

ANNUAL REPORT 2015•16



SANBI

Biodiversity for Life

South African National Biodiversity Institute





The Meerkat (Suricata suricatta)

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FOREWORD BY THE MINISTER

Ms BEE Molewa, MP
Minister of Environmental Affairs

” We recognise
the critical role
that SANBI plays in
community upliftment,
employment creation
and the nurturing of
our valuable natural
landscape.

I am pleased to present the South African National Biodiversity Institute's (SANBI) 2015/16 Annual Report.

SANBI is a public entity under the Department of Environmental Affairs (DEA), and derives its mandate from the National Environmental Management: Biodiversity Act, 2004 (Act No. 10 of 2004) (NEMBA).

It provides invaluable science-based support to the environment sector in general, and the Department of Environmental Affairs in particular, so that we make sound science-based policy decisions to protect and conserve our country's natural assets.

The year under review marked the first decade since the founding of SANBI.

As an autonomous, state-funded organisation, SANBI's mission is to champion the conservation, sustainable use, appreciation and enjoyment of South Africa's exceptionally rich biodiversity for all people.

This year saw the discovery, description and publication of a new species of *Acanthopsis* (*Acanthaceae*) from the Northern Cape. The classification of these plants is poorly understood, which makes this discovery and description an important contributor to the knowledge of the *Acanthopsis* species.

Among the key achievements in the past year has been the publication of the *Plant taxonomic capacity in South Africa* which profiles the competencies for plant taxonomic research in South Africa and allows for development of appropriate partnerships and collaborations necessary for SANBI to achieve its mandate.

A new publication *Gardens for the Nation: 1994–2014* was completed for the Division and published as number 27 in the SANBI Biodiversity Series.

The publication outlines the contribution SANBI's national botanical gardens have made in serving and supporting South Africa's social and economic development for the first 20 years of the country's democracy, from 1994 to 2014.

SANBI also published strategies that identify gaps and provide priority areas and focus for the foundational biodiversity research in South Africa. SANBI had led the process of developing the *Strategy for Plant Taxonomic Research in South Africa 2015–2020* in line with its mandate to co-ordinate and promote the taxonomy of South Africa's biodiversity.

This Strategy builds on the imperatives of the *Biosystematics Research Strategy for the Algae, Animals, Bacteria and Archaea, Fungi and Plants of South Africa 2013–2018*.

The Groen Sebenza Programme, which was directed at addressing the shortage of skilled professionals in the biodiversity field, officially came to an end in December 2015 after two and a half years of implementation.

A total of 955 previously unemployed young graduates were recruited, skilled and mentored by 44 partner institutions to prepare them for formal employment. As a contributor to the eradication of unemployment amongst young people in our country, this programme proved so popular that the initial target of reaching 800 pioneers was exceeded.

During the two-year contract, the pioneers, as they became known, acquired valuable work experience required by employers. It also provided for their socio-economic needs and goals, including funding the completion of their studies, supporting the education of sibling and in fulfilling other breadwinner responsibilities.

SANBI's Human Capital Development is mainly delivered through GreenMatter as part of the National Biodiversity human capital development Strategy 2010–2030.

This programme is being jointly-led by SANBI and the Lewis Foundation and focuses on high-level skills development for improved biodiversity management and the transformation of the sector. GreenMatter has grown its Fellowship programme in support of 76 Masters, PhD and Professional Development students since 2012.

In 2015, the WWF-Nedbank Green Trust came on board to fund the development of 20 emerging leaders in the Professional Development category, while the Mapula Foundation has continued its support for developing research capacity for Biosphere Reserves in South Africa.

I am proud to note that SANBI has once again received an unqualified audit – this time for the 2014/15 financial year.

We recognise the critical role that SANBI plays in community upliftment, employment creation and the nurturing of our valuable natural landscape.

In September 2016 South Africa will host the 17th meeting of the Conference of Parties (COP17) to the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).

The nation continues to rely on the very important work of The Scientific Authority, which is led by SANBI, to provide input on science-based evidence that will be key to the successful hosting of this pre-eminent event on South African soil.

I want to reinforce our commitment to upholding the Institution's primacy in both South Africa and throughout the continent. The continued hard work and commitment of SANBI Management and staff to the success and sustainability of the Institute is appreciated by all South Africans. We are proud to say that we hold our natural resources in trust for current and future generations.

This SANBI 2015/16 Annual Report complies with all statutory reporting requirements of the Public Finance Management Act (PFMA) as well as National Treasury Regulations.



Ms BEE Molewa, MP

Minister of Environmental Affairs



Portfolio Committee and SANBI Board, Kirstenbosch

A close-up photograph of a Protea flower. The flower features a central cluster of numerous long, white stamens with yellowish tips, radiating from a central point. Surrounding this central cluster are several smaller, rounded flower buds. These buds have a reddish-brown, spiky appearance. The background is a soft, out-of-focus green, suggesting foliage. The overall composition is a detailed macro shot of the flower's reproductive parts.

GENERAL INFORMATION

GENERAL INFORMATION

Name:	South African National Biodiversity Institute
Head office address:	2 Cussonia Avenue, Brummeria, Pretoria, 0002
Postal address:	Private Bag X101, Silverton, 0184
Contact telephone number:	012 843 5200
Email address:	l.ralepeli@sanbi.org.za
Website address:	www.sanbi.org
External auditor:	Auditor-General of South Africa, 17 Park Lane Building, Park Lane, Century City
Bank:	Nedbank, 135 Rivonia Road Sandown, Sandton, 2196
Board Secretary:	Ms Lebogang Ralepeli

ABBREVIATIONS/ACRONYMS

ABC	African Biodiversity and Conservation
AFS	Annual Financial Statements
AGSA	Auditor-General of South Africa
ARC	Agricultural Research Council
ASB	Accounting Standards Board
AWARD	Association for Water and Rural Development
BGIS	Biodiversity GIS
BHL	Biodiversity Heritage Library
CBD	Convention on Biological Diversity
CEPF	Critical Ecosystems Partnership Fund
CITES	Convention on International Trade in Endangered Species of Wild Flora and Fauna
CSIR	Council for Scientific and Industrial Research
DAFF	Department of Agriculture, Forestry and Fisheries
DBSA	Development Bank of Southern Africa
DEA	Department of Environmental Affairs
DHET	Department of Higher Education and Training
DOA	Delegations of Authority
DRDLR	Department of Rural Development and Land Reform
DST	Department of Science and Technology
DUCT	Duzi uMngeni Conservation Trust
DWS	Department of Water and Sanitation
DWS	Department of Water and Sanitation
EAP	Employee Assistance Programme
EbA	Ecosystem based Adaptation
ECPTA	Eastern Cape Parks and Tourism Agency
EE	Employment Equity
EKZNW	Ezemvelo KZN Wildlife
EMG	Environmental Monitoring Group
EPWP	Expanded Public Works Programme
EU	European Union
EWT	Endangered Wildlife Trust
EXCO	Executive Management Committee
FAO	Food and Agriculture Organization
FBIP	Foundational Biodiversity Information Programme

FEN	Freshwater Ecosystem Network
GBIF	Global Biodiversity Information Facility
GCF	Green Climate Fund
GEF	Global Environment Facility
GRAP	Generally Recognised Accounting Practice
HCD	Human Capital Development
HI	Host Institution
HOCC	Head of Cost Centre
ICT	Information and communication technology
IFRS	International Financial Reporting Standards
IIA	Institute of Internal Auditors
IPBES	Intergovernmental Platform on Biodiversity and Ecosystem Services
ISI	International Science Index
ISPPIA	International Standards for the Professional Practice of Internal Auditors
IRMSA	Institute of Risk Management of South Africa
IUCN	International Union for Conservation of Nature
JERA	Joint Ethno-botanical Research Advocacy – Uganda
King III	King Code of Governance Principles and King Report on Governance
LEDET	Limpopo Department of Economic Development, Environment and Tourism
LRBSI	Land Reform and Biodiversity Stewardship Initiative
MoA	Memorandum of Agreement
MPA	Marine Protected Area
MPA	Phakisa Marine Protected Area
MPAH	Maputaland-Pondoland-Albany Hotspot
MSB	Millennium Seed Bank
NBA	National Biodiversity Assessment
NBF	National Biodiversity Framework
NBG	National Botanical Garden
NBSAP	National Biodiversity Strategy and Action Plan
NCCRP	National Climate Change Response Policy



The African Fish Eagle (Haliaeetus vocifer)

NDF	Non-Detriment Finding	SANReN	South African National Research Network
NDT	National Department of Tourism	SAWS	South African Weather Service
NEMBA	National Environmental Management: Biodiversity Act	SBSTTA	Subsidiary Body on Scientific, Technical and Technological Advice
NEMLA	National Environmental Management Laws Amendment	SEA	Sustainable Energy Africa NPC
NGO	Non-Governmental Organisation	SEA	Strategic Environmental Assessment
NIE	National Implementing Entity	SIP	Strategic Integrated Project
NISA	National Invasive Species Assessment	SMME	Small, Medium and Micro Enterprise
NMMU	Nelson Mandela Metropolitan University	Stats SA	Statistics South Africa
NRF	National Research Foundation	SU	Stellenbosch University
NRM	Natural Resource Management	TMF	Table Mountain Fund
NTJF	National Treasury's Jobs Fund	TNC	The Nature Conservancy
PFMA	Public Finance Management Act	TOPS	Threatened or Protected Species
PNBG	Pretoria National Botanical Garden	TUT	Tshwane University of Technology
PPG	Project Preparation Grant	UCPP	Umzimvubu Catchment Partnership Programme
RESILIM	Resilience in the Limpopo Basin Programme	UCT	University of Cape Town
RMFPCom	Risk Management and Fraud Prevention Committee	UEIP	uMngeni Ecological Infrastructure Partnership
SAAB	South African Association of Botanists	UFS	University of the Free State
SAASTA	South African Agency for Science and Technology Advancement	UJ	University of Johannesburg
SACE	South African Council for Educators	UKZN	University of KwaZulu-Natal
SACN	South African Cities Network	UNEP	United Nations Environment Programme
SACN	South African Cities Network	UNEP-WCMC	United Nations Environment Programme – World Conservation Monitoring Centre
SAEON	South African Environmental Observatory Network	UNISA	University of South Africa
SAFMA	South African Facilities Management Association	UNIVEN	University of Venda
SAIAB	South African Institute of Aquatic Biodiversity	UP	University of Pretoria
SAICE	South African Institute of Civil Engineering	UWC	University of the Western Cape
SAISC	Southern African Institute of Steel Construction's	WCMC	World Conservation Monitoring Centre
SALGA	South African Local Government Association	WESSA	Wildlife and Environment Society of South Africa
SANBI	South African National Biodiversity Institute	WFO	World Flora Online
SANParks	South African National Parks	Wits	University of the Witwatersrand
		WRC	Water Research Commission
		WWF-SA	World Wildlife Fund – South Africa
		YWP-ZA	Young Water Professionals Network



CHAIRPERSON'S FOREWORD

Mrs ME Magomola
*Board Chairperson
South African National
Biodiversity Institute*

” All gardens offer a unique taste of South Africa’s rich biodiversity quietly tucked away in cities.

It is an honour for me to once again, as the Chairperson of the Board, present the South African National Biodiversity Institute’s (SANBI) Annual Report for the 2015/16 financial year.

SANBI is the only institution in South Africa mandated through the National Environmental Management: Biodiversity Act, 2004 (Act No. 10 of 2004) (NEMBA) to establish, manage, maintain and develop national botanical gardens, classified as ‘conservation gardens’.

Today, SANBI manages ten national botanical gardens in seven provinces, covering an area of over 7 500 ha and representing 25 of South Africa’s 440 vegetation types. All gardens offer a unique taste of South Africa’s rich biodiversity quietly tucked away in cities. The gardens’ rich biodiversity and natural environment include abundant plant species, birding spots, hiking trails, biking routes, restaurant facilities, bookshops and wedding venues. Whether you are seeking nature’s therapeutic scenery, want to walk a trail, an adventure fanatic, need a perfect venue for events or seek an educational tour – our gardens are the perfect place! SANBI continues to monitor and record animals in its national botanical gardens, i.e. the number of species of different faunal groups recorded in all SANBI’s ten gardens.

SANBI makes an important contribution to national development through ensuring that it is aligned with government priorities. We subscribe and contribute to the National Development Plan 2030, to eliminate poverty and reduce inequality. This we achieve by making a direct link between biodiversity and development. While SANBI contributes to a number of the critical actions outlined in the plan, it makes a specific contribution to Critical Action 7 regarding interventions to ensure environmental sustainability and resilience to future shocks.

I am pleased to report that our efforts and various initiatives have contributed towards maintaining an unqualified audit report and the rectification of the audit qualifications received in prior years. I would like to thank the Office of the Auditor-General and the National Treasury for their commitment and help in this regard.

Going forward, our approach with regard to the functioning of SANBI will continue to be based on tangible results and the practical impact of the efforts of the entity. We will continue to pursue this approach in order to realise our ambition.

The Board and I thank the Department of Environmental Affairs (DEA) for the confidence it displayed in SANBI during the period under review. We are particularly grateful to the Honourable Minister for Environmental Affairs, Ms Edna Molewa, for her support for the organisation and the activities it undertakes, her confidence in our abilities, her clear vision and ongoing commitment to championing the course of biodiversity. I also want to extend my grateful thanks and appreciation to each Board member for their oversight and commitment to ensuring the validity of SANBI’s strategic direction.



The King Protea (protea cynaroides)

I am pleased to be entrusted with a key role to strategically provide direction in this organisation and to guide the team in delivering on its mandate. I am particularly grateful to Dr Tanya Abrahamse, our Chief Executive Officer, and her staff for working hard in meeting their performance targets. Their professional attitude, coupled with the dedication demonstrated daily in executing the organisation's strategy and striving towards achieving our goals, is highly appreciated.

In conclusion, I take this opportunity to thank all those with whom SANBI interacts with for their generous support and reassurance.

Mrs ME Magomola

Board Chairperson

South African National Biodiversity Institute

BOARD OF DIRECTORS



Mrs ME Magomola
Board Chairperson



Dr T Abrahamse
Chief Executive Officer



Dr ST Cornelius



Mrs T Godongwana



Mr S Gounden



Dr JM Matjila



Mrs NN Mnqeta



Mrs BD Ngidi



Prof. B van Wilgen



Mrs S Mancotywa
DEA representative



Dr Y Seleti
DST representative

CHIEF EXECUTIVE OFFICER'S OVERVIEW



Dr Tanya Abrahamse
Chief Executive Officer

The South African National Biodiversity Institute (SANBI) guided by the SANBI Board, with the support of the Minister of Environmental Affairs, the Department of Environmental Affairs (DEA), and the hard work and dedication of management and staff, has performed well in the 2015/16 financial year. Sound management, execution of fiduciary duties, and high productivity have resulted in a 98% achievement of performance targets as set out in our approved Strategic Plan and Annual Performance Plan.

This performance figure indicates that SANBI has performed exceptionally well in all the areas of its mandate – including unlocking benefits of the national botanical gardens, providing scientific evidence to support policy and decision making, providing access to biodiversity information, developing tools to manage biodiversity better in the face of climate change and other threats, and driving human capital development for the biodiversity sector.

It is my privilege to lead such a high performing public entity that contributes to the success and well-being of our country and its citizens and our government's developmental values and goals, as set out in the National Development Plan 2030.

SANBI enjoyed another year of increased visitor numbers to our national botanical gardens (NBGs) network resulting in an increase in gate takings and own income. A 6% increase in visitor numbers and a 9% increase in income resulted. We are very proud that citizens and international travellers value our NBGs as 'windows' into the rich biodiversity of our country and are increasingly enjoying the leisure, educational and tourism experiences that our NBGs offer.

SANBI continues to be involved in relevant science in key areas, highlighting how our work contributes to sound policy and decision making and thus to our country's development goals. The financial year under review saw many of SANBI's existing projects and programmes yield concrete results, outputs and outcomes, as well as the advent of new projects on these foundations.

SANBI initiated a programme of work aimed at strengthening the uptake of biodiversity priorities into planning and land-use management by working with planning officials at district and local levels, with planned targeted projects aimed at demonstrating the value proposition of investing in ecological infrastructure towards service delivery and job creation.

SANBI continued to provide critical evidence and analysis in the development of the sustainable wildlife economy strategy. It is a leading participant in the biodiversity economy process and provided key support for the upcoming CITES COP. For example, South Africa is one of the global hotspots for threatened cycads, with 31% of South African cycads being classified as Critically Endangered, compared to the global average of 17%. SANBI's recommendations have aided the DEA in drawing up the soon to be released National Strategy and Action Plan for the Management of Cycads

We have been highly successful as South Africa's National Implementing Entity (NIE) of the Global Adaptation Fund, initiating pilot projects that demonstrate how we can 'climate-proof' our communities. Under the leadership and guidance of SANBI, projects

”It is my privilege to lead such a high performing public entity that contributes to the success of our country.

that are funded through the Adaptation Fund are in the implementation phase, with excellent support and leadership from the uMgungundlovu, Mopani and Namakwa district municipalities. These projects have a combined value of USD10 million and will support vulnerable communities in these areas to adapt to climate change in a number of spheres including agriculture, housing, livelihoods and disaster management.

SANBI will continue to contribute to key government initiatives such as the Operation Phakisa Ocean Economy Initiative. This initiative provided the opportunity for SANBI to display its wealth of relevant biodiversity data, to illustrate its partnership with key stakeholders in the sector and to ensure that marine biodiversity issues are mainstreamed into the economy and marine spatial planning. Our marine programme has secured R2 million through the African Coelacanth Ecosystem Programme to develop multi-disciplinary offshore research capacity and build the knowledge base to support improved understanding and management of the poorly studied outer shelf and shelf edge ecosystems of the Eastern Cape. This project will fall within a proposed Phakisa Marine Protected Area (MPA) and will contribute to the spatial analysis of this area. The implementation of an ocean economy intervention under the leadership of the DEA, with support from SANBI, is well under way as evidenced by the forthcoming Oceans Bill, the establishment of 22 offshore MPAs and support for aquaculture development, in partnership with the Department of Agriculture, Forestry and Fisheries.

SANBI continues to mobilise new and alternative sources of funding for its role in biodiversity science and policy advice. The Department of Science and Technology funding has supported our success in biodiversity information provision and some of our other work on climate change. Funding was received from the Global Adaptation Fund and the Global Environmental Fund to implement projects at local level. The willingness of both national and international funders to support SANBI projects is a clear endorsement of SANBI's reliability and ability to deliver results.

Skills and competencies in the biodiversity sector remain the biggest challenge to achieving our vision of biodiversity richness for all. In the year under review SANBI continued to prioritise human capital development both internally and externally.

To this end our innovative and high energy programme, Groen Sebenza showed remarkable success in nurturing over 950 unemployed young people, enabling them to take up careers in, contribute to and transform our sector. We were very pleased to work with over 44 biodiversity institutions and organisations to achieve this success. The Groen Sebenza pioneers who benefitted from the programme were mainly from rural areas and included graduates and matriculants. In addition to the pioneers, 350 mentors were trained through workshops and other engagements to strengthen their ability to mentor young people and assist the programme in reaching its objectives of working towards transformation of the sector and responding to the shortage of priority skills. Our thanks go to the National Treasury's Jobs Fund for its assistance and financial support. In my view, this project will have a long-lasting, positive impact on our sector and our country into the future.

SANBI's positive results for the 2015/16 financial year are due largely to the dedication of everyone with a passion for biodiversity and a desire to realise the growth of this vital sector in the economy of South Africa. I would like to extend SANBI's gratitude to the Minister of Environmental Affairs, Ms Edna Molewa, together with her executive team, for their confidence in SANBI and the support they have afforded us. I am grateful to the SANBI Board Chairperson, Ms Nana Magomola and the entire Board, for the vision and leadership they provide and for their uncompromising stance with regard to maintaining the highest standards of corporate governance, compliance and transformation.

To the SANBI Management team and staff, I extend my gratitude and appreciation for their unstinting support and team work, and for their drive and commitment to the achievement of our mandate and in overcoming barriers to success.

Last but not least, a heartfelt thanks to our partners in the biodiversity sector. Working together has helped to ensure that our amazing biodiversity is valued and enjoyed by all and will be conserved for the future.



Dr Tanya Abrahamse
Chief Executive Officer

EXECUTIVE MANAGEMENT



T Abrahamse
Chief Executive Officer



CH Mbizvo
*Head: Biodiversity
Science and Policy Advice*



L Sithole
*Chief Financial Officer:
Finance*



JS Donaldson
*Chief Director: Biodiversity
Research, Assessment and
Monitoring*



ME Khoahli
*Chief Corporate Officer:
Corporate Services*



KE Maze
*Chief Director:
Biodiversity Information
and Policy Advice*



MJ Netshiombo
*Chief Director: Human
Resources*



R Sebola
*Chief Director:
Biosystematics and
Collections*



CK Willis
*Chief Director:
Conservation Gardens
and Tourism*



L Dlamini
*Director: Marketing
and Communication*



V Malema
*Director: Biodiversity
Education and
Empowerment*



LV Ralepeli
*Director: CEO Office
and Board Secretary*

STRATEGIC OVERVIEW

Our vision

SANBI's vision is biodiversity richness for all South Africans.

Our mission

To champion the exploration, conservation, sustainable use, appreciation and enjoyment of South Africa's exceptionally rich biodiversity for all people.

Our values

SANBI is guided by the following organisational values which spell out "uGreat":

Ubuntu **u** Harnessing, caring, sharing and being in harmony with all of creation

Growth **G** Nurturing and empowering teams and individuals to grow and reach their true potential

Respect and Tolerance **r** Creating open, honest relationships built on trust, mutual respect, dignity and fairness AND valuing and accepting individuals and diversity

Excellence **e** Providing service excellence through passion and professionalism

Accountability **a** Taking pride and responsibility in our work and caring for our environment and communities

Togetherness **t** Through collaboration we change the world



Walter Sisulu NBG waterfall

LEGISLATIVE AND OTHER MANDATES

Legislative mandate

The South African National Biodiversity Institute was established as a juristic person in terms of Section 10(1) of the National Environmental Management: Biodiversity Act, 2004 (Act No. 10 of 2004). SANBI is a public entity in terms of Section 38(1) (m) of the Public Finance Management Act, 1999 (Act No. 1 of 1999), as amended. It is classified as a schedule 3A entity, i.e. one that will receive substantial support from the National Revenue Fund.

The National Environmental Management: Biodiversity Act stipulates that SANBI's purpose is to assist in achieving the objectives of the Biodiversity Act, which are as follows:

Chapter 1, Part 2 – Objectives of the Act

- (a) within the framework of the National Environmental Management Act, to provide for:
 - (i) the management and conservation of biological diversity within the Republic and of the components of such biological diversity;
 - (ii) the use of indigenous biological resources in a sustainable manner; and
 - (iii) the fair and equitable sharing among stakeholders of benefits arising from bio-prospecting involving indigenous biological resources;
- (b) to give effect to ratified international agreements relating to biodiversity, which are binding on the Republic;
- (c) to provide for co-operative governance in biodiversity management and conservation; and
- (d) to provide for a South African National Biodiversity Institute.

SANBI's mandate is derived from the following sections of the Act:

Chapter 2, Part 1, S11(1) – Functions

The Institute:

- (a) must monitor and report regularly to the Minister on:
 - (i) the status of the Republic's biodiversity;
 - (ii) the conservation status of all listed threatened or protected species and listed ecosystems; and
 - (iii) the status of all listed invasive species;
- (b) must monitor and report regularly to the Minister on the impact of any genetically modified
 - (i) organism that has been released into the environment including the impact on non-target;
 - (ii) organisms and ecological processes, indigenous biological resources and the biological;
 - (iii) diversity of species used for agriculture;

- (c) must act as an advisory and consultative body on matters relating to biodiversity to organs of state and other biodiversity stakeholders;
- (d) must co-ordinate and promote the taxonomy of South Africa's biodiversity;
- (e) must manage, control and maintain all national botanical gardens;
- (f) must manage, control and maintain:
 - (i) herbaria; and
 - (ii) collections of dead animals that may exist;
- (g) must establish facilities for horticulture display, environmental education, visitor amenities and research;
- (h) must establish, maintain, protect and preserve collections of plants in national botanical gardens and in herbaria;
- (i) may establish, maintain, protect and preserve collections of animals and micro-organisms in appropriate enclosures;
- (j) must collect, generate, process, co-ordinate and disseminate information about biodiversity and the sustainable use of indigenous biological resources and establish and maintain databases in this regard;
- (k) must allow, regulate or prohibit access by the public to national botanical gardens, herbaria and other places under the control of the Institute and supply plants, information, meals or refreshments or render other services to visitors;
- (l) must undertake and promote research on indigenous biodiversity and the sustainable use of indigenous biological resources;
- (m) must co-ordinate and implement programmes for:
 - (i) the rehabilitation of ecosystems; and
 - (ii) the prevention, control or eradication of listed invasive species;
- (n) must co-ordinate programmes to involve civil society in:
 - (i) the conservation and sustainable use of indigenous biological resources; and
 - (ii) the rehabilitation of ecosystems;
- (o) on the Minister's request, must assist him or her in the performance of duties and the exercise of powers assigned to the Minister in terms of this Act;
- (p) on the Minister's request, must advise him or her on any matter regulated in terms of this Act, including:
 - (i) the implementation of this Act and any international agreements affecting biodiversity which are binding on the Republic;
 - (ii) the identification of bioregions and the contents of any bioregional plans;
 - (iii) other aspects of biodiversity planning;
 - (iv) the management and conservation of biological diversity; and
 - (v) the sustainable use of indigenous biological resources;
- (q) on the Minister's request, must advise him or her on the declaration and the management of, and development in, national protected areas;
- (r) must perform any other duties:
 - (i) assigned to it in terms of this Act; or
 - (ii) as may be prescribed.



Free State NBG

Chapter 3, Part 2, S 48(3) – The Institute may:

- (a) assist the Minister and others involved in the preparation of the National Biodiversity Framework, a bioregional plan or a biodiversity management plan to comply with subsection (1); and
- (b) make recommendations to organs of state or municipalities referred to in subsection (2); align their plans referred to in that subsection with the National Biodiversity Framework and any applicable bioregional plan.

Chapter 4, Part 3, S60

- (2) The Institute must provide logistical, administrative and financial support for the proper functioning of the Scientific Authority.

SANBI is also responsible for the following regulations in terms of NEMBA:

- Threatened or Protected Species Regulations
- Convention on International Trade in Endangered Species of Wild Fauna and Flora Regulations
- Draft Alien and Invasive Species Regulations.

Underpinning the successful implementation of the provisions of the Act is the submission of scientific evidence to support policy and decision-making relating to the conservation and management of biodiversity and the impacts of, and adaptation to, climate change.

Other mandates

Key priorities are also derived from official sources that identify issues with a high relevance to policy, such as, the National Biodiversity Strategic Action Plan (NBSAP) 2015–2025 the National Biodiversity Framework (NBF), government delivery agreements (Outcome 10), and other national priorities (e.g., wildlife trade, the green economy), and specific mandates such as provided by the White Paper on the National Climate Change Response Policy (NCCRP).

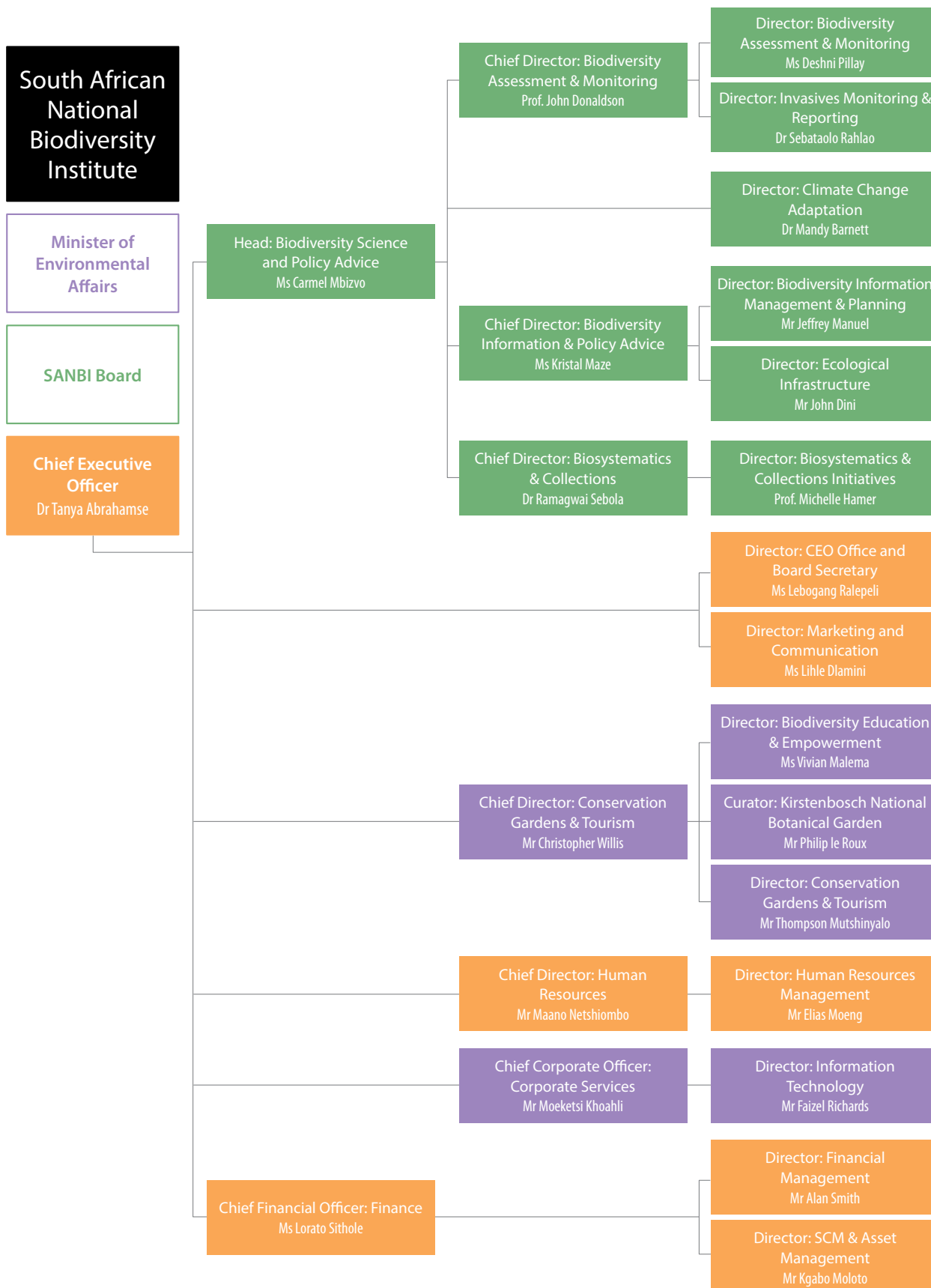
SANBI manages its human resources in line with the following legislation:

- National Environmental Management: Biodiversity Act, 2004 (Act No. 10 of 2004)
- Labour Relations Act, 1995 (Act No. 66 of 1995)
- Basic Conditions of Employment Act, 1997 (Act No. 75 of 1997)
- Employment Equity Act, 1998 (Act No. 55 of 1998)
- Skills Development Act, 1998 (Act No. 97 of 1998)
- Skills Development Levies Act, 1999 (Act No. 9 of 1999)
- The Use of Official Languages Act, 2012 (Act No. 12 of 2012).

The Institute also complies with the Public Finance Management Act, 1999 (Act No. 1 of 1999) and relevant Treasury regulations.



ORGANISATIONAL STRUCTURE



SANBI'S NETWORK OF PARTNERS

Collaborations with National Departments/Entities

Department of Agriculture, Forestry and Fisheries (DAFF)
Department of Environmental Affairs (DEA)
Department of Rural Development and Land Reform (DRDLR)
Department of Science and Technology (DST)
Department of Water and Sanitation (DWS)
Development Bank of SA (DBSA)
Expanded Public Works Programme (EPWP)
National Department of Tourism (NDT)
National Research Foundation (NRF)
South African Local Government Association (SALGA)
South African National Parks (SANParks)
South African Weather Service (SAWS)
Statistics South Africa (Stats SA)

Collaborations with Provincial Departments

CapeNature
Eastern Cape Department of Economic Development and Environmental Affairs
Eastern Cape Parks and Tourism Agency (ECPTA)
Ezemvelo KZN Wildlife (EKZNW)
Free State Department of Tourism, Environmental and Economic Affairs
Gauteng Department of Agriculture and Rural Development
Limpopo Department of Economic Development, Environment and Tourism (LEDET)
Mpumalanga Department of Agriculture, Rural Development, Land and Environmental Affairs
Mpumalanga Tourism & Parks Agency
North West Department of Agriculture, Conservation, Environment and Rural Development
Northern Cape Department of Environment and Nature Conservation
Western Cape Department of Environmental Affairs and Development Planning



*Spring flowers, Bokkeveld Plateau,
Northern Cape*

Collaborations with Municipalities

Cape West Coast Biosphere Reserve
Cape Winelands Municipality
City of Cape Town
City of Tshwane
Ekurhuleni Municipality
Ehlanzeni Municipality
eThekweni Municipality
Gamtoos Irrigation Board
Midvaal Municipality
Mopani District Municipality
Msunduzi Municipality
Nelson Mandela Bay Municipality
Nketoana Local Municipality
Setsoto Local Municipality
uMgungundlovu District Municipality

Collaborations with Research Centres

Agricultural Research Council (ARC)
Albany Museum
Chrysalis Academy
Coaltech Research Association
Council for Geoscience
Council for Scientific and Industrial Research (CSIR)
Durban Natural Science Museum
Iziko Museums of SA
National Museum, Bloemfontein
National Zoological Gardens of South Africa
Nelson Mandela Metropolitan University (NMMU)
North-West University
Port Elizabeth Museum
Rhodes University
South African Environmental Observatory Network (SAEON)
South African Institute of Aquatic Biodiversity (SAIAB)
South African Medical Research Council
South African Wildlife College
South African Agency for Science and Technology Advancement (SAASTA)
Stellenbosch University (SU)
The KwaZulu-Natal Museum
Tshwane University of Technology (TUT)
University of Cape Town (UCT)
University of Johannesburg (UJ)
University of KwaZulu-Natal (UKZN)
University of Pretoria (UP)
University of South Africa (UNISA)
University of the Free State (UFS)
University of the Western Cape (UWC)
University of the Witwatersrand (Wits)
University of Venda (UNIVEN)
Water Research Commission (WRC)

Collaborations with Non-Governmental Organisations/Businesses

Adaptation Network
Association for Water and Rural Development (AWARD)
BirdLife South Africa
Botanical Society of SA
Conservation South Africa
Duzi uMngeni Conservation Trust (DUCT)
Endangered Wildlife Trust (EWT)
Environmental Monitoring Group (EMG)
Forestry South Africa
Gondwana Alive
GreenMatter
Groundtruth
ICLEI – Local Governments for Sustainability
Indigo Development and Change
Institute of Natural Resources
Isimangaliso Wetland Park Authority
Kwelera Nature Reserve Proprietary Limited
Livinglands
NCC – Environmental Services
NCT Forestry Co-operative Ltd
Proteus Initiative
SANCCOB
SAPPI
South African Cities Network (SACN)
Sustainable Energy Africa NPC (SEA)
Table Mountain Fund (TMF)
The Garden Route Botanical Garden
The Wildlife and Environment Society of South Africa (WESSA)
Waterberg Biosphere Reserve
Wildlands Conservation Trust
World Wildlife Fund – South Africa (WWF-SA)

Collaborations with International Entities

Norwegian Environment Agency
United Nations Environment Programme
University of Exeter and Universite Pierre et Marie Curie
United Nations Development Programme
Global Environment Facility
UNEP World Conservation Monitoring Centre
UN Statistics Division
JRS
Critical Ecosystems Partnership Fund (CEPF)
Royal Botanical Gardens – Kew
Joint Ethno-botanical Research Advocacy – Uganda (JERA)
International Union for Conservation of Nature (IUCN)



PERFORMANCE INFORMATION

PROGRAMME 1

Render effective and efficient corporate services

PURPOSE: *This programme is designed to ensure that SANBI is effective, efficient, and accountable and responds successfully to changing conditions.*

Objective statements

- SANBI is positioned as an employer of choice in the biodiversity sector.
- Implement effective, efficient and transparent supply chain and financial management systems as required by the PFMA.
- Effective corporate services rendered to achieve the mandate of SANBI.
- Effective communication and technology support services through enhanced communication and technology infrastructure.
- Effective marketing and communication services delivered to internal and external stakeholders.

Key performance areas

Human Resources

Finance

Information and Communication Technology

Marketing and Communication

Programme performance

Enterprise risk management

To align with policy compliance requirements, risk assessment workshops were conducted and a Risk Register was compiled and presented to the Audit and Risk Committee for further discussion and input. The Audit and Risk Committee recommended the inclusion of risks associated with adverse climate conditions that could affect SANBI. The identified risks were tabled with the Board during the Board Lekgotla.

Further emerging risks were identified by Management, analysed and rated for inclusion in the Risk Register. These were also approved by the Board and the comprehensive Risk Register was captured on the BarnOwl system. Action plans are being updated by the risk owners for monitoring.

” The Pretoria NBG was nominated as one of the best gardens in South Africa.

The Board identified the following three risks as part of the top enterprise-wide strategic risks:

- Fire hazard for buildings and horticultural/herbarium collections in national botanical gardens (NBGs)
- Disruption of SANBI's services due to electricity shortages
- Negative impact on horticultural collections in the gardens due to water shortages.

In addition to the above, the Auditor-General identified specific emerging risks facing SANBI, which are currently being addressed.

Event and facilities management highlights

- SANBI enrolled and is registered with the South African Facilities Management Association (SAFMA) for facilities management for benefits such as professionalisation, accreditation, networking and information sharing.
- SANBI enrolled and registered with the Institute of Risk Management of South Africa (IRMSA) for risk management support and resources.
- Pretoria National Botanical Garden (PNBG) was nominated as one of the best gardens in South Africa.
- SANBI received the Tourism Grading in terms of the Tshwane Tourism Council.
- The Facilities Management Unit converted the electricity payment system to a prepaid system for ease of budgeting and payment.

Professional development 2015/16

1 Kirstenbosch Scholar

24 Work-integrated learning students

48 Employee bursaries (ranging from Grade 12 to Doctoral studies)

Studentships:

7 Honours / **27** Masters / **13** PhD

13 Post-doctoral fellows

41 Interns

Human resources

During the year under review the Human Resources Division continued to implement the Human Resources and Transformation Strategy. Two of the strategic areas of this strategy focus on building the talent pipeline and growing talent and skills, which includes the development and implementation of career ladders for critical positions. The career ladder for horticulturists was implemented in the year under review, with the first assessment of portfolios in October 2015. The total number of qualifying horticulturists on the career ladder is 19. The total number of scientists on the career ladder is 42. The year under review saw an increase in the uptake of bursaries towards Master's and Doctoral degrees from employees on these career ladders.

SANBI's approved Employment Equity Plan is aimed at ensuring employment equity and eliminating barriers that have a negative impact on the attraction, development and retention of employees, particularly from designated groups.

SANBI's Employee Health and Wellness Programme focuses on HIV/AIDS and Tuberculosis Management; Health and Productivity Management; and Wellness Management. All permanent and contract employees and their respective family members have access to the Employee Assistance Programme (EAP) on a 24/7 basis.

Employee profile (as at 31 March 2016) – Permanent and contract workers

Race/Gender	African Male	African Female	Coloured Male	Coloured Female	Indian Male	Indian Female	White Male	White Female	TOTAL
Number	266	147	89	72	4	9	33	65	685
Percentage	38.8%	21.5%	13.0%	10.5%	0.6%	1.3%	4.8%	9.5%	100%

New appointments (1 April 2015 – 31 March 2016)

Race/Gender	African Male	African Female	Coloured Male	Coloured Female	Indian Male	Indian Female	White Male	White Female	TOTAL
Number	26	20	2	3	0	1	0	1	53
Percentage	49%	37.7%	3.8%	5.7%	0%	1.9%	0%	1.9%	100%

Marketing and Communication

The Marketing and Communication Directorate is responsible for championing organisational initiatives and programmes aimed at increasing brand recognition, driving communication and building a positive image for the brand and the organisation.

During the year under review, the directorate leveraged events and partnerships with other entities, significantly increasing awareness of both SANBI and its offerings amounting to R7 406 000 worth of coverage. Specialist programmes undertaken with the media enabled the generation of extensive coverage throughout the country and internationally amounting to R486 000 and R6 920 00 coverage respectively. This was enhanced through one-on-one engagements with the media through the organisation's hosting programme, where targeted media representatives were able to visit the gardens as guests. Identifying special days, such as Valentine's Day, competitions were run which resulted in consumers winning prizes such as a day at the garden with their loved ones.

To contribute towards a happy and motivated workforce, quarterly newsletters were produced for all members of staff, which together with the CEOs letters to staff enabled the Chief Executive Officer to provide an overview of the activities undertaken throughout the review period. The internal communication programme ensured that all members of staff were engaged, involved and informed about the organisation and its activities and included in the execution of key programmes.

A large element of the directorate's effort lies in driving media engagement and coverage. During the 2015/16 financial year, hundreds of millions of rand's worth of coverage was secured through both electronic and print media nationally and internationally. In addition to the compilation and distribution of media statements and the securing of interview opportunities, media hosting was introduced during the year to proactively engage with the media by enabling them to experience what the ten national botanical gardens have to offer. The objective was to highlight the diversity of experiences that may be enjoyed at the national botanical gardens.

Various other platforms within the country were used to engage with the media and stakeholders. These included the leveraging of opportunities, brand associations, partnerships and support from influential media personalities, as well as opportunities emanating from events, campaigns, activations, exhibitions, concerts and trade shows. The resultant increase in the number of visitors to the national botanical gardens is an indication of the increased awareness of the gardens generated and growth in terms of footprint and income.

Given the need to develop the image of SANBI, the directorate uses both print and electronic media to generate publicity regarding the organisation, its role and its offerings, as well as the attributes of the national botanical gardens. Because SANBI encourages hosted media representatives to explore and experience the gardens and then compile independent reports and programmes for dissemination to their readers, listeners, followers and viewers, this media exposure is invariably positive, and enjoys credibility in the market. The method proved extremely successful, with the gardens receiving extensive and gratifying coverage in the media during the 2015/16 financial year.

”During the 2015/16 financial year, hundreds of millions of rand's worth of coverage was secured through both electronic and print media nationally and internationally.



Coastal dune forest, Kwelera NBG

Information and Communication Technology

King Code of Governance Principles and King Report on Governance (King III) emphasises the growing importance of information technology in modern organisations, to such a degree that it makes the Board responsible for ICT governance. Like in most organisations, ICT has become inexorable at SANBI and is an integral part of the business and is fundamental in supporting, sustaining and growing the business. In line with its ICT Governance Framework, SANBI manages the risks, benefits and constraints of ICT, and, as a result, Executive Management understands the strategic importance of ICT and assumes responsibility for the governance thereof. Given the capacity constraints within the organisation, SANBI appointed EHO Mthombo (Pty) Ltd as an external ICT service provider.

The broad ICT services provided during the year included:

- Service desk management
- Desktop management
- Server management administration
- Network administration and maintenance, which encompasses wide and local area networks
- Intranet and internet management
- E-mail management and administration
- IT architecture management
- ICT continuity management
- Website management.

SANBI continued with the implementation of its broadband South African National Research Network (SANReN) network project to improve internal and external connectivity at all its national centres. SANReN is a high-speed electronic communications network that is being deployed in South Africa. During the reporting period, an optic fibre access network was procured, commissioned and installed. This network allows for better browsing speed and better connectivity to all SANBI sites.



The 'Boomslang' walkway, Kirstenbosch NBG

PROGRAMME 2

Manage and unlock benefits of the network of national botanical gardens

PURPOSE: *This programme is designed to ensure the effective management, maintenance and development of South Africa's network of national botanical gardens.*

Objective statements

- A world-class network of national botanical gardens are managed.
- Revenue generating activities are strengthened in all national botanical gardens.

Key performance areas

Number of maintenance and/or development projects completed across South Africa's national botanical gardens

Number of new national botanical gardens established and operational

Increased representation of indigenous plants in the living collections of South Africa's national botanical gardens and/or Millennium Seed Bank, Kew, UK

Percentage own income and visitor numbers increased through expanded and more effective revenue generating activities in national botanical gardens

Programme performance

South Africa's network of national botanical gardens (NBGs) continued to be consolidated and expanded through the appointment of eight staff members to manage, maintain and develop the new Kwelera National Botanical Garden in East London, in partnership with the Eastern Cape Parks and Tourism Agency (ECPTA). All eight staff members were appointed from other SANBI Campuses, and included Groen Sebenza pioneers and Expanded Public Works Programme (EPWP) workers. Phase 2 of the establishment of the Kwelera NBG was initiated with the transfer of 10.48 ha of land adjacent to the Kwelera NBG from Kwelera Nature Reserve (Pty) Ltd to SANBI, and registered in the King William's Town Deeds Registry. Receipt of the title deed and proclamation of the land as part of the Kwelera NBG by the Minister of Environmental Affairs is expected in the new financial year. A Memorandum of Agreement (MoA) was signed between SANBI and the Limpopo Department of Economic Development, Environment and Tourism (LEDET) for the establishment of a new NBG in the Limpopo Province.

”Led by Kirstenbosch, South Africa's NBGs received the highest number of visitors ever and generated their highest own income since the establishment of the network more than 102 years ago.



Tourism INDABA, Durban



Cultural Diversity, KwaZulu-Natal NBG

Led by Kirstenbosch, South Africa's NBGs received the highest number of visitors ever and generated their highest own income since the establishment of the network more than 102 years ago. The new Tree Canopy Walkway, commonly known as the 'Boomslang', a Kirstenbosch Centenary (2013) Legacy Project, continued to receive national awards. These included:

- First prize in the Western Cape Regional Award for Excellence in Civil Engineering by the South African Institute of Civil Engineering (SAICE)
- A Silver Loerie Award in the category 'Three Dimensional and Environmental Design Architecture' at the 37th Annual Loerie Awards that took place at Durban's ICC
- First prize in the national 'Bridge Category' at the Southern African Institute of Steel Construction's (SAISC) Steel Awards 2015.

For the second year in succession in its 102-year history, Kirstenbosch received more than a million visitors. Kirstenbosch's popularity as a nature-based attraction for tourists further reflected in it being ranked second in the 212 things to do in Cape Town Central (with Table Mountain National Park in first position) on www.tripadvisor.co.uk. Kirstenbosch exhibited at the RHS Chelsea Flower Show in London for the 40th time in May 2015. The exhibit, titled *South Africa in Bloom 40 years at the Chelsea Flower Show* was awarded its 6th Silver Gilt Medal.

A new publication *Gardens for the Nation: 1994–2014*, was completed for the division and published as number 27 in the *SANBI Biodiversity Series*. The publication outlines the contribution SANBI's national botanical gardens have made in serving and supporting South Africa's social and economic development in the first 20 years of the country's democracy, from 1994 to 2014.

The combined number of visitors to all national botanical gardens for the year totalled 1 915 799 which was 6% higher than in the previous financial year (1 813 019) and the highest annual visitor number ever achieved by SANBI's network of gardens. Visitor numbers for the financial year increased year-on-year in the following gardens: Free State, Harold Porter, Karoo Desert, Pretoria and Walter Sisulu NBGs. Historically best ever visitor numbers were received by the following gardens: Free State, Pretoria and Walter Sisulu NBGs. These numbers are largely attributable to promotion events (including concerts, community markets, park runs, boot camps, exhibitions/plant fairs and weddings) and use of the gardens by tourists, members of the public and various interest groups. Night runs were successfully hosted for the first time in the Pretoria and Walter Sisulu NBGs. Old Mutual continued its sponsorship of concerts in the Pretoria and Walter Sisulu NBGs.

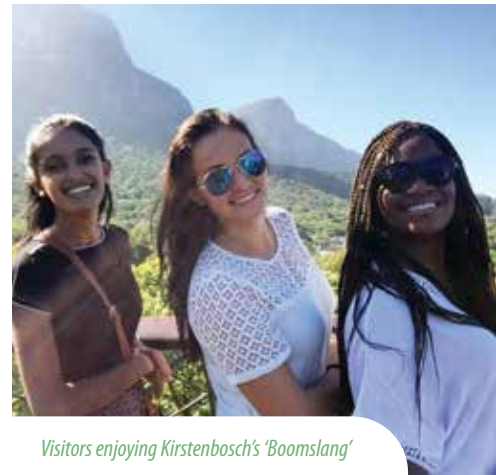
An income of R74 094 740 was generated by all NBGs combined for the 2015/16 financial year, representing a 7% year-on-year increase (2014/15 equivalent R69 171 784). This represents the highest own income amount ever earned in the history of South Africa's NBGs. The Kirstenbosch Summer Sunset Concert Series, which included four international concerts, was attended by 133 061 visitors and generated an income of R15 328 060. More than 260 different headline artists or groups, including several international artists, have performed at the Kirstenbosch Summer Sunset Concert Series since it started in 1993.

Good progress continued to be made in the implementation of SANBI's DEA-funded Infrastructure Programme, with significant investment being made into improving and refurbishing the organisation's buildings (including offices, education centres, staff facilities, guest houses, and restaurants/tea rooms), related infrastructure (such as roads, pathways, parking areas, security infrastructure, bridges, irrigation and sewerage systems), information technology infrastructure, as well as research equipment and vehicle recapitalisation. Since the start of the three-year Infrastructure Programme in 2013/14, 27 formal infrastructure and professional services-related tenders (valued at over R500 000 each) with a combined value of R115 962 505 have been processed. Altogether, 59 appointments below the value of R500 000 have been made for the provision of professional services or minor construction works of infrastructure with a combined value of R10 928 577. By 31 March 2016, SANBI had spent or contractually committed R152 791 000 (99%) of its three-year R154 837 000 infrastructure budget (including interest) for the 2013/14 to 2015/16 years combined.

R8 879 339 has been spent over the past three years on procuring 35 new, more efficient and low-maintenance vehicles across SANBI, including sedans, tractors, bakkies, and trucks. In addition, research equipment to the value of R1 787 697 and IT-related infrastructure to the value of R9 684 616 have been provided. Major projects completed by the end of the financial year included the replacement of the Kirstenbosch Research Centre roof, upgrades to staff and workshop facilities in the KwaZulu-Natal NBG, upgrading of staff housing in the Karoo Desert NBG, construction of a new Visitor Centre at one of the entrances to the Lowveld NBG, a new lift for the National Herbarium, and upgrades and refurbishment to the Hantam NBG workshop and staff facilities.

Reconstruction of a pedestrian bridge and upgrading of staff facilities in the Walter Sisulu NBG; repairs, upgrading or replacement of fencing at the Pretoria NBG, Walter Sisulu NBG and Lowveld NBG; and the installation of six standby emergency generators at the Pretoria Campus (including the Garden and the National Herbarium), are expected to be completed early in the new financial year. At Kirstenbosch, the 110 MgL irrigation dam will be re-lined in the 2016 winter season, while construction of a new and long-awaited administration building, replacing the temporary prefab structures that have been used as offices by SANBI's Kirstenbosch-based Human Resources, Finance and IT sections for the past 30 years, will also be started in 2016.

SANBI continued to host DEA-funded Expanded Public Works Programme (EPWP) projects in the Free State, KwaZulu-Natal, Pretoria and Walter Sisulu NBGs, providing temporary employment and opportunities for skills development to over 130 previously unemployed workers. Projects included improvement to boundary fencing, pathways, irrigation systems and tourism products, and the removal of alien invasive plants from the natural estates. By the end of the financial year, 16 EPWP workers who had worked in SANBI's gardens had been appointed into permanent or contract positions within or outside SANBI. Sixteen garden-based Groen Sebenza pioneers were appointed into permanent or contract positions within SANBI, while nine garden-based Groen Sebenza pioneers were appointed into permanent or contract positions outside SANBI.



Visitors enjoying Kirstenbosch's 'Boomslang'



Spotted Eagle-owl (*Bubo africanus*)



Upgraded staff housing, Karoo Desert NBG



Drumsticks (*Zaluzianskya villosa*)



Heritage Day celebrations, Pretoria

Twenty-six new one-year contracts (mostly for conservation workers, conservation horticulturists and estate conservation workers) for Groen Sebenza pioneers were signed for the gardens in late 2015, with most contracts scheduled to expire between October and December 2016.

The new Career Ladder for Horticulturists was officially launched during the year. All SANBI horticulturists (19) on the Career Ladder for Horticulturists completed their personal portfolios and were assessed by a SANBI Moderation Panel. The 29th Annual Garden Curators Week was held in the Karoo Desert National Botanical Garden in October 2015. Various garden staff participated in work-related training courses, SANBI's staff exchange programme, wellness day events and workshops through the year.

SANBI's relationship with South Africa's National Department of Tourism was strengthened through the signing of a formal MoA between the two organisations to enhance the tourism visitor experience in the Walter Sisulu NBG and install solar panels in the Karoo Desert, Hantam and Free State NBGs as part of the Department of Tourism's Renewable Energy Retrofitment Pilot Project.



Cape Crag Lizard (*Pseudocordylus microlepidotus*)



Best exhibition stall (Bloem Show)

Highlights

EIGHT NEW STAFF MEMBERS

Eight new SANBI staff members were appointed to manage the Kwelera National Botanical Garden in East London, Eastern Cape.

MEMORANDUM OF AGREEMENT SIGNED

A MoA was signed between LEDET and SANBI to guide collaboration in managing the new national botanical garden planned for the Limpopo Province.

GARDENS FOR THE NATION: 1994–2014

A new publication, *Gardens for the Nation: 1994–2014*, was completed for the division and published as number 27 in the *SANBI Biodiversity Series*.

INCREASE IN NBG INCOME

An income of R74 094 740 was generated by all NBGs combined for the 2015/16 financial year, representing a 7% year-on-year increase on the 2014/15 figure of R69 171 784.

CERTIFICATES OF EXCELLENCE ON TRIPADVISOR

Kirstenbosch, Walter Sisulu, Pretoria, Harold Porter and Lowveld NBGs all received Certificates of Excellence on TripAdvisor as attractions that consistently earn great reviews from travellers.

BOOMSLANG

The Tree Canopy Walkway or 'Boomslang' that opened to the public in Kirstenbosch in May 2014 continued to receive national awards in 2015.

OVER A MILLION VISITORS

The combined number of visitors to all national botanical gardens for the year totalled 1 915 799 which was 6% higher than the previous financial year (1 813 019).

SILVER GILT MEDAL

SANBI received its 6th Silver Gilt Medal at the 2015 RHS Chelsea Flower Show, UK.



Kwelera NBG's newly appointed staff members



Tourists visiting the 'Boomslang' walkway, Kirstenbosch NBG

KIRSTENBOSCH SUCCESS

For the second successive year, Kirstenbosch received more than a million visitors.

The Kirstenbosch Summer Concert Series, which included four international concerts, was attended by 133 061 visitors and generated an income of R15 328 060.

CAREER LADDER FOR HORTICULTURISTS

SANBI's new Career Ladder for Horticulturists was officially launched in 2015/16, aimed at recognising, attracting and retaining horticulturists to fulfil SANBI's mandate.

PROGRAMME 3

Build the foundational biodiversity science

PURPOSE: *To ensure that foundational information on species and ecosystems is generated and collated.*

Objective statement

To build the foundational biodiversity science.

Key performance areas

Develop and maintain national collections on biodiversity

Undertake, co-ordinate and lead biosystematics research

Clarify and map ecosystems

Programme performance

In line with the mandate to co-ordinate and promote the taxonomy of South Africa's biodiversity, SANBI led and co-ordinated the process of developing the Strategy for Plant Taxonomic research in South Africa 2015–2020, thus building on the imperatives of the Biosystematics Research Strategy for the Algae, Animals, Bacteria and Archaea, Fungi and Plants of South Africa 2013–2018. These publications identify gaps and provide priority areas and focus for foundational biodiversity research in South Africa. Notable achievements include the publication of the *Plant taxonomic capacity in South Africa*, which profiles the competencies for plant taxonomic research in South Africa and allows for development of appropriate partnerships and collaborations necessary to achieve the SANBI mandate.

Grasses are an important floristic element of the South African flora, and for many years botanists relied on field guides that were limited in scope to aid identification. This deficiency led to the compilation, over many years, of painstaking effort by leading grass taxonomists at SANBI, in collaboration with partners within and beyond South Africa, and publishing of a new updated book, *Grasses of Southern Africa*. This year also saw the discovery, description and publication of 20 new plant taxa by SANBI staff members.

The need for accessible biodiversity research collections is attested to by the increase once again in the number of visits to the national herbaria (NBG, NH, and PRE), which exceeded the target. This continues the trend over the past two years of rising visitor numbers accessing the collections and emphasises the growing interest in SANBI's plant specimen collections. The number of herbarium specimen 'loans' requested by researchers from all over the world, with more than 3 000 loan specimens processed, is also testimony to the growing interests and value shown in SANBI's herbarium collections. Efforts were made to develop standards and procedures for improved data and specimen quality management across SANBI's three herbaria.

” The need for accessible biodiversity research collections is attested to by the increase once again in the number of visits to the national herbaria.

Developing and strengthening human capacity efforts resulted in the completion of one honours degree and two doctoral degrees by staff who had been funded through SANBI bursaries. One scientist was awarded a National Research Foundation (NRF) Y rating. These efforts boost the scientific capacity of SANBI in foundational biodiversity information and knowledge generation. Participation and influence in scientific forums saw seven staff members (and many of their students) making oral and poster presentations at the annual South African Association of Botanists (SAAB) Conference; an invited speaker at the 150th celebration of the Bolus Herbarium and associated libraries; a presentation at the national stakeholder workshop on the compilation of the *Crop Wild Relatives checklist for South Africa*; participation in the World Flora Online (WFO) Partnership meetings; and the presentation of a joint proposal with the Royal Botanic Gardens, Kew and the New York Botanical Garden to the WFO Technical Working Group that was accepted and followed, to structure the prototype portal of the WFO.

SANBI co-ordinates the Foundational Biodiversity Information Programme (FBIP), which is funded through the Department of Science and Technology (DST). During the reporting period the FBIP received just over 100 research proposals for funding and working with the NRF, approximately R14 million in grants were awarded to a number of institutions to carry out taxonomic research and to provide data, such as DNA barcodes and databases of collection specimens. This was preceded by the FBIP Forum Meeting, with over 100 participants from 29 different South African institutions, including universities, museums, science councils and other research organisations. The aim was to develop and gain consensus on biodiversity information and data quality standards, including standards for DNA barcoding; species pages; and data on microbes (fungi and bacteria). This is an important mechanism towards the systematic collection and documentation of South Africa's flora and fauna, using all the expertise and competencies available in the country.



SANBI researcher examining a plant specimen using a compound stereo microscope



SANBI staff member digitising herbarium specimen labels



SANBI staff member presenting the zoological systematics presentation at the 100-year Mary Gunn Library Celebration



SANBI staff member explaining careers in biodiversity to learners



SANBI staff member examining plant specimen using a dissecting stereo microscope



Sasol Techno X Expo, August 2015, Secunda

Recognising the importance and critical role of herbarium and museum collections for biodiversity and the scientific community, and in line with SANBI's mandate, a proposal was developed to establish a Natural Science Collections Facility, with a co-ordinating hub based at SANBI. This was discussed and workshopped with the collections community before being submitted to the DST for funding.

In contribution to the Shale Gas Exploration Strategic Environmental Assessment, SANBI is leading the Karoo BioGaps Project in which scientists (botanical and zoological from inside and outside SANBI) are compiling data on animals, endemic and special plants and habitats in the Karoo region. This will be used in spatial planning and assessing possible impacts from shale gas exploration.

Highlights

STRATEGY FOR PLANT TAXONOMIC RESEARCH

Development and publication of the Strategy for Plant Taxonomic Research in South Africa 2015–2020.

GRASSES OF SOUTHERN AFRICA

Publication of a new book, *Grasses of Southern Africa*, to aid in the identification of grasses.

NEW PLANT SPECIES

Description of 13 new plant species and seven new subspecies.

NRF Y1 RATING

Dr Tsungai Zengeya, an aquatic biology scientist, was awarded a National Research Foundation (NRF) Y1 rating.

TWO DOCTORAL DEGREES

Ronell Klopper and Janine Victor were both awarded doctoral degrees from the University of Pretoria.



Herbarium staff members identifying specimens



Zoology Systematics team

PROGRAMME 4

Assess, monitor and report on the state of biodiversity and increase knowledge for decision-making

PURPOSE: *This programme generates and synthesises knowledge on the state of biodiversity through research, assessment and monitoring, building on the foundational information from Programme 3. These activities deepen the understanding of status and trends and of how changes in biodiversity link with other environmental changes to affect human wellbeing.*

Objective statements

- New biodiversity knowledge created for decision-making.
- Scientific evidence on the status of biodiversity (based on monitoring and assessment including that of biodiversity loss) and the risks and benefits, is produced.

Key performance areas

Research

Biodiversity assessments

Monitoring

Programme performance

A measure of SANBI's science outputs is the number of publications produced. The target of 80 publications was based on previous performance and took into consideration the retirement and resignation of several senior scientists. In the past, SANBI used only publications on the International Science Index (ISI) as an indicator but for 2015/16 the indicator was broadened to include all journals recognised by the Department of Higher Education and Training (DHET), to bring SANBI's reporting in line with that of universities. The original target of 80 ISI publications was slightly exceeded, with the final number of ISI papers being 88. However, with the amended indicator for papers, including DHET-accredited journals, the target was exceeded by a total of 19 papers. This was possible due to the inclusion of several additional journals, such as *Flowering Plants of Africa*. The intention was to achieve or exceed the target and this was made possible by maintaining a good publication record among established scientists and improving the outputs of younger scientists and students.

Many of the publications are in high impact journals, including the prestigious journals *Science Communication* and *Nature Communications*. In addition to publications recognised by the DHET, SANBI staff published 139 articles in other journals, books, and semi-scientific magazines or websites. The in-house scientific journal, *African Biodiversity & Conservation (ABC)/Bothalia* published nine papers in 2015, including a checklist of lichens in South Africa; an assessment of databases of alien species in South Africa (including animals); and a paper on land transformation and impacts on water. In 2016, the number of manuscripts received increased dramatically, and more than 30 are currently under review or in editing, with many of these reflecting the new scope of the journal. There are also plans to publish an annual special themed issue of the journal, based on symposia or large research projects

” SANBI made a substantial contribution to biodiversity science in 2015 through participation in the Global Pollination Assessment.

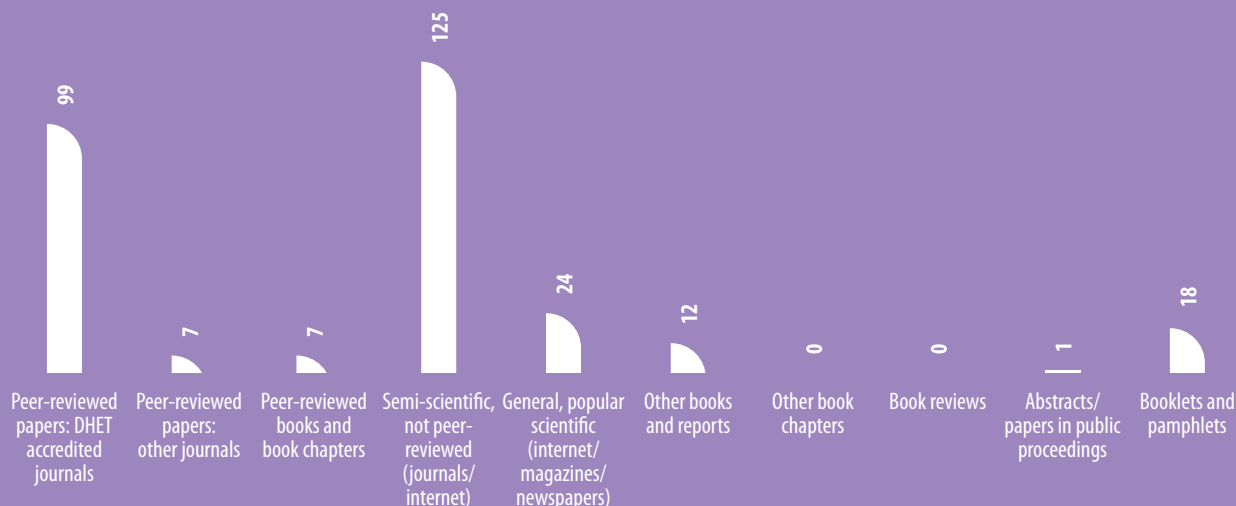


Figure 1: Publications by SANBI staff (2015/16)

that deal with topics of particular relevance to biodiversity. The journal website also provides electronic access to all papers published since 1921, and since 2014 there have been 1 372 400 downloads of papers from the site.

SANBI made a substantial contribution to biodiversity science in 2015 through participation in the Global Pollination Assessment, the first major assessment undertaken by the Intergovernmental Platform on Biodiversity and Ecosystem Services (IPBES) and released in February 2016. The assessment focused on the global decline in pollinators and was compiled by an international team, including two SANBI scientists. SANBI was able to actively participate in this assessment due to knowledge generated through a five-year project in which SANBI collaborated with the United Nations Food and Agriculture Organization (FAO) and six other countries to improve understanding of pollinator declines in areas such as South America, Africa and South Asia. It is noteworthy that only 4% of the studies in the IPBES assessment came from Africa, highlighting the importance of SANBI's research in this area together with project partners in Kenya and Ghana.



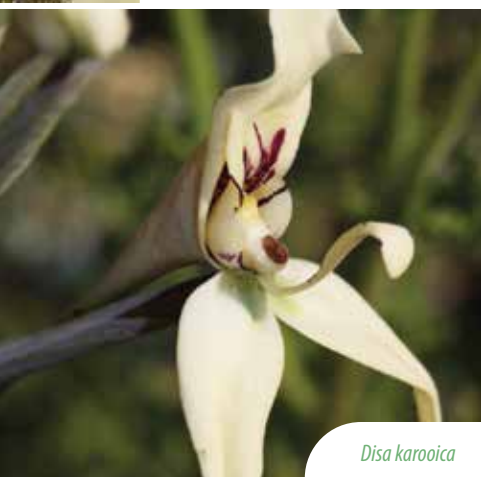
Marking monkey beetle pollinators



Experiencial learning during the Karoo BioBlitz



Karoo BioGaps processing specimens



Disa karooica



Studying pollinators at Hantam NBG



Krystal Tolley holding a skeleton during the Karoo Bioblitz

The levels of threat at species and ecosystem level are high level indicators in the National Biodiversity Assessment (NBA) and this requires threat assessments for different taxonomic groups and ecosystem realms leading up to the NBA in 2018/19. In order to share experiences of biodiversity assessment with other megadiverse countries and build capacity in southern Africa, SANBI hosted a south-south learning exchange in May 2015. The exchange brought together scientists from Brazil, Colombia, Mexico and South Africa, all megadiverse countries that have developed national systems of biodiversity assessment, as well as colleagues from Lesotho, Madagascar, Mozambique, Namibia, Swaziland, Zambia and Zimbabwe. The week long meeting, funded by a grant for capacity building from the Norwegian Government, was a great success and was followed up by various actions including joint work on Red Listing the flora of Mozambique.

This year also saw the completion of a much anticipated Red List Assessment of South Africa's mammals, undertaken in collaboration with the Endangered Wildlife Trust and numerous contributors. Mammals are an iconic group, often used by conservation organisations as a focus for advocacy and measuring conservation impact. The Red List is therefore likely to be widely used by different stakeholders. It is also a timely publication in that it provides scientific information on high profile species such as lion, elephant and rhinoceros at a time when there is increasing international focus on these species and the policies required to secure their conservation.

SANBI's Marine Programme has been fully engaged in the implementation of the Presidential Phakisa Initiative: Developing the Oceans Economy, participating in several initiatives that arose from the intensive planning process between industry, government, academics and communities. One particular process has been the gazetting of 21 Marine Protected Areas (MPAs) with substantial input from SANBI. The MPAs have been agreed upon and delineated and will undergo a thorough public participation process in the 2016/17 financial year prior to final gazetting.

The broad programme of work on biological invasions continued with a high number of publications. SANBI scientists have collaborated with international colleagues under the auspices of the International Union for Conservation of Nature (IUCN) to develop and implement an impact classification system for invasive alien species. A framework for such a global classification system was published in 2015 and the intention is to improve the identification, management and control of species that have a high impact on people and the environment. SANBI scientists are also participating in a global IPBES assessment, which includes invasive species. A further component has been the work of the Invasive Species Programme funded by the Natural Resource Management programmes of the DEA. This programme continued to gather information on invasive species and to manage eradication and control projects across the country. Two of their achievements were the monitoring of 60 invasive species and development of 33 management plans.

A milestone for SANBI's invasive work will be the National Invasive Species Report, which is due in 2017 and will summarise the status of invasive species in South Africa and assess the effectiveness of different interventions. A project plan has been developed and a co-ordinating team put in place to ensure completion of this important project.



The Hippopotamus (Hippopotamus amphibius)

Highlights

DR KERRY SINK AWARDED

Dr Kerry Sink was awarded the Society for Conservation Biology's 2015 Distinguished Service Award and is one of five distinguished international scientists and conservationists to be awarded a 2016 Pew Fellowship in Marine Conservation.

NON-DETRIMENT FINDINGS

SANBI conducted Non-Detriment Findings (NDFs) for 25 species in the wildlife trade on behalf of the Scientific Authority. Of these, 14 NDFs were finalised and forwarded to the minister for implementation, five were published for public input and six were approved by the Scientific Authority to be published by the minister for public comment. These NDFs include high profile species such as white rhinoceros, cycads, lion and leopard.

RED LISTING

A new tool was developed to refine the Red Listing process and was applied to Red Lists for fish species.

PROF. JOHN DONALDSON

Prof. John Donaldson served on the Minister's Committee of Inquiry into Possible Trade in Rhino Horn.



Field work at Hantam NBG

PROGRAMME 5

Provide biodiversity policy advice and access to biodiversity information; and support for climate change adaptation

PURPOSE: *The primary focus of this programme is to facilitate the translation of South Africa's biodiversity science into policy and decision-making tools and advice. The programme brings together knowledge and expertise from across the different programmes and divisions of SANBI in support of the development of biodiversity policy and management advice. This is undertaken in the context of South Africa's urgent development imperatives, using biodiversity science to understand how the management and sustainable use of healthy, intact ecosystems can maintain, enhance and deliver services to society. The programme provides access to biodiversity information and scientific knowledge by ensuring that all available scientific information is freely and openly available to a wide audience through the Biodiversity Advisor website.*

Objective statements

- Reduce loss, protect, restore and unlock benefits from biodiversity assets and ecological infrastructure.
- Become the authoritative source for data, knowledge and information on South Africa's biodiversity.
- Ensure that the best available biodiversity science informs national and international policy processes.
- Vulnerable communities have increased resilience to climate change as a result of direct access to climate change adaptation investments.

Key performance areas

Tools to support management and conservation of biodiversity

Access to biodiversity data, information and knowledge

Scientific advice to support national and international policy processes

Policy support on climate change adaptation to inform national and international decision-making

” Significant strides have been made in ensuring that biodiversity information is not only available to the scientific community, but also to all spheres of government, the private sector, NGOs and the broader public.

Programme performance

Programme 5 has, during the review period, demonstrated the value of biodiversity assets and ecological infrastructure for unlocking development opportunities and delivering social-economic benefits. Science-based tools and policy advice were provided to promote the integration of biodiversity opportunities and constraints into other sectors, especially those that impact on biodiversity.

The Department of Environmental Affairs (DEA) and provincial conservation authorities were supported in their development and implementation of biodiversity-related policy and legislation to ensure that best available science informs policy and its implementation. Municipalities were assisted in integrating biodiversity assets and ecological infrastructure into their planning and decision-making.

SANBI is host to the National Implementing Entity (NIE) of the Global Adaptation Fund, as well as the Scientific Authority, which assists in regulating the sustainable use of threatened or protected species or species listed in the Convention on International Trade in Endangered Species of Wild Flora and Fauna (CITES) appendices. It has thus played a crucial role in ensuring continued benefits from the wildlife economy. By participating in CITES and other entities such as the United Nations Environment Programme (UNEP), the Convention on Biological Diversity (CBD), the Subsidiary Body on Scientific, Technical and Technological Advice (SBSTTA) and International Union for Conservation of Nature (IUCN), SANBI has influenced international agendas for policy, research and monitoring.

Significant strides have been made in ensuring that biodiversity information is not only available to the scientific community, but also to all spheres of government, the private sector, non-governmental organisations (NGOs) and the broader public through the Biodiversity Advisor website. SANBI's success in managing biodiversity information is reflected in the role that it plays on the African continent. SANBI has been instrumental in co-ordinating all African membership countries of the Global Biodiversity Information Facility (GBIF) to ensure that a strategic approach is taken on how to utilise scarce resources and to have a co-ordinated voice. SANBI also holds the Africa Chair for the Biodiversity Heritage Library (BHL), which aims to ensure that all literature is accessible via the internet. Information generated by scientific research within SANBI is published through various vehicles including online and in hardcopy.



Gillian Condy, SANBI botanical artist, Library Week



Examples of SANBI's publications



2015 Biodiversity Planning Forum, Salt Rock

Highlights

TOOLS TO SUPPORT MANAGEMENT AND CONSERVATION OF BIODIVERSITY

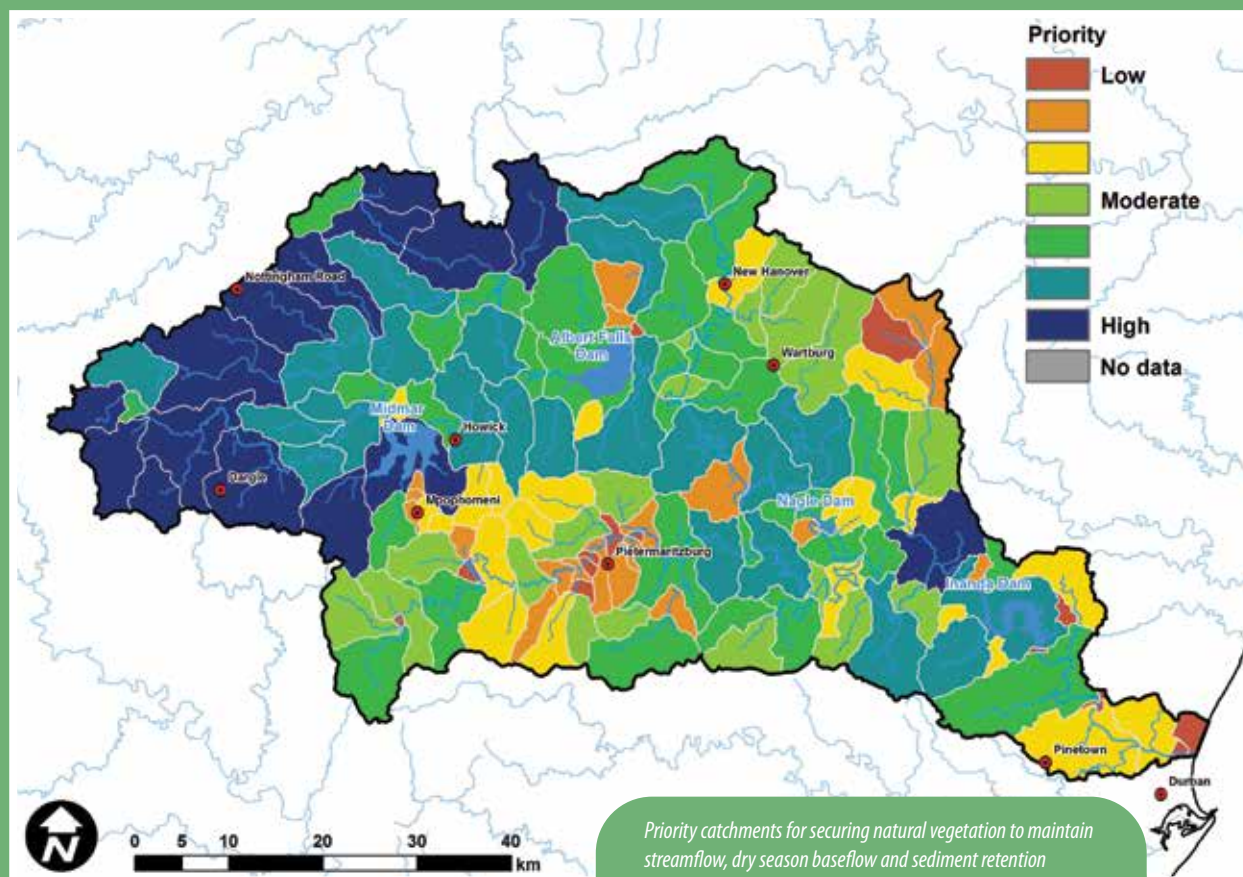
In 2013, SANBI, in partnership with the University of KwaZulu-Natal, secured a grant of R2.5 million from the Green Fund for a research project on ecological infrastructure in the uMngeni Catchment. Research results from this two-year project in the uMngeni show how water security can be enhanced by investing in ecosystems. The modelling and mapping undertaken through the project identified the parts of the uMngeni Catchment that are priorities for rehabilitation and for the securing of ecological infrastructure. The project also showed that failing to invest in ecological infrastructure and allowing degradation of the catchment to continue unchecked will translate into rising costs for water consumers as purification costs increase, the frequency and magnitude of floods increase, and the lifespans of dams decrease as they fill with sediment. The products of the research project, in the form of a comprehensive report, investment plan and policy brief, have been published by the Green Fund.

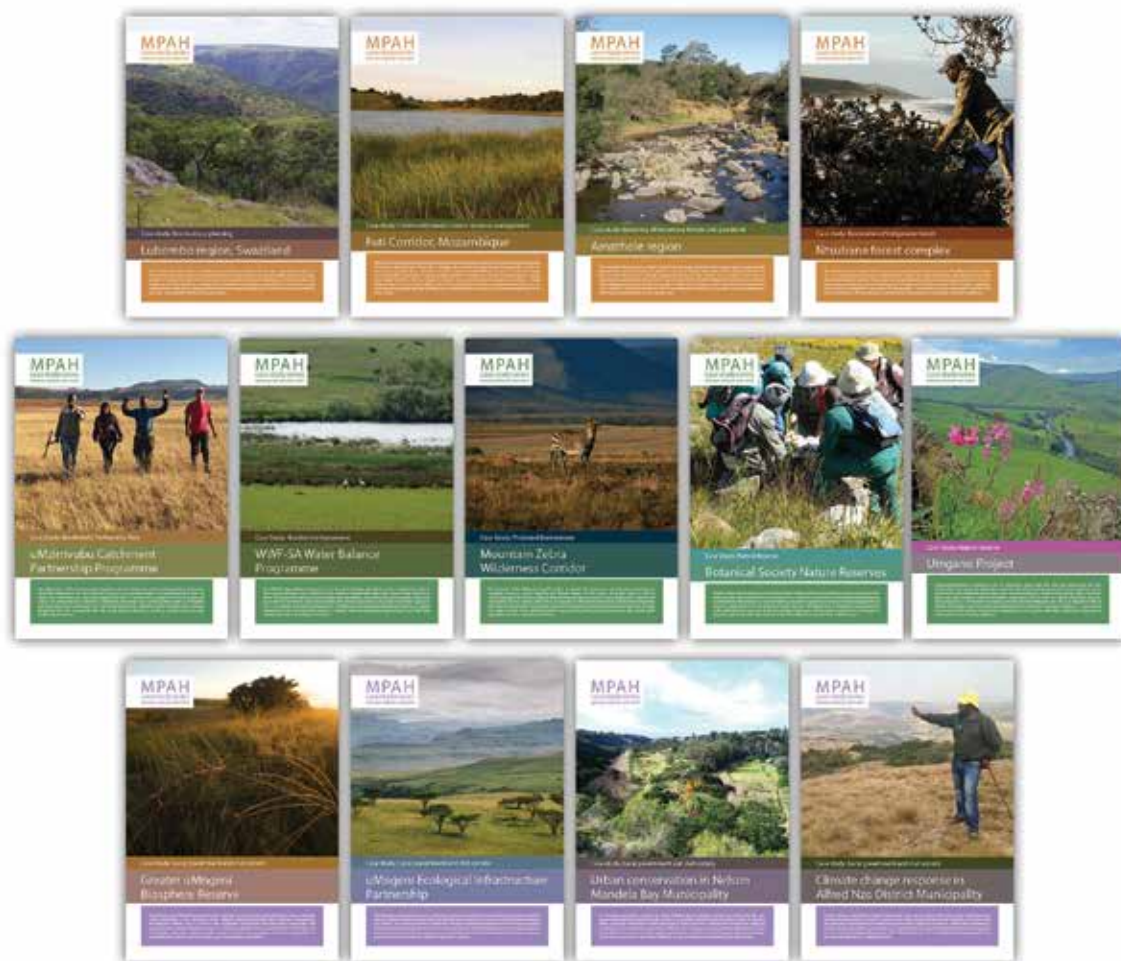
The project on limiting and mitigating the impact of coal mines on wetlands, jointly funded by the Water Research Commission (WRC) and Coaltech Research Association, and co-implemented by SANBI and the CSIR, was completed. The project focused on examining ways to mitigate the impact of coal mining on freshwater ecosystems, and produced a number of tools including an atlas of high risk wetlands; guidelines for wetland offsets; a review on the state of knowledge on pans; guidelines for rehabilitation of wetlands in mining landscapes;

and a case study showing how rehabilitated wetlands have the potential to mitigate mining pollutants. The products are in the process of being published by the WRC.

At the request of the DEA Natural Resource Management (NRM), SANBI developed a tool to support the evaluation of proposals in response to the 2015/16 call for applications for land-user incentive funding. This framework allows NRM to assess whether the activities being proposed fall within areas that are high priority in terms of a range of criteria, including biodiversity; ecological infrastructure; and poverty and resource management. This approach allowed NRM to allocate resources to projects with the highest potential impact on the problem being addressed, thereby contributing to optimal social, ecological and economic outcomes.

SANBI, through the Critical Ecosystem Partnership Fund (CEPF)-funded learning network project in the Maputaland-Pondoland-Albany Hotspot (MPAH), developed a set of case studies and lessons learnt based on project experiences within the MPAH. These focused on three themes, including biodiversity stewardship; local government and civil society; and strengthening community conservation across the landscape. The case studies were launched at the close-out MPAH Forum, co-hosted with the CEPF and Wildlands Conservation Trust. The Forum celebrated the achievements of the five-year, US\$6 million CEPF investment in the region.





Case studies developed for the MPAH partnership

Over 70 people from civil society organisations attended the event. Leading up to the MPAH Forum, learning exchanges, supported by SANBI through the MPAH learning network, were convened between CEPF-funded projects working in the region. SANBI hosted a learning exchange with the Umzimvubu Catchment Partnership Programme (UCCP) and uMngeni Ecological Infrastructure Partnership (UEIP) to allow sharing of lessons and experiences between these two catchment level partnerships.

SANBI hosted the Africa Rising: Mobilising Biodiversity Data for Sustainable Development Conference at Kirstenbosch from 19–22 May 2015, in partnership with the Global Biodiversity Information Facility (GBIF), United Nations Environment Programme – World Conservation Monitoring Centre (UNEP-WCMC), and the Resilience in the Limpopo Basin Programme (RESILIM), with funding from the JRS Biodiversity Foundation and European Union (EU). Over 100 delegates attended from 21 African countries. The conference served to increase regional understanding of the biodiversity data-science-policy value chain, while showcasing relevant tools, resources and learning networks for building effective biodiversity information systems in Africa. The Africa Rising Conference concluded on the International Day for Biological Diversity with participants proclaiming a Declaration on Biodiversity Information for Sustainable Development in Africa and a Plan of Action for Mobilising and Mainstreaming Africa's Biodiversity Data. Each country and institution, including SANBI, will internalise this into their own biodiversity information management

strategies. The conference presented two trees to learners from two schools as part of the Biodiversity Day celebrations.

SANBI hosted the annual National Biodiversity Planning Forum from 23–26 June 2015 at Salt Rock in KwaZulu-Natal. This was the 12th annual forum, which attracted over 200 participants from national and provincial departments, local government, public entities, research institutes and universities, as well as the private sector. Key themes that were discussed included the development of Strategic Environmental Assessments (SEAs) for the Strategic Integrated Projects (SIPs), protected area expansion, implementing biodiversity plans at the municipal level, ecosystem classification in the lead up to the development of the next National Biodiversity Assessment, and capacity building opportunities through IPBES.

SANBI co-ordinates the uMngeni Ecological Infrastructure Partnership (UEIP), a partnership comprising government, business, academia, and civil society committed to finding ways of better integrating ecological infrastructure solutions into water resource management in the greater uMngeni River Catchment. During the reporting period, the partnership grew from 19 to 23 organisations.

The DEA was supported in convening the national Manager Researcher Practitioner learning network and a post Ecosystem Services Partnership Conference Atelier, as part of SANBI's programme of work for the DEA on building a natural resource management community of practice.



Learning exchange, uMzimvubu Catchment Partnership Programme and uMngeni Ecological Infrastructure Partnership – talking about land-use planning around wetlands



Learning exchange, Mpumalanga

SANBI hosted the Freshwater Ecosystem Network (FEN) learning event with the aim of bringing the freshwater biodiversity community and the Department of Water and Sanitation (DWS) together to implement the relevant sections of the National Water Resource Strategy.

Biodiversity GIS (BGIS) training was hosted by SANBI at the University of KwaZulu-Natal. The BGIS website disseminates biodiversity-related data and provides users with tools to make informed decisions. The training showed students how to efficiently navigate the website, locate relevant datasets and create maps. This was the first training session to be held in the province and was attended by 53 individuals from the university, government and NGOs. The feedback was overwhelmingly positive and the team developed a strong working relationship with the university and was invited back to host more training sessions. A further 39 people were trained on BGIS at sessions hosted at the University of Cape Town and University of the Western Cape. SANBI was invited to participate in a number of municipal engagements in the Eastern and Western Cape which provided an opportunity to train and advise participants on incorporating biodiversity into municipal planning and development.

ACCESS TO BIODIVERSITY DATA, INFORMATION AND KNOWLEDGE

The National Biodiversity Information Steering Committee, consisting of national and global experts, was initiated by SANBI to guide the design and implementation of the National Biodiversity Information System, a strategic priority of SANBI.

The project on Mobilising Policy and Decision-making Relevant Biodiversity Data, funded through a grant from the JRS Biodiversity Foundation, was completed. This project supported the growth of biodiversity informatics in Africa through access to expertise, training opportunities, and collaboration. It raised the visibility of biodiversity informatics and the importance of linking data to action and policy. Following the success of this project SANBI was awarded an additional grant from the JRS Biodiversity Foundation to the value of US\$250 000 to implement a project entitled: Africa Biodiversity Challenge: Unlocking Data for Sustainable Development. This will build on the previous work done to support and grow Africa's biodiversity informatics community.

SANBI led the South African delegation at the GBIF Governing Board Meeting in Madagascar and was re-elected as the GBIF-Africa regional representative on the GBIF Nodes Steering Group. South Africa was requested to lead the implementation of the GBIF-Africa Co-ordinating Mechanism (a regional strategy for Biodiversity Informatics in Africa) through the co-ordination of the GBIF-Africa network.

During the period under review 62 706 records were collected by SANBI and its partners and published through the SANBI Biodiversity Advisor website and 1 684 unique users were registered on the website. Five SANBI staff members attended

the Taxonomic Databases Working Group Conference in Nairobi, Kenya. A technical training workshop was held before the conference focusing on data cleaning and data publishing. The skills and information garnered from the conference are particularly relevant in terms of cleaning, auditing and managing SANBI's biodiversity data.

The Mary Gunn Library, housed at the Pretoria National Herbarium, celebrates its centenary year in 2016. The library held its first round of open days to celebrate the centenary with exhibitions and tours of the library.

SANBI published nine books during the year and all SANBI publications, published since 2006, have been made available for download on SANBI's Biodiversity Advisor website. Several botanical art workshops were presented as part of its botanical outreach initiative.



SANBI hosted participants from 21 African countries at Kirstenbosch NBG

SCIENTIFIC ADVICE TO SUPPORT NATIONAL AND INTERNATIONAL POLICY PROCESSES

In preparation for the Shale Gas Development Strategic Environmental Assessment (SEA), SANBI hosted a learning exchange on scenario analysis for assessing the potential impact of shale gas development with The Nature Conservancy (TNC). This United States-based environmental NGO has experience with statistical and spatial analyses on shale gas development. The outcome of this exchange was the development of a tailored scenario analysis approach to the South African situation in terms of shale gas development.

The Shale Gas Development SEA comprises 18 components across the social, environmental and economic sectors. Each component is authored by specialist teams from academia, industry, government and civil society, and a number of SANBI staff are contributing authors to the biodiversity component. SANBI is also responsible for improving the baseline biodiversity knowledge of the Karoo, as well as supporting the biodiversity component in terms of integrating spatial information. Following the assessment phase, SANBI, in partnership with the CSIR and the Council for GeoScience, will be responsible for synthesising the information from the components and formulating policy options for government.

SANBI's technical assessment for the SEA on the Electricity Grid Infrastructure (SIP 10) was presented to a Cabinet committee, chaired by President Zuma. The recommendations were supported and the process and technical input commended and there was strong support for applying this methodology across the country to streamline development decision-making.

Together with Statistics South Africa (Stats SA), SANBI is leading South Africa's work on ecosystem accounting and has established a Strategic Advisory Committee on Ecosystem Accounting. South Africa is one of seven pilot countries participating in a global project on Advancing Experimental Ecosystem Accounting, led by the UN Statistics Division, with funding from the Government of Norway. SANBI, in partnership with the CSIR, finalised South Africa's first pilot sets of ecosystem accounts in early 2016, including National River Ecosystem Accounts, and Land and Ecosystem Accounts for KwaZulu-Natal. South Africa's work is helping to shape the way ecosystem accounting is being taken forward globally. As a result, SANBI was invited to present at the World Statistics Congress in Rio de Janeiro, Brazil, in July 2015, and in a global expert workshop organised by the World Conservation Monitoring Centre (WCMC) to develop a global guideline for biodiversity accounting, held in Cambridge in February 2016. Ecosystem accounting and biodiversity accounting form part of the growing field of Natural Capital Accounting, which aims to systematically measure stocks of natural resources and the flows of benefits they provide, so that this information can be used in decision-making by the public and private sectors. It provides an opportunity to translate South Africa's excellent science on ecosystems into a format that is useful in a wide range of socio-economic contexts.

SANBI submitted comments to the DEA on the following policy documents: draft Biodiversity Management Plan for White Rhinoceros; draft Threatened or Protected Species (TOPS) Regulations and Lists; the National Environmental Management Laws Amendment (NEMLA) Bill; the National



SANBI team members at the Biodiversity Planning Forum



Biodiversity Planning Forum keynote speakers with the CEO

Biodiversity Strategy and Action Plan; and the Biodiversity Economy Strategy. Comments were submitted to the DST on the Indigenous Knowledge Systems Bill; the Department of Water and Sanitation on the new Pricing Strategy for Water Use Charges; the Department of Agriculture, Forestry and Fisheries (DAFF) on the Policy for the Sustainable Management of Veld (range) and Forage Resources in South Africa, the draft Policy Framework for Sustainable Land Management and the draft Policy and Bill on Preservation and Development of Agricultural Land Framework; and the Department of Rural Development and Land Reform on the National Spatial Economic Atlas.

A Business Case for Biodiversity Stewardship was submitted to the DEA. Based on the Western Cape and KwaZulu-Natal experiences, the Business Case shows how establishing a protected area through biodiversity stewardship costs the State between 70 and 400 times less per hectare than land acquisition. When it comes to ongoing management, the cost to the State of supporting the management of a contract protected area by the landowner is between four and 17 times lower per hectare than the cost to the State of managing a State-owned protected area itself.

The Phakisa Marine Protected Area (MPA) network for the proposed 22 MPAs was approved by the minister and gazetted for public comment on 3 February 2016. SANBI played a central role in providing scientific input into the identification of these MPAs.

SANBI participated in the DEAs Biodiversity Economy Indaba and pledged support around strategic research required to unlock the biodiversity economy.

SANBI's Land Reform and Biodiversity Stewardship Initiative (LRBSI) and Municipal Support Programme were showcased to the Portfolio Committee: Environmental Affairs, during its oversight visit to Kirstenbosch.

SANBI participated in the DEA's Biodiversity Day celebrations on 22 May, showcasing its work at the municipal level. The Deputy Minister visited one of the uMngeni Ecological Infrastructure



Tsamaelo Malebu at the Biodiversity Planning Forum

Partnership projects as part of the celebration. At the request of the DEA, Municipal Biodiversity Profiles were developed for sixteen pilot municipalities in support of the implementation of the DEA Local Government Strategy. The DEA Local Government Support Group invited SANBI to be a member of the Project Steering Committee for the development of Environmental Profiles for all municipalities in the country. The SANBI Municipal Programme co-hosted a dialogue session with the South African Cities Network (SACN) on mainstreaming biodiversity in urban land and spatial planning. A recommendation from the workshop was to develop a series of land papers with a special focus on biodiversity mainstreaming. SACN and SANBI are currently developing a MoU to formalise collaboration.

The Biodiversity-based Employment Project was initiated in partnership with the University of Cape Town's Development Policy Research Unit. The research aims to determine the size and nature of biodiversity-related employment in South Africa, with a view to exploring the potential for growth.

POLICY SUPPORT ON CLIMATE CHANGE ADAPTATION TO INFORM NATIONAL AND INTERNATIONAL DECISION-MAKING

SANBI is South Africa's National Implementing Entity (NIE) for the Global Adaptation Fund. South Africa's innovations and experiences were shared at three events in June 2015 at the UNFCCC meetings in Bonn, Germany. These were preparation meetings for the much anticipated COP 21 negotiations in Paris, where SANBI presented the work of the South African NIE to the Adaptation Fund. This included two official side events convened by the Adaptation Fund, as well as a policy breakfast convened by the World Resources Institute. The work was well received.

SANBI, the Adaptation Fund project executing entities, SouthSouthNorth and the uMgungundlovu District Municipality, convened inception workshops for both of the South African Adaptation Fund projects which have officially commenced implementation. The projects, Building Resilience in the Greater uMngeni Catchment, South Africa and Taking Adaptation to the Ground: A Small Grants Facility for Enabling Local Level Responses to Climate Change in South Africa, have a total value of US\$10 million. These projects aim to create awareness, and strengthen and assist rural communities to cope with extreme weather events occurring more often and severely due to climate change.

Following a nomination by the DEA, SANBI applied for accreditation with the Green Climate Fund (GCF), which is a new climate finance mechanism under the UNFCCC. SANBI has completed the Stage 1 application and the assessment application and has progressed to Stage 2. This is the stage where the GCF Accreditation Panel and Board consider the application.

South Africa's work in Ecosystem-based Adaptation (EbA) was presented at a CBD EbA and Eco-Disaster Risk Reduction Workshop, held in Johannesburg in September 2015.

The DEA and SANBI co-hosted a workshop to develop a Strategic Framework and Implementation Plan for EbA in South Africa. The EbA Workshop was the first of its kind in bringing together 97 stakeholders from the private sector, NGOs, academia, parastatals and government departments to develop a practical and effective strategic implementation programme of work for South Africa. This stakeholder consultation process resulted in the development of a Strategic Framework and Overarching Implementation Plan for EbA in South Africa that will guide the country's work in this exciting field over the next five years.



Adaptation Fund lesson sharing

INITIATION OF NEW PROGRAMMES OF WORK

In partnership with the Development Bank of Southern Africa (DBSA), SANBI initiated the Project Preparation Grant (PPG) Phase for a five-year Global Environment Facility (GEF)-funded project to the value of US\$7 million, entitled Unlocking Biodiversity Benefits through Development Finance in Critical Catchments. The project will implement interventions at both a national policy level and at institutional development level through demonstration initiatives in two catchments.

Through the GEF-funded, US\$8.2 million project on Mainstreaming Biodiversity into Land Use Regulation and Management at the Municipal Scale, SANBI signed four partnership agreements to the value of R24 million. These agreements with WWF-SA, NCT Forestry Co-Operative, Mpumalanga Tourism and Parks Agency and Eastern Cape Parks and Tourism Agency will allow for the implementation of components of the project over the next four years.

PROGRAMME 6

Human capital development (HCD): Drive HCD, education and awareness in response to SANBI's mandate

PURPOSE: *A cross-cutting programme intended to transform the sector through identification, attraction and retention of priority and rare skills amongst South Africans, especially the youth. It is also the programme's intention to up-skill those already within the biodiversity sector to address not only historical legacies of a bottom-heavy sector, but also chronic capacity shortages in leadership, especially by black South Africans.*

Objective statements

- HCD and job creation have contributed to the achievement of a socially equitable and suitably skilled biodiversity workforce.
- National botanical gardens used for biodiversity education, training, awareness and recreation to achieve sustainable management practices amongst diverse users.
- Civil society is engaged through various initiatives to contribute to biodiversity science and monitoring.

Key performance areas

A socially equitable and suitably skilled workforce is developed

All national botanical gardens are promoted and used as platforms for biodiversity awareness, education and recreation

Civil society is engaged to contribute to science and monitoring

Programme performance

National Biodiversity Human Capital Development Strategy

The biodiversity sector's Human Capital Development Strategy, led by SANBI, is mainly delivered through Programme 6. GreenMatter is the implementation programme for the National Biodiversity Human Capital Development Strategy (2010–2030), co-led by SANBI and the Lewis Foundation on behalf of the sector. Focusing predominantly on transformation and high-level skills development for improved biodiversity management, GreenMatter has grown the Fellowship Programme since 2012 to support **76 Masters, PhD and Professional Development students, researchers and specialists**. In 2015/16, the WWF-Nedbank Green Trust came on board to fund the development of 20 emerging leaders in the Professional Development category, and the Mapula Foundation continued its support for developing research capacity for Biosphere Reserves in South Africa.

”The GreenMatter Fellowship shapes the minds of young South Africans, irrespective of their background and I can confidently say that the programme has positively impacted my career potential.

– Balungile Madikizela,
Postdoctoral Fellow at the
University of Pretoria

GreenMatter^{ZA}

” This is one of the most important programmes that I have attended in my life. A simple paradigm shift! Everyone needs this programme.

– Msukisi Kuse,
Imvelisi Enviropreneur and
Masters student

As part of its advocacy role, the GreenMatter team was instrumental in supporting the DEA and national stakeholders in raising the importance of HCD. **The revised National Biodiversity Strategy and Action Plan (NBSAP, 2015) has included an additional Strategic Objective to acknowledge and support the development of biodiversity skills as a strategic lever.**

Imvelisi Entrepreneurship Programme

In July 2015, together with partners the Young Water Professionals Network (YWP-ZA), the Department of Science and Technology and the Innovation Hub's Climate Innovation Centre, GreenMatter led the conceptualisation and pilot of the Imvelisi Entrepreneurship Programme. **Imvelisi, which is focused on supporting the development of aspiring entrepreneurs in the biodiversity and water space, accepted 17 young entrepreneurs onto the programme providing a week long bootcamp that involved idea interrogation, business planning, finance and pitching support.** Four entrepreneurs registered their businesses within two months of completing the bootcamp and seven were provided with follow-on support and accepted into mainstream incubator programmes. Two Imvelisi entrepreneurs received awards for their business innovation and ideas during 2015.



*Balungile Madikizela Post-doctoral fellow
from the University of Pretoria*



GreenMatter fellows



Msukisi Kuse, Imvelisi Enviropreneur and Masters student

Fundisa for Change

The GreenMatter-supported **Fundisa for Change** (teach for change) initiative, comprising over 30 partners, **trained over 250 teachers, teacher advisors and partners in 2015**. In addition, the Fundisa for Change approach and materials have received the endorsement of the South African Council for Educators (SACE).



Biodiversity Education and Empowerment

Biodiversity Education and Empowerment is a programme mainly delivering on the education awareness and empowerment objectives of Programme 6. In partnership with the Fundisa for Change Programme, six teacher professional development workshops enhanced the capacity of 98 teachers, to improve their teaching of various environmental topics in the curriculum. In addition, other teacher professional development workshops reached 199 teachers.

A total of 55 351 beneficiaries participated in the Biodiversity Education Programme, facilitated mainly within the national botanical gardens, but also in nature reserves and natural areas near schools, thus significantly exceeding the annual target of 44 000 by 24%. Initiatives to diversify the beneficiaries to this programme were once again successful, with many learners from schools participating in the programme for the first time as well as learners from schools with special educational needs, youth groups and adult groups being included.

Through funding received from the Botanical Society of South Africa, the Outreach Greening Programme was rejuvenated, with schools being selected on a national level. Capacity development horticultural workshops for the beneficiaries have commenced.

The celebration of environmental days and weeks (e.g. National Water Week, Marine Week, Biodiversity Week, Weedbuster Week, Environmental Week and Arbour Week) as part of the directorate's awareness-raising initiatives, took place both within the national botanical gardens and local communities, with 6 285 beneficiaries participating in a range of environmental activities such as planting indigenous gardens and trees. Holiday programmes, aimed to simultaneously educate and entertain, saw 724 children and youth engaging with the biodiversity in the national botanical gardens through fun-filled activities such as art, games, story-telling and nature treasure hunts. The primary and high school career programmes once again raised awareness about biodiversity careers in the 2 102 beneficiaries who participated. An exciting new initiative, Combatting Biodiversity Crimes, was piloted in the review period, taking the format of fun-runs and/or fun-walks starting at points outside of the national botanical gardens and ending inside the gardens. Aiming to raise awareness about contextual biodiversity crimes, each event at each garden focused on a specific plant or animal that is the target of biodiversity crime in the area. The fun-runs/walks not only raised awareness about threatened species but contributed significantly to the number and diversification of botanical garden users.



Assistant Education Officer at Pretoria NBG EE Centre conducting a programme on Biodiversity Crimes for a group of community members



Grey Crowned Crane (Balearica regulorum)



The diagrams below highlight some key successes of the Groen Sebenza Programme:

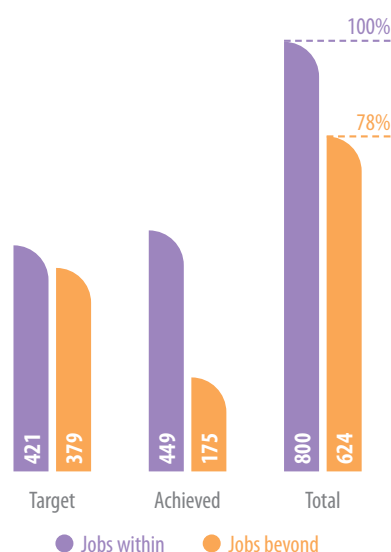


Figure 2: Groen Sebenza jobs created versus targets

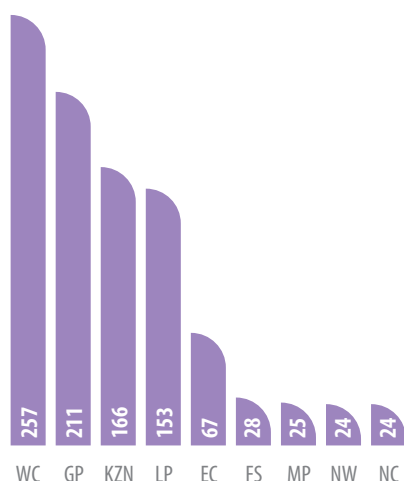


Figure 3: Jobs created per province for the Groen Sebenza Programme

Groen Sebenza

Groen Sebenza is the biodiversity sector's flagship human capital development programme, initiated by SANBI in partnership with 44 biodiversity organisations. In May 2013, SANBI recruited its first cohort of 955 unemployed young people from across the country to participate in the Groen Sebenza Programme, a pilot programme that brought together 44 Host Institutions (HIs) within the biodiversity sector through funding from the National Treasury's Jobs Fund. This job creation and skills development programme was officially launched in June 2013 by the Honourable Minister of Environmental Affairs, Ms Edna Molewa, who is the champion of the programme. The programme officially came to an ending 3 December 2015 after two-and-a-half years of implementation.

The 44 biodiversity organisations fulfilled the role of HIs to the 955 pioneers recruited, skilling and mentoring them to bridge the gap between qualification and job readiness. The pioneers were all previously unemployed and mainly came from rural and urban distressed areas. The Groen Sebenza Programme had three main objectives:

- Through the 'incubator model' give pioneers workplace experience through an extended internship programme of two and half years involving structured mentoring, skills development and training opportunities.
- Enhance collaboration amongst biodiversity stakeholders to address shortage of priority skills and job creation in the biodiversity sector
- Unlock additional job opportunities and encourage economic activity in the medium term, through performing skilled roles, entrepreneurial initiatives, running projects that support extension and regulatory and compliance functions critical to the development of new markets for biodiversity and environmental services.

The arrival of this cadre of young people transformed the face of the sector in many ways. The workplace experience and mentoring they received from seasoned biodiversity professionals within reputable host institutions was invaluable and made it possible for them to transition into permanent jobs. As a result of the multiple training opportunities and workplace exposure, young graduates gained permanent employment. Henry Mthembu was permanently employed as an Environmental Officer: Climate Change in the Northern Cape provincial government; Kolobe Mmonwa (PhD) as marine biodiversity researcher at KZN Sharks Board and non-graduates such as Anri Marais and Somelezi Mgcwuwa from the Western Cape and Eastern Cape respectively as para-ecologists with the Botanical Society of South Africa. The programme has seen the appointment of 640 (80%) pioneers into jobs, of which 423 were verified. The jobs were created beyond the project period, either within the HIs or beyond the partnership in the environmental sector and in so doing contributed positively to the national crisis of youth unemployment.

The target of recruiting and placing 800 Groen Sebenza pioneers was exceeded by 155 as 955 pioneers were ultimately reached. In essence 955 job opportunities were created from May 2013 to December 2015 for previously unemployed youth, mainly from rural areas of the country. These short-term contracts enabled the youth to acquire the valuable work experience required by employers while at the same time funding the completion of further studies, supporting siblings' education and satisfying other bread winner responsibilities which some of these young people had to fulfil amidst unemployment challenges in their families.

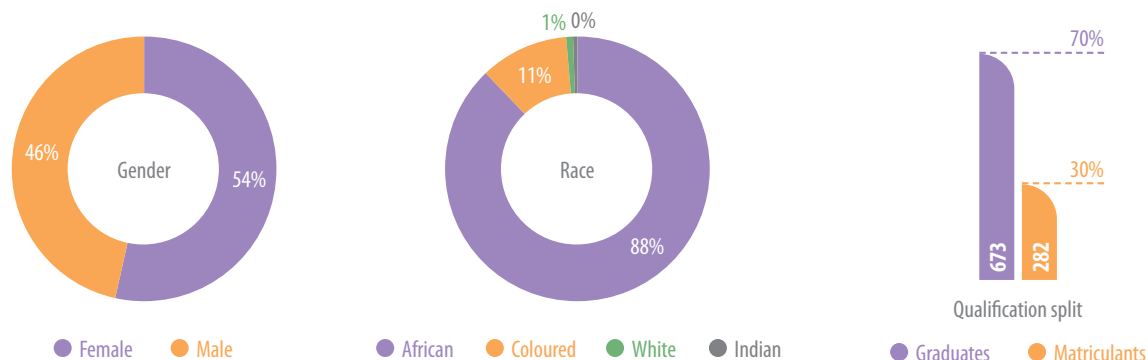


Figure 4: Demographics for the Groen Sebenza Programme

Below are some of the types of training that pioneers received through the Groen Sebenza Programme:

Generic skills	Technical skills	Life skills
Leadership	Resource Economics	Financial Wellness
Communication	GIS	Personal Branding
Project Management	EIA	Networking
Induction into the Biodiversity Sector	Field Ranger Training	Career Guidance
Computer Literacy	Biodiversity Monitoring	Drivers Licence

Over and above the highlighted achievements the programme also succeeded to:

- Reach R85 million through match funding contributions, exceeding the set target of R75 million.
- Train approximately 350 mentors through workshops and mentor engagements to strengthen their ability to mentor the young pioneers into jobs and assist the programme to reach its objective of working towards transformation of the sector and respond to the shortage of priority skills. Mentor training was based on the Learning Spiral Model.

Groen Sebenza succeeded to grow the number of HI's participating in the programme from an initial target of 21 to 44. Of note is the fact that the biodiversity mandate was, as a result, carried out for the first time in some organisations and departments, such as district municipalities and provincial departments, which did not previously have the capacity to do so. Sector collaboration enabled through Groen Sebenza was not only on human capital development, but also the delivery of other mandates, such as plant conservation and beach and marine conservation, for example, LEDET in partnership with the Botanical Society of South Africa created a post for Threatened Plant Species, and the Wildlife and Environment Society of South Africa (WESSA), in partnership with municipalities, doubled its number of Blue Flag sites to 80. Below are logos of the HI's that participated in the Groen Sebenza Programme.

Groen Sebenza also succeeded to produce the below reports, useful as reference points for future programmes of this nature:



Figure 5: Groen Sebenza reports



THIS CITY WORKS FOR YOU



Mentor workshop in the Northern Cape



Groen Sebenza Pioneers at the national induction at Birchwood Hotel



Gauteng mentors



Matriculant pioneers at career guidance workshop



WILDERNESS
FOUNDATION
THE POSITIVE POWER OF NATURE

livinglands



Sarah, Liezel and Lebogang making a seed collection



Janice Essex and Johnny Arends during camera trap removal on Dunedin Farm



Mentor workshop in the Northern Cape



Groen Sebenza pioneer at the African Centre for DNA Barcoding



Highlights

REPLICABLE INCUBATOR MODEL

A replicable incubator model was piloted, with take-up already seen in the sector and proposed, for example, for the water and energy sectors.

RESEARCH AGENDA

The sector's research agenda was influenced to focus on the demand side.

GROWTH IN NUMBERS

Contribution was made to the growth in numbers of black scientists and professionals in the biodiversity sector.

SCIENCE FIELDWORK EXPERIENCE

Science fieldwork experience was provided to upcoming scientists, enabling some to complete their qualifications and others to register with professional bodies.

CREATION OF INNOVATIVE JOBS

The presence of pioneers led to the creation of innovative jobs, e.g. SANBI developed an Alien Invasive Policy for its gardens.

PERCEPTION OF MENTORING IMPROVED

The sector's perception of mentoring improved. Mentoring is now seen as an essential part of training, an investment to produce the skills the organisations need to perform their mandates ('investment in own timber').

'ROTATION'

The pros and cons of 'rotation' were piloted and highlighted as part of the mentoring and internship programme.

SUCCESSFUL NETWORK OPPORTUNITIES

The advantages and lessons learnt about setting up successful network opportunities for previously disadvantaged individuals with no or limited access to such platforms, were demonstrated.

MYTHS AND PERCEPTIONS WERE DEBUNKED

The myths and perceptions held in some organisations about lack of talent from previously disadvantaged institutions were debunked. An HI is quoted as having said: "Groen Sebenza forced us to employ students from previously disadvantaged universities, something that this organisation has never done since its inception because of perception about the standards in those institutions. These students were brilliant; some have gone on to become environmental project managers."



Groen Sebenza pioneers employed by the Botanical Society of South Africa



Groen Sebenza Pioneer at the African Centre for DNA Barcoding



PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

PREDETERMINED OBJECTIVES REPORT 2015/16

Strategic objective(s)	Key performance indicators	Planned target 2015/16	Actual achievement 2015/16 (achieved, partially achieved, not achieved, exceeded target and modification)	Deviation from planned target to actual achievement
PROGRAMME 1: RENDER EFFECTIVE AND EFFICIENT CORPORATE SERVICES				
1.1: SANBI is positioned as an employer of choice in the biodiversity sector	Percentage of payroll allocated and spent on staff development.	2% of payroll allocated and spent on staff development.	100% achieved. The 2% of payroll allocated was spent on staff development.	
	Number of black biodiversity professionals developed through structured internships and post-graduate studentships.	60 black biodiversity professionals developed through structured internships and post-graduate studentships.	100% achieved. 60 black biodiversity professionals developed through structured internships and post-graduate studentships.	
1.2: Implement an effective, efficient and transparent supply chain and financial management system as regulated by the PFMA	GRAP and PFMA compliant Annual Financial Statements.	Unqualified AFS produced to comply with PFMA and GRAP requirements (AG's report).	100% achieved. Unqualified, PFMA and GRAP compliant AFS produced.	
1.3: Effective corporate services rendered to achieve the mandate of SANBI	Percentage availability of SANBI network and business services.	90% of ICT services are available.	100% achieved. 90% of ICT services are available.	
	All identified risks managed through an annual risk assessment and implementation of the risk management plan.	Update, mitigate and monitor risks.	100% achieved. Risks were update, mitigated and monitored.	
	Compliance with all relevant Acts and SANBI/DEA protocol through implementation of Compliance Framework.	Reporting monitored according to specified timeframes.	100% achieved. The reporting was monitored according to specified timeframes, on a quarterly basis.	
1.4: Building a compelling brand for all stakeholders	Number of marketing initiatives and activities effectively utilised for brand, SANBI promotion, profiling and maintenance of brand visibility.	4 shows, 4 exhibitions, 12 concerts, 12 events and 4 campaigns/activations.	100% achieved. 4 shows, 4 exhibitions, 12 concerts, 12 events and 4 campaigns/activations took place during the year.	
	Number of appropriate platforms utilised for internal communication to keep internal stakeholders informed.	4 internal communication platforms.	100% achieved. 4 internal communication platforms took place during the year.	
	Number of radio, television and print interviews, press releases, media statements and advertisements utilised for external communication to stakeholders.	4 radio interviews, 4 television interviews, 12 advertisements and 16 press releases.	100% achieved. 4 radio interviews, 4 television interviews, 12 advertisements and 16 press releases were done during the year.	

Strategic objective(s)	Key performance indicators	Planned target 2015/16	Actual achievement 2015/16 (achieved, partially achieved, not achieved, exceeded target and modification)	Deviation from planned target to actual achievement
PROGRAMME 2: MANAGE AND UNLOCK BENEFITS OF THE NETWORK OF NATIONAL BOTANICAL GARDENS AS WINDOWS INTO SOUTH AFRICA'S BIODIVERSITY				
2.1: A network of national botanical gardens are managed and maintained	Increased representation and display of indigenous plants in the living collections of SANBI's NBGs or the Millennium Seed Bank Partnership.	20 new indigenous plant species added to the living collections of the combined network of NBGs and/or Millennium Seed Bank.	100% achieved. 20 new indigenous plant species were added to the living collections of the combined network of NBGs and/or Millennium Seed Bank.	
	Number of new NBGs established and operational.	Documents submitted to DEA for the proposed proclamation of a new NGB in the Limpopo Province.	100% achieved. Documents were submitted to DEA for the proposed proclamation of a new NGB in the Limpopo Province.	
		Documents submitted to DEA for the proposed proclamation of 10 ha of land as part of the Kweelera National Botanical Garden.	100% achieved. Documents were submitted to DEA for the proposed proclamation of 10 ha of land as part of the Kweelera National Botanical Garden.	
	Number of best-practice maintenance, development and capital infrastructure projects completed across SANBI's NBGs.	5 maintenance/development projects per garden and 2 corporate SANBI capital infrastructure projects completed.	100% achieved. 5 maintenance/development projects per garden and 2 corporate SANBI capital infrastructure projects have been completed.	
2.2: Revenue generating activities are strengthened in all national botanical gardens	Percentage own income and visitor numbers increased through expanded and more effective revenue generating activities in NBGs.	2% annual increase in visitor numbers (spreadsheet).	Exceeded target by 4%, this resulted in a 6% annual increase in visitor numbers.	The annual target was exceeded by 4% due to an increased number of events hosted in the gardens, Kirstenbosch, Pretoria and Walter Sisulu NBGs in particular, fewer summer rain-affected days in the northern gardens, and a range of SANBI marketing interventions. The gardens, as nature-based tourism destinations, have also benefited from the continued popularity of the tree canopy walkway or 'Boomslang' in Kirstenbosch.
		6% annual increase in own income (Financial Statements).	Exceeded target by 3%, this resulted in a 9% annual increase in own income.	The annual target was exceeded by 3% due to an increased number of events hosted in the gardens, Kirstenbosch, Pretoria and Walter Sisulu NBGs in particular, fewer summer rain-affected days in the northern gardens, and a range of SANBI marketing interventions. The gardens, as nature-based tourism destinations, have also benefited from the continued popularity of the tree canopy walkway or 'Boomslang' in Kirstenbosch.

Strategic objective(s)	Key performance indicators	Planned target 2015/16	Actual achievement 2015/16 (achieved, partially achieved, not achieved, exceeded target and modification)	Deviation from planned target to actual achievement
PROGRAMME 3: BUILD THE FOUNDATIONAL BIODIVERSITY SCIENCE				
3.1: Foundational information about species and ecosystems in South Africa is developed and maintained	Number of quality controlled records added to spatial data for species.	60 000 records added to plant and animal spatial databases.	100% achieved. 60 000 records were added to plant and animal spatial databases.	
	Number of species for which information has been compiled.	Information on 5 000 South African plant and animal species compiled.	100% achieved. Information on 5 000 South African plant and animal species was compiled.	
	Number of environments for which ecosystem classification systems have been developed.	Plan to finalise classification systems for 4 environments consolidated and accepted.	100% achieved. The classification systems for four environments consolidated and accepted were finalised.	
	Number of national maps showing distribution of ecosystems.	One national map.	100% achieved. One national map was completed.	
PROGRAMME 4: ASSESS, MONITOR AND REPORT ON THE STATE OF BIODIVERSITY AND INCREASE KNOWLEDGE FOR DECISION-MAKING, INCLUDING ADAPTATION TO CLIMATE CHANGE				
4.1: New biodiversity knowledge created	Number of research papers published in ISI journals.	80 publications.	Exceeded target by 19 publications , thus a total of 99 publications were produced.	<p>The annual target was exceeded by 16 publications. This was due to two factors.</p> <ol style="list-style-type: none"> 1. The DHET added to the list of accredited journals and 9 papers were published in these newly accredited journals. 2. There was also an increase in publications by students finishing off their theses, which contributed to 5 additional papers in ISI rated journals and 2 in DHET accredited journals. <p>The total for the year was 85 papers in ISI rated journals and 11 in other DHET accredited journals.</p>
4.2: Scientific evidence on the status of biodiversity (based on monitoring and assessment, including that of biodiversity loss) and the risks and benefits, is provided	Number of national scientific synthesis and assessment reports produced.	NBA 2018 initiated.	100% achieved. NBA 2018 was initiated.	
		National Invasive Species Assessment (NISA) 2017 initiated.	100% achieved. NISA 2017 was initiated.	
		One Red List Assessment (mammals) completed.	100% achieved. One Red List Assessment (mammals) was completed.	
	Annual updates of species assessments to support NEMBA regulations.	One update for National Invasive Species Lists and Non-Detriment Findings for the Scientific Authority.	100% achieved. One update for National Invasive Species Lists and Non-Detriment Findings for the Scientific Authority was completed.	

Strategic objective(s)	Key performance indicators	Planned target 2015/16	Actual achievement 2015/16 (achieved, partially achieved, not achieved, exceeded target and modification)	Deviation from planned target to actual achievement
PROGRAMME 5: PROVIDE BIODIVERSITY POLICY ADVICE AND ACCESS TO BIODIVERSITY INFORMATION; AND SUPPORT FOR CLIMATE CHANGE ADAPTATION				
5.1: Tools to support management and conservation of biodiversity developed and applied	Number of tools developed to support mainstreaming of biodiversity assets and ecological infrastructure in production sectors and resource management.	Two tools produced.	100% achieved. The two tools were produced.	
		Three knowledge resources demonstrating the value of biodiversity developed and disseminated.	100% achieved. The three knowledge resources demonstrating the value of biodiversity were developed and disseminated.	
	Number of co-ordination or learning mechanisms convened to share lessons and build capacity.	Four learning or co-ordination events convened (attendance registers, meeting minutes, programmes).	100% achieved. The four learning or co-ordination events were convened.	
		Three training sessions held for provincial, municipal or other relevant decision makers for uptake of tools (attendance registers, programmes).	100% achieved. The three training sessions were held for provincial, municipal or other relevant decision makers for uptake of tools.	
PROGRAMME 5: PROVIDE BIODIVERSITY POLICY ADVICE AND ACCESS TO BIODIVERSITY INFORMATION; AND SUPPORT FOR CLIMATE CHANGE ADAPTATION				
5.2: Access to biodiversity data, information and knowledge provided	Number of biodiversity records collected.	An increase of at least 50 000 records collected.	100% achieved. An increase of at least 50 000 records collected.	
	Number of registered users on the Biodiversity Advisor website.	At least 1% increase in registered users.	100% achieved. At least 1% increase in registered users.	
5.3: Scientific advice to support national and international policy processes provided	Percentage of policy requests from DEA, provinces, municipalities and other organs of state responded to within timeframe stipulated in the request.	100% of written requests from DEA and other relevant requests responded to within timeframe stipulated.	100% achieved. 100% of written requests from DEA and other relevant requests responded to within timeframe stipulated.	
5.4: Policy support on climate change adaptation provided to inform national and international decision-making	An effective National Implementing Entity to the Global Adaptation Fund shares lessons and experiences on a number of national and/or international platforms to inform climate change adaptation policy.	Lessons and experience from NIE projects captured to inform 20 national and/or international platforms on climate change adaptation policy.	100% achieved. Lessons and experience from NIE projects captured to inform 20 national and/or international platforms on climate change adaptation policy were achieved.	
	Number of Ecosystem-based Adaptation tools developed.	Draft Strategic Framework for Ecosystem-based Adaptation developed collaboratively.	100% achieved. Draft Strategic Framework for Ecosystem-based Adaptation was developed collaboratively.	
PROGRAMME 6: HUMAN CAPITAL DEVELOPMENT (HCD): DRIVE HUMAN CAPITAL DEVELOPMENT, EDUCATION AND AWARENESS IN RESPONSE TO SANBI’S MANDATE (Previously Programme 5)				
6.1: A transformed and suitably skilled workforce for the biodiversity sector is developed	Resource teachers and student teachers to provide relevant, quality biodiversity education to school learners (foundation building).	An additional 100 teachers and student teachers, taking numbers to 700, have been exposed to biodiversity conservation education.	Exceeded target by 100, thus 300 teachers were exposed.	The annual target was 100 teachers and student teachers and 200 were reached by the end of financial year. The set target was exceeded by 100. More funding than anticipated was secured, enabling a higher number of beneficiaries to be reached.

Strategic objective(s)	Key performance indicators	Planned target 2015/16	Actual achievement 2015/16 (achieved, partially achieved, not achieved, exceeded target and modification)	Deviation from planned target to actual achievement
PROGRAMME 6: HUMAN CAPITAL DEVELOPMENT (HCD): DRIVE HUMAN CAPITAL DEVELOPMENT, EDUCATION AND AWARENESS IN RESPONSE TO SANBI'S MANDATE (Previously Programme 5)				
6.1: A transformed and suitably skilled workforce for the biodiversity sector is developed	Support biodiversity graduates, practitioners and leaders through a holistic development programme.	12 additional fellows supported financially and provided with 2 professional development opportunities.	Exceeded target by 12 fellows , thus 24 fellows supported.	The annual target was 12 fellows and 24 fellows were reached at the end of financial year, thus the target was exceeded by 12. More funding than anticipated was secured, enabling a higher number of beneficiaries to be reached.
	Number of individuals participating in Groen Sebenza and job creation initiatives with a percentage coming from designated groups.	1 000 unemployed youth skilled and hosted in the biodiversity sector.	Exceeded target by 10 unemployed youth skilled and hosted.	Annual target was 1 000 and achievement of target was at 1 010 at the end of the financial year, thus the set target was exceeded by 10. Availability of funds and the strategy to replace as and when attrition occurred enabled the target to be achieved.
	Drive innovation and improved career guidance in universities towards producing stronger skills for biodiversity (Higher Education Innovation).	An additional 2 universities engage in Careers for Biodiversity Programme.	100% achieved. Engaged two additional universities in Careers for Biodiversity Programme.	
	Sector organisations share best practice to effectively identify and address their skills needs, train and retain talented professionals in the sector (institutional strengthening).	15 participants from the DEA participate in workshops and organisational activities.	Target partially achieved.	DEA hosted a workshop in the North West during 2015 that covered the HRD Toolkit. 5 DEA employees attended. The rest were from provincial, municipal and partner institutions. The approach had changed to support municipal and provincial partners going forward.
	Contribute to platform and activities for biodiversity HCD interaction and co-ordination (national co-ordination and advocacy). Percentage increase in participants from previous years.	1 national event implemented with a 10% increase in the spread of partners from previous years.	100% achieved. 1 national event was implemented with a 10% increase in the spread of partners from previous years.	
6.2: All national botanical gardens are promoted and used as platforms for biodiversity awareness, education and recreation	Number of users and beneficiaries of botanical gardens and school-based programmes for education, awareness, training and recreation have been increased.	48 000 beneficiaries of garden and school-based programmes have been reached (statistics table).	Exceeded target by 7 351 beneficiaries , thus 55 351 beneficiaries were reached.	The annual target was 48 000 beneficiaries and 55 351 beneficiaries were reached by the end of the financial year, thus the target was exceeded by 7 351. The target was exceeded due to increased human resources from the Groen Sebenza Programme.
6.3: Civil society is engaged to contribute to science, monitoring and biodiversity conservation	Number of platforms strengthened and facilitated for civil society engagement that contribute to biodiversity monitoring and biodiversity conservation.	Three platforms strengthened and facilitated (CREW, iSpot, SABAP) (attendance register, meeting minutes/ notes).	100% achieved. Three platforms were strengthened and facilitated.	

PREDETERMINED OBJECTIVES REPORT 2014/15

Strategic objective(s)	Key performance indicators	Planned target 2014/15	Actual achievement 2014/15 (achieved, partially achieved, not achieved, exceeded target and modification)	Deviation from planned target to actual achievement
PROGRAMME 1: RENDER EFFECTIVE AND EFFICIENT CORPORATE SERVICES (Previously Programme 6)				
1.1: SANBI is positioned as an employer of choice in the biodiversity sector	Percentage of qualifying staff on the scientist and horticulturalist career path.	70% of qualifying staff placed on scientist career path. 60% of qualifying staff placed on horticulturalist career path.	Achieved. 70% of qualifying staff were placed on scientist career path. Partially achieved. 29 horticulturalists identified and placed on career ladder.	Career ladder for horticulturalists was developed and approved by SANBI Board. A work study approved by EXCO was conducted aimed at assessing the workload amongst horticulturalists to create an enabling environment for the implementation of the horticulturalists career ladder. A total of 29 horticulturalists have been identified and will be placed on the career ladder accordingly.
	Percentage of payroll allocated and spent on staff development.	1% of payroll allocated and spent on staff development.	100% achieved. The 1% of payroll allocated was spent on staff development.	
	Percentage of Employment Equity (EE) targets achieved.	60% of EE targets achieved (numerical).	Partially achieved. Out of 60% EE targets (numerical), only 45% was achieved.	45% of the EE targets (numerical) were achieved. The variation was caused by the fact that EXCO approved specific posts to be filled. Not all vacant posts were filled. EE targets will be applied as and when EXCO approves the vacant posts to be filled.
1.2: Compliant financial management systems and policies are provided	Annual Financial Statements (AFS) produced to comply with PFMA and GRAP requirements.	Unqualified AFS produced to comply with PFMA and GRAP requirements (AG's Report).	100% achieved. Unqualified, PFMA and GRAP-compliant AFS produced.	
1.3: Effective corporate services rendered to achieve the mandate of SANBI	All identified risks managed through an annual risk assessment and implementation of the risk management plan.	Annual risk assessment completed (Risk Register).	100% achieved. Annual risk assessment has been completed.	
	SANBI complies with all relevant Acts and SANBI/DEA protocol through implementation of the Compliance Framework.	Reporting monitored according to specified timeframes (compliance reports).	100% achieved. The reporting was monitored according to specified timeframes, on a quarterly basis.	
1.4: Effective communication and technology support services through enhanced communication and technology infrastructure	Percentage availability of SANBI network and business applications.	95% of ICT services are available.	Achieved. 95% of ICT services were made available.	

Strategic objective(s)	Key performance indicators	Planned target 2014/15	Actual achievement 2014/15 (achieved, partially achieved, not achieved, exceeded target and modification)	Deviation from planned target to actual achievement
PROGRAMME 1: RENDER EFFECTIVE AND EFFICIENT CORPORATE SERVICES (Previously Programme 6)				
1.5: Effective marketing and communication services delivered to internal and external stakeholders	Number of communication platforms and methods utilised to keep internal and external stakeholders informed of SANBI activities and its NBGs.	Quarterly newflash, information brochures, intranet, website and CEOs letter.	100% achieved. The quarterly newflash, information brochures, intranet, website and CEO's letters were published.	
	Number of marketing initiatives and platforms identified and effectively utilised for brand SANBI and NBG profiling.	Produced newspaper articles, adverts and recorded interviews.	100% achieved. The newspaper articles, adverts and recorded interviews were produced.	
		Increased media coverage received (clippings of coverage).	100% achieved. Received increased media coverage.	
	Number of media platforms utilised to educate and inform the public about SANBI, its products and services.	Attended exhibitions, activations, shows and campaigns. Gardens implemented initiatives and activities to attract increased number of visitors.	100% achieved. Exhibitions, activations, shows and campaigns were attended and gardens implemented initiatives and activities to attract increased number of visitors.	
PROGRAMME 2: MANAGE AND UNLOCK BENEFITS OF THE NETWORK OF NATIONAL BOTANICAL GARDENS (Previously Programme 1)				
2.1: A world-class network of national botanical gardens are managed	Number of best-practice maintenance or development projects completed across SANBI's NBGs.	5 maintenance/ development projects per garden and 2 corporate SANBI capital infrastructure projects completed.	Achieved. 5 maintenance/ development projects per garden and 2 corporate SANBI capital infrastructure projects have been completed.	
	Number of new NBGs established and operational.	Management responsibility for new Limpopo Garden transferred from LEDET to SANBI.	Not achieved.	LEDET has supported the transfer of the management of the Thohoyandou Botanical Garden to SANBI, and has agreed to retain and remunerate their employees currently working in the garden. Awaiting formal approval from the Limpopo Executive Council.
		Professional team appointed for the establishment and development of the new Eastern Cape Garden.	Achieved. Professional team has been appointed for the establishment and development of the new Eastern Cape Garden.	
		Acquisition of land by SANBI for the establishment of the new Eastern Cape Garden.	Not achieved.	Option Agreement signed. Application for subdivision, consolidation and special consent use submitted to the Buffalo City Metropolitan Municipality, awaiting formal approval.
		New NBG in the Eastern Cape proclaimed and gazetted by the DEA Minister.	Achieved. The new NBG in the Eastern Cape has been proclaimed and gazetted by the DEA Minister.	

Strategic objective(s)	Key performance indicators	Planned target 2014/15	Actual achievement 2014/15 (achieved, partially achieved, not achieved, exceeded target and modification)	Deviation from planned target to actual achievement
PROGRAMME 2: MANAGE AND UNLOCK BENEFITS OF THE NETWORK OF NATIONAL BOTANICAL GARDENS (Previously Programme 1)				
2.1: A world-class network of national botanical gardens are managed	Increased representation of indigenous plants in the living collections of SANBI's NBGs or the Millennium Seed Bank (MSB), Kew, UK.	20 new indigenous plant species added to the living collections of the combined network of NBGs or MSB, UK.	Achieved. 22 new indigenous plant species were added to the living collections of the combined network of NBGs or MSB, UK.	Increased representation of indigenous plants in the living collections of SANBI's NBGs or the MSB. Management agrees that the target should have been recorded accurately.
		Increased incentive income generated by NBGs from acquisition of collections for MSB Programme. Negotiations with the MSB Partnership about the extension of the 5-year MoA.	Achieved. Incentive income generated by NBGs from acquisition of collections for MSB Programme. Negotiations with the MSB Partnership, about the extension of the 5-year MoA was increased.	
2.2: Revenue generating activities are strengthened in all National Botanical Gardens	Percentage own income and visitor numbers increased through expanded and more effective revenue generating activities in NBGs.	1.5% annual increase in visitor numbers (spreadsheet).	Exceeded target by 25.2%.	Various SANBI marketing interventions, additional garden-based events and the unprecedented success and popularity of the new Tree Canopy Walkway (commonly referred to as the 'Boomslang') in Kirstenbosch, opened to the public in May 2014, resulted in better than expected visitor numbers. The gardens also benefited from the increased number of tourists visiting South Africa in general and Cape Town in particular.
		4% annual increase in own income (Financial Statements).	Exceeded target by 30%.	Various SANBI marketing interventions, additional garden-based events and the unprecedented success and popularity of the new Tree Canopy Walkway (commonly referred to as the 'Boomslang') in Kirstenbosch, opened to the public in May 2014, resulted in better than expected own income. The gardens have also benefited from the increased number of tourists visiting South Africa in general and Cape Town in particular.

Strategic objective(s)	Key performance indicators	Planned target 2014/15	Actual achievement 2014/15 (achieved, partially achieved, not achieved, exceeded target and modification)	Deviation from planned target to actual achievement
PROGRAMME 3: PROVIDE SCIENTIFIC EVIDENCE TO SUPPORT POLICY AND DECISION-MAKING RELATING TO BIODIVERSITY, INCLUDING THE IMPACTS OF CLIMATE CHANGE				
3.1: Foundational information on species and ecosystems is generated and collated	Number of datasets compiled or updated providing national inventories for plant and animal taxa, spatial datasets for conservation planning, monitoring data, and national classification systems.	Two inventories, comprising (i) an inventory of animal species with 33 000 species and (ii) an inventory of all South African plants, updated four times per annum.	100% achieved. The two inventories, comprising (i) an inventory of animal species with 33 000 species and (ii) an inventory of all South African plants, were updated four times per annum.	
		One inventory of SANBI Gardens Biodiversity updated with new records and information (database).	100% achieved. One inventory of SANBI Gardens Biodiversity was updated with new records and information.	
		Two complete and updated classification systems (GIS shape files and metadata).	100% achieved. The two classification systems were completed and updated.	
		Two spatial datasets compiled to provide information for conservation planning (datasets available).	100% achieved. The two spatial datasets to provide information for conservation planning were compiled.	
		One monitoring database being updated (SABAP2) with at least 65% coverage of South African surface area, monitoring underway for one further taxon (database).	100% achieved. One monitoring database was updated (SABAP2) with at least 65% coverage of South African surface area, monitoring underway for one further taxon.	
3.2: Scientific evidence on the status of biodiversity, risks and benefits is produced in order to inform policy and decision-making	Number of research papers published in scientific literature.	90 publications.	100% achieved. 90 publications were produced.	
	Number of synthesis reports produced that deal with national assessments of biodiversity, impacts of genetically modified organisms, sustainable trade and support for the wildlife economy.	Two preliminary reports on assessment of biodiversity-based ecosystem services; coral bleaching as an indicator of climate change. Timetable for delivery of NBA (2018) (NBA 2018 project timetable).	100% achieved. The two preliminary reports on assessment of biodiversity-based ecosystem services; coral bleaching as an indicator of climate change were done.	
	Percentage of assessments completed dealing with priority species for the Scientific Authority and invasive species.	60% of priority species identified by the Scientific Authority assessed.	100% achieved. The 60% of priority species identified by the Scientific Authority were assessed.	
		50% of species assessed for AIS regulations.	100% achieved. The 50% of species were assessed for AIS regulations.	
PROGRAMME 4: CO-ORDINATE AND PROVIDE ACCESS TO BIODIVERSITY INFORMATION AND KNOWLEDGE (Previously Programme 3)				
4.1: Access is provided to biodiversity data, information and knowledge	Percentage of records accessed from the Biodiversity Advisor website.	5% cumulative increase in records accessed.	100% achieved. The 5% cumulative increase in records was accessed.	
	Percentage of registered users on the Biodiversity Advisor website	5% cumulative increase in registered users.	100% achieved. The 5% cumulative increase in registered users	

Strategic objective(s)	Key performance indicators	Planned target 2014/15	Actual achievement 2014/15 (achieved, partially achieved, not achieved, exceeded target and modification)	Deviation from planned target to actual achievement
PROGRAMME 5: PROVIDE BIODIVERSITY AND CLIMATE CHANGE ADAPTATION POLICY TOOLS AND ADVICE IN SUPPORT OF SOUTH AFRICA'S DEVELOPMENT (Previously Programme 4)				
5.1: Ecosystem management tools developed and applied	Number of tools developed to support mainstreaming of biodiversity and ecological infrastructure in production sectors and resource management.	Two tools produced (reports), biodiversity and climate change adaptation implementation plan scoping workshop session held.	100% achieved. The two tools produced. Biodiversity and climate change adaptation implementation plan scoping workshop session was held.	
		Six knowledge resources demonstrating the value of biodiversity developed and disseminated (documents/ films and/or infographics/ factsheets).	100% achieved. The six knowledge resources demonstrating the value of biodiversity were developed and disseminated.	
	Number of co-ordination or learning mechanisms convened to share lessons and build capacity.	Four learning or co-ordination events convened (attendance registers, meeting minutes, programmes).	100% achieved. The four learning or co-ordination events were convened.	
		Three training sessions held for provincial, municipal or other relevant decision-makers for uptake of tools (attendance registers, programmes).	100% achieved. The three training sessions were held for provincial, municipal or other relevant decision-makers for uptake of tools.	
5.2: Projects for ecosystem restoration developed and implemented	Number of wetlands under rehabilitation to restore high value ecosystems.	110 wetlands under rehabilitation.	Exceeded target. A total of 115 wetlands were under rehabilitation.	Unforeseen maintenance was done on five wetlands (three in Mpumalanga and two in the Eastern Cape) during the course of the year. This maintenance was not planned for, and hence not included in the targets, but needed to be done promptly once the need for it was detected, in order to avoid further degradation of the structures that required maintenance.
5.3: Scientific advice to support national and international policy processes provided	Number of national policy requests responded to within timeframe stipulated in the request.	Two written requests for support from DEA responded to within timeframe stipulated (documents, reports, minutes of meeting depending on request).	100% achieved. The two written requests for support from DEA were responded to within the timeframe stipulated.	
		One report on the Scientific Authority submitted to the minister (report).	100% achieved. One report on the Scientific Authority was submitted to the minister.	
		Two biodiversity planning processes supported (minutes of meetings, reports, documents depending on request).	100% achieved. The two biodiversity planning processes were supported.	
	Number of national policy processes for which support is provided to other relevant organs of state.	Submissions provided into two national policy process (participation in relevant meetings; comments and input provided by SANBI where applicable).	100% achieved. Submissions were provided into two national policy process (participation in relevant meetings; comments and input provided by SANBI where applicable).	

Strategic objective(s)	Key performance indicators	Planned target 2014/15	Actual achievement 2014/15 (achieved, partially achieved, not achieved, exceeded target and modification)	Deviation from planned target to actual achievement
PROGRAMME 5: PROVIDE BIODIVERSITY AND CLIMATE CHANGE ADAPTATION POLICY TOOLS AND ADVICE IN SUPPORT OF SOUTH AFRICA'S DEVELOPMENT (Previously Programme 4)				
5.3: Scientific advice to support national and international policy processes provided	Number of international policy support requests responded to within timeframe stipulated.	Four written requests relating to core multi-lateral environmental agreements responded to within timeframe stipulated (reports, documents depending on request).	100% achieved. Four written requests relating to core multi-lateral environmental agreements were responded to within timeframe stipulated.	
5.4: The direct access climate finance modality is proved to be effective in building resilience in communities vulnerable to adverse climate impacts	Number of climate change adaptation pilot projects developed and implemented via the direct access modality.	Detailed project concepts approved for two climate change adaptation fund direct access modalities. (project documents).	100% achieved. The detailed project concepts were approved for two climate change adaptation fund direct access modalities.	
	Number of cases where South Africa's experience with direct access is documented and shared.	NIE lessons and experiences shared at at least four international, regional and national meetings per annum (PowerPoint presentations and associated feedback).	100% achieved. NIE lessons and experiences were shared at at least four international, regional and national meetings per annum.	
PROGRAMME 6: HUMAN CAPITAL DEVELOPMENT (HCD): DRIVE HUMAN CAPITAL DEVELOPMENT, EDUCATION AND AWARENESS IN RESPONSE TO SANBI'S MANDATE (Previously Programme 5)				
6.1: A socially equitable and suitably skilled workforce is developed	Number of individuals participating in Groen Sebenza, GreenMatter beneficiaries, internship and studentship capacity development and job creation initiatives with a percentage coming from designated groups.	1 000 unemployed youth skilled and hosted in the biodiversity sector (contracts, payroll).	Exceeded target. 195 and the total achieved is 1 197.	The Groen Sebenza Project Steering Committee took a resolution to replace transitioned pioneers (pioneers who left due to attrition, job placements and further study). This created opportunities to host more unemployed youth, thereby increasing the numbers.
		75% representation of designated groups in HCD programmes (reports).	Exceeded target. The 84.38% representation of designated groups in HCD programmes was exceeded by 9.38%.	The Groen Sebenza Project Steering Committee took a resolution to replace transitioned pioneers (pioneers who left due to attrition, job placements and further study). This created opportunities to host more unemployed youth, thereby increasing the numbers.
6.2: All NBGs are promoted and used as platforms for biodiversity awareness, education and recreation	Number of users and beneficiaries of botanical gardens and school-based programmes for education, awareness, training and recreation have been increased.	46 000 (statistics table)	Exceeded target. The target was exceeded by reaching 52 897 as opposed to 46 000 planned beneficiaries.	Due to the increased capacity from the Groen Sebenza Programme, SANBI was able to host more school-based programmes, thereby increasing the number of users and beneficiaries.
6.3: Civil society is engaged to contribute to science and monitoring	Number of platforms facilitated for civil society engagement that contribute to biodiversity monitoring.	One platform facilitated (meeting minutes/notes, attendance register).	100% achieved. One platform facilitated.	



GOVERNANCE REPORTS

STATEMENT OF RESPONSIBILITY OF THE BOARD

The South African National Biodiversity Institute (SANBI) was established in terms of the National Environmental Management: Biodiversity Act, 2004 (Act No. 10 of 2004) and is subject to the provisions of the Public Finance Management Act, 1999 (Act No. 1 of 1999), as amended (PFMA).

The PFMA requires the Accounting Authority (the Board) to ensure that SANBI keeps full and proper records of its financial affairs. The Financial Statements should fairly present the state of affairs of SANBI, its financial results, its performance against predetermined objectives and its financial position at the end of the year in terms of the effective South African Standards of GRAP, including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The Financial Statements are the responsibility of the Board. The external auditor is responsible for independently auditing and reporting on the Financial Statements.

These Financial Statements are based on appropriate accounting policies, supported by reasonable and prudent judgments and estimates, and have been prepared on the going-concern basis. The Board has reviewed SANBI's cash flow forecast for the year ending 31 March 2017 and considered the risks and challenges for the future. In light of this review and the current financial position, the Board is satisfied that SANBI has adequate resources or has access to adequate resources to continue in operational existence in the short term.

To enable the Board to meet the above-mentioned responsibilities, it sets standards and implements systems of internal control. The controls are designed to provide cost-effective assurance that assets are safeguarded, and that liabilities and working capital are efficiently managed.

Policies, procedures, structures and approval frameworks provide direction, accountability and division of responsibilities, and contain self-monitoring mechanisms. The controls throughout SANBI focus on the critical risk areas identified by operational risk management and confirmed by Executive Management. Both Management and the internal auditors closely monitor the controls and actions taken to correct deficiencies as they are identified.

Based on the information and explanations given by Management and the internal auditors and discussions held with the Auditor-General of South Africa on the result of their audits, the Board is of the opinion that the internal accounting controls are adequate to ensure that the financial records may be relied on for preparing the Financial Statements, and accountability for the assets and liabilities is maintained.

Nothing significant has come to the attention of the Board to indicate that any material breakdown has occurred in the functioning of these controls, procedures and systems during the year under review.

In the opinion of the Board, based on the information available to date, the Financial Statements fairly present the financial position of SANBI as at 31 March 2016 and the results of its operations and cash flow information for the year.

The Financial Statements of SANBI for the year ended 31 March 2016, which have been prepared on the going-concern basis, have been approved by the Board and signed on its behalf by:



Ms Nana Magomola
Chairperson of the SANBI Board



Dr Tanya Abrahamse
Chief Executive Officer: SANBI

REPORT BY THE ACCOUNTING AUTHORITY

The Accounting Authority of SANBI hereby presents its report for the year ended 31 March 2016 to the Executive Authority and Parliament of the Republic of South Africa.

Services Rendered by SANBI

The narrative section of this Annual Report gives a more in-depth discussion of key performance indicators and overview of programme performance. Key projects delivered during the period under review as well as services offered by the Institute are also discussed in the narrative section of this report.

Corporate Governance Arrangements

Information pertaining to corporate governance is explained in the Corporate Review section of this Annual Report.

Performance Information

In line with the requirements of National Treasury, performance targets are set on an annual basis and performance against these targets is reported to National Treasury through the Department of Environment Affairs on a quarterly basis after approval by the Board. The Department of Environment Affairs assesses the quarterly performance reports and gives SANBI feedback, which has been positive during the year under review.

Executive Management's Interest in Contracts

In the current financial year SANBI did not enter into any material contracts wherein its Executive Management had interests.

Preparation and Presentation of the Annual Financial Statements

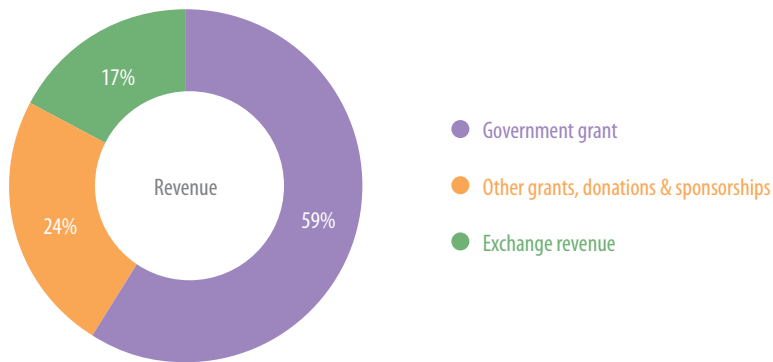
SANBI has adopted the South African Statements of Generally Recognised Accounting Practices (GRAP).

Financial Highlights

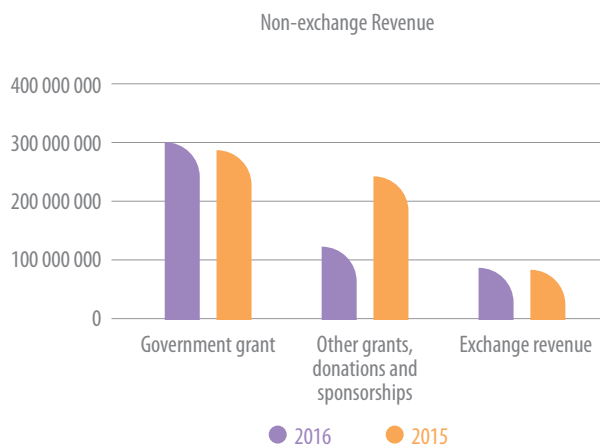
The financial position and performance of the operations and programme activities of SANBI are cited with notes in the Financial Statements which form an integral part of this Annual Report. Material facts and circumstances that occurred between the accounting date and date of this report have been accordingly accounted for.

Revenue

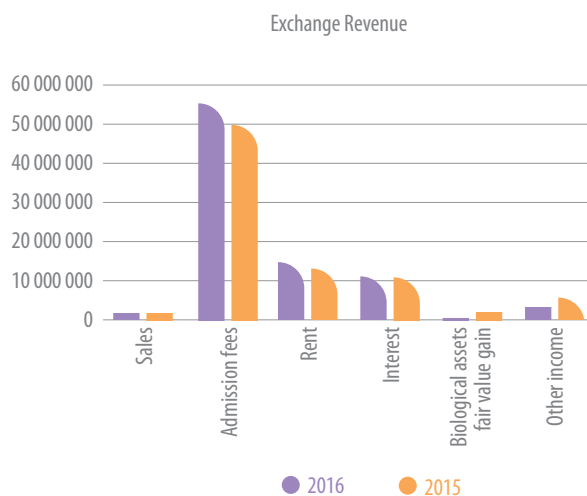
Total revenue is cited in the Statement of Financial Performance under two main categories namely non-exchange revenue and exchange revenue. Overall revenue decreased by 16% year-on-year to R519 million from R620 million resulting from a reduction in the project income, in particular the working for wetlands project.



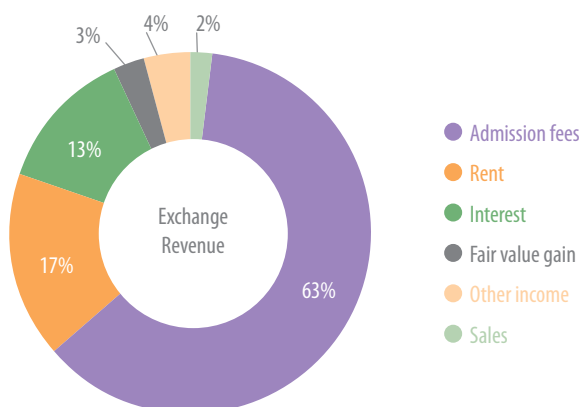
Non-exchange revenue comprises government grants, other grants, sponsorships and donations. This category of revenue accounts for 83% of total revenue. Government grant increased by 5% year-on-year. Other grants, donations and sponsorships comprise 24% of total revenue. This income stream has reduced by 48% to R127 million from R245 million last year. The reduction is mainly as a result of the working for wetlands project moving to the Department of Environmental Affairs.



Exchange revenue accounts for 17% of total revenue. It consists of the Institute's revenue generation activities. The main contributor is admission fees through the gates. Overall, there is a year-on-year increase of 5%.



Exchange revenue comprises the following:

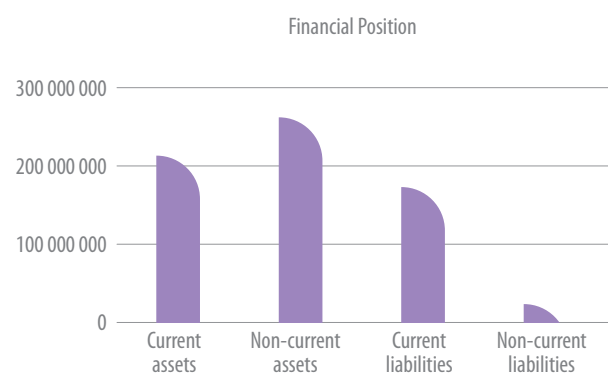


Expenses

Overall expenditure has decreased with 18.26% year-on-year. The MTEF and projects personnel expenses has decreased with 2% year-on-year.

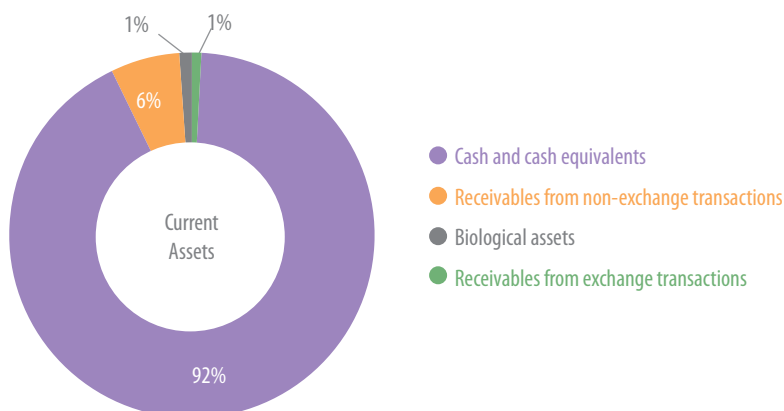
Financial Position

Overall, the cash reserves are sufficient to meet the short-term needs as well as obligations arising from project funds received. The Institute is solvent with total assets exceeding total liabilities by an adequate margin.



Current Assets

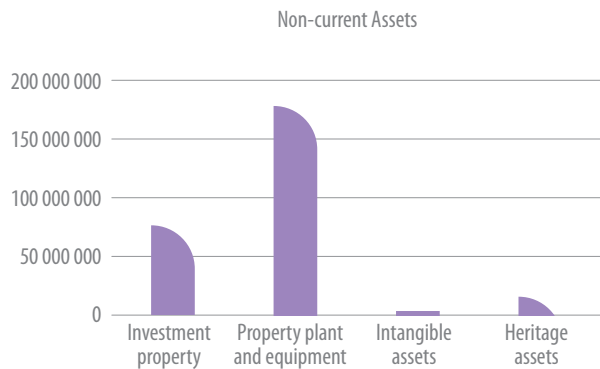
Current assets at R222 million exceed current liabilities of R185 million by a good margin which reflects a healthy liquidity position of the Institute. The liquidity position is in an acceptable current ratio band of 1; 1.2:1 and 1.16:1 of the previous financial year. The cash and cash equivalents comprising 92% of total current assets, is fully committed in terms of agreements with service providers, project donors and sponsors.



Non-current Assets

The Non-current Assets of the Institute are managed and protected by management with due diligence. Appropriate insurance cover is in place and any loss or damage to property is systematically investigated and remedial measures are promptly implemented. The oversight of these measures is under the auspices of the Audit and Risk Committee, and the Governance and Strategy Committee. During the year under review, these assets have grown by 12%.

The following graph depicts the proportion of these assets in the current financial year.



Current Liabilities

The current liabilities have decreased by 24% from the previous financial year due to a decrease in payables and unspent committed project funds.

Non-current Liabilities

The financial position of the Institute remains healthy with total assets exceeding total liabilities by a large margin. Non-current liabilities have increased by 12% from the previous financial year due to an increase in the defined benefit liability as a result of the annual actuarial valuation. The Board will strive to maintain this positive solvency position.

Address

Registered office: South African National Biodiversity Institute
2 Cussonia Avenue
Brummeria
Pretoria
0002

Private Bag X101
Pretoria
0001

Auditors

SANBI as a Schedule 3A Public Entity, is audited by the Auditor-General South Africa.

CORPORATE GOVERNANCE STATEMENT

According to the King Code of Governance Principles and King Report on Governance (King III), corporate governance is the set of processes, customs, policies, laws and institutions affecting the way a company or entity is directed, administered or controlled. An important theme of corporate governance is the nature and extent of accountability of particular individuals in the organisation, and the mechanisms that try to reduce or eliminate the principal agent problem. Corporate governance also includes the relationships among the many stakeholders involved and the goals for which the corporation is governed. In contemporary business entities, the main external stakeholder groups are shareholders, debt holders, trade creditors, suppliers, customers and communities affected by the entity's activities. Internal stakeholders are the Board of Directors, Executives and other employees.

SANBI subscribes to and is committed to complying with the principles and standards of integrity and accountability expressed in the PFMA, relevant National Treasury Regulations and, where applicable and practical the King III. We are aware of the imminent King VI report with more compliance requirements, which will give further guidelines on corporate governance.

SANBI's Board, its sub-committees and the Executive Management Committee ensure that the it complies with these principles.

Appointment and composition of the Board

According to Section 15 of the National Environmental Management: Biodiversity Act, 2004 (Act No. 10 of 2004) SANBI Board Members are appointed by the Executive Authority for a term of three years. In terms of the PFMA, the Board is the Accounting Authority of the Institution. Members of the Executive Management Committee (EXCO) attend Board meetings by invitation. The Board meets quarterly or whenever required for specific extraordinary meetings. The business of the Board and its functions are conducted in line with the approved Board Manual. The Board induction is conducted on appointment of the new members. The focus areas of the induction sessions usually cover the following:

- Broad introduction of SANBI
- Financial position
- Enterprise risk management
- Fund raising strategy and sustainability
- ICT Governance Framework implementation
- Human Resources Programme
- Marketing and communication initiatives and activities
- Five year Strategic Plan
- Annual Performance Plan
- Capex, Opex and Projects Budgets.

The Board consists of not fewer than seven and not more than nine members who are appointed by the Minister of Environmental Affairs. The Board further includes the Director-General, or an official of the Department of Environmental Affairs designated by the Director-General, and the Chief Executive Officer of SANBI.

SANBI Board members for the period 1 April 2015–31 March 2016

- Mrs ME Magomola (Board Chairperson)
- Prof. B van Wilgen
- Dr ST Cornelius
- Dr JM Matjila
- Mrs NN Mnqeta
- Mr S Gounden
- Mrs BD Ngidi
- Mrs T Godongwana
- Mrs S Mancotywa (DEA representative)
- Dr Y Seleti (DST representative)
- Dr T Abrahamse (Chief Executive Officer)

Fiduciary duties

With regard to fiduciary duties, SANBI's Accounting Authority exercises the duty of skill and care in the quest to ensure reasonable protection of the assets of the entity. The roles of the Chairperson and Chief Executive Officer do not vest in the same person and the Chairperson is a non-executive member of the Institute. The Chairperson and Chief Executive Officer, with the support of the Board, the sub-committees and EXCO, ensure that the mandate of the Institute is achieved.

Board assessment

The evaluation of the Board, its committees and the individual directors should be performed every year. Board members are asked to complete a Self-Assessment Questionnaire to determine their perceptions of the strengths and weaknesses of the Board in the context of their fiduciary accountability to provide direction, guidance and governance of the Institute. The questionnaire reflects the individual perceptions of Board members. In order to make sense of these comments, it was decided by the Governance and Strategy Committee (GAS) to consolidate these into one edited report. At the end of its term, the Board submits the handover report to the minister highlighting successes and challenges during its tenure.

Board sub-committees

For operational effectiveness, the Board has appointed sub-committees for key functional areas of the Institute. These sub-committees comprise members of the Board and independent members who are well versed in their lines of business. Members are appointed for a term concurrent with that of the Board. All sub-committees of the Board are chaired by members of the Board. Any Board member may request or be requested to attend a Board sub-committee meeting. The Board has recently developed a framework for sub-committees' responsibilities to ensure focused oversight of each sub-committee and to avoid duplication.

The role of the sub-committees is to advise the Board on:

- The Institute's mandate
- The strategic direction of the Institute
- The implementation of the Corporate Strategic Plan and Annual Performance Plan
- The monitoring and evaluation of key performance objectives
- Establishing and approval of budgeting requirements.

GOVERNANCE REPORTS

The Board sub-committees for the reporting period were as follows:

Committee	1 April 2015 to 31 March 2016
Audit and Risk Committee*	Dr ST Cornelius (Chairperson) Mrs T Godongwana Board member Mr GJ Dladla (Independent member appointed effective 01/04/2015) Mr J Makoro (Independent member appointed effective 01/09/2015) Mr T Zororo (Independent member appointed effective 01/09/2015) Dr T Abrahamse (Chief Executive Officer) (<i>ex officio</i>) Ms E Makau (DEA: Chief Financial Officer) (<i>ex officio</i>) Ms L Sithole (Chief Financial Officer) (<i>in attendance</i>)
Governance and Strategy Committee	Mr S Gounden (Chairperson) Dr JM Matjila Mrs BD Ngidi Dr T Abrahamse (CEO) (<i>ex officio</i>) Mr M Khoahli (<i>in attendance</i>)
Remuneration and Human Resources Committee	Dr JM Matjila (Chairperson) Dr Y Seleti Mrs BD Ngidi Dr T Abrahamse (CEO) (<i>ex officio</i>) Mr M Netshiombo (<i>in attendance</i>)
Research, Development and Innovation Committee	Mrs NN Mnqeta (Chairperson) Prof. B van Wilgen Dr Y Seleti Prof. C Chimimba (Independent member appointed effective 01/09/2015) Dr L Dziba (Independent member appointed effective 01/09/2015) Dr T Abrahamse (CEO) (<i>ex officio</i>) Ms C Mbizvo (<i>in attendance</i>)

* As required by Treasury Regulation 27, the Board appointed an Audit and Risk Committee to assist with the discharge of its duties. The terms of reference of this committee have been approved by the Board. The committee meets four times per year and one extraordinary meeting is held during the end of May annually, to consider the draft Annual Financial Statements.

Attendance record of meetings

Board Meetings					
Number of meetings each member attended					
Names	28 May 2015	27 August 2015	20 November 2015	26 February 2016	Total
Ms ME Magomola	✓	✓	✓	✓	4
Dr J Matjila	✓	✓	✓	✓	4
Dr ST Cornelius	✓	✓	✓	✓	4
Ms NN Mnqeta	✓	✓	✓	-	3
Ms BD Ngidi	-	✓	✓	✓	3
Mr S Gounden	✓	✓	✓	-	3
Ms T Godongwana	✓	✓	✓	✓	4
Prof. B van Wilgen	✓	✓	✓	✓	4
Dr Y Seleti	-	✓	-	✓	2
Ms S Mancotywa	✓	✓	-	✓	3
Dr T. Abrahamse (CEO)					

Audit and Risk Committee						
Number of meetings each member attended						
Names	24 April 2015	28 May 2015	28 July 2015	28 Oct 2015	29 Jan 2016	Total
Dr ST Cornelius	✓	✓	-	✓	✓	4
Ms T Godongwana	✓	✓	✓	-	✓	4
Mr GJ Dladla	✓	✓	✓	✓	-	4
Mr T Zororo (Appointed 01 Sept 2015)				✓	✓	2
Mr J Makoro (Appointed 01 Sept 2015)				✓	✓	2

Governance and Strategy Committee Meetings					
Number of meetings each member attended					
Names	08 May 2015	17 August 2015	12 November 2015	10 February 2016	Total
Mr S Gounden	✓	✓	✓	✓	4
Ms BD Ngidi	✓	✓	✓	✓	4
Dr J Matjila	✓	✓	✓	✓	4

Human Resources and Remuneration Committee Meetings					
Number of meetings each member attended					
Names	13 May 2015	18 August 2015	5 November 2015	11 February 2016	Total
Dr J Matjila	✓	✓	✓	✓	4
Ms BD Ngidi	✓	✓	✓	✓	4
Dr Y Seleti	✓	-	-	✓	2

Research, Development and Innovation Committee Meetings					
Number of meetings each member attended					
Names	19 May 2015	04 August 2015	3 November 2015	16 February 2016	Total
Ms NN Mnqeta	✓	✓	✓	✓	4
Ms S Mancotywa	✓	-	✓	✓	4
Prof. B van Wilgen	✓	✓	✓	✓	2
Dr Y Seleti (member from 1 November 2015)			-	-	0
Prof. CT Chimimba (Appointed 01 September 2015)			✓	-	1
Dr L Dziba (Appointed 01 September 2015)			✓	✓	2

Management structure

EXCO comprises the Chief Executive Officer (as Chairperson), Head of Biodiversity Science and Policy Advice, Chief Financial Officer, Chief Corporate Officer, all chief directors as well as other directors as and when required. This committee meets monthly with additional meets on an ad-hoc basis as deemed necessary. EXCO's role is to ensure the co-ordinated and efficient execution of all functions delegated to it by the Board.

The management structure of the Institute is geographically decentralised because of the wide geographical spread and activities of its various units. The head of each unit is called a Head of Cost Centre (HOCC).

Implicit in the concept is a substantial measure of delegation of both responsibility and authority, which in turn requires effective control and evaluation systems. Both financial and management responsibilities are delegated and clearly communicated to the HOCCs. These officers are actively involved in the budget development and take responsibility for the disciplined management of their cost centre budgets within clearly defined policies, procedures and Delegations of Authority (DOA) approved by the Board.

Audit

The Auditor-General of South Africa (AGSA) is appointed as the external auditor of SANBI in terms of the Public Audit Act, 2004 (Act No.25 of 2004). The Institution also has an internal audit function that is outsourced to a private audit firm for a period of three years. The Board, through the Audit and Risk Committee, exercises oversight on financial reporting and internal control systems.

Enterprise risk management

A culture of risk management is inculcated in the Institute. Management is continuously developing and enhancing its risk and control procedures to improve the mechanisms for identifying and monitoring risks. An in-depth enterprise-wide risk assessment, facilitated by internal audit, was conducted during the year under review. The results of the assessment were reviewed by the Audit and Risk Committee and subsequently approved by the SANBI Board. The identified risks were assigned to risk owners who report progress on risk control action plans and mitigation measures.

The Risk Management and Fraud Prevention Committee (RMFPCom) which is under the auspices of the Audit and Risk Committee and chaired by the Chief Corporate Officer, adjudicates on alleged fraud cases reported through the whistle blowing system or other approved means. This sub-committee functions according to the Terms of Reference approved by the Audit and Risk Committee. A Fraud Prevention Plan is in place.

The SANBI Whistleblowing Hotline is fully functional and is administered by the South African Corporate Fraud Management Institute. Vuvuzela Hotline (Pty) Ltd has been appointed to manage the hotline for a three year term. This service provider informs SANBI Management and internal auditors of any reports of fraud or misconduct received.

Cases of loss and/or damage to assets are recorded in a Loss Control Register and dealt with by the Liability Assessment Sub-Committee. Firm action is always taken for losses and damages ascribed to negligent accidents, recklessness and carelessness.

Delegation of authority

The Board approved the DOA Framework for effective operational requirements. This clarifies lines of authority and powers for various transactions the Institute undertakes. The DOA is regularly reviewed and amended to suit the operations of the Institute and for alignment with National Treasury Instructions and other Regulations, especially the Procurements and Cost Containment Guidelines.

Internal control systems

Financial and operational systems of internal control are adhered to as required by applicable regulations and laws. These controls are designed to provide reasonable assurance that transactions are concluded in accordance with management authority, assets are protected and the financial transactions are properly recorded.

Internal audit

SANBI has the internal audit function which is outsourced to an external service provider, currently Grant Thornton. The internal auditors report to the Audit and Risk Committee according to the approved Internal Audit Charter. The charter includes a structured internal audit approach, premised on the International Standards for the Professional Practice of Internal Auditors (ISPPA) as prescribed by the Institute of Internal Auditors (IIA).

Treasury Regulation 27.2.7 requires that internal audit prepare a risk-based three year rolling Internal Audit Plan in consultation with and for approval by the Audit and Risk Committee.

Management of ICT

The Board is responsible for information and communication technology (ICT) governance. The Board delegated aspects of oversight of ICT governance to the Audit and Risk Committee, which provides formal feedback to the Board. There is an approved SANBI Information Technology Policy Framework (Principles and Guidelines) in place. This framework is based on the notion that ICT governance exists to inform and align decision-making in ICT planning in line with existing policy and operations in order to meet business objectives, ascertain that risks are managed appropriately and verify that resources are being used responsibly and strategically. The ICT Governance Framework includes an implementation plan that is monitored by the Audit and Risk Committee on a quarterly basis. An ICT Steering Committee was established at a Management level to deal with ICT governance and advises EXCO on ICT strategic matters.

Employment equity

The Employment Equity programme in SANBI is monitored by the Employment Equity and Training Committee. The primary aim of the Employment Equity Programme is to achieve the following:

- Compliance with the provisions and legal requirements of the Employment Equity Act
- Promotion of diversity

- Accommodation of physically challenged people through modification and adjustment of the physical working environments
- Attraction, development and retention of staff members with emphasis on those from designated groups.

SANBI strives to achieve its employment equity vision through the following initiatives:

- Implementation of all the critical success factors for effective employment equity transformation
- Provision of all necessary personnel and financial resources
- Utilising the SANBI structures to consult and communicate with all employees, either directly or indirectly
- Putting in place the enabling systems and working environment geared towards the maximisation of advancement of persons from designate groups
- Employee participation is encouraged by putting best practices in place to foster good and co-operative relationships and employee participation at all levels of the Institute. Union representation, staff meetings, focus groups and task teams are all instrumental in facilitating participation.

Code of Conduct

A Code of Conduct that applies to all staff members has been approved and is being implemented. The Code of Conduct facilitates sound business ethics in the Institute and plays an important role in defining the organisational culture and governing corrective and effective discipline within the Institute. It is a standard annexure to all letters of appointment to ensure that new staff members are informed. A Code of Conduct for Board members has also been developed and the approved Code is being implemented. All Board members are subject to the Code.

Conflict of interest

As part of the appointment protocol, all new staff members are obliged to complete a Declaration on Conflict of Interest when they are appointed. Management signs this declaration in all meetings. Bid Committee members also sign the declaration in every procurement adjudication meeting. All Board members are, in keeping with the PFMA, required to complete a Disclosure of Interest Declaration annually and at every Board and sub-committee meeting.

Supply chain management

During this financial year, the Institute updated and aligned all procurement systems, policies, processes and practices with PFMA and National Treasury prescripts on supply chain management. SANBI complied with the reporting requirements of the Department of Environmental Affairs and National Treasury by regularly reporting on the supply chain management system activities.

Legislative framework

SANBI, being a Section 3A public entity, has to comply with a number of laws, including:

- National Environmental Management: Biodiversity Act, 2004 (Act No. 10 of 2004)
- Labour Relations Act, 1995 (Act No. 66 of 1995)
- Basic Conditions of Employment Act, 1997 (Act No. 75 of 1997)
- Employment Equity Act, 1998 (Act No. 55 of 1998)
- Skills Development Act, 1998 (Act No.97 of 1998)
- Skills Development Levies Act, 1999 (Act No.9 of 1999)
- Public Finance Management Act, 1999 (Act No. 1 of 1999), as amended (PMFA)
- Occupational Health and Safety Act, 1993 (Act No. 85 of 1993)
- Generally Recognised Accounting Practice (GRAP)
- Compensation for Occupational Injuries and Diseases Act, 1993 (Act No. 130 of 1993)
- Promotion of Access to Information Act, 2000 (Act No. 2 of 2000)
- Government Immovable Asset Management Act, 2007 (Act No. 19 of 2007)
- Protection of Personal Information Act, 2013 (Act No. 4 of 2013)



Dr Tanya Abrahamse

SANBI Chief Executive Officer

REPORT OF THE AUDIT AND RISK COMMITTEE FOR THE YEAR ENDED 31 MARCH 2016

We are pleased to present our report for the financial year ended 31 March 2016.

Audit and Risk Committee members and attendance

The Audit and Risk Committee consisted of five external members, listed hereunder, and held five meetings during the period under review:

Name of member	Number of meetings during term	Meetings attended
Dr ST Cornelius (Board Member and Chairperson)	5	4
Ms T Godongwana (Board Member)	5	4
Mr GJ Dladla (Independent Member)	5	4
Mr T Zororo (Independent Member: Appointed 1 September 2015)	2	2
Mr J Makoro (Independent Member: Appointed 1 September 2015)	2	2
Dr T Abrahamse (CEO and Board Member)	5	4
Ms L Sithole (<i>Ex officio</i> : SANBI CFO)	5	5

Audit and Risk Committee responsibility

The Audit and Risk Committee reports that it has complied with its responsibilities arising from Section 51(1)(a) of the PFMA and Treasury Regulation 27.1. The Audit and Risk Committee has adopted appropriate formal Terms of Reference as its Audit and Risk Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The effectiveness of internal control

The system of internal control is designed to provide cost-effective assurance that assets are safeguarded and that liabilities and working capital are efficiently managed. The Audit and Risk Committee has evaluated all significant and material issues raised in reports issued by the internal audit function, the Audit Report on the Annual Financial Statements, and Management Letter of the Auditor-General, and is satisfied that they have all been, or are being, appropriately resolved. In line with the PFMA and King III, the internal audit function and other assurance providers provided the Audit and Risk Committee and Management with the assurance that the internal controls are appropriate and effective for those areas included in the Annual Operational Plan. 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. The Audit and Risk Committee has evaluated the work performed by the internal audit function and other assurance service providers. Based on this evaluation, the committee reports that the system of internal control for the period under review was effective and efficient.

The work performed by the outsourced internal audit function was based on an approved risk-based Internal Audit Plan for the year under review. The internal audit function conducted the following reviews during the 2015/16 financial year:

- Human capital management review
- Enterprise risk management review
- Supply chain management
- IT general controls review
- Performance against objectives
- Finance review
- Asset management
- Performance against objectives
- Fraud hotline review
- Gardens revenue review
- Funding sustainability (going-concern review)
- Financial disciplinary review.

We are satisfied with the evaluation of the internal control environment as communicated to us, and having consideration for the entity's action plans to remedy the weaknesses reported during the financial year.

Evaluation of Financial Statements

The Audit and Risk Committee is satisfied with the content and quality of monthly and quarterly reports prepared and issued by the Institute during the year under review.

The Audit and Risk Committee has:

- Reviewed and discussed the audited Annual Financial Statements to be included in the annual report with the office of the Auditor-General and the Accounting Officer
- Reviewed the Auditor-General's Management Letter and Management's response thereto
- Reviewed accounting policies
- Reviewed significant adjustments resulting from the audit.

The Audit and Risk Committee concurs and accepts the Auditor-General's conclusions on the Annual Financial Statements and is of the opinion that the audited Annual Financial Statements be accepted and read together with the report of the Auditor-General.



Dr ST Cornelius

Chairperson: Audit and Risk Committee

Date: 31 July 2016

South African National Biodiversity Institute

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

General Information

Country of incorporation and domicile	South Africa
Controlling entity	Department of Environmental Affairs
Auditors	Auditor-General South Africa
Nature of business and principal activities	<p>SANBI plays a leadership role in:</p> <ul style="list-style-type: none"> generating, co-ordinating and interpreting the knowledge and evidence required to support policies and decisions relating to all aspects of biodiversity. the human capital development strategy of the sector. <p>SANBI also manages the national botanical gardens as windows to South Africa's biodiversity for recreation, education and research purposes.</p>
Members of the board and sub-committees	<p>Ms ME Magomola (Board Chairperson)</p> <p>Dr T Abrahamse (Chief Executive Officer)</p> <p>Prof. CT Chimimba</p> <p>Dr ST Cornelius</p> <p>Mr JG Dladla</p> <p>Dr L Dziba</p> <p>Ms T Godongwana</p> <p>Mr S Gounden</p> <p>Mr J Makoro</p> <p>Ms S Mancotywa</p> <p>Dr JM Maljila</p> <p>Ms NN Mnqeta</p> <p>Ms BD Ngidi</p> <p>Dr Y Seleti</p> <p>Prof. B van Wilgen</p> <p>Mr T Zororo</p>
Registered office	<p>2 Cussonia Avenue</p> <p>Brummeria</p> <p>Pretoria</p> <p>0002</p>
Postal address	<p>Private Bag X101</p> <p>Pretoria</p> <p>0001</p>
Bankers	<p>Nedbank Limited</p> <p>Absa Limited</p>

Index

The reports and statements set out below comprise the Financial Statements presented to the parliament:

Report of the Auditor-General	88
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Statement of Financial Performance	91
Statement of Changes in Net Assets	92
Cash Flow Statement	93
Statement of Comparison of Budget and Actual Amounts	94
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The following supplementary information does not form part of the Financial Statements and is unaudited:

Annexure A – Groen Sebenza Project	145
Annexure B – Sponsorships and donations	147

The Financial Statements set out on pages 90 to 144, which have been prepared on the going concern basis, were approved by the Accounting Authority on 31 July 2016 and were signed on its behalf by:



Ms ME Magomola
Board Chairperson



Dr T Abrahamse
Chief Executive Officer

Report of the Auditor-General

to Parliament on the South African National Biodiversity Institute

Report on the Financial Statements

Introduction

1. I have audited the Financial Statements of the South African National Biodiversity Institute (SANBI) as set out on pages 90 to 144, which comprise the Statement of Financial Position as at 31 March 2016, the Statement of Financial Performance, Statement of Changes in Net Assets, Cash Flow Statement and the Statement of Comparison of Budget and Actual Amounts for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting Authority's responsibility for the Financial Statements

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

Auditor-General's responsibility

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

Opinion

6. In my opinion, the Financial Statements present fairly, in all material respects, the financial position of SANBI as at 31 March 2016 and its financial performance and cash flows for the year then ended, in accordance with the SA Standards of GRAP and the requirements of the PFMA.

Emphasis of matter

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

Restatement of corresponding figures

8. As disclosed in note 36 to the Financial Statements, the corresponding figures for 31 March 2015 have been restated as a result of an error discovered during the 2015/16 financial year, in the Financial Statements of the SANBI at, and for the year ended, 31 March 2015.

Report on other legal and regulatory requirements

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

Predetermined objectives

10. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information of the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2016:
 - Programme 2: Manage and unlock benefits of the network of National Botanical Gardens as windows into South Africa's biodiversity on page 62
 - Programme 4: Assess, monitor and report on the state of biodiversity and increase knowledge for decision making including adaptation to climate on page 63

Report of the Auditor-General to Parliament on the South African National Biodiversity Institute (continued)

11. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for Managing Programme Performance Information.
12. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
13. I did not raise any material findings on the usefulness and reliability of the reported performance information for the following programmes:
 - Programme 2: Manage and unlock benefits of the network of National Botanical Gardens as windows into South Africa's biodiversity
 - Programme 4: Assess, monitor and report on the state of biodiversity and increase knowledge for decision making including adaptation to climate

Additional matters

14. Although I raised no material findings on the usefulness and reliability of the reported performance information for the selected programmes, I draw attention to the following matters:

Achievement of planned targets

15. Refer to the annual performance report on pages 62 to 63 for information on the achievement of planned targets for the year.

Unaudited supplementary information

16. The supplementary information set out on page 61 and pages 64 to 71 does not form part of the annual performance report and is presented as additional information. I have not audited these schedules and, accordingly, I do not report on them.

Compliance with legislation

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

Annual Financial Statements

18. The Financial Statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework as required by section 55(1) (a) of the PFMA. Material misstatements identified by the auditors in the submitted Financial Statements were subsequently corrected, resulting in the Financial Statements receiving an unqualified audit opinion.

Internal control

19. I considered internal control relevant to my audit of the Financial Statements, annual performance report and compliance with legislation. The matter reported below is limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.

Financial and performance management

20. Management did not adequately review the Annual Financial Statements to ensure that the information was fairly presented, supported and evidenced by reliable information, as material misstatements were identified in the Financial Statements, which were subsequently corrected.

Auditor-General

Cape Town
29 July 2016



**AUDITOR-GENERAL
SOUTH AFRICA**

Auditing to build public confidence

Statement of Financial Position

as at 31 March 2016

Figures in Rand	Note(s)	2016 R	2015 Restated* R
Assets			
Current assets			
Cash and cash equivalents	3	217 830 437	277 902 420
Receivables from exchange transactions	4	3 490 303	3 540 723
Biological assets	5	1 589 946	1 934 871
Operating lease asset		17 696	163 901
Receivables from non-exchange transactions	6	14 119 134	-
		237 047 516	283 541 915
Non-current assets			
Property, plant and equipment	7	178 224 826	154 297 434
Investment property	8	75 286 262	71 599 873
Heritage assets	9	17 682 262	14 832 262
Intangible assets	10	2 832 254	4 259 166
		274 025 604	244 988 735
Total assets		511 073 120	528 530 650
Liabilities			
Unspent conditional grants and receipts	11	125 221 776	165 043 957
Payables from exchange transactions	12	56 243 836	75 436 880
Transfers payable (non-exchange)	13	4 405 487	-
Provisions	14	3 613 619	3 052 580
		189 484 718	243 533 417
Non-current liabilities			
Employee benefit obligation	15	24 587 000	22 088 000
Total liabilities		214 071 718	265 621 417
Net assets		297 001 402	262 909 233
Accumulated surplus		297 001 402	262 909 233

* See Note 36

Statement of Financial Performance

	Note(s)	2016 R	2015 Restated* R
Revenue			
Revenue from exchange transactions			
Admission fees		55 284 819	49 954 538
Rent received		15 160 690	13 250 123
Interest received		11 247 890	10 922 481
Other income	16	3 648 899	5 967 123
Sales		2 058 046	1 925 783
Fair value gain less cost to sell on biological assets		856 861	2 223 657
Gain on foreign exchange		332	-
Total revenue from exchange transactions		88 257 537	84 243 705
Revenue from non-exchange transactions			
Transfer revenue			
Government grants		304 412 000	289 951 000
Other grants, bequests, sponsorships and donations	17	126 645 122	245 748 186
Total revenue from non-exchange transactions		431 057 122	535 699 186
Total revenue		519 314 659	619 942 891
Expenditure			
Employee related costs	18	(271 853 761)	(277 961 875)
Operating expenses	19	(184 350 555)	(292 611 447)
Depreciation and amortisation		(21 493 264)	(17 088 788)
Repairs and maintenance		(4 918 318)	(3 736 095)
Cost of sales		(1 374 639)	(1 116 078)
Lease rentals on operating lease		(724 075)	(493 314)
Loss on disposal of assets		(473 060)	(530 425)
Debt impairment	20	(34 816)	(106 348)
Total expenditure		(485 222 488)	(593 644 370)
Surplus for the year		34 092 171	26 298 518

* See Note 36

Statement of Changes in Net Assets

	Accumulated surplus R	Total net assets R
Opening balance as previously reported	229 569 695	229 569 695
Adjustments		
Prior year adjustments	7 041 020	7 041 020
Balance at 01 April 2014 as restated*	236 610 715	236 610 715
Changes in net assets		
Surplus for the period ended	26 298 518	26 298 518
Total changes	26 298 518	26 298 518
Restated* Balance at 01 April 2015	262 909 231	262 909 231
Changes in net assets		
Surplus for the year	34 092 171	34 092 171
Total changes	34 092 171	34 092 171
Balance at 31 March 2016	297 001 402	297 001 402

* See Note 36

Cash Flow Statement

	Note(s)	2016 R	2015 Restated* R
Cash flows from operating activities			
Receipts			
Government grants		304 412 000	289 951 000
Other grants, bequests, sponsorships and donations		77 342 514	305 066 072
Commercial and other income		87 328 930	81 165 397
		469 083 444	676 182 469
Payments			
Employee costs		(268 793 722)	(281 237 065)
Suppliers and other payments		(209 358 516)	(280 374 076)
		(478 152 238)	(561 611 141)
Net cash flows from operating activities	22	(9 068 794)	114 571 328
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(39 058 646)	(30 287 242)
Proceeds from sale of property, plant and equipment	7	156 055	24 419
Purchase of investment property	8	(6 013 361)	(1 050 005)
Purchase of other intangible assets	10	(3 237 237)	(3 175 343)
Purchases of heritage assets	9	(2 850 000)	-
Net cash flows from investing activities		(51 003 189)	(34 488 171)
Net (decrease)/increase in cash and cash equivalents		(60 071 983)	80 083 157
Cash and cash equivalents at the beginning of the year		277 902 420	197 819 263
Cash and cash equivalents at the end of the year	3	217 830 437	277 902 420

* See Note 36

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Statement of Financial Performance

Revenue

Revenue from exchange transactions

	Approved budget R	Adjustments R	Final budget R	Actual amounts on comparable basis R	Difference between final budget and actual R	Reference
Sales	-	-	-	2 058 046	2 058 046	
Admission fees	43 607 000	-	43 607 000	55 284 819	11 677 819	
Rent received	8 705 840	-	8 705 840	15 245 329	6 539 489	
Interest received	7 782 171	-	7 782 171	11 247 890	3 465 719	
Other income	-	-	-	3 648 899	3 648 899	
Proceeds on disposal of assets	-	-	-	156 055	156 055	
Total revenue from exchange transactions	60 095 011	-	60 095 011	87 641 038	27 546 027	

Revenue from non-exchange transactions

Government grants	304 412 000	-	304 412 000	304 412 000	-	
Other grants, bequests, sponsorships and donations	163 310 345	-	163 310 345	77 342 514	(85 967 831)	
Total revenue from non-exchange transactions	467 722 345	-	467 722 345	381 754 514	(85 967 831)	
Total revenue	527 817 356	-	527 817 356	469 395 552	(58 421 804)	

Expenditure

Employee related costs	(328 265 804)	-	(328 265 804)	(268 793 722)	59 472 082	
Lease rentals on operating lease	-	-	-	(724 075)	(724 075)	
Repairs and maintenance	-	-	-	(4 918 318)	(4 918 318)	
Cost of sales	-	-	-	(172 853)	(172 853)	
Operating expenses	(199 551 552)	-	(199 551 552)	(255 014 618)	(55 463 066)	
Total expenditure	(527 817 356)	-	(527 817 356)	(529 623 586)	(1 806 230)	
Deficit before taxation	-	-	-	(60 228 034)	(60 228 034)	
Actual amount on comparable basis as presented in the Budget and Actual Comparative Statement	-	-	-	(60 228 034)	(60 228 034)	

Statement of Comparison of Budget and Actual Amounts (continued)

Budget on Cash Basis

	Approved budget R	Adjustments R	Final budget R	Actual amounts on comparable basis R	Difference between final budget and actual R	Reference
Reconciliation						
Basis difference						
Depreciation and amortisation				(21 493 264)		
Loss on sale of assets				(473 060)		
Non-cash items				(3 585 645)		
Timing difference						
Capital expenditure				51 159 244		
Unspent project committed funds				39 822 179		
Adjustments for accrual basis accounting entries				28 890 751		
Actual amount in the Statement of Financial Performance				34 092 171		

Reasons for material variances between budget and actuals amounts are detailed in Note 25.

Accounting Policies

1. Presentation of Financial Statements

The Financial Statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999).

These Financial Statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise.

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

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

These accounting policies are consistent with the previous period.

1.1 Presentation currency

These Financial Statements are presented in South African Rand, which is the functional currency of the entity.

1.2 Going concern assumption

These Financial Statements have been prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months.

1.3 Significant judgements and sources of estimation uncertainty

In preparing the Financial Statements management is required to make estimates and assumptions that affect the amounts represented in the 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 Financial Statements. These judgements include:

Trade receivables

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 14 – Provisions.

Contingent provisions

Contingencies recognised in the current year required estimates and judgments.

Post-retirement benefits

The present value of the post-retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post-retirement obligations.

The cost of defined benefit pension plans and other post-employment medical benefits as well as the present value of the pension obligation is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return of assets, future salary increases, mortality rates and future pension increases. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in the respective country with an AAA or AA rating. The mortality rate is based on publicly available mortality tables for the specific country.

Future salary increases and pension increases are based on expected future inflation rates for the specific country.

Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in Note 15.

Accounting Policies *(continued)*

1. Presentation of Financial Statements *(continued)*

1.3 Significant judgements and sources of estimation uncertainty *(continued)*

Effective interest rate

The entity used the prime interest rate to discount future cash flows.

Allowance for doubtful debts

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

1.4 Biological assets that form part of an agricultural activity

The entity recognises a biological assets or agricultural produce when, and only when:

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

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

A gain or loss arising on initial recognition of biological assets or agricultural produce at fair value less costs to sell and from a change in fair value less costs to sell of a biological asset is included in surplus or deficit for the period in which it arises.

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

1.5 Investment property

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

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

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the entity, and the cost or fair value of the investment property can be measured reliably.

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

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

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

Cost model

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

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

Item	Useful life
Property – buildings	40 years

Accounting Policies *(continued)*

1. Presentation of Financial Statements *(continued)*

1.5 Investment property *(continued)*

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

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

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

1.6 Property, plant and equipment

Property plant and equipment are tangible non-current assets (including infrastructure assets) that are held-for-use in the production or supply of goods or services, rental to others, or for administrative purposes and are expected to be used during more than one reporting period.

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

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

Property, plant and equipment is initially measured at cost.

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

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

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

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity 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.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

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

Item	Depreciation method	Average useful life
Buildings	Straight line	40 years
Plant and machinery	Straight line	5–10 years
Furniture and fixtures	Straight line	5–10 years
Motor vehicles	Straight line	5–10 years
Office equipment	Straight line	5–10 years
IT equipment	Straight line	3–8 years

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

Accounting Policies *(continued)*

1. Presentation of Financial Statements *(continued)*

1.6 Property, plant and equipment *(continued)*

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

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

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

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

1.7 Intangible assets

An asset is identifiable if it either:

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

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

An intangible asset is recognised when:

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

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

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

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

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

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Internally generated goodwill is not recognised as an intangible asset.

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

Item	Useful life
Computer software	3–8 years

1.8 Heritage assets

Assets are resources controlled by an entity as a result of past events and from which future economic benefits or service potential are expected to flow to the entity.

Carrying amount is the amount at which an asset is recognised after deducting accumulated impairment losses.

Class of heritage assets means a grouping of heritage assets of a similar nature or function in an entity's operations that are shown as a single item for the purpose of disclosure in the Financial Statements.

Accounting Policies *(continued)*

1. Presentation of Financial Statements *(continued)*

1.8 Heritage assets *(continued)*

Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Standards of GRAP.

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

Recognition

The entity recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the entity, and the cost or fair value of the asset can be measured reliably.

Initial measurement

Heritage assets are measured at cost.

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

Subsequent measurement

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

Impairment

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

Transfers

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

Transfers to heritage assets are only made when the asset meets the definition of a heritage asset.

Derecognition

The entity derecognises heritage assets on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is included in surplus or deficit when the item is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

1.9 Financial instruments

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

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

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

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

Accounting Policies *(continued)*

1. Presentation of Financial Statements *(continued)*

1.9 Financial instruments *(continued)*

A financial asset is:

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

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

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

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

A residual interest is any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

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

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

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

Initial recognition

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

The entity recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

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

Accounting Policies *(continued)*

1. Presentation of Financial Statements *(continued)*

1.9 Financial instruments *(continued)*

Subsequent measurement of financial assets and financial liabilities

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

- Financial instruments at cost.

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

Reclassification

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

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

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

Gains and losses

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

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

Derecognition

Financial assets

The entity derecognises a financial asset only when:

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

Financial liabilities

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

Presentation

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

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

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

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

Accounting Policies (*continued*)

1. Presentation of Financial Statements (*continued*)

1.10 Taxation (*continued*)

Tax expenses

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

1.11 Leases

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

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

Operating leases – lessor

Operating lease revenue is recognised as revenue on a monthly basis at the higher of the minimum contractually agreed amount or as a percentage of the lessees turnover.

Income for leases is disclosed under revenue in the Statement of Financial Performance.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.12 Impairment of cash-generating assets

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

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

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

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

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

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

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

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

Useful life is either:

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

Criteria developed by the entity to distinguish cash-generating assets from non-cash-generating assets are as follow:

Identification

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

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

Accounting Policies *(continued)*

1. Presentation of Financial Statements *(continued)*

1.12 Impairment of cash-generating assets *(continued)*

Value in use

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

Basis for estimates of future cash flows

In measuring value in use the entity:

- base cash flow projections on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset. Greater weight is given to external evidence.

Recognition and measurement (individual asset)

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

An impairment loss is recognised immediately in surplus or deficit.

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

Cash-generating units

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

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

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

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

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

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

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

Reversal of impairment loss

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

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

Redesignation

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

Accounting Policies *(continued)*

1. Presentation of Financial Statements *(continued)*

1.13 Impairment of non-cash-generating assets

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

Non-cash-generating assets are assets other than cash-generating assets.

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

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

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

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

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

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

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Useful life is either:

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

Identification

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

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

Value in use

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

Depreciated replacement cost approach

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

Recognition and measurement

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

An impairment loss is recognised immediately in surplus or deficit.

Reversal of an impairment loss

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

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

Accounting Policies *(continued)*

1. Presentation of Financial Statements *(continued)*

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

Redesignation

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

1.14 Employee benefits

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

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

- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- the proceeds are returned to the reporting entity to reimburse it for employee benefits already paid.

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

- an entity's decision to terminate an employee's employment before the normal retirement date, or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within 12 months after the end of the period in which the employees render the related services.

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within 12 months after the end of the period in which the employees render the related services.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within 12 months after the end of the reporting period in which the employees render the related employee services;
- bonus, incentive and performance related payments payable within 12 months after the end of the reporting period in which the employees render the related services; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognise that excess as an asset (pre-paid expense) to the extent that the pre-payment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measure the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

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

Accounting Policies (continued)

1. Presentation of Financial Statements (continued)

1.14 Employee benefits (continued)

Post-employment benefits

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

Post-employment benefits: Defined contribution plans

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

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

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, an entity recognises that excess as an asset (pre-paid expense) to the extent that the pre-payment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

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

Post-employment benefits: Defined benefit plans

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

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

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

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

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

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

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

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

Accounting Policies *(continued)*

1. Presentation of Financial Statements *(continued)*

1.15 Provisions and contingencies

Provisions are recognised when:

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

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

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

Provisions are not recognised for future operating deficits.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in Note 24.

1.16 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

Measurement

Revenue is measured at the fair value of the consideration received or receivable.

Sale of goods

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

- the entity has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

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

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

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

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

Accounting Policies *(continued)*

1. Presentation of Financial Statements *(continued)*

1.16 Revenue from exchange transactions *(continued)*

Interest, royalties and dividends

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

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

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

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

Dividends or similar distributions are recognised, in surplus or deficit, when the entity's right to receive payment has been established.

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

1.17 Revenue from non-exchange transactions

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

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

Recognition

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

Measurement

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

Gifts, bequests and donations, including goods and services in-kind

Gifts and donations, including goods in-kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

1.18 Cost of sales

When biological assets are sold, the carrying amount of those biological assets is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of biological assets to net realisable value and all deficits of biological assets are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of biological assets, arising from an increase in net realisable value, is recognised as a reduction in the amount of biological assets recognised as an expense in the period in which the reversal occurs.

1.19 Investment income

Investment income is recognised in the period that it accrues using the effective interest method.

1.20 Borrowing costs

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

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

Accounting Policies *(continued)*

1. Presentation of Financial Statements *(continued)*

1.21 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rand, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At each reporting date:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous Financial Statements are recognised in surplus or deficit in the period in which they arise.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

1.22 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 and disclosed in a Note to the Financial Statements when it has been identified. 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.

1.23 Irregular expenditure

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

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

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

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

Accounting Policies *(continued)*

1. Presentation of Financial Statements *(continued)*

1.23 Irregular expenditure *(continued)*

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.

1.24 Segment information

A segment is an activity of an entity:

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

Reportable segments are the actual segments which are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

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

Segment information is either presented based on service or geographical segments. Service segments relate to a distinguishable component of an entity that provides specific outputs or achieves particular operating objectives that are in line with the entity's overall mission. Geographical segments relate to specific outputs generated, or particular objectives achieved, by an entity within a particular region.

1.25 Budget information

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

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

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

The approved budget covers the fiscal period from 01/04/2015 to 31/03/2016.

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

The Financial Statements and the budget are not on the same basis of accounting, therefore a reconciliation between the Statement of Financial Performance and the budget have been included in the Financial Statements. Refer to Note 25.

Comparative information is not required.

1.26 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, management in their dealings with the entity.

Only transactions with related parties are disclosed.

Accounting Policies *(continued)*

1. Presentation of Financial Statements *(continued)*

1.27 Events after reporting date

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

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

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

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

Notes to the Financial Statements

2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2016 or later periods:

GRAP 20: Related parties

The objective of this standard is to ensure that a reporting entity's Financial Statements contain the disclosures necessary to draw attention to the possibility that its financial position and surplus or deficit may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

An entity that prepares and presents Financial Statements under the accrual basis of accounting (in this standard referred to as the reporting entity) shall apply this standard in:

- identifying related party relationships and transactions;
- identifying outstanding balances, including commitments, between an entity and its related parties;
- identifying the circumstances in which disclosure of the items in (a) and (b) is required; and
- determining the disclosures to be made about those items.

This standard requires disclosure of related party relationships, transactions and outstanding balances, including commitments, in the consolidated and separate Financial Statements of the reporting entity in accordance with the Standard of GRAP on Consolidated and Separate Financial Statements. This standard also applies to individual Financial Statements.

Disclosure of related party transactions, outstanding balances, including commitments, and relationships with related parties may affect users' assessments of the financial position and performance of the reporting entity and its ability to deliver agreed services, including assessments of the risks and opportunities facing the entity. This disclosure also ensures that the reporting entity is transparent about its dealings with related parties.

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

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

The Standard furthermore states that a related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

The Standard elaborates on the definitions and identification of:

- Close member of the family of a person;
- Management;
- Related parties;
- Remuneration; and
- Significant influence.

Notes to the Financial Statements (*continued*)

2. New standards and interpretations (*continued*)

2.1 Standards and interpretations issued, but not yet effective (*continued*)

The Standard sets out the requirements, *inter alia*, for the disclosure of:

- Control;
- Related party transactions; and
- Remuneration of management.

The effective date of the Standard has not been set by the Minister of Finance.

The entity expects to adopt the Standard for the first time when the Minister sets the effective date for the Standard. It is unlikely that the Standard will have a material impact on the entity's Financial Statements.

GRAP 32: Service Concession Arrangements: Grantor

The objective of this Standard is to: prescribe the accounting for service concession arrangements by the grantor, a public sector entity.

It furthermore covers; definitions, recognition and measurement of a service concession asset, recognition and measurement of liabilities, other liabilities, contingent liabilities, contingent assets, other revenues, presentation and disclosure, transitional provisions, as well as the effective date.

The effective date of the Standard has not been set by the Minister of Finance.

It is unlikely that the Standard will have a material impact on the entity's Financial Statements.

GRAP 108: Statutory Receivables

The objective of this Standard is to: prescribe accounting requirements for the recognition, measurement, presentation and disclosure of statutory receivables.

It furthermore covers; definitions, recognition, derecognition, measurement, presentation and disclosure, transitional provisions, as well as the effective date.

The effective date of the standard has not been set by the Minister of Finance.

It is unlikely that the Standard will have a material impact on the entity's Financial Statements.

IGRAP 17: Service Concession Arrangements where a Grantor Controls a Significant Residual Interest in an Asset

This Interpretation of the Standards of GRAP provides guidance to the grantor where it has entered into a service concession arrangement, but only controls, through ownership, beneficial entitlement or otherwise, a significant residual interest in a service concession asset at the end of the arrangement, where the arrangement does not constitute a lease. This Interpretation of the Standards of GRAP shall not be applied by analogy to other types of transactions or arrangements.

A service concession arrangement is a contractual arrangement between a grantor and an operator in which the operator uses the service concession asset to provide a mandated function on behalf of the grantor for a specified period of time. The operator is compensated for its services over the period of the service concession arrangement, either through payments, or through receiving a right to earn revenue from third party users of the service concession asset, or the operator is given access to another revenue-generating asset of the grantor for its use.

Before the grantor can recognise a service concession asset in accordance with the Standard of GRAP on Service Concession Arrangements: Grantor, both the criteria as noted in paragraph .01 of this Interpretation of the Standards of GRAP need to be met. In some service concession arrangements, the grantor only controls the residual interest in the service concession asset at the end of the arrangement, and can therefore not recognise the service concession asset in terms of the Standard of GRAP on Service Concession Arrangements: Grantor.

A consensus is reached, in this Interpretation of the Standards of GRAP, on the recognition of the performance obligation and the right to receive a significant interest in a service concession asset.

The effective date of the Standard has not been set by the Minister of Finance.

It is unlikely that the Standard will have a material impact on the entity's Financial Statements.

Notes to the Financial Statements *(continued)*

2. New standards and interpretations *(continued)*

2.1 Standards and interpretations issued, but not yet effective *(continued)*

GRAP 16 (as amended 2015): Investment Property

Based on the feedback received as part of the post-implementation review, the Board agreed to reconsider certain principles in GRAP 16 and GRAP 17. In particular, the Board agreed to:

- Review the principles and explanations related to the distinction between investment property and property, plant and equipment.
- Consider whether an indicator-based assessment of useful lives of assets could be introduced.
- Clarify the wording related to the use of external valuers.
- Introduce more specific presentation and disclosure requirements for capital work-in-progress.
- Review the encouraged disclosures and assess whether any should be made mandatory or deleted.
- Require separate presentation of expenditure incurred on repairs and maintenance in the Financial Statements.

Various amendments were made to the Standard, affecting definitions, identification, disclosure, effective date and transitional provisions.

The effective date of the Standard is for years beginning on or after 1 April 2016.

The entity expects to adopt the Standard for the first time in the 2016 Financial Statements.

The impact of this Standard is currently being assessed.

GRAP 17 (as amended 2015): Property, Plant and Equipment

Based on the feedback received as part of the post-implementation review, the Board agreed to reconsider certain principles in GRAP 16 and GRAP 17. In particular, the Board agreed to:

- Review the principles and explanations related to the distinction between investment property and property, plant and equipment.
- Consider whether an indicator-based assessment of useful lives of assets could be introduced.
- Clarify the wording related to the use of external valuers.
- Introduce more specific presentation and disclosure requirements for capital work-in-progress.
- Review the encouraged disclosures and assess whether any should be made mandatory or deleted.
- Require separate presentation of expenditure incurred on repairs and maintenance in the Financial Statements.

Amendments identified as part of the post-implementation review, affected the following areas:

- Indicator-based assessment of the useful lives of assets.
- Use of external valuers.
- Encouraged disclosures.
- Capital work-in-progress.
- Expenditure incurred on repairs and maintenance.

The effective date of the Standard is for years beginning on or after 1 April 2016.

The entity expects to adopt the standard for the first time in the 2016 Financial Statements.

The impact of this Standard is currently being assessed.

GRAP 109: Accounting by Principals and Agents

The objective of this Standard is to outline principles to be used by an entity to assess whether it is party to a principal agent arrangement, and whether it is a principal or an agent in undertaking transactions in terms of such an arrangement. The Standard does not introduce new recognition or measurement requirements for revenue, expenses, assets and/or liabilities that result from principal-agent arrangements. The Standard does, however, provide guidance on whether revenue, expenses, assets and/or liabilities should be recognised by an agent or a principal, as well as prescribe what information should be disclosed when an entity is a principal or an agent.

It furthermore covers: definitions, identifying whether an entity is a principal or agent, accounting by a principal or agent, presentation, disclosure, transitional provisions and effective date.

Notes to the Financial Statements *(continued)*

2. New standards and interpretations *(continued)*

2.1 Standards and interpretations issued, but not yet effective *(continued)*

The effective date of the Standard has not been set by the Minister of Finance.

It is unlikely that the Standard will have a material impact on the entity's Financial Statements.

GRAP 21 (as amended 2015): Impairment of non-cash-generating assets

The Board agreed to include a research project on its work programme to review GRAP 21 and GRAP 26 to assess whether the principles in these Standards could be simplified and streamlined. As part of its research project, the Board considered the following aspects which led to the proposed amendments included in this Exposure Draft:

- simplifying the approach to impairment to make it clearer when an asset is cash-generating or non-cash-generating;
- assessing the feasibility of one measurement approach for non-cash-generating assets; and
- assessing the feasibility of combining the two Standards.

Summary of changes:

The changes to the Standard of GRAP on Impairment of Non-cash-generating Assets are outlined below:

General definitions:

The definition of cash-generating assets has been amended to be consistent with the amendments made to clarify the objective of cash-generating assets and non-cash-generating assets.

Cash generating assets and non-cash-generating assets:

Additional commentary has been added to clarify the objective of cash-generating assets and non-cash-generating assets.

Identifying an asset that may be impaired:

Additional commentary has been added to clarify that physical damage triggers impairment of an asset when it results in a permanent or a significant decline in the potential of an asset.

Reversing an impairment loss:

An indicator has been added that the restoration of an asset's service potential following physical damage to the asset could indicate a reversal in an impairment loss.

Additional commentary has been added to clarify that restoration of an asset's service potential as a result of physical damage is an indication that an impairment loss recognised in prior periods may no longer exist or may have decreased.

Disclosures:

The requirement to disclose the criteria developed to distinguish non-cash-generating assets from cash-generating assets has been amended to be consistent with the amendments made to clarify the objective of non-cash-generating assets and cash-generating assets.

The effective date of the Standard is for years beginning on or after 1 April 2017.

The impact of this Standard is currently being assessed.

GRAP 26 (as amended 2015): Impairment of cash-generating assets

The Board agreed to include a research project on its work programme to review GRAP 21 and GRAP 26 to assess whether the principles in these Standards could be simplified and streamlined. As part of its research project, the Board considered the following aspects which led to the proposed amendments included in this Exposure Draft:

- simplifying the approach to impairment to make it clearer when an asset is cash-generating or non-cash-generating;
- assessing the feasibility of one measurement approach for non-cash-generating assets; and
- assessing the feasibility of combining the two Standards.

Notes to the Financial Statements *(continued)*

2. New standards and interpretations *(continued)*

2.1 Standards and interpretations issued, but not yet effective *(continued)*

Summary of changes:

The changes to the Standard of GRAP on Impairment of Cash-generating Assets are outlined below:

General definitions:

The definitions of cash-generating assets and cash-generating units have been amended to be consistent with the amendments made to clarify the objective of cash-generating assets and non-cash-generating assets below.

Cash generating assets and non-cash-generating assets:

Additional commentary has been added to clarify the objective of cash-generating assets and non-cash-generating assets.

Disclosures:

The requirement to disclose the criteria developed to distinguish cash-generating assets from non-cash-generating assets has been amended to be consistent with the amendments made to clarify the objective of non-cash-generating assets and cash-generating assets.

The effective date of the Standard is for years beginning on or after 1 April 2017.

The entity expects to adopt the Standard for the first time in the 2017 Financial Statements.

The impact of this Standard is currently being assessed.

Directive 12: The Selection of an Appropriate Reporting Framework by Public Entities

Historically, public entities have prepared Financial Statements in accordance with Generally Recognised Accounting Practice, unless the Accounting Standards Board (the Board) approved the application of Generally Accepted Accounting Practice for that entity. "Generally Accepted Accounting Practice" has been taken to mean Statements of Generally Accepted Accounting Practice (Statements of GAAP), or for certain entities, International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board. Since Statements of GAAP have been withdrawn from 1 December 2012, public entities will be required to apply another reporting framework in the future.

The purpose of this Directive is to prescribe the criteria to be applied by public entities in selecting and applying an appropriate reporting framework.

The effective date of the Standard is for years beginning on or after 1 April 2018.

The entity expects to adopt the Standard for the first time in the 2018 Financial Statements.

The impact of this Standard is currently being assessed.

Notes to the Financial Statements (continued)

	2016 R	2015 R
3. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Short-term deposits	191 004 598	171 536 106
Bank balances	25 645 841	105 188 578
Cash on hand	1 179 998	1 177 736
	217 830 437	277 902 420
Cash in current accounts at banks earns interest. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of SANBI and earn interest at the respective short-term deposit rates.		
4. Receivables from exchange transactions		
Trade debtors (net of provisions for doubtful debts)	2 450 293	2 320 723
Accrued income	679 730	984 845
Sundry receivables	360 280	235 155
	3 490 303	3 540 723
Trade receivables consist mainly of rental income from restaurants. Trade receivables are non-interest bearing and based on 30 days from invoice.		
Fair value of trade and other receivables		
Trade and other receivables	3 490 303	3 540 723
Amounts neither past due nor impaired are considered fully recoverable. No credit quality issues are noted.		
Trade and other receivables past due but not impaired		
Trade and other receivables which are less than three months past due are not considered to be impaired. At 31 March 2016, R45 457 (2015: R89 111) were past due but not impaired.		
The ageing of amounts past due but not impaired is as follows:		
Over 90 days past due	45 457	89 111
Trade and other receivables impaired		
As of 31 March 2016, trade and other receivables of R210 731 (2015: R184 765) were impaired and provided for.		
The ageing of these debtors is as follows:		
61 to 90 days past due	-	32 352
Over 90 days past due	210 731	152 413
	210 731	184 765
Reconciliation of provision for impairment of trade and other receivables		
Opening balance	184 765	272 056
Provision for impairment	34 816	(87 291)
Amounts written off as uncollectible	(8 850)	-
	210 731	184 765

Notes to the Financial Statements (continued)

5. Biological assets

Plants for resale

Carrying value of inventories carried at fair value less costs to sell

Inventories recognised as an expense during the year

These biological assets consist of plants for sale in SANBI's nurseries and are therefore consumable biological assets. The fair value of these plants was determined using an estimated selling price based on marked prices at SANBI nurseries. Given that no additional staff is employed for selling the plants and very little time is actually spent by existing staff on selling plants, costs to sell are considered negligible, and are therefore not taken into consideration in determining the valuation of the plants. As these plants represent excess stock of plants actually grown for use in the gardens, the period between when the plants meet the definition of biological assets and actual sale is too short to result in changes in value either of a physical or market-related nature.

6. Receivables from non-exchange transactions

Project funds

Other grants

	2016 R	2015 R
Plants for resale	1 589 946	1 934 871
Carrying value of inventories carried at fair value less costs to sell	1 589 946	1 934 871
Inventories recognised as an expense during the year	1 201 786	917 553
Project funds	9 480 427	-
Other grants	4 638 707	-
Total	14 119 134	-

7. Property, plant and equipment

	2016			2015		
	Cost/ Valuation R	Accumulated depreciation and accumulated impairment R	Carrying value R	Cost/ Valuation R	Accumulated depreciation and accumulated impairment R	Carrying value R
Buildings	168 589 254	(36 579 059)	132 010 195	143 040 385	(32 639 350)	110 401 035
Motor vehicles	34 526 624	(15 004 425)	19 522 199	33 486 541	(11 690 459)	21 796 082
Operational equipment	63 051 708	(42 394 675)	20 657 033	58 645 241	(36 544 924)	22 100 317
Construction work in progress	6 035 399	-	6 035 399	-	-	-
Total	272 202 985	(93 978 159)	178 224 826	235 172 167	(80 874 733)	154 297 434

Notes to the Financial Statements (continued)

7. Property, plant and equipment (continued)

	Opening balance R	Additions R	Disposals R	Transfers R	Depreciation R	Total R
Reconciliation of property, plant and equipment – 2016						
Buildings	110 401 035	26 716 788	-	(1 167 920)	(3 939 708)	132 010 195
Motor vehicles	21 796 082	1 771 584	(215 175)	-	(3 830 292)	19 522 199
Operational equipment	22 100 317	5 740 795	(256 540)	-	(6 927 539)	20 657 033
Construction work in progress	-	4 867 479	-	1 167 920	-	6 035 399
	154 297 434	39 096 646	(471 715)	-	(14 697 539)	178 224 826

	Opening balance R	Additions R	Disposals R	Depreciation R	Total R
Reconciliation of property, plant and equipment – 2015					
Buildings	103 778 215	10 010 525	-	(3 387 705)	110 401 035
Motor vehicles	14 190 917	11 085 342	(799 340)	(2 680 837)	21 796 082
Operational equipment	18 456 365	9 845 981	(248 728)	(5 953 301)	22 100 317
	136 425 497	30 941 848	(1 048 068)	(12 021 843)	154 297 434

In accordance with the mandate as envisaged in the National Environmental Management: Biodiversity Act (NEMBA), SANBI is responsible for managing, controlling and maintaining all national botanical gardens. The majority of the land that is currently utilised as national botanical gardens in the Republic of South Africa belongs to the different tiers of government, and the control of the land is vested in SANBI in accordance with its mandate.

A register containing the details of property, plant and equipment is available for inspection at the Institute's registered office.

There are no restrictions, as no title/property, plant and equipment is pledged as security for any liabilities.

Notes to the Financial Statements (continued)

8. Investment property

	2016			2015		
	Cost/ Valuation R	Accumulated depreciation and accumulated impairment R	Carrying value R	Cost/ Valuation R	Accumulated depreciation and accumulated impairment R	Carrying value R
Investment property	96 635 845	(21 349 583)	75 286 262	90 622 484	(19 022 611)	71 599 873

	Opening balance R	Additions R	Depreciation R	Total R
Reconciliation of investment property – 2016				
Investment property	71 599 873	6 013 361	(2 326 972)	75 286 262

	Opening balance R	Additions R	Depreciation R	Total R
Reconciliation of investment property – 2015				
Investment property	72 793 971	1 050 005	(2 244 103)	71 599 873

	2016 R	2015 R
Net surplus for the period is stated after:		
Income from investment properties – rental	8 265 563	7 204 721
Operating costs of investment properties – occupied by tenants	(2 067 406)	(2 013 310)
Operating costs of investment properties – unoccupied	(9 756)	-
	6 188 401	5 191 411

It is not possible to disclose a fair value of investment property as the property is not available for sale on the open market.

A register containing the details of investment property is available for inspection at the Institute's registered office.

There are no restrictions, as no title/investment property is pledged as security for any liabilities.

Notes to the Financial Statements (continued)

9. Heritage assets

	2016			2015		
	Cost/ Valuation R	Accumulated impairment losses R	Carrying value R	Cost/ Valuation R	Accumulated impairment losses R	Carrying value R
Recreational parks	17 682 262	-	17 682 262	14 832 262	-	14 832 262

	Opening balance R	Additions R	Depreciation R	Amortisation R	Total R
Reconciliation of heritage assets – 2016					
Recreational parks	14 832 262	2 850 000	-	-	17 682 262

	Opening balance R	Additions R	Depreciation R	Amortisation R	Total R
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Reconciliation of heritage assets – 2015

Recreational parks	14 832 262	-	-	-	14 832 262
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The above information relates only to transactions in land purchase that are held indefinitely for the benefit of present and future generations. The land is protected, kept unencumbered, cared for and preserved for its natural heritage.

SANBI has a rich and valuable collection of original watercolour plates and pen and ink drawings housed at the herbaria in Pretoria and Cape Town. The Pretoria collection was built up from around 1916, by the former Botanical Research Institute, as the original artwork for its many journals and books. It continues to be added to as new papers and books are published. Additional smaller collections of artwork were acquired by means of bequests to the nation or purchased by grants.

The National Herbarium (PRE) houses archived specimens of dried plant material mounted on cardboard or in packets, stored in cupboards arranged in an accessible system. These plant specimens are kept in modern steel cabinets with magnetic sealing doors (some are kept in older wooden cabinets made of different kinds of wood and now form a valuable collection of examples of worked timber). The collection currently stands at approximately 1.2 million specimens of which 914 741 are computerised. Most specimens are from southern Africa, but the collection extends into the rest of Africa and surrounding islands, and includes small collections from outside Africa. Vascular plants, bryophytes, and lichens are represented.

The collection of the National Herbarium (PRE) was extended by several valuable collections over the years, including that of EE Galpin and, in 1952, the Transvaal Museum (TRV). More recently the Saasveld Herbarium and the Forestry Herbarium (PRF) were incorporated into the National Herbarium (PRE), currently making it by far the largest herbarium in Africa.

The oldest specimen in this collection is a specimen of *Erica mammasa*, collected by WJ Burchell (1781–1863) on the Cape Flats near Salt River in January 1811. Other historically significant specimens in the collection include: *Dichrostachys cinerea subsp. africana* var. *africana* collected by Burke & Zeyher on their first trip to the Magaliesberg in 1841 and *Ochna pulchra* collected by General JG Smuts near the Pienaars River, 50 miles west of Warmbaths, in October 1932.

Notes to the Financial Statements (continued)

9. Heritage assets (continued)

There are approximately 10 000 type specimens in the collections of the National Herbarium. Type specimens are scientifically significant specimens in the collection as they act as a reference for the plant name upon which the name is based.

The cryptogrammic collection of the National Herbarium consists of more than 80 000 mounted specimens of bryophytes (hornworts, liverworts and mosses). It contains the largest and most representative collection of southern African cryptogams. The PRE cryptogrammic herbarium is the largest of its kind in Africa and one of the largest in the southern hemisphere.

SANBI has two main libraries – the Mary Gunn Library in Pretoria and the Harry Molteno Library in Cape Town. They rank amongst the biggest botanical libraries in the southern hemisphere and are a valuable resource for information on southern African flora and biodiversity.

The Mary Gunn Library dates back to 1916 and is housed in the National Herbarium in Pretoria and is currently the most comprehensive botanical library of its kind in Africa and serves as one of the important botanical and biodiversity resources in Africa. The library houses a magnificent Africana and Rare Antiquarian Book Collection, such as the 18 broadsheet edition of Redoute's Les Liliacees (1807–1816) and the Xylotech Book Collection by Clementz H Wehdeemann (early 1800s).

The Harry Molteno Library at Kirstenbosch dates back to 1913 when the Garden was founded but was officially started in 1921. Since that time it has grown considerably and has moved several times. It is presently housed in the Kirstenbosch Research Centre.

The mission of the SANBI libraries is to meet the information needs of all the SANBI staff and to address a public demand for comprehensive easily accessed information on the biodiversity of southern Africa.

10. Intangible assets

	2016			2015		
	Cost/ Valuation R	Accumulated amortisation and accumulated impairment R	Carrying value R	Cost/ Valuation R	Accumulated amortisation and accumulated impairment R	Carrying value R
Computer software	13 910 048	(11 077 794)	2 832 254	13 630 560	(9 371 394)	4 259 166

	Opening balance R	Additions R	Disposals R	Amortisation R	Total R
Reconciliation of intangible assets – 2016					
Computer software	4 259 166	3 237 237	(195 397)	(4 468 752)	2 832 254

	Opening balance R	Additions R	Depreciation R	Amortisation R	Total R
Reconciliation of intangible assets – 2015					
Computer software	4 068 047	3 175 342	(161 384)	(2 822 839)	4 259 166

Notes to the Financial Statements (continued)

	2016 R	2015 R
11. Unspent conditional grants and receipts		
Movement during the year		
Balance at the beginning of the year	165 043 957	105 726 071
Additions during the year	154 578 541	375 905 974
Income recognition during the year	(203 881 149)	(316 588 088)
Debit balances transferred to receivables from non-exchange transactions	9 480 427	-
	125 221 776	165 043 957
12. Payables from exchange transactions		
Trade payables	5 981 767	13 382 208
Income received in advance	175 373	170 292
Other payables	13 732 405	5 166 662
Service bonuses	5 952 457	5 652 974
Accrued expense	19 186 077	39 766 343
Leave liability	11 215 757	11 298 401
	56 243 836	75 436 880
Payables from exchange transactions are non-interest bearing and are normally settled within 30 days.		
13. Transfers payable (non-exchange)		
Transfers payable	4 405 487	-

14. Provisions

	Opening balance R	Additions R	Utilised during the year R	Total R
Reconciliation of provisions – 2016				
Performance and related incentives	3 052 580	3 914 876	(3 353 837)	3 613 619

	Opening balance R	Additions R	Utilised during the year R	Total R
Reconciliation of provisions – 2015				
Performance and related incentives	3 025 770	3 529 514	(3 502 704)	3 052 580

The provision for performance incentives is based on 1.5% of total budgeted employee remunerations and other related incentives is based on past cost with an incremental percentage where deemed necessary.

Notes to the Financial Statements (continued)

15. Employee benefit obligations

Post-retirement benefits

The SANBI retirement funds consist of the South African National Biodiversity Institute Provident Fund and the South African National Biodiversity Institute Pension Fund.

Membership of the funds is a prerequisite for all permanently employed staff employed as from the 1st of December 1994.

The policy is to provide retirement benefits for employees by means of separate Pension and Provident Funds to which both employee and employer respectively, contribute in equal proportion.

The Provident Fund is a defined contribution fund, except for members in service on or before 30 November 1995 who qualify for a defined benefit from the fund. The Pension Fund is also a defined contribution fund. The employer contributes to the Provident Fund while the employees' contribution is paid to the Pension Fund.

Retirement benefit income statements amounts are included in personnel costs.

Total employer's contributions

11 609 649

12 312 295

Fair value of the defined benefit obligation

Opening balance

(272 306 919)

(236 177 923)

Interest cost

(20 922 806)

(19 826 712)

Current cost

(11 075 308)

(10 318 285)

Benefits paid

29 685 097

20 176 338

Actuarial gain/(loss)

6 360 293

(26 160 337)

Present value of obligation as at 31 March

(268 259 643)

(272 306 919)

Fair value of plan assets

Opening balance

288 847 770

258 059 792

Expected return on plan assets

22 258 638

22 216 476

Contributions

11 609 649

12 312 295

Benefits paid

(29 685 097)

(20 176 338)

Actuarial gain/(loss) on plan assets

11 405 542

16 435 545

Fair value of plan assets as at 31 March

304 436 502

288 847 770

Unrecognised actuarial gain

Opening balance

(16 540 851)

(21 881 870)

Actuarial (gains)/losses – on present value of obligation

(6 360 293)

26 160 337

Actuarial (gains)/losses – on fair value of plan assets

(11 405 541)

(16 435 545)

Asset/(liability) to be recognised

(1 870 174)

(4 383 773)

Unrecognised actuarial (gains)/losses

(36 176 859)

(16 540 851)

Notes to the Financial Statements (continued)

15. Employee benefit obligations (continued)

	2016 R	2015 R
Amounts recognised in the Statement of Financial Position		
Present value of funded obligation	(268 259 643)	(272 306 919)
Fair value of plan assets	304 436 502	288 847 770
Surplus/(Deficit) in plan	36 176 859	16 540 851
Unrecognised actuarial (gains)/losses	(36 176 859)	(16 540 851)
	-	-
Post-retirement benefits		
In terms of GRAP 25 an asset should not be recognised in the entity's statement of financial position unless the entity has control of the asset, the asset arises due to past events (e.g. excess contributions) and the entity has beneficial use of the assets (e.g. via a contribution holiday or cash refund). A liability must always be recognised.		
Current service cost	11 075 308	10 318 285
Interest on obligation	20 922 806	19 826 712
Expected return on plan assets	(22 258 638)	(22 216 476)
Net actuarial (gains)/loss recognised in the current year	(17 765 834)	9 724 792
	(8 026 358)	17 653 313
Key actuarial assumptions in determining the above positions		
Discount rate annualised yield on R213 (2015: R186)	9.70%	7.95%
Inflation rate	7.70%	6.10%
Expected rate of salary increases (inflation +1%)	8.70%	7.10%
Expected rate of return on plan assets (actuarial valuation)	9.70%	7.95%

	2012 R	2013 R	2014 R	2015 R	2016 R
Defined benefit pension plan					
Defined benefit obligation	(215 913 265)	(243 576 237)	(236 177 923)	(272 306 919)	(268 259 643)
Plan assets	213 472 776	220 975 885	258 059 792	288 847 770	304 436 502
Surplus/(deficit)	(2 440 489)	(22 600 352)	21 881 869	16 540 851	36 176 859
Experience adjustments on plan liabilities	13 011 965	32 662 647	(17 200 523)	26 160 337	(6 360 293)
Experience adjustments on plan assets	14 931 638	12 950 640	26 823 597	16 435 545	11 405 541

Notes to the Financial Statements (continued)

15. Employee benefit obligations (continued)

	2016 R	2015 R
Post-retirement medical aid benefits		
Amounts recognised in the Statement of Financial Performance		
Service cost	1 068 000	1 256 000
Interest cost	1 919 000	2 134 000
Actuarial (gain)/loss recognised	68 000	(6 111 000)
Total included in employee benefits [(gain)/expense]	3 055 000	(2 721 000)
Amounts recognised in the Statement of Financial Position		
<i>Post-employment medical obligation</i>		
Present value of funded obligations:		
- Members	18 461 000	17 089 000
- Non-members	6 126 000	4 999 000
	24 587 000	22 088 000
Movements in the net liability in the Statement of Financial Position		
<i>Post-employment medical obligation</i>		
Net liability at start of year	22 088 000	25 390 000
Interest cost	1 919 000	2 134 000
Current service cost	1 068 000	1 256 000
Benefit payment	(556 000)	(581 000)
Projected accrued services liability at end of the year	24 519 000	28 199 000
Actuarial (gain)/loss	68 000	(6 111 000)
	24 587 000	22 088 000
Principal actuarial assumptions at statement of reporting date		
Discount rate 31 March (%)	9.00%	8.80%
General increases to medical aid subsidy (%)	8.19%	7.98%
Proportion continuing membership at retirement (%)	100.00%	100.00%
Proportion of retiring members who are married (%)	90.00%	90.00%
Retirement age (years)	65	65

Notes to the Financial Statements (continued)

15. Employee benefit obligations (continued)

Projection of liability to 31 March 2017

The projection of the results from 1 April 2016 to 31 March 2017, assuming that the experience follows the assumptions exactly, is as follows:

Post-employment medical obligation:

Net liability at start of year 1 April 2016	24 587 000
Interest cost	2 185 000
Current service cost	1 186 000
Benefit payments	(614 000)
Projected accrued service liability as at 31 March 2017	27 344 000

Sensitivity analysis

The results are dependent on the assumptions used. In order to illustrate the sensitivity of the actuarial results to changes in certain key variables, the actuaries have recalculated the liabilities using the following assumptions:

- A 1% increase/decrease in the Medical Aid maximum cap inflation will result in the following amounts as disclosed below;
- A PA(90) and PA(90)-2 in the assumed level of mortality will result in the following amounts as disclosed below PA(90)-2 (PA(90) with a two-year adjustment) means that, to each beneficiary a mortality rate of an individual two years younger than that beneficiary was attached. A lighter mortality rate implies that the individual lives longer than expected in the valuation basis.

	-1% Medical Aid and maximum cap inflation R	Valuation assumption R	+1% Medical Aid and maximum cap inflation R
--	--	---------------------------	--

Medical Aid and maximum cap inflation

Total accrued liability	20 932 000	24 587 000	29 163 000
Service cost	966 000	1 186 000	1 469 000
Interest cost	1 855 000	2 185 000	2 596 000

	Valuation basis PA(90) R	PA(90)-2 R
--	--------------------------------	---------------

Mortality

Employer's accrued liability	24 587 000	25 927 000
Employer's service cost	1 186 000	1 238 000
Employer's interest cost	2 185 000	2 305 000

Notes to the Financial Statements (continued)

	2016 R	2015 R
16. Other income		
Sundry income	2 327 495	2 709 094
Guided tours	665 671	627 116
Insurance refund	264 211	2 078 963
Staff transport	166 598	163 587
Use of garden facilities	127 749	228 063
Professional services	48 754	2 715
Public functions	33 054	36 110
Commission received	15 367	121 474
	3 648 899	5 967 122
17. Other grants, bequests, sponsorships and donations		
Other grants, bequests, sponsorships and donations	126 645 122	245 748 185
Total public contributions and donations	77 342 514	305 066 072
Unspent conditional grants and receipts	49 302 608	(59 317 886)
	126 645 122	245 748 186
Refer to Annexure B for detailed schedule on other grants, sponsorships and donations.		
18. Employee related costs		
Basic	246 644 136	255 470 609
SMS: Allowances	12 094 392	11 266 844
Housing benefits and allowances	6 006 927	5 248 350
Overtime payments	4 613 363	3 979 757
WCA	1 028 549	745 414
Medical aid – company contributions	846 780	636 262
Cell phone allowances	613 842	610 332
Pensioners annuities	5 772	4 307
	271 853 761	277 961 875
Employee related costs – MTEF funded	216 357 163	194 155 033
Employee related costs – Projects funded	55 496 598	83 806 842
	271 853 761	277 961 875

Notes to the Financial Statements (continued)

	2016 R	2015 R
19. Operating expenses		
Advertising	919 216	1 279 249
Assessment rates & municipal charges	88 603	61 314
Auditors remuneration	4 557 257	3 384 104
Bank charges	1 154 664	1 019 417
Bursaries	6 657 475	5 048 582
Cleaning	3 823 301	3 075 687
Conferences and seminars	4 259 747	6 653 073
Consulting and professional fees	43 146 369	68 377 299
Electricity	5 877 972	6 729 118
Entertainment	129 150	136 976
Field trips	553 150	877 469
Hire of equipment	224 876	291 895
Insurance	2 474 087	2 147 104
IT expenses	6 822 655	8 943 566
Marketing	4 224 705	4 960 209
Motor vehicle expenses	2 279 524	7 966 070
Postage and courier	581 223	802 813
Printing and stationery	3 373 211	4 180 648
Project implementer costs	8 037 331	93 257 987
Protective clothing	683 188	752 256
Recruitment costs	1 452 148	1 528 466
Refuse	371 251	439 129
Security	10 026 588	9 774 682
Staff welfare	1 596 822	810 314
Subscriptions and membership fees	608 287	216 533
Sundry expenses	8 367 546	3 207 643
Sundry garden and operating expenses	35 388 608	20 286 029
Telephone and fax	3 160 299	2 242 725
Training	4 625 491	12 762 824
Travel – local	13 450 131	16 458 441
Travel – overseas	3 059 253	2 706 566
Water	2 364 188	2 029 688
Uniforms	12 239	203 572
	184 350 555	292 611 448
Operating expenses – MTEF funded	101 852 226	102 000 719
Operating expenses – Projects funded	82 498 329	190 610 729
	184 350 555	292 611 448

Notes to the Financial Statements (continued)

	2016 R	2015 R
20. Debt impairment		
Provision for impairment movement	25 966	(87 291)
Bad debts written off	8 850	193 639
	34 816	106 348
21. Auditors' remuneration		
Fees and disbursements	4 557 257	3 384 105
22. Cash generated from operations		
Surplus	34 092 171	26 298 518
Adjustments for:		
Depreciation and amortisation	21 493 264	17 088 788
Loss on sale of assets	473 060	530 425
Fair value adjustments	(856 861)	(2 223 657)
Debt impairment	34 816	106 348
Movements in operating lease assets	146 205	(163 901)
Movements in retirement benefit assets and liabilities	2 499 000	(3 302 000)
Movements in provisions	561 039	26 810
Cost of sales	1 201 786	917 552
Foreign exchange gain	(332)	-
Changes in working capital:		
Receivables from exchange transactions	15 604	(690 752)
Other receivables from non-exchange transactions	(14 119 134)	-
Payables from exchange transactions	(19 192 718)	16 665 309
Transfers payable (non-exchange)	4 405 487	-
Unspent conditional grants and receipts	(39 822 181)	59 317 888
	(9 068 794)	114 571 328
23. Commitments		
Authorised capital expenditure		
Already contracted for but not provided for		
Property, plant and equipment	70 840 066	46 370 705
Total capital commitments		
Already contracted for but not provided for	70 840 066	46 370 705
This committed expenditure relates to property and will be financed by retained surpluses, existing cash resources, funds internally generated and government grants.		
Operating leases – as lessee (expense)		
Minimum lease payments due		
- within one year	701 214	500 631
- in second to fifth year inclusive	724 408	461 643
	1 425 622	962 274

Operating lease payments represent rentals payable by the entity for certain of its office equipment. Leases are negotiated for an average term of three years and rentals are fixed for an average of three years. No contingent rent is payable.

Notes to the Financial Statements (continued)

	2016 R	2015 R
24. Contingencies		
Guarantees		
Staff housing guarantees, estimated maximum	118 170	118 170
Recoverable from retirement funds	(118 170)	(118 170)
	-	-

SANBI assists qualifying officials with housing loans from financial institutions. For this purpose agreements have been entered into with approved financial institutions to the effect that SANBI will guarantee a maximum of 20% of the housing loan for which a person qualifies. The maximum amount is based on the official's basic salary. SANBI guaranteed eight loans in the current year (2015: eight). The guarantees are fully recoverable from the employees' cash portion of their retirement fund.

Claims submitted by third parties

Claims totalling R20 000 were submitted by 3rd parties for losses suffered at various gardens or inflicted by SANBI property. The claims have been submitted to insurers for assessment of liability. The claims are still under investigation.

25. Reconciliation of budget and actual amounts

Material differences between budget and actual amounts

Overall there is underspending on the budget as a result of timing differences between the funds received and project plans. The variances between the final budget and actual amount which are greater than 10% are explained below:

Income

Other grants, bequests, sponsorships, donations

Amount per Financial Statements is net of accounting adjustments. Certain high value projects were completed or transferred during the financial year, resulting in a decrease in donor funds received.

Admission fees

The variance is the result of an increased number of visitors to the Gardens due to increased marketing exposure.

Rent received

The variance is the result of improved processes relating to the rental of property and facilities as well as the increased number of visitors to the Gardens.

Other income

Positive variance arises from higher than expected collections from non-core income.

Expenses

Personnel cost

Vacancies in projects due to funding not being available.

Capital expenses

Certain significant capital projects span more than one financial year.

Expenditure is thus incurred in a subsequent period to which the cash is actually received.

Notes to the Financial Statements (continued)

26. Related parties

		2016 R	2015 R
Relationships			
Controlling entity	Department of Environmental Affairs		
Entities under common control of controlling entity	South African National Parks South African Weather Services iSimangaliso Wetland Park		
Members of key management	Refer to Note 29		
Related party balances			
Trade receivables			
Department of Environmental Affairs		653 124	84 649
South African National Parks		2 080	4 920
Trade payables			
iSimangaliso Wetland Park		-	499 102
South African National Parks		-	1 341 325
Related party transactions			
Government grants			
Department of Environmental Affairs		304 412 000	289 951 000
Other grants, bequests, sponsorships and donations			
Department of Environmental Affairs		46 653 613	149 597 825
Sales			
Department of Environmental Affairs		568 474	-
South African National Parks		-	4 920
Purchases			
Department of Environmental Affairs		305 225	4 381 130
iSimangaliso Wetland Park		495 582	4 048 328
South African National Parks		1 341 325	12 474 042

South African National Biodiversity Institute mandate derives from the National Environmental Management: Biodiversity Act, 2004 (Act No. 10 of 2004), and is a national public entity as listed under Schedule 3A of the Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999) as amended. In the ordinary course of business, the entity enters into various sales and purchase transactions on an arm's length basis at market rates with other state controlled entities.

SANBI does not have control or significant influence over any other entity.

Management is required to declare all instances of interests in contracts relating to SANBI's business.

Notes to the Financial Statements *(continued)*

26. Related parties *(continued)*

	2016 R	2015 R
Compensation to board members, sub-committee members and other key management		
Fees and short-term employee benefits	12 111 456	12 363 621

27. Capital management policy

The objective of SANBI is to maintain a strong capital base so as to maintain public sector confidence and to sustain future development of SANBI. The Institute is a Schedule 3A public entity and reports to the Department of Environmental Affairs (DEA) and the latter reports to National Treasury.

28. Risk management

Financial risk management

The entity's activities expose it to a variety of financial risks; market risk (including foreign exchange risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk.

In the course of SANBI's operations it is exposed to credit, liquidity and market risk. SANBI has developed a comprehensive risk strategy in terms of Treasury Regulation 27.2 (require a public entity to have a comprehensive risk management strategy, which includes a fraud prevention plan) in order to monitor and control these risks. The risk management process relating to each of these risks is discussed under the headings below.

SANBI's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on SANBI's financial performance. SANBI does not use derivative financial instruments to hedge risk exposures. Risk management is performed by management under policies approved by the executive committee. Management identifies, evaluates and manages financial risks in close co-operation with SANBI's operating units.

Liquidity risk

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

Cash flow forecasts are prepared.

Prudent liquidity risk management implies maintaining sufficient cash and obtaining the continued commitment from the DEA for the government grant and related project funding.

Due to the nature of the business, management maintains flexibility in funding by maintaining expenses below budget.

The table below analyses SANBI's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Carrying amounts equate to their fair values.

Notes to the Financial Statements (continued)

28. Risk management (continued)

	Current to 30 days R	31 to 60 days R	61 to 90 days R	Over 90 days R
At 31 March 2016				
Trade and other payables	38 900 264	-	-	-

	Current to 30 days R	31 to 60 days R	61 to 90 days R	Over 90 days R
At 31 March 2015				
Trade and other payables	58 315 215	-	-	-

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Financial assets, which potentially subject SANBI to the risk of non-performance by counterparties, consist mainly of cash and cash equivalents and accounts receivable. SANBI limits its treasury counterparty exposure by only dealing with well-established financial institutions approved by National Treasury through the approval of their cash management policy in terms of a Treasury Regulation. SANBI's exposure is continuously monitored by the Accounting Authority. SANBI does not have any material exposure to any individual or counterparty. SANBI's largest concentration of credit risk is limited mainly to the sale of plants. No events occurred in the industry during the financial year that may have an impact on the accounts receivable that has not been adequately provided for. SANBI no longer assists qualifying employees to obtain 100% housing loans from financial institutions without a cash deposit, as the financial institution concentrates more on the affordability rather than what the staff member qualifies for. However, these guarantees are fully recoverable from the employees' cash portion of their retirement fund. Due to the nature of the Institute's financial instruments it is highly unlikely that the Institute will encounter difficulty in raising funds to meet commitments associated with financial instruments.

	2016 R	2015 R
Maximum exposure to credit risk of financial assets at year-end		
Trade receivables	3 490 303	3 540 723
Cash and cash equivalents	217 830 437	277 902 420
Guaranteed loans	29 500	29 500
	221 350 240	281 472 643
Fair value of financial assets at year-end		
Trade receivables	3 490 303	3 540 723
Cash and cash equivalents	217 830 437	277 902 420
	221 320 740	281 443 143

Notes to the Financial Statements (continued)

28. Risk management (continued)

	2016 R	2015 R
Market risk		
Interest rate risk		
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. SANBI obtains competitive rates from approved financial institutions on a monthly basis.		
As SANBI has significant interest-bearing assets, SANBI's income and operating cash flows are dependent on changes in market interest rates. SANBI reviews its interest rate exposure on a regular basis. Market rates are compared with stable and credit-rated financial institutions. Various institutional rates are simulated taking into consideration terms of deposits, availability of cash resources and any related risk factors. SANBI's exposure to interest rate risk and the effective interest rates on financial instruments at the financial reporting date are as follows:		
Assets		
Cash deposits: 6% effective interest (2015: 5%)	191 004 598	171 536 106
Sensitivity Analysis		
Investment income at a 1% deposit rate increase	1 910 045	1 715 361
Sensitivity Analysis		
Investment income at a 1% deposit rate decrease	(1 910 045)	(1 715 361)

Based on these scenarios, the impact of a positive 1% shift in deposit interest rates will have a R1 910 045 (2015: R1 715 361) impact on income.

Foreign exchange risk

The entity does not operate internationally, but undertakes some transactions denominated in foreign currencies, and is thus exposed to foreign exchange risk arising from fluctuations in foreign currencies. The entity does not hedge itself against exposure to foreign exchange risk. Foreign currency exposure at financial year-end relates to trade payables and is disclosed in the Note to the Annual Report.

At 31 March 2016, if the currency had strengthened by 10% against the US dollar, pound and the euro with all other variables held constant, the surplus for the year would have been R67 919 (2015: R -) higher, mainly as a result of foreign exchange gains or losses on translation of US dollar, pound and the euro.

Notes to the Financial Statements (continued)

Foreign currency exposure at Statement of Financial Position date

	2016 R	2015 R
Liabilities		
USD 299 (2015: nil)	4 470	-
GBP 31000 (2015: nil)	668 419	-
EUR 370 (2015: nil)	6 308	-
Exchange rates used for conversion of foreign items were:		
USD	14.9506	-
GBP	21.5618	-
EUR	17.0497	-
29. Board and executive members' emoluments		
Board and committee members		
Ms ME Magomola (Acting Board Chairperson)	31 072	19 072
Dr T Abrahamse (Chief Executive Officer)**	-	-
Dr K Badenhorst	-	18 120
Prof. CT Chimimba	6 432	2 880
Dr ST Cornelius	42 152	39 696
Mr JG Dladla	12 528	11 856
Dr L Dziba	12 864	-
Mr T Frost	-	53 840
Ms T Godongwana	35 344	-
Mr S Gounden	38 936	26 760
Mr LJ Makoro	16 080	-
Ms S Mancotywa*	-	-
Dr JM Matjila	64 496	33 936
Dr S Liphadzi	-	3 048
Ms NN Mnqeta	42 152	35 904
Mr VK Naiker	-	15 072
Ms BD Ngidi	50 784	40 528
Dr Y Seleti*	-	-
Prof. BW van Wilgen	37 920	-
Mr T Zororo	16 080	-
	406 840	300 712

* No honoraria were paid – State employee

** Remunerated as Executive member

Notes to the Financial Statements *(continued)*

29. Board and executive members' emoluments *(continued)*

	Basic R	Non- pensionable allowances R	Bonuses R	Pension and medical benefits R	Total 2016 R
Executive members					
TE Abrahamse (Chief Executive Officer)	1 213 019	529 068	70 756	125 881	1 938 724
CH Mbizvo (Head of Branch: Biodiversity Research, Policy and Knowledge Management)	1 092 952	501 801	-	106 316	1 701 069
L Sithole (Chief Financial Officer)	1 124 582	281 737	24 375	86 128	1 516 822
ME Khoahli (Chief Corporate Officer)	810 192	365 473	-	90 389	1 266 054
MJ Netshiombo (Chief Director: Human Resources)	903 939	215 533	44 527	92 140	1 256 139
CK Willis (Chief Director: Conservation Gardens and Tourism)	774 805	344 980	44 527	87 735	1 252 047
RJ Sebola (Chief Director: Biosystematics and Collections)	287 235	71 309	-	26 911	385 455
JS Donaldson (Chief Director: Biodiversity Research, Information and Monitoring)	752 070	334 443	43 220	86 030	1 215 763
KE Maze (Chief Director: Biodiversity Planning and Policy Advice)	752 070	329 163	-	91 310	1 172 543
	7 710 864	2 973 507	227 405	792 840	11 704 616

Notes to the Financial Statements *(continued)*

29. Board and executive members' emoluments *(continued)*

	Basic R	Non- pensionable allowances R	Bonuses R	Pension and medical benefits R	Total 2015 R
Executive members					
TE Abrahamse (Chief Executive Officer)	1 149 780	499 759	133 880	121 138	1 904 557
CH Mbizvo (Head of Branch: Biodiversity Research, Policy and Knowledge Management)	1 020 665	467 894	-	100 895	1 589 454
L Sithole (Chief Financial Officer)	962 757	263 134	-	73 991	1 299 882
ME Khoahli (Chief Corporate Officer)	767 955	345 492	55 888	87 221	1 256 556
MJ Netshiombo (Chief Director: Human Resources)	844 152	195 279	51 879	92 936	1 184 246
CK Willis (Chief Director: Conservation Gardens and Tourism)	723 559	320 918	51 879	83 892	1 180 248
GF Smith (Chief Director: Biosystematics and Collections)	818 173	279 388	-	71 068	1 168 629
JS Donaldson (Chief Director: Biodiversity Research, Information and Monitoring)	702 330	311 079	50 357	82 299	1 146 065
KE Maze (Chief Director: Biodiversity Planning and Policy Advice)	702 330	305 799	50 357	87 579	1 146 065
GF Midgley (Chief Director: Climate Change Adaptation) – resigned 30/04/2014	95 285	82 009	-	9 913	187 207
	7 786 986	3 070 751	394 240	810 932	12 062 909

Notes to the Financial Statements (continued)

	2016 R	2015 R
30. Operating lease – as lessor		
Minimum lease payments due		
- Within one year	3 284 390	3 497 272
- Between two to five years	8 653 809	9 814 778
- Later than five years	525 512	2 648 934
	12 463 711	15 960 984

31. Losses due to fraud

Included in operating expenses is an amount of R25 058. An investigation in a project, revealed that a fraudulent account in the project payroll system was used from August 2015 to November 2015, an amount of R25 058 was paid into the fraudulent account.

32. Matched funding

As per the funding agreement for the Groen Sebenza Project, all participating institutions were required to provide matched funding, in-kind, towards the project.

	At amortised cost R	Total R
33. Financial instruments disclosure		
Categories of financial instruments – 2016		
Financial assets		
Cash and cash equivalents	217 830 437	217 830 437
Other receivables from non-exchange transactions	14 119 134	14 119 134
Trade and other receivables from exchange transactions	3 340 754	3 340 754
Guaranteed loans	29 500	29 500
	235 319 825	235 319 825
Financial liabilities		
Trade and other payables from exchange transactions	38 900 264	38 900 264
Financial instruments in Statement of Financial Performance – 2016		
Interest income (calculated using effective interest method) for financial instruments at amortised cost	11 247 890	11 247 890

34. Contingent asset

SANBI has received a bequest with certain conditions attached. The Accounting Authority are, in accordance with the Delegations of Authority, considering the implications of accepting the bequest and the most appropriate form in which to receive it.

Notes to the Financial Statements (continued)

35. Segment information

General information

Identification of segments

The entity is organised and reports to management on the basis of mandated areas. The segments were organised around the type of service delivered and the target market. Management uses these same segments for determining strategic objectives. Segments were aggregated for the type of services and target market for reporting purposes.

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

Types of goods and/or services by segment

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

Reportable segment

Conservation gardens and tourism

Science policy and research

Goods and/or services

National Botanical Gardens and related materials

Biodiversity research and policy advice

2016

	Conservation garden and tourism R	Science policy and research R	Total R
Revenue			
Revenue from non-exchange transactions	80 203 807	143 647 954	223 851 761
Revenue from exchange transactions	70 635 849	1 028 363	71 664 212
Interest revenue	814	1 447 171	1 447 985
Total segment revenue	150 840 470	146 123 488	296 963 958
Group revenue			222 350 701
Entity's revenue			519 314 659
Expenditure			
Salaries and wages	80 731 170	90 253 143	170 984 313
Other expenses	32 458 434	75 993 682	108 452 116
Total segment expenditure	113 189 604	166 246 825	279 436 429
Total segmental surplus			17 527 529
Total revenue reconciling items			222 350 701
Group expenditure			(205 786 059)
Total segmental surplus			17 527 529
Entity's surplus for the period			34 092 171

Notes to the Financial Statements (continued)

35. Segment information (continued)

	Conservation garden and tourism R	Science policy and research R
Other information		
Capital expenditure (excluding additions to financial instruments and post-employment benefit liabilities)	319 538	2 557 830

Additions to non-current assets, total assets and total liabilities of segments have not been disclosed as the amounts are not regularly provided to management for review.

2015

	Conservation garden and tourism R	Science policy and research R	Total R
Revenue			
Revenue from non-exchange transactions	88 089 120	247 594 583	335 683 703
Revenue from exchange transactions	63 960 350	988 905	64 949 255
Interest revenue	837	2 755 390	2 756 227
Total segment revenue	152 050 307	251 338 878	403 389 185
Group revenue			216 553 706
Entity's revenue			619 942 891
Expenditure			
Salaries and wages	78 586 043	85 792 196	164 378 239
Other expenses	34 448 053	150 838 638	185 286 691
Total segment expenditure	113 034 096	236 630 834	349 664 930
Total segmental surplus			53 724 255
Total revenue reconciling items			216 553 706
Group expenditure			(243 979 443)
Total segmental surplus			53 724 255
Entity's surplus for the period			26 298 518

Additions to non-current assets, total assets and total liabilities of segments have not been disclosed as the amounts are not regularly provided to management for review.

Notes to the Financial Statements (continued)

35. Segment information (continued)

Measurement of segment surplus or deficit, assets and liabilities

The accounting policies of the segments are the same as those described in the summary of significant accounting policies.

Information about geographical areas

The science policy and research segment is not confined to a specific geographical location.

The entity's conservation garden and tourism operations are in seven of the nine provinces. The Eastern Cape values are not disclosed as the Garden is not operational at present.

The table below indicates their relevant geographical information after eliminating inter segmental transfers:

2016

	External revenues from non-exchange transactions R	External revenues from exchange transactions R	Total expenditure R
Gauteng	21 951 121	9 797 932	30 774 533
Western Cape	37 365 235	55 468 463	44 394 655
Free State	-	1 259 186	6 837 451
KwaZulu-Natal	5 516 771	1 042 034	6 026 745
Mpumalanga	11 018 270	1 402 025	10 852 792
Northern Cape	1 721 903	198 575	1 716 833
Total	77 573 300	69 168 215	100 603 009

The comparative figures and the value of non-current assets are excluded from the above table as the necessary information is not available and the cost to develop it would be excessive.

Notes to the Financial Statements (continued)

36. Prior period errors

Property, plant and equipment (2015) has been restated from R147 874 200 to R154 297 434. This error could not be split between the segments in the Institute.

The correction of the error results in adjustments as follows:

Statement of Financial Position

Property, plant and equipment	-	8 029 042
Accumulated depreciation property, plant and equipment	-	(1 605 808)
Accumulated surplus	-	(7 041 019)

Statement of Financial Performance

Depreciation expense	-	1 605 808
Sundry garden and operating expense	-	(988 023)

37. Comparative figures

Certain comparative figures have been restated as per the prior year error Note above. The net effect on the statement of financial position and performance is R 6 423 234 and (R 617 785), respectively.

Annexure A – Groen Sebenza Project

Financial Performance

Revenue

Revenue from exchange transactions

Other income	-	5 814	-	-
Interest received – investment	-	-	325 776	-
Total revenue from exchange transactions	-	5 814	325 776	-

Revenue from non-exchange transactions

Transfer revenue

Other grants	41 233 626	98 328 239	69 441 837	548 127
Total revenue	41 233 626	98 334 053	69 767 613	548 127

Expenditure

Employee related costs	(34 014 726)	(58 812 456)	(47 230 262)	(160 990)
Repairs and maintenance	-	(15 895)	-	-
General expenses	(7 218 900)	(39 505 702)	(22 537 351)	(387 137)
Total expenditure	(41 233 626)	(98 334 053)	(69 767 613)	(548 127)

Cash flow statement

Receipts

Other grants	3 900 088	121 812 921	75 441 985	313 000
Interest income	-	-	325 776	-
Other receipts	-	5 814	-	-
3 900 088	121 818 456	75 767 761	313 000	

Payments

Employee costs	(34 014 726)	(58 812 456)	(47 230 262)	(160 990)
Suppliers	(7 218 900)	(39 521 597)	(22 537 351)	(387 137)
	(41 233 626)	(98 334 053)	(69 767 613)	(548 127)
Net cash flows from operating activities	(37 333 538)	23 484 403)	6 000 148	(235 127)

Cash flows from financing activities

Movement in other liability: SANBI funding	4 112 086	9 567 111	6 563 683	547 875
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Net increase in cash and cash equivalents

Cash and cash equivalents at the beginning of the period	45 928 372	12 876 579	312 748	-
Cash and cash equivalents at the end of the year	4 482 748	45 928 372	12 876 579	312 748

Annexure A – Groen Sebenza Project *(continued)*

As at 31 December 2015 the Financial Position was as follows:

	Dec-15 R
Assets	
Current Assets	12 566 583
Receivables from non-exchange transactions	8 083 835
Cash and cash equivalents	4 482 748
Total Assets	12 566 583
Liabilities	
Current Liabilities	12 566 583
Other liability: SANBI Funding	12 566 583
Total Liabilities	12 566 583
Net Assets	-

Annexure B – Sponsorships and donations

	2016 R	2015 R
Government		
Department of Environmental Affairs	46 653 613	149 597 825
Department of Science and Technology	525 207	42 207
Department of Tourism	2 500 000	-
Water Research Commission	-	560 000
Development Bank of South Africa (DBSA)	3 900 089	121 812 921
Gauteng Department of Agriculture Conservation & Environment	36 000	2 264 000
Rand Water	24 790	282 400
Council for Scientific and Industrial Research (CSIR)	1 721 501	2 110 659
National Research Foundation (NRF)	9 247 003	2 259 403
South African National Energy Development Institute	30 800	-
	64 639 003	278 929 415
Foreign		
Food and Agriculture Organisation (FAO)	-	926 492
Conservation South Africa	1 291 151	1 892 226
European Commission via Universidad Castilla	-	46 939
Mesemb Study Group	-	35 459
German Development Cooperation (GTZ)	-	627 585
World Conservation Union (IUCN)	144 224	97 245
JRS Biodiversity Foundation	506 791	2 392 475
Biodiversity International	75 306	-
Royal Botanic Gardens Kew	1 435 373	1 224 657
Smithsonian Institute	307 267	954 120
The Global Adaptation Fund	-	12 812 275
United Nations Development Programme (UNDP)	6 500 546	570 155
United Nations Environmental Programme (UNEP)	-	818 003
United Nations Educational, Scientific and Cultural Organisation (UNESCO)	-	170 499
The British Council	-	49 597
	10 260 658	22 617 727
Corporate		
Coaltech	-	276 000
Hisense SA Sales Holdings (Pty) Ltd	-	200 000
SA Gold Coin Exchange	-	375 000
Old Mutual	-	206 506
Brimstone Investment Corporation Limited	100 000	-
Prins and Prins	28 333	-
Uwe Koetter	19 068	-
Peter Gilder	14 830	-
	162 231	1 057 506

* See Not 36

The supplementary information presented does not form part of the Financial Statements and is unaudited.

Annexure B – Sponsorships and donations *(continued)*

	2016 R	2015 R
Individuals and Organisations		
Lucozade	-	60 000
Evergreen Lifestyles	-	30 000
Dylan Lewis	62 500	62 500
Fruttare	-	60 000
Table Mountain Fund	-	6 397
The Botanical Society of South Africa	1 296 323	1 852 115
ESP Strategic Marketing Solutions	60 000	-
University of Cape Town	-	20 000
	1 418 823	2 091 012
Trusts		
BOE Tr Ltd	30 000	30 000
Botanical Education Trust	22 100	34 400
Dr Sunshine	21 613	25 136
The Green Trust	504 000	100 000
Fitzroy Trust	60 000	25 000
Estate Late Getrude Rycroft	100 000	-
Frances M Hawes Bequest	-	490
HR Hill Trust	87 096	61 550
Lindbergh Charitable Trust	-	1 368
Estate Late SM Clark	-	10 000
Sundry	4 155	11 000
Wildlands Conservation Trust	-	7 600
	828 964	306 544
Other		
Bench donations	16 000	50 000
Sundry donations	16 836	13 867
	32 836	63 867
Total donations, other granters and sponsorship for the year	77 342 514	305 066 071
Unspent committed project funds released/(transferred) for the year	44 302 608	(59 317 886)
	121 645 122	245 748 185

* See Not 36

The supplementary information presented does not form part of the Financial Statements and is unaudited.



White-fronted Bee-eater (Merops bullockoides)

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