

1. REPORT OF THE AUDITOR GENERAL

This is the auditor's report as issued by AGSA

2. ANNUAL FINICIAL STATEMENTS

Department's word version of the audited annual financial statements.



AUDITOR'S REPORT FOR THE YEAR ENDED 31 MARCH 2016
DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

Report of the auditor-general to the KwaZulu-Natal Provincial Legislature on vote no. 3: Department of Agriculture and Rural Development Report on the financial statements

Introduction

1. I have audited the financial statements of the Department of Agriculture and Rural Development set out on pages 133 to 220 , which comprise the appropriation statement, the statement of financial position as at 31 March 2016, the statement of financial performance, statement of changes in net assets, and cash flow statement for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the Modified Cash Standard (MCS) prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2015 (Act No. 1 of 2015) (DoRA), 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 the 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 department'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 department's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Agriculture and Rural Development as at 31 March 2016 and its financial performance and cash flows for the year then ended, in accordance with the MCS and the requirements of the PFMA and DoRA.

Emphasis of matter

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

Material underspending of the vote

8. As disclosed in the appropriation statement, the department materially underspent the budget of the overall vote by R93,29 million. This can be attributed to a moratorium on filling of vacant posts, late rains and slower than anticipated implementation of drought relief interventions.

Additional matter

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

Unaudited supplementary schedules

10. The supplementary information set out on pages 204 to 220 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

Report on other legal and regulatory requirements

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

Predetermined objectives

12. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for programme 2 – agricultural development services on pages 32 to 47 presented in the annual performance report of the department for the year ended 31 March 2016.

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

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

15. I did not raise any material findings on the usefulness and reliability of the reported performance information for the selected programme.
Additional matters

16. Although I did not raise any material findings on the usefulness and reliability of the reported performance information for the selected programme, I draw attention to the following matters:

Achievement of planned targets

17. Refer to the annual performance report on pages 32 to 47 for information on the achievement of the planned targets for the year.

Adjustment of material misstatements

18. I identified material misstatements in the annual performance report submitted for auditing on the reported performance information for the agricultural development services programme. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Compliance with legislation

19. I performed procedures to obtain evidence that the department 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:

Expenditure management

20. Effective steps were not taken to prevent irregular expenditure of R34,17 million, as disclosed in note 23 to the annual financial statements, in contravention of section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1.

Internal control

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

Leadership

22. Vacancies in key positions and the use of acting positions affected leadership's ability to implement effective action plans and internal control policies to create an effective internal control environment in respect of compliance with legislation.

Financial and performance management

23. Monitoring and contract management processes did not prevent non-compliance with laws and regulations.

Other reports

24. I draw attention to the following engagements that could potentially have an impact on the department's financial, performance and compliance related matters. My opinion is not modified in respect of these engagements that are either in progress or have been completed.

Investigations

25. Three independent consulting firms performed an investigation at the request of the department, which covered the period 2011 to 2012. The investigation was initiated based on an allegation of possible misappropriation of the department's assets. The investigation resulted in disciplinary actions being instituted against 12 employees, of which seven have been finalised. At the time of this report, disciplinary proceedings for five employees were in progress.

26. The provincial treasury's internal audit unit performed nine investigations on possible supply chain management irregularities covering the period April 2009 to March 2015.

Five of the investigations were completed and four were still in progress. In addition, one internal investigation was in progress relating to alleged fraudulent activity with regards to delivery of fencing material.

Auditor-General

Pietermaritzburg

29 July 2016



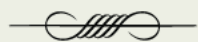
**AUDITOR - GENERAL
SOUTH AFRICA**

Auditing to build public confidence



ANNUAL FINANCIAL STATEMENTS

FOR DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT



For the year ended 31 March 2016



**DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3**

**ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2016**

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**DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2016**

| Appropriation per programme | | | | | | | | | | |
|--|------------------------|-------------------|------------|---------------------|--------------------|---------------|---|---------------------|--------------------|------------------|
| | 2015/16 | | | | | 2014/15 | | | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual Expenditure | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 |
| Programme | | | | | | | | | | |
| 1. Administration | 383 090 | - | (10 966) | 372 124 | 341 761 | 30 363 | 91.8% | 334 211 | 301 841 | |
| 2. Agriculture | 1 907 395 | - | 10 965 | 1 918 360 | 1 855 535 | 62 825 | 96.7% | 1 796 835 | 1 701 203 | |
| 3. Rural Development | 1 995 | - | - | 1 995 | 1 891 | 104 | 94.8% | - | - | |
| Subtotal | 2 292 480 | - | (1) | 2 292 479 | 2 199 187 | 93 292 | 95.9% | 2 131 046 | 2 003 044 | |
| Statutory Appropriation | - | - | - | - | - | - | - | - | - | |
| TOTAL | 2 292 480 | - | (1) | 2 292 479 | 2 199 187 | 93 292 | 95.9% | 2 131 046 | 2 003 044 | |
| ADD | | | | | | | | | | |
| Departmental receipts | | | | 23 712 | | | | 32 267 | | |
| NRF Receipts | | | | - | | | | - | | |
| Aid assistance | | | | 2 482 | | | | - | | |
| Actual amounts per statement of financial performance (total revenue) | | | | 2 318 673 | | | | 2 163 313 | | |
| ADD | | | | | | | | | | |
| Aid assistance | | | | | 2 894 | | | | | 1 410 |
| Prior year unauthorised expenditure approved without funding | | | | | | | | | | |
| Actual amounts per statement of financial performance (total expenditure) | | | | | 2 202 081 | | | | | 2 004 454 |

**DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2016**

| Appropriation per economic classification | | 2015/16 | | | | | | | 2014/15 | |
|---|--|------------------------|-------------------|-----------------|---------------------|--------------------|---------------|---|---------------------|--------------------|
| | | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| | | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Economic classification | | | | | | | | | | |
| Current payments | | 1 828 833 | (34 602) | (29 737) | 1 764 494 | 1 738 423 | 26 071 | 98.5% | 1 642 648 | 1 565 342 |
| Compensation of employees | | 919 190 | - | (4 191) | 914 999 | 911 392 | 3 607 | 99.6% | 852 364 | 851 046 |
| Salaries and wages | | 789 848 | (2 995) | (2 679) | 784 174 | 781 300 | 2 874 | 99.6% | 735 543 | 734 304 |
| Social contributions | | 129 342 | 2 995 | (1 512) | 130 825 | 130 092 | 733 | 99.4% | 116 821 | 116 742 |
| Goods and services | | 909 643 | (34 602) | (25 773) | 849 268 | 826 804 | 22 464 | 97.4% | 790 113 | 714 125 |
| Administrative fees | | 1 959 | 214 | (103) | 2 070 | 2 070 | - | 100.0% | 116 | 116 |
| Advertising | | 6 992 | - | (1 148) | 5 844 | 5 844 | - | 100.0% | 9 442 | 9 442 |
| Minor assets | | 12 097 | - | (6 291) | 5 806 | 5 806 | - | 100.0% | 4 363 | 4 307 |
| Audit costs: External | | 6 833 | - | (1 068) | 5 765 | 5 765 | - | 100.0% | 5 517 | 5 502 |
| Bursaries: Employees | | 7 011 | (3 099) | (2 461) | 1 451 | 1 451 | - | 100.0% | 1 889 | 1 889 |
| Catering: Departmental activities | | 2 450 | - | (1 114) | 1 336 | 1 336 | - | 100.0% | 2 812 | 2 812 |
| Communication | | 30 623 | - | 4 372 | 34 995 | 34 983 | 12 | 100.0% | 42 294 | 39 442 |
| Computer services | | 66 552 | - | 3 978 | 70 530 | 58 362 | 12 168 | 82.7% | 41 040 | 40 996 |
| Consultants: Business and advisory services | | 1 390 | - | 132 | 1 522 | 1 522 | - | 100.0% | 1 789 | 1 789 |
| Infrastructure and planning services | | 38 843 | - | 36 630 | 75 473 | 75 473 | - | 100.0% | 112 269 | 74 731 |
| Laboratory services | | 250 | - | (197) | 53 | 53 | - | 100.0% | 54 | 54 |
| Scientific and technological services | | - | - | - | - | - | - | - | - | - |
| Legal services | | 2 071 | - | (434) | 1 637 | 1 637 | - | 100.0% | 2 502 | 1 986 |
| Contractors | | 58 762 | (7 541) | (6 549) | 44 672 | 44 672 | - | 100.0% | 47 843 | 47 843 |

**DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2016**

| Appropriation per economic classification | 2015/16 | | | | | | 2014/15 | | |
|--|------------------------|-------------------|----------|---------------------|--------------------|----------|---|---------------------|--------------------|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Agency and support / outsourced services | 11 673 | - | 2 642 | 14 315 | 14 315 | - | 100,0% | 26 262 | 25 975 |
| Entertainment | - | - | - | - | - | - | - | - | - |
| Fleet services | 34 041 | - | 674 | 34 715 | 34 715 | - | 100,0% | 35 507 | 35 507 |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and supplies | 8 488 | - | (2 698) | 5 790 | 5 790 | - | 100,0% | 4 863 | 4 863 |
| Inventory: Farming supplies | 304 636 | - | (47 735) | 256 901 | 251 256 | 5 645 | 97,8% | 168 254 | 139 717 |
| Inventory: Food and food supplies | - | - | 2 | 2 | 2 | - | 100,0% | 19 | - |
| Inventory: Fuel, oil and gas | 3 098 | - | (365) | 2 733 | 2 733 | - | 100,0% | 6 077 | 6 077 |
| Inventory: Learner and teacher support material | 2 031 | - | (238) | 1 793 | 1 793 | - | 100,0% | 1 619 | 1 619 |
| Inventory: Materials and supplies | 22 015 | (9 462) | (8 289) | 4 264 | 4 264 | - | 100,0% | 5 500 | 5 500 |
| Inventory: Medical supplies | 1 306 | - | (711) | 595 | 595 | - | 100,0% | 523 | 523 |
| Inventory: Medicine | 9 952 | - | 24 715 | 34 667 | 30 036 | 4 631 | 86,6% | 17 895 | 17 859 |
| Medpas Inventory Interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | 4 803 | - | (920) | 3 883 | 3 883 | - | 100,0% | 3 599 | 3 599 |
| Consumable supplies | 64 381 | (14 500) | (2 935) | 46 946 | 46 946 | - | 100,0% | 48 115 | 44 875 |
| Consumable: Stationery, printing and office supplies | 9 250 | - | (1 218) | 8 032 | 8 032 | - | 100,0% | 8 607 | 8 119 |
| Operating leases | 25 605 | - | 3 679 | 29 284 | 29 284 | - | 100,0% | 25 647 | 25 647 |
| Property payments | 65 193 | - | (940) | 64 253 | 64 253 | - | 100,0% | 61 046 | 61 046 |
| Transport provided: Departmental activity | 450 | - | (169) | 281 | 281 | - | 100,0% | 282 | 282 |
| Travel and subsistence | 80 002 | (214) | (8 006) | 71 782 | 71 774 | 8 | 100,0% | 80 322 | 78 054 |

**DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2016**

| Appropriation per economic classification | 2015/16 | | | | | | 2014/15 | | |
|---|---------------------------------|----------------------------|-------------------|------------------------------|-----------------------------|-------------------|--|------------------------------|-----------------------------|
| | Adjusted Appropriation R'000 | Shifting of Funds R'000 | Virement R'000 | Final Appropriation R'000 | Actual Expenditure R'000 | Variance R'000 | Expenditure as % of final appropriation % | Final Appropriation R'000 | Actual expenditure R'000 |
| Training and development | 11 200 | - | (4 039) | 7 161 | 7 161 | - | 100.0% | 8 040 | 8 040 |
| Operating payments | 12 848 | - | (3 064) | 9 784 | 9 784 | - | 100.0% | 8 874 | 8 874 |
| Venues and facilities | 2 758 | - | (1 885) | 873 | 873 | - | 100.0% | 6 778 | 6 686 |
| Rental and hiring | 80 | - | (20) | 60 | 60 | - | 100.0% | 354 | 354 |
| Interest and rent on land | - | - | 227 | 227 | 227 | - | 100.0% | 171 | 171 |
| Interest | - | - | 157 | 157 | 157 | - | 100.0% | 108 | 108 |
| Rent on land | - | - | 70 | 70 | 70 | - | 100.0% | 63 | 63 |
| Transfers and subsidies | 229 125 | 34 602 | 4 069 | 267 796 | 246 968 | 20 828 | 92.2% | 224 158 | 219 116 |
| Provinces and municipalities | 1 273 | - | 40 | 1 313 | 1 313 | - | 100.0% | 1 237 | 1 237 |
| Provinces | 1 260 | - | 40 | 1 300 | 1 300 | - | 100.0% | 1 203 | 1 203 |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | 1 260 | - | 40 | 1 300 | 1 300 | - | 100.0% | 1 203 | 1 203 |
| Municipalities | 13 | - | - | 13 | 13 | - | 100.0% | 34 | 34 |
| Municipal bank accounts | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | 13 | - | - | 13 | 13 | - | 100.0% | 34 | 34 |
| Departmental agencies and accounts | 102 309 | - | (40) | 102 269 | 101 306 | 963 | 99.1% | 108 351 | 108 351 |
| Social security funds | - | - | - | - | - | - | - | 1 | 1 |
| Departmental agencies and accounts | 102 309 | - | (40) | 102 269 | 101 306 | 963 | 99.1% | 108 350 | 108 350 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |

**DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2016**

| Appropriation per economic classification | 2015/16 | | | | | | | 2014/15 | |
|---|------------------------|-------------------|---------------|---------------------|--------------------|---------------|---|---------------------|--------------------|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Public corporations and private enterprises | 100 453 | 31 503 | - | 131 956 | 112 091 | 19 865 | 84.9% | 96 254 | 91 962 |
| Public corporations | 54 563 | 9 636 | - | 64 199 | 64 199 | - | 100.0% | 74 853 | 73 165 |
| Subsidies on products and production | - | - | - | - | - | - | - | - | - |
| Other transfers to public corporations | 54 563 | 9 636 | - | 64 199 | 64 199 | - | 100.0% | 74 853 | 73 165 |
| Private enterprises | 45 890 | 21 867 | - | 67 757 | 47 892 | 19 865 | 70.7% | 21 401 | 18 797 |
| Subsidies on products and production | - | - | - | - | - | - | - | - | - |
| Other transfers to private enterprises | 45 890 | 21 867 | - | 67 757 | 47 892 | 19 865 | 70.7% | 21 401 | 18 797 |
| Non-profit institutions | 13 770 | - | - | 13 770 | 13 770 | - | 100.0% | 6 050 | 5 300 |
| Households | 11 320 | 3 099 | 4 069 | 18 488 | 18 488 | - | 100.0% | 12 266 | 12 266 |
| Social benefits | 11 309 | - | 4 069 | 15 378 | 15 378 | - | 100.0% | 12 132 | 12 132 |
| Other transfers to households | 11 | 3 099 | - | 3 110 | 3 110 | - | 100.0% | 134 | 134 |
| Payments for capital assets | 234 522 | - | 25 048 | 259 570 | 213 177 | 46 393 | 82.1% | 260 832 | 215 178 |
| Buildings and other fixed structures | 159 375 | - | 41 046 | 200 421 | 172 688 | 27 733 | 86.2% | 217 324 | 182 814 |
| Buildings | 15 657 | - | (7 109) | 8 548 | 8 548 | - | 100.0% | 19 393 | 3 654 |
| Other fixed structures | 143 718 | - | 48 155 | 191 873 | 164 140 | 27 733 | 85.5% | 197 931 | 179 160 |
| Machinery and equipment | 75 105 | - | (16 306) | 58 799 | 40 139 | 18 660 | 68.3% | 43 134 | 32 180 |
| Transport equipment | 25 985 | - | - | 25 985 | 17 896 | 8 089 | 68.9% | 21 383 | 20 481 |
| Other machinery and equipment | 49 120 | - | (16 306) | 32 814 | 22 243 | 10 571 | 67.8% | 21 751 | 11 699 |

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3

APPROPRIATION STATEMENT
for the year ended 31 March 2016

| Appropriation per economic classification | 2015/16 | | | | | | | 2014/15 | |
|---|------------------------|-------------------|------------|---------------------|--------------------|---------------|---|---------------------|--------------------|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | 42 | - | 308 | 350 | 350 | - | 100.0% | 258 | 145 |
| Land and subsoil assets | - | - | - | - | - | - | - | - | - |
| Intangible assets | - | - | - | - | - | - | - | 116 | 39 |
| Payments for financial assets | - | - | 619 | 619 | 619 | - | 100.0% | 3 408 | 3 408 |
| Total | 2 292 480 | - | (1) | 2 292 479 | 2 199 187 | 93 292 | 95.9% | 2 131 046 | 2 003 044 |

**DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2016**

| Programme 1: ADMINISTRATION | | 2015/16 | | | | | | 2014/15 | | |
|-----------------------------------|----------------|------------------------|-------------------|----------------|---------------------|--------------------|--------------|---|---------------------|--------------------|
| | | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| Sub programme | | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| 1.1 Office of the MEC | 16 941 | - | (2 797) | 14 144 | 14 129 | 15 | 99.9% | 20 756 | 17 968 | |
| 1.2 Senior Management | 30 402 | - | 836 | 31 238 | 31 238 | - | 100.0% | 28 386 | 27 492 | |
| 1.3 Corporate Support Services | 221 753 | - | 3 742 | 225 495 | 201 514 | 23 981 | 89.4% | 168 429 | 167 271 | |
| 1.4 Financial Management | 82 675 | - | (7 221) | 75 454 | 69 089 | 6 365 | 91.6% | 84 515 | 64 957 | |
| 1.5 Communication Services | 31 319 | - | (5 526) | 25 793 | 25 791 | 2 | 100.0% | 32 125 | 24 153 | |
| Total for sub programmes | 383 090 | - | (10 966) | 372 124 | 341 761 | 30 363 | 91.8% | 334 211 | 301 841 | |
| Economic classification | 325 651 | (3 099) | (4 637) | 317 915 | 304 101 | 13 814 | 95.7% | 282 058 | 274 813 | |
| Current payments | 141 572 | - | (332) | 141 240 | 139 594 | 1 646 | 98.8% | 124 814 | 124 146 | |
| Compensation of employees | 121 827 | (7) | 612 | 122 432 | 121 335 | 1 097 | 99.1% | 109 107 | 108 518 | |
| Salaries and wages | 19 745 | 7 | (944) | 18 808 | 18 259 | 549 | 97.1% | 15 707 | 15 628 | |
| Social contributions | 184 079 | (3 099) | (4 355) | 176 625 | 164 457 | 12 168 | 93.1% | 157 170 | 150 593 | |
| Goods and services | 854 | 66 | (18) | 902 | 902 | - | 100.0% | 1 | 1 | |
| Administrative fees | 6 786 | - | (994) | 5 792 | 5 792 | - | 100.0% | 9 273 | 9 273 | |
| Advertising | 2 048 | - | 155 | 2 203 | 2 203 | - | 100.0% | 1 434 | 1 378 | |
| Minor assets | 6 833 | - | (1 068) | 5 765 | 5 765 | - | 100.0% | 5 517 | 5 502 | |
| Audit costs: External | 6 451 | (3 099) | (2 092) | 1 260 | 1 260 | - | 100.0% | 1 300 | 1 300 | |
| Bursaries: Employees | 526 | - | 14 | 540 | 540 | - | 100.0% | 383 | 383 | |
| Catering: Departmental activities | 14 025 | - | 5 886 | 19 911 | 19 911 | - | 100.0% | 20 795 | 17 943 | |
| Communication | 63 269 | - | (3 796) | 59 473 | 47 305 | 12 168 | 79.5% | 39 995 | 39 951 | |
| Computer services | | | | | | | | | | |

**DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2016**

| Appropriation per economic classification | 2015/16 | | | | | | 2014/15 | | |
|---|---------------------------------|----------------------------|-------------------|------------------------------|-----------------------------|-------------------|--|------------------------------|-----------------------------|
| | Adjusted Appropriation R'000 | Shifting of Funds R'000 | Virement R'000 | Final Appropriation R'000 | Actual Expenditure R'000 | Variance R'000 | Expenditure as % of final appropriation % | Final Appropriation R'000 | Actual expenditure R'000 |
| Consultants: Business and advisory services | 1 093 | - | 379 | 1 472 | 1 472 | - | 100.0% | 1 789 | 1 789 |
| Infrastructure and planning services | 602 | - | 1 049 | 1 651 | 1 651 | - | 100.0% | 744 | 744 |
| Laboratory services | - | - | - | - | - | - | - | - | - |
| Scientific and technological services | - | - | - | - | - | - | - | - | - |
| Legal services | 2 071 | - | (434) | 1 637 | 1 637 | - | 100.0% | 2 502 | 1 986 |
| Contractors | 9 019 | - | 2 710 | 11 729 | 11 729 | - | 100.0% | 10 460 | 10 460 |
| Agency and support / outsourced services | - | - | 242 | 242 | 242 | - | 100.0% | 633 | 442 |
| Entertainment | - | - | - | - | - | - | - | - | - |
| Fleet services | 5 363 | - | (53) | 5 310 | 5 310 | - | 100.0% | 6 411 | 6 411 |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and supplies | 558 | - | 1 259 | 1 817 | 1 817 | - | 100.0% | 413 | 413 |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | - | - | - | - | - | - | - | 19 | - |
| Inventory: Fuel, oil and gas | 17 | - | (13) | 4 | 4 | - | 100.0% | 2 | 2 |
| Inventory: Learner and teacher support material | 80 | - | (80) | - | - | - | - | 172 | 172 |
| Inventory: Materials and supplies | 5 323 | - | (4 732) | 591 | 591 | - | 100.0% | 502 | 502 |
| Inventory: Medical supplies | - | - | - | - | - | - | - | 78 | 78 |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medsas Inventory Interface | - | - | - | - | - | - | - | - | - |

**DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2016**

| Appropriation per economic classification | 2015/16 | | | | | | | 2014/15 | |
|--|------------------------|-------------------|------------|---------------------|--------------------|------------|---|---------------------|--------------------|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Inventory: Other supplies | - | - | - | - | - | - | - | - | - |
| Consumable supplies | 1 925 | - | (759) | 1 166 | 1 166 | - | 100.0% | 1 259 | 1 210 |
| Consumable: Stationery, printing and office supplies | 3 497 | - | 652 | 4 149 | 4 149 | - | 100.0% | 5 132 | 4 644 |
| Operating leases | 1 590 | - | 228 | 1 818 | 1 818 | - | 100.0% | 1 676 | 1 676 |
| Property payments | 26 921 | - | 1 822 | 28 743 | 28 743 | - | 100.0% | 24 858 | 24 858 |
| Transport provided: Departmental activity | - | - | - | - | - | - | - | 15 | 15 |
| Travel and subsistence | 16 303 | (66) | (1 950) | 14 287 | 14 287 | - | 100.0% | 16 749 | 14 481 |
| Training and development | 3 882 | - | 11 | 3 893 | 3 893 | - | 100.0% | 3 509 | 3 509 |
| Operating payments | 3 472 | - | (2 004) | 1 468 | 1 468 | - | 100.0% | 1 187 | 1 187 |
| Venues and facilities | 1 571 | - | (769) | 802 | 802 | - | 100.0% | 356 | 277 |
| Rental and hiring | - | - | - | - | - | - | - | 6 | 6 |
| Interest and rent on land | - | - | 50 | 50 | 50 | - | 100.0% | 74 | 74 |
| Interest | - | - | 50 | 50 | 50 | - | 100.0% | 74 | 74 |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 4 079 | 3 099 | 459 | 7 637 | 6 682 | 955 | 87.5% | 4 219 | 4 219 |
| Provinces and municipalities | 980 | - | 167 | 1 147 | 1 147 | - | 100.0% | 619 | 619 |
| Provinces | 980 | - | 167 | 1 147 | 1 147 | - | 100.0% | 619 | 619 |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | 980 | - | 167 | 1 147 | 1 147 | - | 100.0% | 619 | 619 |

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3

APPROPRIATION STATEMENT
for the year ended 31 March 2016

| Appropriation per economic classification | | | | | | | | | | | |
|---|------------------------|-------------------|----------|---------------------|--------------------|----------|---|---------------------|--------------------|--|--|
| | 2015/16 | | | | | | 2014/15 | | | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure | | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | | |
| Municipalities | - | - | - | - | - | - | - | - | - | | |
| Municipal bank accounts | - | - | - | - | - | - | - | - | - | | |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - | | |
| Departmental agencies and accounts | 2 800 | - | (40) | 2 760 | 1 805 | 955 | 65.4% | 1 938 | 1 938 | | |
| Social security funds | - | - | - | - | - | - | - | - | - | | |
| Departmental agencies | 2 800 | - | (40) | 2 760 | 1 805 | 955 | 65.4% | 1 938 | 1 938 | | |
| Higher education institutions | - | - | - | - | - | - | - | - | - | | |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - | | |
| Public corporations and private enterprises | 5 | - | - | 5 | 5 | - | 100.0% | - | - | | |
| Public corporations | - | - | - | - | - | - | - | - | - | | |
| Subsidies on products and production | - | - | - | - | - | - | - | - | - | | |
| Other transfers to public corporations | - | - | - | - | - | - | - | - | - | | |
| Private enterprises | 5 | - | - | 5 | 5 | - | 100.0% | - | - | | |
| Subsidies on products and production | - | - | - | - | - | - | - | - | - | | |
| Other transfers to private enterprises | 5 | - | - | 5 | 5 | - | 100.0% | - | - | | |
| Non-profit institutions | - | - | - | - | - | - | - | - | - | | |
| Households | 294 | 3 099 | 332 | 3 725 | 3 725 | - | 100.0% | 1 662 | 1 662 | | |
| Social benefits | 283 | - | 332 | 615 | 615 | - | 100.0% | 1 588 | 1 588 | | |
| Other transfers to households | 11 | 3 099 | - | 3 110 | 3 110 | - | 100.0% | 74 | 74 | | |

**DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2016**

| Appropriation per economic classification | 2015/16 | | | | | | 2014/15 | | |
|---|------------------------|-------------------|-----------------|---------------------|--------------------|---------------|---|---------------------|--------------------|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Payments for capital assets | 53 360 | - | (7 407) | 45 953 | 30 359 | 15 594 | 66.1% | 44 526 | 19 401 |
| Buildings and other fixed structures | 15 657 | - | (7 109) | 8 548 | 8 548 | - | 100.0% | 19 393 | 3 654 |
| Buildings | 15 657 | - | (7 109) | 8 548 | 8 548 | - | 100.0% | 19 393 | 3 654 |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 37 703 | - | (298) | 37 405 | 21 811 | 15 594 | 58.3% | 25 056 | 15 747 |
| Transport equipment | 18 981 | - | - | 18 981 | 13 958 | 5 023 | 73.5% | 13 935 | 13 033 |
| Other machinery and equipment | 18 722 | - | (298) | 18 424 | 7 853 | 10 571 | 42.6% | 11 121 | 2 714 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and subsoil assets | - | - | - | - | - | - | - | - | - |
| Intangible assets | - | - | - | - | - | - | - | 77 | - |
| Payments for financial assets | - | - | 619 | 619 | 619 | - | 100.0% | 3 408 | 3 408 |
| Total | 383 090 | - | (10 966) | 372 124 | 341 761 | 30 363 | 91.8% | 334 211 | 301 841 |

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3

APPROPRIATION STATEMENT
for the year ended 31 March 2016

| 1.1 Office of the MEC | | 2015/16 | | | | | | 2014/15 | | |
|---|---------------|------------------------|-------------------|---------------|---------------------|--------------------|--------------|---|---------------------|--------------------|
| | | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| Economic classification | | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Current payments | 16 722 | - | (2 761) | 13 961 | 13 946 | 15 | 99.9% | 20 479 | 17 691 | |
| Compensation of employees | 8 634 | - | (6) | 8 628 | 8 613 | 15 | 99.8% | 10 334 | 10 196 | |
| Goods and services | 8 088 | - | (2 755) | 5 333 | 5 333 | - | 100.0% | 10 145 | 7 495 | |
| Interest and rent on land | - | - | - | - | - | - | - | - | - | |
| Transfers and subsidies | 115 | - | 6 | 121 | 121 | - | 100.0% | 74 | 74 | |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - | |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - | |
| Higher education institutions | - | - | - | - | - | - | - | - | - | |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - | |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - | |
| Non-profit institutions | - | - | - | - | - | - | - | - | - | |
| Households | 115 | - | 6 | 121 | 121 | - | 100.0% | 74 | 74 | |
| Payments for capital assets | 104 | - | (42) | 62 | 62 | - | 100.0% | 203 | 203 | |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - | |
| Machinery and equipment | 104 | - | (42) | 62 | 62 | - | 100.0% | 203 | 203 | |
| Heritage assets | - | - | - | - | - | - | - | - | - | |
| Specialised military assets | - | - | - | - | - | - | - | - | - | |
| Biological assets | - | - | - | - | - | - | - | - | - | |
| Land and subsoil assets | - | - | - | - | - | - | - | - | - | |
| Intangible assets | - | - | - | - | - | - | - | - | - | |
| Payments for financial assets | - | - | - | - | - | - | - | - | - | |
| Total | 16 941 | - | (2 797) | 14 144 | 14 129 | 15 | 99.9% | 20 756 | 17 968 | |

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3

APPROPRIATION STATEMENT
for the year ended 31 March 2016

| 1.2 Senior Management | 2015/16 | | | | | 2014/15 | | | |
|---|------------------------|-------------------|--------------|---------------------|--------------------|----------|---|---------------------|--------------------|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| Economic classification | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Current payments | 29 638 | - | 1 177 | 30 815 | 30 815 | - | 100.0% | 27 202 | 26 308 |
| Compensation of employees | 17 251 | - | 861 | 18 112 | 18 112 | - | 100.0% | 15 799 | 15 741 |
| Goods and services | 12 387 | - | 316 | 12 703 | 12 703 | - | 100.0% | 11 403 | 10 567 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 38 | - | 59 | 97 | 97 | - | 100.0% | 98 | 98 |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | 5 | - | - | 5 | 5 | - | 100.0% | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 33 | - | 59 | 92 | 92 | - | 100.0% | 98 | 98 |
| Payments for capital assets | 726 | - | (400) | 326 | 326 | - | 100.0% | 153 | 153 |
| Buildings and other fixed structures | 156 | - | (156) | - | - | - | - | - | - |
| Machinery and equipment | 570 | - | (244) | 326 | 326 | - | 100.0% | 153 | 153 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and subsoil assets | - | - | - | - | - | - | - | - | - |
| Intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | 933 | 933 |
| Total | 30 402 | - | 836 | 31 238 | 31 238 | - | 100.0% | 28 386 | 27 492 |

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3

APPROPRIATION STATEMENT
for the year ended 31 March 2016

| | 2015/16 | | | | | | 2014/15 | | |
|---|---------------------------------|----------------------------|-------------------|------------------------------|-----------------------------|-------------------|--|------------------------------|-----------------------------|
| | Adjusted Appropriation R'000 | Shifting of Funds R'000 | Virement R'000 | Final Appropriation R'000 | Actual Expenditure R'000 | Variance R'000 | Expenditure as % of final appropriation % | Final Appropriation R'000 | Actual expenditure R'000 |
| 1.3 Corporate Support Services | | | | | | | | | |
| Economic classification | | | | | | | | | |
| Current payments | 201 522 | (3 099) | 2 750 | 201 173 | 188 718 | 12 455 | 93.8% | 162 952 | 162 252 |
| Compensation of employees | 65 084 | - | (1 062) | 64 022 | 63 735 | 287 | 99.6% | 54 176 | 53 756 |
| Goods and services | 136 438 | (3 099) | 3 765 | 137 104 | 124 936 | 12 168 | 91.1% | 108 709 | 108 429 |
| Interest and rent on land | - | - | 47 | 47 | 47 | - | 100.0% | 67 | 67 |
| Transfers and subsidies | 2 836 | 3 099 | 102 | 6 037 | 5 082 | 955 | 84.2% | 2 838 | 2 838 |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | 2 800 | - | (40) | 2 760 | 1 805 | 955 | 65.4% | 1 938 | 1 938 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 36 | 3 099 | 142 | 3 277 | 3 277 | - | 100.0% | 900 | 900 |
| Payments for capital assets | 17 395 | - | 271 | 17 666 | 7 095 | 10 571 | 40.2% | 2 639 | 2 181 |
| Buildings and other fixed structures | 271 | - | 67 | 338 | 338 | - | 100.0% | 424 | 424 |
| Machinery and equipment | 17 124 | - | 204 | 17 328 | 6 757 | 10 571 | 39.0% | 2 211 | 1 757 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Intangible assets | - | - | - | - | - | - | - | 4 | - |
| Payments for financial assets | - | - | 619 | 619 | 619 | - | 100.0% | - | - |
| Total | 221 753 | - | 3 742 | 225 495 | 201 514 | 23 981 | 89.4% | 168 429 | 167 271 |

**DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2016**

| 1.4 Financial Management | 2015/16 | | | | | 2014/15 | | | |
|---|------------------------|-------------------|----------------|---------------------|--------------------|--------------|---|---------------------|--------------------|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| Economic classification | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Current payments | 47 040 | - | (693) | 46 347 | 45 005 | 1 342 | 97.1% | 44 831 | 44 671 |
| Compensation of employees | 38 965 | - | (46) | 38 919 | 37 577 | 1 342 | 96.6% | 34 081 | 34 029 |
| Goods and services | 8 075 | - | (650) | 7 425 | 7 425 | - | 100.0% | 10 743 | 10 635 |
| Interest and rent on land | - | - | 3 | 3 | 3 | - | 100.0% | 7 | 7 |
| Transfers and subsidies | 1 050 | - | 213 | 1 263 | 1 263 | - | 100.0% | 1 203 | 1 203 |
| Provinces and municipalities | 980 | - | 167 | 1 147 | 1 147 | - | 100.0% | 619 | 619 |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 70 | - | 46 | 116 | 116 | - | 100.0% | 584 | 584 |
| Payments for capital assets | 34 585 | - | (6 741) | 27 844 | 22 821 | 5 023 | 82.0% | 36 006 | 16 608 |
| Buildings and other fixed structures | 15 230 | - | (7 020) | 8 210 | 8 210 | - | 100.0% | 18 969 | 3 230 |
| Machinery and equipment | 19 355 | - | 279 | 19 634 | 14 611 | 5 023 | 74.4% | 16 964 | 13 378 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Intangible assets | - | - | - | - | - | - | - | 73 | - |
| Payments for financial assets | - | - | - | - | - | - | - | 2 475 | 2 475 |
| Total | 82 675 | - | (7 221) | 75 454 | 69 089 | 6 365 | 91.6% | 84 515 | 64 957 |

**DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2016**

| | 2015/16 | | | | | 2014/15 | | | |
|---|------------------------|-------------------|----------------|---------------------|--------------------|----------|---|---------------------|--------------------|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| Economic classification | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Current payments | 30 729 | - | (5 110) | 25 619 | 25 617 | 2 | 100.0% | 26 594 | 23 891 |
| Compensation of employees | 11 638 | - | (79) | 11 559 | 11 557 | 2 | 100.0% | 10 424 | 10 424 |
| Goods and services | 19 091 | - | (5 031) | 14 060 | 14 060 | - | 100.0% | 16 170 | 13 467 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 40 | - | 79 | 119 | 119 | - | 100.0% | 6 | 6 |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 40 | - | 79 | 119 | 119 | - | 100.0% | 6 | 6 |
| Payments for capital assets | 550 | - | (495) | 55 | 55 | - | 100.0% | 5 525 | 256 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 550 | - | (495) | 55 | 55 | - | 100.0% | 5 525 | 256 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 31 319 | - | (5 526) | 25 793 | 25 791 | 2 | 100.0% | 32 125 | 24 153 |

**DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2016**

| Programme 2: Agriculture | 2015/16 | | | | | | 2014/15 | | |
|--|------------------------|-------------------|-----------------|---------------------|--------------------|---------------|---|---------------------|--------------------|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| Sub programme | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| 2.1 Sustainable Resource Management | 86 461 | - | (10 969) | 75 492 | 75 492 | - | 100.0% | 79 655 | 77 460 |
| 2.2 Farmer Support and Development | 1 314 231 | - | 67 768 | 1 381 999 | 1 326 626 | 55 373 | 96.0% | 1 253 807 | 1 167 294 |
| 2.3 Veterinary Services | 185 389 | - | (15 939) | 169 450 | 163 086 | 6 364 | 96.2% | 183 047 | 182 517 |
| 2.4 Research and Technology Development | 204 807 | - | (22 317) | 182 490 | 181 914 | 576 | 99.7% | 171 693 | 169 990 |
| 2.5 Agricultural Economic Services | 6 397 | - | (327) | 6 070 | 5 699 | 371 | 93.9% | 6 561 | 6 262 |
| 2.6 Structured Agricultural Education and Training | 110 110 | - | (7 251) | 102 859 | 102 718 | 141 | 99.9% | 102 072 | 97 680 |
| Total for sub programmes | 1 907 395 | - | 10 965 | 1 918 360 | 1 855 535 | 62 825 | 96.7% | 1 796 835 | 1 701 203 |
| Economic classification | | | | | | | | | |
| Current payments | 1 501 187 | (31 503) | (25 100) | 1 444 584 | 1 432 431 | 12 153 | 99.2% | 1 360 590 | 1 290 529 |
| Compensation of employees | 775 870 | - | (3 737) | 772 133 | 770 256 | 1 877 | 99.8% | 727 550 | 726 900 |
| Salaries and wages | 666 568 | (3 094) | (3 169) | 660 305 | 658 554 | 1 751 | 99.7% | 626 436 | 625 786 |
| Social contributions | 109 302 | 3 094 | (568) | 111 828 | 111 702 | 126 | 99.9% | 101 114 | 101 114 |
| Goods and services | 725 317 | (31 503) | (21 540) | 672 274 | 661 998 | 10 276 | 98.5% | 632 943 | 563 532 |
| Administrative fees | 1 105 | 146 | (92) | 1 159 | 1 159 | - | 100.0% | 115 | 115 |
| Advertising | 206 | - | (154) | 52 | 52 | - | 100.0% | 169 | 169 |
| Minor assets | 10 049 | - | (6 446) | 3 603 | 3 603 | - | 100.0% | 2 929 | 2 929 |
| Audit costs: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | 560 | - | (369) | 191 | 191 | - | 100.0% | 589 | 589 |

**DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2016**

| Appropriation per economic classification | 2015/16 | | | | | | 2014/15 | | |
|---|---------------------------------|----------------------------|-------------------|------------------------------|-----------------------------|-------------------|--|------------------------------|-----------------------------|
| | Adjusted Appropriation R'000 | Shifting of Funds R'000 | Virement R'000 | Final Appropriation R'000 | Actual Expenditure R'000 | Variance R'000 | Expenditure as % of final appropriation % | Final Appropriation R'000 | Actual expenditure R'000 |
| Catering: Departmental activities | 1 924 | - | (1 128) | 796 | 796 | - | 100.0% | 2 429 | 2 429 |
| Communication | 16 571 | - | (1 499) | 15 072 | 15 072 | - | 100.0% | 21 499 | 21 499 |
| Computer services | 3 283 | - | 7 774 | 11 057 | 11 057 | - | 100.0% | 1 045 | 1 045 |
| Consultants: Business and advisory services | 297 | - | (247) | 50 | 50 | - | 100.0% | - | - |
| Infrastructure and planning services | 38 241 | - | 35 581 | 73 822 | 73 822 | - | 100.0% | 111 525 | 73 987 |
| Laboratory services | 250 | - | (197) | 53 | 53 | - | 100.0% | 54 | 54 |
| Scientific and technological services | - | - | - | - | - | - | - | - | - |
| Legal services | - | - | - | - | - | - | - | - | - |
| Contractors | 49 743 | (7 541) | (9 259) | 32 943 | 32 943 | - | 100.0% | 37 383 | 37 383 |
| Agency and support / outsourced services | 11 673 | - | 2 400 | 14 073 | 14 073 | - | 100.0% | 25 629 | 25 633 |
| Entertainment | - | - | - | - | - | - | - | - | - |
| Fleet services | 28 678 | - | 727 | 29 405 | 29 405 | - | 100.0% | 29 096 | 29 096 |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and supplies | 7 930 | - | (3 957) | 3 973 | 3 973 | - | 100.0% | 4 450 | 4 450 |
| Inventory: Farming supplies | 304 636 | - | (47 735) | 256 901 | 251 256 | 5 645 | 97.8% | 168 254 | 139 717 |
| Inventory: Food and food supplies | - | - | 2 | 2 | 2 | - | 100.0% | - | - |
| Inventory: Fuel, oil and gas | 3 081 | - | (352) | 2 729 | 2 729 | - | 100.0% | 6 075 | 6 075 |
| Inventory: Learner and teacher support material | 1 951 | - | (158) | 1 793 | 1 793 | - | 100.0% | 1 447 | 1 447 |
| Inventory: Materials and supplies | 16 692 | (9 462) | (3 557) | 3 673 | 3 673 | - | 100.0% | 4 998 | 4 998 |

**DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2016**

| Appropriation per economic classification | 2015/16 | | | | | | 2014/15 | | |
|--|---------------------------------|----------------------------|-------------------|------------------------------|-----------------------------|-------------------|--|------------------------------|-----------------------------|
| | Adjusted Appropriation R'000 | Shifting of Funds R'000 | Virement R'000 | Final Appropriation R'000 | Actual Expenditure R'000 | Variance R'000 | Expenditure as % of final appropriation % | Final Appropriation R'000 | Actual expenditure R'000 |
| Inventory: Medical supplies | 1 306 | - | (711) | 595 | 595 | - | 100.0% | 445 | 445 |
| Inventory: Medicine | 9 952 | - | 24 715 | 34 667 | 30 036 | 4 631 | 86.6% | 17 895 | 17 859 |
| Medsas Inventory Interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | 4 803 | - | (920) | 3 883 | 3 883 | - | 100.0% | 3 599 | 3 599 |
| Consumable supplies | 62 456 | (14 500) | (2 176) | 45 780 | 45 780 | - | 100.0% | 46 856 | 43 665 |
| Consumable: Stationery, printing and office supplies | 5 753 | - | (1 870) | 3 883 | 3 883 | - | 100.0% | 3 475 | 3 475 |
| Operating leases | 24 015 | - | 3 451 | 27 466 | 27 466 | - | 100.0% | 23 971 | 23 971 |
| Property payments | 38 272 | - | (2 762) | 35 510 | 35 510 | - | 100.0% | 36 188 | 36 188 |
| Transport provided: Departmental activity | 450 | - | (169) | 281 | 281 | - | 100.0% | 267 | 267 |
| Travel and subsistence | 63 479 | (146) | (6 186) | 57 147 | 57 147 | - | 100.0% | 63 573 | 63 573 |
| Training and development | 7 318 | - | (4 050) | 3 268 | 3 268 | - | 100.0% | 4 531 | 4 531 |
| Operating payments | 9 376 | - | (1 060) | 8 316 | 8 316 | - | 100.0% | 7 687 | 7 687 |
| Venues and facilities | 1 187 | - | (1 116) | 71 | 71 | - | 100.0% | 6 422 | 6 409 |
| Rental and hiring | 80 | - | (20) | 60 | 60 | - | 100.0% | 348 | 348 |
| Interest and rent on land | - | - | 177 | 177 | 177 | - | 100.0% | 97 | 97 |
| Interest | - | - | 107 | 107 | 107 | - | 100.0% | 34 | 34 |
| Rent on land | - | - | 70 | 70 | 70 | - | 100.0% | 63 | 63 |
| Transfers and subsidies | 225 046 | 31 503 | 3 610 | 260 159 | 240 286 | 19 873 | 92.4% | 219 939 | 214 897 |
| Provinces and municipalities | 293 | - | (127) | 166 | 166 | - | 100.0% | 618 | 618 |
| Provinces | 280 | - | (127) | 153 | 153 | - | 100.0% | 584 | 584 |
| Provincial agencies & funds | 280 | - | (127) | 153 | 153 | - | 100.0% | 584 | 584 |

**DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2016**

| Appropriation per economic classification | 2015/16 | | | | | | 2014/15 | | |
|---|---------------------------------|----------------------------|-------------------|------------------------------|-----------------------------|-------------------|--|------------------------------|-----------------------------|
| | Adjusted Appropriation R'000 | Shifting of Funds R'000 | Virement R'000 | Final Appropriation R'000 | Actual Expenditure R'000 | Variance R'000 | Expenditure as % of final appropriation % | Final Appropriation R'000 | Actual expenditure R'000 |
| Municipalities | 13 | - | - | 13 | 13 | - | 100.0% | 34 | 34 |
| Municipal bank accounts | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | 13 | - | - | 13 | 13 | - | 100.0% | 34 | 34 |
| Departmental agencies and accounts | 99 509 | - | - | 99 509 | 99 501 | 8 | 100.0% | 106 413 | 106 413 |
| Social security funds | - | - | - | - | - | - | - | 1 | 1 |
| Departmental agencies and accounts | 99 509 | - | - | 99 509 | 99 501 | 8 | 100.0% | 106 412 | 106 412 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | 100 448 | 31 503 | - | 131 951 | 112 086 | 19 865 | 84.9% | 96 254 | 91 962 |
| Public corporations | 54 563 | 9 636 | - | 64 199 | 64 199 | - | 100.0% | 74 853 | 73 165 |
| Subsidies on products and production | - | - | - | - | - | - | - | - | - |
| Other transfers to public corporations | 54 563 | 9 636 | - | 64 199 | 64 199 | - | 100.0% | 74 853 | 73 165 |
| Private enterprises | 45 885 | 21 867 | - | 67 752 | 47 887 | 19 865 | 70.7% | 21 401 | 18 797 |
| Subsidies on products and production | - | - | - | - | - | - | - | - | - |
| Other transfers to private enterprises | 45 885 | 21 867 | - | 67 752 | 47 887 | 19 865 | 70.7% | 21 401 | 18 797 |
| Non-profit institutions | 13 770 | - | - | 13 770 | 13 770 | - | 100.0% | 6 050 | 5 300 |
| Households | 11 026 | - | 3 737 | 14 763 | 14 763 | - | 100.0% | 10 604 | 10 604 |
| Social benefits | 11 026 | - | 3 737 | 14 763 | 14 763 | - | 100.0% | 10 544 | 10 544 |
| Other transfers to households | - | - | - | - | - | - | - | 60 | 60 |

**DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2016**

| Appropriation per economic classification | 2015/16 | | | | | | 2014/15 | | |
|---|---------------------------------|----------------------------|-------------------|------------------------------|-----------------------------|-------------------|--|------------------------------|-----------------------------|
| | Adjusted Appropriation R'000 | Shifting of Funds R'000 | Virement R'000 | Final Appropriation R'000 | Actual Expenditure R'000 | Variance R'000 | Expenditure as % of final appropriation % | Final Appropriation R'000 | Actual expenditure R'000 |
| Payments for capital assets | 181 162 | - | 32 455 | 213 617 | 182 818 | 30 799 | 85.6% | 216 306 | 195 777 |
| Buildings and other fixed structures | 143 718 | - | 48 155 | 191 873 | 164 140 | 27 733 | 85.5% | 197 931 | 179 160 |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | 143 718 | - | 48 155 | 191 873 | 164 140 | 27 733 | 85.5% | 197 931 | 179 160 |
| Machinery and equipment | 37 402 | - | (16 008) | 21 394 | 18 328 | 3 066 | 85.7% | 18 078 | 16 433 |
| Transport equipment | 7 004 | - | - | 7 004 | 3 938 | 3 066 | 56.2% | 7 448 | 7 448 |
| Other machinery and equipment | 30 398 | - | (16 008) | 14 390 | 14 390 | - | 100.0% | 10 630 | 8 985 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | 42 | - | 308 | 350 | 350 | - | 100.0% | 258 | 145 |
| Land and subsoil assets | - | - | - | - | - | - | - | - | - |
| Intangible assets | - | - | - | - | - | - | - | 39 | 39 |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 1 907 395 | - | 10 965 | 1 918 360 | 1 855 535 | 62 825 | 96.7% | 1 796 835 | 1 701 203 |

**DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2016**

| 2.1 Sustainable Resource Management | 2015/16 | | | | | | 2014/15 | | |
|---|------------------------|-------------------|-----------------|---------------------|--------------------|----------|---|---------------------|--------------------|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| Economic classification | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Current payments | 82 771 | - | (9 934) | 72 837 | 72 837 | - | 100.0% | 72 293 | 70 594 |
| Compensation of employees | 29 085 | - | 305 | 29 390 | 29 390 | - | 100.0% | 24 503 | 24 503 |
| Goods and services | 53 686 | - | (10 239) | 43 447 | 43 447 | - | 100.0% | 47 790 | 46 091 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 2 260 | - | (329) | 1 931 | 1 931 | - | 100.0% | 2 189 | 1 702 |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | 1 500 | - | - | 1 500 | 1 500 | - | 100.0% | 1 756 | 1 269 |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 760 | - | (329) | 431 | 431 | - | 100.0% | 433 | 433 |
| Payments for capital assets | 1 430 | - | (706) | 724 | 724 | - | 100.0% | 5 173 | 5 164 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | 3 977 | 3 968 |
| Machinery and equipment | 1 430 | - | (706) | 724 | 724 | - | 100.0% | 1 196 | 1 196 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 86 461 | - | (10 969) | 75 492 | 75 492 | - | 100.0% | 79 655 | 77 460 |

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3

APPROPRIATION STATEMENT
for the year ended 31 March 2016

| | 2015/16 | | | | | 2014/15 | | | |
|---|---------------------------------|----------------------------|-------------------|------------------------------|-----------------------------|-------------------|--|------------------------------|-----------------------------|
| | Adjusted Appropriation R'000 | Shifting of Funds R'000 | Virement R'000 | Final Appropriation R'000 | Actual Expenditure R'000 | Variance R'000 | Expenditure as % of final appropriation % | Final Appropriation R'000 | Actual expenditure R'000 |
| 2.2 Farmer Support and Development | | | | | | | | | |
| Economic classification | | | | | | | | | |
| Current payments | 992 832 | (31 503) | (2 278) | 959 051 | 948 207 | 10 844 | 98.9% | 859 574 | 795 628 |
| Compensation of employees | 448 878 | - | (2 405) | 446 473 | 445 905 | 568 | 99.9% | 417 115 | 417 096 |
| Goods and services | 543 954 | (31 503) | 27 | 512 478 | 502 202 | 10 276 | 98.0% | 442 431 | 378 504 |
| Interest and rent on land | - | - | 100 | 100 | 100 | - | 100.0% | 28 | 28 |
| Transfers and subsidies | 205 593 | 31 503 | 1 973 | 239 069 | 219 204 | 19 865 | 91.7% | 209 703 | 205 898 |
| Provinces and municipalities | 280 | - | (127) | 153 | 153 | - | 100.0% | 584 | 584 |
| Departmental agencies and accounts | 99 500 | - | - | 99 500 | 99 500 | - | 100.0% | 106 412 | 106 412 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | 98 948 | 31 503 | - | 130 451 | 110 586 | 19 865 | 84.8% | 94 498 | 90 693 |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 6 865 | - | 2 100 | 8 965 | 8 965 | - | 100.0% | 8 209 | 8 209 |
| Payments for capital assets | 115 806 | - | 68 073 | 183 879 | 159 215 | 24 664 | 86.6% | 184 530 | 165 768 |
| Buildings and other fixed structures | 97 383 | - | 68 346 | 165 729 | 144 131 | 21 598 | 87.0% | 176 860 | 158 098 |
| Machinery and equipment | 18 423 | - | (273) | 18 150 | 15 084 | 3 066 | 83.1% | 7 525 | 7 525 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | 145 | 145 |
| Intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 1 314 231 | - | 67 768 | 1 381 999 | 1 326 626 | 55 373 | 96.0% | 1 253 807 | 1 167 294 |

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3

APPROPRIATION STATEMENT
for the year ended 31 March 2016

| | 2015/16 | | | | | | 2014/15 | | |
|---|------------------------|-------------------|----------|---------------------|--------------------|----------|---|---------------------|--------------------|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| 2.3 Veterinary Services | | | | | | | | | |
| Economic classification | | | | | | | | | |
| Current payments | 152 234 | - | 591 | 152 825 | 152 604 | 221 | 99.9% | 170 897 | 170 367 |
| Compensation of employees | 112 347 | - | (909) | 111 438 | 111 217 | 221 | 99.8% | 101 537 | 101 537 |
| Goods and services | 39 887 | - | 1 500 | 41 387 | 41 387 | - | 100.0% | 69 360 | 68 830 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 1 192 | - | 909 | 2 101 | 2 093 | 8 | 99.6% | 5 865 | 5 865 |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | 9 | - | - | 9 | 1 | 8 | 11.1% | 1 | 1 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 1 183 | - | 909 | 2 092 | 2 092 | - | 100.0% | 5 300 | 5 300 |
| Households | - | - | - | - | - | - | - | 564 | 564 |
| Payments for capital assets | 31 963 | - | (17 439) | 14 524 | 8 389 | 6 135 | 57.8% | 6 285 | 6 285 |
| Buildings and other fixed structures | 28 954 | - | (15 366) | 13 588 | 7 453 | 6 135 | 54.8% | 5 277 | 5 277 |
| Machinery and equipment | 3 009 | - | (2 073) | 936 | 936 | - | 100.0% | 1 008 | 1 008 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 185 389 | - | (15 939) | 169 450 | 163 086 | 6 364 | 96.2% | 183 047 | 182 517 |

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3

APPROPRIATION STATEMENT
for the year ended 31 March 2016

| | 2015/16 | | | | | 2014/15 | | | |
|---|------------------------|-------------------|-----------------|---------------------|--------------------|------------|---|---------------------|--------------------|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| 2.4 Research and Technology Development | | | | | | | | | |
| Economic classification | | | | | | | | | |
| Current payments | 182 391 | - | (9 849) | 172 542 | 171 966 | 576 | 99.7% | 163 619 | 163 619 |
| Compensation of employees | 134 604 | - | (639) | 133 965 | 133 389 | 576 | 99.6% | 124 665 | 124 665 |
| Goods and services | 47 787 | - | (9 281) | 38 506 | 38 506 | - | 100.0% | 38 890 | 38 890 |
| Interest and rent on land | - | - | 71 | 71 | 71 | - | 100.0% | 64 | 64 |
| Transfers and subsidies | 1 759 | - | 639 | 2 398 | 2 398 | - | 100.0% | 1 010 | 1 010 |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 1 759 | - | 639 | 2 398 | 2 398 | - | 100.0% | 1 010 | 1 010 |
| Payments for capital assets | 20 657 | - | (13 107) | 7 550 | 7 550 | - | 100.0% | 7 064 | 5 361 |
| Buildings and other fixed structures | 6 400 | - | (773) | 5 627 | 5 627 | - | 100.0% | 2 144 | 2 144 |
| Machinery and equipment | 14 215 | - | (12 642) | 1 573 | 1 573 | - | 100.0% | 4 807 | 3 217 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Biological assets | 42 | - | 308 | 350 | 350 | - | 100.0% | 113 | - |
| Intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 204 807 | - | (22 317) | 182 490 | 181 914 | 576 | 99.7% | 171 693 | 169 990 |

**DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2016**

| 2.5 Agricultural Economic Services | 2015/16 | | | | | | 2014/15 | | |
|---|------------------------|-------------------|--------------|---------------------|--------------------|------------|---|---------------------|--------------------|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| Economic classification | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Current payments | 6 357 | - | (326) | 6 031 | 5 660 | 371 | 93.8% | 6 506 | 6 262 |
| Compensation of employees | 5 613 | - | (39) | 5 574 | 5 203 | 371 | 93.3% | 5 558 | 5 491 |
| Goods and services | 744 | - | (287) | 457 | 457 | - | 100.0% | 948 | 771 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | - | - | 39 | 39 | 39 | - | 100.0% | - | - |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | - | - | 39 | 39 | 39 | - | 100.0% | - | - |
| Payments for capital assets | 40 | - | (40) | - | - | - | - | 55 | - |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 40 | - | (40) | - | - | - | - | 55 | - |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 6 397 | - | (327) | 6 070 | 5 699 | 371 | 93.9% | 6 561 | 6 262 |

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3

APPROPRIATION STATEMENT
for the year ended 31 March 2016

| | 2015/16 | | | | | | 2014/15 | | |
|---|------------------------|-------------------|----------------|---------------------|--------------------|------------|---|---------------------|--------------------|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| 2.6 Structured Agricultural Education and Training | | | | | | | | | |
| Economic classification | | | | | | | | | |
| Current payments | 84 602 | - | (3 304) | 81 298 | 81 157 | 141 | 99.8% | 87 701 | 84 059 |
| Compensation of employees | 45 343 | - | (50) | 45 293 | 45 152 | 141 | 99.7% | 54 172 | 53 608 |
| Goods and services | 39 259 | - | (3 260) | 35 999 | 35 999 | - | 100.0% | 33 524 | 30 446 |
| Interest and rent on land | - | - | 6 | 6 | 6 | - | 100.0% | 5 | 5 |
| Transfers and subsidies | 14 242 | - | 379 | 14 621 | 14 621 | - | 100.0% | 1 172 | 422 |
| Provinces and municipalities | 13 | - | - | 13 | 13 | - | 100.0% | 34 | 34 |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 13 770 | - | - | 13 770 | 13 770 | - | 100.0% | 750 | - |
| Households | 459 | - | 379 | 838 | 838 | - | 100.0% | 388 | 388 |
| Payments for capital assets | 11 266 | - | (4 326) | 6 940 | 6 940 | - | 100.0% | 13 199 | 13 199 |
| Buildings and other fixed structures | 10 981 | - | (4 052) | 6 929 | 6 929 | - | 100.0% | 9 673 | 9 673 |
| Machinery and equipment | 285 | - | (274) | 11 | 11 | - | 100.0% | 3 487 | 3 487 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Intangible assets | - | - | - | - | - | - | - | 39 | 39 |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 110 110 | - | (7 251) | 102 859 | 102 718 | 141 | 99.9% | 102 072 | 97 680 |

**DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2016**

| | 2015/16 | | | | | | 2014/15 | | |
|---|------------------------|-------------------|----------|---------------------|--------------------|------------|---|---------------------|--------------------|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Programme 3: RURAL DEVELOPMENT | | | | | | | | | |
| Sub programme | | | | | | | | | |
| 3.1 Rural Development Co-Ordination | 1 190 | - | (17) | 1 173 | 1 089 | 84 | 92.8% | - | - |
| 3.2 Social Facilitation | 805 | - | 17 | 822 | 802 | 20 | 97.6% | - | - |
| Total for sub programmes | 1 995 | - | - | 1 995 | 1 891 | 104 | 94.8% | - | - |
| Economic classification | | | | | | | | | |
| Current payments | 1 995 | - | - | 1 995 | 1 891 | 104 | 94.8% | - | - |
| Compensation of employees | 1 748 | - | (122) | 1 626 | 1 542 | 84 | 94.8% | - | - |
| Salaries and wages | 1 453 | 106 | (122) | 1 437 | 1 411 | 26 | 98.2% | - | - |
| Social contributions | 295 | (106) | - | 189 | 131 | 58 | 69.3% | - | - |
| Goods and services | 247 | - | 122 | 369 | 349 | 20 | 94.6% | - | - |
| Administrative fees | - | 2 | 7 | 9 | 9 | - | 100.0% | - | - |
| Advertising | - | - | - | - | - | - | - | - | - |
| Minor assets | - | - | - | - | - | - | - | - | - |
| Audit costs: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | - | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | - | - | - | - | - | - | - | - | - |
| Communication | 27 | - | (15) | 12 | - | 12 | - | - | - |
| Computer services | - | - | - | - | - | - | - | - | - |
| Consultants: Business and advisory services | - | - | - | - | - | - | - | - | - |
| Infrastructure and planning services | - | - | - | - | - | - | - | - | - |
| Laboratory services | - | - | - | - | - | - | - | - | - |

**DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2016**

| Appropriation per economic classification | | 2015/16 | | | | | | 2014/15 | | |
|---|--------------|------------------------|-------------------|--------------|---------------------|--------------------|--------------|---|---------------------|--------------------|
| | | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| | | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Transport provided: Departmental activity | - | - | - | - | - | - | - | - | - | - |
| Travel and subsistence | 220 | (2) | 130 | 348 | 340 | 8 | 97.7% | - | - | - |
| Rental and hiring | - | - | - | - | - | - | - | - | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | - | - | - | - | - | - | - | - | - | - |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - | - |
| Households | - | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | - | - | - | - | - | - | - | - | - | - |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | - | - | - | - | - | - | - | - | - | - |
| Heritage assets | - | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - | - |
| Intangible assets | - | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - | - |
| Total | 1 995 | - | - | 1 995 | 1 891 | 104 | 94.8% | - | - | - |

**DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2016**

| 3.1 Rural Development Co-Ordination | | 2015/16 | | | | | | 2014/15 | |
|---|--|------------------------|-------------------|-------------|---------------------|--------------------|-----------|---|---------------------|
| | | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation |
| | | R'000 | R'000 | R'000 | R'000 | R'000 | | R'000 | R'000 |
| Economic classification | | | | | | | | | |
| Current payments | | 1 190 | - | (17) | 1 173 | 1 089 | 84 | 92.8% | - |
| Compensation of employees | | 1 055 | - | (139) | 916 | 832 | 84 | 90.8% | - |
| Goods and services | | 135 | - | 122 | 257 | 257 | - | 100.0% | - |
| Interest and rent on land | | - | - | - | - | - | - | - | - |
| Transfers and subsidies | | - | - | - | - | - | - | - | - |
| Provinces and municipalities | | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | | - | - | - | - | - | - | - | - |
| Higher education institutions | | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | | - | - | - | - | - | - | - | - |
| Non-profit institutions | | - | - | - | - | - | - | - | - |
| Households | | - | - | - | - | - | - | - | - |
| Payments for capital assets | | - | - | - | - | - | - | - | - |
| Buildings and other fixed structures | | - | - | - | - | - | - | - | - |
| Machinery and equipment | | - | - | - | - | - | - | - | - |
| Heritage assets | | - | - | - | - | - | - | - | - |
| Biological assets | | - | - | - | - | - | - | - | - |
| Intangible assets | | - | - | - | - | - | - | - | - |
| Payments for financial assets | | - | - | - | - | - | - | - | - |
| Total | | 1 190 | - | (17) | 1 173 | 1 089 | 84 | 92.8% | - |

**DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2016**

| 3.2 Social Facilitation | 2015/16 | | | | | 2014/15 | | | |
|---|------------------------|-------------------|-----------|---------------------|--------------------|-----------|---|---------------------|--------------------|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| Economic classification | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Current payments | 805 | - | 17 | 822 | 802 | 20 | 97.6% | - | - |
| Compensation of employees | 693 | - | 17 | 710 | 710 | - | 100.0% | - | - |
| Goods and services | 112 | - | - | 112 | 92 | 20 | 82.1% | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | - | - | - | - | - | - | - | - | - |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | - | - | - | - | - | - | - | - | - |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | - | - | - | - | - | - | - | - | - |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 805 | - | 17 | 822 | 802 | 20 | 97.6% | - | - |

**DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3**

**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2016**

1. Detail of transfers and subsidies as per Appropriation Act (after Virement):

Detail of these transactions can be viewed in the note on Transfers and subsidies, disclosure notes and Annexure 1 (A-H) to the Annual Financial Statements.

2. Detail of specifically and exclusively appropriated amounts voted (after Virement):

Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.

3. Detail on payments for financial assets

Detail of these transactions per programme can be viewed in the note on Payments for financial assets to the Annual Financial Statements.

4. Explanations of material variances from Amounts Voted (after Virement):

4.1 Per programme

| Programme | Final Appropriation | Actual Expenditure | Variance R'000 | Variance as a % of Final Appropriation |
|--------------------------------|---------------------|--------------------|----------------|--|
| | R'000 | R'000 | R'000 | R'000 |
| Programme 1: Administration | 372 124 | 341 761 | 30 363 | 8.16 |
| Programme 2: Agriculture | 1 918 360 | 1 855 535 | 62 825 | 3.27 |
| Programme 3: Rural Development | 1 995 | 1 891 | 104 | 5.21 |

This under-spending for Programme 1: Administration is mainly due to the following:

- R1.646 million under Compensation of employees as a result of the moratorium on filling posts until the matching and placing of existing staff into the new organisational structure is finalised.
- R12.168 million under Goods and services, in respect of the migration from Novell to Microsoft not being finalised as anticipated.
- R955 000 under Transfers and subsidies relates to the fact that the payment to Public Service SETA did not materialise as this payment is now managed at a national level.
- R15.594 million relates to Machinery and equipment, mainly as a result of vehicles ordered but not delivered of R5.023 million, as well as the delay in the migration from Novell to Microsoft resulting in the server not being acquired as planned, amounting to R10.571 million."

This under-spending for Programme 2: Agriculture can largely be attributed to the following:

- R1.877 million under Compensation of employees as a result of the moratorium on filling posts until the matching and placing of existing staff into the new organisational structure is finalised.

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3

NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2016

- R10.276 million under Goods and services in respect of animal feed and medicines ordered but not delivered and paid for by 31 March 2016. This includes additional fodder for drought relief to small scale and subsistence farmers.
- R19.873 million under Transfers and subsidies is mainly against Transfers and subsidies to: Public corporations and private enterprises in respect of Communal Estates which is the consolidation of adjacent parcels of land into viable farming units and the establishment of commercial farming operations by the land owners in partnership with government and possibly investors or neighbouring commercial farmers due to limited farming activities, as a result of the drought, as well as slow progress on the Nyonende Hatchery project. The department only transfers funds based on progress made and previous tranches being fully utilised and accounted for.
- R30.799 million under Payment for capital assets, mainly relates to Buildings and other fixed structures as a result of slower than anticipated implementation of drought relief interventions such as boreholes, stock watering dams and dip tanks due to high demand and short supply for service providers due to drought amounting to R27.733 million. The funds were fully committed by year-end and service providers are on site. Also as a result of vehicles ordered but not delivered of R3.066 million.

This under-expenditure for Programme 3: Rural Development is largely in respect of Compensation of employees and related costs in respect of vacant posts

4.2 Per economic classification

| Economic classification | Final Appropriation | Actual Expenditure | Variance | Variance as a % of Final Appropriation |
|---|---------------------|--------------------|----------|--|
| | R'000 | R'000 | R'000 | R'000 |
| Current payments | | | | |
| Compensation of employees | 914 999 | 911 392 | 3 607 | 0.39 |
| Goods and services | 849 268 | 826 804 | 22 464 | 2.65 |
| Interest and rent on land | 227 | 227 | - | - |
| Transfers and subsidies | | | | |
| Provinces and municipalities | 1 313 | 1 313 | - | - |
| Departmental agencies and accounts | 102 269 | 101 306 | 963 | 0.94 |
| Public corporations and private enterprises | 131 956 | 112 091 | 19 865 | 15.05 |
| Non-profit institutions | 13 770 | 13 770 | - | - |
| Households | 18 488 | 18 488 | - | - |
| Payments for capital assets | | | | |
| Buildings and other fixed structures | 200 421 | 172 688 | 27 733 | 13.84 |
| Machinery and equipment | 58 799 | 40 139 | 18 660 | 31.74 |
| Heritage assets | - | - | - | - |
| Biological assets | 350 | 350 | - | - |
| Intangible assets | - | - | - | - |
| Payments for financial assets | 619 | 619 | - | - |

**DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3**

**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2016**

- Compensation of employees was marginally under-spent by R3.604 million of the Final Appropriation, due to the moratorium on filling posts until the migration to the new organisational structure has been completed.
- Goods and services reflects under-expenditure of R22.479 million of the Final Appropriation, mainly as a result of the following:
 - Migration from Novell to Microsoft not being finalised.
 - Farming supplies for livestock fodder not delivered so not paid for by year-end.
 - Animal medicine that was ordered but not delivered or paid for by year-end.
- Transfers and subsidies reflects under-expenditure of R20.828 million of the Final Appropriation, mainly as a result of the following:
 - Departmental agencies and accounts reflects under-spending of R963 000 of the Final Appropriation. This relates to the fact that the payment to Public Service SETA did not materialise as this payment is now managed at a national level.
- Public corporations and private enterprises was under-spent by R19.865 million of Final Appropriation, due to limited farming activities by the Communal Estates as a result of the drought, as well as slow progress of the Nyonende Hatchery project. The department only transfers funds based on progress made and previous tranches being fully utilised and accounted for.
- Payments for capital assets reflects under-expenditure of R46.397 million of the Final Appropriation, mainly as a result of the following:
 - Buildings and other fixed structures reflects under-spending of R27.733 million of the Final Appropriation. This under-spending relates to the dip tanks, boreholes and stock watering dams, which progressed slower than anticipated, as already mentioned above.
 - Machinery and equipment shows under-spending of R18.660 million relating to the IT server and vehicles ordered but not delivered.

4.3 Per conditional grant

| | Final Appropriation | Actual Expenditure | Variance | Variance as a % of Final Appropriation |
|-------------------------------------|--------------------------------|-------------------------------|-----------------|---|
| | R'000 | R'000 | R'000 | R'000 |
| Comp Agricultural Support Programme | 226 161 | 226 161 | - | - |
| Ilima/ Letsema Project | 69 401 | 69 401 | - | - |
| Land Care | 10 666 | 10 666 | - | - |
| EPWP Incentive grant for Provinces | 2 296 | 2 296 | - | - |

Conditional Grants 100% spent

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3
STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2016

| | Note | 2015/16 R'000 | 2014/15 R'000 |
|---|------|------------------|------------------|
| REVENUE | | | |
| Annual appropriation | 1 | 2 292 479 | 2 131 046 |
| Departmental revenue | 2 | 23 712 | 32 267 |
| Aid assistance | 3 | 2 482 | - |
| TOTAL REVENUE | | 2 318 673 | 2 163 313 |
| EXPENDITURE | | | |
| Current expenditure | | | |
| Compensation of employees | 4 | 911 393 | 851 046 |
| Goods and services | 5 | 826 800 | 714 125 |
| Interest and rent on land | 6 | 227 | 171 |
| Aid assistance | 3 | 2 768 | 1 410 |
| Total current expenditure | | 1 741 188 | 1 566 752 |
| Transfers and subsidies | | | |
| Transfers and subsidies | 8 | 246 969 | 219 116 |
| Total transfers and subsidies | | 246 969 | 219 116 |
| Expenditure for capital assets | | | |
| Tangible assets | 9 | 213 305 | 215 139 |
| Intangible assets | 9 | | 39 |
| Total expenditure for capital assets | | 213 305 | 215 178 |
| Payments for financial assets | 7 | 619 | 3 408 |
| TOTAL EXPENDITURE | | 2 202 081 | 2 004 454 |
| SURPLUS/(DEFICIT) FOR THE YEAR | | 116 592 | 158 859 |
| Reconciliation of Net Surplus/(Deficit) for the year | | | |
| Voted funds | | 93 292 | 128 002 |
| Annual appropriation | | 93 292 | 128 002 |
| Departmental revenue and NRF Receipts | 13 | 23 712 | 32 267 |
| Aid assistance | 3 | (412) | (1 410) |
| SURPLUS/(DEFICIT) FOR THE YEAR | | 116 592 | 158 859 |

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3
STATEMENT OF FINANCIAL POSITION
for the year ended 31 March 2016

| | Note | 2015/16 R'000 | 2014/15 R'000 |
|---|------|------------------|------------------|
| ASSETS | | | |
| Current assets | | 132 454 | 90 907 |
| Cash and cash equivalents | 10 | 127 460 | 71 254 |
| Receivables | 11 | 4 994 | 19 653 |
| Non-current assets | | 2 101 | 2 075 |
| Receivables | 11 | 2 101 | 2 075 |
| TOTAL ASSETS | | 134 555 | 92 982 |
| LIABILITIES | | | |
| Current liabilities | | 133 509 | 92 468 |
| Voted funds to be surrendered to the Revenue Fund | 12 | 132 192 | 88 002 |
| Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund | 13 | 1 092 | 3 492 |
| Payables | 14 | 225 | 562 |
| Aid assistance repayable | | - | 412 |
| TOTAL LIABILITIES | | 133 509 | 92 468 |
| NET ASSETS | | 1 046 | 514 |
| Represented by: | | | |
| Recoverable revenue | | 1 046 | 514 |
| TOTAL | | 1 046 | 514 |

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3
STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2016

| | <i>Note</i> | 2015/16 R'000 | 2014/15 R'000 |
|---|-------------|--------------------------------|--------------------------------|
| Recoverable revenue | | | |
| Opening balance | | 514 | 1 289 |
| Transfers: | | 532 | (775) |
| Debts recovered (included in departmental receipts) | | (696) | (1 652) |
| Debts raised | | 1 228 | 877 |
| Closing balance | | <u>1 046</u> | <u>514</u> |
| TOTAL | | <u>1 046</u> | <u>514</u> |

**DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3**

**CASH FLOW STATEMENT
for the year ended 31 March 2016**

| | Note | 2015/16 R'000 | 2014/15 R'000 |
|--|------|------------------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts | | 2 354 250 | 2 112 719 |
| Annual appropriated funds received | 1.1 | 2 331 379 | 2 091 046 |
| Departmental revenue received | 2 | 20 362 | 21 304 |
| Interest received | 2.3 | 27 | 369 |
| Aid assistance received | 3 | 2 482 | - |
| Net (increase)/decrease in working capital | | 14 296 | (17 902) |
| Surrendered to Revenue Fund | | (114 114) | (68 573) |
| Current payments | | (1 741 031) | (1 566 644) |
| Interest paid | 6 | (157) | (108) |
| Payments for financial assets | | (619) | (3 408) |
| Transfers and subsidies paid | | (246 969) | (219 116) |
| Net cash flow available from operating activities | 15 | 265 656 | 236 968 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Payments for capital assets | 9 | (213 305) | (215 178) |
| Proceeds from sale of capital assets | 2.4 | 3 323 | 10 594 |
| Net cash flows from investing activities | | (209 982) | (204 584) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Increase/(decrease) in net assets | | 532 | (775) |
| Net cash flows from financing activities | | 532 | (775) |
| Net increase/(decrease) in cash and cash equivalents | | 56 206 | 31 609 |
| Cash and cash equivalents at beginning of period | | 71 254 | 39 645 |
| Cash and cash equivalents at end of period | 10 | 127 460 | 71 254 |

**DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3**

**ACCOUNTING POLICIES
for the year ended 31 March 2016**

| | |
|---|--|
| Summary of significant accounting policies | |
| <p>The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated.</p> <p>The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.</p> <p>Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.</p> | |
| 1 | <p>Basis of preparation</p> <p>The financial statements have been prepared in accordance with the Modified Cash Standard.</p> |
| 2 | <p>Going concern</p> <p>The financial statements have been prepared on a going concern basis.</p> |
| 3 | <p>Presentation currency</p> <p>Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.</p> |
| 4 | <p>Rounding</p> <p>Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).</p> |
| 5 | <p>Foreign currency translation</p> <p>Cash flows arising from foreign currency transactions are translated into South African Rands using the exchange rates prevailing at the date of payment / receipt.</p> |
| 6 | <p>Comparative information</p> |
| 6.1 | <p>Prior period comparative information</p> <p>Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.</p> |
| 6.2 | <p>Current year comparison with budget</p> <p>A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.</p> |

**DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3**

**ACCOUNTING POLICIES
for the year ended 31 March 2016**

| | |
|--------------|--|
| 7 | Revenue |
| 7.1 | <p>Appropriated funds</p> <p>Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).</p> <p>Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective.</p> <p>The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.</p> |
| 7.2 | <p>Departmental revenue</p> <p>Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.</p> <p>Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.</p> |
| 7.3 | <p>Accrued departmental revenue</p> <p>Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:</p> <ul style="list-style-type: none"> • it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and • the amount of revenue can be measured reliably. <p>The accrued revenue is measured at the fair value of the consideration receivable.</p> <p>Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.</p> |
| 8 | Expenditure |
| 8.1 | Compensation of employees |
| 8.1.1 | <p>Salaries and wages</p> <p>Salaries and wages are recognised in the statement of financial performance on the date of payment.</p> |
| 8.1.2 | <p>Social contributions</p> <p>Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.</p> <p>Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.</p> |
| 8.2 | <p>Other expenditure</p> <p>Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.</p> |

**DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3**

**ACCOUNTING POLICIES
for the year ended 31 March 2016**

| | |
|--------------|--|
| 8.3 | <p>Accrued expenditure payable</p> <p>Accrued expenditure payable is recorded in the notes to the financial statements when the goods are received or, in the case of services, when they are rendered to the department. Accrued expenditure payable is measured at cost.</p> |
| 8.4 | <p>Leases</p> |
| 8.4.1 | <p>Operating leases</p> <p>Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. The operating lease commitments are recorded in the notes to the financial statements.</p> |
| 8.4.2 | <p>Finance leases</p> <p>Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment. The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions. Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:</p> <ul style="list-style-type: none"> • cost, being the fair value of the asset; or • the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest. |
| 9 | <p>Aid Assistance</p> |
| 9.1 | <p>Aid assistance received</p> <p>Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value. Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.</p> |
| 9.2 | <p>Aid assistance paid</p> <p>Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.</p> |
| 10 | <p>Cash and cash equivalents</p> <p>Cash and cash equivalents are stated at cost in the statement of financial position. Bank overdrafts are shown separately on the face of the statement of financial position. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.</p> |

**DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3**

**ACCOUNTING POLICIES
for the year ended 31 March 2016**

| | |
|-------------|---|
| 11 | <p>Prepayments and advances</p> <p>Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.</p> <p>Prepayments and advances are initially and subsequently measured at cost.</p> <p>Prepayments are expensed when expenditure has been incurred.</p> |
| 12 | <p>Loans and receivables</p> <p>Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.</p> |
| 13 | <p>Investments</p> <p>Investments are recognised in the statement of financial position at cost.</p> |
| 14 | <p>Impairment of financial assets</p> <p>Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.</p> |
| 15 | <p>Payables</p> <p>Loans and payables are recognised in the statement of financial position at cost.</p> |
| 16 | <p>Capital Assets</p> |
| 16.1 | <p>Immovable capital asset</p> <p>Immovable capital assets are initially recorded in the notes to the financial statements at cost. Immovable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.</p> <p>Where the cost of immovable capital assets cannot be determined accurately, the immovable capital assets are measured at R1 unless the fair value of the asset has been reliably estimated, in which case the fair value is used.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Immovable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the immovable asset is recorded by another department in which case the completed project costs are transferred to that department.</p> |
| 16.2 | <p>Movable capital assets</p> <p>Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.</p> <p>Where the cost of movable capital assets cannot be determined accurately, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> |

**DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3**

**ACCOUNTING POLICIES
for the year ended 31 March 2016**

| | |
|-------------|--|
| | <p>Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the movable asset is recorded by another department/entity in which case the completed project costs are transferred to that department.</p> |
| 16.3 | <p>Intangible assets</p> <p>Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.</p> <p>Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.</p> <p>Where the cost of intangible assets cannot be determined accurately, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the intangible asset is recorded by another department/entity in which case the completed project costs are transferred to that department.</p> |
| 17 | <p>Provisions and Contingents</p> |
| 17.1 | <p>Provisions</p> <p>Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and 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 of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.</p> |
| 17.2 | <p>Contingent liabilities</p> <p>Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably</p> |
| 17.3 | <p>Contingent assets</p> <p>Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department</p> |

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**ACCOUNTING POLICIES
for the year ended 31 March 2016**

| | |
|-------------|---|
| 17.4 | <p>Commitments</p> <p>Commitments are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash</p> |
| 18 | <p>Unauthorised expenditure</p> <p>Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:</p> <ul style="list-style-type: none"> • approved by Parliament or the Provincial Legislature with funding and the related funds are received; or • approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or • transferred to receivables for recovery. <p>Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.</p> |
| 19 | <p>Fruitless and wasteful expenditure</p> <p>Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.</p> <p>Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.</p> <p>Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p> |
| 20 | <p>Irregular expenditure</p> <p>Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note.</p> <p>Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or not condoned and is not recoverable.</p> <p>Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p> |
| 21 | <p>Changes in accounting policies, accounting estimates and errors</p> <p>Changes in accounting policies that are effected by management have been applied retrospectively in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such instances the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.</p> <p>Changes in accounting estimates are applied prospectively in accordance with MCS requirements.</p> <p>Correction of errors is applied retrospectively in the period in which the error has occurred in</p> |

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**ACCOUNTING POLICIES
for the year ended 31 March 2016**

| | |
|-----------|--|
| | accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable. |
| 22 | <p>Events after the reporting date</p> <p>Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.</p> |
| 23 | <p>Departures from the MCS requirements</p> <p>Management has concluded that the financial statements present fairly the department's primary and secondary information; that the department has complied with the Standard.</p> |
| 24 | <p>Capitalisation reserve</p> <p>The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received</p> |
| 25 | <p>Recoverable revenue</p> <p>Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.</p> |
| 26 | <p>Related party transactions</p> <p>A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. Related party transactions are recorded in the notes to the financial statements when the transaction is not at arm's length.</p> |
| 27 | <p>Inventories <i>(Effective from 1 April 2017)</i></p> <p>At the date of acquisition, inventories are recorded at cost price in the notes to the financial statements</p> <p>Where inventories are acquired as part of a non-exchange transaction, the cost of inventory is its fair value at the date of acquisition.</p> <p>Inventories are subsequently measured at the lower of cost and net realisable value or the lower of cost and replacement value.</p> |

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2016**

**1. Annual Appropriation
1.1 Annual Appropriation**

| | Final Appropriation | 2015/16 Actual fund received | Funds not requested / not received | 2014/15 Final Appropriation | Appropriation received |
|-------------------|-------------------------|---------------------------------------|---|-----------------------------------|---------------------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| Programmes | | | | | |
| Administration | 372 124 | 372 124 | - | 334 211 | 334 211 |
| Agriculture | 1 918 360 | 1 957 260 | (38 900) | 1 796 835 | 1 756 835 |
| Rural Development | 1 995 | 1 995 | - | - | - |
| Total | <u>2 292 479</u> | <u>2 331 379</u> | <u>(38 900)</u> | <u>2 131 046</u> | <u>2 091 046</u> |

The excess of R38.9 million is equitable share received from Provincial Treasury in error. This amount relates to the suspension made in the second adjustments estimate in 2014/15 and re-allocated in 2015/16 during the Adjustments Estimate. The amount was transferred twice by Provincial Treasury.

1.2 Conditional grants

| | Note | 2015/16 R'000 | 2014/15 R'000 |
|---|------|------------------|------------------|
| Total grants received | 30 | 308 524 | 319 760 |
| Provincial grants included in total grants received | | - | - |

All conditional grants were received

2. Departmental revenue

| | Note | 2015/16 R'000 | 2014/15 R'000 |
|---|-----------|----------------------|----------------------|
| Tax revenue | | | |
| Sales of goods and services other than capital assets | 2.1 | 18 720 | 19 520 |
| Interest, dividends and rent on land | 2.3 | 27 | 369 |
| Sales of capital assets | 2.4 | 3 323 | 10 594 |
| Transactions in financial assets and liabilities | 2.5 | 1 642 | 1 784 |
| Total revenue collected | | <u>23 712</u> | <u>32 267</u> |
| Less: Own revenue included in appropriation | | - | - |
| Departmental revenue collected | 13 | <u>23 712</u> | <u>32 267</u> |

The significant reduction in departmental revenue is mainly in respect of Sale of capital assets. The decrease under this category is due to the fact that the 2014/15 amount of R10.594 million comprises the proceeds from the auction of redundant assets for 2013/14 and 2014/15 financial years due to the 2013/14 proceeds only being received in 2014/15.

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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2.1 Sales of goods and services other than capital assets

| | Note 2 | 2015/16 R'000 | 2014/15 R'000 |
|--|-----------|------------------|------------------|
| Sales of goods and services produced by the department | | 18 717 | 19 518 |
| Sales by market establishment | | 3 312 | 3 325 |
| Administrative fees | | 26 | 5 |
| Other sales | | 15 379 | 16 188 |
| Sales of scrap, waste and other used current goods | | 3 | 2 |
| Total | | 18 720 | 19 520 |

The reduction in 2015/16 is attributable to fewer soil samples submitted for analysis by farmers due to the severe drought conditions.

2.2 Interest, dividends and rent on land

| | Note 2 | 2015/16 R'000 | 2014/15 R'000 |
|--------------|-----------|------------------|------------------|
| Interest | | 27 | 369 |
| Total | | 27 | 369 |

2.3 Sale of capital assets

| | Note 2 | 2015/16 R'000 | 2014/15 R'000 |
|-------------------------|-----------|------------------|------------------|
| Tangible assets | | 3 323 | 10 594 |
| Machinery and equipment | 27.2 | 3 193 | 10 366 |
| Biological assets | 27.2 | 130 | 228 |
| Total | | 3 323 | 10 594 |

The 2014/15 amount of R10.366 million includes the proceeds from the auction held at end of 2013/14 but only received by the department in 2014/15, as well as proceeds of auction held in 2014/15.

2.4 Transactions in financial assets and liabilities

| | Note 2 | 2015/16 R'000 | 2014/15 R'000 |
|--|-----------|------------------|------------------|
| Receivables | | 592 | 737 |
| Other Receipts including Recoverable Revenue | | 1 050 | 1 047 |
| Total | | 1 642 | 1 784 |

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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3. Aid assistance

| | <i>Note</i> | 2015/16 R'000 | 2014/15 R'000 |
|---|-------------|--------------------------|--------------------------|
| Opening Balance | | 412 | 1 822 |
| Prior period error | | - | - |
| As restated | | <u>412</u> | <u>1 822</u> |
| Transferred from statement of financial performance | | <u>(412)</u> | <u>(1 410)</u> |
| Closing Balance | | <u>-</u> | <u>412</u> |

The department received funding from the World Health Organisation for funding of the rabies elimination programme in the province.

3.1 Analysis of balance by source

| | <i>Note</i> | 2015/16 R'000 | 2014/15 R'000 |
|-------------------------|-------------|--------------------------|--------------------------|
| Aid assistance from RDP | 3 | <u>-</u> | <u>412</u> |
| Closing balance | | <u>-</u> | <u>412</u> |

3.2 Analysis of balance

| | <i>Note</i> | 2015/16 R'000 | 2014/15 R'000 |
|--------------------------|-------------|--------------------------|--------------------------|
| Aid assistance repayable | | <u>-</u> | <u>412</u> |
| Closing balance | | <u>-</u> | <u>412</u> |

4. Compensation of employees

4.1 Salaries and Wages

| | 2015/16 R'000 | 2014/15 R'000 |
|----------------------------------|--------------------------|--------------------------|
| Basic salary | 635 094 | 597 091 |
| Performance award | 9 332 | 8 727 |
| Service Based | 1 571 | 1 808 |
| Compensative/circumstantial | 9 472 | 11 435 |
| Periodic payments | 795 | 4 961 |
| Other non-pensionable allowances | <u>125 036</u> | <u>110 282</u> |
| Total | <u>781 300</u> | <u>734 304</u> |

| |
|---|
| 4.1 The increase in expenditure relates to the annual cost of living wage adjustment. |
|---|

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4.2 Social contributions

| | <i>Note</i> | 2015/16 R'000 | 2014/15 R'000 |
|--|-------------|--------------------------|--------------------------|
| Employer contributions | | | |
| Pension | | 80 917 | 75 670 |
| Medical | | 48 975 | 40 866 |
| UIF | | - | - |
| Bargaining council | | 201 | 206 |
| Total | | 130 393 | 116 742 |
| Total compensation of employees | | 911 393 | 851 046 |
| Average number of employees | | 2 902 | 2 901 |

4.2 The increase to medical aid is in line with the wage agreement

5. Goods and services

| | <i>Note</i> | 2015/16 R'000 | 2014/15 R'000 |
|--|-------------|--------------------------|--------------------------|
| Administrative fees | | 2 070 | 77 |
| Advertising | | 5 846 | 9 440 |
| Minor assets | 5.1 | 5 804 | 4 350 |
| Bursaries (employees) | | 1 451 | 793 |
| Catering | | 1 336 | 2 990 |
| Communication | | 34 984 | 40 538 |
| Computer services | 5.2 | 58 362 | 40 996 |
| Consultants: Business & adv. services | | 2 042 | 2 724 |
| Infrastructure and planning services | | 75 474 | 74 728 |
| Laboratory services | | 53 | 54 |
| Legal services | | 1 668 | 1 987 |
| Contractors | | 44 672 | 72 742 |
| Agency & support/outsourced services | | 14 315 | 1 076 |
| Audit cost – external | 5.3 | 5 245 | 4 389 |
| Fleet services | | 34 716 | 35 507 |
| Inventory | 5.4 | 296 467 | 176 157 |
| Consumables | 5.5 | 58 860 | 56 595 |
| Operating leases | | 29 283 | 25 647 |
| Property payments | 5.6 | 64 253 | 61 045 |
| Rental and hiring | | 60 | 355 |
| Transport provided as part of dept. activities | | 281 | 282 |
| Travel and subsistence | 5.7 | 71 771 | 78 053 |
| Venues and facilities | | 873 | 6 686 |
| Training and development | | 7 162 | 8 040 |
| Other operating expenditure | 5.8 | 9 752 | 8 874 |
| Total | | 826 800 | 714 125 |

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The increase is mainly under the Inventory item and relates to the farming supplies such as livestock fodder and water harvesting equipment acquired to combat the effect of the severe drought.

| 5.1 Minor assets | <i>Note</i> | 2015/16 | 2014/15 |
|-------------------------|-------------|----------------|----------------|
| | 5 | R'000 | R'000 |
| Tangible assets | | 5 840 | 4 350 |
| Biological assets | | 2 043 | 569 |
| Machinery and equipment | | 3 761 | 3 781 |
| Total | | 5 804 | 4 350 |

The biological assets are acquired on a needs basis and hence the fluctuations from year to year.

| 5.2 Computer services | <i>Note</i> | 2015/16 | 2014/15 |
|-------------------------------------|-------------|----------------|----------------|
| | 5 | R'000 | R'000 |
| SITA computer services | | 47 930 | 39 951 |
| External computer service providers | | 10 432 | 1 045 |
| Total | | 58 362 | 40 996 |

External computer services relate to provision of IT support for Extension Recovery Services

| 5.3 Audit cost – External | <i>Note</i> | 2015/16 | 2014/15 |
|----------------------------------|-------------|----------------|----------------|
| | | R'000 | R'000 |
| Regularity audits | 5 | 5 245 | 4 389 |
| Total | | 5 245 | 4 389 |

The audit costs are in line with the audit fees agreed to with the Auditor-General

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| 5.4 Inventory | <i>Note</i> | 2015/16 | 2014/15 |
|---|-------------|----------------|----------------|
| | 5 | R'000 | R'000 |
| Clothing material and accessories | | 5 790 | 4 863 |
| Farming supplies | | 251 255 | 139 717 |
| Food and food supplies | | 2 | - |
| Fuel, oil and gas | | 2 733 | 6 076 |
| Learning, teaching and support material | | 1 792 | 1 619 |
| Materials and supplies | | 4 264 | 5 501 |
| Medical supplies | | 595 | 523 |
| Medicine | | 30 036 | 17 858 |
| Total | | 296 467 | 176 157 |

Department's drought relief intervention is evident against the item Farming supplies in 2015/16 and relates to animal feed and fodder acquired.

| 5.5 Consumables | <i>Note</i> | 2015/16 | 2014/15 |
|--|-------------|----------------|----------------|
| | 5 | R'000 | R'000 |
| Consumable supplies | | 50 828 | 48 475 |
| Uniform and clothing | | 14 | 16 |
| Household supplies | | 3 150 | 2 388 |
| Building material and supplies | | 38 027 | 38 994 |
| IT consumables | | - | 94 |
| Other consumables | | 9 637 | 6 983 |
| Stationery, printing and office supplies | | 8 032 | 8 120 |
| Total | | 58 860 | 56 595 |

| 5.6 Property payments | <i>Note</i> | 2015/16 | 2014/15 |
|----------------------------------|-------------|----------------|----------------|
| | 5 | R'000 | R'000 |
| Municipal services | | 26 774 | 23 490 |
| Property maintenance and repairs | | 36 839 | 36 818 |
| Other | | 640 | 737 |
| Total | | 64 253 | 61 045 |

| 5.7 Travel and subsistence | <i>Note</i> | 2015/16 | 2014/15 |
|-----------------------------------|-------------|----------------|----------------|
| | 5 | R'000 | R'000 |
| Local | | 70 863 | 77 638 |
| Foreign | | 908 | 415 |
| Total | | 71 771 | 78 053 |

Decrease in 2015/16 can be ascribed to the continued implementation of cost cutting measures.

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| 5.8 Other operating expenditure | <i>Note</i> | 2015/16 | 2014/15 |
|---|-------------|----------------|----------------|
| | 5 | R'000 | R'000 |
| Professional bodies, membership & subscription fees | | - | 640 |
| Resettlement costs | | - | 649 |
| Other | | 9 752 | 7 585 |
| Total | | 9 752 | 8 874 |

| 6. Interest and rent on land | <i>Note</i> | 2015/16 | 2014/15 |
|-------------------------------------|-------------|----------------|----------------|
| | | R'000 | R'000 |
| Interest paid | | 157 | 108 |
| Rent on land | | 70 | 63 |
| Total | | 227 | 171 |

| 7. Payments for financial assets | <i>Note</i> | 2015/16 | 2014/15 |
|---|-------------|----------------|----------------|
| | 7 | R'000 | R'000 |
| Other material losses written off | | 208 | 933 |
| Debts written off | | 411 | 2 475 |
| Total | | 619 | 3 408 |

| 7.1 Other material losses written off | <i>Note</i> | 2015/16 | 2014/15 |
|--|-------------|----------------|----------------|
| | 7 | R'000 | R'000 |
| Nature of losses | | | |
| Salary related deductions | | - | 933 |
| Irrecoverable Fruitless and Wasteful Expenditure | | 208 | - |
| Total | | 208 | 933 |

| 7.2 Debts written off | <i>Note</i> | 2015/16 | 2014/15 |
|---------------------------------------|-------------|----------------|----------------|
| | 7 | R'000 | R'000 |
| Nature of debts written off | | | |
| Irrecoverable staff debts written off | | 411 | 2 475 |
| Total | | 411 | 2 475 |

In terms of Section 6.3.5 of the Debt Management Policy; possible write-offs should firstly be identified. All reason-able steps should have been taken to recover the debt. A submission should be prepared with recommendation and supporting documentation to the accounting officer who will approve that the debt be removed from BAS. Funds to write-off the debt against must be identified.

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| 8. Transfers and subsidies | | 2015/16 R'000 | 2014/15 R'000 |
|---|-------------|--------------------------|--------------------------|
| | <i>Note</i> | | |
| Provinces and municipalities | 30, 31 | 1 313 | 1 237 |
| Departmental agencies and accounts | Annex 1B | 101 306 | 108 351 |
| Public corporations and private enterprises | Annex 1D | 112 091 | 91 962 |
| Non-profit institutions | Annex 1F | 13 770 | 5 300 |
| Households | Annex 1G | 18 488 | 12 267 |
| Total | | 246 968 | 219 117 |

| 9. Expenditure for capital assets | <i>Note</i> | 2015/16 R'000 | 2014/15 R'000 |
|--|-------------|--------------------------|--------------------------|
| Tangible assets | | 213 305 | 215 139 |
| Buildings and other fixed structures | 9.1 | 172 689 | 182 814 |
| Machinery and equipment | 9.1 | 40 266 | 32 181 |
| Biological assets | 9.1 | 350 | 144 |
| Intangible assets | | - | 39 |
| Software | | - | 39 |
| Total | | 213 305 | 215 178 |

9.1 Analysis of funds utilised to acquire capital assets – 2015/16

| | Voted funds | Aid assistance | Total |
|--------------------------------------|--------------------|---------------------------|----------------|
| | R'000 | R'000 | R'000 |
| Tangible assets | 213 179 | 126 | 213 305 |
| Buildings and other fixed structures | 172 689 | - | 172 689 |
| Machinery and equipment | 40 140 | 126 | 40 266 |
| Biological assets | 350 | - | 350 |
| Total | 213 179 | 126 | 213 305 |

The slight decrease in 2015/16 under buildings and other fixed structures is as a result of the planned number of stock watering dams and new dip tanks not being completed and paid for by 31 March 2016.

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9.2 Analysis of funds utilised to acquire capital assets – 2014/15

| | Voted funds | Aid assistance | Total |
|--------------------------------------|----------------|-------------------|----------------|
| | R'000 | R'000 | R'000 |
| Tangible assets | 215 139 | | 215 139 |
| Buildings and other fixed structures | 182 814 | - | 182 814 |
| Machinery and equipment | 32 181 | - | 32 181 |
| Biological assets | 144 | - | 144 |
| Intangible assets | 39 | | 39 |
| Software | 39 | - | 39 |
| Total | 215 178 | - | 215 178 |

| 10. Cash and cash equivalents | <i>Note</i> | 2015/16 | 2014/15 |
|--|-------------|----------------|----------------|
| | | R'000 | R'000 |
| Consolidated Paymaster General Account | | 127 700 | 71 568 |
| Cash receipts | | 1 | 2 |
| Disbursements | | (277) | (352) |
| Cash on hand | | 36 | 36 |
| Total | | 127 460 | 71 254 |

11. Receivables

| | <i>Note</i> | Current | Non-Current | Total | Current | Non-Current | Total |
|-------------------------|-------------|----------------|--------------------|--------------|----------------|--------------------|---------------|
| | | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Claims recoverable | 11.1 | 4 043 | 118 | 4 161 | 19 072 | | 19 072 |
| Recoverable expenditure | 11.2 | | | | 203 | | 203 |
| Staff debt | 11.3 | 445 | 1 116 | 1 559 | 325 | 1 293 | 1 618 |
| Other debtors | 11.4 | 506 | 867 | 1 375 | 53 | 782 | 835 |
| Total | | 4 994 | 2 101 | 7 095 | 19 653 | 2 075 | 21 728 |

| 11.1 Claims recoverable | <i>Note</i> | 2015/16 | 2014/15 |
|--------------------------------|-------------|----------------|----------------|
| | | R'000 | R'000 |
| National departments | 11 | 1 619 | 190 |
| Provincial departments | | 2 542 | 18 882 |
| Total | | 4 161 | 19 072 |

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11.2 Recoverable expenditure (disallowance accounts)

| | Note | 2015/16 | 2014/15 |
|-----------------|------|----------|------------|
| | 11 | R'000 | R'000 |
| Salary Tax Debt | | - | 203 |
| Total | | - | 203 |

11.3 Staff debt

| | Note | 2015/16 | 2014/15 |
|---|------|--------------|--------------|
| | 11 | R'000 | R'000 |
| Staff overpayments and Salary Tax Debts | | 1 284 | 1 321 |
| T&S Debts | | 267 | 272 |
| Bursary Debts | | 8 | 25 |
| Total | | 1 559 | 1 618 |

11.4 Other debtors

| | Note | 2015/16 | 2014/15 |
|-----------------------------|------|--------------|------------|
| | 11 | R'000 | R'000 |
| Salary Income Tax | | 3 | - |
| Salary Insurance Deductions | | - | 5 |
| Salary Pension Fund | | 6 | 33 |
| Supplier Debts | | 1 366 | 797 |
| Total | | 1 375 | 835 |

11.5 Impairment of receivables

| | Note | 2015/16 | 2014/15 |
|---------------------------------------|------|------------|------------|
| | 11 | R'000 | R'000 |
| Estimate of impairment of receivables | | 302 | 646 |
| Total | | 302 | 646 |

12. Voted funds to be surrendered to the Revenue Fund

| | Note | 2015/16 | 2014/15 |
|--|------|----------------|---------------|
| | | R'000 | R'000 |
| Opening balance | | 88 002 | 39 647 |
| As restated | | 88 002 | 39 647 |
| Transfer from statement of financial performance (as restated) | | 93 292 | 128 002 |
| Voted funds not requested/not received | 1.1 | 38 900 | (40 000) |
| Paid during the year | | (88 002) | (39 647) |
| Closing balance | | 132 192 | 88 002 |

The amount to be surrendered has increased due to the department receiving R38.9 million more than scheduled due to Provincial Treasury transferring the amount suspended in 2014/15 twice in 2015/16 as well as department not receiving all the conditional grant funds appropriated in 2014/15.

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| 13. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund | <i>Note</i> | 2015/16 | 2014/15 |
|--|-------------|---------------------|---------------------|
| | | R'000 | R'000 |
| Opening balance | | <u>3 492</u> | <u>151</u> |
| As restated | | 3 492 | 151 |
| Transfer from Statement of Financial Performance (as restated) | | 23 712 | 32 267 |
| Paid during the year | | <u>(26 112)</u> | <u>(28 926)</u> |
| Closing balance | | <u>1 092</u> | <u>3 492</u> |
| | | | |
| 14. Payables – current | <i>Note</i> | 2015/16 | 2014/15 |
| | | R'000 | R'000 |
| Clearing accounts | 14.1 | 225 | 121 |
| Other payables | 14.2 | - | 441 |
| Total | | <u>225</u> | <u>562</u> |
| | | | |
| 14.1 Clearing accounts | <i>Note</i> | 2015/16 | 2014/15 |
| | | R'000 | R'000 |
| Salary ACB Recalls | 14 | 180 | 62 |
| Disallowance Dishonoured Cheques | | - | 12 |
| Salary Reversal Control | | 12 | 19 |
| Disallowance Miscellaneous | | 1 | 28 |
| Revenue payable to EDTEA | | <u>32</u> | <u>-</u> |
| Total | | <u>225</u> | <u>121</u> |
| | | | |
| 14.2 Other payables | <i>Note</i> | 2015/16 | 2014/15 |
| | | R'000 | R'000 |
| Salary Motor Finance | 14 | - | 74 |
| Salary Income Tax | | - | 258 |
| Salary Medical Aid | | <u>-</u> | <u>109</u> |
| Total | | <u>-</u> | <u>441</u> |

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15. Net cash flow available from operating activities

| | <i>Note</i> | 2015/16 R'000 | 2014/15 R'000 |
|--|-------------|--------------------------|--------------------------|
| Net surplus/(deficit) as per Statement of Financial Performance | | 116 592 | 158 859 |
| Add back non cash/cash movements not deemed operating activities | | 149 064 | 78 109 |
| (Increase)/decrease in receivables – current | | 14 633 | (15 541) |
| (Increase)/decrease in prepayments and advances | | - | 37 |
| Increase/(decrease) in payables – current | | (337) | (2 398) |
| Proceeds from sale of capital assets | | (3 323) | (10 594) |
| Expenditure on capital assets | | 213 305 | 215 178 |
| Surrenders to Revenue Fund | | (114 114) | (68 573) |
| Voted funds not requested/not received | | 38 900 | (40 000) |
| Net cash flow generated by operating activities | | 265 656 | 236 968 |

16. Reconciliation of cash and cash equivalents for cash flow purposes

| | <i>Note</i> | 2015/16 R'000 | 2014/15 R'000 |
|--|-------------|--------------------------|--------------------------|
| Consolidated Paymaster General account | | 127 700 | 71 568 |
| Cash receipts | | 1 | 2 |
| Disbursements | | (277) | (352) |
| Cash on hand | | 36 | 36 |
| Total | | 127 460 | 71 254 |

17. Contingent liabilities and contingent assets

17.1 Contingent liabilities

| | <i>Note</i> | 2015/16 R'000 | 2014/15 R'000 |
|---|-----------------|--------------------------|--------------------------|
| Liable to | | | |
| Nature | | | |
| Housing loan guarantees Employees | <i>Annex 3A</i> | 34 | 349 |
| Claims against the department | <i>Annex 3B</i> | 45 246 | 13 516 |
| Intergovernmental payables (unconfirmed balances) | <i>Annex 5</i> | 441 | 1 103 |
| Total | | 45 721 | 14 968 |

Housing loan guarantees are being phased out and no new guarantees are being issued.

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| 18. Commitments | Note | 2015/16 R'000 | 2014/15 R'000 |
|----------------------------|------|------------------|------------------|
| Current expenditure | | | |
| Approved and contracted | | 181 798 | 37 583 |
| | | 181 798 | 37 583 |
| Capital expenditure | | | |
| Approved and contracted | | 99 311 | 160 638 |
| | | 99 311 | 160 638 |
| Total Commitments | | 281 109 | 198 221 |

Included in Current commitments Approved and contracted are commitments longer than one year.

19. Accruals and payables not recognised

| 19.1 Accruals | | | | 2015/16 R'000 | 2014/15 R'000 |
|--|----------------|-----------------|---------------|------------------|------------------|
| Listed by economic classification | | | | | |
| | 30 Days | 30+ Days | Total | Total | |
| Goods and services | 28 765 | 3 836 | 32 601 | 28 311 | |
| Capital assets | 496 | 264 | 760 | 189 | |
| Total | 29 261 | 4 100 | 33 361 | 28 500 | |

| | Note | 2015/16 R'000 | 2014/15 R'000 |
|----------------------------------|------|------------------|------------------|
| Listed by programme level | | | |
| Administration | | 8 277 | 8 081 |
| Agricultural Development Service | | 25 016 | 20 419 |
| Rural Development | | 68 | - |
| Total | | 33 361 | 28 500 |

19.2 Payables not recognised

Listed by economic classification

| | | | | 2015/16 R'000 | 2014/15 R'000 |
|---------------------------|----------------|-----------------|--------------|------------------|------------------|
| | 30 Days | 30+ Days | Total | Total | |
| Goods and services | - | 232 | 232 | - | |
| Interest and rent on land | - | - | - | - | |
| Capital assets | - | 61 | 61 | - | |
| Total | - | 293 | 293 | - | |

Listed by programme level

| | | |
|--------------|------------|----------|
| Agriculture | 293 | - |
| Total | 293 | - |

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| Included in the above totals are the following: | Note | 2015/16 R'000 | 2014/15 R'000 |
|---|------|------------------|------------------|
| Confirmed balances with departments | | 34 | 39 |
| Confirmed balances with other government entities | | - | - |
| Total | | 34 | 39 |

20. Employee benefits

| | Note | 2015/16 R'000 | 2014/15 R'000 |
|-----------------------------------|------|------------------|------------------|
| Leave entitlement | | 65 207 | 62 508 |
| Service bonus (Thirteenth cheque) | | 26 517 | 24 483 |
| Performance awards | | 14 759 | 14 474 |
| Capped leave commitments | | 135 859 | 139 863 |
| Other | | | |
| Total | | 242 342 | 241 328 |

Included in leave entitlement is negative leave of R225k

21. Lease commitments

21.1 Operating leases expenditure

| 2015/16 | Specialised military equipment | Land | Buildings and other fixed structures | Machinery and equipment | Total |
|--|--------------------------------|----------|--------------------------------------|-------------------------|---------------|
| Not later than 1 year | - | - | 13 272 | 2 734 | 16 006 |
| Later than 1 year and not later than 5 years | - | - | 28 824 | 2 027 | 30 851 |
| Total lease commitments | - | - | 42 096 | 4 761 | 46 857 |

| 2014/15 | Specialised military equipment | Land | Buildings and other fixed structures | Machinery and equipment | Total |
|--|--------------------------------|----------|--------------------------------------|-------------------------|---------------|
| Not later than 1 year | - | - | 11 471 | 2 381 | 13 852 |
| Later than 1 year and not later than 5 years | - | - | 28 192 | 1 384 | 29 576 |
| Total lease commitments | - | - | 39 663 | 3 765 | 43 428 |

Buildings and other fixed structures relates to Office accommodation leased through Public Works.

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21.2 Finance leases expenditure**

| 2015/16 | Specialise d military equipment | Land | Buildings and other fixed structures | Machinery and equipment | Total |
|---|---------------------------------------|----------|---|-------------------------------|--------------|
| Not later than 1 year | - | - | - | 3 285 | 3 285 |
| Later than 1 year and not later than 5 years | - | - | - | 2 004 | 2 004 |
| Total lease commitments | - | - | - | 5 289 | 5 289 |

| 2014/15 | Specialise d military equipment | Land | Buildings and other fixed structures | Machinery and equipment | Total |
|---|---------------------------------------|----------|---|-------------------------------|--------------|
| Not later than 1 year | - | - | - | 2 088 | 2 088 |
| Later than 1 year and not later than 5 years | - | - | - | 343 | 343 |
| Total lease commitments | - | - | - | 2 431 | 2 431 |

Machinery and equipment relates to Cell phone contracts entered into for 2 year periods

22. Accrued departmental revenue

| | Note | 2015/16 R'000 | 2014/15 R'000 |
|--|------|------------------|------------------|
| Sales of goods and services other than capital assets | | 8 180 | 5 784 |
| Total | | 8 180 | 5 784 |

22.1 Analysis of accrued departmental revenue

| | Note | 2015/16 R'000 | 2014/15 R'000 |
|--|------|------------------|------------------|
| Opening balance | | 5 784 | 8 208 |
| Less: amounts received | | 10 037 | 12 181 |
| Add: amounts recognised | | 12 632 | 9 796 |
| Less: amounts written-off/reversed as irrecoverable | | 199 | 39 |
| Closing balance | | 8 180 | 5 784 |

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22.2 Accrued department revenue written off

| | Note | 2015/16 R'000 | 2014/15 R'000 |
|-------------------------------|------|------------------|------------------|
| Nature of losses | | | |
| Outstanding Laboratories fees | | 199 | 39 |
| Total | | 199 | 39 |

23. Irregular expenditure

23.1 Reconciliation of irregular expenditure

| | Note | 2015/16 R'000 | 2014/15 R'000 |
|---|------|------------------|------------------|
| Opening balance | | 42 041 | 151 764 |
| Prior period error | | - | (2 024) |
| As restated | | 42 041 | 149 740 |
| Add: Irregular expenditure – relating to current year | | 34 167 | 17 544 |
| Less: Prior year amounts condoned | | - | 124 020 |
| Less: Amounts not condoned and recoverable | | - | 18 |
| Less: Amounts not condoned and not recoverable | | 9 856 | 1 205 |
| Closing balance | | 66 352 | 42 041 |

Analysis of awaiting condonation per age classification

| | | |
|--------------|---------------|---------------|
| Current year | 34 167 | 17 360 |
| Prior years | 32 185 | 24 681 |
| Total | 66 352 | 42 041 |

Provincial Treasury continued the exercise of reconciling the disclosures in the departments register and investigating each case with the department. Provincial Treasury reviewed each case individually by inspecting payment documents where information was insufficient to make recommendations the case was referred back to the department for further investigation. Cases where the recommendation was not to condone, were consolidated as a first charge against the departments.

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23.2 Details of irregular expenditure – current year

| Incident | Disciplinary steps taken/criminal proceedings | 2015/16 |
|--|--|----------------|
| Single source | | 2 278 |
| Sole service provider | | 23 |
| 3 quotes not received, more than 3 requested | | 755 |
| Month to month contracts | | 28 878 |
| Non-compliance with delegations | | 2 149 |
| Price variation | | 84 |
| Total | | 34 167 |

The largest portion of irregular expenditure identified related to expired security services contracts.

23.3 Details of irregular expenditure not recoverable (not condoned)

| Incident | Not condoned by (condoning authority) | 2015/16 |
|--|--|----------------|
| Competitive bidding process not followed | | 9 856 |
| Total | | 9 856 |

23.4 Details of irregular expenditures under investigation (not included on main note)

| Incident | 2015/16 R'000 |
|--|--------------------------|
| Quotes not received(3 or more requested) | 646 |
| Quotes not requested | 2 527 |
| Month to Month Contracts | 18 655 |
| No Contracts | 502 |
| Single source | 99 |
| Use of prohibited suppliers | 372 |
| Competitive bidding process not followed | 4 232 |
| No order | 15 |
| Supplier restricted | 1 654 |
| No supporting docs | 447 |
| Splitting of orders | 643 |
| Delegations not adhered to | 969 |
| Fraudulent payment | 500 |
| Overpayment to supplier | 296 |
| Preferred supplier unable to deliver | 183 |
| Conflict of interest | 13 |
| Variations in terms of Reference | 432 |
| Total | 32 185 |

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| | | |
|---------------------------------------|-------------------|--------------------------------|
| 23.5 Prior period error | <i>Note</i> 23 | 2014/15 R'000 |
| Nature of prior period error | | |
| | | (2 024) |
| Misclassification 2013/14 and prior | | (2 024) |
| Relating to 2013/14 | | 184 |
| Month to month lease contract 2014/15 | | 184 |
| Total | | (1 840) |

24. Fruitless and wasteful expenditure

24.1 Reconciliation of fruitless and wasteful expenditure

| | <i>Note</i> | 2015/16 R'000 | 2014/15 R'000 |
|---|-------------|--------------------------------|--------------------------------|
| Opening balance | | 1 455 | 1 121 |
| Prior period error | | - | - |
| As restated | | 1 455 | 1 121 |
| Fruitless and wasteful expenditure – relating to prior year | | 17 | - |
| Fruitless and wasteful expenditure – relating to current year | | 166 | 334 |
| Less: Amounts resolved | | 208 | - |
| Fruitless and wasteful expenditure awaiting resolution | | 1 430 | 1 455 |

24.2 Analysis of awaiting resolution per economic classification

| | | 2015/16 R'000 | 2014/15 R'000 |
|--------------|--|--------------------------------|--------------------------------|
| Current | | 1 430 | 1 455 |
| Total | | 1 430 | 1 455 |

24.3 Analysis of Current year's fruitless and wasteful expenditure

| Incident | Disciplinary steps taken/criminal proceedings | 2015/16 R'000 |
|------------------------------|--|--------------------------------|
| Interest on Overdue Accounts | | 157 |
| Late Registration Fee | | 1 |
| No show: Accommodation Fees | | 8 |
| Total | | 166 |

| |
|---|
| Investigations are currently being undertaken into each transaction and officials requested to provide explanations for each case |
|---|

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24.4 Details of fruitless and wasteful expenditure under investigation (not in the main note)

| Incident | 2015/16 R'000 |
|-----------------------------------|--------------------------|
| Interest on overdue account | 247 |
| Service fees no show ² | 2 |
| Cancelation fees | 109 |
| Late Registration fees | 1 |
| Damages to hired vehicles | 103 |
| No show: accommodation fees | 57 |
| Late cancellation of fees | 651 |
| Used building lease | 17 |
| Late booking surcharge | 77 |
| Total | <u>1 264</u> |

| | <i>Note</i> | 2015/16 R'000 |
|---|-------------|--------------------------|
| 25. Related Party Transactions | | |
| In kind goods and services provided/received | | |

The following are related parties to the Department:
Mjindi Farming (Pty) Ltd
Agricultural Development Agency
Ntingwe Tea (Pty)Ltd
Refer to Annexure 1B,1D,2A and 2B for details of transactions with the above entities

26. Key management personnel

| | No. of Individuals | 2015/16 | 2014/15 |
|---|-------------------------------|----------------------|----------------------|
| | | R'000 | R'000 |
| Political office bearers (provide detail below) | 1 | 1 902 | 1 928 |
| Officials: | | | |
| Level 15 to 16 | 6 | 8 074 | 5 580 |
| Level 14 (incl. CFO if at a lower level) | 9 | 7 446 | 5 718 |
| Total | | <u>17 422</u> | <u>13 226</u> |

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27. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

| | Opening balance R'000 | Value and Adjustments | Additions R'000 | Disposals R'000 | Closing Balance R'000 |
|--|-----------------------------|--------------------------|--------------------|--------------------|-----------------------------|
| MACHINERY AND EQUIPMENT | 508 023 | - | 46 847 | 9 203 | 545 667 |
| Transport assets | 140 320 | - | 19 492 | 8 990 | 150 822 |
| Computer equipment | 96 555 | - | 13 846 | 213 | 110 188 |
| Furniture and office equipment | 18 399 | - | 1 439 | - | 19 838 |
| Other machinery and equipment | 252 749 | - | 12 070 | - | 264 819 |
| BIOLOGICAL ASSETS | 1 171 | 1 393 | 623 | 268 | 2 919 |
| Biological assets | 1 171 | 1 393 | 623 | 268 | 2 919 |
| TOTAL MOVABLE TANGIBLE CAPITAL ASSETS | 509 194 | 1 393 | 47 470 | 9 471 | 548 586 |

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27.1 Additions

**ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER
FOR THE YEAR ENDED 31 MARCH 2016**

| | Cash* | Non-cash** | (Capital Work in Progress current costs and finance lease payments) | Received current, not paid (Paid current year, received prior year) | Total |
|---|---------------|---------------|--|---|---------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| MACHINERY AND EQUIPMENT | 36 801 | 10 046 | - | - | 46 847 |
| Transport assets | 17 896 | 1 596 | - | - | 19 492 |
| Computer equipment | 12 877 | 969 | - | - | 13 846 |
| Furniture and office equipment | 825 | 614 | - | - | 1 439 |
| Other machinery and equipment | 5 203 | 6 867 | - | - | 12 070 |
| BIOLOGICAL ASSETS | 350 | 273 | - | - | 623 |
| Biological assets | 350 | 273 | - | - | 623 |
| TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS | 37 151 | 10 319 | - | - | 47 470 |

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27.2 Disposals

**DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER
FOR THE YEAR ENDED 31 MARCH 2016**

| | Sold for cash R'000 | Non Cash disposal R'000 | Total disposals R'000 | Cash Received Actual R'000 |
|--|---------------------------|----------------------------------|-----------------------------|-------------------------------------|
| MACHINERY AND EQUIPMENT | 8 990 | 213 | 9 203 | 3 193 |
| Transport assets | 8 990 | - | 8 990 | 3 193 |
| Computer equipment | - | 213 | 213 | - |
| BIOLOGICAL ASSETS | 268 | - | 268 | 130 |
| Biological assets | 268 | - | 268 | 130 |
| TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS | 9 258 | 213 | 9 471 | 3 323 |

27.3 Movement for 2014/15

**MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER
FOR THE YEAR ENDED 31 MARCH 2015**

| | Opening balance R'000 | Prior period error R'000 | Additions R'000 | Disposals R'000 | Closing Balance R'000 |
|--|-----------------------------|-----------------------------------|--------------------|--------------------|-----------------------------|
| MACHINERY AND EQUIPMENT | 502 072 | (1 548) | 42 387 | 34 888 | 508 023 |
| Transport assets | 145 670 | 335 | 25 789 | 31 474 | 140 320 |
| Computer equipment | 93 587 | (495) | 5 977 | 2 514 | 96 555 |
| Furniture & office equipment | 17 235 | 337 | 1 182 | 355 | 18 399 |
| Other machinery & equipment | 245 580 | (1 725) | 9 439 | 545 | 252 749 |
| BIOLOGICAL ASSETS | 1 476 | - | - | 305 | 1 171 |
| Biological assets | 1 476 | - | - | 305 | 1 171 |
| TOTAL MOVABLE TANGIBLE CAPITAL ASSETS | 503 548 | (1 548) | 42 387 | 35 193 | 509 194 |

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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27.3.1 Prior period error

| | Note | 2014/15 R'000 |
|------------------------------|------|------------------|
| Nature of prior period error | | |
| Machinery and Equipment adj | | (1 548) |
| TOTAL | | (1 548) |

27.4 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2016

| | Specialised military assets R'000 | Intangible assets R'000 | Heritage assets R'000 | Machinery and equipment R'000 | Biological assets R'000 | Total R'000 |
|---|--|-------------------------------|-----------------------------|--|-------------------------------|----------------|
| Opening bal | - | 56 | - | 24 989 | 6 706 | 31 751 |
| Value adj. | - | - | - | 121 | 1 682 | 1 803 |
| Additions | - | - | - | 1 265 | 49 | 1 314 |
| Disposals | - | - | - | 21 | 2 377 | 2 398 |
| TOTAL MINOR ASSETS | - | 56 | - | 26 354 | 6 060 | 32 470 |
| | Specialised military assets R'000 | Intangible assets R'000 | Heritage assets R'000 | Machinery and equipment R'000 | Biological assets R'000 | Total R'000 |
| Number of R1 minor assets | - | - | - | 25 888 | | 25 888 |
| Number of minor assets at cost | - | - | - | 18 758 | 3 617 | 22 375 |
| TOTAL NUMBER OF MINOR ASSETS | - | - | - | 44 646 | 3 617 | 48 263 |

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MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2015

| | Specialised military assets | Intangible assets | Heritage assets | Machinery and equipment | Biological assets | Total |
|---|--|------------------------------|----------------------------|--|------------------------------|---------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Opening balance | - | 56 | - | 24 415 | 8 182 | 32 653 |
| Additions | - | - | - | 1 645 | | 1 645 |
| Disposals | - | - | - | 1 071 | 1 476 | 2 547 |
| TOTAL MINOR ASSETS | - | 56 | - | 24 989 | 6 706 | 31 751 |
| | Specialised military assets | Intangible assets | Heritage assets | Machinery and equipment | Biological assets | Total |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Number of R1 minor assets | - | - | - | 26 338 | - | 26 338 |
| Number of minor assets at cost | - | - | - | 18 217 | 4 141 | 22 358 |
| TOTAL NUMBER OF MINOR ASSETS | - | - | - | 44 555 | 4 141 | 48 696 |

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28. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

| | Opening balance R'000 | Value Adjustment R'000 | Additions R'000 | Disposals R'000 | Closing Balance R'000 |
|--|-----------------------------|------------------------------|--------------------|--------------------|-----------------------------|
| SOFTWARE | 2 803 | - | - | - | 2 803 |
| TOTAL INTANGIBLE CAPITAL ASSETS | 2 803 | - | - | - | 2 803 |

28.1 Movement for 2014/15

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015

| | Opening balance R'000 | Prior period error R'000 | Additions R'000 | Disposals R'000 | Closing Balance R'000 |
|--|-----------------------------|-----------------------------------|--------------------|--------------------|-----------------------------|
| SOFTWARE | 2 764 | - | 39 | - | 2 803 |
| TOTAL INTANGIBLE CAPITAL ASSETS | 2 764 | - | 39 | - | 2 803 |

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28.2 Additions

**ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER
FOR THE YEAR ENDED 31 MARCH 2016**

| | Cash | Non- cash | (Capital Work in Progress current costs and finance lease payments) | Received current, not paid (Paid current year, received prior year) | Total |
|---|----------------|--------------|--|---|----------|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| BUILDING & OTHER FIXED STRUCTURES | 172 688 | - | (172 688) | - | - |
| Dwellings | - | - | - | - | - |
| Non-residential buildings | 172 688 | - | (172 688) | - | - |
| Other fixed structures | - | - | - | - | - |
| TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS | 172 688 | - | (172 688) | - | - |

29. Prior period errors

| 29.1 Correction of prior period errors | R'000 |
|---|----------------|
| Expenditure: | |
| Nature of prior year | - |
| Misclassification 2013/14 and prior year Relating to 2014/15 | (2 024) |
| Month to month lease contract 2014/15 | 184 |
| Net effect | (1 840) |

Expenditure: R-2024 – Provincial Treasury recommendation was that this was incorrectly classified. R184 – Month to month rental payment in 2014/15.

| | 2014/15 R'000 |
|------------------------------------|------------------|
| Assets: | |
| Nature of prior year error: | |
| Machinery and Equipment adjustment | (1 548) |
| Net effect | (1 548) |

Assets: The Adjustment to the Movable Capital Assets as a result of errors identified on the Asset Register that were corrected during the 2015/16 financial year.

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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30. STATEMENT OF CONDITIONAL GRANTS RECEIVED

| NAME OF GRANT | GRANT ALLOCATION | | | | | | SPENT | | | 2014/15 | |
|-------------------------------------|---|------------|------------------|-------------------|-----------------|-------------------------------|----------------------------|------------------------|------------------------------------|-------------------------|----------------------------|
| | Division of Revenue Act/Provincial Grants | Roll Overs | DORA Adjustments | Other Adjustments | Total Available | Amount received by department | Amount spent by department | Under / (overspending) | % of available funds spent by dept | Division of Revenue Act | Amount spent by department |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Land Care | 10 666 | | | | 10 666 | 10 666 | 10 666 | - | 100% | 10 854 | 10 854 |
| Comp Agricultural Support Programme | 226 161 | | | | 226 161 | 226 161 | 226 161 | - | 100% | 212 632 | 212 632 |
| Ilima/ Letsema Project | 69 402 | | | (1) | 69 401 | 69 401 | 69 401 | - | 100% | 69 093 | 92 093 |
| EPWP Incentive grant for Provinces | 2 296 | | | | 2 296 | 2 296 | 2 296 | - | 100% | 4 181 | 4 181 |
| | 308 525 | - | - | (1) | 308 524 | 308 524 | 308 524 | - | 100% | 296 760 | 319 760 |

Department has received all funding through Provincial Treasury. All funds were deposited into the department's PMG account.

**(DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT)
VOTE 3**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2016**

31. STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

| NAME OF MUNICIPALITY | GRANT ALLOCATION | | | | TRANSFER | | |
|---|-------------------------------|------------------|-------------------|-----------------|-----------------------|----------------------|--|
| | Division of Revenue Act R'000 | Roll Overs R'000 | Adjustments R'000 | Total Available | Actual Transfer R'000 | Funds Withheld R'000 | Re-allocations by National Treasury or National Department % |
| PD: Vehicles Licences Mun B/Acc: Mun Rates & Taxes | 1 260 | - | 40 | 1 300 | 1 300 | - | |
| | - | - | 13 | 13 | 13 | - | |
| | 1 260 | - | 53 | 1 313 | 1 313 | - | |

The transfers made by the department include only payments for licencing of departmental KZN vehicles and payment for rates for Osca College

**(DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT)
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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2016**

**ANNEXURE 1B
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS**

| DEPARTMENT/ AGENCY/ ACCOUNT | TRANSFER ALLOCATION | | | | TRANSFER | | 2014/15 Appropriation Act |
|----------------------------------|------------------------------------|------------------------|----------------------|-----------------------------|-----------------------------|---|------------------------------|
| | Adjusted Appropriation R'000 | Roll Overs R'000 | Adjustments R'000 | Total Available R'000 | Actual Transfer R'000 | % of Available funds Transferred % | |
| Agri Business Development Agency | 99 500 | - | - | 99 500 | 99 500 | 100% | 106 410 |
| Com: Licences (Radio & TV) | 9 | - | - | 9 | 1 | 11% | 3 |
| Skills Development Levy | 2 800 | - | (40) | 2 760 | 1 805 | 65% | 1 938 |
| Total | 102 309 | - | (40) | 102 269 | 101 306 | 99% | 108 351 |

(DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT)
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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2016

ANNEXURE 1D

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

| NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE | TRANSFER ALLOCATION | | | | EXPENDITURE | | | | 2014/15 Appropriation Act |
|---|----------------------------|------------|---------------|-----------------|-----------------|----------------------------------|----------|----------------|---------------------------|
| | Adjusted appropriation Act | Roll Overs | Adjustments | Total Available | Actual Transfer | % of Available funds transferred | Capital | Current | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 |
| Public corporations | | | | | | | | | |
| Transfers | 62 699 | - | - | 62 699 | 62 699 | 100.0% | - | 62 699 | 46 607 |
| Mjindi Farming | 50 506 | - | - | 50 506 | 50 506 | 100.0% | - | 50 506 | 46 607 |
| Ithala Development Finance | 12 193 | - | - | 12 193 | 12 193 | 100.0% | - | 12 193 | |
| Sub total: Public corporations | 62 699 | - | - | 62 699 | 62 699 | 100.0% | - | 62 699 | 46 607 |
| Private enterprises | | | | | | | | | |
| Transfers | 37 754 | - | 31 503 | 69 257 | 49 392 | 71.3% | - | 49 387 | 7 470 |
| SA Sugar Research Institute | 2 557 | - | - | 2 557 | 2 544 | 99.5% | - | 2 544 | 6 000 |
| SA Sugar Association | - | - | 27 053 | 27 053 | 27 053 | 100.0% | - | 27 053 | 1 395 |
| Donations & Gifts Private Ent | 5 | - | - | 5 | 5 | 100.0% | - | | 75 |
| Soil Conservation subsidy: | | | | | | | | | |
| Aquason Construction | 789 | - | - | 789 | 789 | 100.0% | - | 789 | |
| Mvuthshini Estate PTY (LTD) | 402 | - | - | 402 | 402 | 100.0% | - | 402 | |
| Radley,JH | 309 | - | - | 309 | 309 | 100.0% | - | 309 | |
| Nyonende Hatchery | 8 300 | - | - | 8 300 | 4 200 | 50.6% | - | 4 200 | |
| Communal Estates | 25 392 | - | - | 25 392 | 9 640 | 38.0% | - | 9 640 | |
| Inqanawo Tunnel Project | - | - | 4 450 | 4 450 | 4 450 | 100.0% | - | 4 450 | |
| Sub total: Private enterprises | 37 754 | - | 31 503 | 69 257 | 49 392 | 71.3% | - | 49 387 | 7 470 |
| TOTAL | 100 453 | - | 31 503 | 131 956 | 112 091 | 84.9% | - | 112 086 | 54 077 |

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 1F
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

| | TRANSFER ALLOCATION | | | | EXPENDITURE | | 2014/15 Appropriation Act |
|--------------------------------|----------------------------------|---------------|-------------|--------------------|--------------------|---|---------------------------------|
| | Adjusted Appropriation Act | Roll overs | Adjustments | Total Available | Actual Transfer | % of Available funds transferred | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 |
| NON-PROFIT INSTITUTIONS | | | | | | | |
| Transfers | | | | | | | |
| Zakhe Agricultural College | 3 089 | - | - | 3 089 | 3 089 | 100% | 750 |
| Agricultural schools | 10 681 | - | - | 10 681 | 10 681 | 100% | 5 300 |
| Total | 13 770 | - | - | 13 770 | 13 770 | 100% | 6 050 |

(DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT)
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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 1G
STATEMENT OF TRANSFERS TO HOUSEHOLDS

| | TRANSFER ALLOCATION | | | | EXPENDITURE | | 2014/15 Appropriation Act R'000 |
|-------------------------|---|------------------------|----------------------|-----------------------------|-----------------------------|--|--|
| | Adjusted Appropriation Act R'000 | Roll Overs R'000 | Adjustments R'000 | Total Available R'000 | Actual Transfer R'000 | % of Available funds Transferred % | |
| HOUSEHOLDS | | | | | | | |
| Transfers | | | | | | | |
| Injury on Duty | 126 | - | - | 126 | 126 | 100% | 256 |
| Severance Package | - | - | - | - | - | - | 588 |
| Leave Gratuity | 11 183 | - | 4 069 | 15 252 | 15 252 | 100% | 11 363 |
| Claims Against State | 11 | - | - | 11 | 11 | 100% | 60 |
| Bursaries non-employees | - | - | 3 099 | 3 099 | 3 099 | 100% | - |
| Total | 11 320 | - | 7 168 | 18 488 | 18 488 | 100% | 12 267 |

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2016**

**ANNEXURE 1H
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED**

| NAME OF ORGANISATION | NATURE OF GIFT, DONATION OR SPONSORSHIP | 2015/16 | 2014/15 |
|---|--|---------------|---------------|
| | | R'000 | R'000 |
| Received in kind | | | |
| Department of Agriculture, Forestry & Fisheries | Computers and other equipment, library books | 3 407 | 7 004 |
| Department of Agriculture, Forestry & Fisheries | Vehicles, Tractors and implements | 1 937 | 5 453 |
| Department of Agriculture, Forestry & Fisheries | Parkhome clinics, cottages | 5 693 | - |
| Total | | 11 037 | 12 457 |

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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**ANNEXURE 11
STATEMENT OF AID ASSISTANCE RECEIVED**

| NAME OF DONOR | PURPOSE | OPENING BALANCE R'000 | REVENUE R'000 | EXPENDITURE R'000 | CLOSING BALANCE R'000 |
|--|------------------------|--------------------------------------|--------------------------|------------------------------|--------------------------------------|
| Received in cash | | | | | |
| World Health Organisation (Rabies project) | Project Implementation | 413 | 2 482 | 2 895 | - |
| Total | | 413 | 2 482 | 2 895 | - |

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2016**

ANNEXURE 1J

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AS AN ACT OF GRACE

| NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organisation) | 2015/16 | 2014/15 |
|--|------------|------------|
| | R'000 | R'000 |
| Made in kind | | |
| Token of appreciation at Service Excellence Awards – Messrs Brian and Siphumelel | 2 | |
| 10 Cattle – Nxamalala Event in Impendle | 50 | |
| 2 Sheep – Israel Spiritual Church | 1 | |
| 3 Cattle – Maphumulo Traditional Council | 9 | |
| 2 Cattle – Willowfontein Rural horse Riding Club | 8 | |
| 1 Bull – Sakhubunye Livestock Co-Operative | 5 | |
| 10 Cattle – Isimahla Traditional Council | 27 | |
| 1 Cow – Departmental Sports Day | 4 | |
| Goats – king at Expo Msinga | 50 | |
| Livestock for Community Project meeting at Inanda | | 4 |
| Livestock for Stakeholder's meeting at Chesterville | | 5 |
| Sheep for Fire victims, 3 families in Kokstad | | 3 |
| 6 Cattle for President's visit to Impendle | | 18 |
| 5 Cattle for the Kings Wedding | | 23 |
| Made in Cash | | |
| 50 th Anniversary fundraising dinner – Edendale Lay Ecumenical centre | 5 | |
| Summerhill Zulu dancers International trip | - | 75 |
| Sponsorship for Indoni Cultural Festival - Indoni S.A. | - | 100 |
| TOTAL | 161 | 228 |

(DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT)
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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2016

ANNEXURE 2A
STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO NATIONAL/PROVINCIAL PUBLIC ENTITIES

| Name of Public Entity | State Entity's PFMA Schedule type | % Held YY/ZZ | % Held XX/YY | Number of shares held | | Cost of investment R'000 | | Net Asset value of investment R'000 | Profit/(Loss) for the year R'000 | | Losses guaranteed | |
|--------------------------------------|-----------------------------------|--------------|--------------|-----------------------|------------|--------------------------|--------------|-------------------------------------|----------------------------------|----------------|-------------------|----|
| | | | | 2015/16 | 2014/15 | 2015/16 | 2014/15 | | 2015/16 | 2014/15 | | |
| National/Provincial Public Entity | | | | | | | | | | | | |
| Mjindi Farming (Proprietary) Limited | Schedule 3D | 100 | 100 | 100 | 100 | 8 757 | 8 757 | 54 249 | 50 295 | (8 933) | 16 530 | No |
| Total | | 100 | 100 | 100 | 100 | 8 757 | 8 757 | 54 249 | 50 295 | (8 933) | 16 530 | |

**(DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT)
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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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**ANNEXURE 2B
STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO ENTITIES (CONTINUED)**

| Name of Public Entity | Nature of business | Cost of investment | | Net Asset value of Investment | Amounts owing to Entities | | Amounts owing by Entities | |
|----------------------------|---|--------------------|------------|-------------------------------|---------------------------|------------|---------------------------|------------|
| | | R'000 | R'000 | | R'000 | R'000 | R'000 | R'000 |
| | | 31/03/2016 | 31/03/2015 | 31/03/2016 | 31/03/2015 | 31/03/2016 | 31/03/2015 | 31/03/2016 |
| Controlled entities | | | | | | | | |
| Ntingwe Tea (Pty)Ltd | This is the joint venture between the Department of Agriculture and Ithala Development Finance Corporation Ltd, whose main purpose is to provide funding investing and establishing a viable commercial tea business in Northern KwaZulu Natal. The company is the holding company of Ntingwe Farming (Pty) Ltd - the operating company. Department of Agriculture owns 62% of the shares in Ntingwe Tea (Pty)Ltd and Ithala owns 38% | 1 | 1 | (85 026) | (71 546) | - | - | - |
| Total | | 1 | 1 | (85 026) | (71 546) | - | - | - |

(DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT)
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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2016

ANNEXURE 3A
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2016— LOCAL

| Guarantor institution | Guarantee in respect of Housing | Original guaranteed capital amount | Opening balance 1 April 2015 | Guarantees draw downs during the year | Guarantees repayments/ cancelled/ reduced/ released during the year | Revaluations | Closing balance 31 March 2016 | Guaranteed interest for year ended 31 March 2016 | Realised losses not recoverable i.e. claims paid out |
|--------------------------|---------------------------------|------------------------------------|------------------------------|---------------------------------------|---|--------------|-------------------------------|--|--|
| | | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Standard Bank | | 92 | 92 | - | 92 | - | - | - | - |
| Firststrand Bank Pty Ltd | | 35 | 35 | - | 35 | - | - | - | - |
| ABSA | | 145 | 145 | - | 111 | - | 34 | - | - |
| Nedbank Limited | | 29 | 29 | - | 29 | - | - | - | - |
| Old Mutual | | 48 | 48 | - | 48 | - | - | - | - |
| Total | | 349 | 349 | - | 315 | - | 34 | - | - |

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2016**

**ANNEXURE 3B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2016**

| Nature of Liability | Opening Balance 1 April 2015 R'000 | Liabilities incurred during the year R'000 | Liabilities paid/cancelled/reduced during the year R'000 | Liabilities recoverable (Provide details hereunder) R'000 | Closing Balance 31 March 2016 R'000 |
|--------------------------------------|--|---|---|--|---|
| Claims against the department | | | | | |
| Accidental Claims | 1 157 | 897 | 537 | - | 1 157 |
| Damage to property | 8 496 | - | 69 | - | 8 427 |
| Goods and Services | 3 568 | 33 823 | 2 532 | - | 34 859 |
| Lease Agreement Dispute | 3 | | 3 | - | - |
| General Claims | 291 | 165 | 13 | - | 443 |
| TOTAL | 13 515 | 34 885 | 3 154 | - | 45 246 |

Matters carried over from previous financial years are as a result of pending issues such as awaiting further instruction/and or pleadings/or supporting documentation and/or trial dates. Reductions to the values are due to settlement being reached/matters withdrawn/matters prescribed. The increase from 2014/15 is due to a substantial claim instituted against the department in relation to an alleged contractual dispute.

(DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT)

VOTE 3

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2016

ANNEXURE 4

CLAIMS RECOVERABLE

| Government Entity | Confirmed balance outstanding | | Unconfirmed balance outstanding | | Total | | Cash in transit at year end 2015/16 * | |
|---|-------------------------------|---------------------|---------------------------------|---------------------|---------------------|---------------------|--|-----------------|
| | 31/03/2016 R'000 | 31/03/2015 R'000 | 31/03/2016 R'000 | 31/03/2015 R'000 | 31/03/2016 R'000 | 31/03/2015 R'000 | Receipt date up to six (6) working days after year end | Amount R'000 |
| Department | | | | | | | | |
| National Dept Agriculture, Forestry and Fisheries | 715 | - | 904 | 190 | 1 619 | 190 | - | - |
| Economic Development | 2 396 | 13 093 | - | 5 638 | 2 396 | 18 731 | 05/04/2016 | 249 |
| Dept of Arts and Culture | - | - | 118 | - | 118 | - | - | - |
| KZN: Human Settlement | 22 | 135 | - | - | 22 | 135 | - | - |
| KZN: Public Works | 6 | - | - | - | 6 | - | - | - |
| COGTA | - | 16 | - | - | - | 16 | - | - |
| TOTAL | 3 139 | 13 244 | 1 022 | 5 828 | 4 161 | 19 072 | | 249 |

(DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT)
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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2016

ANNEXURE 5
INTER-GOVERNMENT PAYABLES

| GOVERNMENT ENTITY | Confirmed balance outstanding | | Unconfirmed balance outstanding | | TOTAL | | | Cash in transit at year end 2015/16 * | |
|---|-------------------------------|---------------------|---------------------------------|---------------------|---------------------|---------------------|---------------------|---|-----------------|
| | 31/03/2016 R'000 | 31/03/2016 R'000 | 31/03/2015 R'000 | 31/03/2016 R'000 | 31/03/2015 R'000 | 31/03/2016 R'000 | 31/03/2015 R'000 | Payment date up to six (6) working days before year end | Amount R'000 |
| DEPARTMENTS | | | | | | | | | |
| Current | | | | | | | | | |
| Dept. of Transport | 31 | 38 | 1 099 | 69 | 1 099 | 1 099 | | 31/03/2016 | 32 |
| Dept. of Works | - | 113 | - | 113 | - | 113 | | 31/03/2016 | 6,979 |
| Mineral Resources | - | - | 24 | - | - | 24 | | | - |
| Premier | - | - | 7 | - | - | 7 | | | - |
| KZN Health | 3 | - | 4 | 3 | 4 | 12 | | | - |
| Government Printing Works | - | 11 | - | 11 | - | 11 | | 31/03/2016 | 15 |
| Subtotal | 34 | 162 | 1 103 | 196 | 1 103 | 1 142 | | | 7 026 |
| Non-current | | | | | | | | | |
| KZN: Arts & Culture | - | 75 | - | 75 | - | 75 | | | - |
| National School of Government | - | 143 | - | 143 | - | 143 | | | - |
| National Agricultural, Land and Rural Development | - | 61 | - | 61 | - | 61 | | | - |
| Subtotal | - | 279 | - | 279 | - | 279 | | | - |
| Total | 34 | 441 | 1 103 | 475 | 1 103 | 1 142 | | | 7 026 |

(DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT)
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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2016

ANNEXURE 6
INVENTORIES

| Inventory | Note | 2015/16 | | 2014/15 | |
|---|------|----------|--------------|----------|---------------|
| | | Quantity | R'000 | Quantity | R'000 |
| Opening balance | | - | 11 354 | - | 10 184 |
| Add/(Less): Adjustments to prior year balance | | - | - | - | - |
| Add: Additions/Purchases - Cash | | - | 1 679 | - | 11 354 |
| Add: Additions - Non-cash | | - | - | - | - |
| (Less): Disposals | | - | - | - | - |
| (Less): Issues | | - | (11 354) | - | (10 184) |
| Add/(Less): Adjustments | | - | - | - | - |
| Closing balance | | - | 1 679 | - | 11 354 |

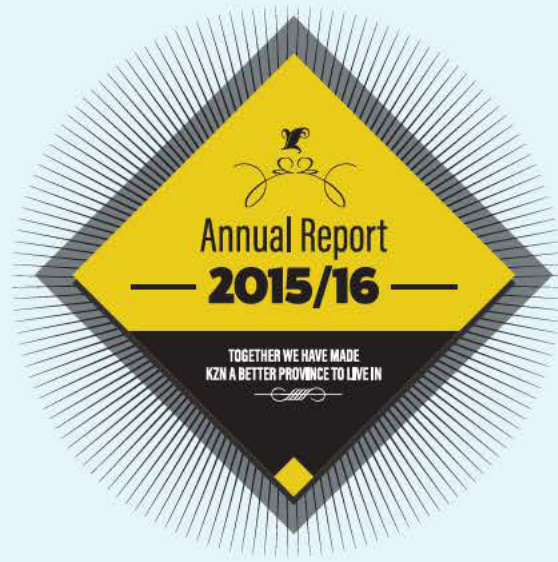
**ANNEXURE 7
MOVEMENT IN CAPITAL WORK IN PROGRESS**

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2016

| | Opening balance | Current Year Capital WIP | Completed Assets | Closing balance |
|---|--------------------|-----------------------------------|---------------------|--------------------|
| | R'000 | R'000 | R'000 | R'000 |
| BUILDINGS AND OTHER FIXED STRUCTURES | 315 150 | 172 688 | - | 487 838 |
| Dwellings | | | | |
| Non-residential buildings | 315 150 | 172 688 | - | 487 838 |
| Other fixed structures | | | | |
| TOTAL | 315 150 | 172 688 | - | 487 838 |

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2015

| | Opening balance | Current Year Capital WIP | Completed Assets | Closing balance |
|---|--------------------|-----------------------------------|---------------------|--------------------|
| | R'000 | R'000 | R'000 | R'000 |
| BUILDINGS AND OTHER FIXED STRUCTURES | 132 336 | 182 814 | - | 315 150 |
| Dwellings | | | | |
| Non-residential buildings | 132 336 | 182 814 | - | 315 150 |
| Other fixed structures | | | | |
| TOTAL | 132 336 | 182 814 | - | 315 150 |





agriculture & rural development

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Agriculture and Rural Development
PROVINCE OF KWAZULU-NATAL

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