



# Annual Report 2016/17



**Casidra**

**“We Deliver Project  
Management Excellence”**

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**PART A: GENERAL INFORMATION  
PUBLIC ENTITY'S GENERAL INFORMATION**

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**REGISTRATION NUMBER:** 1973/006186/30

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## PART A: GENERAL INFORMATION LIST OF ABBREVIATIONS/ACRONYMS

<b>B-BBEE</b>	Broad-Based Black Economic Empowerment
<b>BGCMA</b>	Breede-Gouritz Catchment Management Agency
<b>CASIDRA</b>	Cape Agency for Sustainable Integrated Development in Rural Areas
<b>CASP</b>	Comprehensive Agricultural Support Programme
<b>CPA</b>	Communal Property Association
<b>CPAC</b>	Commodity Project Allocation Committee
<b>CRDP</b>	Comprehensive Rural Development Programme
<b>DAFF</b>	Department of Agriculture, Forestry and Fisheries
<b>DEA</b>	Department of Environmental Affairs
<b>DEADP</b>	Department of Environmental Affairs and Development Planning
<b>DEDAT</b>	Department of Economic Development and Tourism
<b>DPAC</b>	Departmental Project Allocation Committee
<b>DRDLR</b>	Department of Rural Development and Land Reform
<b>DWS</b>	Department of Water and Sanitation
<b>EPWP</b>	Expanded Public Works Programme
<b>FSD</b>	Food Security Directorate
<b>GRAP</b>	Generally Recognised Accounting Practice
<b>HR</b>	Human Resources
<b>HTC</b>	Haarlem Transformation Committee
<b>IT</b>	Information Technology
<b>LTD</b>	Limited
<b>LREAD</b>	Land Reform Advisory Desk
<b>MoA</b>	Memorandum of Agreement
<b>PFMA</b>	Public Finance Management Act (Act 1 of 1999)
<b>PR</b>	Public Relations
<b>PWC</b>	PricewaterhouseCoopers Inc.
<b>SG</b>	Strategic Goal
<b>SMME</b>	Small Medium and Micro Enterprises
<b>SOC</b>	State-Owned Company
<b>UTA</b>	Unit for Technical Assistance
<b>WCDoA</b>	Western Cape Department of Agriculture
<b>WCED</b>	Western Cape Education Department

## PART A: GENERAL INFORMATION STATEMENT BY THE EXECUTIVE AUTHORITY



The past financial year has been an exceptional time for the Western Cape's agriculture sector.

As Minister of Economic Opportunities, I am midway through my first term as the head of the province's agriculture portfolio, and I am pleased to report we are making steady progress in meeting our 2019 targets.

During the period under review, we reached key milestones in our Project Khulisa growth strategy.

Jobs numbers in our key sectors are showing good growth. The number of people employed in the agriculture and agri-processing sectors has increased by more than 40 per cent, to just over 448 000 since the launch of Project Khulisa in 2014. This is as reported by the Quarterly Labour Force Survey of STATS SA.

It is my goal that all residents are able to benefit from this growth, and this is why, during the period under review, we continued to invest significantly in the support of emerging farmers and the development of skills for young people.

To further accelerate the pace of transformation, **Casidra** supported 33 farmers to grow their enterprises through the development of tailored business plans in the past financial year. Our Land Reform desk, located at **Casidra's** head office, has assisted 36 land owners with land reform initiatives during the period under review.

We have made this progress despite being in the middle of one of the worst droughts our region has experienced.

Higher temperatures and reduced rainfall are resulting in substantial losses across all sectors. As a vital employer and contributor to food security, we must ensure agriculture is sustainable.

During the period under review, we launched a co-ordinated climate change response plan, the SmartAgri project. A partnership with the private sector, and academia, SmartAgri showcases the strength of innovation and technology in responding to the challenges posed by the impact of the changing environment.

Going forward, continued collaboration with partners such as **Casidra** will be vital in ensuring we further grow our sector.

A handwritten signature in blue ink, appearing to read 'Alan Winde', positioned above a horizontal line.

**Alan Winde**  
**Minister of Economic Opportunities**  
**24 August 2017**

## PART A: GENERAL INFORMATION FOREWORD BY THE CHAIRPERSON



### Introduction

At the end of the 2016/2017 financial year, **Casidra** is looking forward to consolidating the positive changes in its development over the past few years.

The next few years will see an increased focus on the development of partnerships with municipalities and the facilitation of partnerships between municipalities and national and provincial government.

### Overview

**Casidra** has expanded its Board by the addition of two new members to facilitate the sharing of the load of the work of Board Committees and with a long-term view to succession.

The initiatives of Minister Alan Winde to assist the National Government with land reform have come to fruition in a partnership between **Casidra** and the Provincial Department of Agriculture and Land Reform. The Land Reform desk is now fully established at **Casidra** and engaged in developing a relationship with the National Department of Land Reform.

**Casidra** is still engaged in an ongoing review of its media platforms, but has already been able to significantly reduce costs, and improve time-management and efficiency, by the effective use of Skype video-conferencing. A further spin-off has been experienced in a measurable reduction in **Casidra's** carbon footprint.

**Casidra** has again been able to maintain its established levels of management excellence and has effected further refinements to its performance management system in the ongoing search for even higher levels of excellence.

### Strategic relationships

**Casidra's** mother Department, the Provincial Department of Agriculture and Land Reform, continue to be its leading partner.

It also continues to maintain good relationships with the National Department of Environmental Affairs through its management of that Department's projects related to the clearing of alien vegetation in the Western Cape and in river catchment areas affecting the Western Cape.

**Casidra's** relationship with the Provincial Department of Education is now well-established and **Casidra** continues to job-skill learners and assist with the placement in employment on behalf of that Department.

### Challenges

The long-term challenge for **Casidra** continues to be to develop sustainable partnerships with municipalities in the Western Cape in order to enhance the integration of Government initiatives, not only in land reform, but in respect of the overall development of the rural economy or of specific rural economies. Municipalities currently face several challenges with the provision of basic services and that has been their focus. **Casidra** believes that it has a significant role to play in long-term sustainable integrated development.

Recent discussions with municipalities in general, and certain specific municipalities, have begun to bear fruit and agreements related to pilot projects are likely to be finalised in the coming months. This is an exciting development in **Casidra's** long-term drive to play a key role in the integration of initiatives to develop the rural economy and we believe that **Casidra** has much to contribute to its prospective municipal partners and to add value to the initiatives of other spheres of Government.

**Casidra** will have to look at increasing self-generated revenue, given that Government funding is likely to decrease over the long term. This is a key aspect of its forward planning.

Against that background, it is important that **Casidra** maintain, and improve on, the levels of performance and efficiency for which it has become known.

### The year ahead

Although it shares the concerns of Government and Business regarding the threats to the South African economy and the possibility of recession, as well as the effect of the election of a new Administration in the United States on global political and economic stability, **Casidra** is confident that it will not experience significant operational, funding or other problems in the year ahead.

At its next Annual General Meeting **Casidra** will be electing a new chairperson, as I have resigned my seat on the Board with effect from the day thereafter. I will by then have served on the **Casidra** Board for about 18 years and the time has come to pass on the baton.

## PART A: GENERAL INFORMATION FOREWORD BY THE CHAIRPERSON

### Acknowledgements

Once again, and for the last time in these reports, may I express my sincere appreciation for the hard work done, and dedication shown, by the management and staff.

To all the members of the Board, also my heartfelt appreciation. A special word of thanks to the Chairpersons of the Board Committees who have continued to seek to improve **Casidra's** human resources management and risk management systems and to give substantial effect to the statutory requirement for a social and ethics committee.

Finally, may I acknowledge the very large contribution to the success of the Board by my colleague, Mr Jannie Roos, who has reached the age of 70 years and will be retiring from the Board with me. Mr Roos' tenure as a member, and as the current chairperson of the Remuneration Committee, has been a significant factor in the levels of excellence achieved by that Committee of the last five years.

The Board has also been boosted by the appointment of two new directors who have already contributed their skills and experience. Our shareholder, Minister Winde, the management and staff of the Western Cape Provincial Department of Agriculture, the esteemed members of the Portfolio Committee on Agriculture and the Standing Committee for Public Accounts of the Western Cape Provincial Parliament, are respectfully offered the heartfelt gratitude of all at **Casidra** for the constructive manner in which **Casidra** has been engaged, challenged and supported.

I have no doubt that **Casidra** will go from strength to strength in the coming years and I shall continue to take pride in my involvement with it over the whole of its existence. It has been one of the most rewarding experiences of my working life.

### Conclusion

In conclusion, let me once again invite all organisations and individuals who have a stake in the development of a strong rural economy in the Western Cape, to take hands with **Casidra**, to partner with us and to work with us to realise our mandate, namely 'agricultural and economic development within a rural and land reform context'.



**Gary Oliver**  
**Chairperson**  
**Casidra SOC Ltd**  
**24 August 2017**

## PART A: GENERAL INFORMATION CHIEF EXECUTIVE OFFICER'S OVERVIEW



### Introduction

The past year was characterised with numerous challenges and on a variety of fronts. The most challenging to the agriculture sector was the intense drought that gripped most parts of the country. Although the northern parts of the country received good rains towards the latter parts of 2016, the situation in the Western Cape remains grim.

The rain brought much relief to those areas and dams such as the Vaal and Sterkfontein Dams' levels that have risen significantly.

The drought in the Western Cape, however, became a major inhibitor and has placed food security under serious threat.

While the province's application for a disaster declaration is still pending, support initiatives by the provincial government was strengthened by organised agriculture and corporates who joined to provide support to some emerging farmers. The programme of support was first rolled out to producers along the West Coast where the conditions were most severe.

The support scheme instituted by the WCDoA was further augmented with financial support from Agri Western Cape and support from agri-businesses.



## PART A: GENERAL INFORMATION CHIEF EXECUTIVE OFFICER'S OVERVIEW

**Casidra** was tasked to procure drought relief feed for the livestock farmers who met qualifying criteria. The assistance brought some relief to many farmers who could save animals that would have succumbed due to the adverse conditions. Towards the end of 2016, a programme by DAFF also supported a few livestock farmers in the province.

The continuing drought had a further effect on the procurement of inputs. In its endeavours to procure project-related products and services, **Casidra** experienced a challenging period, as suppliers for water infrastructure were inundated, ran out of stock and struggled to provide technical services. This was particularly distinct with the procurement of water tanks and the sinking of boreholes. The requests for sinking boreholes totally swamped service provider, who currently still struggle to wipe out backlogs.

Where difficulty was encountered in sourcing local suppliers, providers from other provinces were requested to tender for the provision of such services and products where possible and practical.

The impact of the drought has already been experienced with the current crop of vegetables and fruit being harvested, where reports indicate lower yields and smaller fruit compared to previous years.

### Internal systems

**Casidra** implemented the recommendations of an internal organisational restructuring that enabled the realignment of functions to be grouped for greater efficiency. This restructuring also made it possible for the creation of an Administration and Compliance unit whose function includes providing administrative support to project managers and to assist with similar tasks.

As the requirement for technical advice and support is growing, the personnel involved in technical support have also been grouped in the Technical Management Unit (TMU), while the project managers were grouped in the Project Management Unit (PMU).

Alongside Casper, **Casidra's** internal web-based project management tool, the company also instituted a Green Initiative Programme that is aimed at creating greater awareness around the impact of processes and actions on the environment. Through measuring the amount of paper used for printing, electricity consumption and travelling, we determined a baseline of our environmental impact and carbon footprint. Practical measures are promoted and are aimed at reducing the impact on the environment and these include the adjustment of settings and timing of air conditioners, the combining of trips, printing practices and the introduction of video conferencing as a means to conduct meetings. The data is captured and reported quarterly to the **Casidra** Board. Preliminary results, representing about one year, reveal a noticeable reduction in expenditure on travelling and printing.

### Government farms

**Casidra** is contracted by the Western Cape Department of Agriculture (WCDa) to manage the government farms at Amalienstein and Waaikraal.

The farm at Anhalt is managed under an agreement from the Department of Rural Development and Land Reform (DRDLR) since 1 April 2016. In early 2016, the DRDLR stepped up its efforts to advance the transfer process at Anhalt. This renewed energy culminated in the establishment of the Communal Property Association (CPA) in August 2016.

This body is tasked to represent the community of Haarlem in deliberations regarding the transfer of the farm and to ensure that structures and agreements are in place for the management of the farm when **Casidra's** term expires in June 2018.

Consistent staff turnover within the DRDLR resulted in a slump in momentum and poses challenges for continuity.

**Casidra** is appointed as the operational manager of the farm and an Executive Committee, consisting of the CPA, DRDLR, WCDa and **Casidra**, was established to direct the strategic management matters. A Development (training) Plan was developed by **Casidra** and accepted by the Executive Committee. This programme aims to train and mentor the elected CPA members in the practical management of the farm in order to equip the CPA to manage the farm post June 2018.

### Projects

The country's economic position caused fiscal reprioritisation and the result is noticeable in the allocations of grant funding of projects. This adds to the stifling effect the relentless drought has on the sector.

These situations compel the creation of key partnerships to discover creative solutions that will support and provide value to beneficiaries.

**Casidra** embarked on an initiative to lobby and engage municipalities to promote its project management services in an attempt to support local authorities' LED and similar programmes. Various presentations were made to municipalities and discussions are afoot to explore opportunities. This programme is aligned with the Comprehensive Rural Development Programme (CRDP) of the WCDa to ensure greater potential impact and synchronisation.

**Casidra** concluded a programme for the Department of Environmental Affairs relating to the mechanised clearing of alien vegetation along the Berg River in March 2016. Approximately 360 hectares of land along a 74 km stretch of the Berg River were cleared along the riparian zone. This programme resulted in the securing of water for agriculture production. **Casidra** views this relationship as a strategic partnership in light of the benefits the programme delivers. **Casidra** henceforth has been appointed to implement a follow-up programme that will commence in June 2017. Due to the manual labour requirement of this programme, **Casidra** will be creating a substantial number of temporary jobs over the next two - year period.

Continued support to emerging farmers and farming communities is provided through the CASP, Farm Worker Development and CRD Programmes.

**Casidra** also manages the LREAD desk that endeavours to assist sector stakeholders that are interested and involved in land reform. This office works closely with the WCDa's Directorate of Land Reform. The majority of the enquiries handled relate to advice about land purchases, financing and similar service as opposed to land transfer deals. A series of stakeholder engagements is, however, culminating in the development of a simplistic "how to guide" and an outline of potential models for land reform.

**Casidra** also provides project management services and support to CapeNature projects, the School Jobs Fund project, the Catchment Management Agencies and LandCare.

## PART A: GENERAL INFORMATION CHIEF EXECUTIVE OFFICER'S OVERVIEW

### Acknowledgement and appreciation

I would like to acknowledge and highly appreciate the Chairman of the Board of Directors of **Casidra** for his continued support, trust and guidance throughout the year. I also would like to thank the members of the Board of Directors for their influential leadership. Their leadership enables us to fulfil our mandate.

On behalf of **Casidra** I wish to express my sincere appreciation to Minister Winde for his acknowledgement of **Casidra's** work, his continued support for our cause, his vision for the company and commitment to create an enabling environment within which **Casidra** can make an even bigger impact. Thank you also to the Ministerial Office for your support.

To Ms Isaacs, HOD and the Senior Management of the Western Cape Department of Agriculture, and all other personnel at the Department, **Casidra** would like to express our thanks for your continual support and entrusting us, while regarding us as partners, with the joint responsibility to deliver services to the people and communities of the province.

A special word of thanks to the Standing Committee Chair and all members for your attentive inspection of our work and the support and acknowledgment of our efforts to provide the best to the receivers of our services.

To all at **Casidra**, a most profound thanks for your passion, sacrifice, commitment and character with which you execute your work and for serving the clients of this province with distinction. I thank you.

May we all experience gratification when we witness the success we contribute to create and continue with enthusiasm to support, service and enable the communities and people of our province.



**Michael Brinkhuis**  
**Chief Executive Officer**  
**Casidra SOC Ltd**  
**24 August 2017**

## PART A: GENERAL INFORMATION STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

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

All information and amounts disclosed in the Annual Report are consistent with the Annual Financial Statements audited by the PricewaterhouseCoopers (PwC) Inc. and Boshoff Visser.

The Annual Report is complete, accurate and free from any omissions. The Annual Report has been prepared in accordance with the guidelines in the Annual Report as issued by National Treasury.

The Annual Financial Statements (Part E) have been prepared in accordance with the GRAP standards applicable to the public entity.

The Accounting Authority is responsible for the preparation of the Annual Financial Statements and for the judgements made in this information.

The Accounting Authority is responsible for establishing and implementing a system of internal control, which has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources' information and the Annual Financial Statements.

The external auditors are engaged to express an independent opinion on the Annual Financial Statements.

In our opinion, an Annual Report fairly reflects the operations, performance information, human resources' information and financial affairs of the public entity for the financial year ended 31 March 2017.

Yours faithfully



**Michael Brinkhuis**  
**Chief Executive Officer**  
**24 August 2017**

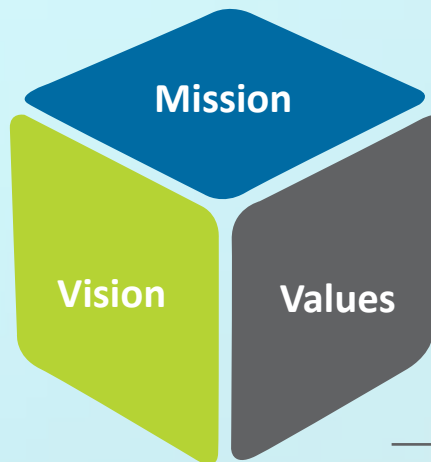


**Gary Oliver**  
**Chairperson**  
**24 August 2017**

## PART A: GENERAL INFORMATION STRATEGIC OVERVIEW

To maximise Agricultural and Economic Development opportunities in rural communities through project management excellence.

To be the catalyst for growth towards self-sustainable communities.



**Integrity:**  
We act in an ethical manner with trust, honesty, reliability and credibility.

**Professionalism:**  
We deliver excellent work with a positive attitude by well-skilled people using best practice in a business-like approach.

**Caring:**  
We want the best for our customers and staff, and treat them with respect and empathy, whilst embracing diversity.

**Development-driven:**  
We add value to people and business to ensure sustainable growth.

**Innovative:**  
We strive to seek better and lasting solutions.

## PART A: GENERAL INFORMATION LEGISLATIVE AND OTHER MANDATES

### CONSTITUTIONAL MANDATES

- Constitution of the Republic of South Africa, 1996 and the Western Cape Provincial Constitution (Act 1 of 1998):
- Functional areas of concurrent National and Provincial Legislative competence:
  - Agriculture
  - Regional Planning and Development
  - Soil Conservation
  - Tourism
  - Trade
  - Rural Development
  - Environmental Affairs
- Functional areas of exclusive provincial legislative competence: Provincial Planning

### LEGISLATIVE MANDATES

#### Staff Matters:

- Basic Conditions of Employment Act (Act 75 of 1997)
- Employment Equity Act (Act 55 of 1998)
- Labour Relations Act (Act 66 of 1995)
- Occupational Health and Safety Act (Act 85 of 1993)
- Pension Funds Act (Act 24 of 1956)
- Public Holidays Act (Act 6 of 1994)
- Skills Development Act (Act 97 of 1998)
- Skills Development Levies Act (Act 9 of 1999)
- Tobacco Products Control Act (Act 83 of 1993)

#### Financial Matters:

- Companies Act (Act 71 of 2008)
- Income Tax Act (Act 58 of 1962)
- Preferential Procurement Policy Framework Act (Act 5 of 2000)
- Public Finance Management Act (Act 1 of 1999)
- Financial Intelligence Centre Act (Act 38 of 2001)

#### Other Legislative Mandates:

- Broad-Based Black Economic Empowerment Act (Act 53 of 2003)
- Conservation of Agricultural Resources Act (Act 43 of 1983)
- Consumer Protection Act (Act 68 of 2008)
- National Credit Act (Act 34 of 2005)
- Promotion of Access to Information Act (Act 2 of 2000)
- Sub-division of Agricultural Land Act (Act 70 of 1970)
- Regulation of Interception of Communications and Provision of Communication-related Information Act (Act 70 of 2002)
- Annual Sectoral Determination 13: Farm Worker Sector, South Africa

#### POLICY MANDATES

- National Outcomes 4, 5, 6, 7 and 10
- Provincial Strategic Goals 1, 2, 3, 4 and 5
- **Casidra** Cabinet mandate: 'Agricultural and Economic Development within a Rural and Land Reform context' in terms of Resolution 271/2007 of the Provincial Cabinet
- Land and Agrarian Reform Programme (LARP)
- Integrated Food Security and Nutrition Strategy
- Ilima Letsema Programme
- Comprehensive Rural Development Programme (CRDP)
- Provincial Growth and Development Strategy
- Provincial Spatial Development Strategy
- Integrated Development Plans of Municipalities
- Comprehensive Agricultural Support Programme (CASP)
- Integrated Food Security and Nutrition Programme
- Integrated Food Security Strategy
- National Development Plan
- SA National Disaster Management Framework

# PART A: GENERAL INFORMATION MACRO ORGANISATIONAL STRUCTURE

## EXECUTIVE AUTHORITY



**Alan Winde**  
Minister for Economic Opportunities

## BOARD OF DIRECTORS



**Gary Oliver**  
Chairperson



**Leonie Coetzee**  
Vice-Chairperson



**Elton Jethas**



**Zareena Nackerdien**



**Gugu Ntuli**



**Estian Calitz**



**Jannie Roos**



**Ainsley Moos**



**Gerard Martin**

## MANAGEMENT TEAM



**Michael Brinkhuis**  
Chief Executive Officer



**Freek van Zyl**  
Chief Financial Officer



**Thembi Mlonyeni**  
Chief Officer: Projects



**Kobus Oosthuizen**  
Chief Officer: Technical



**Loinice Linden**  
Human Resources Manager



**Elize van Deventer**  
Manager: Projects



**Experience Matshediso**  
Public Relations /  
Communications Manager



**Johan Bronkhorst**  
Manager: Regional



**Carl Boraine**  
Accountant

## PART B: PERFORMANCE INFORMATION

### AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

PricewaterhouseCoopers Inc. currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management.

Refer to pages 57 to 59 for the Independent Auditors Report, published as Part E: Financial Information.

## PART B: PERFORMANCE INFORMATION

### SITUATIONAL ANALYSIS: SERVICE DELIVERY ENVIRONMENT

**Casidra** is responsible for the management of three government farms until these farms are transferred to community entities. Waaikraal and Amalienstein are owned by the Department of Public Works and Transport, and Anhalt is held in Trust by the National Minister of Rural Development and Land Reform. Anhalt is Act 9 land being dealt with under the Transformation of Certain Rural Areas Act (TRANCRAA) transformation process for which the DRDLR is responsible.

The WCDoA concluded agreements with **Casidra** to manage Waaikraal and Amalienstein for a period of five years until 31 March 2020. Turnaround strategies were drafted in 2010 for these farms, but the WCDoA indicated that no funding for the strategies is available. This did not deter **Casidra** from introducing interim measures and alternative production systems in an attempt to generate more income within the constraints by discontinuing unprofitable enterprises, extending others and introducing new high risk ventures such as vegetable seed production.

At Waaikraal, certain aspects of the strategy were implemented with funding that was made available as part of the Comprehensive Rural Development Programme for Dysselsdorp. The aim of this development is for the farm to supply produce to Dysselsdorp where value adding can take place.

The WCDoA indicated that a high level business plan to address financing of the development needs and the road map for potential transfers to the communities of Amalienstein and Waaikraal must be facilitated through the UTA. During 2016, the Kannaland Municipality and DRDLR became involved in this process for Amalienstein. It was decided that **Casidra** will remain within its mandate and only update the previous bulk water supply report for the area as well as commission a document indicating the process and steps required before transfer of the farm can be done. The appointment of an engineering consultant for the water report was completed. As Waaikraal currently has no designated receiving entity, the Land Reform desk at **Casidra** was tasked to commence with exploratory talks in this regard.

Therefore, **Casidra** will, in future, assist the process of land transfer and cannot be the driver of the process.

An agreement for the management of Anhalt between **Casidra** and the WCDoA ended on 31 March 2016 and as the transformation process is entering its final stages, the new management contract should have been concluded with the DRDLR and the newly established Community Property Association (CPA) of Haarlem, which was registered in 2016. A Management transfer and empowerment contract until 30 June 2018 was drafted and approved by the three parties and the contract was signed by **Casidra**, but has still not been signed by the DRDLR.

**Casidra** is, therefore, managing Anhalt without a signed contract, but it will be to the detriment of the community and irresponsible asset management should **Casidra** stop its involvement there. Therefore, **Casidra** decided to continue with just the verbal agreement with the CPA, but a comprehensive training and mentoring plan was put in place for the CPA to take over the management of the farm before the end of the period. Funding requests for the implementation of the empowerment plan were unsuccessful and will now be funded from the farm's income.

The registration of a company to manage the farm is in process.

The implementation of the Jobs Fund funding, to the value of R4.2M managed by Hortgro, started in March 2017. 14 Hectares of orchards will be replaced over a four-year period.

A Management Committee was set up and consists of the DRDLR, WCDoA, **Casidra** and CPA. This Committee is responsible for the strategic decisions with **Casidra** having operational autonomy within these strategic guidelines. The capacity of the CPA to take decisions based on sound principles is a prerequisite for **Casidra's** successful involvement in the process.

Referring to the agricultural environment, cost pressure is being experienced by farming operations in South Africa (i.e. input cost increasing more than inflation). Although this is the case on all three farms, it is clearly demonstrated in the case of Anhalt where the margin per hectare has decreased with 34% in real terms since 2003 in spite of new high value cultivars coming into production.

To curb ever-increasing costs, measures need to be refined to increase efficiency and productivity. This entails better processes and measuring of individual productivity, but also identifying unproductive crops/animals/orchards and replacing them with more productive ones. It is Management's goal to continuously implement technology and systems to refine record-keeping to such an extent that the profitability of the smallest possible unit can be measured.

The prices of many commodities are under pressure due to the slump in the South African and World economies. During 2016, Anhalt had a record income due to increased yields and the weakening of the Rand.

Amalienstein is an unprofitable venture due to the relatively small extent of the dairy, high overhead costs as a result of the extensive buildings and infrastructure on the farm as well as the shortage of production and development finance. The over-supply of milk and the resulting low price and high maize prices, due to the drought impacting heavily on the income and the dairy, just about attained breakeven.

The situation will continue into 2017, but will be alleviated in 2018, as the WCDoA granted funding to replace some of the old irrigation infrastructure. This will increase pasture production resulting in more cows that can be kept and, therefore, a better economy of scale.

Seed production was introduced, but only on a small scale due to the risks and high input cost. In 2016, a higher than budgeted yield was attained. To render the farm profitable, at least some of the proposals in the turnaround strategy will have to be funded.

At Waaikraal, lucerne, vegetable seed crops, tomatoes (produced for a drying facility in Dysselsdorp) and rosemary for essential oil production are produced. These crops are very labour-intensive and as many as 200 casuals are employed during planting and harvesting, and the farm has a major impact on Dysselsdorp. Due to an over-supply of seed in 2015, the seed marketing companies had limited marketing contracts available for 2016 and very little seed crops were planted. For 2017, a contract was received from J W Seed. Due to the exceptionally warm and dry summer climate, the yield of the tomatoes was lower than in previous years resulting in a loss whereas it made a profit in previous years.

The drought started having an impact in early 2017, as the Stompdrift Dam ran dry and no irrigation was possible on the lucerne. Water was stored in the farm's storage dams to see the 2016 tomato crop through and for the 2017 seed crops. The drought impacted on the farm's cash flow with **Casidra** having to supply interim funding. It is foreseen that the farm will run out of funds in September 2017 and high level discussions need to take place with the WCDoA about drought assistance.

The fact that Waaikraal and Amalienstein cannot register for VAT because they receive government funding contributes further to their unprofitability.

Labour relations and employee wellness were addressed on the farms through personnel forums and wellness programmes.

**Casidra** had to put succession strategies in place for the Farm Managers, as two Managers resigned over the past two years to start their own farming operations. The risk of resignations is being addressed by employing and training assistants. Not being able to offer these incumbents permanent positions presents a challenge. The farming activities at Amalienstein are too small for an Assistant Manager, but a Supervisor was appointed who is being trained to equip him to take over the basic function of the Manager, should the need arise.

The occurrence of theft and illegal entering on the farms has increased to such an extent that guards had to be appointed. Infrastructure is being vandalised for the sake of selling this as scrap steel. This and the resultant higher insurance cost place the overhead costs of the farm under enormous pressure.

Specialised clearing of the Berg River project through the Department of Environmental Affairs was finalised during the beginning of the first quarter of the reporting year. The project falls under the multi-year programme and no transfer funding to **Casidra** was done during the reporting financial year. The nature of the work and the safety risks required specific skilled contractors, which did not necessarily contribute in person days, but additional costs were incurred during implementation. It is expected that the second phase of the project will generate more person days, but at a lower cost. The implementation of this phase will start in the new financial year.

The Western Cape Schools project started during the reporting year amidst a number of uncertainties. Delays in concluding the Memorandum of Agreement took much longer than anticipated. The project was initially between the Department of Local Government and the Development Bank of Southern Africa. The Western Cape Department of Education has since become the custodian of the project.

As we conclude the reporting year, there are still changes to be made to ensure that the objective of the project are met. However, based on previous experience on projects of this nature, where multi-stakeholders are involved, it takes longer to execute a project especially when it is outside the mandate of **Casidra**. The responsibility of **Casidra** is the payment of stipends. However, additional roles meant for the Department of Education had to be taken over by **Casidra** as well. This has put additional strain on the current resources at **Casidra**.

Through the extended partnership agreement between **Casidra** and CapeNature, repairs and renovations to an additional chalet and the construction of external recreational facilities at the Vrolijkheid Nature Reserve were concluded. Negotiations to implement other projects for CapeNature are underway and will be reported in the new financial year.

Assistance to the WCDoA towards the targeted interventions for Black smallholder and commercial farmers within the Agricultural Economic Support Programme continued through the implementation of the Financial Record-keeping and the Market Access Programmes. A review of the interventions' support rendered to the farmers was done during the third quarter. From the responses, most farmers scored the services rendered above average.

Assistance with the finalisation of the Agri Worker Household Census in the four outstanding District Municipalities continued during 2016. A census was conducted and completed in the West Coast, Central Karoo, Eden and Metropole during the reporting quarter. The Sustainable Resource Management division of the WCDoA has three programmes, namely LandCare, DESP and EPWP aimed at optimising productivity and sustainability of natural resources. All these are implemented by **Casidra** through multi-year cycles. For the Green Economy Berg River Project, under LandCare, R680 000 was transferred to **Casidra**. The objective of the funds was to develop possible marketable items manufactured from biomass from the Alien vegetation out of the Berg River.

**Casidra** received the opportunity to assist MTO in their forestry project in the Grabouw and surrounding areas. However, the project got derailed as a result of ineffective contractors and community dynamics. **Casidra** decided not to continue with the project to avoid further reputational damages as a result of challenges outside our mandate.

**Casidra** experienced a high volume of queries and requests for loan funding for small businesses. The majority of requests were for bridging finance to service contracts awarded by government Departments and municipalities. This not only affected small businesses, but had a direct effect on the access to finance for Co-operatives supported through the Comprehensive Rural Development Programme in the rural nodes. Transfer funding from the DEDAT could only be effected towards the end of the third quarter.

In supporting the WCDoA in their Farmer Support Development Project, **Casidra** assisted in the evaluation of the Non-Governmental Organisation that applied for funding.

**Casidra** further assisted the 12 NGOs selected in facilitating projects that expose Agri workers to various social upliftment and development initiatives through the Western Cape. A further R550 000 was transferred to **Casidra** to facilitate the publication of the “Abundant Harvest” publication, which profiles members of the Prestige Agri Workers’ Forum and the “Agri Go Talent “ event for agri workers.

The Financial administration support to the Council of Stakeholders in the rural nodes has continued during the reporting year. No new nodes were identified in the Western Cape by the National Department of Rural Development.

**Casidra** currently supplies administrative support and implements projects for the aquaculture, sheep and wool (ruminants), livestock, grain, vegetable, seed, table grapes, wine and food security commodity groups. More personnel capacity was created to cope with the extra work.

The limited national budget, together with the politicised nature of land reform issues, are key challenges affecting land reform initiatives. The Desk concentrates on exploiting land reform opportunities that are feasible and needs some minor intervention to make it a reality as well as the alignment of farming entities with the draft Agri BEE Charter. Several articles on Land Reform are published and also monthly blogs on **Casidra**'s website to stimulate discussion and promote the full extent of transformation of the farming business environment and not only land ownership. Good progress was made with the compilation of a publication on Land Reform models and best practises.

The UTA still delivers a valuable service in terms of professional support being made available for the planning, financial, legal and organisational structuring of the applicants to the CASP funding programme.

**Casidra** continues to assist the WCDoA with the administration of the Market Access and Simfini Programmes including the facilitation and co-ordination of the Rural Development Projects. The Farm Worker Household Survey has been extended to the West Coast and Eden regions during the reporting year.

The web-based project management facility, named Casper, that has been under development for some time, has been fully implemented as the sole source of data management for projects. The worth of this programme in line with Strategic Goal 5 spurs a need for further features to be developed and assists in reporting and control. Clients can access their project information directly to track progress and results in better client service delivery.

The ever-increasing need for proof of evidence and accountability has necessitated the need to adapt operating procedures and processes. The load on administrative support has increased and is part of the reasons for implementing a new organisational structure for **Casidra**. Independent verification of deliverables, quality, functionality and compliance to the needs of the client were requested by the internal auditors. The cost of this is beyond the resources of **Casidra** and a special fund allocation has been made by the WCDoA.

## SITUATIONAL ANALYSIS: ORGANISATIONAL ENVIRONMENT

**Casidra**'s core operational functions were split into a Project Management Unit (PMU) and a Technical Management Unit (TMU). This arrangement assisted in the grouping together of functions that resulted in a more focused approach to the projects implemented and supported. The adoption of a cross-functional/matrix approach, where functions provided services and support to one another, enabled a greater focus and tapped into individual skills and competencies. A Compliance Unit was also established, which provided a smoother “processing line” for monitoring corporate compliance and quality assurance functions. This arrangement has enabled **Casidra** staff to be more effectively occupied and utilised in their fields of expertise. It resulted in an improvement in the quality and delivery to internal and external clients.

Individual staff training, identified during performance assessment sessions between line managers and subordinates, were able to be identified easier and addressed accordingly. Staff development is addressed through the Wellness and Training programmes at all centres including Head Office, Regional Office and the Farm projects. Corporate training this year focused strongly on customer service standards in an attempt to improve on the level of service rendered to the varied customer base that **Casidra** serves.

Employee Wellness programmes are regarded as essential components of holistic wellbeing, and initiatives are satisfactorily supported by staff and the positive behavioural changes towards personal health and care are tell-tale signs that the programme achieves results. At the farm projects, this concept has an even wider effect, as the initiatives are geared towards including the wider farm community, which include youth groups, senior groups, but also crèches and clinics. This programme reaches out to numbers of rural people that are sometimes not reached through existing social engagement programmes.

**Casidra**'s “green initiative” has become a standard practice, as staff consciously endeavour to be attentive of practices that are less harmful to the environment. While this practice leads to a cleaner and

safer environment, it also serves as a practical cost saving mechanism. Positive results are achieved with the saving on travelling expenses as an electronic means, such as Skype, is applied to conduct meetings.

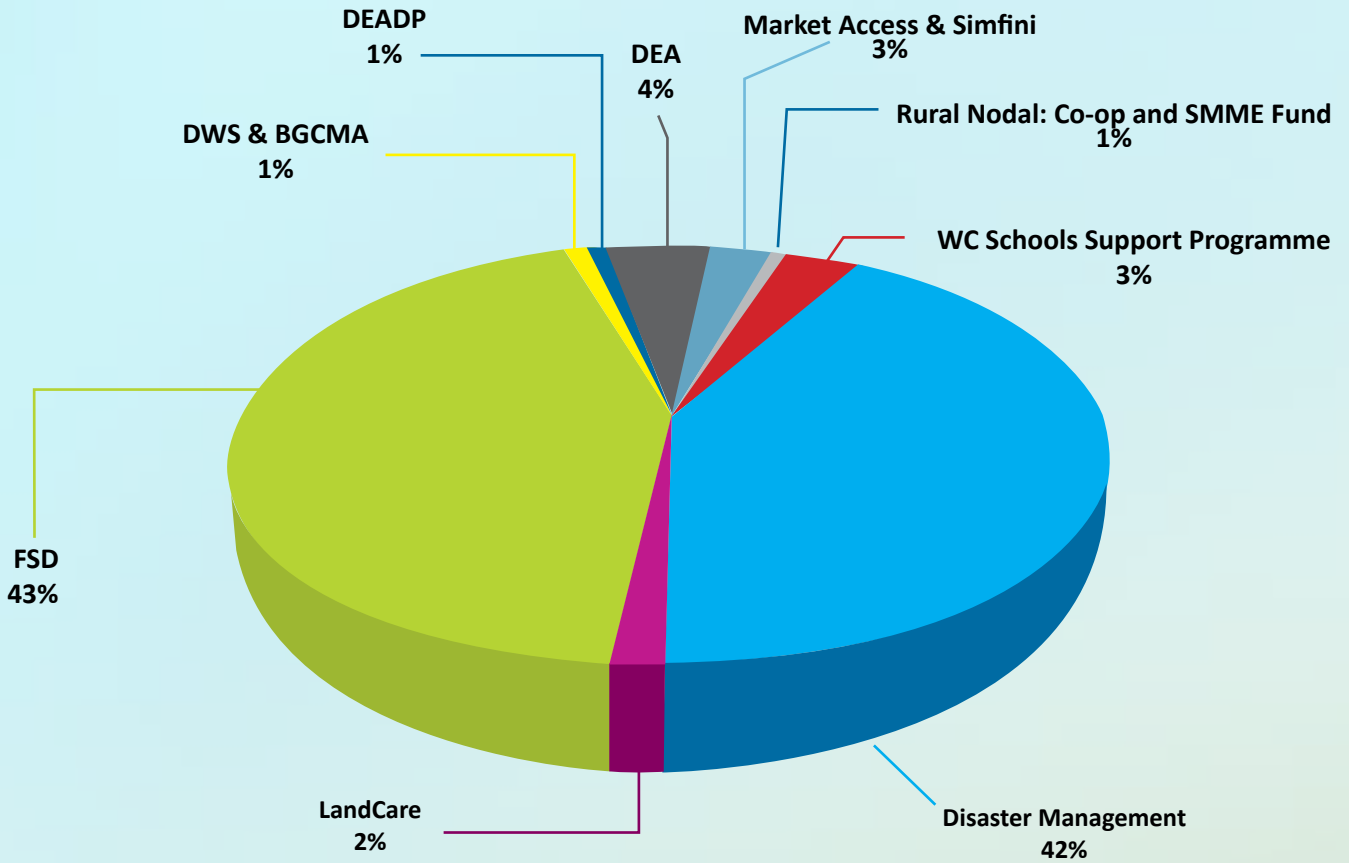
Meticulous financial management has always been a non-negotiable cornerstone of **Casidra**'s management practices. **Casidra**, once again, obtained an unqualified audit in 2015/16. It was, therefore, a great honour for **Casidra** to receive recognition for its 2015/16 unqualified audit during a ceremony where deserving provincial, municipal departments and entities were awarded by representatives of the Auditor-General of SA. The Western Cape was officially confirmed as the country's Top Province in the 2015/16 provincial and local audit outcomes.

The services **Casidra** renders to the rural nodes and enabled by programmes of the WCDoA and DEDAT are in great demand. To this end, the staff assigned to these programmes are unremittingly occupied in assisting the many rural entrepreneurs that require support. To this end, **Casidra** attempts at all available opportunities to lobby in order to leverage the funding available for these programmes.

**Casidra** was again contracted as an implementing agent to continue the alien clearing programme along the Berg River. While the primary objective is to control the invasive alien vegetation on the river banks, **Casidra** has been lobbying partners to invest in the value-adding of the biomass generated. This leads to the manufacturing of usable items such as mulch, wooden outdoor furniture, etc. This leads to further job creation.

**Casidra** is currently contracted by the WCDoA to manage the government farms at Amalienstein and Waaikraal. The farms have also suffered much due to the drought experienced in the province. At the Anhalt farm, the transfer process has gained some momentum since the establishment of the CPA in 2016. **Casidra** is currently set on the Development Programme to train/mentor the CPA members to eventually take over the management functions of the farm in 2018.

**REMAINING BUDGET UNDER MANAGEMENT FOR 2016/17**



**PART B: PERFORMANCE INFORMATION  
KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES**

The requirement by National Treasury to implement the Central Supplier Database (CSD) from 1 April 2016 as its sole source of supplier data has presented procurement with big challenges, both in terms of acceptance and the facility by service providers, and the limited number of registered services providers available.

Constant changes to the reporting formats by Treasury result in a continuous revision of delegations and processes for compliance. New preferential procurement regulations were announced in 2017 and became effective as from 1 April 2017. The financial regulations and procurement policy have been revised to accommodate these changes in time.



## PART B: PERFORMANCE INFORMATION

### SITUATIONAL ANALYSIS: STRATEGIC OUTCOME ORIENTED GOALS

#### STRATEGIC GOAL 1

<b>Strategic Oriented Outcome Goal 1</b>	<b>Casidra</b> to provide management service to the Western Cape Department of Agriculture to achieve their goals.
<b>Goal Statement</b>	<p>In the policy for the Department of Rural Development and Land Reform (DRDLR) Recapitalisation Programme, published in May 2011, it is stated as a fact that most of the six million hectares of agricultural land transferred through the Land Reform Programme are no longer in production and have failed.</p> <p>One reason for this is that, in many cases, land has been allocated to large groups of beneficiaries without successful institutional arrangements to enable productive and sustainable use of the land.</p> <p>A second reason is that not enough structured support was given to beneficiaries who, in most cases, have very little agricultural and management experience and skills.</p> <p>A third reason is that there was a misalignment between the Comprehensive Agricultural Support Programme (CASP) and the Land Reform Programme, and the support offered did not address all the needs of new entrants in the agricultural production arena in a structured and comprehensive way.</p> <p>It is stated that there is insufficient capacity in government for full-scale implementation of these programmes.</p> <p>By combining agricultural experience and knowledge with project management capabilities and efficient financial and governance systems, <b>Casidra</b> will continue to support the Department with the disbursement of funds from the CASP. An estimated 230 active Land Reform projects are supported by the WCDoA with procurement from grant funding for physical infrastructure delivery on approved project business plans.</p> <p>Another initiative to support this goal is the involvement in the Agricultural Production Strategy of DAFF, within the context of rural development and tied to the objective of agrarian reform. Institutional arrangements for an integrated support strategy are based upon the commodities' approach. Practical product specific and marketing experience is brought together in the Commodity Project Allocation Committees (CPAC) for each of the nine commodities and is used to evaluate projects for viability and to award CASP funding to applicants.</p> <p><b>Casidra</b> will play an integral role in the facilitation of the processes within specific commodities, act as a secretariat for them, and implement the approved business plans for commodities where <b>Casidra</b> is involved.</p> <p>Three government-owned farms (owned by the Department of Rural Development and Land Reform and the Provincial Department of Transport and Public Works), dating back to the 1980s as land restitution projects, are being managed by <b>Casidra</b> on behalf of the WCDoA.</p> <p>Turnaround strategies already prepared will be taken forward within the framework of strategic plans, budgetary requirements and commitment by principals to conclude these as Land Reform projects.</p> <p>The WCDoA is responsible for the facilitation of the CRDP in selected nodes in the Western Cape with the objective to create vibrant, sustainable rural communities.</p> <p>The strategic objectives of the programme are defined as follows:</p> <ul style="list-style-type: none"> <li>• All provincial departments and local government authorities delivering services in a co-ordinated and cohesive way through the establishment of interdepartmental steering committees.</li> <li>• Institutionalisation of community organisational structures to empower communities in terms of the identification and implementation of new projects.</li> <li>• Establishment of economic, social development and infrastructure projects to facilitate economic growth.</li> <li>• Skills training for unemployed people.</li> <li>• Sustainable employment created for unemployed people.</li> <li>• Improvement of food security through interventions at household level.</li> </ul> <p>Whereas the Department will focus on the citizen-facing role in preparing the institutional environment for implementation, <b>Casidra</b> will focus on the implementation of identified projects by offering excellent project management services.</p> <p><b>Link to Public Sector Scorecard:</b> Customer (External)</p>

<b>Overall Achievement</b>	The achievement of this strategic goal is fully linked and described in Programme 2.
<b>STRATEGIC GOAL 2</b>	
<b>Strategic Oriented Outcome Goal 2</b>	Give support for local economic and business development initiatives in rural areas to create and facilitate an enabling environment, facilitate economic growth and job creation, by promoting the implementation of green initiatives, by providing economic support and mentoring.
<b>Goal Statement</b>	<p>The Western Cape economy, as a significant contributor to the national economy, emphasises the importance of government interventions and policy to sustain and direct economic growth.</p> <p>Although the agricultural sector may be the logical and sensible cornerstone of rural development, the environment for successful agricultural economic, social and environmental activity is what contributes holistically to rural development.</p> <p>When considering rural development, cognisance must be taken of the actual development potential of municipal areas in order to create an environment that supports private sector investment that will create sustainable job opportunities for rural communities. Rural development cannot be the sole mandate of one department. Interventions from various state agencies, parastatals and the private sector will be needed to make a significant impact.</p> <p>In this regard, the main components of an enabling environment for economic development initiatives must include:</p> <ul style="list-style-type: none"> <li>• Increased skills levels</li> <li>• Access to a full range of business development services</li> <li>• Market readiness and access</li> </ul> <p>Accessibility of business information to both small farmers and entrepreneurs in the rural areas can be a catalyst for economic growth and job creation, but the reality of the Western Cape is that the current 14 prominent business support sites are concentrated in the greater Cape Town area, compared to only one in the vast rural area.</p> <p>The strategic objectives of the Programme are defined as follows:</p> <ul style="list-style-type: none"> <li>• To facilitate economic empowerment of emerging entrepreneurs and small businesses.</li> <li>• To facilitate awareness of economic opportunities through improving access to financial and non-financial initiatives.</li> <li>• To assist in creating an environment that supports private sector investment through appropriate public sector planning and investment within rural communities.</li> <li>• To promote the implementation of green initiatives.</li> <li>• To create an enabling environment and facilitate economic support and mentoring.</li> </ul> <p><b>Casidra</b> will play a project management role in any identified projects that underpin the above strategic objectives.</p> <p><b>Link to Public Sector Scorecard:</b> Customer (External).</p>
<b>Overall Achievement</b>	The achievement of this strategic goal is fully linked and described in Programmes 2, 3 and 4.
<b>STRATEGIC GOAL 3</b>	
<b>Strategic Oriented Outcome Goal 3</b>	Manage resources effectively and ensure corporate governance to achieve an unqualified audit in each financial year.
<b>Goal Statement</b>	<p>An entity such as <b>Casidra</b> is about efficient service delivery in support of government departments for a specific purpose. It should, therefore, be enabled to have the necessary capacity and to be able to focus on the task at hand. The company's support services (finance and administration, human resources, public relations and communication and information technology) need to be organised in such a manner that they support the project delivery departments in an efficient and effective manner. In addition, retention of staff will be a strategic priority area.</p> <p><b>Casidra's</b> corporate governance, its Board and committees are organised and informed by the principles of the King III Report. <b>Casidra</b> also takes its people practices and green strategy seriously. Sustainability of the organisation is of primary concern to the Board and management team.</p> <p><b>Link to Public Sector Scorecard:</b> Financial; Internal Process and Employee Learning and Growth (Internal).</p>

<b>Overall Achievement</b>	The achievement of this strategic goal is fully linked and described in Programmes 1, 2, 3 and 4.
<b>STRATEGIC GOAL 4</b>	
<b>Strategic Oriented Outcome Goal 4</b>	Develop and implement the <b>Casidra</b> Development Model by 2020
<b>Goal Statement</b>	<p><b>Casidra</b>'s present deliverables have been built around:</p> <ul style="list-style-type: none"> <li>• Project management capabilities</li> <li>• Efficient governance structures</li> <li>• Efficient financial systems</li> <li>• Competitive edge due to a business-oriented model</li> <li>• A reactive culture in responding to needs</li> </ul> <p>In the past, clients have been mostly limited to two provincial departments, namely the WCDoA and DEDAT with deliverables to individual beneficiaries through specific programmes run by the two departments. Based on track record, skills and composition, <b>Casidra</b> is able to market its services to other government departments.</p> <p><b>Casidra</b> has developed a blue-print in developing and implementing developmental initiatives in the rural areas of the Western Cape.</p> <p><b>Casidra</b> has reached a stage in its journey where it wants to reach out externally and capacitate especially community role-players to implement results-driven development initiatives. The company intends establishing a training and development arm that can provide an additional revenue stream to <b>Casidra</b>. This will assist us in contributing to human capital development within the Province.</p> <p><b>Casidra</b> reviewed its organisational structure during 2013 and 2015 to ensure alignment with its strategy. During the process it became evident that this was merely the first step in ensuring that <b>Casidra</b>'s 'structure follows strategy'. Most high-performing project-driven companies globally have formally implemented a matrix structure to maximise effective utilisation of resources and to ensure customer satisfaction. In addition, the matrix structure contributes to establishing a learning organisation, as it provides multiple, differentiated opportunities to staff members. <b>Casidra</b> currently utilises an informal matrix structure, but it needs to be formalised to ensure proper implementation and maintenance.</p> <p><b>Casidra</b> intends exploring the full establishment of a project management organisational structure by 2020.</p> <p><b>Link to Public Sector Scorecard:</b> Customer (External); Internal Process and Employee Learning and Growth (Internal).</p>
<b>Overall Achievement</b>	The achievement of this strategic goal is fully linked and described in Programmes 1, 2, 3 and 4.
<b>STRATEGIC GOAL 5</b>	
<b>Strategic Oriented Outcome Goal 5</b>	Maintain and expand project management capability as implementing agent in general through project management training and information systems.
<b>Goal Statement</b>	<p><b>Casidra</b> needs to continually 'sharpen the saw' by ensuring continuous cutting-edge project management training to its staff members to assist the company in becoming a high performance team excelling in project excellence. <b>Casidra</b> cannot deliver a good service if it neglects the human capital development of its own staff members. The 'learning organisation' concept also needs to be supported by information technology support to the project managers and an effective knowledge management system.</p> <p><b>Link to Public Sector Scorecard:</b> Customer (External); Internal Process and Employee Learning and Growth (Internal).</p>
<b>Overall Achievement</b>	The achievement of this strategic goal is fully linked and described in Programmes 1, 2, 3 and 4.

## STRATEGIC GOAL 6

<b>Strategic Oriented Outcome Goal 6</b>	Develop and grow new markets on a cost-recovery basis at an annual rate of 3%.
<b>Goal Statement</b>	<p><b>Casidra</b> SOC Ltd should be proactive to market its services to other government departments. To ensure future sustainability, the company needs to identify and develop new markets to generate additional income. This will be done without losing sight of the company's primary focus, based on its mandate. <b>Casidra's</b> unique capabilities and strengths can allow it to position itself as a service provider of choice to provincial and national departments</p> <p><b>Link to Public Sector Scorecard:</b> Customer (External); Financial (Internal).</p>
<b>Overall Achievement</b>	<b>The achievement of this strategic goal is fully linked and described in Programmes 3 and 4.</b>

## PART B: PERFORMANCE INFORMATION BY PROGRAMME PROGRAMME 1: CORPORATE SERVICES

### PURPOSE

The provision of leadership, strategic direction and relevant support services to the respective programmes of **Casidra**.

### SUB-PROGRAMMES

- 1.1 Public Relations, Marketing and Communications
- 1.2 Financial Management
- 1.3 Human Resources Management
- 1.4 Strategic Training
- 1.5 Corporate Governance

## LIST OF STRATEGIC OBJECTIVES

### PROGRAMME 1: CORPORATE SERVICES

#### Sub-Programme 1.1: Public Relations, Marketing and Communications

<b>Strategic Objective 1</b>	Provide an internal and external communication service for the company and projects (SG 3, 4 and 6)
<b>Objective Statement</b>	Create brand awareness by promoting the Company, projects and its services through the provision of an internal and external communication service.
<b>Baseline</b>	<p>Develop and implement a marketing and communications strategy and action plan by managing the compilation and publishing of all publications for corporate compliance through quality editorial services.</p> <p>The Company's publicity will be focused on free or inexpensive marketing opportunities. The Company's corporate identity will be constantly monitored. The marketing and promotion of the Company will be geared towards the right target market, as outlined in the strategy.</p> <p>Advocacy and lobbying have also proven to be an integral part when sourcing new business for the Company.</p>
<b>Justifications and Links</b>	Strategic Goals 3, 4 and 6

Sub-Programme 1.2: Financial Management	
Strategic Objective 2	Render an effective and efficient financial management service to the Company and projects (SG 4)
Objective Statement	Ensure compliance with all relevant financial statutes and regulations, notably the Public Finance Management Act and the Companies Act.
Baseline	All statutory reporting deadlines are met.  Tighter budget constraints are expected in 2016 and will result in more stringent care on expenses.  The implementation of the CSD will challenge existing compliance requirements.
Justifications and Links	A report on grant funding and VAT implications between <b>Casidra</b> as the agent and the farmer may result in a change in the reporting and bookkeeping systems and reports.  Strategic Goal 4
Sub-Programme 1.3: Human Resources Management	
Strategic Objective 3	Provide an efficient and effective human resources service to the Company and projects (SG 3 and 5)
Objective Statement	To provide an efficient and effective human resources management service by: <ul style="list-style-type: none"> <li>• Promoting staff wellbeing</li> <li>• Sound labour relations</li> <li>• A fully optimised staff structure</li> </ul>
Baseline	<ul style="list-style-type: none"> <li>• 4 wellness and team-building initiatives implemented</li> <li>• 4 worker committee meetings and 4 personnel forum meetings scheduled</li> <li>• 3 performance reviews implemented</li> </ul>
Justifications and Links	Strategic Goals 3 and 5
Sub-Programme 1.4: Strategic Training	
Strategic Objective 4	Provide strategic training within the Company (SG 4 and 5)
Objective Statement	To ensure the future sustainability of <b>Casidra</b> as an excellent project management company.
Baseline	<ul style="list-style-type: none"> <li>• Internal project management course accredited</li> <li>• 124 employees trained</li> <li>• 4 project management qualification bursaries</li> </ul>
Justifications and Links	Strategic Goals 4 and 5
Sub-Programme 1.5: Corporate Governance	
Strategic Objective 5	Provide strategic training within the Company (SG 4 and 5)
Objective Statement	To deliver an efficient and effective service in compliance with best practice in corporate governance.
Baseline	<b>Casidra's</b> corporate governance actions in the way the Board and its committees are organised are informed by the principles of the King III Report. <b>Casidra</b> also takes its people practices and Green strategy seriously. Sustainability of the organisation is of primary concern to the Board and Management team.
Justifications and Links	Strategic Goal 4

## STRATEGIC OBJECTIVE ANNUAL TARGETS FOR 2016

Programme 1: Corporate Services					
Strategic Objectives	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from Planned Target to Actual Achievement for 2016/2017	Comment on Deviations
Number of internal and external communication services	8	8	8	-	-
Number of effective and efficient financial management services	15	15	15	-	-
Number of efficient and effective human resource services	13	19	15	-4	The planned target was not transferred correctly as per quarterly targets in sub-programme 1.3.
Number of strategic training interventions	23	24	24	-	-
Number of corporate governance support service	10	10	10	-	-

## KEY PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

Sub-Programme 1.1: Public Relations, Marketing and Communications							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from Planned Target to Actual Achievement for 2016/2017	Comment on Deviations
Number of publications compiled and published	-	7	7	7	7	-	-
Number of events organised/co-ordinated	-	1	1	1	1	-	-

Sub-Programme 1.2: Financial Management							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from Planned Target to Actual Achievement for 2016/2017	Comment on Deviations
Audit opinion obtained from AGSA in respect of previous financial year	-	1	1	1	1	-	-

### Sub-Programme 1.3: Human Resources Management

Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from Planned Target to Actual Achievement for 2016/2017	Comment on Deviations
Number of wellness and team-building initiatives implemented	-	-	-	4	4	-	-
Number of worker committee and personnel forum meetings	-	-	-	8	8	-	-
Number of company-wide performance assessments co-ordinated	-	4	3	3	3	-	-

### Sub-Programme 1.4: Strategic Training

Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from Planned Target to Actual Achievement for 2016/2017	Comment on Deviations
Project Management course accredited	-	-	-	1	-	-1	Assessment pending with Services SETA.
Number of development and training initiatives aligned with Casidra's strategy	-	40	23	24	24	-	-

### Sub-Programme 1.5: Corporate Governance

Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from Planned Target to Actual Achievement for 2016/2017	Comment on Deviations
Number of governance documents submitted as per Treasury prescripts	-	10	10	10	10	-	-

## PROGRAMME PERFORMANCE

### Sub-Programme 1.1: Public Relations, Marketing and Communications

The implementation of performance indicator targets were achieved as planned in our 2016/17 Corporate Plan. All publications, which include the Corporate Plan, Annual Report, Quarterly newsletters and various marketing brochures were compiled, published and distributed to all stakeholders timeously.

### Sub-Programme 1.2: Financial Management

Casidra has achieved its 28th unqualified external audit report on financial statements.

### Sub-Programme 1.3: Human Resources Management

Casidra firmly believes that if we grow our people, we will grow our business. Staff development programmes are a prominent feature within the organisation and focuses on enhancing skills and improving qualifications of organisational team members. Over the past year, Human Resources invested significantly in employee wellness and team building initiatives and focussed on topical matters ranging from customer relations and communication as focus areas.

A sound labour relations climate is maintained through open communication channels, worker committee meetings, personnel forum meetings and effective internal grievance handling procedures. Casidra has a performance driven culture aimed at optimising every employee's output in terms of quality and quantity, thereby improving Casidra's overall performance and service delivery.

### Sub-Programme 1.4: Strategic Training

Casidra's pending application for accreditation as a training provider will also assist in capacitating role-players on the necessary skills on how to implement the Development Model. The accreditation process of Casidra is a lengthy process, which is often outside the applying entity's control.

### Sub-Programme 1.5: Corporate Governance

Casidra has complied with the Treasury regulations and submitted its Annual Financial Statements, CIPC, B-BBEE annual returns, budgets, Corporate Plan and Shareholders' Compact on time.

## STRATEGY TO OVERCOME AREAS OF UNDER-PERFORMANCE

None.

## CHANGES TO PLANNED TARGETS

None.

### LINKING PERFORMANCE WITH BUDGETS

Programme	2015/2016			2016/2017		
	Budget	Actual Expenditure	(Over)/ Under Expenditure	Budget	Actual Expenditure	(Over)/ Under Expenditure
<b>Corporate Services</b>	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>
Public Relations, Marketing and Communications	448 807	370 211	78 596	307 098	253 660	53 438
Financial Management	3 783 639	3 800 365	(16 724)	4 162 605	6 996 143	(2 833 538)
Information Technology	319 612	212 888	106 724	336 554	218 735	117 819
Human Resources Management	12 496 113	11 280 409	1 215 704	13 991 351	12 439 061	1 552 290
Legal and Corporate Governance	67 033	7 685	59 348	70 649	36 481	34 168
<b>CAPITAL</b>	<b>1 706 000</b>	<b>1 255 200</b>	<b>450 800</b>	<b>1 203 000</b>	<b>793 209</b>	<b>409 791</b>
<b>TOTAL</b>	<b>18 821 204</b>	<b>16 926 758</b>	<b>1 894 448</b>	<b>20 071 257</b>	<b>20 737 289</b>	<b>(666 032)</b>

=This programme has primarily a support function. Its value is in supporting the line functions to provide a professional service.

## PROGRAMME 2: AGRICULTURE AND LAND REFORM

### PURPOSE

- To manage specific government farms (i.e. Anhalt, Amalienstein and Waaikraal) in a sustainable manner to transfer to a relevant receiving entity.
- To ensure a sustainable support mechanism for new and established farmers (including land reform beneficiaries and farm workers).

### SUB-PROGRAMMES

- 2.1 Management of Government Farms
- 2.2 Farmer Support and Development



## LIST OF STRATEGIC OBJECTIVES

<b>Strategic Objective 1</b>	<b>Manage government farms in a sustainable manner for transfer to a relevant receiving entity (SG 1)</b>
<b>Objective Statement</b>	To provide a farm management capacity, physical and financial, to three identified government owned farms in the Western Cape so that they can be developed according to the accepted initiatives as identified in the turnaround strategy plans and funded by the WCDoA and own generated funds; to reach sustainability within the five- and three-year contract periods.
<b>Baseline</b>	<p>The three farms have been under <b>Casidra</b>'s management for many years, but only since 2010 have Waaikraal and Amalienstein been under the management responsibility of the WCDoA. In the case of Amalienstein, the aim to reach sustainability within the initial five year period was not reached, as funding was insufficient to implement any new development at Amalienstein as proposed by the Turnaround Strategy. Responsibilities on this farm are to optimise the existing ventures within the resource capabilities and preserve the assets against vandalism.</p> <p>The Waaikraal farm forms part of the CRDP nodal development and received funding from CASP as an economic development initiative and springboard for further job creation and economic stimulation. As it will take a few years for the developments to take full financial effect, funding is still needed to cover operational shortfalls beyond the initial five years. The shortfall is exacerbated by the fact that VAT cannot be claimed by the farm, which is also the case with Amalienstein. The drought and resultant lack of irrigation water presented a major setback to the farm's financial stability and additional funding will be needed in 2017 to keep the farm afloat.</p> <p>The Anhalt farm is profitable and sustainable, but since 2016 has not been part of <b>Casidra</b>'s service to the WCDoA. The Executive Committee has taken responsibility for the farm since 1<sup>st</sup> of April 2016. The farm will be transferred to the CPA in the next year and <b>Casidra</b> will fulfil a mentorship role and ensure the smooth transfer of responsibilities to the new, still to be formed, operating company.</p> <p>The 2016 harvest attained the highest yield and income since <b>Casidra</b> started managing the farm, and the farm had sufficient reserves to fund all its operations and capital replacements.</p>
<b>Justifications and Links</b>	Strategic Goal 1
<b>Strategic Objective 2</b>	<b>Facilitate and implement agricultural projects for agrarian beneficiaries through government funding (SG 1)</b>
<b>Objective Statement</b>	To implement agricultural infrastructure and production grant support to beneficiary farms in the Western Cape by means of employees who apply project management tools and skills so that delivery can be effective and efficient and within the time schedule allowed for the intervention.
<b>Baseline</b>	<p>During the preceding years, the funding transferred to <b>Casidra</b> for the purpose of assisting privately owned farms with infrastructure, excluding the funds for the commodities operating independently, has been in the region of R55 million per annum. The number of projects that can be financed with these funds has decreased due to the size of the grant applications received and is approximately 30, and it is expected that the quantum for the next five years will be the same apart from the two additional CPACs that were added to <b>Casidra</b> during 2015/16, adding approximately 12 projects and R17.6 million extra per year. Projects are distributed all over the province and cannot be limited to solely geographical region.</p> <p>Due to the seasonality of agriculture, many of these projects are multi-year projects and due to funding being transferred from the National Department in four tranches spread over the year, projects are carried over to the next year for continuation of implementation. The number of projects being carried over has dramatically reduced each year, but cannot be avoided with still about 30 to be carried over each year.</p> <p><b>Casidra</b> supplies institutional support to two commodity groups to ensure compliance and implementation, and assists nine others with secretariat services.</p> <p>The services of the UTA to applicants in the CASP grant framework have stabilised and very few applications for complete business plans to be developed are received. In previous years, at the most two were developed. The real need is for input on specific resource and financial planning was between 80 to 100 requests each year, but has decreased to 70 due to a change in the application process (CASP now schedule 5 funds) and new needs such as a BEE shareholder verification and legal inputs on rental agreements. A Land Reform Advisory Desk (LREAD) has been established for facilitating advice on land reform initiatives. It was the first year of this target and 35 projects were facilitated. This trend is expected to continue.</p>
<b>Justifications and Links</b>	Strategic Goal 1

## STRATEGIC OBJECTIVE ANNUAL TARGETS FOR 2016

### PROGRAMME 2: AGRICULTURE AND LAND REFORM

Strategic Objectives	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from Planned Target to Actual Achievement for 2016/2017	Comment on Deviations
Number of government farms managed in a sustainable manner for transfer to a relevant receiving entity	3	3	3	-	-
Number of agricultural projects facilitated and implemented for agrarian beneficiaries through government funding	100	97*	116*	19	Demand driven target and more projects were approved than planned.

\*= Targets are demand driven and output is not within **Casidra's** sphere of influence.

## KEY PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

### Sub-Programme 2.1: Management of Government Farms

Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from Planned Target to Actual Achievement for 2016/2017	Comment on Deviations
Number of individual farm plans developed for government farms	3	3	3	3	3	-	-
Number of monthly farm financial statements and cash flow estimates produced	36	36	36	36	36	-	-
Number of monthly monitoring and evaluation site visits to projects	31	33	34	30	33	3	More visits to farms as needed to address issues.
Number of monthly management and staff meetings on site	31	32	33	30	33	3	More meetings as deemed necessary.

## Sub-Programme 2.2: Farmer Support and Development

Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from Planned Target to Actual Achievement for 2016/2017	Comment on Deviations
Number of CPAC projects assisted with agricultural physical infrastructure in current year	32	40	51	36*	46	10	The demand for assistance exceeded the expectation.
Percentage of projects that does not exceed completion date within three-month timeframe measured against the baseline project plan	87.9%	74.3%	60%	80%	45.56% (82/180)	-34.44%	There is an imbalance between number of projects allocated and the capacity available for implementation.
Number of CPACs assisted with project implementation and/or secretarial services	7	7	9	9	9	-	-
Minimum average qualitative score (1-5) by beneficiaries for evaluation of service rendered by implementer	4.66	4.65	4.66	4	4.52	0.52	This is based on the outcome of evaluation by beneficiaries on services rendered.
<b>Administer and Co-ordinate the Unit for Technical Assistance</b>							
Number of business plans reviewed/ developed and legal inputs given	1	1	4	20*	33	13	Changes in the Terms of Reference of the grant funds and application process resulted in an increase in lease agreements and BEE verification requests.

## Sub-Programme 2.2: Farmer Support and Development

Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from Planned Target to Actual Achievement for 2016/2017	Comment on Deviations
Number of queries resolved (technical/ Financial/ EIA/ Impact studies)	84	85	98	60*	36	-24	Demand driven. There were changes made to the application process for funding, which now takes place a year in advance. Viability and EIA studies were requests only started coming towards year-end.
Number of land reform interventions assisted by LREAD	-	-	-	6*	36	30	It is a new service introduced. The need for facilitation of Land Reform initiatives were far greater than anticipated and needs are for short-term facilitation and not Land Reform deals.
Number of agricultural projects implemented approved by the DPAC	18	15	13	6*	17	11	Frequent DPAC meetings were held for project approvals.
Number of quarterly progress reports on all projects and commodities	4	4	4	4	4	-	-
Number of agricultural projects funded from previous years, implemented on a multi-year basis	57	52	36	55	53	-2	Non-compliance with application requirements delays approval of projects.

\* Targets are demand driven and output is not within **Casidra's** sphere of influence.

## PROGRAMME PERFORMANCE

### Sub-Programme 2.1 Management of Government Farms

Amalienstein and Waaikraal are currently unsustainable farms due to their farming operations being too limited (due to funding limitations) to carry the overhead costs of the farms. This is exacerbated by the fact that the farms, due to being funded by government, cannot re-claim VAT on inputs. VAT is charged on most inputs, but not on revenue (seed

and milk). Theft also impacts on these farms' financial performances, not only due to the replacement costs of stolen and vandalised items, but also due to the cost of employing guards at night and over weekends. At Amalienstein, high overhead costs, due to the extensive buildings and infrastructure on the farm, also have a negative impact on profitability.

The main source of irrigation water for Waaikraal, the Stompdrift Dam, ran dry in early 2017 and all irrigation had to be stopped except for water that is held in the farm's storage dam to see the onion seed harvest through. This will place the farm in a very difficult financial position in 2017, as it already needs bridging finance from **Casidra** every year. Amalienstein had to start supplying the town of Zoar with drinking water in March 2017 and if this continues for a long period, it will also result in cuts to the farm's production.

The farms receive annual funding (Amalienstein R1 337 000 and Waaikraal R2 163 000 for 2016/17) from government, but over the years this was insufficient for the replacement of capital assets, resulting in the deterioration of buildings and equipment. Labour relations and employee wellness are addressed on the farms with personnel forums and wellness programmes that extend beyond the farms to the communities.

#### **ANHALT**

Anhalt produces apples and pears, and utilises and manages the Haarlem pack house, which is the property of the Department of Public Works and Transport, for the packing of the farm's fruit.

The orchards in production consist of 58.57 hectares of apples and 6.93 hectares of pears. Orchards that are not yet in production amount to 10.27 hectares.

The inclusion since 2015, of a technical expert to give technical inputs aimed at reaching better and bigger yields to keep up with improvements in the industry clearly bore fruit, as 2016 produced a record harvest yield and income.

The 2016 harvest income of R14 488 218 increased with 23.2% from 2015 and the yield, at 46.48 tons/ha, was 31% more than the 35.47 tons/ha of the 2015 harvest. The income was also 16.6% higher than the budgeted amount of R12 422 111. The increase in income can mainly be attributed to: a) a favourable exchange rate and b) a much higher yield in total and per hectare. On the negative side, the high yield contributed to quality problems in some cultivars due to, amongst others, bottlenecks at the pack house and, therefore, export in these cultivars were lower, which led to a lower overall export.

The total fruit harvested was 3044.4 tons (8341 bins). Orchards that are unprofitable are identified annually and those that were unprofitable were removed over the years.

#### **AMALIENSTEIN**

Amalienstein farms with dairy cattle, lucerne, pastures and vegetable seed, and has a guesthouse and country stall (that is leased to a private entrepreneur from the community). R57 735 was spent from the farm's budget on community development initiatives for 2016/17. The income from tourism amounted to R171 040 which included the leasing of two houses on the farm. The expenses were R63 197.

The following **Casidra** personnel are employed on the farm: A Farm Manager (permanent) and 14 employees on fixed term contracts that were extended until 31 March 2020 (an Admin Clerk, a Community Development Facilitator, a Supervisor, 3 Dairy workers and 7 General workers for irrigation and 1 gardener). Four people were employed on a part-time basis as Night Guards and Weekend Milksters). 15 Government employees were employed at Amalienstein. Up to 58 seasonal workers were employed for onion production, the carting of lucerne bales and general work. Amalienstein participated in the Regional Prestige Agri Awards competition and received two first place positions including the overall winner.

The two people who attained first place positions went through to the provincial competition, but did not receive any awards at that event.

On average, 106 cows were in milk per day during 2016/17, which is less than the budgeted 120. This was due to old and problematic cows being sold earlier than expected to enable the farm to get by on its funds. The production per cow per day was 18.4 litres, which is less than the budgeted 20 litres. This is mainly due to the fact that a higher portion of the cows was of the smaller Jersey breed than budgeted. Individually, two of the three breeds exceeded the budget for that breed. The less than budgeted cows and lower milk yield coupled with the lower than budgeted milk price (R4.05 vs R4.15) impacted heavily on the income of the dairy. The margin for the year is almost at breakeven (-R99 316), which is better than the loss of the previous year. This situation is brought about by an unsustainable milk price and the small extent of the dairy.

Mortalities of suckling calves were 4.8%, which is the lowest in years. The mortalities of older animals were also within expectations.

Six animals went missing during February 2017 and are presumed stolen. A site where one animal was slaughtered was found on the farm. A case was opened at the SAPS and the investigation is being handled by the SAPS' animal theft unit.

Parmalat is going to include the current winter premium of 15 cents per litre as part of the milk price structure (Therefore, the premium will also be paid during the summer months). They are also implementing a 60 cents per litre bonus on all milk in excess of capacity milk (milk you are not contracted for). Therefore, it is an opportunity to increase production (should you have the resources).

Vegetable seed production was introduced at Amalienstein in 2013. In 2016, the farm had its first really successful harvest. It must also be taken into account that the farm does not have drip irrigation and had to improvise an irrigation system from old micro sprayers that were used in the orchards. Therefore, the results in this season are commendable. 2.6 Hectares of bunching onions were established. The seed was delivered to Klein Karoo Seed Production and 2306 kg of clean seed (887 kg per hectare) were produced. This is more than the budgeted 800 kg per hectare. An income of R321 272 was attained. This is R123 566 per hectare, which is more than the budgeted R96 000. A margin of R12 628 was attained.

Despite certain challenges, the seed production created numerous jobs in a poor community.

#### **WAAIKRAAL**

Waaikraal produces Nguni cattle, lucerne, vegetable seed and essential oils.

Maintenance of water canals from the Olifants River is problematic, as emerging farmers also use the water, but do not have funds for the maintenance and it is costing Waaikraal a large amount each year. The leak in the Askamp Dam can now be attended to by a dam engineer after the water level has subsided sufficiently to reach the affected area. It will not affect the production schedule of the farm, but will need funding for the repairs thereof.

The following **Casidra** personnel are employed on the farm: A Project Manager and 15 staff (a Production Assistant, Clerk, Supervisor and 12 General Workers) whose contracts are until 31 March 2020.

Up to 200 seasonal workers are employed for the production of vegetable seed and essential oils, and for the carting of lucerne and general maintenance work. There is only one government employee on the farm.

The Nguni cows are cross bred with a meat bull (Bonsmara) to increase the slaughter price of their calves. On 31 March 2017, the Nguni herd consisted of 163 animals in total, with 76 cows, 9 pregnant heifers, 35 heifers, 41 oxen/bull calves and 2 bulls. 72 Calves were born in 2016/17, which is a very good improvement from the previous year (budgeted 62). Only one of these died. Six older animals died, which is higher than expected. The higher than budgeted mortalities were due to the prevalence of Red Water during the latter part of 2016 and early 2017. 54 Animals for slaughter were sold in the reporting year.

Waaikraal has 22 hectares of lucerne under permanent pivot irrigation and 56.49 hectares are flood irrigated when water is available. The latter is, therefore, heavily dependent on rainfall. Theft became such a problem that guards had to be placed at the bale store every night and over weekends. It was also decided to appoint a contractor who makes big bales that are too heavy to carry, by hand to kerb theft of bales, from the land and stores.

For the financial year, 375 tons of lucerne were sold, which is much lower than the budgeted 679 tons. On the floodlands, production was lower than budgeted (217 tons produced against 283 tons budgeted). The lack of water from the Olifants River, therefore, impacted heavily on production. On the pivot land 139 tons were produced against a budget of 396 tons. This is partially due to the discontinuation of irrigation since January 2017 (irrigation had to be stopped, as the Stompdrift Dam ran dry), but the land also needs to be re-established, which will be done in 2017, provided that water is available. The re-establishment of the pivot land will have a major impact on the cash flow of the farm over the short term and as the farm is in a difficult cash flow position, it is being considered to keep the lucerne going for another season, which is not ideal. "Satansbos" was noticed in the lucerne fields. This is managed by spraying chemicals supplied by the Western Cape Department of Agriculture.

There are 38 hectares available that are supplied with permanent irrigation where vegetable seed, tomatoes and essential oils are produced. Of these, 10.93 hectares are earmarked for organic essential oil production with the aim of supplying the Dysselsdorp Liquorice facility where extraction is done. Rosemary (5.2 hectares) was established. The rest of the area will be established with Rosemary in the future. Of the 5.2 hectares, 3.4 hectares are in production and will be harvested during April 2017. It was not harvested in 2016/17 due to being harvested too severely in 2015 and, therefore, the plants had to re-grow.

0.2 Hectares of Golden Globe onions for seed production were established in April 2016, and were harvested during December 2016. 358 Kilograms of seed were delivered to the KKSP, but the result of the germinations was not yet received and, therefore, revenue is not yet known, but an income of R35 000 is expected should germination adhere to the norm set. Five hectares of onion seed were planted for JW Seed in March 2017.

During December 2016, 1 hectare of Chia seed (used in the health industry for weight control – makes one feel full) was sown on an experimental basis, to determine whether this promising crop can be farmed profitably on Waaikraal.

Tomatoes are produced for a drying facility in Dysselsdorp, and 4.6 hectares were established in 2016/17 and 262 tons in total (60 tons per hectare) were harvested (expected 90 tons). The low yield was due to small fruit as a result of the warm dry winter. The tomatoes were delivered to the facility in January and February 2017 and payments must still be made. The total income will be R393 000 and with expenses of R493 000 the tomatoes made a loss for the first time.

### Sub-Programme 2.2 Farmer Support and Development

**Casidra** continued rendering support services to eight Commodity groups (namely Livestock, Poultry, Pigs, Aquaculture, Vegetables, Vegetable Seed, Wine and Table Grapes, Sheep and Wool and Grain. **Casidra** also renders secretarial support to all the Commodity Project Allocation Committee(CPAC) of the commodities listed above.

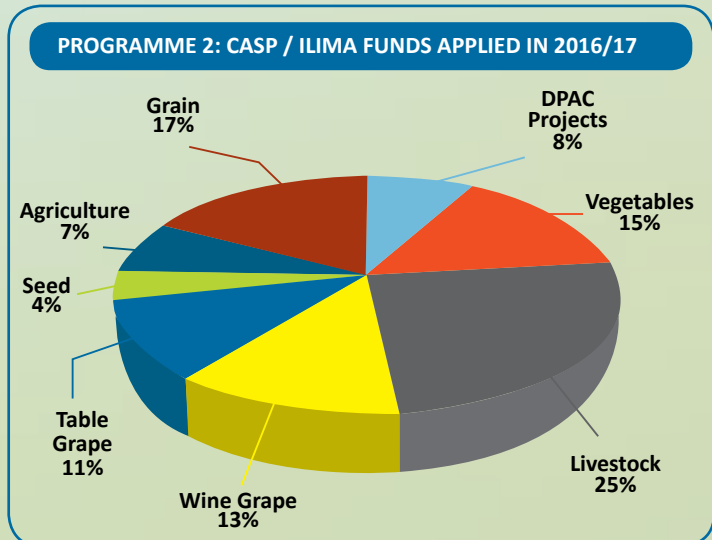
The CPAC is a formally established structure to consider and approve projects for implementation. A Terms of Reference guides all CPACs as a selection criteria to approve projects for funding to assist farmers to achieve their goals within the broader commodity approach.

For the 2016/17 year, about R54.633 719 million was made available by the CPAC for allocation of 46 projects, an additional R7.783 561 million was allocated by the Departmental Project Allocation Committee (DPAC) 17 more projects.

Some projects depend on the seasonal schedule for expenditures. Therefore, completion within a financial year is not feasible. From the funding of the previous years about 53 projects were completed during the reporting year.

The services of the UTA are still in strong demand with performance slightly better than the demand driven targets set. There is a change in the type of requests with more BEE shareholder contribution needed and legal inputs on the rental agreements of applicants. This is brought about by the change in the application process due to CASP now being a Schedule 5 fund. The LREAD targets are added to the Corporate Plan's performance reporting for the first time. A high demand is experienced for the facilitation of Land Reform deals, but very little money is available to fund the acquisitions.

The beneficiary quality measurement for the project management service of **Casidra** indicates a 90% client satisfaction. The timeous completion of the service delivery was, however, very negatively influenced by the administrative procedures that are outside of our control and due to the workload of project managers. Only 46% of projects could be completed within the timeframes set for each project planning.



## STRATEGY TO OVERCOME AREAS OF UNDER-PERFORMANCE

Areas of under-performance on the three managed farms are identified through sound record-keeping and harvest reports after every harvest. Crops or orchards that do not perform due to marketing or environmental factors are identified and removed or replaced. Under-performance, due to the human factor, is also identified and addressed by management. Without sufficient funding to operate the farms, the task is very much asset conservation and sustaining jobs. Theft is a huge risk to the farming resources and within the availability of the budget, security measures are introduced.

The timeous completion of projects is addressed by adapting the over-optimistic target of 80% within the timeframe, as it will not be possible under the current procedures and are even worsened by the drought conditions that delay implementation. The Casper Programme gives a better management tool to measure progress on the vast number of projects.

## CHANGES TO PLANNED TARGETS

### AMENDMENTS TO QUARTERLY TARGETS

Performance Indicator		Annual Target 2016	4th Quarter	4th Quarter Changed to
2.2.5.1	Number of business plans reviewed/ developed and legal inputs given	20*	5	10

- This was not a change but a correction of a target on 4th Quarter to add up to the Annual Target.

## LINKING PERFORMANCE WITH BUDGETS

Performance Indicator	2015/2016			2016/2017		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R	R	R	R	R	R
<b>Agriculture and Land Reform</b>	6 488 270	6 539 835	( 51 565)	6 319 372	6 412 682	( 93 310)
<b>TOTAL</b>	6 488 270	6 539 835	( 51 565)	6 319 372	6 412 682	( 93 310)

= The programme's performance was in line with the budgeted financial resources.

## PROGRAMME 3: RURAL INFRASTRUCTURE DEVELOPMENT AND POVERTY ALLEVIATION

### PURPOSE

To provide a project management service for specific rural development projects and agricultural initiatives with the aim of improving the standard of living of people in rural areas, to holistically address the socio-economic needs of rural communities and to create employment in rural areas.

### SUB-PROGRAMMES

- 3.1: Infrastructure Development Services
- 3.2: Community and Household Food Security
- 3.3: Other Project Management Services

## LIST OF STRATEGIC OBJECTIVES

<b>Strategic Objective 1</b>	<b>Provide a project management service to respond to rural agricultural infrastructure programmes and initiatives (SG 1 and 3)</b>
<b>Objective Statement</b>	To provide a project management and facilitation service to promote and implement rural development projects in the identified CRDP nodes as well as identified areas outside of the nodes.
<b>Baseline</b>	<p>The CRDP Programme only started in 2010 and does not as yet have a track record to indicate a trend. New funding from National Government for the identified areas has been allocated to the DRDLR or reallocated priorities within Departmental budgets.</p> <p>Very few project funding is made available for this deliverable and in 2016 one project was approved at year-end. It is expected that the new emphasis on Agri business development may see an increase in these requests for assistance.</p>
<b>Justifications and Links</b>	Strategic Goals 1 and 3
<b>Strategic Objective 2</b>	<b>Assist vulnerable communities and households with the means of producing their own food (SG 2 and 3)</b>
<b>Objective Statement</b>	To identify needs, support solutions and procure services and goods to assist vulnerable households and communities in selected regions of the Western Cape in the production of their own food, by initiating and cultivating gardens within the limits of the seasonal requirements of vegetables.
<b>Baseline</b>	<p>During the preceding years, the target for gardens has slowly increased and approximately 885 household and 80 community gardens are expected to be implemented each year. With additional funding being made available every year from savings in other programmes, these targets had increased to 1227 and 120. Due to cost increases and the lack of further funds, the numbers decreased again to 1056 and 88.</p> <p>As with the other agricultural projects, seasonality and the timeous availability of funds will result in projects being carried over to the next financial year. This figure, which initially decreased in 2014, has remained the same every year at just below 1000. Despite concerted efforts to speed up the approval and delivery process, overflow to the next year cannot be avoided and projects are approved and funds received per quarter that will have a carryover to the next year. Production inputs are also supplied for the rest of the production season, resulting in projects continuing well beyond the approval quarters.</p>
<b>Justifications and Links</b>	Strategic Goals 2 and 3
<b>Strategic Objective 3</b>	<b>Provide a project management service to respond to agricultural infrastructure programmes and initiatives (SG 1, 2, 3 and 5)</b>
<b>Objective Statement</b>	To respond to requests from new and existing clients to project manage, administer and procure services for the identified programmes aimed at agricultural beneficiaries of the Western Cape.
<b>Baseline</b>	<p>A major part of project management services of the past three years has been based on the administration of disaster relief grant funding. The occurrence of this cannot be predicted and will be administered if and when it happens. The disaster funding for Floods of 2011 of approximately R188.746 million will be implemented well into 2017, as it comprises major civil engineering works with environmental impact approval needed. The droughts of 2015 and 2016 have resulted in further funding being made available for this purpose and a baseline for this deliverable cannot be predicted.</p> <p>Special projects from the WCDoA that do not have a relationship with a specific commodity, but render a service overall get approved by the Departmental Project Allocation Committee (DPAC). These projects are all linked to the deliverables for the sub-programme.</p>



<b>Strategic Objective 3</b>	Provide a project management service to respond to agricultural infrastructure programmes and initiatives (SG 1, 2, 3 and 5)
<b>Baseline</b>	<p>Further Education and Training works very closely with the WCDoA to respond to the achievement of the Departmental Strategic Goals, National Outcomes and Provincial Strategic Objectives. This Programme received approximately R9 million per annum. The Programme has reached a balance of very much equal parts of accredited and non-accredited training, but the demand is based on skills audits of the farmers. Expectations for funding in the three-year cycle are similar.</p> <p>During the previous term, programmes that have a close relationship with the Farmer Support Programme from the WCDoA have been contracted with the DWS, DEA and BGCMA. These programmes will continue in the next term with further transfers of funding, and the possibilities of expanding the assistance are well received. A three-year agreement for the Rainwater Harvesting Programme has been signed. CapeNature is assisted with project management for new tourism developments on their nature reserves.</p> <p>Since 2013, project management of the LandCare Programme was contracted with the WCDoA. This added another R9.5 million worth of projects under management at <b>Casidra</b>. The Programme includes both infrastructure creation, mainly fencing and river protection works, as well as job creation type projects such as alien clearing. This initiative will continue during the next term, but the extent of it is estimated at 50 projects and will operate on a demand-driven basis.</p>
<b>Justifications and Links</b>	Strategic Goals 1, 2, 3 and 5

## STRATEGIC OBJECTIVE ANNUAL TARGETS FOR 2016

Programme 3: Rural Infrastructure Development and Poverty Alleviation					
Strategic Objectives	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from Planned Target to Actual Achievement for 2016/2017	Comment on Deviations
Number of project management services provided to respond to rural agricultural programmes and initiatives (CRDP and other project management services)	-	2*	-	-2	One project was contracted at year-end and could not be implemented in time while previous year funds were reallocated.
Number of Community and Household Food Security projects assisted	2425	1628*	2091	463	Production inputs that were supplied during the production cycle results every year in a carryover to the next year. The target aimed at reducing this, but was not achieved.
Number of Other Project Management Services	171	94*	79	-15	A large number of project were completed in the previous year that was not included when the target was set.

\*= Targets are demand driven and output is not within **Casidra**'s sphere of influence.

## STRATEGIC OBJECTIVE ANNUAL TARGETS FOR 2016

Sub-Programme 3.1: Infrastructure Development Services							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from Planned Target to Actual Achievement for 2015/2016	Comment on Deviations
Number of rural development projects planned and implemented in current year	1	-	-	1*	-	-1	No projects were contracted from funders.
Number of projects funded from previous years, implemented on a multi-year basis	1	-	-	1*	-	-1	Previous year fund allocation was cancelled due to no requests received.

Sub-Programme 3.2: Community and Household Food Security							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from Planned Target to Actual Achievement for 2015/2016	Comment on Deviations
Number of community food security projects delivered in current year	79	118	121	93*	88	-5	More projects were approved at year-end, but could not be implemented in time for performance measure.
Number of household food security projects delivered in current year	697	982	1227	1080*	1056	-24	More projects were approved at year-end, but could not be implemented in time for performance measure.
Number of food security awareness campaigns assisted	1	1	1	1	1	-	-
Number of quarterly progress reports on all projects and commodities	4	4	4	4	4	-	-

### Sub-Programme 3.2: Community and Household Food Security

Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from Planned Target to Actual Achievement for 2015/2016	Comment on Deviations
Number of community and household food security's projects implemented on a multi-year basis	1235	972	1077	450	942	492	Lots of older year small household gardens carried over from previous years were completed after the production inputs were supplied that increase the achievement above the target and more projects were contracted in previous year.

\*= Targets are demand driven and output is not within **Casidra's** sphere of influence.

### Sub-Programme 3.3: Other Project Management Services

Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from Planned Target to Actual Achievement for 2015/2016	Comment on Deviations
Value of disaster funding assistance to farmers per MoA instruction	R6.418M	R16.679M	R58.15M	R70M*	R53.607M	-R18.393M	All funds allocated for drought relief under this deliverable were spent. The flood relief funds did not flow as planned due to outstanding designs and EIA approvals.
Number of projects funded from previous years, implemented on a multi-year basis	11	55	102	34	22	-12	Target was over-optimistic. Some projects still prove to be problematic in finalising due to operational difficulties and the drought and could not be completed in time.
Number of new projects implemented in current year	66	60	69	60*	57	-3	A few projects were approved right at year-end and could not be contracted with beneficiaries in time to include in performance.

### Sub-Programme 3.3: Other Project Management Services

Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from Planned Target to Actual Achievement for 2015/2016	Comment on Deviations
Number of farmers trained in accredited courses facilitated	3177	2636	2378	2500*	2830	330	Demand driven. The request from farmers for accredited courses was higher. Target difficult to plan, as demand is based on outcome of skills audits.
Number of farmers trained in non-accredited courses facilitated	2922	2875	3586	3000*	2833	-167	The request from farmers for non-accredited courses was lower and the difference was made up by the achievement for accredited courses. Target difficult to plan, as demand is based on outcome of skills audits.

\*= Targets are demand driven and output is not within **Casidra's** sphere of influence.

## PROGRAMME PERFORMANCE

### Sub-Programme 3.1: Infrastructure Development Services

The CRDP in terms of rural development and infrastructure creation has changed to more facilitative and institutional business support than infrastructure. The funds that were allocated for such a purpose have been cancelled, as new programmes, such as the Agri Parks by the DRDLR and Agri processing initiatives of the Western Cape Government under Project Khulisa, have been launched. These initiatives have not yet resulted in infrastructure creation that were allocated to **Casidra** for implementation.

### Sub-Programme 3.2: Community and Household Food Security

Funding of R11.515 million was received to assist vulnerable communities and households with the means to produce their own food. At year-end, another R836 000 was made available for this purpose. The allocated funding was made available to implement 88 community gardens and 1056 household gardens.

Funded from the previous year's allocated funds, implementation was completed for 855 household gardens and 87 community gardens. These gardens are planned and equipped in collaboration with the other governmental role-players in the industry that made funding available for gardens. Under Sub-programme 3.3's reporting, the financial contributions for rainwater harvesting systems of the DWS and BGCMA are indicated, but the Department of Health and the Department of Education as well as the local municipalities are part of the co-ordination and allocation of household gardens.

A very successful World Food Day was held during October in Graafwater. This function was also supported by SA Breweries with R352 000 and Oceana contributed R80 000 to implement the gardens.

### Sub-Programme 3.3: Other Project Management Services

The Disaster Management funding that **Casidra** received during 2014 and 2015 could not be spent in that year due to environmental impact studies and designs that were not completed. No target for this deliverable was planned, but total funds for Floods 2011 and 2013 of R289.598 million were received over the past three years. This deliverable was added as a target of R70 million to the Corporate Plan of 2016/17. At 2016/17's year-end, R81.038 million of these funds was implemented with R17.443 million spent in the year.

The droughts of 2015 and 2016 in the Swartland/ West Coast and the Central Karoo areas resulted in the reallocation of funds within the WCDoA to assist farmers in need and R38.904 million was made available, and from this an amount of R39.16 million was paid out to date, that included interest gained on these funds, with R33.597 million spent in the year. This funding was augmented by Agri Western Cape who contributed R1 million to small farmers and R1 million to commercial farmers for assistance through the **Casidra** system. The most severe of 20 drought affected farms were assisted with livelihood payments to assist farm workers and farmers in the West Coast.

Due to institutional rearrangements between the Department of Environmental Affairs (DEA) and SANPARKS, **Casidra** assisted with the procurement of logistics of timber for the Eco Furniture Programme.

An amount of R18 million was transferred to **Casidra** to procure and deliver wood up to 3000 m<sup>3</sup> of kiln-dried timber to three identified sites in the country. For the Desk component, a further 47 322 units were delivered. There were some delays initially because of poor quality that had to be rectified. Through a rigorous quality assurance process, the objective of the project was met by the beginning of the second quarter.

Two new projects have been concluded with the BGCMA for alien clearing and a third project worth R2 million implemented was for the delivery of rainwater harvesting tanks.

The LandCare project is aimed at restoring sustainability to land and water management in both rural and urban areas. It encompasses integrated sustainable natural resource management where primary causes of natural resources decline are recognised and addressed. This including the Departmental Equitable Share Projects (DESP) and EPWP are within the WCDoA's Sustainable Resource Management Division and share the same objectives. These projects are reported under the Multi-year Programme where multi-years' reporting are done concurrently.

For LandCare 2016, approximately 23 projects were planned with a budget allocation of R4 106 000 for implementation throughout the various District municipalities of the Western Cape. From the total budget transferred, R3 475 647 has been spent by the end of the reporting year. For the reporting year, the DESP had a budget allocation of R2,2 million transferred to **Casidra** of which R2 049 million was spent in implementation of the 19 allocated projects throughout various Districts of the Western Cape. The R2 068 million transferred for the EPWP projects was spent and all objectives of the project have been achieved.

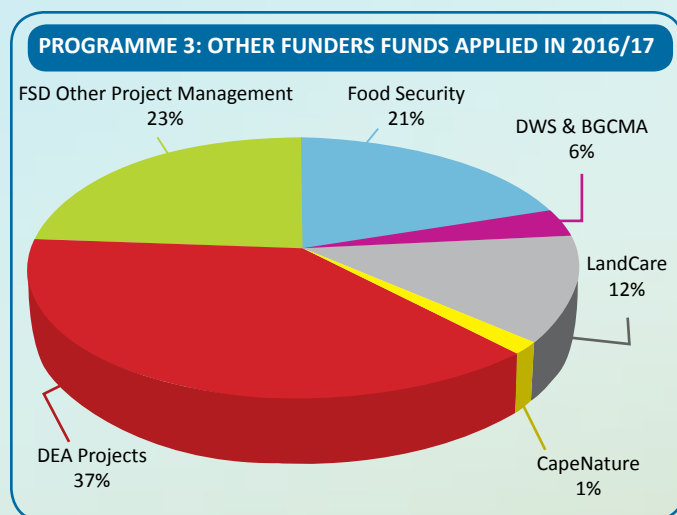
A further R680 000 was transferred under the LandCare project for the Green Economy Berg River. Part of the funds was utilised to spray hyacinth infestations on parts of the Berg River. During the last quarter, orders were placed for the chipping of biomass and about 10 mm chips to test the efficiency of the chips in different agricultural scenarios. The research is expected to be completed in the new financial year.

Funded from the previous years, about seven LandCare, six DESP and one EPWP projects outstanding were fully implemented and finalised during this reporting financial year.

To meet the new reporting requirements, **Casidra** and the LandCare team had engagements regarding the best possible way in forging tighter controls and synergies by revisiting and updating the roles and responsibilities for both parties.

The Government's Mechanisation project, which includes the management of the 72 tractor fleet, is still continuing and receives funding from the WCDoA for maintenance and licensing. A total of 5987 hectares were cultivated in the last year. This figure is inaccurate, as problems are experienced when attempting to get the log sheets from the beneficiaries.

Training is facilitated on a demand driven basis. The need for accredited courses was previously very low and the target was lowered for this year. The performance is now 113% of the new target. Most farmers are reluctant to take on longer term responsibilities and studies for accredited courses and prefer the short courses that have no outcome based evaluation. The target for non-accredited courses is 94% achieved for such courses.



## STRATEGY TO OVERCOME AREAS OF UNDER-PERFORMANCE

None.

## CHANGES TO PLANNED TARGETS

None.

## LINKING PERFORMANCE WITH BUDGETS

Performance Indicator	2015/2016			2016/2017		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R	R	R	R	R	R
<b>Rural Infrastructure Development and Poverty Alleviation</b>	2 698 682	2 680 007	18 675	3 932 132	3 932 685	( 553)
<b>TOTAL</b>	2 698 682	2 680 007	18 675	3 932 132	3 932 685	(553)

= The programme's performance was in line with the budgeted financial resources.

## PROGRAMME 4: LOCAL ECONOMIC AND BUSINESS DEVELOPMENT

### PURPOSE

To enhance business growth and the creation of employment in rural areas through the leveraging and encouraging of investment from the private sector and support for local economic and business development in general.

### SUB-PROGRAMMES

- 4.1: Farm Worker Development
- 4.2: Rural Nodal Development
- 4.3: Other Project Management Services

## LIST OF STRATEGIC OBJECTIVES

<b>Strategic Objective 1</b>	To enhance the image and the socio-economic conditions of agri workers and their family members through facilitation of training and development initiatives in order to improve their quality of life. (SG 1, 2, 3, 5, 6)
<b>Objective Statement</b>	Facilitating of training and development projects' interventions for agri workers and their family members to enhance their image and socio economic conditions.
<b>Baseline</b>	The Western Cape has approximately 124 000 agri workers and is home to almost a quarter of the agri workers in the country. This is an indication that farming in the province is relatively more labour-intensive than in the rest of the country. Geographically in the Western Cape Province, farm activities are very large and diverse and, therefore, it is important to uplift and assist agri workers on all levels.
<b>Justifications and Links</b>	<p>In general, agri workers and their family members are isolated from the mainstream social interaction and do not have regular access to life skills training. Furthermore, in most cases, they lack the awareness of the dangers of substance abuse and the effects it may have on the breakdown of the social fabric in their communities. It is, therefore, essential to build pride amongst agri workers and their family members, as they contribute towards the success of the sector.</p> <p>Engagements with municipalities and other departments are critical in addressing the identified agri worker needs. Also, the alignment of efforts across government programmes to render a service to agri workers in a better way, with a more holistic approach within the CRDP selected rural areas and on farms, supported by all different programmes initiative, are priority linkages.</p>
<b>Strategic Objective 2</b>	To successfully facilitate the co-ordination and the implementation of the National Comprehensive Rural Development Programme in the selected nodes of the Western Cape (SG 1, 2, 3, 5, 6)
<b>Objective Statement</b>	Holistically improving the quality of life of communities living in rural areas through a co-ordinated development approach between all three spheres of government, rural communities and the private sector.
<b>Baseline</b>	33% Of people in the Western Cape live outside of the Cape metropolitan area. Research through household profiling initiatives has shown that some rural communities have unemployment rates of up to 80%.
<b>Justifications and Links</b>	<p>Increased unemployment due to a lack of investment and skills in rural areas is leading to increased poverty and socio-economic problems. This also fuels increased urbanisation with more people moving to the cities in search of employment, which places immense pressure on the resources in urban areas.</p> <p>The Programme links with local government, all provincial departments and the DRDLR through the integrated, Co-ordinated and Spatially targeted Planning and Delivery work group as well as the rural node based inter-governmental steering committees and community representative structures such as the Council of Stakeholders.</p>
<b>Strategic Objective 3</b>	Provide a Project Management Service to respond to Agricultural and Economic Development Initiatives (SG 1, 2, 3, 5, 6)
<b>Objective Statement</b>	To respond to requests from new and existing clients to project manage, administer and procure services for the identified projects with emphasis on job creation initiatives.
<b>Baseline</b>	From 2013 until 2015, there has been an increase from R4.2 million to R35,4 million worth of projects under the Sub-programme: Other Project Management Services. The sharp increase in the Project Management services was for the Specialised project of alien clearing of the Berg River's riparian zone. During the 2015/2016 year the project funding from the Department of Environmental Affairs alone was R32 million.
<b>Justifications and Links</b>	This project links with the WCDoA, as it addresses infrastructural issues on farms including water quality needed by farmers in the Western Cape. Strategic partnerships and funding leverage between the LandCare Department and municipalities have been established.

## STRATEGIC OBJECTIVE ANNUAL TARGETS FOR 2016

### Programme 4: Local Economic and Business Development

Strategic Objectives	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from Planned Target to Actual Achievement for 2016/2017	Comment on Deviations
Number of agri worker development initiatives facilitated in the Province	140	27	27	-	-
Number of financial and non-financial support to the rural nodes	216	84	312	228	There is a demand for this type of service in the rural areas.
Number of project management support services to economic development areas	19	16	12	-4	No transfer funding was received from the DEA for specialised clearing for 2016/17.

## KEY PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

### Sub-Programme 4.1: Farm Worker Development

Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from Planned Target to Actual Achievement for 2015/2016	Comment on Deviations
Number of Western Cape regional prestige agri awards engagements	-	15	15	15	15	-	-
Number of agri worker training and development projects funded	11	171	129	12	12	-	-

## KEY PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

Sub-Programme 4.2: Rural Nodal Development							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from Planned Target to Actual Achievement for 2015/2016	Comment on Deviations
Number of COS given administration support	-	29	-	16	16	-	-
Number of co-operatives registered	-	31	33	10	42	32	The demand for co-op registration exceeds the planned target. This is a demand driven service.
Number of co-operatives assisted with business support interventions	-	201	178	54	254	200	More co-ops needed intervention and training in order to become self-sustainable. There is a scarcity of business support services in the nodes.
Number of co-operatives assisted to successfully access financial support	-	12	5	4	-	-4	No financial support available for start-ups.

Sub-Programme 4.3: Other Project Management Services Performance Indicator							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from Planned Target to Actual Achievement for 2015/2016	Comment on Deviations
Number of Multi-year projects: <ul style="list-style-type: none"> <li>• Simfini</li> <li>• DEA Specialised Projects</li> <li>• Market Access</li> <li>• Farm Worker Survey</li> </ul>	5	8	8	16	12	-4	No transfer funding was received from the DEA for specialised clearing for 2016/17.



### Sub-Programme 4.1: Farm Worker Development

The purpose of the Programme's Fund is to enhance the image and socio-economic conditions of farm workers and their families by providing them with development and life skills' training to improve their quality of life.

For the 2016/17 year, 12 projects were selected for support for various training initiatives in early childhood development, alcohol and substance abuse, literacy and soft skills. From the R6 156 622 transferred for this financial year, R4 705 709.93 has been spent, despite some Service Level Agreements being concluded in the second quarter of the reporting year. Spending took place for 10 of the 12 projects which received funding, and all 14 regional co-ordinators were paid for arranging the Farm Worker Competitions. **Casidra** also assisted with facilitating procurement towards the Annual Provincial Gala Awards.

### Sub-Programme 4.2: Rural Nodal Development

The purpose of the Programme is to improve the quality of life of communities living in the rural areas through a co-ordinated development approach between all spheres of government, rural communities and the private sector. The CRDP has been implemented in 16 rural nodes across the six Districts within the province. Through this process, 36 Council of Stakeholders (COS) have been established as Not-for-Profit Organisations (NPO) whose role and function is to co-facilitate socio-economic development initiatives in the rural nodes.

The role of **Casidra** is to give financial administration support to the Council of Stakeholders for their operational and logistical needs. **Casidra** has continued with the support during the 2016/17 financial year including business support to the co-operatives residing in the nodes. This is a demand driven intervention. Therefore, **Casidra** responds as, when and where the demand is. During the reporting year, approximately 42 co-operatives were registered in the various nodes with 254 business interventions through workshops and business training. Access to finance in the rural areas remains critical and there were no successful applications for this reporting year.

### Sub-Programme 4.3: Other Project Management Services

The purpose of the Programme is to respond to requests from new and existing clients to project manage, administer and procure services for the identified projects with emphasis on job creation initiatives.

### Financial Record-keeping Programme (SIMFINI)

The Programme is funded by the WCDoA. The vision for the Programme is to ensure every farmer in the Western Cape having a well-functioning, complete and accurate financial record-keeping system to ensure a sustainable farming business for all. To ensure well balanced assistance, the Programme has three components. The business administration deals with registration of companies, VAT, UIF, PAYE, Income tax and compensation of employees.

The Management aspect of the programme deals with the Balance sheet, Income statement and Cash flow management. The last one is the compilation of Annual Financial Statements. For the 2016/17 year, R3,524 500 was transferred to assist the 32 emerging farmers on the Programme.

### DEA Specialised Projects

There were no new projects planned for the reporting year. However, **Casidra** finalised the Specialised Clearing Projects during the first quarter of the reporting year. These are all multi-year projects with funding from previous years, but could not be implemented fully due to late transfers and the rainy season in winter. Several hectares that could not be cleared the previous years as a result of the winter rainy season were finalised during the first quarter of the reporting financial year. Specialised work was done in the riparian zone of the Berg River and one project alongside the Olifants River.

Fourteen tenders were advertised and awarded to specialised contractors for the duration of the contract. The Bluegum trees were too big to be cleared by normal clearing teams. Therefore, machinery had to be brought in to clear trees in the riparian zone and river. Blockages were removed that hinder the flow of water due to the fallen trees in the river. The planned hectares to be cleared over the two-year period were 361.12 hectares and actual hectares by the end of the contract were 342.67.

### Market Access Programme

The aim of the Programme is to provide comprehensive support to black smallholder and commercial farmers to access domestic and international markets. During 2016/17, R4 351 000 was transferred to support 28 farmers in accessing domestic and international markets.

Furthermore, **Casidra** assisted the WCDoA in facilitating two international trips. In November 2016, five wine companies were supported to promote their wines in China. Sixteen producers of beverages and fine foods were also supported to attend the Food and Hotel exhibition in China during the reporting financial year.

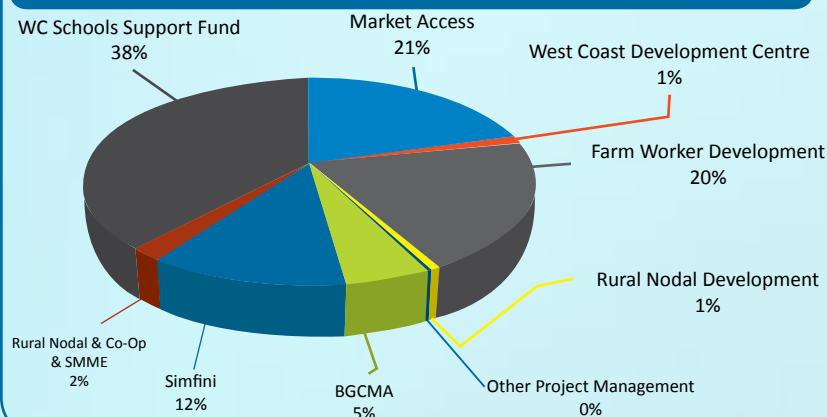
Four farmers were selected for the Market Access study group to Europe. The winner of the Agri Prestige award 2016, formed part of the selected group. This tour took place from 5-12 of February 2017 and Germany and Netherlands were visited.

### Agri Worker Household Census (Farm Worker Survey)

A total amount of R600 000 was transferred to **Casidra** to be used for the expansion and finalisation of the Agri Worker household census, formerly known as the farmworker household survey. Statistical services to further analyse data obtained through the census for the Overberg, Cape Winelands and Eden completed regions are required. The budget has been 100% spent and all objectives have been met.

From the funding of the previous year's surveys in the Eden, Central Karoo and Metro were also completed during the reporting year.

### PROGRAMME 4: FUNDS APPLIED IN 2016/17



### STRATEGY TO OVERCOME AREAS OF UNDER-PERFORMANCE

None.

### CHANGES TO PLANNED TARGETS

The following were corrected for consistency as per erratum to Casidra's 2016/17 CORPORATE PLAN AND QUARTERLY PERFORMANCE REPORT:

#### AMENDMENTS TO QUARTERLY TARGETS

Performance Indicator		Annual Target 2016	4th Quarter	4th Quarter Changed to
4.1.1	Number of Western Cape regional prestige agri awards engagement	17	15	17
4.1.2	Number of agri worker training and development projects funded	7	12	7
4.2.4	Number of co-operatives assisted to successfully assess financial support	Number of co-operatives assisted to successfully access financial support		

#### AMENDMENTS TO QUARTERLY TARGETS

Programme Performance Indicators	TARGETS CHANGED FROM			TARGETS CHANGED TO			
	Medium-term Targets			Medium-term Targets			
	2016/17	2017/18	2018/19	2016/17	2017/18	2018/19	
Sub-Programme 4.3: Other Project Management Services							
4.3.1	Number of Multi-year projects • Simfini • DEA Specialised • ProjectsMarket Access • Farmworker Survey	4	4	4	16	16	16

### LINKING PERFORMANCE WITH BUDGETS

Programme	2015/2016			2016/2017		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R	R	R	R	R	R
Local Economic and Business Development	4 334 069	4 308 505	( 25 564)	5 051 184	4 756 857	294 327
<b>TOTAL</b>	<b>4 334 069</b>	<b>4 308 505</b>	<b>( 25 564)</b>	<b>5 051 184</b>	<b>4 756 857</b>	<b>294 327</b>

= The programme's performance was in line with the budgeted financial resources.

### REVENUE COLLECTION

Not Applicable

### CAPITAL INVESTMENT

Not Applicable

## PART C: GOVERNANCE SCOPA RESOLUTION REPORT 2016

### STANDING COMMITTEES (2016/2017)

Date of meeting / Date of Response	Committee	Subject addressed	Manner of address
24 August 2016	WC Standing Committee on Economic Opportunities, Tourism and Agriculture.	Brief Committee on current state of Amalienstein Farm.	Briefing
4 November 2016	WC Standing Committee on Economic Opportunities, Tourism and Agriculture.	Annual Report 2015/2016.	Briefing
25 January 2017 (response)	WC Standing Committee on Economic Opportunities, Tourism and Agriculture.	<p>Committee requested <b>Casidra</b> to provide the following information by 25/01/2017</p> <p>An update in the form of a report on the 100 Land Reform projects for emerging farmers in the 2015/2016 financial year, as indicated on page 4 of the Entity's 2015/2016 Annual report; and</p> <p>A list of areas that benefitted from the revolving LED Growth Fund of <b>Casidra</b>, as indicated on page 11 of the Entity's 2015/2016 Annual Report.</p>	Written Response
14 March 2017	WC Standing Committee on Economic Opportunities, Tourism and Agriculture.	Western Cape Appropriation Bill 2017.	Attendance

### PUBLIC ACCOUNTS COMMITTEE RESOLUTIONS

Resolution no.	Subject	Details	Response by entity	Resolved (Yes/No)
24 Nov 2016	Annual Report 2015/2016	Briefings by the Auditor-General of South Africa and Audit Committee on the audit outcomes of the 2015/2016 Annual Reports of WCDoA and <b>Casidra</b> .	Briefing	Yes

### 1. INTRODUCTION

The Board of Directors of **Casidra** is committed to the principles of effective corporate governance and strives for the highest standards of integrity and ethics. The Board recognises the need to conduct the Company's affairs with integrity and according to generally accepted corporate governance practices.

### 2. COMPLIANCE WITH THE KING III REPORT

The Board supports the South African Code of Corporate Practices and Conduct as set out in the King Report on Governance and the King Code of Governance Principles (King III) and is satisfied that the Company has complied with South African legislation and regulations in this financial year.

The Board's Charter as well as the Committees' Charters were tabled for revision by the Board, in compliance with the recommendations of King III.

The Board has put a process in place to ensure that the Company complies with the recommendations of the King IV™ Code on Corporate Governance, effective for financial years commencing after 31 March 2017.

### 3. BOARD OF DIRECTORS

The Board of Directors is responsible for the total and effective control of the Company. The Board is composed of five to nine independent non-executive directors.

The Chairperson of the Board is an independent non-executive director in accordance with the requirements of King III.

The non-executive directors are elected in terms of the Board Charter and their reappointment is not automatic, but by way of vote.

The Board also has four active committees which address certain specialised issues, namely Audit and Risk, Nomination, Remuneration and Social and Ethics. Each committee has a charter and a mandate.

In the financial year under review, the Board met four times and focused on, inter alia, strategy, performance monitoring, governance and budgets. Other matters relating to the overall Company objectives were also discussed and various policies were approved.

The Board has unrestricted access to all Company information, records and documents to enable it to discharge its responsibilities.

### 4. CASIDRA BOARD CHARTER

#### Purpose and objectives

The purpose of the Charter is to regulate how business is conducted by the Board in accordance with the principles of good governance. The Charter sets out the specific responsibilities to be discharged by Board members collectively and the individual roles expected of them. The objectives of the Charter entail ensuring, inter alia, that all Board members acting on behalf of the Company are aware of their duties and responsibilities as Board members and of the legislation and

various regulations affecting their conduct as well as ensuring that the principles of good governance are applied in all their dealings in respect of and on behalf of the Company.

#### Roles and responsibilities

- Acts as the focal point for, and custodian of, corporate governance by managing its relationship with Management, the Shareholder and other stakeholders of the Company along sound corporate governance principles.
- Guides an integrated approach to strategy, risk, performance and sustainability by:
  - o Contributing to and approving the strategy;
  - o Satisfying itself that the strategy and corporate and business plans do not give rise to risks that have not been thoroughly assessed by Management;
  - o Identifying key performance and risk areas;
  - o Ensuring that the strategy will result in sustainable outcomes; and
  - o Considering sustainability as a business opportunity that guides strategy formulation.
- Provides effective leadership on an ethical foundation.
- Ensures that the Company is, and is seen to be, a responsible corporate citizen by having regard to not only the financial aspects of the business of the Company, but also the impact that business operations have on the environment and the society within which it operates.
- Ensures that the Company's ethics are managed effectively.
- Ensures that the Company has an effective and independent Audit and Risk Committee.
- Is responsible for the governance of risk.
- Is responsible for information technology governance.
- Ensures that the Company complies with applicable laws.
- Ensures that there is an effective risk based internal audit.
- Ensures corporate action when stakeholders' perceptions affect the Company's reputation negatively.
- Ensures the integrity of the Company's integrated Annual Report.
- Acts in the best interests of the Company by ensuring that individual directors:
  - o Adhere to legal standards of conduct;
  - o Are permitted to take independent advice in connection with their duties following an agreed procedure; and
  - o Disclose real or perceived conflicts to the Board and deal with them accordingly.
- Commences business rescue proceedings as soon as the Company is financially distressed.

- Annually, at the Board meeting preceding the Annual General Meeting, elects an Independent Non-executive Director as Chairperson of the Board.
- Appoints and ensures the evaluation of the performance of the Chief Executive Officer.
- Ensures compliance with the provisions of the Shareholder's Compact.
- Develops a long-term Strategic Plan as required by the PFMA.

**5. BOARD APPOINTMENTS**

Non-executive Directors on the **Casidra** Board are appointed in terms of the Memorandum of Incorporation and reappointment is not automatic.

One-third of the serving, non-executive, Independent Directors, or the number closest to one-third, must resign from office at the Annual General Meeting in each odd-numbered year.

The Directors who must resign are those who have been in office the longest since the most recent election, but where persons became directors on the same day, the person who is to resign must be decided among the directors themselves.

The Directors who must resign are eligible for reappointment (predetermined by statute) at the Annual General Meeting, on condition that if a director reaches the age of seventy during his/her term of office, such person is not eligible for reappointment.

**6. ATTENDANCE AT BOARD MEETINGS**

The Board met four times for planned meetings during the financial year and the attendance was as follows:

DIRECTORS	MAY	AUG	NOV	MAR
E Calitz	✓	✓	✓	✓
L Coetzee	✓	✓	✓	A
EJ Jefthas	✓	✓	✓	✓
GJ Martin	A	✓	✓	A
AV Moos	✓	✓	✓	A
ZT Nackerdien	✓	✓	✓	✓
GM Ntuli	A	✓	✓	✓
GA Oliver	✓	✓	✓	✓
JH Roos	✓	✓	✓	✓

Legend: ✓ = Attendance, A = Apologies

**7. BOARD REMUNERATION**

In accordance with the provisions of Section 28.1.1 of the Treasury Regulations issued in terms of the PFMA Act 1 of 1999, all emoluments of Directors are disclosed in the Financial Statements.

**8. BOARD PERFORMANCE ASSESSMENT**

A Board self-evaluation was undertaken and the process was driven by the Company Secretary by way of a written questionnaire.

The results of the said self-evaluation process were analysed by the Chairperson and the Chief Executive Officer. There are currently no areas of concern.

**9. SHARE DEALINGS**

The Directors, members of management and employees of the Company do not own shares in the Company.

**10. BOARD COMMITTEES**

All Board Committees operate under written charters which have been revised and approved by the Board. There is transparency and full disclosure from Board Committees to the Board. Committee Chairpersons are available to provide the Board with verbal reports on recent Committee deliverables and activities at the subsequent Board meetings. Committees are empowered to take independent outside professional advice as and when deemed necessary.

The Company Secretary provides secretarial services to each of the Committees.

The Board is of the view that the Committees have, during the year under review, effectively discharged their responsibilities as contained in their respective Charters.

A synopsis of the Committees and their mandates are contained below.

**10.1 Audit and Risk Committee**

**Composition**

The Audit and Risk Committee comprises of at least three independent non-executive directors who are elected at the Annual General Meeting.

The members as at the end of the financial year were Prof. E Calitz (Chairperson), Dr L Coetzee, Mr AV Moos, Ms ZT Nackerdien and Mr JH Roos.

**Chairperson**

The Board of Directors appoints the Chairperson from the members of the Committee.

**Frequency of meetings**

Meetings of the Committee are held as frequently as the Committee considers appropriate, but it normally meets at least twice per calendar year.

The Committee met twice during the financial year and the attendance was as follows:

DIRECTORS	JUL	FEB
E Calitz	✓	✓
L Coetzee	✓	A
AV Moos	✓	✓
ZT Nackerdien	✓	✓
JH Roos	✓	✓

Legend: ✓ = Attendance, A = Apologies

**External audit**

- Nominates the independent external auditor for appointment by the Shareholder in terms of the Companies Act, 2008 and any other legislation relating to the appointment of auditors.

**Primary responsibilities**

- Approves the terms of engagement and remuneration for the external audit engagement.
- Monitors and reports on the independence, objectivity, quality and effectiveness of the external auditor in the Annual Financial Statements, taking into consideration relevant professional and regulatory requirements.
- Approves the contracts for non-audit services to be rendered by a service provider.
- Ensures that there is a process for the Committee to be informed of any reportable irregularities (as identified in the Auditing Profession Act, 2005) identified and reported by the external auditor.
- Discusses the nature, scope and plan for the audit with the auditor before the audit commences and, as deemed necessary, during the course of the audit.
- Reviews, with the external auditors, the findings of their work.
- Has regard to all factors and risks that may impact on the integrity of the integrated report, for example, a misleading picture, significant judgements, reporting decisions made, monitoring or enforcement actions by a regulatory body, evidence that brings into question previously published information, forward-looking information, et cetera.
- Reviews the Annual Financial Statements, summarised integrated information and similar documents.
- Comments in the Annual Financial Statements on the financial statements, the accounting practices and the effectiveness of the internal financial controls.
- Reviews the clarity and completeness of disclosure of sustainability issues in the integrated report to ensure that it is reliable and does not conflict with the financial information.
- Recommends to the Board whether or not to engage an external assurance provider on material sustainability issues.
- Recommends the integrated report for approval by the Board.

**Internal audit**

- Approves the internal audit plan.
- Monitors and reviews the effectiveness of the internal audit function.
- Reviews and discusses the scope of work of internal audit, issues identified and recommendations.
- Provides a source of information, as appropriate, regarding instances of fraud, corruption, unethical behaviour, irregularities and other risks.

**Risk management**

- Considers the risk management strategy, Code of Ethics and Fraud Prevention Plan.
- Monitors the continuous risk management assessment and implementation of the strategy and plan.
- Makes recommendations to the Board concerning the levels of risk tolerance and appetite and monitors that risks are managed within the levels of tolerance and appetite as approved by the Board.
- Ensures that Management considers and implements appropriate risk monitoring and responses.
- Expresses the Committee's formal opinion to the Board on the effectiveness of the system and process of risk management.
- Reviews the timely, comprehensive and relevant reporting concerning risk management that is to be included in the integrated Annual Report.

**Invitees**

The Chairperson of the Audit and Risk Committee, in his/her discretion, may invite other members of the Board of Directors or internal auditors to attend and be heard at meetings of the Committee.

The Chief Executive Officer and Chief Financial Officer attend all meetings of the Committee and are excused from confidential sessions.

Meetings are also attended by internal and external auditors and relevant members of Management.

**Access**

The external and internal auditors have unlimited access to the Audit and Risk Committee, thereby ensuring that independence is not compromised in any way.

**10.2 Remuneration Committee***Composition*

The Remuneration Committee comprises of at least three independent non-executive directors.

The members as at the end of the financial year were Dr L Coetzee, Mr EJ Jethas, Ms GM Ntuli, Adv. GA Oliver and Mr JH Roos (Chairperson).

*Chairperson*

The Chairperson is nominated by the Board.

*Frequency of meetings*

Committee meetings are held as and when necessary, but at least twice a year.

The Committee met four times during the financial year. The February 2017 meeting was conducted via email. The attendance was as follows:

DIRECTORS	APR	MAY	NOV	FEB
L Coetzee	✓	S	S	E
EJ Jefthas (Appointed 12 May 2016)	-	-	A	E
GM Ntuli	S	✓	A	E
GA Oliver	✓	✓	✓	E
JH Roos	✓	✓	✓	E

Legend: ✓ = Attendance, A = Apologies, E = Email, S = Skype

*Primary responsibilities*

- Oversees the establishment and implementation of remuneration policies in relation to non-executive directors' and employees' remuneration.
- Reviews the outcomes of the implementation of the policies for whether these policies promote the achievement of strategic objectives and encourage individual performance. The Committee will recommend the necessary improvements to the Board in this regard.
- Provides sufficient information for the Shareholder and the Board to assess the remuneration policy.
- Ensures that the Directors and employees receive fair and competitive remuneration.
- Ensures that the remuneration of Management is determined on an independent basis by members of the Board and Management who do not have a personal interest in the outcome of their decision, bearing in mind the financial position of the Company. The Committee may co-opt specific expertise, both internal and external, in order to enable it to make informed decisions. The Chief Executive Officer and a member of Management may not be present when his/her own remuneration is being discussed except when requested to provide, and for the purpose of providing, specific information.
- Ensures that provision is made for retirement benefits for personnel.
- Makes recommendations on the basis of the Company's remuneration system.
- Performs duties as directed by the Board.
- Advises Management with regard to personnel retrenchment, severance packages, early retirements, handling medical disabilities, et cetera.

*Invitees*

The Committee may co-opt specific expertise, both internal and external, in order to make informed decisions. No Management member may be present when his/her own salary or fee is being discussed except when requested to provide specific information.

**10.3 Nomination Committee**

*Composition*

The members of the Nomination Committee are appointed by the Board. The Nomination Committee comprises of at least three independent non-executive directors.

The members as at the end of the financial year were Dr L Coetzee, Ms GM Ntuli, Adv. GA Oliver and Mr JH Roos (Chairperson).

*Chairperson*

The Chairperson is nominated by the Board.

*Frequency of meetings*

Committee meetings are held as and when necessary.

The Committee did not meet during the financial year.

*Primary responsibilities*

- Identifies suitable members to serve on the Board.
- Performs reference and background checks of candidates prior to nomination.
- Formalises the appointment of Directors through an agreement between the Company and the Director.

**10.4 Social and Ethics Committee**

The Committee was established in terms of the Companies Act, 2008.

*Composition*

The members of the Social and Ethics Committee are appointed by the Board. The Social and Ethics Committee comprises of at least three independent non-executive directors.

The members as at the end of the financial year were Dr L Coetzee, Mr EJ Jefthas, Mr GJ Martin, Mr AV Moos and Ms GM Ntuli (Chairperson).

*Chairperson*

The Chairperson is nominated by the Board.

*Frequency of meetings*

Committee meetings are held as and when necessary.

The Committee met twice during the financial year and the attendance was as follows:

DIRECTORS	NOV	FEB
L Coetzee	S	A
EJ Jefthas	✓	✓
GJ Martin	✓	✓
AV Moos	✓	✓
GM Ntuli	✓	✓

Legend: ✓ = Attendance, A = Apologies, E = Email, S = Skype

*Primary responsibilities*

Monitors the Company's activities, having regard to any relevant legislation, other legal requirements or prevailing codes of best practice, with regard to matters relating to social and economic development, good corporate citizenship, the environment, health and public safety, consumer relationships and labour and employment adherence.

- Draws matters within its mandate to the attention of the Board as and when required.
- Reports to the Shareholder at the Company's Annual General Meeting on the matters within its mandate.

#### *Invitees*

The Social and Ethics Committee has the authority to obtain advice and seek assistance from internal and external legal, accounting and other advisors.

### 11. COMPANY SECRETARY

All Directors have access to the Company Secretary who ensures that the Board's procedures, applicable rules and regulations are fully applied.

The Company Secretary keeps the Board abreast of relevant changes in legislation and governance best practices. The Company Secretary oversees the induction of new Directors as well as the ongoing training of Directors.

The information required for each Board meeting is sent to the Directors in a timely manner before each meeting to enable them to acquaint themselves of the information and to consider Company information in terms of their statutory and fiduciary responsibility.

The tabling of documents at Board meetings is done only on an exceptional basis and with the permission of the Chairperson.

The Company Secretary is appointed by the Board.

### 12. GOING CONCERN

On the recommendation of the Audit and Risk Committee, the Board has considered the facts and assumptions on which it relies to conclude that the business will continue as a going concern in the financial year ahead.

The Directors are of the opinion that the business will be a going concern in the year ahead and their statement in this regard is contained in the Statement of Directors' Responsibilities in the Annual Financial Statements.

### 13. INTERNAL CONTROL

The Board acknowledges its responsibility for ensuring that the Company implements and monitors the effectiveness of the systems of internal, financial and operating controls. These systems are designed to guard against material misstatement and losses.

The internal, financial and operating controls maintained by the Company are designed to provide reasonable assurance regarding:

- Safeguarding of assets against unauthorised use or misappropriation;
- Compliance with applicable laws and regulations;
- Maintenance of proper accounting records; and
- Adequacy and reliability of financial information.

The internal audit function and the external auditors independently appraise the adequacy and effectiveness of the internal controls.

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

### 14. RISK MANAGEMENT

The Board accepts final responsibility for the risk management systems of the Company.

Material risks in the Company have been identified and documented in a risk framework. Proper internal control systems are in place and maintained. The timely execution of control procedures and compliance with control procedures are monitored internally.

### 15. MATERIALITY

All significant events, risks and other aspects have been disclosed in the statements and Annual Report.

### 16. FRAUD PREVENTION AND FRAUD LINE

A Fraud Prevention Plan as well as a whistle-blowing facility (fraud line) were in place during the financial year to assist in ensuring that the risk of fraud is monitored and minimised.

The fraud line is a hotline whereby any employee or stakeholder can, on an anonymous and confidential basis, report any dubious activity or unethical conduct in the Company. Reports are sent directly to the Chief Executive Officer and reported to the Audit and Risk Committee.

Nothing has come to the attention of the Committee to indicate actual or suspected material financial loss, fraud or error that may have affected the Company during the year under review.

### 17. CONTRACTUAL OBLIGATIONS AND LEGAL ACTIONS

An agreement was concluded with the Western Cape Department of Agriculture in terms of which transfer funds were granted to **Casidra**. Obligations in terms of the agreement and the PFMA have been met.

Project agreements were signed with funders for various projects. Reporting is done in accordance with the provisions of the agreements and the financial scope is disclosed in the Annual Report.

The Company is subject to legal actions inherent to its normal activities. There are no claims pending against the Company.

### 18. BROAD-BASED BLACK ECONOMIC EMPOWERMENT (B-BBEE)

The verification audit has been completed by an independent rating agency, to verify and certify the Company's B-BBEE status.

The audit was completed in May 2016 and **Casidra** scored a Level 2 (Procurement recognition level 125%).



19. INTERNAL AUDIT FUNCTION

The independent internal audit function has been outsourced and reports directly to the Chief Executive Officer.

The internal auditors liaise closely with the external auditors to prevent duplication.

The findings and recommendations of all internal audit processes are reported to Management and the Audit and Risk Committee.

20. ETHICS

Casidra's Code of Ethics has been circulated to every employee.

A Social and Ethics Committee was established in 2012 and the Committee met twice during the financial year.

The Committee reviewed a report relating to its statutory functions in terms of the Companies Act.

21. DIRECTORS' PROFILES



GA (Gary) Oliver

**Age:** 58

**QUALIFICATIONS**

- BProc
- LLM (Public Law)

**TITLE**  
Chairperson  
Independent Non-executive Director

**YEAR APPOINTED**  
1999

**COMMITTEE MEMBERSHIPS**

- Nomination Committee
- Remuneration Committee

**OTHER DIRECTORSHIPS/TRUSTEESHIPS**

- Member: Cape Bar
- Member and Chairperson: Genadendal Museum Board
- National President and Chairperson: CANSA

**SKILLS, EXPERTISE AND EXPERIENCE**  
Adv. Oliver has been in private legal practice since 2002. As a Genadendal-born citizen in the Overberg district, Advocate Oliver has a long involvement with rural development. He is a former State Legal Advisor and Senior Manager in the Western Cape Provincial Government.



E (Estian) Calitz

**Age:** 68

**QUALIFICATIONS**

- BCom
- DCom (Economics)

**TITLE**  
Independent Non-executive Director

**YEAR APPOINTED**  
2011

**COMMITTEE MEMBERSHIPS**

- Audit and Risk (Chairperson)

**OTHER DIRECTORSHIPS/TRUSTEESHIPS**

- Member of several bodies, committees and Boards
- Former member: Board of Trustees University of Stellenbosch Retirement Fund
- Former chairperson and member: Audit Committee, Department of Education, Western Cape Government

**SKILLS, EXPERTISE AND EXPERIENCE**  
Prof. Calitz, Emeritus professor of Economics at the University of Stellenbosch, has extensive experience in economic and fiscal policy making and more than 20 years of academic experience, which includes writing of about 40 articles for various publications (journals, books, etc.), occasional contract research projects for government and several teaching commitments across South Africa and in Germany as a visiting Professor. He is a former Director-General of the Department of Finance (now the National Treasury) of the South African Government, a former Dean of the Faculty of Economic and Management Science and a former Executive Director: Finance of the University of Stellenbosch.



GM (Gugu) Ntuli

**Age:** 43

**QUALIFICATIONS**

- BBus QUT (Australia)
- BAppSc QUT (Australia)
- MBA Sports Management
- Diploma: French Language

**TITLE**  
Independent Non-executive Director

**YEAR APPOINTED**  
2008

**COMMITTEE MEMBERSHIPS**

- Nomination Committee
- Remuneration Committee
- Social and Ethics Committee (Chairperson)

**OTHER DIRECTORSHIPS/TRUSTEESHIPS**

- Member of Cricket South Africa Transformation Division Committee
- Director of African Sports Management Association

**SKILLS, EXPERTISE AND EXPERIENCE**  
Ms Ntuli, previously the Chief Executive Officer of the Stellenbosch University Sport Performance Institute, now oversees media and public relations for Adidas South Africa. She has extensive managerial experience and expertise in strategic management, marketing, communications, public relations and media.



ZT (Zareena) Nackerdien

Age: 33

**QUALIFICATIONS**

- B.Com Honours (Accounting)
- Chartered Accountant (SA)

**TITLE**

Independent Non-executive Director

**YEAR APPOINTED**

2016

**COMMITTEE MEMBERSHIPS**

- Audit and Risk Committee

**OTHER DIRECTORSHIPS/TRUSTEESHIPS**

Member of the Western Cape Branch of the Association for the Advancement of Black Accountants of Southern Africa – Bursary Portfolio

**SKILLS, EXPERTISE AND EXPERIENCE**

Ms Nackerdien is a former PricewaterhouseCoopers manager, where she completed her articles. She spent various parts of her career within the audit/assurance industry, thereafter she joined the Sanlam Group in 2014 and currently forms part of the Sanlam Glacier Financial Reporting Team. She is experienced in analysing/interpreting financial information and business control processes, supporting the financial function.



JH (Jannie) Roos

Age: 70

**QUALIFICATIONS**

- Diploma Course in Personnel Management
- Advance Diploma in Personnel Management and Management Training
- Advance Programme in Labour Law

**TITLE**

Non-executive Director

**YEAR APPOINTED**

2009

**COMMITTEE MEMBERSHIPS**

- Audit and Risk Committee
- Nomination Committee (Chairperson)
- Remuneration Committee (Chairperson)

**OTHER DIRECTORSHIPS/TRUSTEESHIPS**

None

**SKILLS, EXPERTISE AND EXPERIENCE**

Mr Roos was the former Head of the Office of the Minister of Agriculture and Rural Development in the Western Cape. He spent most of his career working in the public service holding several senior positions in the Transvaal Provincial Administration, the Cape Provincial Administration, the Provincial Service Commission and Western Cape Premier's Office. He is an experienced senior manager and believes in human capital development.



DR L (Leonie) Coetzee

Age: 56

**QUALIFICATIONS**

- Diploma in International Research Ethics
- Diploma in Company Direction
- Doctor Societatis Scientiae

**TITLE**

Vice-Chairperson  
Independent Non-executive Director

**YEAR APPOINTED**

2013

**COMMITTEE MEMBERSHIPS**

- Audit and Risk Committee
- Nomination Committee
- Remuneration Committee
- Social and Ethics Committee

**SKILLS, EXPERTISE AND EXPERIENCE**

Dr Coetzee is a project director and implementation consultant. She obtained her first degree in the 1980's and has led various research and capacity building programmes in the health sector towards successful implementation over the past 30 years. Most of these programmes were within disadvantaged communities and Leonie is passionate about the upliftment of disadvantaged, specifically rural communities. As independent consultant, Leonie's clients over the past years have been various universities, international private sector and NGO entities. She is also a consultant Good Clinical Practice Auditor for the pharmaceutical industry. Leonie has developed an in-depth understanding of the challenges rural communities face with implementation of support and capacity building programmes and is a proud resident of the West Coast.

**OTHER DIRECTORSHIPS/TRUSTEESHIPS**

None



GJ (Gerard) Martin

Age: 41

**QUALIFICATIONS**

- BSc
- National Diploma Economic Management Analysis
- MCom Wine Business Management

**TITLE**

Independent Non-executive Director

**YEAR APPOINTED**

2013

**COMMITTEE MEMBERSHIPS**

- Social and Ethics Committee

**OTHER DIRECTORSHIPS/TRUSTEESHIPS**

- Trustee Cape Winemakers guild
- Director Wine Training South Africa
- Director First Step Academy

**SKILLS, EXPERTISE AND EXPERIENCE**

Mr Martin currently works for Winetech as the Executive Manager. His previous position, at the same company, was Manager: Technical Transfer & Training. Prior to that, he worked for Metropolitan from 1999 until 2002 in three different positions before joining the South African Wine Industry as an Information Specialist as well as Manager: Information Services until November 2003. Mr Martin has a lot of interest in community development.



AV (Ainsley) Moos

Age: 39

**QUALIFICATIONS**

- BA (Sociology, Psychology)
- BPhil Hons (Journalism)
- MBA (University of Stellenbosch)
- Sanlam Executive Leadership Programm (Gibs)
- Media24 Executive Leadership Programme (Wits)
- Naspers Executive Leadership Programme (Harvard)

**TITLE**

Independent Non-executive Director

**YEAR APPOINTED**

2013

**COMMITTEE MEMBERSHIPS**

- Audit and Risk Committee
- Social and Ethics Committee

**OTHER DIRECTORSHIPS/TRUSTEESHIPS**

Member of the Stellenbosch University Council

**SKILLS, EXPERTISE AND EXPERIENCE**

Mr Moos is a former journalist and editor. He started his career as a journalist with Beeld newspaper in Johannesburg reporting on general news, land reform and agricultural commodity markets. He moved to Landbouweekblad where he spent five years – first as a senior journalist, then Deputy Editor and the last two years as Editor-in-Chief of Landbouweekblad. He was transferred to Bloemfontein where he was Editor-in-Chief of the daily newspaper Volksblad. He then moved to Sake24 in Johannesburg where he was Editor-in-Chief and Publisher, but took up a position in the corporate world as Head of Group Communication at Sanlam. He is currently Operations Manager in the Office of the Group Chief Executive at Sanlam.



EJ (Elton) Jefthas

Age: 43

**QUALIFICATIONS**

- B -Tech Horticulture (CPUT)
- MPhil Agriculture System Management (US)

**TITLE**

Independent Non-executive Director

**YEAR APPOINTED**

2016

**COMMITTEE MEMBERSHIPS**

- Remuneration Committee
- Social and Ethics Committee

**OTHER DIRECTORSHIPS/TRUSTEESHIPS**

- Deputy Chairman of African Farmers' Association of South Africa Western Cape
- Non-executive Director of Deciduous Fruit Development Chamber
- Trustee member of Deciduous Fruit Development Trust
- Deputy Chairman of Western Cape Agricultural Unity Forum

**SKILLS, EXPERTISE AND EXPERIENCE**

Mr Jefthas is a co-founder and Managing Director of Agribusiness in Sustainable Natural African Plant Products Southern Africa. He is also a farmer and co-owner of Defynne Nursery that also produces plums for export. Mr Jefthas started his career at the ARC specialising in Fynbos cultivation. His main expertise is to develop agribusinesses and stimulate entrepreneurship amongst farmers in a range of Sub-Saharan African countries.

## 1. LEGAL AND OTHER REQUIREMENTS

The Audit and Risk Committee has pleasure in submitting this report, as required by Sections 51(1)(a)(ii) and 76(4)(d) of the Public Finance Management Act, 1999 (the "Act").

Section 38(1)(a) of the Public Finance Management Act, 1999 requires accounting officers of government departments to ensure that entities receiving transfer funds implement effective, efficient and transparent financial management and internal control systems.

The regulations to the Act determine audit and internal audit requirements. **Casidra** complied with the legal requirements.

**Casidra's** Financial Statements are prepared in accordance with Standards of Generally Recognised Accounting Practice.

## 2. MANAGEMENT RESPONSIBILITY

The Accounting Officer is responsible for guiding organisational strategy, major plans of action, risk policies, annual budgets and business plans, monitoring of performance and establishing best-practice management procedures. Since it came into operation during October 1989, then operating under another name, **Casidra** received its twenty-eighth consecutive unqualified financial audit report. **Casidra** effected adequate internal controls during the financial year and identified risks were properly controlled. Information technology systems used to assist Management were adequate and efficient.

## 3. AUDIT AND RISK COMMITTEE RESPONSIBILITY

The Audit and Risk Committee has a written charter that sets out the scope of its activities and authorities and the Charter is updated annually. Since 29 August 2006, the responsibilities of the Audit Committee have been expanded to include risk management. During the past year, the Audit and Risk Committee has addressed its responsibilities in terms of the Charter.

The Committee reviewed and amended the Audit and Risk Committee Charter, which is revised annually and approved by the Board. The internal and external audit plans were considered and approved.

The report of the Audit and Risk Committee is based on the work performed by the auditing firms PricewaterhouseCoopers Inc, Boshoff Visser and Alberto Prins. Auditing occurs within the context of external and risk-based internal audit plans approved by the Audit and Risk Committee.

## 4. FUNCTIONS OF THE AUDIT AND RISK COMMITTEE

The Audit and Risk Committee has discharged the functions in terms of its Charter and ascribed to it in terms of the Act as follows:

- Reviewed the results and the Annual Financial Statements, culminating in a recommendation to the Board to approve them.
- Reviewed the Governance Report, culminating in a recommendation to the Board to approve it.

In the course of its reviews the Committee:

- Took appropriate steps to ensure that the Annual Financial Statements were prepared in accordance with Standards of Generally Recognised Accounting Practice in South Africa and in the manner required by the Companies Act of South Africa;
- Dealt with concerns or complaints relating to accounting policies, the auditing and content of the Annual Financial Statements and internal financial controls;
- Reviewed the external audit reports on the Annual Financial Statements;
- Verified the quality, services and independence of the external auditors, nominated PwC Inc. and Boshoff Visser as the auditors for 2017 and noted the appointment of Mr JN Boshoff from PwC Inc. and Mr JJ Jonck from Boshoff Visser as the designated auditors. (The designated auditors and managers responsible for the audit is replaced every five years); and
- Approved the audit fees and engagement terms of the external auditors.

## 5. INTERNAL CONTROL MECHANISMS AND RISK MANAGEMENT

The control framework is designed to provide reasonable assurance regarding the achievement of objectives in the following areas:

- The maintenance of proper accounting records and the reliability of financial information used within **Casidra**;
- The appropriateness of internal financial controls;
- Compliance with applicable laws, regulations and codes of conduct;
- The detection and minimisation of significant risks associated with fraud, reputation, inadequate governance, and potential liability and loss, including the safeguarding of assets;
- Management of potential conflicts of interest of the Board of Directors and Management;
- The effectiveness of operations;
- The adequacy of risk management procedures;
- The internal audit and process and method of compiling risk management reports and, where relevant, the submission of recommendations to the Board; and
- The effectiveness of risk management, controls and the governance processes.

**Casidra** has a comprehensive process of annual budgets and detailed monthly reporting. The Accounting Officer and his Management team review the annual budget and actual expenses on a continuous basis and report the actual versus the budgeted figures quarterly to the Board. A clear distinction is drawn between main business and business undertaken on an agency basis.

Financial Statements regarding the various projects which **Casidra** oversees and finances on behalf of its Shareholder, the Western Cape Government, are reported and audited separately and identified separately within the Annual Financial Statements of **Casidra**.

The system of internal control is monitored and reported on to the Board of Directors. Internal systems are applied to provide reasonable assurance that assets are safeguarded and transactions are executed in accordance with Management's authorisation.

Monitoring processes include management review and testing by auditors. The external auditors performed testing of financial transactions.

The risk dashboard is updated regularly and reported quarterly to the Board.

No incidents were brought to the attention of the Committee to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

### 6. COMPLIANCE

Compliance with laws and regulations that apply to **Casidra** is the responsibility of each member of Management and is monitored collectively.

**Casidra** complied with relevant laws, regulations and policies, as well as with **Casidra's** code of conduct.

Risk and compliance reports were noted at Audit and Risk Committee meetings.

During the year under review nothing has come to the attention of the Committee to indicate any non-compliance with relevant laws, regulations and the code of conduct.

### 7. FRAUD PREVENTION

A Fraud Prevention Plan was in place during the financial year. A whistle-blowing facility is also in place to ensure that the risk of fraud is monitored and minimised.

### 8. INTERNAL AUDIT

The Audit and Risk Committee fulfils an oversight role regarding the Company's Annual Financial Statements and the reporting process, including the system of internal financial control. It is responsible for ensuring that the Company's internal audit function is independent and has the necessary resources, standing and authority within the organisation to enable it to discharge its duties.

Furthermore, the Audit and Risk Committee oversees co-operation between the internal and external auditors and serves as a link between the Board of Directors and these functions. The internal audit function was outsourced.

Internal audit assessed the effectiveness of internal controls independently and recommended improvements.

Management maintains adequate accounting records, aimed at the achievement of objectives. Management continues to maintain systems of internal control through a regular and proactive process of auditing and correction.

### 9. GOING CONCERN

The Committee has considered the facts and assumptions on which it relies to conclude that the business will continue as a going concern in the financial year ahead.

The Committee is of the opinion that, on the basis of the Shareholder's Compact and the funding model for **Casidra**, the business will be a going concern in the year ahead.

### 10. MEMBERS OF THE AUDIT AND RISK COMMITTEE AND ATTENDANCE AT MEETINGS

The details are reported in the Governance Report.

### 11. ATTENDANCE

The internal and external auditors in their capacity as auditors of the Company attended and reported to all meetings of the Audit and Risk Committee. The Chief Executive Officer and the Chief Financial Officer have a standing invitation to attend meetings and relevant managers attended meetings on invitation.

### 12. CONFIDENTIAL MEETING

The Audit and Risk Committee meetings provide for confidential meetings between the Committee members and the internal and external auditors.

### 13. INDEPENDENCE OF EXTERNAL AUDITORS

On the basis of a submission to the Audit and Risk Committee, the external auditors confirmed their independence.



**Prof. Estian Calitz**  
**Chairperson: Audit and Risk Committee**  
**27 July 2017**

## PART D: HUMAN RESOURCES MANAGEMENT INTRODUCTION

### SET HUMAN RESOURCES' PRIORITIES FOR THE YEAR UNDER REVIEW AND THE IMPACT OF THESE PRIORITIES

HR PRIORITIES	IMPACT
SUCCESSFUL IMPLEMENTATION OF THE FULL SPECTRUM OF HUMAN RESOURCES	<ul style="list-style-type: none"> <li>A Human Resources System (S-Cubed) is utilised to enhance service delivery, customer satisfaction and productivity.</li> <li>A Succession Plan is in place and monitored continuously, with the aim of developing and ensuring planned succession when personnel retire or vacate positions.</li> </ul>
STRATEGIC HUMAN RESOURCES MANAGEMENT	<ul style="list-style-type: none"> <li>The organisation stays abreast of new labour legislative amendments and adapt policies accordingly.</li> <li>An Accreditation process for <b>Casidra</b> as a training service provider at Services SETA and Agri SETA is in process.</li> </ul>
HUMAN RESOURCES BUDGET	<ul style="list-style-type: none"> <li>The Human Resources budget is continuously being monitored.</li> </ul>
TRANSFORMATION	<ul style="list-style-type: none"> <li>An annual staff satisfaction survey is conducted during September.</li> <li>A teambuilding session took place in April.</li> <li>We continually strive to implement the recommendations of an organisational investigation and redesign process, which was aimed at optimising <b>Casidra's</b> structure and resource application towards achieving effective project management excellence.</li> </ul>
STRATEGIC TRAINING	<ul style="list-style-type: none"> <li>Strategic training focuses on enhancing skills and improving qualifications of organisational team members and is aligned to our annual workplace skills plan, organisational requirements and approved budget.</li> </ul>

### WORKFORCE PLANNING FRAMEWORK AND KEY STRATEGIES TO ATTRACT AND RECRUIT A SKILLED AND CAPABLE WORKFORCE

A Human Resources System (S-Cubed) is utilised to enhance service delivery, customer satisfaction and productivity.

A Succession Plan is in place and monitored continuously with the aim of developing and ensuring planned succession when personnel retire or vacate positions.

Recruitment is guided by the aim to be the Project Management Company of choice. Therefore, we endeavour to source suitably qualified and driven individuals.

### EMPLOYEE PERFORMANCE MANAGEMENT FRAMEWORK

**Casidra** implemented an electronic performance management system based on its approved EPDMS Policy.

### EMPLOYEE WELLNESS PROGRAMMES

**Casidra** invests significantly in employee wellness through initiatives focussed on topical matters ranging from customer relations and communication as focus areas as well as programmes to promote healthy lifestyles and enhanced quality of life. Positive spin-offs of these initiatives are evident from the annual organisational staff satisfaction surveys that measure various elements of organisational health.

### POLICY DEVELOPMENT

The following policy was developed:

- Alcohol and Substance Abuse Policy.

### ACHIEVEMENTS

We continually strive to implement the recommendations of an organisational investigation and redesign process, which was aimed at optimising **Casidra's** structure and resource application towards achieving effective project management excellence. The structure operates on a simplified matrix bases, with key focus on service delivery.

We have a healthy labour relations climate throughout the organisation, including the farms.

### CHALLENGES FACED BY THE PUBLIC ENTITY

Retention of talent due to budget constraints.

## PART D: HUMAN RESOURCES MANAGEMENT FUTURE HR PLANS/GOALS

### PERFORMANCE INDICATOR 1: SUCCESSFUL IMPLEMENTATION OF THE FULL SPECTRUM OF HUMAN RESOURCES

- 1.1 Implement electronic performance management system for the farms
- 1.2 Monitor the Succession Plan

### PERFORMANCE INDICATOR 2: STRATEGIC HUMAN RESOURCES MANAGEMENT

- 2.1 Accreditation of Project Management Course

### PERFORMANCE INDICATOR 3: HUMAN RESOURCES BUDGET

- 3.1 Manage the Human Resources budget
- 3.2 Influence training and wellness budgets on farms

### PERFORMANCE INDICATOR 4: TRANSFORMATION

- 4.1 Continue to conduct the Annual Staff Satisfaction Survey
- 4.2 Conduct a feasibility study to appoint a social worker for the farms
- 4.3 Continually implement the recommendations / outcomes of an organisational investigation and redesign process
- 4.4 Continue to address social problems on farms in an integrated manner

### PERFORMANCE INDICATOR 5: STRATEGIC TRAINING

- 5.1 Implement strategic training as prioritised in the Workplace Skills Plan
- 5.2 Get the Project Management course accredited
- 5.3 Institutionalise project team talent management and training

### PERFORMANCE INDICATOR 6: EXTERNAL HR

- 6.1 Conduct a feasibility study on implementing a Training Academy for **Casidra**
- 6.2 Develop a procedure for external Human Resources consultation

## HUMAN RESOURCE OVERSIGHT STATISTICS

### PERSONNEL COST BY PROGRAMME - PERMANENT AND FIX TERM CONTRACT WORKERS

Programme	Total Expenditure for the Entity (R'000)	Personnel Expenditure (R'000)	Personnel Expenditure as a % of Total Expenditure	Number of Employees	Average Personnel Cost per Employee (R'000)
Non Executive Board	199	199	100%	9	22
Corporate Service	20 209	10 489	52%	17	617
Economic Development	4 757	4 429	93%	12	369
Agriculture and Land Reform & Rural Infrastructure Development and Poverty Alleviation	10 346	9 854	95%	25	394
Amalienstein	4 752	1 266	27%	22	58
Anhalt	17 295	1 914	11%	30	64
Waaikraal	4 196	1 325	32%	14	95
<b>TOTAL</b>	<b>61 754</b>	<b>29 476</b>	<b>48%</b>	<b>129</b>	<b>228</b>

**PERSONNEL COST BY PROGRAMME - SEASONAL FARM WORKERS**

Programme	Total Expenditure for the Entity (R'000)	Personnel Expenditure (R'000)	Personnel Expenditure as a % of Total Expenditure	Number of Employees	Average Personnel Cost per Employee (R'000)
Amalienstein	4 933	285	6%	11	26
Anhalt	19 382	2 224	12%	71	31
Waaikraal	4 332	302	7%	16	19
<b>TOTAL</b>	<b>28 647</b>	<b>2 811</b>	<b>10%</b>	<b>98</b>	<b>29</b>

\*Minimum hourly rate apply, salary cost per employee differ depending on actual hours and days worked per season per programme

**PERSONNEL COST BY SALARY BAND**

Level	Personnel Expenditure (R'000)	Personnel Expenditure as a % of Total Expenditure	Number of Employees	Average Personnel Cost per Employee (R'000)
Top Management	199	0.7%	9	22
Senior Management	1 410	4.8%	1	1 410
Professional qualified	5 726	19.4%	6	954
Skilled	18 652	63.2%	49	380
Semi-skilled	697	2.4%	7	99
Unskilled	2 792	9.5%	57	48
<b>TOTAL</b>	<b>29 476</b>	<b>100%</b>	<b>129</b>	<b>228</b>

**PERFORMANCE REWARDS**

Programme	Performance Rewards	Cost of Performance Rewards (R'000)	% of Performance Rewards to Total Personnel Cost
Top Management	0	0	0%
Senior Management	1	55	0.2%
Professional qualified	6	111	0.3%
Skilled	43	375	1.2%
Semi-skilled	4	6	0%
Unskilled	34	26	0.1%
<b>TOTAL</b>	<b>88</b>	<b>575</b>	<b>1.8%</b>

**TRAINING COSTS**

Programme	Personal Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost	Number of Employees	Average Training Cost per Employee (R'000)
Non Executive Board	199	0	0%	9	0
Corporate Service	10 489	48	0.5%	17	3
Economic Development	4 429	42	1%	12	4
Agriculture and Land Reform & Rural Infrastructure Development and Poverty Alleviation	9 854	89	0.9%	25	4
Amalienstein	1 266	31	2.4%	22	1
Anhalt	1 914	69	3.6%	30	2
Waaikraal	1 325	39	2.9%	14	3
<b>TOTAL</b>	<b>29 476</b>	<b>318</b>	<b>1.1%</b>	<b>129</b>	<b>2</b>



EMPLOYMENT AND VACANCIES					
Programme	2015/2016 Number of Employees	2016/2017 Approved Posts	2016/2017 Number of Employees	2016/2017 Vacancies	% of Vacancies
Board of Directors	9	9	9	0	0%
Head Office	45	49	48	1	2%
Regional Office	6	6	6	0	0%
Amalienstein	20	23	22	1	4%
Anhalt	27	33	30	3	9%
Waaikraal	15	16	14	2	12%
<b>TOTAL</b>	<b>122</b>	<b>136</b>	<b>129</b>	<b>7</b>	<b>5%</b>

Seasonal positions, filled only during harvest season

Programme	2015/2016 Number of Employees	2016/2017 Approved Posts	2016/2017 Number of Employees	2016/2017 Vacancies	% of Vacancies
Top Management	9	9	9	0	0%
Senior Management	1	1	1	0	0%
Professional qualified	5	6	6	0	0%
Skilled	48	50	49	1	2%
Semi-Skilled	5	7	7	0	0%
Unskilled	54	63	57	6	10%
<b>TOTAL</b>	<b>122</b>	<b>136</b>	<b>129</b>	<b>7</b>	<b>5%</b>

EMPLOYMENT CHANGES				
Level	Employment at Beginning of Period	Appointments	Terminations	Employment at end of the Period
Top Management	9	0	0	9
Senior Management	1	0	0	1
Professional qualified	5	1	0	6
Skilled	48	3	2	49
Semi-skilled	5	2	0	7
Unskilled	54	12	9	57
<b>TOTAL</b>	<b>122</b>	<b>18</b>	<b>11</b>	<b>129</b>

REASONS FOR STAFF LEAVING		
Reason	Number	% of Total Number Staff Leaving
Death	-	-
Dismissal	1	9%
Expiry of contract	-	-
Ill health	-	-
Resignation	8	73%
Retirement	2	18%
Other	-	-
<b>TOTAL</b>	<b>11</b>	<b>100%</b>

## LABOUR RELATIONS: MISCONDUCT AND DISCIPLINARY ACTION

Nature of Disciplinary Action	Number
Verbal Warning	1
Written Warning	4
Final Written Warning	8
Dismissal/Desertion	1
Suspension	3
<b>TOTAL</b>	<b>17</b>

## EQUITY TARGET AND EMPLOYMENT EQUITY STATUS

Levels	Male							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	0	4	0	0	0	2	0
Senior Management	0	0	1	1	0	0	0	0
Professional qualified	0	1	0	1	0	0	3	1
Skilled	6	8	13	14	0	0	6	6
Semi-Skilled	1	1	0	2	0	0	1	1
Unskilled	0	6	52	22	0	0	0	1
<b>TOTAL</b>	<b>7</b>	<b>16</b>	<b>70</b>	<b>40</b>	<b>0</b>	<b>0</b>	<b>12</b>	<b>9</b>

Level	Female							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	0	1	0	0	0	1	0
Senior Management	0	0	0	0	0	0	0	0
Professional qualified	1	1	1	1	0	0	1	1
Skilled	7	5	10	10	0	0	7	6
Semi-Skilled	0	1	5	4	0	0	0	1
Unskilled	0	9	5	20	0	0	0	0
<b>TOTAL</b>	<b>9</b>	<b>16</b>	<b>22</b>	<b>35</b>	<b>0</b>	<b>0</b>	<b>9</b>	<b>8</b>

Level	Disabled Staff			
	Male		Female	
	Current	Target	Current	Target
Top Management	-	-	-	-
Senior Management	-	-	-	-
Professional qualified	-	-	-	-
Skilled	-	-	-	-
Semi-Skilled	1	1	-	1
Unskilled	-	-	-	-
<b>TOTAL</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>1</b>

# INDEPENDENT AUDITOR'S REPORT TO THE WESTERN CAPE PROVINCIAL PARLIAMENT ON CASIDRA SOC LIMITED

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the Financial Statements of **Casidra** SOC Limited set out on pages 61 to 76 , which comprise the Statement of Financial Position as at 31 March 2017, and the Statement of Financial Performance, Statement of Changes in Net Assets, and Statement of Cash Flows the year then ended, as well as the Notes to the Financial Statements, including a summary of significant accounting policies.

In our opinion, the Financial Statements present fairly, in all material respects, the Financial Position of **Casidra** SOC Limited as at 31 March 2017, and its Financial Performance and Cash Flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practice and the requirements of the Public Finance Management Act of South Africa (PFMA) and the Companies Act of South Africa (Companies Act).

### Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the Financial Statements section of our report.

We are independent of the Company in accordance with the Independent Regulatory Board for Auditors' Code of professional conduct for registered auditors (IRBA code) and other independence requirements applicable to performing audits of the Financial Statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA code is consistent with the International Ethics Standards Board for Accountants' Code of ethics for professional accountants (parts A and B).

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors, which constitutes the Accounting Authority, is responsible for the preparation and fair presentation of the Financial Statements in accordance with Standards of Generally Recognised Accounting Practice and the requirements of the PFMA and the Companies Act and for such internal control as the Accounting Authority determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Accounting Authority is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Accounting Authority either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance,

but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

A further description of our responsibilities for the audit of the Financial Statements is included in the annexure to the Auditor's Report.

## REPORT ON THE AUDIT ON THE ANNUAL PERFORMANCE REPORT

### Introduction and Scope

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 we have a responsibility to report material findings on the reported Performance Information against predetermined objectives for selected programmes presented in the Annual Performance Report. We performed procedures to identify findings but not to gather evidence to express assurance.

Our procedures address the reported Performance Information which must be based on the approved performance planning documents of the company. We have not evaluated the completeness and appropriateness of the performance indicators/measures established and included in the planning documents. Our procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information relating to future periods that may be included as part of the reported Performance Information. Accordingly our findings do not extend to these matters.

We evaluated the usefulness and reliability of the reported Performance Information in accordance with the criteria developed from the Performance Management and Reporting Framework, as defined in the general notice, for the following selected Programmes presented in the Annual Performance Report of the Company for the year ended 31 March 2017:

PROGRAMMES	PAGES IN THE ANNUAL PERFORMANCE REPORT
<b>Programme 2:</b> Agriculture and Land Reform	22 – 29
<b>Programme 3:</b> Rural Infrastructure Development and Poverty Alleviations	30 – 35
<b>Programme 4:</b> Local Economic and Business Development	36 – 40

We performed procedures to determine whether the reported Performance Information was properly presented and whether performance was consistent with the approved performance planning documents. We performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported Performance Information to determine whether it was valid, accurate and complete.

We did not identify any material findings on the usefulness and reliability of the reported performance information for the following programmes:

- Programme 2: Agriculture and Land Reform
- Programme 3: Rural Infrastructure Development and Poverty Alleviations
- Programme 4: Local Economic and Business Development

**REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION**

**Introduction and Scope**

In accordance with the PAA and the general notice issued in terms thereof we have a responsibility to report material findings on the compliance of the company with specific matters in key legislation. We performed procedures to identify findings but not to gather evidence to express assurance.

**Other Information**

Casidra SOC Limited's accounting authority is responsible for the other information. The other information comprises the information included in the annual report which is summarised in the table below:

OTHER INFORMATION	PAGES IN THE ANNUAL REPORT
<b>Part A: General Information</b>	2 – 10
<b>Part B: Performance Information</b>	
• Auditors Report: Predetermined Objectives Situational analysis	11
• Service Delivery Environment	11 – 13
• Organisational Environment	13 – 14
• Key Policy Developments and Legislative Changes	14
• Strategic Outcome Orientated Goals	15 – 18
• Programme 1: Corporate Services	18 – 22
• Other information relating to programme 2: Agriculture and Land Reform	
o List of strategic objectives	22 – 23
o Programme performance	26 – 28
o Strategy to overcome areas of under-performance	29
o Changes to planned targets	29
o Linking performance with budgets	29
• Other information relating to programme 3: Rural Infrastructure Development and Poverty Alleviation	
o List of strategic objectives	30 – 31
o Programme performance	34 – 35
o Strategy to overcome areas of under-performance	35
o Changes to planned targets	35
o Linking performance with budgets	35
• Other information relating to programme 4: Local Economic and Business Development	
o List of strategic objectives	36
o Programme performance	39 – 40
o Strategy to overcome areas of under-performance	40
o Changes to planned targets	40
o Linking performance with budgets	40
o Revenue collection	40
o Capital investment	40
<b>Part C: Governance</b>	41 – 51
<b>Part D: Human Resources' Management</b>	52 – 56
<b>Part E: Financial Information</b>	
• Statement of Directors' Responsibilities	59
• Directors' Report	60

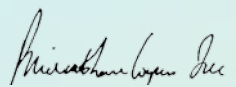
The other information does not include the Financial Statements, the Auditor's Report thereon and those selected Programmes presented in the Annual Performance Report that have been specifically reported on in the Auditor's Report.

Our opinion the Financial Statements and findings on the reported Performance Information and Compliance with Legislation do not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements and the selected Programmes presented in the Annual Performance Report, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Internal Control Deficiencies**

We considered Internal Control relevant to our audit of the Financial Statements, Annual Performance Report and Compliance with Legislation, however the objective is not to express any form of assurance thereon. We did not identify any significant deficiencies in Internal Control.



**PricewaterhouseCoopers Inc.**  
**Director: JN Boshoff**  
**Registered Auditor**  
**Paarl**  
**24 August 2017**

**ANNEXURE – AUDITOR'S RESPONSIBILITY FOR THE AUDIT**

As part of an audit in accordance with the ISAs, we exercise professional judgement and maintain professional scepticism throughout our audit of the Financial Statements, and the procedures performed on reported Performance Information for selected Programmes and on the Company's compliance with respect to the selected subject matters.

**Financial Statements**

In addition to our responsibility for the audit of the Financial Statements as described in the Auditor's Report, we also:

- identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

## INDEPENDENT AUDITOR'S REPORT TO THE WESTERN CAPE PROVINCIAL PARLIAMENT ON CASIDRA SOC LIMITED

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accounting Authority.
- conclude on the appropriateness of the Accounting Authority use of the going concern basis of accounting in the preparation of the Financial Statements. We also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on **Casidra** SOC Limited ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the Financial Statements. Our conclusions are based on the information available to me at the date of the auditor's report. However, future events or conditions may cause a Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

### Communication with those charged with governance

We communicate with the Accounting Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also confirm to the accounting authority that we have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on our independence, and where applicable, related safeguards.

## STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 MARCH 2017

The Directors are responsible for the preparation, integrity and fair presentation of the Financial Statements of **Casidra** SOC Limited. The Financial Statements presented on pages 59 to 76 have been prepared in accordance with Standards of Generally Recognised Accounting Practice in South Africa and in the manner required by the South African Companies Act. These are supported by reasonable and prudent judgements and estimates made by Management.

The going concern basis has been adopted in preparing the Financial Statements. The financial position in the short term is healthy, but in the medium to long term the going concern principle is coupled directly with sufficient and timely continued transfer of funding by the state and acquisition of additional funding for current expenditure. The viability of the Company is supported by the Financial Statements.

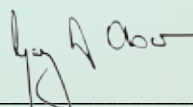
The Directors are also responsible for the Company's system of internal financial control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the Financial Statements and to adequately safeguard, verify and maintain accountability of the assets, as well as to prevent and detect misstatement and loss. Nothing has come to the attention of the Directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The Directors acknowledge that they are ultimately responsible for the control and security of the website and for the implementation and control of the process of electronic distribution of annual reports and Financial Statements. These control measures and integrity of the website are not included in the audit of Financial Statements. Although the Directors and the Company place considerable importance on maintaining a strong control environment, neither the Directors, nor the Auditors, can accept responsibility for changes made to the Financial Statements after it was initially published on the website.

The Financial Statements have been audited by the independent auditors, PricewaterhouseCoopers Incorporated, who were given unrestricted access to all financial records and related data, including minutes of all meetings of members and the Board of Directors. The Directors believe that all representations made to the independent auditors during their audit are valid and appropriate.

The Audit Report of PricewaterhouseCoopers Incorporated is presented on pages 57 to 59.

The Annual Financial Statements for the year ended 31 March 2017 were approved by the Board of Directors and are signed on behalf of the Board by:



**Adv. GA Oliver**  
Chairperson  
24 August 2017



**Prof. E Calitz**  
Director  
24 August 2017

## PART E: FINANCIAL INFORMATION

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2017

#### 1. NATURE OF BUSINESS

**Casidra** SOC Limited is a state-owned company acting as a development agency for the Western Cape Government. In accordance with the Public Finance Management Act, **Casidra** has been listed as a Schedule 3D provincial government business enterprise.

The vision of the Company is to be the catalyst for growth towards self-sustainable communities.

Supplementary goals contained in the founding statement are:

- poverty alleviation through broad-based economic growth and rural development; and
- development of human resources and capacity building.

A general summary of activities and the attainment of objectives are given in the overviews contained in the Annual Report.

#### 2. FINANCIAL POSITION

The financial position of the Company's business and activities are clearly indicated in the attached financial statements. During the past financial year, the Company incurred net operational costs of R18,47 million (2016: R20,31 million) before transfer funding of R23,87 million (2016: R23,28 million) from the Western Cape Department of Agriculture.

The short-term financial position is sound, but in the medium- and long-term the going concern business principle is directly linked to the continuation of sufficient and timely transfer of funding from government and the obtaining of additional funding for current expenditure. The Directors believe that **Casidra** has adequate resources in place to continue operating in the foreseeable future.

#### 3. AUDITORS

At the Annual General Meeting held on 30 August 2016 the Shareholder approved, in terms of section 90 (6) of the Companies Act and section 58 (3) of the Public Finance Management Act, the re-appointment of PricewaterhouseCoopers Incorporated as auditors of the Company until the next Annual General Meeting.

The Board believes that the Auditors have observed the highest level of business and professional ethics. The Board is satisfied with the independence and objectivity of the Auditors.

#### 4. SHARE CAPITAL

The authorised and issued share capital remained unchanged. The equity of the Company was R35,66 million as at 31 March 2017 (2016: R32,12 million). The Western Cape Government holds the total shareholding of the Company.

#### 5. DIVIDEND

No dividend was declared or paid for the year (2016: R Nil).

#### 6. DIRECTORS

The following Directors served during the financial year:

Adv GA Oliver	Chairperson
Dr L Coetzee	Vice-Chairperson
Prof E Calitz	
Mr EJ Jefthas	
Mr GJ Martin	
Mr AV Moos	
Ms ZT Nackerdien	
Ms GM Ntuli	
Mr JH Roos	

The Directors' other details are reported in the Governance Report.

#### 7. PUBLIC OFFICER, COMPANY SECRETARY AND REGISTERED ADDRESS

The Public Officer and Company Secretary is Mr FJ van Zyl. The registered address of the Company is:

<b>22 Louws Avenue</b>	<b>PO Box 660</b>
<b>SOUTHERN PAARL</b>	<b>SOUTHERN PAARL</b>
<b>7646</b>	<b>7624</b>

#### 8. FINANCIAL REPORTING FRAMEWORK

It is the second year that **Casidra's** Financial Statements are prepared in accordance with Standards of Generally Recognised Accounting Practice.

#### 9. EVENTS AFTER THE REPORTING DATE

No material events which may have a significant influence on the financial position of the Company occurred between the financial year end date and the approval date of the Annual Financial Statements.

**PART E: FINANCIAL INFORMATION**  
**ANNUAL FINANCIAL STATEMENTS**

STATEMENT OF FINANCIAL POSITION as at 31 March 2017	Notes	2017 R	2016 R
<b>ASSETS</b>			
<b>Current assets</b>			
Trade and other receivables	9	989 898	2 130 386
Project cash and cash equivalents	21	319 831 706	298 682 129
Cash and cash equivalents	10	23 495 552	18 837 269
		344 317 156	319 649 784
<b>Non-current assets</b>			
Property and equipment	5	6 959 436	7 043 594
Investment property	6	264 070	1 009 000
Other financial assets	8	10 088 509	8 347 088
		17 312 015	16 399 682
<b>TOTAL ASSETS</b>		<b>361 629 171</b>	<b>336 049 466</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	12	4 748 233	4 460 667
Project creditors	21	319 831 706	298 682 129
		324 579 939	303 142 796
<b>Non-current liabilities</b>			
Deferred income tax liabilities	13	1 382 363	787 521
<b>TOTAL LIABILITIES</b>		<b>325 962 302</b>	<b>303 930 317</b>
<b>NET ASSETS</b>			
<b>Capital and reserves attributable to the owner of the Company</b>			
Share capital	11	25 000 000	25 000 000
Accumulated surplus		10 666 869	7 119 149
<b>TOTAL EQUITY</b>		<b>35 666 869</b>	<b>32 119 149</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>361 629 171</b>	<b>336 049 466</b>

**ANNUAL FINANCIAL STATEMENTS**

<b>STATEMENT OF FINANCIAL PERFORMANCE for the year ended 31 March 2017</b>		<b>2017</b>	<b>2016</b>
	<b>Notes</b>	<b>R</b>	<b>R</b>
Turnover	14	6 109 105	2 729 425
Other income	15	9 869 392	6 161 069
<b>Total income</b>		<b>15 978 497</b>	<b>8 890 494</b>
Expenses	16	(34 451 462)	(29 199 905)
<b>Net operational cost</b>		<b>(18 472 965)</b>	<b>(20 309 411)</b>
		-	-
Project income in respect of salaries		3 362 821	3 974 762
Project salaries		(3 362 821)	(3 974 762)
		-	-
Project income in respect of project expenses	21	277 170 113	278 045 956
Project expenses	21	(277 170 113)	(278 045 956)
<b>Net funding - Agriculture Western Cape</b>		<b>20 939 474</b>	<b>20 421 053</b>
Gross funding - Agriculture Western Cape		23 871 000	23 280 000
Less: Value Added Tax		(2 931 526)	(2 858 947)
<b>Net operational surplus</b>		<b>2 466 509</b>	<b>111 642</b>
Financial instruments fair value adjustment		1 676 053	(1 897 129)
<b>Surplus/(deficit) before income tax</b>		<b>4 142 562</b>	<b>(1 785 487)</b>
Income tax expense	17	( 594 842)	92 543
<b>Surplus/(deficit) for the year</b>		<b>3 547 720</b>	<b>(1 692 944)</b>

<b>STATEMENT OF CHANGES IN NET ASSETS for the year end 31 March 2017</b>	<b>SHARE CAPITAL R</b>	<b>ACCUMULATED SURPLUS R</b>	<b>TOTAL R</b>
<b>2016</b>			
Balance at 1 April 2015	25 000 000	8 812 093	33 812 093
Net deficit for the year	-	(1 692 944)	(1 692 944)
<b>Balance at 31 March 2016</b>	<b>25 000 000</b>	<b>7 119 149</b>	<b>32 119 149</b>
<b>2017</b>			
Balance at 1 April 2016	25 000 000	7 119 149	32 119 149
Net surplus for the year	-	3 547 720	3 547 720
<b>Balance at 31 March 2017</b>	<b>25 000 000</b>	<b>10 666 869</b>	<b>35 666 869</b>



STATEMENT OF CASH FLOWS for the year ended 31 March 2017	Notes	2017 R	2016 R
<b>Cash flow from operating activities</b>			
Cash receipt from customers		40 280 792	33 286 309
Cash paid to suppliers and employees		(44 357 821)	(36 311 423)
Cash utilised in operating activities	18	(4 077 029)	(3 025 114)
<b>Cash flow from investment activities</b>			
Purchase of property and equipment	19	( 793 209)	(1 255 200)
Proceeds from sale of property and equipment	18	2 919 999	63 602
Purchase of other financial assets	8	( 65 368)	( 24 944)
Interest received		6 456 947	4 934 915
Dividends received		216 943	159 131
Cash generated from investing activities		8 735 312	3 877 504
<b>Net movement in cash and cash equivalents</b>		4 658 283	852 390
<b>Cash and cash equivalents at 1 April</b>		18 837 269	17 984 879
<b>Cash and cash equivalents at 31 March</b>	10	23 495 552	18 837 269

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

**1. GENERAL INFORMATION**

**Casidra** SOC Limited acts as development agency for the Western Cape Government. In accordance with the Public Finance Management Act, **Casidra** has been listed as a Schedule 3D provincial government business enterprise.

The Company is a state-owned company incorporated and domiciled in South Africa. The address of its registered office is 22 Louws Avenue, Southern Paarl.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****2.1 Presentation of Financial Statements**

The Financial Statements are the Company's second Financial Statements to be prepared in accordance with Standards of Generally Recognised Accounting Practice, including any interpretations and directives issued by the Accounting Standards Board. These Financial Statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise.

The principal accounting policies, which have been consistently applied to all the years presented, are disclosed below.

**2.2 Foreign currency translation****(a) Functional and presentation currency**

Items included in the Financial Statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Financial Statements are presented in South African Rand (ZAR), which is the Company's functional and presentation currency.

**(b) Transactions and balances**

Foreign currency transactions are translated into the functional currency (ZAR) using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of financial performance, except when deferred in other income as qualifying cash flow hedges and qualifying net investment hedges.

**2.3 Property and equipment**

Buildings consist mainly of offices.

All property and equipment are stated at historical cost less accumulated depreciation taking into account the residual value. Historical cost includes expenditure that is directly attributable to the acquisition

of the items. Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of financial performance during the financial period in which they are incurred.

Land is not depreciated. On the following, depreciation is calculated on the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives:

Buildings	50 years
Office furniture and equipment	5 - 20 years
Vehicles	4 - 20 years
Computers	3 - 5 years

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds on sale with the assets' carrying amount. These are included in the Statement of Financial performance.

When revalued assets are sold, the amounts included in other reserves are transferred to retained earnings.

## 2.4 Investment property

Investment property comprising of an office building is held for long-term rental yields and is not occupied by the Company.

All investment property is stated at historical cost less accumulated depreciation, taking into account the residual value. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives. The useful life is 50 years.

## 2.5 Impairment of non-financial assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets, other than goodwill, that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

## 2.6 Financial assets

### 2.6.1 Classification

The Company classifies its financial assets in the following categories: at fair value through profit or loss; loans and receivables at amortised cost and other financial assets at cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

#### (a) Financial assets at fair value through profit and loss

This category consists of 'financial assets held for trading', and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or if so designated by Management.

Derivatives are also categorised as 'held for trading' unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the reporting date.

#### (b) Loans and receivables at amortised cost

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the reporting date. These are classified as non-current assets. Loans and receivables are classified as 'trade and other receivables' in the Statement of Financial Position.

#### (c) Other financial assets at cost

Other financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting date.

### 2.6.2 Recognition and measurement

Regular purchases and sales of investments are recognised on trade-date – the date on which the Company commits to purchase or sell the asset.

Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the Statement of Financial Performance.

Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial assets and other financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category, including interest and dividend income, are presented in the statement of financial performance, in the period in which they arise.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active, the Company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models, making maximum use of market inputs and relying as little as possible on entity-specific inputs. The financial assets are assessed at each reporting date to determine whether there is objective evidence that a financial asset or a group of financial assets is impaired.

## 2.7 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the Statement of Financial Performance.

## 2.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position.

## 2.9 Share capital

Ordinary shares are classified as equity.

## 2.10 Deferred income tax

The tax expense for the period comprises deferred tax. Tax is recognised in the statement of financial performance.

The current income tax charge is calculated on the basis of tax laws enacted or substantively enacted at the reporting date in countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establish provisions, where applicable, on the basis of amounts expected to be paid to tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets relating to the carry forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

## 2.11 Trade payables

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

## 2.12 Provisions

Provisions are recognised when: the Company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

## 2.13 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Company's activities. Revenue is shown net of Value Added Tax, returns, rebates and discounts. Revenue is recognised as follows:

### (a) Rendering of services

Rendering of services are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total service to be provided.

### (b) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

### (c) Dividend income

Dividend income is recognised when the right to receive the payment is established.

**2.14 Leases**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of financial performance on a straight-line basis over the period of the lease.

**2.15 Dividend distribution**

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

**3. FINANCIAL RISK MANAGEMENT**

**3.1 Financial risk factors**

The Company's activities expose it to a variety of financial risks: market risk (including currency risk and price risk), credit risk, liquidity risk, fair value cash flow risk and fair value interest rate risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

The Board provides principles for overall risk management as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and the investment of excess liquidity.

**(a) Market risk**

**(i) Foreign exchange risk**

The Company does not operate internationally and is not exposed to foreign exchange risk arising from various currency exposures.

**(ii) Price risk**

Other than exposure to investments in equity of other entities the Company is not subject to other material price risks.

The effect of a 5% increase/(decrease) in the fair value of the Company's other financial assets on the Company's equity would be as follows:

Effect on equity	2017 R	2016 R
Increase of 5%, equity will increase with	504 425	417 354
Decrease of 5%, equity will decrease with	(504 425)	(417 354)

**(b) Credit risk**

The Company has a limited concentration of credit risk. The Company has no credit facility and has policies that limit the amount of credit exposure to any financial institution. Funds are invested with reputable financial establishments.

**(c) Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet

its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities, when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Cash flow requirements are monitored with monthly cash forecasts which includes the servicing of financial obligations, but excludes the potential impact of extreme circumstances that cannot be reasonably predicted.

The Company's financial liabilities are limited to trade and other payables which are repayable within 12 months.

**(d) Cash flow and fair value interest rate risk**

The Company is exposed to cash flow interest rate risk in South Africa that arises from changes in the SA Reserve Bank's repo rate.

The Company's financial assets subject to interest rate risk include cash and short-term bank deposits that are invested at variable rates.

Refer to note 7.1 for the disclosure of the Company's exposure to interest rate risks and the effective interest rate on financial instruments as at reporting date.

The Company earns interest on cash and short-term bank deposits. If the interest rate should change by 0,5% (all other factors remaining unchanged) the effect on profit would be as follows:

Effect on profit	2017 R	2016 R
Increase of 0.5%, profit will increase with	645 695	493 492
Decrease of 0.5%, profit will decrease with	(645 695)	(493 492)

**(e) Capital risk management**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide benefits for the shareholder and other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

**3.2 Fair value estimation**

The following table presents and analyses, by valuation method, the Company's other financial assets that are measured at fair value.

Other financial assets	2017 R	2016 R
Unadjusted quoted prices in active market for identical assets	8 523 955	6 839 791
Direct asset prices	1 564 554	1 507 297
	10 088 509	8 347 088

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Company is the current bid price.

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

#### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

##### 4.1 Critical accounting estimates and assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### (a) Property and equipment

Depreciation on assets is calculated over their estimated useful lives, taking into account the residual value of the asset at the end of its useful life. Certain office furniture and equipment is expected to remain in use for longer than ten years from the date of purchase. As a result, the expected useful lives of these assets increased and their estimated residual values may decrease. The effect of these changes on the actual and expected depreciation in the current and future periods is not disclosed because estimating the expense is impractical.

##### 4.2 Critical judgements in applying the entity's accounting policies

Management did not make any critical judgements in applying the entity's accounting policies.

5. PROPERTY AND EQUIPMENT					
	Land and Buildings	Vehicles	Furniture and Equipment	Computers	Totals
	R	R	R	R	R
<b>2016</b>					
Carrying value at 1 April 2015	5 034 587	364 427	335 962	630 129	6 365 105
Cost	5 034 587	967 848	1 192 295	1 646 676	8 841 406
Accumulated depreciation	-	( 603 421)	( 856 333)	(1 016 547)	(2 476 301)
Additions	-	653 871	23 001	578 328	1 255 200
Disposals and transfers	-	( 31 833)	-	-	( 31 833)
Cost	-	( 73 557)	-	-	( 73 557)
Accumulated depreciation	-	41 724	-	-	41 724
Depreciation	-	(80 677)	( 26 519)	( 437 682)	( 544 878)
Carrying value at 31 March 2016	5 034 587	905 788	332 444	770 775	7 043 594
Cost	5 034 587	1 548 162	1 215 296	2 225 004	10 023 049
Accumulated depreciation	-	( 642 374)	( 882 852)	(1 454 229)	(2 979 455)
<b>2017</b>					
Carrying value at 1 April 2016	5 034 587	905 788	332 444	770 775	7 043 594
Cost	5 034 587	1 548 162	1 215 296	2 225 004	10 023 049
Accumulated depreciation	-	( 642 374)	( 882 852)	(1 454 229)	(2 979 455)
Additions	-	217 629	-	575 580	793 209
Disposals and transfers	-	( 49 602)	-	( 52 483)	( 102 085)
Cost	-	( 130 000)	-	( 183 824)	( 313 824)
Accumulated depreciation	-	80 398	-	131 341	211 739
Depreciation	( 43 219)	( 107 315)	( 26 281)	( 598 467)	( 775 282)
Carrying value at 31 March 2017	4 991 368	966 500	306 163	695 405	6 959 436
Cost	5 034 587	1 635 791	1 215 296	2 616 760	10 502 434
Accumulated depreciation	( 43 219)	( 669 291)	( 909 133)	(1 921 355)	(3 542 998)

Land and buildings consist of erven 26168 (3 120m<sup>2</sup>), title deed T52255/2008, 3163 (569m<sup>2</sup>) and 3164 (558m<sup>2</sup>), title deed T54412/1998, situated in the Paarl Municipality and the buildings thereon. The property and equipment are not mortgaged.

Land is at a value of R712 632 (2016: R900 000) and not depreciated.

6. INVESTMENT PROPERTY	2017 R	2016 R
Carrying value at 31 March at cost	1 009 000	1 009 000
Disposals	( 742 604)	-
Depreciation	( 2 326)	-
Carrying value at 31 March	264 070	1 009 000
Cost	266 396	1 009 000
Accumulated depreciation	( 2 326)	-
The property consists of an office building erected on erf 26 168 as described in note 5. The store and house were sold.		
The investment property is not mortgaged and the fair value, based on replacement values, is R2,8m (2016: R7,9m).		
Rental income	138 281	208 502

7.1 FINANCIAL INSTRUMENTS BY CATEGORY	2017 R	2016 R
The accounting policies for financial instruments have been applied to the line items below.		
<b>Assets as per statement of financial position</b>		
<b>Amortised cost</b>		
	<b>2017</b>	<b>2016</b>
	<b>Interest rate %</b>	
Trade and other receivables	989 898	2 130 386
Project cash and cash equivalents	319 831 706	298 682 129
Cash and cash equivalents	0 - 7.79	0 - 7.65
23 495 552		18 837 269
<b>Fair value through profit and loss</b>		
Other financial assets	10 088 509	8 347 088
<b>Total</b>	<b>354 405 665</b>	<b>327 996 872</b>
<b>Liabilities as per statement of financial position</b>		
<b>Amortised cost</b>		
Trade and other payables	4 748 233	4 460 667
Project creditors	319 831 706	298 682 129
<b>Total</b>	<b>324 579 939</b>	<b>303 142 796</b>

7.2 CREDIT QUALITY OF FINANCIAL ASSETS	2017 R	2016 R
The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rates.		
<b>Trade and other receivables</b>		
<b>Counterparties without external credit rating:</b>		
Between 0 and 6 months:	989 898	2 130 386

8. OTHER FINANCIAL ASSETS		2017 R	2016 R
Number			
41 741	Pioneer Food Group Limited	7 371 878	5 803 669
41 741	Quantum Foods Holdings Limited	124 806	121 049
7 333	Sanlam Limited	494 024	502 237
68 806	Zeder Investments Limited	533 247	412 836
Listed securities		8 523 955	6 839 791
3 765	Kaap Agri Limited	169 425	90 360
10 112	(2016: 9 912) Nedgroup Growth fund unit trust	243 373	224 778
2 960	(2016: 2 809) Old Mutual unit trust	1 151 756	1 192 159
Unlisted securities		1 564 554	1 507 297
Total securities		10 088 509	8 347 088
At 1 April		8 347 088	10 219 273
Additions		65 368	24 944
Fair value adjustment through profit and loss		1 676 053	(1 897 129)
Non-current portion		10 088 509	8 347 088
The maximum exposure to credit risk at the reporting date is the carrying value of the total securities. None of these financial assets is either past due or impaired.			

9. TRADE AND OTHER RECEIVABLES		2017 R	2016 R
Projects		782 253	1 900 130
Sundry debtors		207 645	230 256
Current portion		989 898	2 130 386
As of 31 March the following trade receivables were due but not impaired:			
Up to 3 months			
3 to 6 months		989 898	1 584 386
		-	546 000
The carrying values approximates the fair values.		989 898	2 130 386

10. CASH AND CASH EQUIVALENTS		2017 R	2016 R
Cash in bank		23 477 450	18 820 123
Cash on hand and deposits		18 102	17 146
		23 495 552	18 837 269

11. SHARE CAPITAL	Number of shares	Ordinary Shares R	2017 R	2016 R
At 31 March	25 000 000	25 000 000	25 000 000	25 000 000

The total authorised number of ordinary shares is 25 000 000 (2016: 25 000 000). All issued shares are fully paid-up.

12. TRADE AND OTHER PAYABLES	2017 R	2016 R
Leave and bonus provision	1 785 618	1 455 700
Balance at the beginning of the year	1 455 700	1 111 270
Movement for the year	329 918	344 430
Sundry creditors	2 755 964	1 058 540
Personnel fund	9 729	15 376
SARS - VAT	77 322	44 965
Projects	119 600	1 886 086
	4 748 233	4 460 667

13. DEFERRED INCOME TAX LIABILITY	2017 R	2016 R
The analysis of deferred tax assets and liabilities is as follows:		
Deferred tax assets:		
Assessed loss	(183 810)	( 508 344)
Investment property	( 651)	-
Property and equipment	( 9 701)	2 399
Leave provision	( 499 973)	( 407 596)
Total deferred tax assets	(694 135)	( 913 541)
Deferred tax liabilities:		
Other financial assets	2 076 498	1 701 062
Total deferred tax liabilities	2 076 498	1 701 062
Net deferred tax liabilities	1 382 363	787 521
Non-current	1 382 363	787 521
Net deferred tax liabilities	1 382 363	787 521
The gross movement on the deferred income tax account is as follows:		
At 1 April	787 521	880 064
Assessed loss	324 534	74 519
Property and equipment	( 12 100)	( 2)
Investment property	( 651)	-
Leave provision	( 92 377)	( 96 440)
Other financial assets	375 436	( 70 620)
At 31 March	1 382 363	787 521

#### 14. TURNOVER

Turnover represents the invoiced value of services and excludes Value Added Tax.



15. OTHER INCOME	2017 R	2016 R
SETA and other income	420 934	327 594
Bad debt recovered	55 450	29 840
Bursary repayments	448 453	460 436
Dividends received	216 943	159 131
Interest received	6 456 947	4 934 915
Profit on disposal of property and equipment	2 127 794	35 138
Rent received	142 871	214 015
	9 869 392	6 161 069

16. EXPENCES BY NATURE	2017 R	2016 R
Auditors' remuneration	344 510	325 002
Depreciation	777 608	544 878
Directors' remuneration	199 206	158 053
Loss on property and equipment scrapped	52 484	3 369
Maintenance	204 100	732 507
Other	4 956 484	2 703 705
Personnel expenses	20 504 945	17 197 716
Personnel expenses - Prescribed officers	5 231 227	4 751 003
Consultancy fees - HR	25 200	387 065
Rental paid	144 122	147 631
Training, skills levy and bursaries	1 049 841	1 188 722
Travel and accommodation	961 735	1 060 254
	34 451 462	29 199 905

17. INCOME TAX EXPENSE	2017 R	2016 R
Deferred tax (note 13)	594 842	( 92 543)
Income tax expense	594 842	( 92 543)
Reconciliation of effective tax rate		
<b>Casidra's</b> theoretical tax that would arise using the domestic tax rate applicable to the profit/(loss) differs from <b>Casidra's</b> actual tax on the profit/(loss) and is reconciled as follows:		
(Loss)/profit before tax	4 142 562	(1 785 487)
Tax using domestic tax rate (theoretical)	1 159 917	( 499 936)
Tax effects of:		
Dividends received - tax exempt	( 60 744)	( 44 557)
Capital gains tax	(100 432)	3 276
Other financial assets - Fair value adjustment	( 93 859)	106 239
Non-taxable income - Loans recovered	( 15 526)	( 8 355)
Capital gains inclusion rate charge	-	354 248
Deferred tax not recognised	30 020	71 331
Utilisation of assessed loss	( 324 534)	(74 789)
Actual tax charge	594 842	(92 543)

No provision is made for income tax due to the company having a calculated tax loss amounting to R656 466 (2016: R1 815 516).

<b>18. CASH UTILISED IN OPERATIONS</b>	<b>2017 R</b>	<b>2016 R</b>
Surplus/(deficit) for the year	3 547 720	(1 692 944)
Income Tax	594 842	( 92 543)
Depreciation	777 608	544 878
Other financial assets - fair value adjustment	(1 676 053)	1 897 129
Loss on property and equipment scrapped	52 484	3 369
Profit on disposal of property and equipment	(2 127 794)	( 35 138)
Investment income	(6 673 890)	(5 094 046)
<b>Operating deficit before changes in working capital</b>	<b>(5 505 083)</b>	<b>(4 469 295)</b>
<b>Changes in working capital</b>		
(Increase)/decrease in trade and other receivables	1 140 488	( 546 676)
Increase in trade and other payables	287 566	1 990 857
<b>Changes in working capital</b>	<b>1 428 054</b>	<b>1 444 181</b>
<b>Cash utilised in activities</b>	<b>(4 077 029)</b>	<b>(3 025 114)</b>
In the statement of cash flows, proceeds from sale of property and equipment comprise:		
Net carrying value - investment property	742 604	-
Net carrying value - property and equipment	102 085	31 833
Profit on disposal of property and equipment	2 127 794	35 138
Loss on property and equipment scrapped	( 52 484)	( 3 369)
<b>Proceeds from sale of property and equipment</b>	<b>2 919 999</b>	<b>63 602</b>

<b>19. PURCHASE OF PROPERTY AND EQUIPMENT</b>	<b>2017 R</b>	<b>2016 R</b>
Computers	575 580	578 328
Furniture and equipment	-	23 001
Vehicles	217 629	653 871
	<b>793 209</b>	<b>1 255 200</b>

## 20. EVENTS AFTER THE REPORTING DATE

No material events which may have a significant influence on the financial position of the Company occurred between the financial year end date and the approval date of the financial statements.

## 21. MANAGED PROJECTS

Casidra managed the administration of the following projects and the projects' cumulative receipts and payments are as follows:

Project Name and Funder WCDoA	Balance 2016/03/31	Received from Funders	Internal Transfers	Other Income	Projects Completed Previous Year	Utilised 2017	Balance 2017/03/31
CASP Cape Winelands - available	31 587 683						26 230 720
WCDoA and interest	45 251 475	29 000 000	(1 683 547)	2 095 019	(45 251 475)	-	29 411 472
Items expensed	(13 663 792)	-	-	-	-	(34 768 435)	(3 180 752)
CASP Central Karoo - available	9 705 271						9 521 012
WCDoA and interest	13 013 443	5 510 000	(2 215 652)	4 186 925	-	-	20 494 716
Items expensed	(3 308 172)	-	-	-	-	(7 665 532)	(10 973 704)
CASP Savings - available	3 634 672						1 017 536
WCDoA and interest	3 667 267	-	(1 231 014)	168 234	-	-	2 604 487
Items expensed	(32 595)	-	-	-	-	(1 554 356)	(1 586 951)
CASP Interest - available	10 349 015						10 884 744
WCDoA and interest	7 170 170	-	5 759 588	780 967	-	-	13 710 725
Items expensed	3 178 845	-	-	-	-	(6 004 826)	(2 825 981)
CASP Winelands/Overberg - available	46 050 696						50 417 225
WCDoA and interest	86 631 505	40 649 000	(3 799 865)	6 009 292	-	-	129 489 932
DWS	1 948 912	-	-	-	(1 948 912)	-	-
Items expensed	(42 529 721)	-	-	-	-	(38 491 898)	(79 072 707)
CASP West Coast - available	10 169 151						24 591 818
WCDoA and interest	24 098 528	30 755 000	2 455 092	3 066 627	(24 098 528)	-	36 276 719
Items expensed	(13 929 377)	-	-	-	-	(21 854 052)	(11 684 901)
CASP West Coast Metro - available	17 989 259						3 199 719
WCDoA and interest	16 496 633	13 689 000	(757 313)	2 610 447	(16 496 633)	-	15 542 134
Items expensed	1 492 626	-	-	-	-	(30 331 674)	(12 342 415)
2011/2012 Flood relief - available	142 007 488						150 290 497
WCDoA and interest	203 418 187	-	18 470 000	11 097 414	-	-	232 985 601
Items expensed	(61 410 699)	-	-	-	-	(21 284 405)	(82 695 104)
Flood relief 2013 - available	4 014 707						23 836 138
WCDoA and interest	25 646 565	40 852 000	(23 570 000)	1 135 369	-	-	44 063 934
Items expensed	(21 631 858)	-	-	-	-	(1 404 062)	(20 227 796)
Drought relief	-						376 133
WCDoA - Western Cape and interest	-	27 804 000	6 660 775	3 886 336	-	-	38 351 111
Items expensed	-	-	-	-	-	(37 974 978)	(37 974 978)
LandCare	482 732						878 930
WCDoA and interest	9 371 084	8 374 000	(88 064)	88 064	(9 371 084)	-	8 374 000
Items expensed	(8 888 352)	-	-	-	-	(7 977 802)	(7 495 070)

## 2.1. MANAGED PROJECTS

Project Name and Funder WCDoA	Balance 2016/03/31	Received from Funders	Internal Transfers	Other Income	Projects Completed Previous Year	Utilised 2017	Balance 2017/03/31
Rural Nodal Support Programme - available	2 18 468						2 938 049
WCDoA and interest	238 304	-	-	3 061 451	(238 304)	-	3 061 451
Items expensed	(19 836)	-	-	-	-	(341 870)	(123 402)
* Amalienstein - available	83 053				238 304		81 700
WCDoA and income	5 059 019	1 337 000	-	3 291 665	(5 059 019)	-	4 628 665
Items expensed	(4 975 966)	-	-	-	-	(4 630 018)	(4 546 965)
* Anhalt - available	5 193 530				5 059 019		6 168 462
Income	15 240 522	-	-	20 137 056	(15 240 522)	-	20 137 056
Items expensed	(10 046 992)	-	-	-	-	(19 162 124)	(13 968 594)
* Waaikraal - available	177 295				15 240 522		26 721
WCDoA and income	4 523 712	2 163 000	-	3 037 006	(4 523 712)	-	5 200 006
Items expensed	(4 346 417)	-	-	-	-	(5 350 580)	(5 173 285)
Total WCDoA	281 663 020	200 133 000	-	64 651 872	(122 228 189)	(235 988 488)	310 459 404
Total project funding and interest received	461 775 326						604 332 009
Total already expensed	(180 112 306)						(293 872 605)
<b>OTHER</b>							
Bitou Entrepreneur support - available	54 701						-
DEDAT and interest	350 837	-	-	2 559	(353 396)	-	-
Items expensed	(296 136)	-	-	-	-	(57 260)	-
Clearing and restoration - available	14 755 229				353 396		561 462
DEA	42 072 610	11 836 589	-	165 859	(42 072 610)	-	12 002 448
Items expensed	(27 317 381)	-	-	-	-	(26 196 215)	(11 440 986)
LED fund - available	2 016 927				42 072 610		1 594 686
DEDAT and interest	7 842 590	-	-	100 772	-	-	7 943 362
Items expensed	(5 825 663)	-	-	-	-	(523 013)	(6 348 676)
MTO Project	-						-
MTO Forestry and interest	-	-	-	484 857	(484 857)	-	-
Items expensed	-	-	-	-	-	(484 857)	-
Oudtshoorn support project - available	115 128						-
Interest and other	115 128	-	-	5 254	(120 382)	-	-
Items expensed	-	-	-	-	-	(120 382)	-

## 21. MANAGED PROJECTS

Project Name and Funder Other	Balance 2016/03/31	Received from Funders	Internal Transfers	Other Income	Projects Completed Previous Year	Utilised 2017	Balance 2017/03/31
Stony Point - available	-	-	-	30 140	( 786 052)	-	-
DEAT and interest Items expensed	755 912 ( 755 912)	-	-	-	786 052	( 30 140)	-
West Coast BD Centre - available	78 111	-	-	-	-	-	78 302
DEDAT and interest	480 118 ( 402 007)	-	-	9 939	-	-	490 057 ( 411 755)
Items expensed	( 987)	-	-	-	-	( 9 748)	7 137 852
WC Schools Support Programme - available	14	20 269 260	-	629 589	-	-	20 898 863 (13 761 011)
WCED and interest Items expensed	( 1 001)	-	-	-	-	(13 760 010)	
Total Other	17 019 109	32 105 849	-	1 428 969	(43 817 297)	(41 181 625)	9 372 302
Total project funding and interest received	51 617 209						41 334 730
Total already expensed	(34 598 100)						(31 962 428)
Total project funds available	298 682 129	232 238 849	-	66 080 841	(166 045 486)	(277 170 113)	319 831 706
Total project funding and interest received	513 392 535						645 666 739
Total already expensed	(214 710 406)						(325 835 033)
<b>Reconciliation of project funds received</b>	<b>2016 R</b>						<b>2017 R</b>
Balance at the beginning of the year	468 691 410						513 392 535
Projects completed previous year	(204 776 147)						(166 045 486)
Funds received from DEAT	41 135 776						-
Funds received from DEADP	-						3 500 000
Funds received from DEA	-						11 836 589
Funds received from DEDAT	-						3 000 000
Funds received from WCED	-						20 269 260
Funds received from WCDoA	162 178 000						200 133 000
Income and interest received	46 163 496						59 580 841
Balance at the end of the year	513 392 535						645 666 739

## 21. MANAGED PROJECTS

	2016 R	2017 R
<b>Reconciliation of project funds applied</b>		
Balance at the beginning of the year	141 440 597	214 710 406
Less: Projects completed previous year	(204 776 147)	(166 045 486)
Plus: Funds applied during the year	278 045 956	277 170 113
Balance at the end of the year	214 710 406	325 835 033

CASP = Comprehensive Agricultural Support Programme

DEA = Department of Environmental Affairs

DEADP = Department of Environmental Affairs and Development Planning

DEDAT = Department of Economic Development and Tourism

DWS = Department of Water and Sanitation

WCDoA = Department of Agriculture Western Cape

WCED = Western Cape Education Department





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