/Valuation	Accumulated depreciation	Carrying value	Cost/Valuation	Accumulated depreciation	Carrying value	Cost/Valuation	Accumulated depreciation	Carrying value
GROUP	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Investment property	851 354	-	851 354	707 189	-	707 189	707 214	-	707 214
COMPANY									
Investment property	894 954	-	894 954	750 789	-	750 789	707 214	-	707 214

Reconciliation of investment property

GROUP: 2017	Opening balance R'000	Additions R'000	Transfers R'000	Fair value adjustments R'000	Total R'000
Investment property	707 189	82	2 080	142 003	851 354

GROUP: 2016	Opening balance R'000	Additions R'000	Disposals R'000	Total R'000
Investment property	707 214	195	(220)	707 189

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

COMPANY: 2017	Opening balance R'000	Additions R'000	Transfers R'000	Fair value adjustments R'000	Total R'000
Investment property	750 789	82	2 080	142 003	894 954

COMPANY: 2016	Opening balance R'000	Additions R'000	Disposals R'000	Fair value adjustments R'000	Total R'000
Investment property	707 214	33 171	(220)	10 624	750 789

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

Pledged as security

None of the assets serve as security.

4. INVESTMENT PROPERTY (CONTINUED)

Details of valuation

The effective date of the revaluations was 31 March 2017. Revaluations were performed by independent valuators, Magau Property Valuers CC, who is registered with their 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 professional body and are experts in the field with more than 15 years 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	2017 Cost/Valuation R'000	2017 Accumulated depreciation R'000	2017 Carrying value R'000	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
Biological assets- Game	3 717	-	3 717	2 619	-	2 619	-	-	-

Reconciliation of investment property

GROUP: 2017	Opening balance R'000	Revaluation R'000	Total R'000
Biological assets- Game	2 619	1 098	3 717

GROUP: 2016	Opening balance R'000	Additions R'000	Revaluation R'000	Impairment loss R'000	Total R'000
Biological assets- Game	-	3 007	113	(501)	2 619

GROUP: 2015	Opening balance R'000	Additions R'000	Disposals R'000	Total R'000
Biological assets- 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 of to Dirapeng SOC 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 professional body and are experts in the field with more than 15 years combined experience.

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

Subsequently in 2017: An asset count was performed and through the use of specialists appointed, auction houses values were used to determine the fair value per item.

6. INTANGIBLE ASSETS

GROUP	2017 Cost/Valuation R'000	2017 Accumulated depreciation R'000	2017 Carrying value R'000	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
Computer software	52	(3)	49	-	-	-	-	-	-

Reconciliation of intangible assets

GROUP: 2017	Opening balance R'000	Additions R'000	Amortisation R'000	Total R'000
Computer software	-	52	(3)	49

GROUP: 2016	Opening balance R'000	Additions R'000	Disposals R'000	Total R'000
Right of trade	-	4 358	(4 358)	-

GROUP: 2015	Opening balance R'000	Additions R'000	Disposals 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 2 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	% voting power 2017	% voting power 2016	% voting power 2015	Carrying amount 2017 R'000	Carrying amount 2016 R'000
Dirapeng SOC Ltd	100 %	100 %	- %	-	-
Kgama Wildlife Operations SOC Ltd	100 %	100 %	- %	-	-
Signal Development SOC Ltd	100 %	- %	- %	-	-
				-	-

The above subsidiaries Kgama Wildlife Operations SOC Ltd and Dirapeng SOC Ltd were purchased at R1 each (not rounded), on 1 April 2015 from North West Parks and Tourism Board. 100% of the shares of Signal Development SOC Ltd was transferred to North West Development Corporation from North West Provincial Government on 26 July 2016.

All of the above entities are incorporated / residing in South Africa.

8. INVESTMENTS IN ASSOCIATES

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

GROUP **Name of company**	% ownership interest 2017	% ownership interest 2016	% ownership interest 2015	Carrying amount 2017 R'000	Carrying amount 2017 R'000	Carrying amount 2017 R'000
Laastepoort Property Holdings (Pty) Ltd	26,00 %	26,00 %	- %	-	-	-
Pilanesberg Resorts (Pty) Ltd	50,00 %	50,00 %	- %	79 794	69 104	-
				79 794	**69 104**	**-**

The carrying amounts of associates are shown net of impairment losses.

Summarised financial information of material associates	Pilanesberg Resort (Pty) Ltd 2017 R	2016 R	2015 R
Revenue	164 145	146 476	-
Profit (loss) from continuing operations	26 980	14 174	-
Total comprehensive income	**26 980**	**14 174**	**-**

Summarised Statement of Financial Position	Laastepoort Property Holdings (Pty) Ltd 2017 R	2016 R	2015 R	Pilanesberg Resort (Pty) Ltd 2017 R	2016 R	2015 R
Assets						
Total Assets	424	422	-	196 869	169 375	-
Total assets	**424**	**422**	**-**	**196 869**	**169 375**	**-**
Liabilities						
Total liabilities	424	422	-	31 168	31 168	-
Total liabilities	**424**	**422**	**-**	**31 168**	**31 168**	**-**
Total net assets	**-**	**-**	**-**	**165 188**	**138 207**	**-**

The summarised information presented above reflects the financial statements of the associates after adjusting for differences in accounting policies between the group and the associate.

Movements in carrying value

Investment at beginning of period Pilanesberg Resorts (Pty) Ltd	69 104	63 517	-	-	-	-
Share of surplus / deficit- Pilanesberg Resorts (Pty) Ltd	13 490	7 087	-	-	-	-
Dividends Received- Pilanesberg Resorts (Pty) Ltd	(2 800)	(1 500)	-	-	-	-
Investment at beginning of period (Laastepoort Property Holdings Investment opening balance of R26 not rounded will not show)	-	-	-	-	-	-
	79 794	**69 104**	**-**	**-**	**-**	**-**

8. INVESTMENTS IN ASSOCIATES (CONTINUED)

Associates with different reporting dates

The reporting date of Pilanesberg Resorts (Pty) Ltd is 30 April and the reporting date of Laastepoort Property Holdings (Pty) Ltd is 28 February. Management accounts were obtained for the variances in year end but no material effect on disclosed.

Ownership interest as indicated above. No change in ownership percentage during the year under review. Above entities are incorporated in residing (trading) in South Africa.

9. LOANS TO (FROM) GROUP COMPANIES

	GROUP			COMPANY		
	2017 R'000	2016 R'000	2015 R'000	2017 R'000	2016 R'000	2015 R'000
Subsidiaries						
Dirapeng SOC Ltd	-	-	-	38 417	14 294	-
Loan is interest free and has no fixed terms of repayment.						
	-	-	-	38 417	14 294	-
Impairment of loans to subsidiaries	-	-	-	(38 417)	(14 294)	-
	-	-	-	-	-	-

10. INVENTORIES

	GROUP 2017 R'000	GROUP 2016 R'000	GROUP 2015 R'000	COMPANY 2017 R'000	COMPANY 2016 R'000	COMPANY 2015 R'000
Unsold Properties Held for Resale	11 112	-	-	-	-	-
Merchandise	275	279	-	-	-	-
Food and Beverage	716	669	-	-	-	-
Fuel (Diesel, Petrol)	47	40	-	-	-	-
Consumable stores	22	100	-	-	-	-
Electrical stock equipment	-	-	-	-	-	-
	12 172	**1 088**	**-**	**-**	**-**	**-**

Reconciliation of the net realisable value of inventory - Relating to Electrical stock equipment

	GROUP 2017 R'000	GROUP 2016 R'000	GROUP 2015 R'000	COMPANY 2017 R'000	COMPANY 2016 R'000	COMPANY 2015 R'000
Opening balance as at 1 April	-	-	1 494	-	-	1 494
Sold	-	-	(1 494)	-	-	(1 494)
	-	**-**	**-**	**-**	**-**	**-**
Inventory recognised as an expense	8 434	9 650	-	-	-	-

Electrical stock equipment- Inventory consists of consumables transferred from MIDZ during amalgamation of entities in 2014.

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.

10. INVENTORIES (CONTINUED)

	GROUP			COMPANY		
	2017 R'000	2016 R'000	2015 R'000	2017 R'000	2016 R'000	2015 R'000
Unsold Properties Held for resale - Balance above consists off:						
Development costs	21 758	-	-	-	-	-
Minus: Stands sold	(10 646)	-	-	-	-	-
	11 112	**-**	**-**	**-**	**-**	**-**

During the latter part of 1990, the former Government of Bophuthatswana registered a wholly owned company, Signal Development, with the sole objective of developing the Golf course estate, a 18 hole golf course and housing estate on Government owned land. Stand no 4399 (PARK) situated on Mmabatho Town and Townlands measuring 51,7698 hectares.

Development costs have been incurred on land that had been acquired by the former Bophuthatswana Government for purposes of developing an international Golf course as a tourist attraction.

Undeveloped land is still registered in the name of the North West Provincial Government as the government was obliged to provide and give Signal Development SOC Ltd possession of the land for the purpose of development of the golf course and residential development.

11. TRADE AND OTHER RECEIVABLES

Rentals and other receivables	63 884	43 753	46 041	58 729	40 808	46 041
Prepayments (if immaterial)	332	-	-	-	-	-
VAT	7 966	5 716	85	7 966	5 716	85
Loan debtors	17 625	20 279	14 501	17 625	20 279	14 501
Other receivables	5 822	-	-	5 822	-	-
	95 629	**69 748**	**60 627**	**90 142**	**66 803**	**60 627**

Rental and other accounts receivable

Rental Debtors	98 960	76 326	57 189	98 960	76 326	57 189
Impairment of rental debtors	(55 844)	(50 664)	(29 238)	(55 844)	(50 664)	(29 238)
Trade debtors	5 156	2 945	-	-	-	-
Impairment of trade debtors	(1)	-	-	-	-	-
	-	2 945	-	-	-	-
Other accounts receivables	15 613	15 146	18 090	15 613	15 146	18 090
	63 884	**43 753**	**46 041**	**58 729**	**40 808**	**46 041**

11. TRADE AND OTHER RECEIVABLES (CONTINUED)

	GROUP			COMPANY		
	2017 R'000	2016 R'000	2015 R'000	2017 R'000	2016 R'000	2015 R'000
Movement						
Opening balance as at 1 April	45 964	48 985	30 720	40 808	46 041	30 720
Rentals levied	148 698	136 731	126 414	148 698	136 731	126 414
Rental straight lining	551	1 000	1 044	551	1 000	1 044
Impairment	(5 181)	(21 386)	(4 252)	(5 181)	(21 386)	(4 252)
Accrued income (Rental)	2 315	1 946	2	2 315	1 946	2
Sundry Debtors	2 033	(4 138)	4 975	2 033	(4 138)	4 975
Bad debts recovered	(134)	(288)	(260)	(134)	(288)	(260)
Receipts	(130 361)	(119 098)	(112 602)	(130 361)	(119 098)	(112 602)
	63 885	**43 752**	**46 041**	**58 729**	**40 808**	**46 041**

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

0- 30 days	16 071	13 456	6 549	16 071	13 456	6 549
31- 60 days	4 211	3 479	2 741	4 211	3 479	2 741
61- 90 days	3 930	3 645	2 701	3 930	3 645	2 701
91- 120 days and longer	39 671	23 172	34 050	34 517	20 228	34 050
	63 883	**43 752**	**46 041**	**58 729**	**40 808**	**46 041**

Loans and advances to clients

Loan Debtors	16 635	17 072	17 267	16 635	17 072	17 267
Impairment of loan debtors	(15 253)	(15 489)	(17 267)	(15 253)	(15 489)	(17 267)
Loan SMME debtors	51 350	42 372	29 842	51 350	42 372	29 842
Impairment of SMME Debtors	(35 108)	(23 677)	(15 341)	(35 108)	(23 677)	(15 341)
	17 624	**20 278**	**14 501**	**17 624**	**20 278**	**14 501**
Movement						
Opening balance as at 1 April	20 278	14 501	26 253	20 278	14 501	26 253
Interest / adjustments	5 366	3 244	2 631	5 366	3 244	2 631
Impairment	(11 197)	(6 589)	(14 778)	(11 197)	(6 589)	(14 778)
Receipts	(5 320)	(2 691)	(16 999)	(5 320)	(2 691)	(16 999)
Write-off	-	-	(4)	-	-	(4)
Advances	8 497	11 813	17 398	8 497	11 813	17 398
	17 624	**20 278**	**14 501**	**17 624**	**20 278**	**14 501**

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

0- 30 days	1 713	1 288	856	1 713	1 288	856
31- 60 days	2 308	367	694	2 308	367	694
61- 90 days	1 104	432	753	1 104	432	753
91- 120 days and longer	12 499	18 191	12 198	12 499	18 191	12 198
	17 624	**20 278**	**14 501**	**17 624**	**20 278**	**14 501**

	GROUP			COMPANY		
11. TRADE AND OTHER RECEIVABLES (CONTINUED)	2017 R'000	2016 R'000	2015 R'000	2017 R'000	2016 R'000	2015 R'000

Trade and other receivables pledged as security

Trade and other receivables have not been pledged as security.

Trade and other receivables past due but not impaired

At 31 March 2017, R 47 016 (2016: R 38420 2015: R46 248) were past due but not impaired on company level. At 31 March 2017, R52 170 (2016: R41 364; 2015: R46 248) were past due but not impaired on group level. The ageing of amounts past due but not impaired is as follows:

> 120 days	52 170	41 364	46 248	47 016	38 420	46 248

Trade and other receivables impaired

As of 31 March 2017, trade and other receivables of R 106 205 (2016: R 89 830 ; 2015: R 61846) were impaired and provided for at company level. As of 31 March 2017, trade and other receivables of R106 205 (2016: R89 830; 2015: R61 846) were impaired and provided for at group level.

12. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:						
Cash on hand	100	64	37	36	36	37
Bank balances	45 981	84 026	93 178	43 864	81 898	93 178
Short-term deposits	196	184	-	-	-	-
Other cash and cash equivalents	59	59	-	-	-	-
	46 336	**84 333**	**93 215**	**43 900**	**81 934**	**93 215**

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 comprise cash on hand and at bank, deposits held at call with banks and investments in money market instruments.

13. SHARE CAPITAL

	GROUP			COMPANY		
	2017 R'000	2016 R'000	2015 R'000	2017 R'000	2016 R'000	2015 R'000
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 2016	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 & Biological asset - PPE Game						
Balance as at 1 April	311 563	300 826	290 470	301 237	301 237	290 470
Additional- PPE	21 217	10 624	10 767	21 217	-	10 767
Additional- Biological Game	1 098	113	-	-	-	-
Additional- Admin Buildings	(400)	-	-	(400)	-	-
	333 478	**311 563**	**301 237**	**322 054**	**301 237**	**301 237**

Included in the Group reserves are the following types of Reserves:

Biological asset- Game: Game is in this instance seen as part of Property, Plant and equipment. It is disclosed seperately on the face of the Statement of Financial Position due to the significant nature of the amount. The revaluation reserve relates to natural births and deaths that occur as well as change in the selling price of the game.

Revaluation surplus relating to property, plant and equipment:						
Biological assets- Game	-	-	-	-	-	-
Revaluation surplus beginning of period	113	-	-	-	-	-
Movements in the reserve for the year	1 098	113	-	-	-	-
	1 211	**113**	**-**	**-**	**-**	**-**

Group level: The surplus arising from the revaluation of Leasehold improvements is credited to the Revaluation Reserve. On disposal the net revaluation is transferred to the accumulated surplus / deficit while gains or losses on disposal, based on revalued amounts are credited or charged to the statement of financial performance. Any impairment loss of the revalued assets shall be treated as a revaluation decrease. To the extent the impairment loss exceeds the revaluation surplus for the same asset the impairment loss is recognised in the accumulated surplus/ (deficit).

14. REVALUATION RESERVE (CONTINUED)

	GROUP			COMPANY		
	2017 R'000	2016 R'000	2015 R'000	2017 R'000	2016 R'000	2015 R'000
Revaluation surplus - Leasehold improvements						
Revaluation surplus beginning of period	-	196 251	-	-	-	-
Minus part of acquisition	-	(190 231)	-	-	-	-
Transfer of reserve (reversed)	-	(6 089)	-	-	-	-
	-	**-**	**-**	**-**	**-**	**-**

Group and Company: The revaluation relates to Infrastructure and Buildings / Land revalued

	GROUP			COMPANY		
	2017 R'000	2016 R'000	2015 R'000	2017 R'000	2016 R'000	2015 R'000
Revaluation on Infrastructure and Land / Buildings						
Revaluation surplus beginning of period	311 450	300 826	290 470	301 237	301 237	290 470
Movements in the reserve for the year	21 217	10 624	10 767	21 217	-	10 767
Movements in the reserve for the year	(400)	-	-	(400)	-	-
	332 667	**311 450**	**301 237**	**322 054**	**301 237**	**301 237**

15. OTHER FINANCIAL LIABILITIES

	GROUP			COMPANY		
	2017 R'000	2016 R'000	2015 R'000	2017 R'000	2016 R'000	2015 R'000
Held at amortised cost						
Development Bank of Southern Africa Limited	93 216	98 128	105 100	93 216	98 128	105 100
The above loans are guaranteed by the North West Provincial Government.						
Advance deposits	1 922	1 310	-	-	-	-
Advance deposits consist of bookings paid in advance at year end for which cash has been received.						
North West Provincial Government (NWPG)	10 082	-	-	-	-	-
The entire liability originated from the settlement by NWPG of entity debts resulting from guarantees issued by the former Bophuthatswana Government.						
The loan consists of three loans that were called up by the creditors and were paid by North West Provincial Government.						
The loan does not bear interest and has no fixed terms of repayment. The North West Provincial Government will not claim repayment of the loan or a part of the amount until the assets of Signal Development SOC Ltd fairly, exceeds its liabilities.						

15. OTHER FINANCIAL LIABILITIES (CONTINUED)

	GROUP			COMPANY		
	2017 R'000	2016 R'000	2015 R'000	2017 R'000	2016 R'000	2015 R'000
Public Investment Commission (PIC)	8 000	-	-	-	-	-
The above loan was provided by then Public Investment Commission (PIC) to Signal Development with the suretyship of Government. Repayment terms were originally R3 million repayable 1 June 1994 and R5 million repayable 1 June 1995. Due to financial difficulty the re- payment terms could not be met. Interest rate would have been determined by the Minister of Finance and from time to time calculated and payable six monthly.						
Redeemable preference shares	20 000	20 000	-	-	-	-
Held at amortised cost	**133 220**	**119 438**	**105 100**	**93 216**	**98 128**	**105 100**
The above loan from DBSA has been applied as follows:						
Industrial Development: Project 2	20 337	24 635	25 249	20 337	24 635	25 249
Industrial Development: Project 3	47 483	48 097	48 097	47 483	48 097	48 097
Infrastructure: Project 3	25 396	25 396	25 396	25 396	25 396	25 396
Small Business: Project 2 Physical facilities	-	-	3 176	-	-	3 176
Small Business: Working Capital and Equipment	-	-	3 182	-	-	3 182
	93 216	**98 128**	**105 100**	**93 216**	**98 128**	**105 100**

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. This amount has been classified as current liabilities.

Redeemable Preference shares

2000 Cumulative redeemable variable rate preference shares of R0,01 each (If not rounded R20)	-	-	-	-	-	-
Share premium (If not rounded R19 999 980)	20 000	20 000	-	-	-	-
	20 000	**20 000**	**-**	**-**	**-**	**-**

During the 2006 financial period the North West Provincial Government (NWPG) bought the preference shares from Standard Bank of South Africa Limited for R20 000 000. However the North West Development Corporation SOC Ltd still has an option to purchase the shares, but now from NWPG. An agreement was negotiated between Dirapeng SOC Ltd and the NWPG. The agreement between Dirapeng SOC Ltd and Standard Bank came to an end when the North West Provincial Revenue Fund took over the shares and there are more favourable conditions, as no dividend rate is determined on the par-value of the shares until the entity can operate consistently on its own without assistance from the controlling entity, profitable. The repayment terms will also be determined.

Non-current liabilities						
At amortised cost	38 082	20 000	-	-	-	-
Current liabilities						
At amortised cost	95 138	99 438	105 100	93 216	98 128	105 100
	133 220	**119 438**	**105 100**	**93 216**	**98 128**	**105 100**

16. FINANCE LEASE LIABILITIES

	GROUP			COMPANY		
	2017 R'000	2016 R'000	2015 R'000	2017 R'000	2016 R'000	2015 R'000
Minimum lease payments due						
- within one year	90	507	-	-	-	-
- in second to fifth year inclusive	-	90	-	-	-	-
Present value of minimum lease payments	**90**	**597**	**-**	**-**	**-**	**-**
Present value of minimum lease payments due						
- within one year	90	507	-	-	-	-
- in second to fifth year inclusive	-	90	-	-	-	-
	90	**597**	**-**	**-**	**-**	**-**
Non-current liabilities	-	90	-	-	-	-
Current liabilities	90	507	-	-	-	-
	90	**597**	**-**	**-**	**-**	**-**

The entity leased certain motor vehicles under an operating lease. Based on the terms of the operating lease contract, it is seen as a finance lease based on SA GARP.

The average lease term was 5 years and the average effective borrowing rate was 10,5% (2016: -10.25%)

Interest rates are linked to prime at the contract date. All leases have fixed terms of repayment with monthly installments of R45 (rounded to R'000)

The group's obligations under finance leases are secured by the lessor's charge over the leased assets. Refer note 3.

Defaults and breaches

No default and breaches occurred during the year under review. For the carrying values of leased motor vehicles refer to note 3.

Market risk

The carrying amounts of finance lease liabilities are denominated in the following currencies:

Rand	90	597	-	-	-	-

For details of sensitivity of exposures to market risk related to finance lease liabilities, as well as liquidity risk, refer to note 3. The fair value of finance lease liabilities approximates their carrying amounts.

17. TRADE AND OTHER PAYABLES

	GROUP			COMPANY		
	2017 R'000	2016 R'000	2015 R'000	2017 R'000	2016 R'000	2015 R'000
Trade payables	87 692	68 039	3 175	11 667	5 713	3 172
Advance Deposits	872	400	-	-	-	-
VAT	20 884	15 004	-	-	-	-
Rent deposits and other payables	26 986	18 462	15 889	26 986	18 462	15 889
Unspent portion of government projects	21 855	29 350	2 410	21 855	29 350	2 410
Accrued leave pay	4 387	4 892	3 356	2 743	3 649	3 356
SMME Fund	50 735	45 155	33 422	50 735	45 155	33 422
Other payables	823	996	110	110	110	110
	214 234	**182 298**	**58 362**	**114 096**	**102 439**	**58 359**

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 2016/17	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	5	-	-	-	5
Consumer Court	8	-	-	-	8
Amaghawekaze Co-Op Sewing	1 095	-	-	-	1 095
Tshwane Metro	6	-	-	-	6
Alternative Energy / Blended Success	1 596	-	(825)	-	771
Youth Development	10 000	8 220	(15 305)	-	2 915
Textile	2 731	-	-	-	2 731
Atlegang	7 269	2 600	(7 389)	-	2 480
Bakeries	4 500	-	(866)	-	3 634
Superdrift / International corp	(1 674)	1 737	-	-	63
Disabilities	-	6 000	-	-	6 000
Gazelle / Mtlya	-	9 500	(8 500)	-	1 000
BNP Capital	-	2 000	(1 140)	-	860
	25 823	**30 057**	**(34 025)**	**-**	**21 855**

17. TRADE AND OTHER PAYABLES (CONTINUED)

GROUP: Unspent portion of government projects Reconciliation 2015/16	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
Altegang	-	7 269	-	-	7 269
Bakeries	-	4 500	-	-	4 500
Superdrift / International corps	-	-	(1 674)	1 674	-
Premiers Office	-	-	(203)	203	-
	2 410	**34 500**	**(9 437)**	**1 877**	**29 350**

GROUP: Unspent portion of government projects Reconciliation 2014/15					
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**

17. TRADE AND OTHER PAYABLES (CONTINUED)

COMPANY: Unspent portion of government projects Reconciliation 2016/17	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	5	-	-	-	5
Consumer Court	8	-	-	-	8
Amaghawekaze Co-Op Sewing	1 095	-	-	-	1 095
Tshwane Metro	6	-	-	-	6
Alternative Energy / Blended Success	1 596	-	(825)	-	771
Youth Development	10 000	8 220	(15 305)	-	2 915
Textile	2 731	-	-	-	2 731
Atlegang	7 269	2 600	(7 389)	-	2 480
Bakeries	4 500	-	(866)	-	3 634
Superdrift / International corp	(1 674)	1 737	-	-	63
Disabilities	-	6 000	-	-	6 000
Gazelle/Mtlya	-	9 500	(8 500)	-	1 000
BNP Capital	-	2 000	(1 140)	-	860
	25 823	**30 057**	**(34 025)**	**-**	**21 855**

COMPANY: Unspent portion of government projects Reconciliation 2015/16					
As at 31 March 2016					
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	-	4 500	-	-	4 500
Superdrift / International corp	-	-	(1 674)	1 674	-
Premiers Office	-	-	(203)	203	-
	2 410	**34 500**	**(9 437)**	**1 877**	**29 350**

17. TRADE AND OTHER PAYABLES (CONTINUED)

COMPANY: Unspent portion of government projects Reconciliation 2016/17	Opening balance R'000	Amount received R'000	Actual expenditure R'000	Transferred receivables R'000	Balance R'000
As at 31 March 2015					
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			COMPANY		
Accrued Leave pay - Current liabilities	2017 R'000	2016 R'000	2015 R'000	2017 R'000	2016 R'000	2015 R'000
Balance as at 1 April	4 892	3 356	3 490	3 649	3 356	3 490
Additional / (Reversal) leave payable recognised	(505)	1 536	(134)	(906)	293	(134)
	4 387	**4 892**	**3 356**	**2 743**	**3 649**	**3 356**

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

GROUP: Reconciliation SMME Funds 2016/17	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	45 156	-	6 247	(668)	50 735
GROUP: Reconciliation SMME Funds 2015/16					
SMME Funds	33 422	10 000	2 588	(854)	45 156
GROUP: Reconciliation SMME Funds 2014/15					
SMME Funds	31 423	-	2 100	(101)	33 422
COMPANY: Reconciliation SMME Funds 2016/17					
SMME Funds	45 156	-	6 247	(668)	50 735
COMPANY: Reconciliation SMME Funds 2015/16					
SMME Funds	33 422	10 000	2 588	(854)	45 156
COMPANY: Reconciliation SMME Funds 2014/15					
SMME Funds	31 423	-	2 100	(101)	33 422

18. DEFERRED INCOME

	GROUP			COMPANY		
	2017 R'000	2016 R'000	2015 R'000	2017 R'000	2016 R'000	2015 R'000
Non-current liabilities	123 352	123 298	121 389	123 352	123 298	121 389
Current liabilities	-	53	-	-	53	-
	123 352	123 351	121 389	123 352	123 351	121 389
Grant received from MIDZ infrastructure grant	121 389	121 389	121 389	121 389	121 389	121 389
Deferred income- FEED/EDC	1 963	1 909	-	1 963	1 909	-
	123 352	**123 298**	**121 389**	**123 352**	**123 298**	**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.

19. REVENUE

Sale of goods	54 614	48 807	-	-	-	-
Rental Income	134 866	120 370	111 100	133 797	119 204	111 100
Sundry Income	64	-	-	-	-	-
	189 544	**169 177**	**111 100**	**133 797**	**119 204**	**111 100**

Please refer to note 32 for Rental Agreements.

20. GRANTS RECEIVED

Deferred income realised	-	53	-	-	53	-
Government grants	52 029	66 639	35 269	52 029	63 384	35 269
	52 029	**66 692**	**35 269**	**52 029**	**63 437**	**35 269**

21. OTHER INCOME

Bad debts recovered	135	350	260	135	350	260
Insurance recovery	220	5 901	2 221	220	5 901	2 221
Sundry income	16 870	434	1 887	16 870	434	1 887
Miscellaneous other revenue	2 160	5 160	-	-	-	-
Fees earned	1	36	-	-	-	-
	19 386	**11 881**	**4 368**	**17 225**	**6 685**	**4 368**

22. OPERATING EXPENSES

	GROUP			COMPANY		
	2017 R'000	2016 R'000	2015 R'000	2017 R'000	2016 R'000	2015 R'000
Advertising	4 378	3 361	559	1 360	1 867	559
Auditors remuneration	10 680	7 709	4 816	5 986	3 716	4 816
Audit committee	1 135	917	421	1 125	905	421
Bank charges	1 355	1 040	380	1 024	809	380
Books and subscriptions	154	161	130	154	161	130
Computer expenses	2 891	2 205	1 480	2 891	2 205	1 480
Direct expenses on buildings	51 363	49 019	42 394	51 363	49 019	42 394
Entertainment	7	156	-	-	145	-
Fees for professional and consulting services	5 687	7 862	5 432	2 875	6 943	5 432
Insurance	10 658	8 928	6 793	9 560	7 907	6 793
Legal expenses	1 009	2 770	195	1 009	2 770	195
Licenses	238	186	126	162	103	126
Other expenses	10 134	3 234	2 238	9 769	2 539	2 238
Fines and penalties	-	288	-	-	288	-
Printing and stationery	2 048	1 599	820	1 091	1 043	820
Refreshments and staff welfare	2 210	2 045	175	327	492	175
Operating leases	1 890	1 553	1 315	1 890	1 553	1 315
Repairs and maintenance	3 548	3 576	234	387	693	233
Motor vehicle expenses	2 105	1 918	1 018	1 017	1 018	1 018
Sponsorship	44	-	1 046	44	-	1 046
Subsistance and travelling	6 523	5 507	2 725	5 050	4 918	2 725
Training and development	2 665	277	296	2 119	248	296
Telephone and fax	4 791	3 453	2 326	3 191	1 938	2 326
Accommodation	76	-	-	-	-	-
Banqueting cost	35	-	70	-	-	70
Profit / Loss sale of assets	2	80	-	-	-	-
Cleaning	938	596	-	-	-	-
Commission paid	60	367	-	17	-	-
Consumables	1 450	1 185	-	-	-	-
Flowers	2	3	-	-	-	-
Hire	246	42	-	-	-	-
IT expenses	325	57	-	-	-	-
Medical expenses	110	91	-	-	-	-
Pest control	36	21	-	-	-	-
Postage and courier	20	14	-	-	-	-
Royalties and license fees	64	229	-	-	-	-
Security	706	303	-	-	-	-
Laundry	804	2 967	-	-	-	-
Administration and management fees	81	197	-	-	-	-
Sale of goods / inventory	8 435	9 650	-	-	-	-
Cost of sale	801	327	-	-	-	-
Lease rentals on operating lease	3 026	2 705	-	-	-	-
Motor vehicle expenses	203	50	-	-	-	-
Promotions	300	-	-	-	-	-
Subscriptions	145	36	-	-	-	-
Transport and freight	105	-	-	-	-	-
Utilities- Other	11 770	3 834	-	-	-	-
	155 253	**130 518**	**74 989**	**102 411**	**91 280**	**74 988**

	GROUP			COMPANY		
	2017 R'000	2016 R'000	2015 R'000	2017 R'000	2016 R'000	2015 R'000

23. EMPLOYEE COST

Employee costs						
Basic	119 031	100 504	52 357	80 722	68 665	52 357
Seconded employee cost	2 956	463	-	-	-	-
	121 987	**100 967**	**52 357**	**80 722**	**68 665**	**52 357**

24. DEPRECIATION, AMORTISATION AND IMPAIRMENTS

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

Depreciation						
Property, plant and equipment	17 853	18 143	7 334	7 994	8 367	7 335
Impairments						
Property, plant and equipment	2 342	200	21	-	200	21
Biological assets- game	-	502	-	-	-	-
Loans of Investments in associates	-	30	-	-	-	-
Loans to group companies	-	-	-	24 123	14 294	-
Trade and other receivables	17 705	30 545	18 757	16 020	27 494	18 757
	20 047	**31 277**	**18 778**	**40 143**	**41 988**	**18 778**
Total depreciation, amortisation and impairments						
Depreciation	17 853	18 143	7 334	7 994	8 367	7 335
Impairments	20 047	31 277	18 778	40 143	41 988	18 778
	37 900	**49 420**	**26 112**	**48 137**	**50 355**	**26 113**

A total re-assessment count and evaluation on assets (Property, plant and equipment & Biological assets) were performed, items identified as impaired were provided for.

Impairment on Loans to associates and subsidiary was provided for after the recoverability of the loans were considered based on repayment terms to date.

Impairment on Trade and other receivables were provided for based on re-payment term history.

25. INVESTMENT REVENUE

Interest revenue						
Bank	2 558	4 040	3 287	2 518	4 028	3 287
Interest charged on trade and other receivables	242	290	464	242	290	464
	2 800	**4 330**	**3 751**	**2 760**	**4 318**	**3 751**

Certain comparative figures were reclassified to enhance comparability.

26. FAIR VALUE ADJUSTMENTS

Investment property (Fair value model)	142 003	-	-	142 003	10 624	-

27. INTEREST PAID

	GROUP			COMPANY		
	2017 R'000	2016 R'000	2015 R'000	2017 R'000	2016 R'000	2015 R'000
Trade and other payables	6 148	3 174	-	-	-	-
Current borrowings	39	82	-	-	-	-
Late payment of tax	490	650	-	-	-	-
Interest on rental deposits	540	493	435	540	493	435
Interest on late payments	568	171	76	568	171	76
Other interest paid	22	-	-	-	-	-
	7 807	**4 570**	**511**	**1 108**	**664**	**511**

28. TAXATION

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 R174 401 251 (not rounded) per the 2016 assessment and a calculated tax loss of R173 893 250 (not rounded) as at 2017. 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.

Accounting profit	96 305	(26 255)	401	115 436	(6 643)	401
Tax at the applicable tax rate of 28% (2016: 28%)	26 965	-	3 127	32 322	-	3 127
Tax effect of adjustments on taxable income						
Straight- lining on operating leases	126	12	36	126	12	36
Adjustment for fair value adjustment on investment properties	(39 761)	(2 975)	-	(39 761)	(2 975)	-
Penalties	1 918	984	-	171	81	-
Provision for bad debt	17 133	16 096	5 258	11 240	11 757	5 258
Provision for leave	(306)	202	(38)	(254)	95	(38)
Depreciation	4 997	5 079	2 054	2 238	2 343	2 054
Wear and Tear	(1 160)	(1 856)	(450)	-	(417)	(450)
Revalue increase	(5 941)	-	(3 015)	(5 941)	-	(3 015)
Assessed loss (Calculated loss)	175 189	168 741	64 828	82 697	71 801	64 828
Share in associate	(3 777)	(1 984)	-	-	-	-
Grant received	-	(215)	-	-	-	-
Unused assessed loss (Calculated loss)	(175 383)	(184 084)	(71 800)	(82 838)	(82 697)	(71 800)
	-	**-**	**-**	**-**	**-**	**-**

29. OTHER COMPREHENSIVE INCOME

Components of other comprehensive income - GROUP - 2017	**Gross R'000**	**Tax R'000**	**Net R'000**
Items that will not be reclassified to profit or loss			
Movements on net liability/asset			
Gain/ Loss with bargain purchase	(6 106)	-	(6 106)
Movements on revaluation			
Gains (losses) on property revaluation	21 217	-	21 217
Revaluation- Biological assets: Game	1 098	-	1 098
Gains (losses) on admin buildings	(400)	-	(400)
	21 915	**-**	**21 915**
Total items that will not be reclassified to profit or loss	**15 809**	**-**	**15 809**

Components of other comprehensive income - GROUP - 2016			
Items that will not be reclassified to profit or loss			
Remeasurements on net defined benefit liability/asset			
Gain with bargain purchase	202 985	-	202 985
Movements on revaluation			
Gains (losses) on property revaluation	10 624	-	10 624
Revaluation of Biological assets- Game	113	-	113
	10 737	**-**	**10 737**
Total items that will not be reclassified to profit or loss	**213 722**	**-**	**213 722**

Components of other comprehensive income - GROUP - 2015			
Movements on revaluation			
Gains (losses) on property revaluation	10 767	-	10 767

Components of other comprehensive income - COMPANY - 2017			
Items that will not be reclassified to profit or loss			
Movements on revaluation			
Gains (losses) on property revaluation	21 217	-	21 217
Gains (losses) on admin buildings	(400)	-	(400)
	20 817	**-**	**20 817**

Components of other comprehensive income - COMPANY - 2015			
Movements on revaluation			
Gains (losses) on property revaluation	10 767	-	10 767

30. CASH (USED IN) GENERATED FROM OPERATIONS

	GROUP			COMPANY		
	2017 R'000	2016 R'000	2015 R'000	2017 R'000	2016 R'000	2015 R'000
Profit (loss) before taxation	96 305	(26 255)	401	115 436	(6 643)	401
Adjustments for:						
Depreciation and amortisation	17 853	18 141	7 334	7 994	8 367	7 335
Net loss on disposal of property, plant and equipment	-	-	(118)	-	-	(118)
Disposal of Investment Property	-	(55)	21	-	(53)	21
Impairment reversal	-	(170)	-	-	(170)	-
Income from equity accounted investments	(13 490)	(7 087)	-	-	-	-
Interest received- investment	(2 800)	(4 300)	(3 751)	(2 760)	(4 318)	(3 751)
Interest paid	7 807	4 570	511	1 108	664	511
Fair value adjustments	(142 003)	-	-	(142 085)	(10 624)	-
Impairment of debtors	17 705	30 545	-	16 020	27 494	-
Impairment of group company loans	-	-	-	24 123	14 294	-
Deferred income	1	1 962	-	-	-	-
Impairment	2 352	701	-	-	-	-
Accrual rental	449	44	135	-	44	135
Impairment	-	-	18 757	-	200	18 757
Changes in working capital:						
Inventories	29	(1 088)	1 494	-	-	1 494
Trade and other receivables	(43 585)	(39 666)	(21 899)	(39 358)	(33 670)	(21 899)
Tax	-	767	-	-	-	-
Trade and other payables	32 801	73 648	(10 185)	11 657	44 080	(10 185)
Deferred income	-	-	-	449	1 962	-
	(26 576)	**51 757**	**(7 300)**	**(7 416)**	**41 627**	**(7 299)**

31. BUSINESS COMBINATIONS

Business combinations occurring during the current and prior year

Other information on acquisition

On 1 April 2015 the group acquired 100% of the voting equity interest of Dirapeng SOC Ltd, which resulted in the group obtaining control over Dirapeng SOC Ltd. IFRS 3 is not applicable as entities are 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 985 (rounded) occurred at acquisition which was recorded through Other Comprehensive Income in return acquired, Inventory of R1 135 (rounded), Property, plant and equipment of R220 836 (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 balance 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.

On 26 July 2016 the shares of Signal Development SOC Ltd were transferred to North West Development Corporation from North West Provincial Government.

32. COMMITMENTS

	GROUP			COMPANY		
	2017 R'000	2016 R'000	2015 R'000	2017 R'000	2016 R'000	2015 R'000
Authorised capital expenditure						
Approved and contracted	1 750	-	36 638	1 750	-	36 638
Operating leases – as lessee (expense)						
Minimum lease payments due						
- within one year	9 275	8 889	1 294	3 131	2 827	1 294
- in second to fifth year inclusive	26 538	28 765	-	280	3 053	-
- later than five years	174 780	182 589	-	-	-	-
	210 593	**220 243**	**1 294**	**3 411**	**5 880**	**1 294**

Company: Average escalation is between 0- 8%. Term of lease agreements is 0 (Annually renewed)- 5 years

Group: Operating lease payments represent rentals payable by the group for certain of its office properties. Leases are negotiated for an average term of five years and rentals are fixed for the same period. The lease agreements are escalated at 10% per annum. No contingent rent is payable.

Other Significant lease arrangements

The lease with North West Parks Board in respect of land and access to and over Madikwe Game Reserve. The lease commenced on 1 November 1994 and is for a period of fifty years. The company must vacate the property upon termination of the lease arrangement and will not have any right to claim compensation from the landlord. The rental payable by the tenant to the Landlord in respect of the lease of the Leased Property for each subsequent 12 months period following the fifth 12 month period is an amount equal to the rental payable in 12 month period escalating at 10% per annum compounded, plus an amount equal to 8% of the tenants annual turnover.

The above lease with North West Parks Board is not recognised as an expense in the statement of financial performance on a straight-line basis over the lease term as the actual expenses is a more representative systematic basis of the time pattern of the user's benefit.

The lease with African Holdings (SA) (Pty) Ltd, started 1 November 1998 and is for a period of five years with the option to extend the lease by a further five year period commencing on the day of the expiry of each previous five years. The current five years to end 2018. This lease relates to the staff housing, land and buildings.

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	135 316	120 414	111 230	134 247	119 248	111 230
Straightlining	(450)	(44)	(130)	(450)	(44)	(130)
	134 866	**120 370**	**111 100**	**133 797**	**119 204**	**111 100**
Minimum lease payments due						
- within one year	66 511	45 013	48 629	60 920	39 422	48 629
- in second to fifth year inclusive	74 785	81 963	72 159	52 420	59 598	72 159
- later than five years	144 790	148 963	24 879	10 595	9 176	24 879
	286 086	**275 939**	**145 667**	**123 935**	**108 196**	**145 667**

Company: The average escalation was calculated to be 15,56%, due to the fact that the escalation was done in October 2016 and many rental agreements were not escalated consistently. The average term of the rental agreements is 3- 5 years.

33. RELATED PARTIES

	GROUP			COMPANY		
	2017 R'000	2016 R'000	2015 R'000	2017 R'000	2016 R'000	2015 R'000
Relationships						
Holding company	North West Provincial Government					
Subsidiaries	Refer to note 7					
Associates	Refer to note 8					
Related party balances						
Loan accounts - Owing (to) by related parties						
Dirapeng SOC Ltd	-	-	-	38 417	14 294	-

The above loans were on company level assessed for impairment and a provision for impairment was made to R0.

	GROUP 2017 R'000	GROUP 2016 R'000	GROUP 2015 R'000	COMPANY 2017 R'000	COMPANY 2016 R'000	COMPANY 2015 R'000
Provincial Departments rental outstanding / (in credit) at year- end						
Economic Development and Tourism	1 464	1 201	789	1 464	1 201	789
Interdepartmental amounts owing by / owed to Departments						
FEED	-	767	-	-	767	-

During 2016/2017 the Chief Financial Officer (CFO) and the Chief Operations Officer (COO) were seconded by FEED (Finance), but it resulted in no Interdepartmental amounts owing.

	GROUP 2017 R'000	GROUP 2016 R'000	GROUP 2015 R'000	COMPANY 2017 R'000	COMPANY 2016 R'000	COMPANY 2015 R'000
Other Related Parties - Provincial Departments rentals outstanding / (in credit) at year- end						
Education	447	241	340	447	241	340
Finance	69	137	10	69	137	10
Gambling Board	120	55	11	120	55	11
Health	94	97	97	94	97	97
Local Government and Human Settlements	2 010	1 819	874	2 010	1 819	874
Tourism	10	-	-	10	-	-
Public Works	708	365	323	708	365	323
SAMAF	(44)	(44)	(44)	(44)	(44)	(44)
SASSA	322	158	3	322	158	3
Social Development	188	101	119	188	101	119
Traditional Affairs	199	122	55	199	122	55
Office of the Premier- NW (Arrears)	-	-	54	-	-	54
Other Related Parties- Outstanding Balances	5 129	2 974	2 225	5 129	2 974	2 225
Related party transactions						
Rental charges to Provincial Department						
Economic Department and Tourism	13 641	11 986	12 134	13 641	11 986	12 134

33. RELATED PARTIES (CONTINUED)

	GROUP			COMPANY		
	2017 R'000	2016 R'000	2015 R'000	2017 R'000	2016 R'000	2015 R'000
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	1 585	1 429	1 170	1 585	1 429	1 170
Finance	308	269	254	308	269	254
Gambling Board	553	491	451	553	491	451
Health	-	-	97	-	-	97
Local Government and Human Settlement	5 301	4 737	4 242	5 301	4 737	4 242
NWP Executive Committee						
Public Works	-	-	54	-	-	54
Tourism	1 709	1 188	2 243	1 709	1 188	2 243
SAMAF	538	-	-	538	-	-
SASSA	-	-	(44)	-	-	(44)
Social Development	5 347	4 794	4 235	5 347	4 794	4 235
Traditional Affairs	1 094	274	325	1 094	274	325
Other Related Parties- Transactions	77	67	59	77	67	59
	2 119	**848**	**2 748**	**2 119**	**848**	**2 748**

34. DIRECTORS' AND KEY MANAGEMENT EMOLUMENTS

2017	Emoluments R'000	Total R'000
Mr D Duma (Chairperson)	230	230
Mr B Khumalo	157	157
Adv H Keyter	489	489
Mr K Tlhoaele	97	97
Ms N Koloti	133	133
Ms K Dikgole	263	263
Ms M Chokoe	120	120
Mr T Dlamini	224	224
Prof LTB Jackson	115	115
Prof NA Nevhutanda	58	58
Ms N Mojanaga (term ended)	43	43
Mr A Fraser (term ended)	72	72
Ms M Brown (term ended)	122	122
Mr D McGluwa (term ended)	16	16
Ms L Molebatsi (resigned)	21	21
	2 160	**2 160**

34. DIRECTORS' AND KEY MANAGEMENT EMOLUMENTS (CONTINUED)

2016	Emoluments 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**

2015		
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 Motsoahae (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
Mr SB Moiloa-Ngodi (term ended)	11	11
	451	**451**

34. DIRECTORS' AND KEY MANAGEMENT EMOLUMENTS

Key management' emoluments

2017	Salary and Other Benefits R'000	Total R'000
Mr MJ Nale (Acting Chief Executive Officer- Suspended)	3 637	3 637
Mr L Moletsane (Acting Chief Executive Officer April- June 2016)	464	464
Prof TA Thekiso (Acting Chief Financial Officer July 2016- October 2016)	-	-
Mr M Mthimunye (Acting Chief Executive Officer November 2016- Date)	523	523
Mr HM Mashao (Acting Chief Financial Officer April 2016- December 2016)	835	835
Mr T Pitso (Acting Chief Financial Officer January 2017- Date)	239	239
Mr N Oliphant (COO May 2016)	163	163
Mr L Moletsane (Executive Manager Investment Growth July- November 2016)	392	392
Ms P Matli (Acting Executive Manager Corporate Services)	1 043	1 043
Ms N Erasmus (Acting Executive Manager Investment Growth November 2016 - date)	865	865
	8 161	**8 161**

2016	Emoluments R'000	Bonus R'000	Total R'000
Mr MJ Nale (Acting Chief 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**

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 (Acting Chief Executive Officer from 01/03/2015)	150	-	150
	3 550	**123**	**3 673**

35. EVENTS AFTER THE REPORTING PERIOD

As of 1 April 2017, the North West Development Corporation will be reporting to the North West Premier Office and not the North West Department of Economic and Enterprise Development. This was due to a transfer of reporting functions within the North West Government.

The North West Development Corporation has established a security services company as proclaimed by the Premier in his budget speech, that will be effectively implemented during 2017/2018, thus reducing the need for external service providers and improving cost containment within the corporation.

36. FRUITLESS AND WASTEFUL EXPENDITURE

	GROUP			COMPANY		
	2017 R'000	2016 R'000	2015 R'000	2017 R'000	2016 R'000	2015 R'000
Opening balance as at 1 April	18 749	12 298	2 857	5 256	2 933	2 857
Fruitless expenditure for the year	8 243	6 451	76	1 540	2 323	76
Condoned	(395)	-	-	(395)	-	-
	26 597	**18 749**	**2 933**	**6 401**	**5 256**	**2 933**

Details of the above expenditure

Group: Incident	**Action taken**			
Penalties on VAT submission	Pending investigation	611	288	-
Interest on Eskom / Telkom/ Suppliers	Pending investigation	7 237	4 299	76
Consultancy services	Pending investigation	395	-	-
CEO on suspension		-	1 864	-
		8 243	**6 451**	**76**

Company: Incident	**Action taken**			
Penalties on VAT submission	Pending investigation	611	288	-
Interest on Eskom/ Telkom	Pending investigation	534	171	76
Consultancy Services	Pending investigation	395	-	-
CEO on suspension		-	1 864	-
		1 540	**2 323**	**76**

37. IRREGULAR EXPENDITURE

Opening balance as at 1 April	564 765	391 477	61 728	188 215	115 824	61 728
Irregular expenditure for the year	155 922	173 288	54 096	24 714	72 391	54 096
	720 687	**564 765**	**115 824**	**212 929**	**188 215**	**115 824**

Details of the above expenditure

Group: Incident	**Action taken**			
Contract expired and continued with service	Pending investigation	24 714	28 817	54 096
Proper procurement process not followed	Pending investigation	-	43 574	-
Approval of annual budget from executive authority was not obtained, included in this amount is also amounts relating to procurement processes not followed	No investigation or disciplinary action have been taken	131 208	100 897	-
		155 922	**173 288**	**54 096**

Group: Incident	**Action taken**			
Contract expired and continued with service		24 714	28 817	54 096
Proper procurement process not followed		-	43 574	-
		24 714	**72 391**	**54 096**

	GROUP			COMPANY		
	2017 R'000	2016 R'000	2015 R'000	2017 R'000	2016 R'000	2015 R'000

38. GOING CONCERN

We draw attention to the fact that at 31 March 2017, the group had an accumulated surplus of R512 444 (rounded) and that the group's total assets exceed its liabilities by R1 149 776 (rounded). A turnaround strategy has been implemented for Dirapeng Group entities and in 2016/2017 this turnaround 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.

39. CONTINGENCIES

	Group 2017 R'000	Group 2016 R'000	Group 2015 R'000	Company 2017 R'000	Company 2016 R'000	Company 2015 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.	6 656	6 656	7 046	6 656	6 656	7 046
NWDC is sued by a contractor for breach of contract. The matter is still under litigation.	-	-	137	-	-	137
NWDC is sued for breach of tender agreements by two contractors, the matters are still under litigation.	-	-	150	-	-	150
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	-	430	2 930
NWDC is sued by Modibedi valuation CC and Dijalo valuation services joint venture. Summons served on the NWDC on 5th May 2017 for outstanding fees for professional services provided.	2 776	-	-	2 776	-	-
The Group entity has a Contingent liability due to the fact that there is currently a difference between North West Parks Board payable reflected in Madikwe River Lodge SOC Ltd financial records and the third party statement as at year end. This difference is due to the fact that all invoices to date have not been received by Madikwe River Lodge SOC Ltd and is currently under dispute.	470	470	-	-	-	-

40. DEFERRED TAX

	GROUP			COMPANY		
	2017 R'000	2016 R'000	2015 R'000	2017 R'000	2016 R'000	2015 R'000
Unrecognised deferred tax asset						
Analysis of temporary differences	2 838	2 710	798	1 162	529	798
Fair value adjustment property	97 518	71 034	69 082	97 518	71 034	69 082
Accrued rental	154	280	292	154	280	292
Leave pay accruals	(768)	(1 022)	(940)	(768)	(1 022)	(940)
Unused tax losses not recognised as deferred tax assets	(99 742)	(73 002)	(69 232)	(98 066)	(70 821)	(69 232)
	-	-	-	-	-	-

41. PRIOR PERIOD ERRORS

THE FOLLOWING PRIOR PERIOD ERRORS RELATE TO NORTH WEST DEVELOPMENT CORPORATION SOC LTD:

All amounts stated for the nature of the error are rounded to the nearest R1000:

Prior to 2014

Income from Property rentals were incorrectly levied. Escalations were not appropriately applied when contracts were extended. The population was investigated and the result was an increase in Trade and other receivables (Trade receivables- Rental debtors) of R1 540 and Retained income increased with R1 351 and VAT allocated under Trade and other receivables decreased with R189. Subsequent to the implementing of the corrections, rental debtors have been impaired in full as no monies will be recoverable from tenants, resulting in an increase in the Provision for impairment of rental debtors of R1 540, decrease in Retained income R 1 351 and a increase in VAT allocated under Trade and other receivables of R189.

2014 Period Adjustments

Income from Property rentals was incorrectly levied. Escalations were not appropriately applied when contracts were extended. The population was investigated and the result was an increase in Trade and other receivables (Trade receivables- Rental debtors) of R1 197 and Revenue (Rental income) increased with R1 050 and VAT allocated under Trade and other receivables decrease with R147. Subsequent to the implementing of the corrections, rental debtors have been impaired in full as no monies will be recoverable from tenants, resulting in an increase in the Provision for impairment of rental debtors of R1 197, increase in impairment (Trade and other receivables) of R1 050 and a increase in VAT allocated under Trade and other receivables of R147.

Management has corrected prior period balances through evaluation of SMME Loan debtors accounts, by reversing incorrectly levied interest, allocating receipts and refunding of credit balances. The above resulted in Increase in Trade and other payables (SMME Funds) R501 and Increase in Trade and other receivables (Loan debtors) of R501.

Management reassessed adjustments of prior years and the following corrections were made based on an incorrect prior year journal entry. Property plant and equipment (Furniture and Fittings at cost) decreased with R22 and Retained Earnings decreased with R22.

Fruitless expenditure was re-evaluated and the closing balance of 2014 (opening balance 2015) was adjusted with a increase of R180.

41. PRIOR PERIOD ERRORS (CONTINUED)

2015 Period Adjustments

Income from Property rentals was incorrectly levied. Escalations were not appropriately applied when contracts were extended. The population was investigated and the result was an increase in Trade and other receivables (Trade receivables- Rental debtors) of R2 217 and Revenue (Rental income) increased with R1 944 and VAT allocated under Trade and other receivables decreased with R273. Subsequent to the implementing of the corrections, rental debtors has been impaired in full as no monies will be recoverable from tenants, resulting in an increase in the Provision for impairment of rental debtors of R2 217, increase in impairment (Trade and other receivables) of R1 944 and an increase in VAT allocated under Trade and other receivables of R273.

Management has corrected prior period balances through evaluation of SMME Loan debtors accounts, by reversing incorrectly levied interest, allocating receipts and refunding of credit balances. The above resulted in a decrease in Trade and other payables (SMME Funds) of R330 and a decrease in Trade and other receivables (Loan debtors) of R330.

Loans to economic entities : Dirapeng SOC Ltd was considered for impairment and the loan was provided for impairment after considered recoverability and repayment terms of the loan. The above resulted in a Increase in Impairment of R14 294 and a decrease in Loans to economic entities of R14 294

2016 Period Adjustments

Management has recalculated the leave accrual, based on a single daily rate, instead of the various rates used due to the amalgamation of various entities. The daily rate resulted in a decrease of the accrued leave pay, allocated under Trade and other payables of R49 and a decrease in Employee benefit expenses of R49.

Income from Property rentals was incorrectly levied. Escalations were not appropriately applied when contracts were extended. The population was investigated and the result was an increase in Trade and other receivables (Trade receivables- Rental debtors) of R3 910 and Revenue (Rental income) increased with R3 429 and VAT allocated under Trade and other receivables decreased with R481. Subsequent to the implementing the corrections, rental debtors has been impaired in full as no monies will be recoverable from tenants, resulting in an increase in the Provision for impairment of rental debtors of R3 910, increase in impairment (Trade and other receivables) of R3 429 and a increase in VAT allocated under Trade and other receivables of R481.

Loan debtors with credit balances were incorrectly treated and not re-classified as trade and other payables. In an effort to correct this ommission it resulted in an increase in Trade and other receivables (Trade receivables- other accounts receivables-Loan debtors) of R43 and an increase in Trade and other payables (Rent deposits and other payables) of R43.

SMME Loan debtors with credit balances was incorrectly treated and not re-classified as trade and other payables. In an effort to correct this ommission it resulted in an increase in Trade and other receivables (Trade receivables- other accounts receivables - SMME debtors) of R808 and an increase in Trade and other payables (SMME Funds) of R808.

Management incorrectly created a Sundry debtor (other accounts receivable) as at 31 March 2016 by not recognising the Grant income received for the Project - Bakeries. A Sundry debtor (other accounts receivable) was incorrectly raised for expenses incurred amounting to R16. With the correct allocation of the Conditional grant received, the Sundry debtor created needed to be reversed, resulting in a decrease in Sundry debtors allocated under Other accounts receivables under Trade and other receivables and a resulting decrease in Trade and other payables (Unspent portion of government projects) of R16.

Management ommitted to allocate the Conditional grant - Bakeries as received on 30 March 2016 to the correct project account, resulting in a decrease in the Grant received amount of R4 500 and an increase in Trade and other payables (Unspent portion of government projects) of R4 500.

41. PRIOR PERIOD ERRORS (CONTINUED)

Repairs and maintenance of a capital nature was not capitalised to Investment Property during 2015/2016. To correct the error, the identified expenditure was allocated for capitalisation to Investment Property resulting in a increase of Investment Property of R194 and a decrease of Direct expenditure on buildings allocated under operating expenses of R194.

Management has recalculated and corrected the impairment on loan SMME debtors. The impairment was incorrectly understated with R3 172 during 2015/2016 due to a calculation error. To correct the understatement, the impairment expense was increased with R3 172 and the Impairment of SMME debtors allocated under Loan debtors, Trade and other receivables increased with R3 172.

Inter-company expenses were incorrectly allocated to NWDC's subsistance account, instead of the Dirapeng Loan account. This was corrected by a decrease the Operating expenses (Subsistance and travelling) of R4 and an increase of Loans to group companies (Dirapeng SOC Ltd) of R4.

The VAT portion of the insurance received for the fire damaged factory, built on Stand 86, Ga Rankwua was incorrectly calculated as the total Gross Quantum (incl VAT) and not the cash settlement received by management. Therefore the output VAT declared was overstated by R1 426 and Insurance recoveries understated with R1 426. The effect of correction is an increase in Trade and other receivables (VAT) of R1 426 an increase in Other income (Insurance recoveries) of R 1 426.

Management has incorrectly understated the SMME Loan debtor and SMME fund, by omitting two new areas of loans, Lehurutshe and Ganyesa. The correction resulted in an increase of Trade and other receivables (Loan debtors- SMME debtors) of R96 and a increase in Trade and other payables (SMME Funds) of R96.

Management has incorrectly allocated Bad debts recovered to loose tools (expense accounts) and erroniously duplicated the allocation to Bad debts recovered amounting to R63. In correcting the allocation, Other income- Bad debts recovered was decreased with R63 and Operating expenses (repairs and maintenance) was decreased with R63.

VAT output on revenue receipts issued in the name of NWDC was not declared. This journal corrects the VAT output account to account for the output received by NWDC. Revenue received through direct deposits was included in the Dirapeng loan account inclusive of VAT. This revenue should be accounted for as part of Dirapeng SOC Ltd. Correction of this had an increase in loans to group companies (Dirapeng SOC Ltd) of R93 and a decrease in VAT receivable (allocated under trade and other receivables) of R93. VAT output on Revenue receipt by Dirapeng SOC Ltd that relates to Dirapeng SOC Ltd but is issued in the name of NWDC SOC Ltd was not declared. This journal corrected the VAT. Revenue was generated by Christiana, through the issue of invoices in the name of NWDC, therefore creating an obligation for NWDC to declare the output on these transactions. Effect of the correction is an increase in loans to group companies (Dirapeng) of R87 and a decrease in VAT receivable (allocated under trade and other receivables- VAT) of R87. Furthermore management has made payments on behalf of Dirapeng (Christiana), these payments have been included as part of the Loan Account for Dirapeng. These payments have not been made for NWDC and therefore VAT input cannot be claimed for the expenses incurred. VAT input has been claimed in the previous period and to correct the omission, the Dirapeng Loan account was increased with the VAT input, resulting in a increase in loans to group companies (Dirapeng) of R138 and a decrease in VAT receivable (allocated under trade and other receivables- VAT) of R138.

Accounts have been incorrectly credited with receipts for Loan debtors, resulting in a decrease in Other income- Insurance recoveries of R72 and increase in Employee benefit expenses of R14 and a decrease in Trade and other receivables Loan Debtors of R86.

Management has corrected prior period balances through evaluation of SMME Loan debtors accounts, by reversing incorrectly levied interest, allocating receipts and refunding of credit balances. The above resulted in a decrease in Trade and other payables (SMME Funds) of R382 and a decrease in Trade and other receivables (Loan debtors) of R382

Loans to economic entities : Dirapeng SOC Ltd was considered for impairment and the loan was provided for impairment after considered recoverability and repayment terms of the loan. The above resulted in a Increase in Impairment of R24 123 and a decrease in Loans to economic entities of R24 123.

41. PRIOR PERIOD ERRORS (CONTINUED)

Commitment disclosure note relating to Operating leases - as lessee (expenses) has been updated after assessment of the contractual agreements entered into for 2015/2016, which was not available during the formulation of the note in previous financial year. Resulting in an increase of R1 537 on the line "within 1 year" and an increase of R3 053 on the line "in second to fith year inclusive".

Related party disclosure note increased with R1 195. The correction of the disclosure eminated from the ommission in disclosing the secondment of the Acting Chief Financial Officer and Acting Chief Executive Officer during 2015/2016 from the department of Finance and the claim for salaries from the department.

Irregular expenditure increased with R46 164 due to the removal of duplications as identified in "Contracts expired and continued with services" and the inclusion of the purchase of Christiana Hotel, as supply chain management policy did not forsee purchases made through auctions and therefore regarded as circumvention of the SCM policy. This increase relates R43 090 to 2016 and R3 074 to 2015.

Contingent liabilities decreased with R390 after the correction of disclosure was made after totaling the balances of the summances received, thereby excluding the invoices received from the municipality as previously included. The invoices have been regarded as payable and do not comply with the definition of a contingent liability and are therefore excluded.

THE FOLLOWING PRIOR PERIOD ERRORS RELATE TO DIRAPENG SOC LTD:

All amounts stated in the nature of the error have NOT been rounded, due to some amounts not being reflected when rounding to the nearest R1000 will be done.

Prior year errors 2014

Investment in associates were corrected with the correction of share of Profit in Associates were recognised in the Statement of Financial Performance Accumulated surplus increased (ct) with R6 423 539 and a resulting increase of R6 423 539 in the Investment in Associate

After a SARS investigation a ITSA Assessment for 2014 was done and issued. Taxation in the income statement increased with R767 332 (Accumulated surplus) and decreased with R767 332, while Taxation payable increased with R767 332.

Investment in Game Investment Holdings was corrected with R2 104 735 in 2014 when loans were converted to share premiums. The correction was necessary to eliminate investments with consolidation. Effect was Increase in Investment of Game Investment Holdings (Pty) Ltd and an Increase in Accumulated surplus with R2 104 735.

Prior years error 2015

Nedbank call account was incorrectly not recorded in the Statement of Financial Position. The correction of this had the effect that Cash and Cash equivalents (Short term deposit) increased with R167 107 and Accumulated surplus (ct) increased with R167 107.

IDT Grant received in 2015 was incorrectly never recognised by management and allocated to the Statement of Financial Position: Other Liability. The correction of this had the effect that Revenue from non-exchange transactions: Grants received increased with R2 839 370 and Other liability decreased with R2 839 370.

41. PRIOR PERIOD ERRORS (CONTINUED)

Management omitted to record all trade and other payables that relate to re-charging of management meals invoiced for Golden Leopard Resorts. The recording of this had the effect that Payables from exchange transactions: (Trade payables) increased with R693 099 and General expenses (management meals) increased with R693 099.

Investment in associates was corrected with the correction of share of Profit in Associates being recognised in the Statement of Financial Performance to the value of R3 908 661 and a resulting increase of R3 908 661 in the Investment in Associate.

Dividends received from the associate was incorrectly recorded and raised as a Receivable of exchange transactions: Dividends receivable. Correction of this had the effect that Accumulated surplus (ct) decreased with R5 350 000 and Receivable from exchange transactions: Dividends received decreased with R5 350 000.

Irregular expenditure increased with R87 979 380 after management investigated the figure.

Prior years error 2016

Management omitted to record all trade and other payables that relate to re-charging of management meals invoiced for Golden Leopard Resorts. The recording of this had the effect that Payables from exchange transactions: (Trade payables) increased with R258 320 and General expenses (management meals) increased with R258 320.

Intercompany Loan accounts were understated by R3995 of catering expenses that management omitted to record that resulted in an Increase to Loans from economic entities (NWDC SOC Ltd) of R3 995 and a increase in General expenses (Sundry expenses) of R3 995.

Nedbank call account was incorrectly not recorded in prior years. In 2016 interest received was recorded to reflect the amounts at the correct value. The correction of this had the effect that Cash and Cash equivalents (Short term deposit) increased with R9 821 and interest received- investment increased with R9 821.

Under Payables from exchange transactions: Trade payables is a creditor Madikwe River Lodge SOC Ltd. This was incorrectly shown as a creditor and relocated for disclosure purposes to the Loan from/ to Economic entities. Resulting in a decrease of Payables from exchange transactions: Trade payables with R160 000 and an increase in Loan from economic entities: Madikwe River Lodge SOC Ltd of R160 000.

All Payables from exchange transactions: Trade payables were incorrectly not recorded, correction of this had the effect that General expenses: IT expenses increased with R3 557 and Payables from exchange transactions: Trade payables increased with R3 557.

Management omitted to record all trade and other payables that relate to re-charging of salaries invoiced for Golden Leopard Resorts. The recording of this had the effect that Payables from exchange transactions: (Trade payables) increased with R101 833 and Employee related cost increased with R101 833.

Allocated under General expenses: Cost of Sales various types/classification of expenses were allocated. Correcting this had the following effect: Decrease in General expenses: Cost of Sales R2 889 250, Increase in Sale of goods/Inventory R1 142 601, Increase in General expenses: Motor Vehicles of R50 461, Increase in Repairs and Maintenance of R370 142, Increase in General expenses: Advertising and Promotion of R47 812, Increase in General expenses: Subscriptions and membership of R3 380, Increase in General expenses: Sundry expenses of R45 837, Increase in General expenses: Consulting & Professional fees of R366 555, Increase in General expenses: Hire of R22 684, Increase in General expenses: Insurance of R285 513, Increase in General expenses: Fuel & Oil of R63 429, Increase in General expenses: IT expenses of R5 718, Increase in General expenses: Telephone & Fax of R5 388, Increase in General expenses: Subsistance and Travel of R11 681, Increase in General expenses: Security of R100 367, Increase in General expenses: Printing & Stationery of R6 256, Increase in General expenses: Staff welfare of R67 930, Increase in General expenses: Cleaning of R116 340, Increase in General expenses: Bank charges of R101 and Increase in General expenses: Replacement cost of R173 056.

41. PRIOR PERIOD ERRORS (CONTINUED)

Investment in associates was corrected with the correction of share of Profit in Associates being recognised in the Statement of Financial Performance to the value of R7 087 063 and a resulting increase of R7 087 063 in the Investment in Associate.

Dividend payments relating to the Investment in Associate was incorrectly allocated against Receivables from exchange transactions. The correction of this resulted in a Decrease of Investment in associate of R1 500 000 and an increase in Receivables from exchange transactions: Trade debtors of R1 500 000.

Biological assets - Game was corrected based on the recount performed. Adjustments that were made resulted in a increase in impairment of R501 500 and a increase of Revaluation reserve of R113 000 with a net correction of decrease of R388 500 in Biological assets: Game.

All Payables from exchange transactions were not recorded, correcting this had the effect that General expenses: Utilities increased with R822 284 and Payables from exchange transactions: Trade payable increased with R822 284.

Loans to controlled entities was evaluated for Impairment. Management impairs loans with the following effect. Increase in Accumulated Impairment: Controlled entities- Madikwe River Lodge SOC Ltd of R512 190, Increase in Acc Impairment: Controlled entities- Golden Leopard Resorts R4 416 558 and an Increase in Acc Impairment Laastepoort of R29 973, with a resulting increase in impairment of R4 958 721.

Investment in Game Investment Holdings was considered for impairment due to huge assessed loss and consistent financial assistance investment was impaired. Resulting entries is increase in Impairment of R6 988 699 and an increase in Acc Impairment: Investment Game Investment Holdings of R6 988 699.

Corrections to the NWDC loan account were made for VAT incorrectly claimed on expenditure that had the effect that corrections were pushed through to Dirapeng SOC Ltd, This had the effect that VAT receivable increased with R317 632 and North West Development Corporation loan account increased with R317 632.

Asset registers and asset count were redone, resulting in classification that was reassessed as well as useful life, depreciation , residual values. The effect was a decrease in Depreciation of R369 588, Increase in Property plant and equipment net of R1 153 532 and a increase in Retained Earnings of R783 944. The increase in Retained earnings is R770 047 as a result of assets that were received as a grant (assets received in kind) with the Christiana take-on.

Disclosure notes:

Loans from economic entities relating to Golden Leopard Resorts SOC Ltd and Madikwe River Lodge SOC Ltd were not disclosed seperately in the notes to the financial statements. This was corrected.

Note relating to Classification of Financial Instruments was corrected by removing Property, Plant and Equipment to the value of R3 528 111 and Biological assets to the value of R3 007 300 that was incorrectly disclosed as part of Financial Instruments from this note.

Salaries of Christiana was incorrectly disclosed as part of administration cost in the Statement of financial position. Relocation resulted in administration cost decrease with R301 636 and Employee related cost increased with R301 636.

A dispute arise whether the entity is classified as a 3C instead of a 3D entity. Resulting in the fact that the annual budget was not approved by the Executive Authority. With the effect that irregular expenditure increased with R14 937 055.

All related party transactions were not disclosed. This resulted in a increase of R8 396 701 in disclosure.

41. PRIOR PERIOD ERRORS (CONTINUED)

THE FOLLOWING PRIOR PERIOD ERRORS RELATE TO MADIKWE RIVER LODGE SOC LTD:

Prior year errors 2014

During the audit of 2016, operating leases that, due to GRAP 13, were classified as a Finance lease was identified as incorrectly not treated in line with the accounting framework. The correcting of this had the result that Finance leases were raised which increased with R2 187 426 in 2013 and Motor Vehicles- Leased increased with R2 187 426. Retained earnings increased (ct) with R317 137 due to operating lease payments that were taken out of the Statement of Financial Performance and all interest taken into consideration and allocated against Finance Leases raised. In 2014 operating lease charges allocated currently under “Lease rentals and operating leases” previously disclosed under “Sundry expenses under general expenses” decreased with R535 719, and Finance Leases created decreased with R535 719. “Interest on Finance Leases” under Finance cost- Leases allocated under Finance Cost increased with R145 929 and Finance Leases increased with R145 929. The recording of the Motor Vehicles leased had the effect that Depreciation (against Retained Earnings) increased with R805 466 and Accumulated Depreciation Motor Vehicles leased increased with R805 466.

The entity had not submitted all VAT returns. With the submission of all outstanding VAT returns penalties and interest were raised by The Receiver of Revenue that resulted in a increase in Finance costs: late payment of tax of R233 867, an increase of General expenses: Penalties SARS increased with R70 829 and VAT payable increased with R360 719 and Accumulated deficit increased with R 56 023.

After all outstanding VAT returns were submitted, the amount of SARS penalties located under Payables from exchange transactions to the value of R660 078 was reclassified and mapped to the related balance which resulted in a decrease of Trade and other payables of R660 078 and an increase in VAT payable of R660 078.

A finding raised in 2016 indicated a generator with the cost of R120 000 and revaluation reserve of R430 000 was incorrectly capitalised against Leasehold improvements and movable assets. It should only form part of movable assets. To correct Revaluation reserve was decreased with R430 000 and Leasehold improvements: Cost was decreased with R120 000, Leaseholds improvements: Acc depreciation decreased with R51 778 and depreciation: leasehold improvements decreased with R22 000 and Retained earnings (ct) increased with R29 778 and Retained Earnings decreased (dt) with R120 000 with asset value that should never have been recorded. (Effect to be disclosed in 2015 column).

Prior year errors 2015

Management reassessed receivables from exchange transactions for recoverability and impairment. This resulted in Receivables from exchange transactions- Impairment provision increased with R60 927, VAT payable decreased with R7 483 and Impairment loss increased with R53 444.

During the audit of 2016, operating leases that, due to GRAP 13, were classified as a Finance lease were identified that were incorrectly not treated in line with the accounting framework. The correcting of this had the result as reflected above. In 2015 operating lease charges allocated currently under “Lease rentals and operating leases” previously disclosed under “Sundry expenses under general expenses” decreased with R540 490, and Finance Leases created decreased with R540 490. “Interest on Finance Leases” under Finance cost- Leases allocated under Finance Cost increased with R118 431 and Finance Leases increased with R118 431. This furthermore resulted in Depreciation relating to Motor Vehicles leased increased the expense with R437 493 and Accumulated depreciation on Motor Vehicles leased increased with R437 493.

The entity had not submitted all VAT returns. With the submission of all outstanding VAT returns penalties and interest were raised by The Receiver of Revenue that resulted in an increase in Finance costs: late payment of tax of R100 424, an increase of General expenses: Penalties SARS increased with R38 927 and VAT payable increased with R139 351

41. PRIOR PERIOD ERRORS (CONTINUED)

Management performed cut-off test to ensure that all expenditure was raised in the correct accounting period. During this excercise the following was noted . Trade payables of 2015 paid in 2016 needed to be raised in 2015 with the following effect: Increase in Payables from exchange transactions of R280 028, Decrease in VAT Payable of R20 829. Increase in Employee related costs: Basic of R12 508, Increase in Repairs and maintenance of R6 849, Increase in General expenses: Consulting fees of R4 750, Increase in General expenses: Consumables of R3 717, Increase in General expenses: Electricity of R21 789, Increase in General expenses: Medical and first aid cost of R7 670, Increase in General expenses: Fuel and Oil of R18 920, Increase in General expenses: Hire of R905, Increase in General expenses: Laundry of R8 762, Increase in General expenses: Cost of Sales of R101 168, Increase in General expenses: Subscription and membership of R3 462, Increase in General Expenses: Telephone & Fax of R22 563, Increase in Tourism Levy of R2 110, Increase in General expenses: Subsistance and travel of R29 041 and Increase in Lease rentals and operating lease of R14 985.

A finding raised in 2016 indicated a generator with the cost of R120 000 and revaluation reserve of R430 000 was incorrectly capitalised against Leasehold improvements and movable assets. It should only form part of movable assets. To correct Revaluation reserve was decreaseD with R430 000 and Leasehold improvements: Cost was decreased with R120 000, Leaseholds improvements: Acc depreciation decreased with R73 778 and depreciation: leasehold improvements decreased with R22 000 and Retained earnings (ct) increased with R51 778 and Retained Earnings decreased (dt) with R120 000 with asset value that should never have been recorded. The result of the above was that R19 271 revaluation reserve increased due to fact that realisation of Revaluation reserve to Accumulated surplus decreased with R19 271.

Management undertook an extensive excercise to evaluate useful life, classification and verification of assets that resulted in the following prior year corrections. Plant and Machinery- Cost decreased with R389 997 and Plant and Machinery- Acc Depr decreased with R217 125. Furniture and Fittings- Cost increased with R116 497 and Furniture and Fittings- Acc Depr decreased with R367 731. Office Equipment- Cost decreased with R93 225 and Office Equipment- Acc Depr decreased with R47 516 while Kitchen equipment - Cost decreased with R140 231 and Kitchen equipment - Acc Depr decreased with R73 825. Equipment - Cost increased with R200 131 and Equipment- Acc Depr increased with R60 143. Sundry Equipment- Cost increased increased with R389 200 and Sundry Equipment- Acc Depr increased with R76 598. Computer Equipment: Cost increased with R264 and Computer Equipment- Acc Depr decreased with R20 543. With a resulting correction of Retained Earnings (ct) increased of R672 638.

Management failed to accrue for the 8% of the tenants annual turnover. Corrections of this had the effect that Payables from exchange transactions - Trade payables increased with R651 135 and lease rentals and operating lease expenses increased with R651 135.

Management incorrectly wrote off leasehold improvements over 25 years and not 30 years resulting in the correction of this in a decrease in Depreciation of R3 027 669 (ct to retained earnings) and a decrease in Accumulated Depreciation Leasehold improvements of R3 027 669. This resulted furthermore in the Revaluation reserve increase with R115 078 and the Realisation to Retained earnings decrease (Dt to retained earnings) of R115 078. Additionally Revaluation reserve decrease with R32 509 and the Realisation to Retained earnings increased (Ct to retained earnings) with R32 509.

Management reviewed Fruitless and wasteful expenditure for completeness and found it was understated with R321 599. Correction resulted in an increase of Fruitless and wasteful expenditure of R321 599.

After investigation of the opening balance of irregular expenditure it increased with R20 442 606.

41. PRIOR PERIOD ERRORS (CONTINUED)

Prior year errors 2016

Management reassessed receivables from exchange transactions for recoverability and impairment. This resulted in that the impairment provision raised in 2016 was reversed resulting in a decrease in Receivables from exchange transactions- Accumulated impairment of R147 140 and a decrease in Impairment loss of R147 140. With the reassessing Receivables from exchange transactions- Impairment provision increased with R70 933, VAT payable decreased with R8 711 and Impairment loss increased with R62 222.

Management noted that R160 000 included under Receivables from exchange transactions is incorrectly classified and should be relocated to Loans from economic entities- Golden Leopard Resorts SOC Ltd. This resulted in Receivables from exchange transactions decreased with R160 000 and Loans from economic enties (payable) decreased with R160 000.

During the audit of 2016, operating leases that, due to GRAP 13, were classified as a Finance lease were identified that were incorrectly treated in line with the accounting framework. The correcting of this had the result as reflected above. In 2016 operating lease charges allocated currently under "Lease rentals and operating leases" previously disclosed under "Sundry expenses under general expenses" decreased with R542 975, and Finance Leases created decreased with R542 975. "Interest on Finance Leases" under Finance cost- Leases allocated under Finance Cost increased with R81 870 and Finance Leases increased with R81 870 . Recording of the above had the effect that the depreciation expense increased with R438 691 on Motor Vehicles leased and the Accumulated Depreciation on Motor Vehicles leased increased with R438 691.

During the audit of 2016 a finding was raised that the debtors statement does not agree with the amount reflected on the debtor ageing relating to a certain debtor. Management investigated the finding and the following correction was made. Revenue from exchange transactions : Sales of goods and services decreased with R3 579, VAT payable decreased with R501 and Receivables from exchange transactions: Trade debtors decreased with R4 080.

The entity had not submitted all VAT returns. With the submission of all outstanding VAT returns penalties and interest were raised by The Receiver of Revenue that resulted in an increase in Finance costs: late payment of tax of R30 198, an increase of General expenses: Penalties SARS increased with R22 532 and VAT payable increased with R52 730.

Management performed cut-off test to ensure that all expenditure was raised in the correct accounting period. During this exercise the following was noted. Trade payables of 2015 paid in 2016 needed to be raised in 2015 and reversed against the expense account in 2016, with the following effect: Decrease in Payables from exchange transactions of R280 028, Increase in VAT Payable of R20 829, Decrease in Employee related costs: Basic of R12 508, Decrease in Repairs and maintenance of R6 849, Decrease in General expenses: Consulting fees of R4 750, Decrease in General expenses: Consumables of R3 717, Decrease in General expenses: Electricity of R21 789, Decrease in General expenses: Medical and first aid cost of R7 670, Decrease in General expenses: Fuel and Oil of R18 920, Decrease in General expenses: Hire of R905, Decrease in General expenses: Laundry of R8 762, Decrease in General expenses: Cost of Sales of R101 168, Decrease in General expenses: Subscription and membership of R3 462, Decrease in General Expenses: Telephone & Fax of R22 563, Decrease in Tourism Levy of R2 110, Decrease in General expenses: Subsistance and travel of R29 041 and Decrease in Lease rentals and operating lease of R14 985.

Management performed cut-off test to ensure that all expenditure was raised in the correct accounting period. During this exercise the following was noted . Trade payables of 2016 paid in 2017 needed to be raised in 2016 with the following effect: Increase in Payables from exchange transactions of R297 592, Decrease in VAT Payable of R25 975, Decrease in Advance Deposit of R40 020, Increase in Repairs and Maintenance of R109 261, Increase in Lease rentals and operating lease of R39 575, Increase in General expenditure: Laundry R9 582, Increase in General expenditure: Uniforms R3 473, Increase in General Expenditure: Advertising of R1 200, Increase in Tourism Levy of R64 050, Increase in General expenditure: Subsistance and Travel of R3 525 and Increase in General expenditure: Consumables of R931.

41. PRIOR PERIOD ERRORS (CONTINUED)

All related party balances and transactions were not disclosed in the annual financial statements of 2016. The correction of this resulted in Loan balance owing to Dirapeng SOC Ltd decreased with R160 000 and Recharge expenses to be disclosed from Dirapeng SOC Ltd of R310 943 to be disclosed.

On Leasehold improvements on which the duplicated generator was taken out the effect was in 2016 that Leasehold Properties: Acc Depreciation decrease with R22 000 and Depreciation: Leasehold properties improvement decrease with R22 000.

Management undertook an extensive excercise to evaluate useful life,classification and verification of assets that resulted in the following prior year corrections regarding the Acc Depreciation a decrease of R270 276 and Depreciation expense decrease of R270 276 with a further increase in Depreciation of R92 387

Management failed to accrue for the 8% of the tenants annual turnover that is payable to North West Parks Board as per the contract. The correction of this has the effect that Payables from exchange transactions - Trade payables increased with R507 595 and lease rentals on operating lease expenses increased with R507 595. The 2015 payables was incorrectly raised in 2016 as an expense against lease rentals and operating lease expenses. Correction of this had the effect that expenses decrease with R651 134 and the Payables from exchange transactions- Trade payables decrease with R651 134.

Management incorrectly wrote off leasehold improvements over 25 years and not 30 years resulting in the correction of this in a decrease in depreciation of R162 400 and a decrease in Accumulated Depreciation: Leasehold improvements of R162 400. This also resulted in the Revaluation reserve increasing with R115 078 and a decrease in the Realisation to retained earnings (Dt of retained earnings) of R115 078.

Management reviewed Fruitless and wasteful expenditure for completeness and found it was understated with R52 730. Correction resulted in an increase of Fruitless and wasteful expenditure of R52 730.

A Dispute arise whether the entity is classified as a 3C instead of a 3D entity. Resulting in the fact that the annual budget was not approved by the Executive authority. With the effect that irregular expenditure increased with R2 988 532.

Management reviewed the disclosure of operating lease commitments and, due to the capitalisation of the AVIS contract, the result was a decrease in minimum lease payments due of R575 871 (within one year), an increase of R671 662 for (in second to fifth year), and a decrease in mimimum lease payments due of R959 717 (later than five years). Overall effect is a decrease of R863 926 for mimimum lease payments due.

Contingent liabilities were understated with R469 935 which is due to the fact that there is currently a difference of R469 935 between North West Parks Board payable reflected in Madikwe Rivers Lodge SOC Ltd financial records and the third party statement as at year end. This difference is due to the fact that all invoices to date have not been received by Madikwe River Lodge SOC Ltd.

THE FOLLOWING PRIOR PERIOD ERRORS RELATE TO GOLDEN LEOPARD RESORT SOC LTD:

2015 Prior year error

Impairment of receivables was re-calculated and restated for the periods 2015 and 2016, while in 2015 the allowance increased with R4 712 028. The impact is an Increase in Accumulated Impairment - Receivables from exchange transactions increased with R4 712 028 and Accumulated surplus (ct) decreased with R4 712 028, Moses Kotane Local Municipality raised water consumption of R13 342 457 for Manane complex dating back to 2013. The amount has been raised as a prior year error. The matter is still under investigation.

Property, plant and equipment was investigated and classification, useful life, depreciation period and conditions were assessed and additonal assets were added as required. Except for classification that was adjusted assets Property plant and Equipment increased with R4 761 814 and Accumulated deficit decreased (ct) with R4 761 814.

Iregular increased with R105 438 567 after management investigated it.

2016 Prior year errors

Management investigated the Other financial liability account and found a grant to the value of R782 429 which was incorrectly not recognised through the income statement. The correction of this had the effect that Other financial liabilities (Advance deposits) decreased with R782 429 and Revenue from non-exchange transactions: Grants received increased with R782 429. Leave accrual increased with R100 140 in 2016 due to incorrect records on leave balance corrected during the 2017 financial year. The leave provision expenditure increased with the same amount. Therefore Payables from exchange transactions: Accrued leave pay increased with R100 140 and an increase in Personnel cost of R100 140.

Impairment of receivables were re-calculated and restated for the periods 2015 and 2016. The effect of tihs provision was that the impairment allowance decreased with R10 390 410 while in the 2015 the allowance increased with R4 712 028. Furthermore additional impairment was provided of R2 689 969 . Effect on 2016 is therefore a decrease in Impairment of receivables provisions and a decrease in impairment expense of R7 401 997 .

Depreciation on assets was re-assessed with the effect that Depreciation decreased with R586 332 and PPE increased with R586 332.

Decrease in the gain of disposal to the loss on disposal of R143 164 due to the recalculation of the write of periods of property, plant and equipment with a resulting decrease in PPE.

Disclosure notes

A Dispute arise whether the entity is classified as a 3C instead of a 3D entity. Resulting in the fact that the annual budget was not approved by the Executive authority. With the effect that irregular expenditure increased with R10 950 219..

Fruitless expenditure increased with R506 372 in 2016 due to additional expenditure identified. The net effected resulted in and increase of the fruitless expenditure balance for 2016.

Increase in related party disclosure R414 250.

41. PRIOR PERIOD ERRORS (CONTINUED)

The correction of the errors results in adjustments as follows:

	GROUP		COMPANY	
Statement of Financial Position	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Decrease in Trade and other payables (Accrued leave pay)	49	-	49	-
Increase in Trade and other receivables (Trade receivables - Rental debtors) with impact of R1 197 for 2015	3 910	2 217	3 910	2 217
Decrease in Trade and other receivables (VAT) with impact of R147 for 2015	481	273	481	273
Increase in Provision of impairment of rental debtors with impact of R1 197 for 2015	3 910	2 217	3 910	2 217
Increase in Trade and other receivables (VAT) with impact of R147 for 2015	481	273	481	273
Increase in Trade and other receivables (Trade receivables - Rental debtors) with impact of R1 540 for 2015	-	-	-	-
Decrease in Trade and other receivables (VAT) with impact of R189 for 2015	-	-	-	-
Increase in Provision of impairment of rental debtors with impact of R1 540 for 2015	-	-	-	-
Increase in Trade and other receivables (VAT) with impact of R189 for 2015	-	-	-	-
Increase in Retained income with impact of R1 351 for 2015	-	-	-	-
Decrease in Retained income with impact of R1 351 for 2015	-	-	-	-
Increase in Trade and other receivables (Trade receivables - other accounts receivables- Loan debtors)	43	-	43	-
Increase in Trade and other payables (Rent deposits and other payables)	43	-	43	-
Increase in Trade and other receivables (Trade receivables - other accounts receivables- SMME debtors)	808	-	808	-
Increase in Trade and other payables (SMME Funds)	808	-	808	-
Decrease in Trade and other receivables (Trade receivables - other accounts receivables)	16	-	16	-
Decrease in Trade and other payables (Unspent portion of government projects)	16	-	16	-
Increase in Trade and other payables (Unspent portion of government projects)	4 500	-	4 500	-
Increase in Investment Property	194	-	194	-
Increase in Provision of Impairment of SMME loan debtors (Trade and other receivables)	3 172	-	3 172	-
Increase in Trade and other receivables (VAT)	1 426	-	1 426	-
Increase in Loans to group companies (Dirapeng SOC Ltd)	4	-	4	-
Increase in Trade and other receivables (Loan debtors-SMME debtors)	96	-	96	-
Increase in Trade and other payables (SMME Fund)	96	-	96	-

41. PRIOR PERIOD ERRORS (CONTINUED)

	GROUP		COMPANY	
Statement of Financial Position	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Increase in Loans to group companies (Dirapeng loan)	318	-	318	-
Decrease in VAT receivable (allocated under trade and other receivables)	318	-	318	-
Decrease in Trade and other receivables Loan debtors	86	-	86	-
Increase in Trade and other payables (SMME Funds) with impact of R501 for 2015	-	-	-	-
Increase in Trade and other receivables (Loan debtors) with impact of R501 for 2015	-	-	-	-
Decrease in Trade and other payables (SMME Funds)	382	330	382	330
Decrease in Trade and other receivables (Loan debtors)	382	330	382	330
Decrease in Retained Earnings with impact of R22 for 2015	-	-	-	-
Decrease in Property plant and equipment (Furniture and Fittings- cost) with impact of R22 for 2015	-	-	-	-
Decrease in Loans to economic entities	14 294	-	14 294	-
Increase in Payables from exchange transactions (Trade payables)	258	-	-	-
Increase in Loans from economic entities (NWDC)	3	-	-	-
Increase in Cash and cash equivalents (Short term deposits)	-	167	-	-
Increase in Accumulated surplus (ct)	-	167	-	-
Increase in Cash and cash equivalents (Short term deposits)	10	-	-	-
Decrease in Payables from exchange transactions: Trade payables	160	-	-	-
Increase in Loans from/to economic entities	160	-	-	-
Decrease in Other Liabilities	-	2 839	-	-
Increase in Payables from exchange transactions: Trade payables	3	-	-	-
Increase in Payables from exchange transactions (Trade payables)	-	693	-	-
Increase in Payables from exchange transactions (Trade payables)	101	-	-	-
Increase in Investment in Associates	-	3 908	-	-
Increase in Investment in Associates	7 087	-	-	-
Increase in Investment in Associates	-	6 423	-	-
Increase in Accumulated surplus (Ct)	-	6 423	-	-
Decrease in Accumulated surplus	-	5 350	-	-
Decrease in Receivables from exchange transactions: Dividends received	-	5 350	-	-
Decrease in Investment in associates	1 500	-	-	-
Increase in Receivables from exchange transactions: Trade debtors	1 500	-	-	-
Decrease in Biological assets: Game	388	-	-	-
Increase in Revaluation Reserves	113	-	-	-
Increase in Payables from exchange transactions: Trade payable	822	-	-	-
Increase in Acc Impairment - Loans Controlled entities - Madikwe River Lodge SOC Ltd	512	-	-	-
Increase in Acc Impairment - Loans Controlled entities - Golden Leopard Resorts SOC Ltd	4 416	-	-	-

41. PRIOR PERIOD ERRORS (CONTINUED)

	GROUP		COMPANY	
Statement of Financial Position	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Increase in Acc Impairment - Loans Associates - Laastepoort Property Holdings (Pty) Ltd	29	-	-	-
Increase in Acc Impairment: Investment Game Investment Holdings (Pty) Ltd	6 988	-	-	-
Increase in Taxation payable	-	767	-	-
Decrease in Accumulated surplus	-	767	-	-
Increase in Investment of Game Investment Holdings (Pty) Ltd	-	2 104	-	-
Increase in Accumulated surplus	-	2 104	-	-
Increase in VAT receivables	317	-	-	-
Increase in Loan from economic entities	317	-	-	-
Increase in Property, plant and Equipment	1 153	-	-	-
Increase in Accumulated Surplus	783	-	-	-
Increase in Finance leases	-	2 187	-	-
Increase in Property, plant and equipment (Motor Vehicle- Leased)	-	2 187	-	-
Increase in Retained Earnings (Ct)	-	317	-	-
Decrease in Finance Leases	-	535	-	-
Decrease in Finance Leases	-	317	-	-
Increase in Finance Leases	-	145	-	-
Decrease in Lease rentals and operating leases (Increase in Retained Earnings)(ct)	-	535	-	-
Increase in Finance Cost- Finance leases (Decrease in Retained earnings Ct)	-	145	-	-
Decrease in Finance Leases	-	540	-	-
Increase in Finance Leases	-	118	-	-
Decrease in Finance Leases	542	-	-	-
Increase in Finance Leases	81	-	-	-
Decrease in Receivable from exchange transactions: Trade debtors	4	-	-	-
Decrease in VAT payables	1	-	-	-
Decrease in Payables from exchange transactions- SARS penalties	-	660	-	-
Increase in VAT Payable	-	660	-	-
Increase in VAT Payable	-	139	-	-
Increase in Accumulated deficit	-	360	-	-
Increase in VAT payable	-	360	-	-
Decrease in Receivables from exchange transactions (impairment provision)	147	-	-	-
Increase in Receivables from exchange transactions (Impairment provision)	70	60	-	-
Decrease in VAT payable	8	7	-	-
Decrease in Receivables from exchange transactions	160	-	-	-
Decrease in Loans from economic entities- Golden Leopard Resorts SOC Ltd payable	160	-	-	-
Increase in Payable from exchange transactions	-	280	-	-
Decrease in VAT payable	-	20	-	-

41. PRIOR PERIOD ERRORS (CONTINUED)

	GROUP		COMPANY	
Statement of Financial Position	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Increase in Payables from exchange transactions	297	-	-	-
Decrease in VAT Payables	25	-	-	-
Decrease in Advance deposits	40	-	-	-
Decrease in Payables from exchange transactions	280	-	-	-
Increase in VAT payable	20	-	-	-
Decrease in Leasehold improvements : Cost	-	120	-	-
Decrease in Retained earnings	-	120	-	-
Decrease in Leasehold improvements (reserve with cost)	-	430	-	-
Decrease in Revaluation reserve	-	430	-	-
Decrease in Leasehold improvements: Acc Depr	-	73	-	-
Increase in Retained earnings	-	51	-	-
Increase in Revaluation reserve	-	19	-	-
Decrease in realisation to Retained earnings (Dt)	-	19	-	-
Decrease in Leasehold improvements: Acc Depr	22	-	-	-
Increase in Revaluation reserve	-	32	-	-
Decrease in Realisation to retained Earnings (Dt)	-	32	-	-
Decrease in Plant & Machinery- Cost	-	389	-	-
Decrease in Plant and Machinery- Acc Depr	-	217	-	-
Increase in Furniture & Fittings- Cost	-	116	-	-
Decrease in Furniture and Fittings- Acc Depr	-	367	-	-
Decrease in Office Equipment- Cost	-	93	-	-
Decrease in Office Equipment- Acc Depr	-	47	-	-
Decrease in Kitchen Equipment- Cost	-	140	-	-
Decrease in Kitchen Equipment- Acc Depr	-	73	-	-
Increase in Equipment- Cost	-	200	-	-
Increase in Equipment- Acc Depr	-	60	-	-
Increase in Sundry Equipment- Cost	-	389	-	-
Increase in Computer Equipment- Cost	-	76	-	-
Decrease in Computer Equipment- Acc Depr	-	20	-	-
Increase in Retained Earnings- Ct	-	672	-	-
Decrease in Acc Depreciation (all asset classes)	270	-	-	-
Increase in Payables from Exchange transactions: Trade Payables	507	-	-	-
Decrease in Payables from Exchange transactions: Trade Payables	651	-	-	-
Increase in Payables from Exchange transactions: Trade Payables	-	651	-	-
Increase in Motor Vehicles: Leased- Accumulated Depreciation	-	805	-	-
Increase in Retained Earnings (Resulting in debit to retained earnings)	-	805	-	-
Increase in Motor Vehicles: Leased- Accumulated Depreciation	439	437	-	-
Decrease in Leasehold Improvements- Accumulated Depreciation	162	-	-	-

41. PRIOR PERIOD ERRORS (CONTINUED)

	GROUP		COMPANY	
Statement of Financial Position	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Decrease in Leasehold Improvements- Accumulated Depreciation	-	3 028	-	-
Decrease in Retained Earnings (resulting in a credit to Retained Earnings)	-	3 028	-	-
Increase in Revaluation Reserve	115	-	-	-
Decrease in Retained Earnings (resulting in a debit to Retained Earnings)	115	-	-	-
Increase in Revaluation Reserve	-	115	-	-
Decrease in Retained Earnings (resulting in a debit to Retained Earnings)	-	115	-	-
Decrease in other financial liabilities (advance deposits)	782	-	-	-
Increase in Payables from Exchange transactions: Accrued leave pay	100	-	-	-
Decrease in the provision of bad debts - Receivables of exchange transactions	7 401	-	-	-
Increase in receivables from exchange transactions- Acc impairment	-	4 712	-	-
Increase in Accumulated deficit	-	13 342	-	-
Increase in Payables from exchange transactions: Trade payables	-	13 342	-	-
Increase in Property Plant and Equipment	-	4 761	-	-
Decrease in Accumulated deficit	-	4 761	-	-
Increase in Property Plant and Equipment	586	-	-	-
Devcrease in Property, Plant and Equipment due to loss of disposal	143	-	-	-

Statement of financial performance				
Decrease in Employee benefit expenses	49	-	49	-
Increase in Revenue (Rental income) and impact of R1 050 in 2015	3 429	1 944	3 429	1 944
Increase in impairment (Trade and other receivables) and impact of R1 050 in 2015	3 429	1 944	3 429	1 944
Decrease in Grant received	4 500	-	4 500	-
Decrease in Operating expenses (Direct expenses on buildings)	194	-	194	-
Increase in impairment (Trade and other receivables)	3 172	-	3 172	-
Increase in Other income- Insurance recoveries	1 426	-	1 426	-
Decrease in Operating expenses (Subsistance and travelling)	4	-	4	-
Decrease in Other income (Bad debt recovered)	63	-	63	-
Decrease in Operating expenses (Repairs and Maintenance)	63	-	63	-
Decrease in Other income- Insurance recoveries	72	-	72	-
Increase in Employee benefit expenses	14	-	14	-
Increase in impairment: Intercompany loans	14 294	-	14 294	-
Increase General expenses (Management meals)	258	-	-	-
Increase General expenses (Sundry expenses)	3	-	-	-
Increase in interest received- Investment	9	-	-	-
Increase in Revenue from non-exchange revenue: Grants received	-	2 839	-	-
Increase in General expenses: IT expenses	3	-	-	-

41. PRIOR PERIOD ERRORS (CONTINUED)

	GROUP		COMPANY	
Statement of financial performance	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Increase General expenses (Management meals)	-	693	-	-
Increase in Employee related cost	101	-	-	-
Decrease in Administration cost	301	-	-	-
Increase in Employee related cost	301	-	-	-
Decrease in General expenses: Cost of Sale	2 889	-	-	-
Increase in Sale of goods / Inventory	1 142	-	-	-
Increase in General expenses: Motor vehicle cost	50	-	-	-
Increase in General expenses: Advertising and Promotion	47	-	-	-
Increase in General expenses: Subscription and membership	3	-	-	-
Increase in General expenses: Sundry expenses	45	-	-	-
Increase in General expenses: Consulting & Professional fees	366	-	-	-
Increase in General expenses: Hire	22	-	-	-
Increase in General expenses: Insurance	285	-	-	-
Increase in General expenses: Fuel & Oil	63	-	-	-
Increase in General expenses: IT expenses	5	-	-	-
Increase in General expenses: Telephone & Fax	5	-	-	-
Increase in General expenses: Subsistance and Travel	11	-	-	-
Increase in General expenses: Security	100	-	-	-
Increase in General expenses: Printing & Stationary	6	-	-	-
Increase in General expenses: Staff welfare	67	-	-	-
Increase in General expenses: Cleaning	116	-	-	-
Increase in General expenses: Replacement costs	173	-	-	-
Increase in Repairs and Maintenance	370	-	-	-
Increase in Share of profits in Associates	-	3 908	-	-
Increase in Share of profits in Associates	7 087	-	-	-
Increase in impairment	501	-	-	-
Increase in General expenses: Utilities	822	-	-	-
Increase in impairment	4 958	-	-	-
Increase in impairment	6 988	-	-	-
Decrease in Depreciation	369	-	-	-
Increase inRevenue for Non-Exchange: Assets received in kind	770	-	-	-
Decrease in Lease rentals and operating leases	-	540	-	-
Increase in Finance cost- Finance leases	-	118	-	-
Decrease in Lease rentals and operating leases	542	-	-	-
Increase in Finance Costs- Finance leases	81	-	-	-
Decrease in Revenue from exchange transactions: Sale of goods and services	3	-	-	-
Increase in Finance costs- Late payment taxes	30	100	-	-

41. PRIOR PERIOD ERRORS (CONTINUED)

	GROUP		COMPANY	
Statement of financial performance	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Increase in General expenses- Penalties SARS	22	38	-	-
Decrease in impairment losses	147	-	-	-
Increase in impairment losses	62	53	-	-
Increase in Employee related costs: Basic	-	12	-	-
Increase in Repairs and Maintenance	-	6	-	-
Increase in General expenses: Consulting fees	-	4	-	-
Increase in General expenses: Consumables	-	3	-	-
Increase in General expenses: Electricity	-	21	-	-
Increase in General expenses: Medical and first aid cost	-	7	-	-
Increase in General expenses: Fuel & Oil	-	18	-	-
Increase in General expenses: Hire	-	1	-	-
Increase in General expenses: Laundry	-	8	-	-
Increase in General expenses: Cost of sale	-	101	-	-
Increase in General expenses: Subscriptions and membership	-	3	-	-
Increase in General expenses: Telephone & Fax	-	22	-	-
Increase in Tourism levy	-	2	-	-
Increase in General expenses: Subscriptions and travel	-	29	-	-
Increase in General expenses: Lease rentals and operating lease	-	14	-	-
Increase in Repairs and Maintenance	109	-	-	-
Increase in Lease rentals and operating lease	39	-	-	-
Increase in General expenses: Laundry	9	-	-	-
Increase in General expenses: Uniforms	3	-	-	-
Increase in General expenses: Advertising	1	-	-	-
Increase in Tourism levy	64	-	-	-
Increase in General expenses: Subsistance and travel	3	-	-	-
Increase in General expenses: Consumables	1	-	-	-
Decrease in Employee related cost: Basic	12	-	-	-
Decrease in Repairs and Maintenance	6	-	-	-
Decrease in General expenses: Consulting fees	4	-	-	-
Decrease in General expenses: Consumables	3	-	-	-
Decrease in General expenses: Electricity	21	-	-	-
Decrease in General expenses: Medical and First aid cost	7	-	-	-
Decrease in General expenses: Fuel and Oil	18	-	-	-
Decrease in General expenses: Hire	1	-	-	-
Decrease in General expenses: Laundry	8	-	-	-
Decrease in General expenses: Cost of sales	101	-	-	-
Decrease in General expenses: Subscription and membership	3	-	-	-
Decrease in General expenses: Telephone and fax	22	-	-	-

41. PRIOR PERIOD ERRORS (CONTINUED)

	GROUP		COMPANY	
Statement of financial performance	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Decrease in Tourism Levy	2	-	-	-
Decrease in General expenses: Subsistance and travel	29	-	-	-
Decrease in General expenses: Lease rentals and operating lease	15	-	-	-
Decrease in Depreciation: Leasehold improvements	-	22	-	-
Decrease in Depreciation: Leasehold improvements	22	-	-	-
Decrease in Depreciation (all asset classes)	178	-	-	-
Increase in Lease Rentals and Operating Lease Expenses	507	-	-	-
Decrease in Lease Rentals and Operating Lease Expenses	651	-	-	-
Increase in Lease Rentals and Operating Lease Expenses	-	651	-	-
Increase in Depreciation: Motor Vehicles Leased	438	437	-	-
Decrease in Depreciation: Leasehold improvements	162	-	-	-
Increase in Revenue from non-exchange transactions- Grants Received	782	-	-	-
Increase in Personnel cost	100	-	-	-
Decrease in impairment (expense)	7 401	-	-	-
Increase in impairment (expense)	-	4 712	-	-
Decrease in Depreciation	586	-	-	-
Decrease in Gain of Disposal to Loss on Disposal	143	-	-	-
Disclosure notes				
Increase in Commitments (Operating leases- as lessee expenses)	4 590	-	4 950	-
Increase in Related Party (Balances) disclosure	1 195	-	1 195	-
Increase in Irregular expenditure	43 090	3 074	43 090	3 074
Decrease in Contingent liabilities	390	-	390	-
Increase in Fruitless and wasteful expenditure (impact on 2015)	-	180	-	180
Inecrease in Irregular expenditure	14 937	87 979	-	-
Increase in Related party disclosure	8 396	-	-	-
Increase in Related party disclosure	150	-	-	-
Increase in Fruitless and wasteful expenditure	52	321	-	-
Inecrease in Irregular expenditure	2 988	20 442	-	-
Decrease in Commitments- Operating leases- as lessee (expenses)	863	-	-	-
Increase in Contingent Liabilities	469	-	-	-
Increase in 2016 irregular expenditure	10 950	105 438	-	-
Decrease in 2016 irregular expenditure	34 046	-	-	-
Increase in 2016 fruitless expenditure	506	-	-	-
Increase in 2016 Relayted Party Disclosure	414	-	-	-

43. CATEGORIES OF FINANCIAL INSTRUMENTS

Categories of financial instruments - GROUP - 2017	Notes	Financial assets at fair value through profit or loss R'000	Debt instruments at amortised cost R'000	Financial liabilities at amortised cost R'000	Leases R'000	Equity and non financial assets and liabilities R'000	Total R'000
Assets							
Non-Current Assets							
Biological assets	5	-	-	-	-	3 717	3 717
Investment property	4	-	-	-	-	851 354	851 354
Property, plant and equipment	3	-	-	-	-	531 831	531 831
Intangible assets	6	-	-	-	-	49	49
Investments in associates	8	79 794	-	-	-	-	79 794
		79 794	**-**	**-**	**-**	**1 386 951**	**1 466 745**
Current Assets							
Inventories	10	-	-	-	-	12 172	12 172
Trade and other receivables	11	-	87 331	-	-	8 298	95 629
Other asset 1		-	-	-	-	551	551
Cash and cash equivalents	12	-	46 336	-	-	-	46 336
		-	**133 667**	**-**	**-**	**21 021**	**154 688**
Total Assets		**79 794**	**133 667**	**-**	**-**	**1 407 972**	**1 621 433**
Equity and Liabilities							
Equity							
Equity Attributable to Equity Holders of Parent:							
Share capital	13	-	-	-	-	303 854	303 854
Reserves	13	-	-	-	-	333 478	333 478
Retained income	13	-	-	-	-	512 444	512 444
		-	**-**	**-**	**-**	**1 149 776**	**1 149 776**
Total Equity		**-**	**-**	**-**	**-**	**1 149 776**	**1 149 776**
Liabilities							
Non-Current Liabilities							
Other financial liabilities	15	-	-	38 082	-	-	38 082
Deferred income	18	-	-	-	-	123 352	123 352
		-	**-**	**38 082**	**-**	**123 352**	**161 434**
Current Liabilities							
Other financial liabilities	15	-	-	95 138	-	-	95 138
Current tax payable		-	-	-	-	761	761
Finance lease liabilities	16	-	-	-	90	-	90
Trade and other payables	17	-	-	214 234	-	-	214 234
		-	**-**	**309 372**	**90**	**761**	**310 223**
Total Liabilities		**-**	**-**	**347 454**	**90**	**124 113**	**471 657**
Total Equity and Liabilities		**-**	**-**	**347 454**	**90**	**1 273 889**	**1 621 433**

43. CATEGORIES OF FINANCIAL INSTRUMENTS (CONTINUED)

Categories of financial instruments - GROUP - 2017	Notes	Financial assets at fair value through profit or loss R'000	Debt instruments at amortised cost R'000	Financial liabilities at amortised cost R'000	Leases R'000	Equity and non financial assets and liabilities R'000	Total R'000
Assets							
Non-Current Assets							
Biological assets	5	-	-	-	-	2 619	2 619
Investment property	4	-	-	-	-	707 189	707 189
Property, plant and equipment	3	-	-	-	-	529 027	529 027
Investments in associates	8	69 104	-	-	-	-	69 104
		69 104	**-**	**-**	**-**	**1 238 835**	**1 307 939**
Current Assets							
Inventories	10	-	-	-	-	1 088	1 088
Trade and other receivables	11	-	64 032	-	-	5 716	69 748
Other asset 1		-	-	-	-	1 000	1 000
Cash and cash equivalents	12	-	84 333	-	-	-	84 333
		-	148 365	-	-	7 804	156 169
Total Assets		**69 104**	**148 365**	**-**	**-**	**1 246 639**	**1 464 108**
Equity and Liabilities							
Equity							
Equity Attributable to Equity Holders of Parent:							
Share capital	13	-	-	-	-	303 854	303 854
Reserves	13	-	-	-	-	311 563	311 563
Retained income	13	-	-	-	-	422 240	422 240
		-	**-**	**-**	**-**	**1 037 657**	**1 037 657**
Total Equity		**-**	**-**	**-**	**-**	**1 037 657**	**1 037 657**
Liabilities							
Non-Current Liabilities							
Other financial liabilities	15	-	-	20 000	-	-	20 000
Finance lease liabilities	16	-	-	-	90	-	90
Deferred income	18	-	-	-	-	123 298	123 298
		-	**-**	**20 000**	**90**	**123 298**	**143 388**
Current Liabilities							
Other financial liabilities	15	-	-	99 438	-	-	99 438
Current tax payable		-	-	-	-	767	767
Finance lease liabilities	16	-	-	-	507	-	507
Trade and other payables	17	-	-	165 245	-	17 053	182 298
Deferred income	18	-	-	-	-	53	53
		-	**-**	**264 683**	**507**	**17 873**	**283 063**
Total Liabilities		**-**	**-**	**264 683**	**597**	**141 171**	**426 451**
Total Equity and Liabilities		**-**	**-**	**264 683**	**597**	**1 178 828**	**1 464 108**

43. CATEGORIES OF FINANCIAL INSTRUMENTS (CONTINUED)

Categories of financial instruments - GROUP - 2017	Notes	Financial assets at fair value through profit or loss R'000	Debt instruments at amortised cost R'000	Financial liabilities at amortised cost R'000	Leases 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	-	-	-	-	273 354	273 354
		-	**-**	**-**	**-**	**980 568**	**980 568**
Current Assets							
Trade and other receivables	11	-	60 627	-	-	-	60 627
Accrued rental		-	-	-	-	1 044	1 044
Cash and cash equivalents	12	-	93 215	-	-	-	93 215
		-	**153 842**	**-**	**-**	**1 044**	**154 886**
Total Assets		**-**	**153 842**	**-**	**-**	**981 612**	**1 135 454**
Equity and Liabilities							
Equity							
Equity Attributable to Equity Holders of Parent:							
Share capital	13	-	-	-	-	303 854	303 854
Reserves	13	-	-	-	-	300 826	300 826
Retained income	13	-	-	-	-	245 923	245 923
		-	**-**	**-**	**-**	**850 603**	**850 603**
Total Equity		**-**	**-**	**-**	**-**	**850 603**	**850 603**
Liabilities							
Non-Current Liabilities							
Deferred income	18	-	-	-	-	121 389	121 389
Current Liabilities							
Other financial liabilities	15	-	-	105 100	-	-	105 100
Trade and other payables	17	-	-	58 362	-	-	58 362
		-	**-**	**163 462**	**-**	**-**	**163 462**
Total Liabilities		**-**	**-**	**163 462**	**-**	**121 389**	**284 851**
Total Equity and Liabilities		**-**	**-**	**163 462**	**-**	**971 992**	**1 135 454**

43. CATEGORIES OF FINANCIAL INSTRUMENTS (CONTINUED)

Categories of financial instruments - COMPANY - 2017	Notes	Financial assets at fair value through profit or loss R'000	Debt instruments at amortised cost R'000	Financial liabilities at amortised cost R'000	Leases R'000	Equity and non financial assets and liabilities R'000	Total R'000
Assets							
Non-Current Assets							
Investment property	4	-	-	-	-	894 954	894 954
Property, plant and equipment	3	-	-	-	-	281 333	281 333
		-	**-**	**-**	**-**	**1 176 287**	**1 176 287**
Current Assets							
Trade and other receivables	11	-	82 176	-	-	7 966	90 142
Accrued rentals		-	-	-	-	551	551
Cash and cash equivalents	12	-	43 900	-	-	-	43 900
		-	**126 076**	**-**	**-**	**8 517**	**134 593**
Total Assets		**-**	**126 076**	**-**	**-**	**1 184 804**	**1 310 880**
Equity and Liabilities							
Equity							
Equity Attributable to Equity Holders of Parent:							
Share capital	13	-	-	-	-	303 854	303 854
Reserves	13	-	-	-	-	322 054	322 054
Retained income	13	-	-	-	-	354 308	354 308
		-	**-**	**-**	**-**	**980 216**	**980 216**
Total Equity		**-**	**-**	**-**	**-**	**980 216**	**980 216**
Liabilities							
Non-Current Liabilities							
Deferred income	18	-	-	-	-	123 352	123 352
Current Liabilities							
Other financial liabilities	15	-	-	93 216	-	-	93 216
Trade and other payables	17	-	-	114 091	-	-	114 091
		-	**-**	**207 307**	**-**	**-**	**207 307**
Total Liabilities		**-**	**-**	**207 307**	**-**	**123 352**	**330 659**
Total Equity and Liabilities		**-**	**-**	**207 307**	**-**	**1 103 568**	**1 310 875**

43. CATEGORIES OF FINANCIAL INSTRUMENTS (CONTINUED)

Categories of financial instruments - COMPANY - 2015	**Notes**	**Financial assets at fair value through profit or loss R'000**	**Debt instruments at amortised cost R'000**	**Financial liabilities at amortised cost R'000**	**Leases R'000**	**Equity and non financial assets and liabilities R'000**	**Total R'000**
Assets							
Non-Current Assets							
Investment property	4	-	-	-	-	750 789	750 789
Property, plant and equipment	3	-	-	-	-	267 355	267 355
		-	**-**	**-**	**-**	**1 018 144**	**1 018 144**
Current Assets							
Trade and other receivables	11	-	61 087	-	-	5 716	66 803
Accrued rental		-	-	-	-	1 000	1 000
Cash and cash equivalents	12	-	81 934	-	-	-	81 934
		-	**143 021**	**-**	**-**	**6 716**	**149 737**
Total Assets		**-**	**143 021**	**-**	**-**	**1 024 860**	**1 167 881**
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	-	-	-	-	238 872	238 872
		-	**-**	**-**	**-**	**843 963**	**843 963**
Total Equity		**-**	**-**	**-**	**-**	**843 963**	**843 963**
Liabilities							
Non-Current Liabilities							
Deferred income	18	-	-	-	-	123 298	123 298
Current Liabilities							
Other financial liabilities	15	-	-	98 128	-	-	98 128
Trade and other payables	17	-	-	102 440	-	-	102 440
Deferred income	18	-	-	-	-	53	53
		-	**-**	**200 568**	**-**	**53**	**200 621**
Total Liabilities		**-**	**-**	**200 568**	**-**	**123 351**	**323 919**
Total Equity and Liabilities		**-**	**-**	**200 568**	**-**	**967 314**	**1 167 882**

43. CATEGORIES OF FINANCIAL INSTRUMENTS (CONTINUED)

Categories of financial instruments - COMPANY - 2015	Notes	Financial assets at fair value through profit or loss R'000	Debt instruments at amortised cost R'000	Financial liabilities at amortised cost R'000	Leases 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	-	-	-	--	273 354	273 354
		-	**-**	**-**	**--**	**980 568**	**980 568**
Current Assets							
Trade and other receivables	11	-	60 627	-	-	-	60 627
Accrued rental		-	-	-	-	1 044	1 044
Cash and cash equivalents	12	-	93 215	-	-	-	93 215
		-	**153 842**	**-**	**-**	**1 044**	**154 886**
Total Assets		**-**	**153 842**	**-**	**-**	**981 612**	**1 135 454**
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	-	-	-	-	245 515	245 515
		-	**-**	**-**	**-**	**850 606**	**850 606**
Total Equity		**-**	**-**	**-**	**-**	**850 606**	**850 606**
Liabilities							
Non-Current Liabilities							
Deferred income	18	-	-	-	-	121 389	121 389
Current Liabilities							
Other financial liabilities	15	-	-	58 359	-	-	58 359
Trade and other payables	17	-	-	105 100	-	-	105 100
Deferred income	18	-	-	-	-	53	53
		-	**-**	**163 459**	**-**	**53**	**163 512**
Total Liabilities		**-**	**-**	**163 459**	**-**	**121 442**	**284 901**
Total Equity and Liabilities		**-**	**-**	**163 459**	**-**	**972 048**	**1 135 507**

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 & 16, 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.

	COMPANY		
Financial risk management	**2017 R'000**	**2016 R'000**	**2015 R'000**
Liquidity risk	-	-	-
Total equity	-	-	-

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 are 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 repayments, 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 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	**2017 R'000**	**2016 R'000**	**2015 R'000**	**2017 R'000**	**2016 R'000**	**2015 R'000**
	(954)	(46)	(617)	954	46	617
	(954)	(46)	(617)	954	46	617
	-	-	-	-	-	-
Company						
	(315)	(696)	(617)	315	696	617
	(315)	(696)	(617)	315	696	617
	-	-	-	-	-	-

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 guarantees 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	**2017 R'000**	**2016 R'000**	**2015 R'000**	**2017 R'000**	**2016 R'000**	**2015 R'000**
Trade and other receivables	95 629	69 748	60 627	90 142	66 803	60 627
Cash and cash equivalents	46 336	84 333	93 215	43 900	81 934	93 215
Accrued Rental	551	1 000	1 044	551	1 000	1 044

Price risk

The group is not exposed to price risk since no listed securities are held and it has no financial assets available for sale.

Currency risk

The group only operates locally and therefore is not exposed to currency risk.

NOTES