

# Annual Report 2009 - 2010



# SOUTH AFRICAN NATIONAL BIODIVERSITY INSTITUTE



Annual Report  
2009 – 2010

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## Contents

Vision, Mission and Mandate	viii
Chairperson's Overview	1
Chief Executive Officer's Report	2
<b>PERFORMANCE INFORMATION</b>	<b>3</b>
WINDOWS TO BIODIVERSITY: The national botanical gardens	4
CONSERVING OUR PLANTS AND ANIMALS FOR THE FUTURE: Species work	10
LIVING IN HARMONY WITH NATURE: Ecosystem services and landscapes	14
CONTRIBUTING TO A SUSTAINABLE PLANET: Climate and environmental change	18
SHARING OUR WORK AND KNOWLEDGE: Access to information	20
GROWING OUR PEOPLE AND THE SECTOR: Transformation and organisational development	26
PARTNERS	29
DONORS	30
BRANCHES, DIVISIONS AND DIRECTORATES	31
ORGANOGRAM	32
<b>ACTUAL PERFORMANCE MEASURED AGAINST KEY PERFORMANCE INDICATORS</b>	<b>33</b>
<b>FINANCIAL INFORMATION</b>	<b>42</b>
Statement of Responsibility of the Board	42
Report of the Accounting Authority	43
Corporate Governance Statement	45
Report of the Audit Committee	49
Report of the Auditor-General	50
Annual Financial Statements	52
Notes to the Annual Financial Statements	56
Materiality and Significance Framework	94





## Our Vision

Biodiversity richness for all South Africans.

## Our Mission

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

## Our Mandate

SANBI's mandate comes from the National Environmental Management: Biodiversity Act No. 10 of 2004:

### Section 11. Functions

#### (1) The Institute

- (a) must monitor and report regularly to the Minister on
  - i. the status of the Republic's biodiversity
  - ii. the conservation status of all listed threatened or protected species and listed ecosystems; and
  - iii. the status of all listed invasive species;
- (b) must monitor and report regularly to the Minister on the impact of any genetically modified organism that has been released into the environment including the impact on non-target organisms and ecological processes, indigenous biological resources and the biological diversity of species used for agriculture;
- (c) must act as an advisory and consultative body on matters relating to biodiversity to organs of state and other biodiversity stakeholders;
- (d) must coordinate and promote the taxonomy of South Africa's biodiversity;
- (e) must manage, control and maintain all national botanical gardens;

- (f) must manage, control and maintain
  - i. herbaria; and
  - ii. collections of dead animals that may exist;
- (g) must establish facilities for horticulture display, environmental education, visitor amenities and research;
- (h) must establish, maintain, protect and preserve collections of plants in national botanical gardens and in herbaria;
- (i) may establish, maintain, protect and preserve collections of animals and micro-organisms in appropriate enclosures;
- (j) must collect, generate, process, coordinate and disseminate information about biodiversity and the sustainable use of indigenous biological resources and establish and maintain databases in this regard;
- (k) must allow, regulate or prohibit access by the public to national botanical gardens, herbaria and other places under the control of the Institute and supply plants, information, meals or refreshments or render other services to visitors;
- (l) must undertake and promote research on indigenous biodiversity and the sustainable use of indigenous biological resources;
- (m) must coordinate and implement programmes for
  - i. the rehabilitation of ecosystems; and
  - ii. the prevention, control or eradication of listed invasive species;
- (n) must coordinate programmes to involve civil society in
  - i. the conservation and sustainable use of indigenous biological resources; and
  - ii. the rehabilitation of ecosystems;
- (o) on the Minister's request, must assist him or her in the performance of duties and the exercise of powers assigned to the Minister in terms of this Act;

- (p) on the Minister's request, must advise him or her on any matter regulated in terms of this Act, including
    - i. the implementation of this Act and any international agreements affecting biodiversity which are binding on the Republic;
    - ii. the identification of bioregions and the contents of any bioregional plans;
    - iii. other aspects of biodiversity planning;
    - iv. the management and conservation of biological diversity; and
    - v. the sustainable use of indigenous biological resources;
  - (q) on the Minister's request, must advise him or her on the declaration and the management of, and development in, national protected areas;
  - (r) must perform any other duties
    - i. assigned to it in terms of this Act; or
    - ii. as may be prescribed.
- (2)** When the Institute in terms of subsection (1) gives advice on a scientific matter, it may consult any appropriate organ of state or other institution which has expertise in that matter.
- 48. (3)** The Institute must
- (a) assist the Minister and others involved in the preparation of the National Biodiversity Framework, a bioregional plan or a biodiversity management plan to comply with subsection (1); and
  - (b) make recommendations to organs of state or municipalities referred to in subsection (2); align their plans referred to in that subsection with the National Biodiversity Framework and any applicable bioregional plan.
- 60. (2)** the Institute must provide logistical, administrative and financial support for the proper functioning of the scientific authority.

# Chairperson's Overview



I have been fortunate to have had the opportunity to serve the people of South Africa through the Board of SANBI as its Chairman. My third year as SANBI's Board Chair has been extremely exciting, very busy, and at times demanding.

In this era of global economic recession and tight budgets for virtually every sector, SANBI has been no exception; it too felt the strain. It must however be said that the Institute has – commendably – risen to the occasion by finding ways to fulfill an expanded mandate under extreme pressure. Looking ahead, the challenge which faces SANBI is to remain focused on its mandated work, and effectively understand and communicate its relevance to South Africans in terms of the social and economic imperatives that are key to the country's progress and development.

SANBI and the sector in which it operates have a direct role to play in contributing towards fundamental requirements such as food security, poverty alleviation and job creation. Indeed effective management and preservation of South Africa's unique biodiversity can make a positive and meaningful impact towards fulfilling these needs, particularly in terms of the ecosystem services that our natural resources provide. This is particularly relevant given the threats of climate change to food security and to natural resources, particularly flora and fauna.

One of the main highlights during the financial year was being able to attend the launch of the draft of the Human Capital Development Strategy by Minister Buyelwa Sonjica. SANBI's contribution to this important initiative has been truly valuable, and the Institute's continued role – through its programmes – in growing the green economy and creating green jobs has been encouraging.

This financial year also saw SANBI learning positive lessons about the importance of constant congenial relationships with all stakeholder entities. The relationship between SANBI management and the union NEHAWU required a process of open communication and face to face discussion to ensure

ongoing health and positivity, and the Board took an active role in ensuring that the Relationship Building Exercise between the two entities resulted in practical and workable solutions.

This year's annual report has taken on a new approach which requires all branches, divisions, directorates and units to report under shared visions and themes rather than as individual bodies.

I believe that this bodes well towards the Institute working together towards mutual goals, as a joint and unified entity. This is the key to success.

I sincerely look forward to the remainder of my term on the SANBI Board, and with SANBI's CEO Dr Tanya Abrahamse, and the management and staff at SANBI – a hardworking Institute that has real potential to make a meaningful contribution to South Africa.



**Mr Thamsanqa Sokutu**  
Chairperson of the SANBI Board

*Members of the Board of SANBI, left to right:*



Prof. P Omara-Ojungu, Mr S Somyo, Mr T Frost,



Dr P Hanekom, Ms K Montgomery, Ms M Pyoos,



Mr F Mketeni, Dr T. Abrahamse, Ms T Dingaan.

This year has been characterised by exciting advances and achievements on one hand and a number of hurdles to be overcome on the other.

We enjoyed many wins. In May 2009, we received our 30th Gold medal at the Royal Horticultural Society's Chelsea flower show in London, where our team got to rub shoulders with Her Majesty the Queen, who had made a special request to meet them.

In July 2009, we marked the inaugural Mandela Day by inviting old age pensioners from the Pretoria community for a tea party in the Garden. Many of the pensioners had lived in Pretoria for most of their lives, but had never visited our Garden. It was wonderful to see how they relished every moment of their time in nature.

In August 2009, the National Biodiversity Framework was published in the Government Gazette. This outstanding piece of work that SANBI developed for the Department of Environmental Affairs identifies priority biodiversity actions over the next few years.

We also launched the Biodiversity Advisor. Described as the online gateway to a comprehensive array of biodiversity information resources and tools, the Biodiversity Advisor offers a host of unique cost and time saving benefits for those requiring information on the distribution of species and other biodiversity data for any area in South Africa's borders. It marked a giant step forward in fulfilling our mandated role to enable access to biodiversity knowledge and data. Through the Advisor, Environmental Impact Assessment practitioners, entities such as the Green Scorpions, academics and the public, can access biodiversity information and knowledge at a significantly reduced cost.

The year ended on a spectacular note with the publishing of the Red List of South African Plants. Seven years in the making, this SANBI-led initiative represented one of the continent's largest collaborative conservation projects to date. Through the Red List, South Africa has become the first of the world's mega-diverse countries to fully assess the status of its entire flora – a staggering 20,456 species. A proud achievement for South Africa and for SANBI.



Some of the most significant challenges that affected us at SANBI during the year related to budget constraints. We had to find innovative ways to cut costs, increase income, attract funding and make strategic decisions about posts. I was extremely impressed by how the whole team pulled together to find ways to economise, from travel to accommodation, catering, water, electricity and everything in between. I would like to take this opportunity to acknowledge SANBI staff for an impressive and unified effort, which will need to continue into the new financial year if we are going to realise tangible benefits.

Other challenges included concerns around a strained relationship that had developed between SANBI management and the union NEHAWU. Working towards rebuilding this relationship gave us a valuable opportunity to gain clear insights into what the issues were for both parties. As always, when individuals sit around the table and discuss problems with mutual respect, solutions are found.

An ongoing challenge for SANBI since its inception has been transformation. While there have been a number of other initiatives in the past, SANBI management felt it was important to embark on an organisation-wide process which would ensure that all SANBI staff members have a common and shared vision, values and goals around transformation. The Technical Assistance Unit of National Treasury was brought on board to assist us with the process, which is being implemented in a phased approach. It began in March with an organisational audit, and will continue into the next financial year.

## Chief Executive Officer's Report

Another impressive achievement was marked towards the end of 2009, when we were honoured to have the Minister of Water and Environmental Affairs, Ms Buyelwa Sonjica, formally launch the first draft of the Human Capital Development Strategy for the biodiversity sector. SANBI has been instrumental in driving the strategy with technical and financial support from the Lewis Foundation.

Amid the escalating FIFA World Cup fever and the ushering in of 2010, we hosted the launch of the International Year of Biodiversity by Minister Sonjica at the Pretoria National Botanical Garden. SANBI embraced this event as a unique opportunity to showcase our work and highlight our exceptional biodiversity.

Before I conclude, it is worth mentioning that we hosted a range of very high profile delegations during the year. In August, Minister Sonjica held bilateral talks with the British Secretary of State for Energy and Climate Change (at the time) Mr Ed Miliband at the Pretoria Garden, in order to discuss a joint Climate Change strategy between South Africa and the United Kingdom. The Pretoria Garden also hosted the Deputy Minister on World Wetlands Day. These special visits are a feather in the cap for SANBI. They bear testimony to the fact that our work is being recognised at the highest level and that our gardens are taking their rightful place as high profile destinations for both business and pleasure.

As we forge ahead into a new financial year, I would like to take a moment to acknowledge the SANBI Board and members of the SANBI Executive Committee for their continued and hard work and support. I would also like to thank the staff at SANBI for their commitment and determination to 'get on with the job', even through challenging times.

**Dr. Tanya Abrahamse**  
 Chief Executive Officer

# PERFORMANCE INFORMATION





Hantam NBG, Nieuwoudtville, Northern Cape.  
Established in 2008.



Karoo Desert NBG, Worcester, Western Cape.  
Established in 1921.



Harold Porter NBG, Betty's Bay, Western Cape.  
Established in 1959.



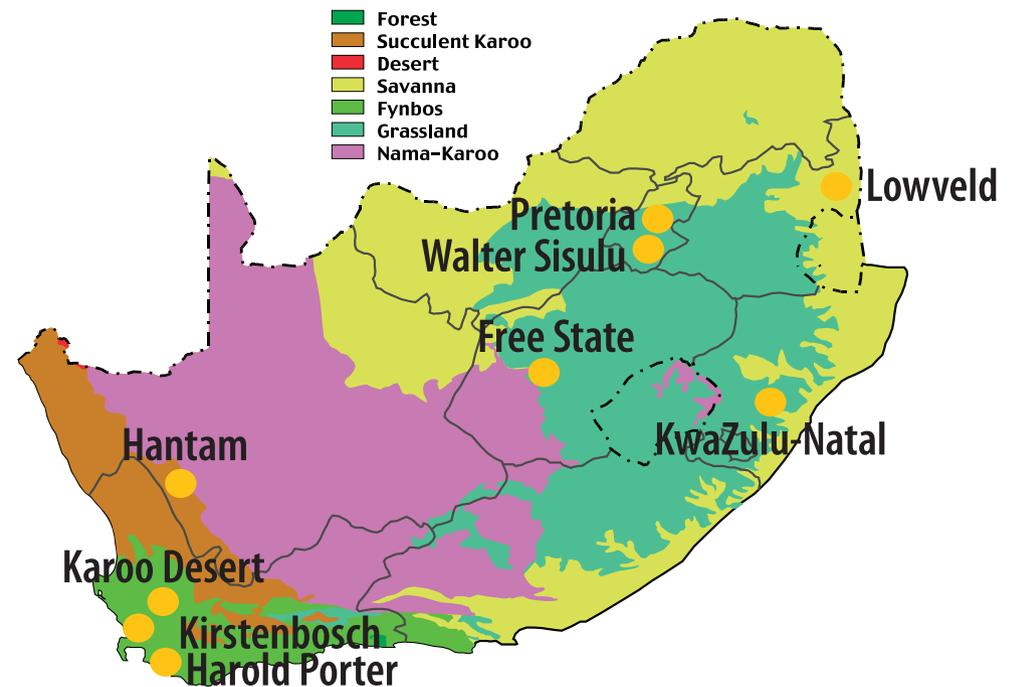
Kirstenbosch NBG, Cape Town, Western Cape.  
Established in 1913.

# Windows to biodiversity

## The national botanical gardens

The Biodiversity Act tasks SANBI with managing, controlling and maintaining South Africa's national botanical garden system. Spread across the country, the nine gardens are loved by South Africans from all walks of life, as well as international visitors.

Each garden is unique, but whether they offer fynbos, forest, savanna, succulents or grasslands, they all bring people into contact with nature through their educational, cultural, conservation and leisure activities. The gardens are also the source of an array of biodiversity research activities and are the starting place for a career in biodiversity.





*Pretoria NBG, Pretoria, Gauteng.  
Established in 1958.*



*Walter Sisulu NBG, Mogale City, Gauteng.  
Established in 1982.*

*Left: Lowveld NBG, Nelspruit, Mpumalanga.  
Established in 1969.*



*Free State NBG, Bloemfontein, Free State.  
Established in 1967.*



*KwaZulu-Natal NBG, Pietermaritzburg,  
KwaZulu-Natal.  
Established in 1874.*

# Highlights

**The popularity of the gardens** continues to grow with 1,291,581 visitors this year – the highest number ever and a 9 percent increase on last year.

The SANBI exhibit at the Royal Horticultural Society's **Chelsea Flower Show** impressed the judges and public yet again, winning its 30th Gold medal for its display 'Havens of Biodiversity'.



**R36,320,867** was raised in income – the largest amount ever and a 13 percent increase on last year, highlighting the gardens' wide appeal and income-generating ability.

**Walter Sisulu Garden** ringed its **1,000 bird** on 15 August. This project provides valuable information on bird migration and populations.

**440 species of birds** have been recorded in the gardens. This is more than half the total number of birds in South Africa.

**Web surfers can now take a virtual tour** of all the gardens through the new corporate website. The new website offers a mine of information on birds, reptiles, plants and mammals as well as directions to the gardens, maps of the gardens and events on offer.



**The spectacular fynbos-covered Harold Porter Garden** in Betty's Bay celebrated its 50th birthday. A celebratory lunch, a public photographic exhibition, and a new *Visitors' Guide to the Harold Porter National Botanical Garden* marked the occasion.

**A peaceful Garden of Hope** was opened on World Aids Day at the Free State Garden as a symbol of hope for people living with HIV and AIDS.

**Summer concerts in Kirstenbosch** attracted over 135,000 visitors and contributed over R7 million in income.

**A consolidated database of the biodiversity in all the gardens** was developed. This includes amphibians, butterflies, dragonflies, damselflies, freshwater fishes, mammals, molluscs, reptiles, spiders and scorpions.



**A checklist of butterflies** in all nine gardens was compiled.

**A new species of parasitoid wasp** (*Nixonia mcgregori*) was described from the Hantam Garden.

**The Walter Sisulu Garden won gold** in the Tourism Category in the ROCCI 2009 Business of the Year Awards.

**'Gautengers'** once again showed their appreciation for the Walter Sisulu Garden by voting it the 'Best Spot to get back to Nature' in Gauteng (Caxton Leisure Magazine – 2009).



**32,5 percent of South Africa's threatened plants** are now in our garden collections or in the Millennium Seed Bank, or in both, and 10 percent of the seed of our indigenous flora has been collected.



## *Putting people in touch with nature*

### **Providing activities for different groups of people: from Braille trails to stargazing to structured education programmes:**

**Creating awareness of our biodiversity is one of SANBI's main responsibilities, and the gardens are perfectly placed to do this. Each of the gardens has a natural area for self-guided hiking or walking trails. The trails are signposted with interesting and thought-provoking information. For the elderly or disabled, many of the gardens provide vehicles. Some of the gardens have Braille signage – this year, the Braille Trail was upgraded in the Karoo Desert Garden.**

Apart from walking in the gardens, visitors can also buy indigenous plants at the nurseries, enjoy tea or lunch in one of the excellent restaurants, or host a conference. There is also an amazing range of educational activities, from stargazing to natural history courses and talks on flora and fauna. Well-trained, knowledgeable and enthusiastic SANBI staff support all the activities. The new Hantam Garden introduced guided bus tours in the spring, when visitors flock to see the bulbs.





### **Bringing music to nature through our concerts:**

Our concerts attract a wide variety of people, some of whom might ordinarily not visit a botanical garden. The Old Mutual-sponsored summer sunset concert series at Kirstenbosch was once again a success as shown by the 135,135 visitors (11 percent increase on the previous year) and R7,763,135 worth in ticket sales (20 percent increase on the previous year).

The flagship garden also hosted local and international artists, including Chris de Burgh, Elton John and Cliff Richard and the Shadows.

To improve the efficiency of ticket purchases by the public, Kirstenbosch went live with online garden entry and concert ticket sales on the Web ticket website on 1 September 2009. Sponsored winter concert series were very successful at the Pretoria, Walter Sisulu and Kirstenbosch gardens, and several gardens held Carols by Candlelight concerts during November and December 2009.





## *Working with partners*

Each garden builds relationships with its own set of local, national and international partners. The partnerships enable SANBI to deliver on its conservation mandate, as well as provide relevance for the local communities and enhance the gardens' offerings.

This year, some of the joint activities included:

- threatened species surveys
- rescuing plant material from sites earmarked for development
- establishing medicinal plant gardens at community schools
- providing plant material for universities
- using the gardens for biodiversity research, monitoring and relocation projects.

### **Some key relationships – Old Mutual, Botanical Society of South Africa and Royal Botanical Gardens (Kew):**

Sponsorships and donations to enhance the appreciation and awareness of biodiversity and the gardens contribute significantly to SANBI's successes. Old Mutual continues to generously support our summer concerts at Kirstenbosch. A donation from Rand Water to the Walter Sisulu Garden helped develop a new Waterwise Display. The Rowland & Leta Hill Trust and the Botanical Society of South Africa's Partnership Fund gave donations to build a boardwalk in Disa Kloof at the Harold Porter Garden.

SANBI has a long-standing partnership with the Botanical Society of South Africa, which has generously donated to SANBI since Kirstenbosch was established in 1913. The Society supports our garden-based and *in situ* conservation efforts. We also benefit greatly from their volunteers, who provide a range of support. This year, the two organisations began negotiations to develop a more structured relationship and a formal Memorandum of Agreement.

A second key partnership is with the Royal Botanic Gardens in Kew, UK, who manage the Millennium Seed Bank Project. The Millennium Seed Bank Project in South Africa achieved the project's main objective of collecting the seed of 10 percent of the country's indigenous flora by 2010, which greatly contributed to the international programme achieving its goal of conserving 10 percent of the world's wild plants by 2010. We are negotiating a continued engagement with this project.



# Conserving our plants and animals for the future

## Species work

The Biodiversity Act mandates SANBI to manage herbaria and animal collections, as well as monitor and report on the status of listed threatened and protected species across the biodiversity spectrum. SANBI's herbaria house over two million plant specimens, many of which are threatened and were included in *The Red List of South African Plants*, a world landmark publication which we produced this year.

In addition to our plant species work, SANBI has significantly expanded our research on threatened animals this year to include studies on reptiles, amphibians, marine mammals, birds and insects.

The National Biodiversity Act requires SANBI to advise the Minister of Environmental Affairs on policies. As part of this support, SANBI participated in the 15th Conference of the Parties for the Convention on International Trade in Endangered Species of Wild Fauna and Flora, held in Qatar.

The Chief Director of SANBI's Applied Biodiversity Research division was elected as the chairman of the committee that deals with all the proposals to amend the listing of species on the CITES Appendices as well as all scientific issues relating to the implementation of the Convention.

In all, 42 proposals were evaluated, including several hotly contested proposals for the inclusion of commercial marine species (bluefin tuna, sharks, corals) and the downlisting of elephant populations from Tanzania and Zambia.



# Highlights

SANBI published the **Red List of South African Plants**, a comprehensive list of threatened species in the country. Compiling the list was an enormous multi-partner conservation project with over 200 professionals and members of the public contributing. South Africa is the first megadiverse country to complete such an assessment, which included a staggering 20,456 species. (See Box.)



The **Biodiversity Monitoring Strategy** was completed in November. The Strategy outlines the process of collecting and analysing data, with the aim of reporting on biodiversity status and trends. SANBI worked with a broad range of agencies to draw up the strategy.

SANBI's herbaria added **2,881 specimens of plants to the herbaria** through field trips to all provinces. Herbarium staff identified 10,051 plant specimens for a wide range of researchers and other clients.



SANBI undertook a preliminary **analysis of 1,310 priority species** based on their conservation status and 10 years of Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) trade records. The analysis resulted in a shortlist of 33 plant and 16 animals that require urgent focus and highlighted the perilous condition of South Africa's cycads. From this, we developed an emergency strategy that was submitted to the Department of Environmental Affairs.



SANBI convened the **2<sup>nd</sup> meeting of the Scientific Authority** in October 2009. The Authority is responsible for promoting the sustainable use of wildlife by assessing the scientific basis for wild harvesting and trade that impacts on wild populations. It provides support to South Africa's inputs into the Convention on International Trade in Endangered Species (CITES) convention.



**An assessment of 69 zoological collections at 21 natural science institutions in South Africa**, including all museums, covering their size and composition, potential and existing threats to their future integrity, their accessibility and extent of use, policies, and funding was conducted with the National Research Foundation. The assessment will result in a report presenting scenarios to secure the future of these important resources.



The meeting of the Scientific Authority reviewed all the proposals submitted to the Department of Environmental Affairs for consideration at the 15<sup>th</sup> Conference of the Parties for CITES.

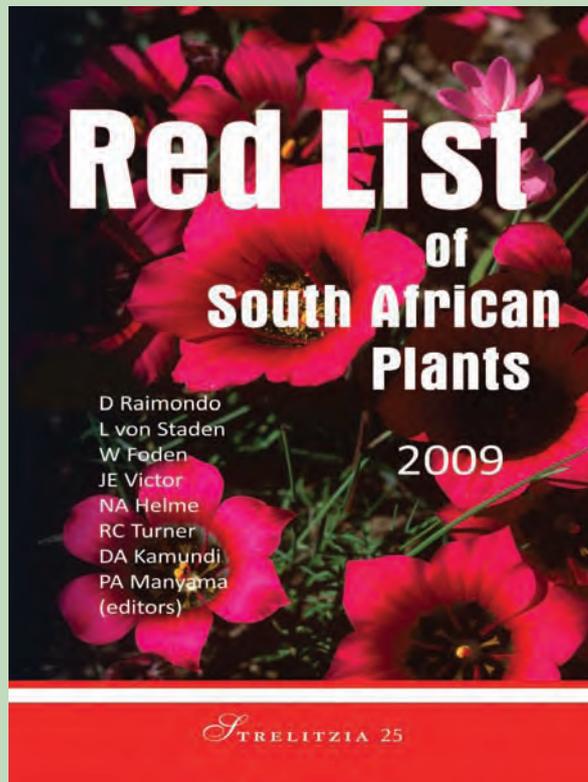
The **Red List of South African Plants** gives us a complete picture of the extent of threat to South Africa's flora for the first time. The data it reveals will help the government to make decisions about land-use, critical biodiversity areas and additional areas to protect.

The Red List answers the question: **"How threatened are South Africa's plant species?"** It reveals that:

- 2,577 of South Africa's wild plant species, or 13 percent, are threatened – these are species in danger of extinction.
- A further 2,232 plant species are listed under other categories of conservation concern. Combining the number of threatened species with those listed under other categories of conservation concern brings the proportion of South African flora that we urgently need to conserve to 24 percent, or one in every four species.
- South Africa has 40 plant species that are extinct, and a further 76 are probably extinct (listed as Critically Endangered Possibly Extinct).
- Five species have been listed as extinct for the first time in this list. As the previous Red List was produced in 1996, this shows that South Africa is losing plant species at a rapid rate.
- Less than 20 percent of South Africa's 322 medicinal plant species traded in large volumes are threatened with extinction. The majority of medicinal plants assessed on the Red List are considered not threatened.

- The most significant threat to plants is loss of natural habitat due to crop cultivation or urban development or sprawl. Second is habitat degradation (overgrazing and incorrect fire regimes), while encroachment by invasive alien plants is the third most severe threat.

The assessment is of global significance as it includes 13,625 endemics, and doubles the number of plants on the International Union for the Conservation of Nature's Red List system.



## Key projects in species work

**Documenting the use of medicinal plants by traditional healers in Pondoland:** Over 1,000 plant species are used in traditional medicine in South Africa, of which 322 repeatedly appear in trade surveys as highly utilised and traded species. Studies of the medicinal trade estimate that there are 27 million consumers of indigenous medicine in South Africa, with a multimillion rand 'hidden economy' in southern Africa. This year, the Threatened Species Programme began documenting the use of medicinal plants in different parts of the country, starting in Pondoland. We will produce an educational field guide for South African learners based on the data.



**Researching threatened species:** We produced over 30 scientific publications and two field guides on penguins, peregrine falcon, sociable weaver, leopard toad, dolphins, and cycads through a combination of field work, molecular tools and statistical ecology.

### Discovering critically endangered and new plant species:

The Custodians of Rare and Endangered Wildflowers (CREW), a volunteer programme that involves civil society in monitoring and conserving the rare and threatened plants in South Africa, discovered eight of the 76 species identified in the Red List of South African Plants as Critically Endangered, Possibly Extinct. A CREW group based in Durbanville, The Friends of Tygerberg relocated *Argyrolobium angustissimum* in the Paarl Mountain Nature Reserve, a plant species only known from one collection made in 1827. They also discovered many other species that have not been recorded on the reserve for a long time.



The Fourcade Botanical Group rediscovered *Annesorhiza thunbergii*, historically known from the Loerie area near Uitenhage and last collected by Carl Peter Thunberg in 1773. CREW volunteers also discovered six new species including *Glia* sp.nov., *Annesorhiza* sp. nov., *Chamarea* sp. nov., *Nanobubon* sp. nov., *Romulea* sp. nov., and *Marasmodes* sp. nov.

### Assessing existing and future threatened animal status:

The Threatened Species Programme held a workshop with 31 animal taxonomists from SANBI's managed network partners to identify groups for future Red List assessments. All future animal assessments will join the existing threatened animal species partnership projects currently underway on reptiles, arachnids, birds and butterflies.



The Marine Programme completed a strategy to assess the status of marine species and, together with partners, is reviewing the priorities for listing linefish as a result of recent international assessments conducted.

The database for The Southern African Butterfly Conservation Assessment, a four-year partnership project between SANBI, the Lepidopterists' Society of Africa and the Animal Demography Unit at the University of Cape Town, currently contains 161,000 specimen records and there are 12,600 records in the virtual museum.

The South African National Survey of Arachnida, a partnership project between SANBI and the Agricultural Research Council, identified over 10,000 spider and scorpion specimens and added 1,107 entries and 2,500 images to the virtual museum. Fifty-four new species were discovered and described.



A publication was produced to showcase the Threatened Species Programme's work from 2006 to 2010 to help raise funding for further threatened animal species work at SANBI.



# Living in harmony with nature

## Ecosystem services and landscapes

Ecosystem services are the important benefits that humans derive from healthy functioning ecosystems. SANBI's work aims to address the link between biodiversity and ecosystem services and their contribution to sustaining livelihoods and economic growth across a range of land and seascapes and production sectors.



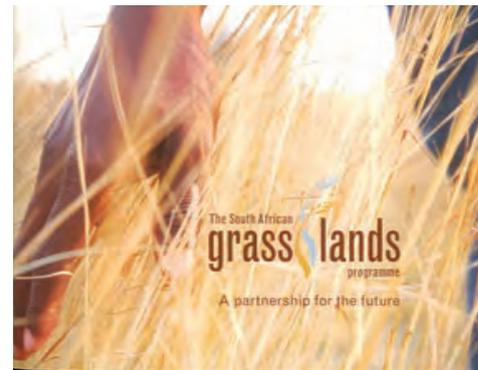
# Highlights

**Working for Wetlands rehabilitated 89 degraded wetlands** and employed 1,644 people for 201,003 person days, including 16,625 training days. These person days contributed to achieving targets set by the Environment and Culture Cluster of the Expanded Public Works Programme.

**An Early Detection and Rapid Response team** detected and evaluated two invasive plants that could threaten South Africa's biodiversity and delivery of ecosystem services. They are paperbark (*Melaleuca quinquinervia*), an invasive tree that is notoriously costly to control, and thistle cholla (*Cylindropuntia*), an invasive cactus that can cause problems similar to the prickly pear. Containing the spread of invasive aliens such as these will ultimately save government hundreds of millions of rands in its efforts to reduce their impact on water and grazing resources.

**The Global Environment Facility**, which funds SANBI's Grasslands Programme, highlighted this programme as an example of best practice in biodiversity mainstreaming in its annual review as a result of its achievements with the forestry sector.

**SANBI produced a draft list of threatened ecosystems.** While many countries have published a list of threatened species, South Africa is one of a handful of countries to have compiled a list of threatened ecosystems. (See Box.)



SANBI developed a **comprehensive offshore biodiversity plan** that identifies priority offshore areas for marine biodiversity. The plan includes areas that are important for the protection of threatened species and vulnerable ecosystems. (See Box on p. 17.)

**Working for Wetlands** was awarded a Certificate of Merit in the Impumelelo Trust's 2010 Sustainability Awards, acknowledging the programme as an example of co-operative governance between three national government departments with overlapping mandates relating to wetlands.

## Key projects in ecosystem systems and landscapes



### Studying the link between biodiversity and ecosystems in agriculture:

Food security and agricultural production are key to the South African economy. This year, SANBI conducted projects on rooibos tea, sunflowers, seed vegetables, apples, and mangoes, and pollination services. Our studies indicate that proximity to natural areas and the diversity of wild plants in agricultural areas can provide benefits for crop pollination.

**Dealing with emerging invasive species:** A threat to South Africa's rich biodiversity and delivery of ecosystem services, such as water and grazing resources, are invasive species. This year, the Department of Water Affairs, through its Working for Water Programme, requested SANBI to address this problem. As a result, SANBI set up the Detection and Rapid Response team. The team, which has offices in five provinces, began by focussing on 40 of the estimated 600 emerging invasive plants and has already had two important successes. (See Highlights on p. 15).

### Reviewing the bioregional plan for Nelson Mandela Bay Municipality:

One of the tools introduced by the Biodiversity Act is bioregional plans. These plans map critical biodiversity areas and provide guidelines for appropriate land uses in these areas. This year, the first draft bioregional plan for Nelson Mandela Bay Municipality (Port Elizabeth) was submitted to SANBI for review. The review will ensure that the plan is based on rigorous science.

### Supporting biodiversity stewardship policy and programmes:

Biodiversity stewardship programmes, spearheaded by provincial conservation authorities, develop contractual agreements with private or communal landowners whose land is of high biodiversity value. These contractual agreements play a key role in meeting protected area targets set in the National Protected Area Expansion Strategy. SANBI supported the Department of Environmental Affairs in developing Biodiversity Stewardship Guidelines and a draft Biodiversity Stewardship Policy.

**Developing and applying tools in forestry:** Through a partnership with AsgiSA–Eastern Cape, the Grasslands Programme developed a Biodiversity Screening Tool in 80 percent of catchments in the Eastern Cape. This tool helps to identify catchments that are suitable for afforestation from a hydrological and biodiversity perspective, so reducing conflict between land uses. We delivered a Biodiversity Fine-scale Planning Tool, which aligns fine scale plans developed by forestry companies with provincial spatial biodiversity plans. This tool helps to improve planning at a landscape level as well as the monitoring of biodiversity assets on forestry-owned land.

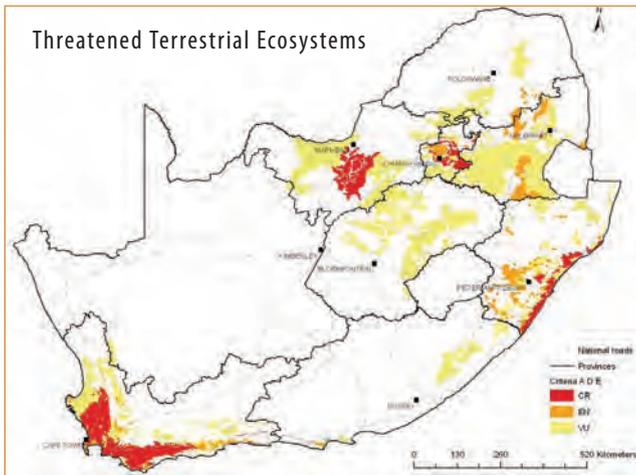
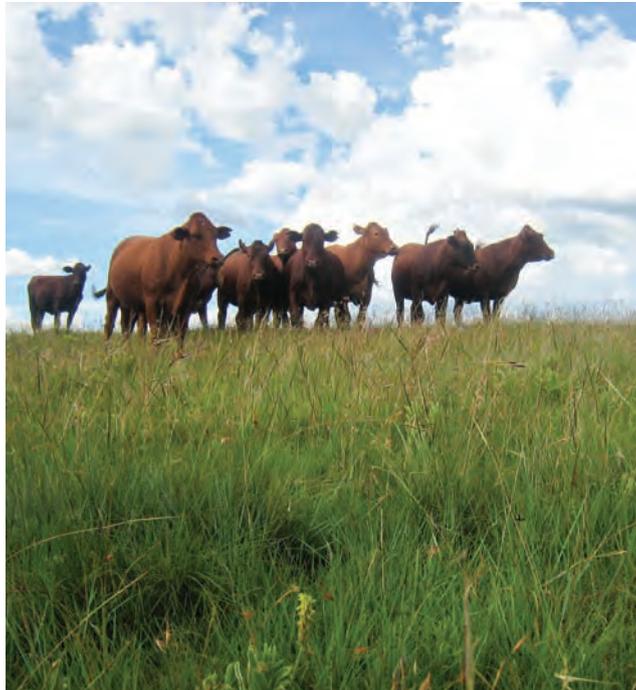


### Developing tools to spatially assess degradation patterns in Namaqualand:

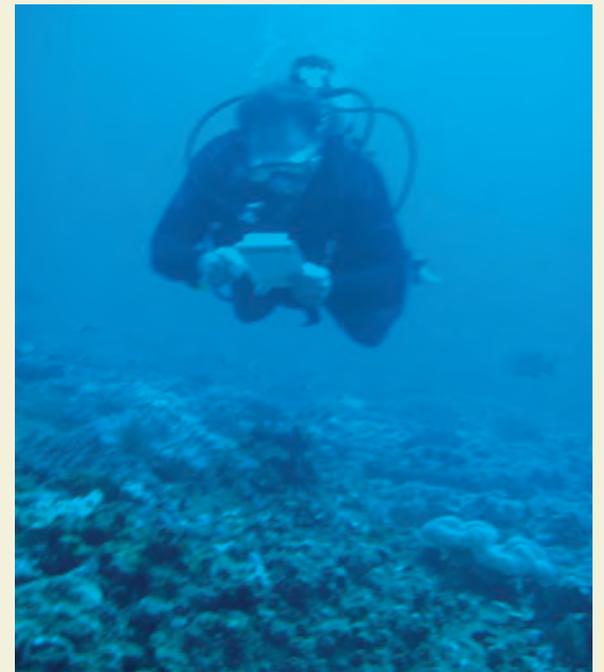
SANBI developed techniques to quantify and map land degradation in the arid Namaqualand region as part of the joint German-South African BIOTA Southern Africa Project. Degradation phenomena were reassessed and botanically mapped relative to vegetation types of similar structure, cover and phenology for the first time. The results were used to develop the first spatial assessment of degradation patterns in the Namaqualand region. This work will assist in developing spatial biodiversity plans that identify biodiversity priority areas to guide sustainable land management.



SANBI developed the first draft list of threatened ecosystems at the request of the Department of Environmental Affairs. The purpose of listing threatened ecosystems is to minimise further loss and degradation of natural habitat in those ecosystems. The list was developed with a strong emphasis on using best available science as well as considering the realities of implementation. It was published for public comment in November 2009.



SANBI's marine offshore biodiversity plan is an innovative project that has provided leadership on the development of an Offshore Marine Protected Area network internationally. The plan supports the sustainability of fisheries and will assist in reducing bycatch. The Marine Programme developed new offshore marine maps to contribute to the offshore biodiversity plan including a new habitat map, and maps reflecting spawning, nursery areas, the distribution of large fish, fish species, richness and bycatch. The programme engages extensively with the commercial fishing, diamond mining and petroleum sectors to discuss marine biodiversity issues and offshore biodiversity projects are underway with the marine petroleum and diamond mining sectors.





# Contributing to a sustainable planet

## Climate and environmental change

Understanding the impact of climate and environmental change on biodiversity and ecosystems, how animals and plants are changing and why, whether they are managing to adapt to these shifts, and what this means for South Africa's biodiversity and its people is a significant part of SANBI's work. The effects of genetically modified organisms on the environment – including non-target organisms and ecological processes – is another area that SANBI is researching, as mandated by the National Biodiversity Act. Through our national and international networks, SANBI contributes to strengthening the science base on these issues that inform policy makers.

Hundreds of bird watchers from all over southern Africa support SANBI's flagship "citizen science" bird observation project, the Southern African Bird Atlas Project 2. The data they collect provides key information on changes in bird behaviour patterns over the last ten to fifteen years. Early analysis of the data indicates that bird populations are responding significantly to the effects of environmental changes, possibly including climate change, by shifting their geographic ranges. This is a key finding that has yielded a number of important publications questioning what trends are driving the observed changes. We are also conducting site-based work to better understand the mechanisms behind these changes.



# Highlights

SANBI supported the Department of Environmental Affairs to prepare for the **UN Convention on Climate Change Conference of the Parties in Copenhagen** in December 2009. South Africa was one of approximately 170 countries who met to try to develop a new climate protocol before the Kyoto Protocol expires in 2012.

SANBI's work in genetically modified organisms places us in an ideal position to share knowledge and capacity around genetically modified organisms and biosafety. This was the aim of the **Southern African Biosafety Workshop** we held at the University of the Free State in July, which was attended by 70 participants from 10 countries in southern Africa. South Africa is one of a few African countries to have adopted technology to work with genetically modified organisms and to have developed mechanisms to regulate the technology. (See Box.)

SANBI's Chief Director of Climate Change and Bio-Adaptation co-chaired the **Ad Hoc Technical Expert Group of the Convention on Biological Diversity** on climate change and biological diversity and was a lead author of the resulting report published in November.

One of our main current activities is managing a South African-Norway Biosafety Cooperation project, which is investigating the impact of transgenic insect-resistant maize (Bt Maize) on target and non-target organisms and soil micro-organisms, as well as the impact of gene flow on insect resistance development. This work is being conducted in partnership with the University of Fort Hare, the University of North West, the University of the Free State and GENOK (in Norway).



## *Contributing to national and international policy on climate and environmental change*

SANBI's work on climate change is recognised internationally and is sought after to inform policy in South Africa and globally. SANBI's presence at several high-level meetings at the much-anticipated United Nations Framework Convention on Climate Change Conference of the Parties in Copenhagen in December 2009 was the culmination of many months of assisting the Department of Environmental Affairs to prepare for the conference. Another important contribution was chairing the Ad Hoc Technical Expert Group of the Convention on Biological Diversity.

SANBI scientists continually collaborate with scientists in other institutions around the world, including the UK, Australia, Mexico, Namibia and the European Union.

## *Key projects on climate and environmental change*

South Africa's unique flora and fauna requires us to understand our own vulnerabilities to climate and environmental shifts and to monitor impacts. To this end, SANBI scientists continually develop experiments and modelling approaches.

Some key projects this year were:

### **Researching responses to environmental changes in plants and lichens:**

We conducted field research demonstrating emerging trends in plant and animal responses to increasing temperatures and higher levels of CO<sub>2</sub> in the atmosphere. Our research on endemic plants' and lichen species' vulnerabilities, resilience and adaptability could yield important insights for assessing how these ecosystems might respond as a whole, and has led to a number of innovative devices and measurement techniques.

### **Monitoring water resources:**

In 2009, the Department of Water Affairs gave permission to re-operationalise an experimental catchment monitoring project in the Jonkershoek catchment. This project is part of the South African Environmental Observatory Network and will ensure continuation of 30-70 years' monitoring, which allows for a broader understanding of the impacts of environmental and climate change on water resources. Securing data and ensuring continued input of new data is of national importance.



# Sharing our work and knowledge

## Access to information

As a knowledge-based organisation, SANBI aims to provide free and easy access to biodiversity information to the scientific world, policy makers and the public. SANBI administers a number of websites, which store and disseminate biodiversity information that underpin research, decision-making, policy advice and monitoring.

Apart from electronic tools, SANBI makes its intellectual capital accessible through its numerous publications and articles, and hosting biodiversity events.

**The Biodiversity ADVISOR**  
Your Online Gateway to Comprehensive Biodiversity Information

*Biodiversity richness for all South Africans*

The Biodiversity Advisor provides support for:

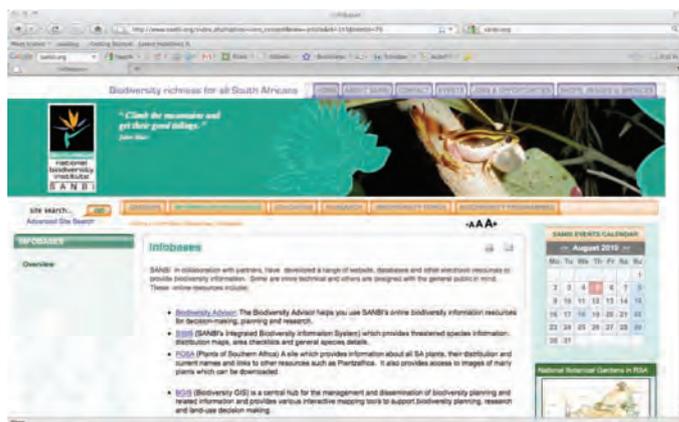
-  Environmental Assessment  
e.g. EIAs
-  Systematic Biodiversity Planning
-  Species Distribution Modelling
-  Research and Taxonomy

Taking the guess work out of accessing biodiversity information.

**Prepare to be empowered**  
visit: <http://biodiversityadvisor.sanbi.org>

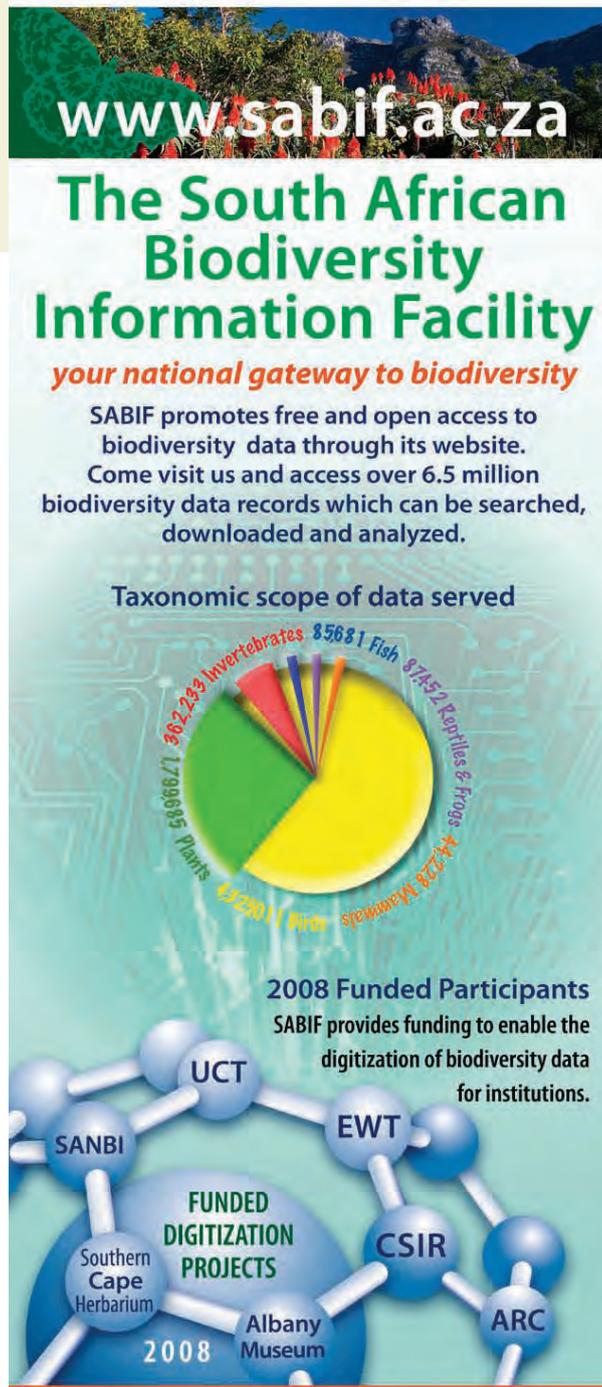
# Highlights

The **National Biodiversity Framework**, which was developed by SANBI at the request of the Department of Environmental Affairs, was published in the Government Gazette in August 2009. The Framework makes it possible to co-ordinate and align the efforts of many organisations and individuals in conserving and managing South Africa's biodiversity, in support of sustainable development.



SANBI's **new corporate website** was launched. The new website provides in-depth and up-to-date information about SANBI, while enhancing the SANBI brand and giving users an understanding of who we are and what we do.

The **Biodiversity Advisor website** was launched in January 2010. This revolutionary easy-to-navigate website gives users information and advice on a range of biodiversity-related activities, from environmental impact assessments to species identification and taxonomy. Users can incorporate this information into Environmental Impact Assessments, land-use plans or biodiversity plans. [www.biodiversityadvisor.sanbi.org](http://www.biodiversityadvisor.sanbi.org)



[www.sabif.ac.za](http://www.sabif.ac.za)

## The South African Biodiversity Information Facility

*your national gateway to biodiversity*

SABIF promotes free and open access to biodiversity data through its website. Come visit us and access over 6.5 million biodiversity data records which can be searched, downloaded and analyzed.

### Taxonomic scope of data served

Group	Count
Fish	85681
Invertebrates	362433
Plants	1799685
Reptiles & Frogs	87452
Birds	44278

2008 Funded Participants  
SABIF provides funding to enable the digitization of biodiversity data for institutions.

**FUNDED DIGITIZATION PROJECTS 2008**

Participants: UCT, EWT, CSIR, ARC, Southern Cape Herbarium, Albany Museum

The **Biodiversity Information Policy Framework** was completed. This important Framework ensures that legally we manage biodiversity information in a responsible and accountable manner.

SANBI's **Integrated Biodiversity information System** was launched in July 2009. This comprehensive website makes all of SANBI's biodiversity information freely available to the world by providing access to over 1.6 million occurrence records and comprehensive coverage of South Africa's more than 22,000 plant species. [www.sibis.sanbi.org](http://www.sibis.sanbi.org)

SANBI hosted the first **National Environmental Resource Economics** conference. This conference, attended by 250 people, was entitled 'Environment and Economy: Mind the Gap' and considered the economics of natural resource management including biodiversity conservation, water resource management, agricultural resource management, climate change and marine resource management.

SANBI produced **numerous publications**, including the groundbreaking *Red List of South African Plants 2009*.

## Key projects in promoting access to information

### Contributing to international, national, sectoral and institutional biodiversity policies, frameworks and plans

**National Biodiversity Framework:** The framework identifies 33 priority actions for the period 2008 to 2013, which provide an agreed set of priorities to guide the work of the biodiversity sector in South Africa. (See Highlights)

**Biodiversity Information Policy Framework:** This is the first policy framework drafted for the conservation sector and provides the general principles and guidelines for managing biodiversity information. (See Highlights)

**South Africa's Second National Communication to the United Nation Framework Convention on Climate Change:** A first draft of this report on our status and strategies to deal with the impacts of climate change was submitted, and was positively received by the Department of Environmental Affairs and the National Committee on Climate Change. A group of about 20 lead authors are engaged in writing this report.

**Intellectual Property Rights policy:** While SANBI has the responsibility to provide access to biodiversity information, it must protect the intellectual property of the organisation, partners and individuals, which is the aim of this policy.

**Digital Access to Sensitive Taxon Data policy:** This policy drafted by SANBI ensures that taxon data are used in a responsible and accountable manner.

**Namibia report:** SANBI provided key inputs for a report on climate change impacts on our neighbour's ecosystems and biodiversity.

### Sharing knowledge and learning through workshops, forums and learning exchanges

**Participating in the DIVERSITAS Open Science Conference 2:** SANBI gave input into this high-profile international round table discussion held in Cape Town in October 2009. The topic was the proposed Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services, which aims to involve scientists and governments in improving the interface between the science of biodiversity and ecosystem services on the one hand and global and national policies on the other.



**Hosting the Biodiversity Information Management Forum:** SANBI hosted this Forum, which is gaining national and international interest, in July 2009. The Forum attracted over 100 participants including from Ghana, Tanzania, Uganda, Australia and Denmark. The Forum provides biodiversity information management practitioners with a platform to engage on best practice and challenges in managing biodiversity information.

**Co-hosting the Biodiversity Planning Forum:** SANBI organised and co-hosted this annual Forum in Limpopo with the Department of Environment Affairs. Over 180 biodiversity planners and implementers shared lessons from biodiversity planning initiatives across the country. This event focused on the development of biodiversity planning products, especially spatial maps that identify priority areas for biodiversity, and how these products are used to inform decisions in the landscape.



**Training on using biodiversity plans:** Incorporating biodiversity considerations in municipalities and land-use decision-making is a crucial component of SANBI's work. SANBI held 16 training sessions in the Western and Eastern Cape for over 300 provincial case officers and town planners, land-use planners, municipal and private sector planners and Environmental Impact Assessment consultants. The focus of these sessions was on using biodiversity plans, including spatial maps and land-use guidelines, in environmental assessments and land-use planning and decision-making to support sustainable economic growth.

**Establishing a network of learning between the land reform and conservation sectors:** The Land Reform and Biodiversity Stewardship Initiative, a partnership between SANBI, the Department of Rural Development and Land Affairs and the Department of Environmental Affairs, aims to demonstrate the successful delivery of both socio-economic and conservation benefits at a project level. The initiative is working on 17 land reform stewardship projects across the country. We held a successful inter-provincial Land Reform and Biodiversity Learning Exchange at Somkhanda in Zululand, hosted by the Gumbi community leaders. Thirty-five participants from the Department of Rural Development and Land Affairs, conservation authorities from five provinces and conservation and land NGOs attended the event. We also hosted a Nature-based Tourism Learning Exchange to share lessons from existing successful nature-based tourism projects. This was followed by the Land Reform and Biodiversity Stewardship Forum, attended by over 80 participants, where progress on the initiative since its inception workshop in November 2008 was presented.



**Supporting the launch of the Namaqualand Biodiversity Advisory Forum:** The Forum's establishment was supported through SANBI's Succulent Karoo Programme. The Forum provides an opportunity for stakeholders in the Namaqua District Municipality to discuss issues of biodiversity and the environment and how these contribute to sustainable livelihoods in the municipality. The Forum has held three meetings since its launch.

**Exchanging learning in the Cape Floristic Region:** The Fynbos Programme established a community learning exchange facility for the Cape Floristic Region through the Cape Action for People and the Environment partnership. A fruitful exchange was held between community partners of Cape Flats Nature and those of the Greater Cederberg Biodiversity Corridor, and another between key role-players from existing and emerging biosphere reserves in the region.

**Training on conducting Red Listing:** The Threatened Species programme ran a training course on the International Union for the Conservation of Nature's Red List, which included participation from three SADC countries. Red Listing provides a way of assessing species that are under threat and at risk of extinction.

**Hosting the first Southern African Plant Specialist Group meeting:** SANBI hosted the inaugural meeting of this group, which aims to promote and support Red Listing in the SADC region. The meeting was attended by 25 representatives from across the SADC region and discussed a programme of work of 2010–2013.

**Co-hosting two workshops on building biodiversity indicators:** The aim of these workshops is to build the capacity in African countries to develop biodiversity indicators. The workshops were led by the World Conservation Monitoring Centre and involved participants from seven southern Africa countries.

## *Making data available through the internet and other electronic tools*

SANBI uses the internet extensively to provide accurate, up-to-date and comprehensive information to decision-makers, including the worldwide scientific community, government's natural resources managers and policy makers and other interested people. This year SANBI achievements included:

### **Launching the South African Biodiversity Information Facility (SABIF).**

This portal mobilises data from our partner organisations. Collectively, the SIBIS and SABIF projects have mobilised more than 127 million data records for free and easy access. Much of this data was collected by organisations that had received grants in the previous financial year specifically to capture this information. On 25 March 2010 we held a 'Data Handover' event to mark the first tranche of data handed to SANBI. [www.sabif.ac.za](http://www.sabif.ac.za)

**Adding to the PRECIS database:** We added over 66,000 records to PRECIS, which is the largest computerised botanical database in Africa. Researchers and land-use planners among others use this database for a range of information, including the threat status assessments of plant species. The Missouri Botanical Garden evaluated the database and its management, and we will implement its recommendations in the next financial year.



### **Providing accurate checklists of all South African plant species:**

We established a new project to provide information such as the biology, distribution, threat status, literature references and images for the approximately 100,000 species of plants, animals and fungi on the internet. This project is being carried out through a Memorandum of Understanding with the international Encyclopedia of Life, a collaborative effort aimed at establishing a web page for every known species on Earth.

**Digitising SANBI's libraries:** Both the Mary Gunn Library in Pretoria and the Harry Molteno in Cape Town began digitising their information to make it possible to access the libraries' information electronically.

### **Completing the National Wetland Classification System:**

After extensive field testing throughout the country, The National Wetland Inventory finalised the South African National Wetland Classification System. The classification was applied to the 114,000 wetlands included in the inventory's National Wetland Map. This work was done through the National Freshwater Ecosystem Priority Areas project, of which SANBI is part. The classification was automated, requiring the development of an intermediate tool, a landform setting classification, which has never been done before in South Africa.

## Producing or contributing to knowledge through publications

Some of SANBI's publications this year included:

- Over 80 papers and articles in peer-reviewed scientific journals.
- Three numbers of the *Strelitzia* series. These include 25 *Red List of South African plants* 2009 by Raimondo *et al.*, and 24 *Historical plant incidence in southern Africa* by Skead.
- Two publications in the SANBI Biodiversity Series: 12 *South African Red Data Book: Butterflies* by Henning *et al.* and 13 *Amphibians of Taita Hills* by Measey *et al.*
- *Bothalia* 39.
- Volume 61 of *Flowering Plants of Africa*.
- A new *Visitors Guide to the Harold Porter National Botanical Garden*.
- *Birds and Environmental Change: Building an Early Warning System in South Africa*.
- *The Grasslands Programme: A partnership for the future*.
- *Sustaining Life in the Fynbos*.
- *Succulent Karoo Ecosystem Programme Sustainable Futures*.
- Educational material explaining how Red Listing is conducted in South Africa.
- An International Year of Biodiversity Calendar.
- 49 publications on temperature, fog and CO<sub>2</sub> effects on plants.
- Regular articles on the national botanical gardens in the Botanical Society of South Africa's journal *Veld & Flora*.
- Posters, banners and other materials for national and international conferences.



## Supporting access to information through events

SANBI is involved with a number of national and international events that market the organisation and increase awareness of our work and of biodiversity in general. We hosted the 2 February World Wetlands Day event, which this year took place at SANBI in Pretoria and included a site visit to the diverse wetland system situated upstream of the Rietvlei Dam. The Deputy Minister of Water and Environmental Affairs delivered the keynote address that illuminated the global theme of "Wetlands, biodiversity and climate change."

We held various successful exhibitions to promote SANBI and form partnerships. At the Tourism Indaba in May, we secured key partnerships with stakeholders such as Tshwane Tourism Authority and the Gauteng Tourism Authority, who now distribute our garden marketing material.

We held the first joint Cape Action for People and the Environment–Succulent Karoo Ecosystem Programme Conservation Marketplace event aimed at creating greater awareness and flow of funding to priority projects in the Fynbos and Succulent Karoo ecosystems. More than 230 project concepts were submitted, 100 of which were exhibited on the day, and following the event, proposals were developed for a number of projects linked directly with donor agencies.

SANBI won two bronze medals for our exhibits at Gardenex and Sasol Techno X. Some 21,000 learners from six provinces attended this expo. We also participated in Science Week in Bloemfontein.



# Growing our people and the sector

## Transformation and organisational development

SANBI currently employs 719 staff. We provide a progressive work environment to attract and retain excellent staff, and allow people to develop as individuals and specialists in their fields. Achieving transformation in our organisation is one of our fundamental goals. SANBI is also partnering the drive to develop a Human Capital Development Strategy for the biodiversity sector as a whole. The aim of the strategy is to increase and diversify the pool of high and intermediate skilled people available to the biodiversity sector nationally. The strategy is being developed through a stakeholder process across organisations in the sector.

national biodiversity institute  
S A N B I

The Lewis Foundation

# BIODIVERSITY HUMAN CAPITAL DEVELOPMENT STRATEGY

*To grow the pool of professionals  
working for biodiversity*  
[www.skillsforbiodiversity.org.za](http://www.skillsforbiodiversity.org.za)

Photo: Leah Franklin

# Highlights

The first draft of the **Human Capital Development Strategy** was launched by the Minister of Water and Environmental Affairs on 1 December 2009.

We also developed our exciting new **corporate identity**, which is reflected in this Annual Report.

We **won the annual Kamoso Award** given by the Department of Public Works for the best national project for the environment sector for the Greening Vhembe project in Limpopo.

We received a **Merit Award from the Southern African Society for Co-operative Education** for consistent excellence in co-operative education. This was mostly for the in-service training of horticultural and conservation students in the gardens.



The **Cape Peninsula University of Technology** awarded our achievements in providing students with **work-integrated learning**. These are opportunities for students to apply their knowledge in real-life situations and to acquire the capacity to generate new knowledge.

18 learners were placed at SANBI's Education Centres as part of the **National Certificate in Environmental Education, Training and Development NQF level 5 learnership**.

## *Supporting transformation and developing human capital*

SANBI initiated a transformation process in partnership with the Technical Assistance Unit of National Treasury. The process aims to strengthen our transformation goals, and build an inclusive workforce.

One of SANBI's strategic goals is to be the recognised strategic partner in human capital development for the biodiversity sector. In 2009, the Lewis Foundation committed R9 million for the implementation of the Biodiversity Sector's Human Capital Development Strategy. An HCD co-ordinator was appointed. Following the Human Science Research Council's sectoral research report in November 2009, a number of consultations with stakeholders were held to inform the strategy and ensure alignment with the Department of Environmental Affairs' Environmental Sector Skills Plan and the Department of Science and Technology's Global Change Grand Challenge.

The Human Capital Development Strategy has since created a number of working groups including an advisory group (still to expand); a Higher Education Working Group; a Human Resources Development Network and a National Environmental Skills Planning Forum.

SANBI instituted the development of its own human capital development strategy aimed at attracting, developing and retaining passionate biodiversity professionals.

SANBI supports careers in the sector through bursaries, learnerships, internships, integrated learning, mentoring, scholarships, higher education supervision, participation at conferences and providing environmental education programmes at our education centres in the national botanical gardens. SANBI also encourages collaborations with visiting post doctoral, MSc and PhD students.

**Supporting researchers in biodiversity:** Students at all education levels engaged in relevant biodiversity studies received our support through a combination of mentorship, academic supervision, and financial assistance, such as bursaries and scholarships.



**Training biodiversity practitioners:** SANBI recognises our obligation to provide training and work opportunities to grow and transform the sector. In partnership with the Department of Environmental Affairs, we hosted learnerships for environmental education practitioners. We also trained unemployed youth as assistant education officers.



**Providing practical training:** SANBI provided hands-on horticultural training to existing garden staff and students, and offered a number of internships across the organisation.

**Developing our staff through national and international exposure:** To develop and retain our employees and give them the opportunity to grow professionally, SANBI staff participate in national and international events. This year, these included the Biodiversity Planning Forum, the Botanical Gardens Conservation International's African regional workshop and the World Environmental Education Conference in Canada. Staff members presented action projects at the last mentioned.

**Staff profile**

Race/Gender	AM	AF	CM	CF	IM	IF	WM	WF	TOTAL
Numbers	249	119	112	78	6	12	50	93	719
Percentage	34.63	16.55	15.58	10.85	0.84	1.67	6.95	12.93	100

**Staff appointments in the last financial year**

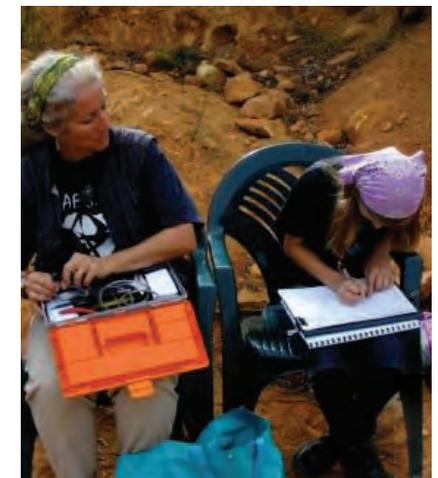
Race/Gender	AM	AF	CM	CF	IM	IF	WM	WF	TOTAL
Numbers	16	14	5	13	1	1	2	3	55
Percentage	29.09	25.45	9.09	23.64	1.82	1.82	3.64	5.45	100

**Building healthy labour relations:** With a workforce of 719, good union-management relationships are crucial. SANBI management and NEHAWU representatives had a Relationship Building Exercise on 30 and 31 March 2010. This important venture culminated in the Declaration of Commitment being signed by both parties.

**Providing an integrated Employee Health and Wellness model:** SANBI has adopted a holistic integrated Employee Health and Wellness model which focuses on HIV/AIDS, Health and Productivity Management, Safety, Health, Environment, Risk, Quality Management and Wellness Management.

**Enhancing technology use for SANBI staff:** Extensive user and stakeholder engagement within SANBI this year led to greater insight into user pain points regarding the use of systems and technology and to improved functionality.

We completed an Infrastructure Migration Project, a footprint into the greater technology roadmap planned for SANBI. The Telephony Optimisation Implementation has resulted in significant financial savings. As part of our "Green IT" initiatives, we consolidated infrastructure within our Datacentre and Virtualisations, resulting in reduced energy emissions.



## Partners

Agricultural Research Council  
Animal Demography Unit  
AsgiSA-Eastern Cape  
Association for the Taxonomic Study of the Flora of Tropical Africa  
Athletics South Africa  
Beeld  
BIOTA  
Birdlife SA  
Botanic Gardens Conservation International  
Botanical Artists' Association of Southern Africa  
Botanical Society of South Africa  
Cape Horticultural Society  
Cape Peninsula University of Technology  
Cape Tourist Guides Association  
Cape Town Big 6  
CapeNature  
CapeTalk  
City of Cape Town  
City of Johannesburg  
City of Tshwane  
Conservation International  
Constantia Vineyards  
Council for Scientific and Industrial Research  
Custodians of Rare and Endangered Wildflowers  
Darling Wildflower Society  
Department of Agriculture, Forestry and Fisheries  
Department of Co-operative Governance and Traditional Affairs  
Department of Environmental Affairs  
Department of Labour  
Department of Public Works  
Department of Rural Development and Land Affairs

Department of Water Affairs  
Development Bank of South Africa  
Die Burger  
Drum Beat Academy  
Eastern Cape Parks  
Ekurhuleni Municipality  
Environmental Monitoring Group  
Ezemvelo KwaZulu-Natal Wildlife  
Featherbrooke Estate  
Forestry South Africa  
Frank Joubert Art Centre  
Garden World  
Gauteng and Northern Regions Bat Interest Group  
Gauteng Department of Agriculture, Conservation and Environment  
GENOK (in Norway)  
Glen College of Agriculture  
Global Strategy for Plant Conservation  
Herpetological Association of Africa  
Human Sciences Research Council  
Indigo Development and Change  
Iziko South African Museum  
Kfm 94.5  
Kogelberg Biosphere Reserve  
Kyknet  
Lepidopterists' Society of Africa  
Lettie Fouché School  
Ligwalagwala FM  
Lions Club International  
Mangaung Municipality  
Mbombela Municipality  
Med FM 104.1  
Millennium Seed Bank Project

Mountain Club of South Africa  
MPower FM  
Mpumalanga Plant Specialist Group  
Mpumalanga Tourism and Parks Agency  
Msunduzi Municipality  
National Institute for Crime Prevention and the Reintegration of Offenders  
National Institute for the Deaf  
National Museum  
National Research Foundation  
NEHAWU  
Nelson Mandela Bay Municipality  
Nieuwoudtville Eco Club  
Nieuwoudtville Publicity Association  
Old Mutual  
Northern Cape Department of Environment and Nature Conservation  
Overstrand Conservation Foundation  
Overstrand Municipality  
Pioneer School for the Blind  
Pretoria Bonsai Kai  
Protea School, Nieuwoudtville  
Rand Orienteering Club  
South African Environmental Observatory Network  
South African Nursery Association  
South African Police Service  
South African Tourism  
South African Weather Service  
South African-Norway Biosafety Cooperation  
Southern African Bird Atlas Project 2  
Southern African Society for Co-operative Education  
Spider Club of Southern Africa

SSC Species Survival Commission of the IUCN – The World Conservation Union  
Table Mountain Cableway  
Table Mountain Fund  
The Biodiversity Support Group  
The Global Invasive Species Programme  
The Lowvelder  
The Nieuwoudtville Fire Prevention Committee  
Tshwane University of Technology  
Two Oceans Aquarium  
UNISA  
University of Cape Town  
University of Fort Hare  
University of Johannesburg  
University of KwaZulu-Natal  
University of North West  
University of Pretoria  
University of Stellenbosch  
University of the Free State  
University of the Witwatersrand  
University of Venda  
V&A Waterfront  
Valley FM  
Water Research Commission  
Western Cape Department of Agriculture: Worcester Veld Reserve  
Wilderness Foundation  
Wildlife and Environment Society of South Africa  
Working for Water  
World Wide Fund for Nature – South Africa  
World Wildlife Fund – South Africa



## Donors

Andrew W Mellon Foundation  
Birdlife International  
BOE Trust Ltd  
Botanical Society of South Africa  
Cape Nature Conservation  
Cape Town Tourism  
Claremont Rotary Club  
Council for Scientific and Industrial Research  
Critical Ecosystems Partnership Fund via Conservation International  
Department of Environmental Affairs  
Department of Science and Technology  
Department of Water Affairs and Forestry  
Dr Sunshine  
Estate Helen Mitchell  
European Commission FP6 Programme  
Featherbrooke Estate  
Fitzroy Trust  
Gauteng Department of Agriculture Conservation and Environment  
Global Biodiversity Information Facility  
Graafs Trust  
HR Hill Trust  
Independent Development Trust  
Inyanda Coal  
JRS Biodiversity Foundation  
Kogelberg Biosphere Reserve Company  
Macauley Institute  
Medical Research Council  
National Lotteries Board  
National Research Foundation

Norwegian Government via Department of Environmental Affairs  
Old Mutual  
Open University  
Parker Family of Elandsfontein Nature Reserve  
Pick 'n Pay  
Rand Water  
Richards Bay Minerals  
Rowland & Leta Hill Trust  
Royal Botanic Gardens (Kew)  
Royal Danish Embassy  
Rufford Maurice Laing Foundation  
SANParks  
SAPPI  
Smithsonian Institute  
South African Environmental Observation Network  
Standard Bank of South Africa  
Table Mountain Fund  
United Nations Development Programme  
United Nations Environment Programme  
United Nations Office for Project Services  
University of Connecticut  
University of Hamburg  
Western Australian Department of Environment and Conservation  
Wildlife Conservation Society  
World Bank (International Bank for Reconstruction and Development)  
World Wide Fund for Nature





## Branches, divisions and directorates

SANBI is structured into three branches, with divisions and directorates:

**Biodiversity Research Portfolio Management**, whose broad scope of research includes the origins, composition, and functioning of biodiversity, its conservation and sustainable use, ecosystem services, and biodiversity responses to major drivers such as climate change. The research branch is organised into three divisions:

- **Applied Biodiversity Research** conducts research into the conservation and sustainable use of biodiversity and the contribution of biodiversity to sustainable development.
- **Biosystematics Research and Biodiversity Collections** is responsible for leading and co-ordinating taxonomic and systematics research on southern Africa's biodiversity.
- **Climate Change and Bio-adaptation** leads and co-ordinates research and communication regarding South Africa's response to the bio-impacts of climate change and explores issues relating to bio-adaptation.

**Biodiversity Knowledge, Policy and Network Management** is responsible for providing access to biodiversity information, developing policy, working with partners, providing education on biodiversity and building human capacity within the biodiversity sector. Its work is organised into one division and three directorates:

- **The Biodiversity Planning and Mainstreaming division** responds to biodiversity-related global policy and national priorities and demonstrates the value of conserving biodiversity and the relevance of biodiversity to the improvement of the quality of life of all South Africans.

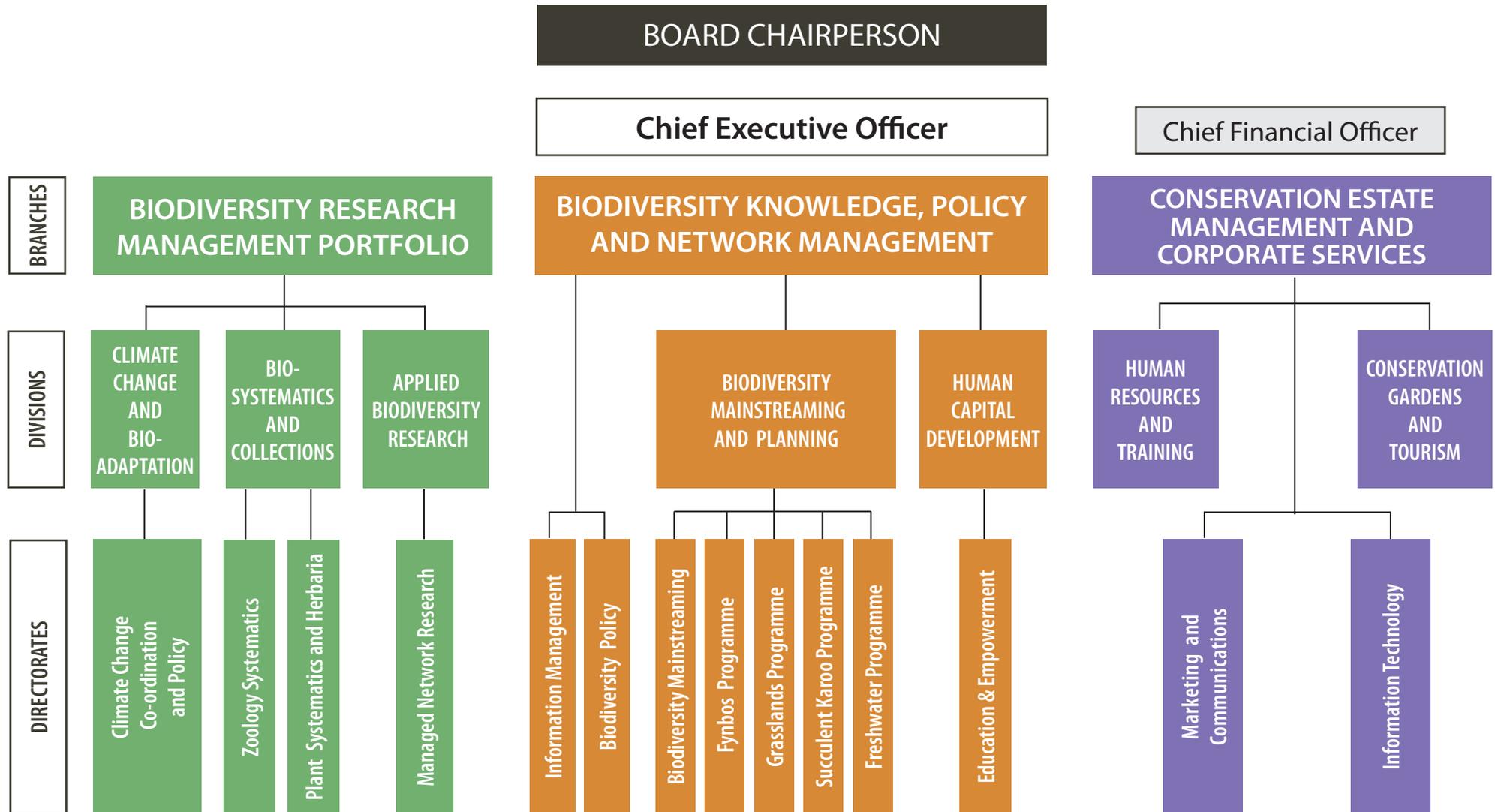
This branch has three directorates: the **Biodiversity Information Management Directorate**, the **Biodiversity Education and Empowerment Directorate** and the **Biodiversity Policy Management Directorate**.

**Conservation Management and Corporate Services**, whose task is to maintain and develop the National Botanical Gardens, market SANBI and manage the organisation's human resources and information technology structure. It comprises two divisions:

- **Conservation Gardens and Tourism** manages the nine National Botanical Gardens in the six provinces and promotes visits to the Gardens.
- **Human Resources** manages the employment of SANBI's 719 employees.

The branch includes the **Marketing and Communications Directorate** and the **Information Technology Directorate**.

MINISTER OF WATER & ENVIRONMENTAL AFFAIRS



Note: In the table below, SANBI met all its Key Performance Indicators, except those in the Variance and Corrective Measures column.

No	Strategic Objectives	Key Performance Indicators (KPIs)	Outcomes/Targets	Variances and Corrective Measures
<b>Goal 1</b>	<b>Have the frameworks, networks, and capacity in place to create, manage, and disseminate biodiversity knowledge with a focus on meeting the objectives of the National Biodiversity Strategy &amp; Action Plan and the National Biodiversity Framework</b>			
1.1	Lead the development and implementation of a biodiversity research strategy and framework for South Africa.	<ul style="list-style-type: none"> <li>An overall strategy and framework for biodiversity research, focusing on meeting the objectives of the NBSAP and NBF, is completed and being implemented.</li> </ul>	<ul style="list-style-type: none"> <li><b>Strategy and framework implemented.</b></li> <li><b>Biome-level (e.g. grasslands) and sector-specific (e.g. climate change, prioritised biological groups) biodiversity research strategies integrated into the overall strategy.</b></li> </ul>	<p>A national workshop was convened. However, the strategy development requires a longer timeframe and more resources than anticipated. Additional funds have been requested from DEA.</p> <p>Integration of these strategies will occur once the national strategy is in place.</p>
1.2	Provide standards, structures, and direction for biodiversity collections, surveys, maps, inventories, and catalogues.	<ul style="list-style-type: none"> <li>Strategic focus areas for biodiversity collections have been identified and structures and standards developed and implemented for the expansion, maintenance and access to collections and inventories.</li> </ul>	<ul style="list-style-type: none"> <li>Priority areas for biodiversity collections maintenance and expansion identified.</li> <li>New material catalogued and accessioned.</li> <li>Additions, corrections and updates to databases incorporated.</li> <li>Specific revisions incorporated, where appropriate.</li> <li>Biodiversity collections accessible and available for consultation by stakeholders.</li> <li>Collections-based research outputs published when available.</li> <li>Director Zoology appointed.</li> <li>Strategic natural history collections assessment initiated.</li> <li>SA Tree of Life concept developed.</li> </ul>	



No	Strategic Objectives	Key Performance Indicators (KPIs)	Outcomes/Targets	Variances and Corrective Measures
		<ul style="list-style-type: none"> <li>A SANBI conservation strategy is developed and implemented.</li> </ul>	<ul style="list-style-type: none"> <li><b>Plant conservation strategy for SANBI's National Botanical Gardens (NBGs) (2009 – 2012) developed and approved.</b></li> <li>Back-up collections of threatened plants cultivated in NBGs stored in the Millennium Seed Bank (MSB).</li> <li>Continued implementation of integrated threatened plant programmes in each NBG.</li> <li>Biodiversity checklists and inventories developed and updated for all NBGs.</li> </ul>	<p>The strategy has been delayed until the Global Strategy for Plant Conservation (GSPC) has been finalised internationally and accepted by the Convention on Biological Diversity's (CBD) Conference of the Parties in 2010. SANBI's Strategy should be aligned with the GSPC Strategy.</p>
		<ul style="list-style-type: none"> <li>Standards are established and structures are in place for ongoing revision of the vegetation map of South Africa.</li> </ul>	<ul style="list-style-type: none"> <li>National committee operational.</li> <li>Formal mechanism for updates in place.</li> </ul>	
1.3	Lead the development of research and monitoring frameworks, networks, partnerships, and programmes to meet the goals of the NBSAP and NBF.	<ul style="list-style-type: none"> <li>Scientific support, in the form of expert networks, assessments, and ongoing research on priority taxa, is in place to support decision making by the Scientific Authority.</li> </ul>	<ul style="list-style-type: none"> <li>An assessment of current knowledge for species in trade completed.</li> <li><b>A mechanism to co-ordinate scientific inputs into the Scientific Authority and projects to fill gaps established and operational.</b></li> <li>Scientific inputs into the Scientific Authority co-ordinated through the managed network.</li> <li>Research projects initiated.</li> </ul>	<p>The mechanism is in place but requires more resources to become fully operational. The lack of resources has been reported and costings have been submitted to DEA.</p>
		<ul style="list-style-type: none"> <li>Networks and partnerships are established for research and monitoring programmes on invasive species, and deliver policy relevant products.</li> </ul>	<ul style="list-style-type: none"> <li>Partnership agreements in place with main research groups working on invasive species.</li> <li>Technical support provided to DEA on the management of alien and invasive species.</li> </ul>	



No	Strategic Objectives	Key Performance Indicators (KPIs)	Outcomes/Targets	Variances and Corrective Measures
		<ul style="list-style-type: none"> <li>Research programmes on species and ecosystems of special concern are delivering science products that support conservation and biodiversity management for priority species and ecosystems.</li> </ul>	<ul style="list-style-type: none"> <li><b>Agreements in place for programme on elephant management.</b></li> <li>Partnerships in place for research on threatened biodiversity.</li> <li>Science products are being produced.</li> </ul>	<p>The bid process is underway, but required a longer timeframe than anticipated at stakeholders' request. Agreements will be concluded with successful bidders shortly after awarding the bid.</p>
		<ul style="list-style-type: none"> <li>Research programmes dealing with the value and use of biodiversity are expanded and strengthened and provide key inputs for policy and marketing relating to biodiversity.</li> </ul>	<ul style="list-style-type: none"> <li>Framework for research on ecosystem services developed.</li> <li>Key research products produced.</li> </ul>	
		<ul style="list-style-type: none"> <li>Priority programmes for taxonomic research are established and implemented.</li> </ul>	<ul style="list-style-type: none"> <li><b>Priorities for taxonomic research identified.</b></li> <li><b>Projects on priority groups implemented.</b></li> </ul>	<p>Priorities for plants research and projects have been identified and implemented. Priorities for animal taxonomy are being developed. However, achievement depends on the completion of a research collections assessment report.</p>
		<ul style="list-style-type: none"> <li>A national monitoring and reporting framework for biodiversity is established and operational.</li> </ul>	<ul style="list-style-type: none"> <li>National biodiversity monitoring and reporting framework established and used as the basis for SANBI's reports on the status of biodiversity.</li> <li>Policy direction and implementation informed by M&amp;R framework.</li> </ul>	
		<ul style="list-style-type: none"> <li>National and regional biodiversity priorities are identified at ecosystem and species level through biodiversity planning.</li> </ul>	<ul style="list-style-type: none"> <li>Offshore marine protected area network identified.</li> </ul>	
		<ul style="list-style-type: none"> <li>Conservation assessment for priority plant and animal species conducted.</li> </ul>	<ul style="list-style-type: none"> <li><b>Plants assessment completed.</b></li> <li><b>Reptiles assessment completed.</b></li> </ul>	<p>The project is behind schedule due to changes in lead authorship of the assessment. The appointment of an editor and additional scientists will correct this.</p>
		<ul style="list-style-type: none"> <li>Agreements and partnerships with long-term research and monitoring networks (e.g. SAEON, BIOTA, SANParks) are in place and delivering monitoring products.</li> </ul>	<ul style="list-style-type: none"> <li><b>Joint strategy developed with SAEON and BIOTA.</b></li> </ul>	<p>SAEON is currently undergoing a national review of its management and operations. The agreement with SANBI forms part of this review. SANBI is in discussions with SAEON around future arrangements. The BIOTA project has been concluded.</p>

No	Strategic Objectives	Key Performance Indicators (KPIs)	Outcomes/Targets	Variances and Corrective Measures
1.4	Provide frameworks, systems, data agreements and standards for biodiversity knowledge and information systems.	<ul style="list-style-type: none"> <li>Biodiversity information systems are in place to manage and provide access to biodiversity knowledge and information.</li> </ul>	<ul style="list-style-type: none"> <li>Develop, maintain and improve physical and electronic databases and their content required for regulation, decision making and conservation assessment (relating to biosystematics, Red Lists, the Scientific Authority, elephant management and the GMO regulatory authority) for South Africa.</li> </ul>	
1.5	Take the lead in setting biodiversity priorities for South Africa.	<ul style="list-style-type: none"> <li>Scientific and technical support for priority Multilateral Agreements and Conventions is in place.</li> </ul>	<ul style="list-style-type: none"> <li>Strategy and processes to identify, mobilise and implement scientific and technical support for priority Multilateral Agreements and Conventions in place.</li> <li>Preparation for and attendance of COPs and scientific committees for CBD, CITES, UNFCCC, RAMSAR, CSD and UNCCD.</li> <li>Attendance of expert biodiversity meetings and workshops as required.</li> </ul>	
		<ul style="list-style-type: none"> <li>SANBI is effectively and strategically involved in regional and global research programmes.</li> </ul>	<ul style="list-style-type: none"> <li>Involvement in IGBP, DIVERSITAS, IPI, CBOL, GTI and other major research programmes.</li> <li>Involvement in SADC and NEPAD biodiversity initiatives.</li> </ul>	
1.6	Disseminate and popularise key messages derived from biodiversity programmes to conservation practitioners and general public.	<ul style="list-style-type: none"> <li>Existing programmes to appropriately disseminate quality information on biodiversity are expanded.</li> </ul>	<ul style="list-style-type: none"> <li>New initiatives evaluated.</li> </ul>	
		<ul style="list-style-type: none"> <li>Marketing of programmes to be regularly and appropriately communicated to an expanded audience.</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of refreshed corporate identity.</li> <li>Development and implementation of marketing strategy.</li> </ul>	
		<ul style="list-style-type: none"> <li>Interpretation programmes and materials developed according to international best practice.</li> </ul>	<ul style="list-style-type: none"> <li>The structure of interpretation material designed in line with SANBI's mandate and activities.</li> <li>Interpretive signage developed to promote the links and association between people, biodiversity and ecosystem conservation.</li> <li>Key biodiversity messages, produced with support and input from SANBI's core divisions and displayed on interpretation boards in SANBI's conservation gardens.</li> </ul>	
		<ul style="list-style-type: none"> <li>School and community outreach programmes focus on target groups.</li> </ul>	<ul style="list-style-type: none"> <li>Collaborative biodiversity education and outreach programmes developed for target audiences from all walks of life.</li> </ul>	

No	Strategic Objectives	Key Performance Indicators (KPIs)	Outcomes/Targets	Variances and Corrective Measures
<b>GOAL 2</b>	<b>Be the leader for coordinating research and communication regarding the country's response to the bio-impacts of climate change</b>			
2.1	Lead the research agenda relating to climate change and bio-adaptation.	<ul style="list-style-type: none"> <li>A research framework for climate change and bio-adaptation is developed and being implemented.</li> </ul>	<ul style="list-style-type: none"> <li><b>System map of actors in climate change adaptation in South Africa and relevant neighbouring countries developed.</b></li> <li><b>Draft research and funding framework complete.</b></li> <li><b>Lead conservation and research agencies engaged for inputs.</b></li> <li><b>Rolling five-year plan is finalised with inputs from managed network collaborators.</b></li> <li>Framework developed for involvement and alignment of all SANBI divisions with the overall research framework, and objectives are being met.</li> </ul>	<b>We have made significant progress on all the targets in this strategic objective. However, due to engagement in a number of unplanned strategic climate change events at national and international level, these items were not completed. SANBI is reconsidering these targets in light of other work being done in the climate change sector.</b>
		<ul style="list-style-type: none"> <li>Managed network for monitoring and reporting on climate change impacts and adaptation responses is established.</li> </ul>	<ul style="list-style-type: none"> <li>Draft framework for managed network on climate change monitoring and its operational plan completed.</li> <li>Key collaborators engaged in drafting an implementation plan for climate change monitoring.</li> <li>Managed network for climate change monitoring achieves its data collection and reporting milestones. Publications in international and national research journals.</li> <li>SANBI CCBA staff provide keynote addresses and papers at various forums.</li> </ul>	



No	Strategic Objectives	Key Performance Indicators (KPIs)	Outcomes/Targets	Variances and Corrective Measures
2.2	Enhance policy development and decision making relating to climate change by increasing access to appropriate scientific knowledge.	<ul style="list-style-type: none"> <li>A framework for a policy engagement strategy for climate change and bio-adaptation research is developed.</li> </ul>	<ul style="list-style-type: none"> <li><b>Draft policy engagement strategy complete.</b></li> <li>Strategy finalised, implementation and review process underway.</li> <li><b>Science plan for climate change research aligned with policy engagement strategy.</b></li> <li>SANBI staff serve on key national, regional and international science biodiversity and policy panels.</li> <li><b>Draft SANBI science plan developed.</b></li> </ul>	<p><b>SANBI provided significant policy support to national and international bodies involved in climate change. SANBI's draft policy strategy will be completed in the following financial year.</b></p> <p>The loss of the lead person hampered completion of the science plan.</p> <p>We completed the strategic process to develop the plan. However, the process required a more detailed approach than anticipated. It will be finalised in the next financial year.</p>
2.3	Provide effective communication of climate change issues.	<ul style="list-style-type: none"> <li>2nd National Communication to the UNFCCC is complete.</li> </ul>	<ul style="list-style-type: none"> <li>Initial draft complete.</li> </ul>	
		<ul style="list-style-type: none"> <li>Overarching strategy for climate change communication is developed.</li> </ul>	<ul style="list-style-type: none"> <li><b>Draft communication strategy complete.</b></li> <li>Communication strategy implemented via verbal, published and other outputs.</li> <li>SANBI website reflects activities and core challenges in climate change and bio-adaptation research.</li> </ul>	<p><b>This strategy was included as part of SANBI's broader communication strategy.</b></p>
		<ul style="list-style-type: none"> <li>Engagement of schools and communities in the climate change programmes developed.</li> </ul>	<ul style="list-style-type: none"> <li>Target audiences' awareness raised.</li> <li>Target audiences trained.</li> <li>Target audiences participate in events.</li> </ul>	
<b>GOAL 3</b>	<b>Be a leader in the development of co-operative, integrated biodiversity programmes, best practices models, policy tools, and conservation estate management</b>			
3.1	Develop and apply best practice models for biodiversity management.	<ul style="list-style-type: none"> <li>Models for CBNRM are established focusing on unlocking economic opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>A suite of CBNRM pilot projects established through bioregional programmes in priority areas.</li> </ul>	
		<ul style="list-style-type: none"> <li>Promote the need to focus on securing healthy wetlands while rehabilitating degraded ones.</li> </ul>	<ul style="list-style-type: none"> <li>Wetlands protection work of other departments supported.</li> <li>DWAF prioritisation process for wetland reserve determinations supported.</li> </ul>	

No	Strategic Objectives	Key Performance Indicators (KPIs)	Outcomes/Targets	Variances and Corrective Measures
		<ul style="list-style-type: none"> <li>The involvement of school and communities in biodiversity programmes is strengthened and best practice models for greening programmes are assessed, planned and implemented.</li> </ul>	<ul style="list-style-type: none"> <li><b>Awareness raised among target audiences.</b></li> <li><b>Target audiences trained and mentored.</b></li> <li><b>Communities, schools and other stakeholders empowered to implement and sustain indigenous gardens.</b></li> </ul>	<p><b>These targets were achieved in all areas except the Free State and Lowveld due to lack of capacity and funding. Funding proposals will be submitted to address this.</b></p>
3.2	Strengthen and support policy development and decision making.	<ul style="list-style-type: none"> <li>The link between biodiversity, sustainable economic development, and addressing social needs, is demonstrated.</li> </ul>	<ul style="list-style-type: none"> <li>Poverty and biodiversity project successfully completed.</li> </ul>	
3.3	Expand and strengthen the role of national botanical gardens as leaders in nature-based tourism, conservation, and management of the biodiversity estate.	<ul style="list-style-type: none"> <li>Living collections adequately conserved in <i>ex situ</i> collections of threatened species.</li> </ul>	<ul style="list-style-type: none"> <li><b>50% of South Africa's threatened plants in NBG collections and/or the Millennium Seed Bank (MSB-UK).</b></li> <li>Back-up collections of threatened plants cultivated in NBGs stored in the MSB.</li> </ul>	<p><b>32.5% of South Africa's threatened plants are now in SANBI's NBG collections or in the MSB, or in both. In order to meet the 50% target, publication of the Red Data List was necessary. This was only published in 2009. We will review our national targets with the MSB Project in the following year.</b></p>
		<ul style="list-style-type: none"> <li>The ecotourism value of the NBGs is strengthened through increased social/cultural events and marketing, leading to increased income generation (10% per annum).</li> </ul>	<ul style="list-style-type: none"> <li>Funding sourced to develop the required horticultural and tourism-related facilities in NBGs.</li> <li>New facilities commissioned in NBGs.</li> <li>Representative infrastructure, demonstration gardens and interpretive signage present in NBGs.</li> <li>Regular updates and contribution of NBGs to SANBI website and NBG info on BGCI website.</li> <li>NBGs actively promoted and marketed as local tourist destinations.</li> <li>Social and cultural events in the NBGs that are relevant to South Africa's diverse cultures arranged.</li> </ul>	
		<ul style="list-style-type: none"> <li>The NBG/conservation gardens network is strengthened through establishment of new gardens in the Eastern Cape and Limpopo Provinces and expansion of existing NBGs.</li> </ul>	<ul style="list-style-type: none"> <li>Possible sites for new NBG/conservation garden in the Eastern Cape identified and evaluated.</li> <li>Feasibility studies commissioned on proposed sites.</li> <li>Necessary funding sourced for establishment of new NBGs/conservation gardens.</li> </ul>	

No	Strategic Objectives	Key Performance Indicators (KPIs)	Outcomes/Targets	Variances and Corrective Measures
<b>GOAL 4</b>	<b>Be a vibrant and transformed organisation able to lead the biodiversity sector</b>			
4.1	Implement an effective strategy for transformation.	<ul style="list-style-type: none"> <li>A strategy for transformation, which provides an effective plan to achieve transformation goals within the context of a scarce skills sector and an expansive mandate, is developed, funded, and operational.</li> </ul>	<ul style="list-style-type: none"> <li>Environmental education programme adopted and communicated.</li> <li>Barriers to transformation identified and rectified.</li> <li>Best HR policies and practices implemented.</li> <li>Diversity Management programme sustained.</li> <li><b>Targeted skills development programmes and learnerships implemented.</b></li> <li><b>Employee health and wellness programmes monitored and reviewed.</b></li> </ul>	<p>Although we conducted some skills programmes, as well as training and awareness sessions, these were limited due to financial constraints. Additional funding will be secured in the following financial year.</p>
4.2	Have effective structures and processes in place to facilitate the implementation of the managed network.	<ul style="list-style-type: none"> <li>HR, Finance, Supply Chain Management, and IT are aligned with the needs of the managed network model.</li> </ul>	<ul style="list-style-type: none"> <li>Existing policies and procedures reviewed.</li> <li>Changes to facilitate managed network functioning implemented.</li> <li>Adaptive management approach to update processes.</li> <li>Establish a Monitoring, Evaluation and Planning capacity.</li> <li>Establish a Project Management Unit.</li> </ul>	
		<ul style="list-style-type: none"> <li>MOUs are in place with all the major partners in the biodiversity sector.</li> </ul>	<ul style="list-style-type: none"> <li>Key partners identified for all strategies (research, monitoring, human capital development, mainstreaming).</li> <li>MOUs developed with all key partners.</li> </ul>	
<b>GOAL 5</b>	<b>Be the recognised strategic partner in human capital development for biodiversity sector</b>			
5.1	Implement programmes that provide opportunities for training and mentoring young South African biodiversity professionals.	<ul style="list-style-type: none"> <li>The programme of Internships, MScs, PhDs and post doctoral support is strengthened and expanded in collaboration with managed network partners where appropriate.</li> </ul>	<ul style="list-style-type: none"> <li>Internship programme strengthened through collaboration with universities and other tertiary institutions.</li> <li>Post doctoral fellows appointed to strengthen skills development in areas of expanded mandate.</li> <li>Research projects co-supervised.</li> </ul>	
		<ul style="list-style-type: none"> <li>Strategic partnerships with higher education institutions are in place to increase biodiversity capacity, especially in areas of scarce skills.</li> </ul>	<ul style="list-style-type: none"> <li>SANBI's strategic role with higher education institutions clarified, and key HEI partners are identified.</li> </ul>	

No	Strategic Objectives	Key Performance Indicators (KPIs)	Outcomes/Targets	Variances and Corrective Measures
		<ul style="list-style-type: none"> <li>Horticultural training and internship programmes are strengthened and increase the availability of skilled staff and further capacitate existing staff.</li> </ul>	<ul style="list-style-type: none"> <li><b>Horticultural skills training implemented across NBGs.</b></li> <li>Horticultural staff supported, where appropriate, for National Diplomas in Horticulture and relevant higher degrees.</li> <li>Regular review of NBGs' horticultural and conservation collections.</li> <li>Horticultural internships and training programmes continued in all NBGs.</li> <li>Staff skilled in the cultivation and propagation of South Africa's indigenous plants sourced and developed.</li> </ul>	<p><b>Horticultural skills training was placed on hold due to financial constraints. Funds will be secured via national skills funding structures in the following financial year.</b></p>
5.2	<p><b>Strengthen the contribution of the managed network to human capital development (HCD) and transformation.</b></p>	<ul style="list-style-type: none"> <li>Implementation of SANBI programmes emphasises need to build human capital and advance transformation of the sector.</li> </ul>	<ul style="list-style-type: none"> <li>Transformation objectives included in project formulation and implementation.</li> <li>Project monitoring and evaluation procedures include reports on contribution to human capital development.</li> </ul>	
		<ul style="list-style-type: none"> <li>Facilitate co-ordination of human capital development initiatives among managed network partners, including relevant higher education institutions.</li> </ul>	<ul style="list-style-type: none"> <li>An HCD co-ordinator within SANBI.</li> </ul>	
5.3	<p><b>Implement programmes to encourage participation in biodiversity science at school level and to strengthen the quality of biodiversity teaching and learning.</b></p>	<ul style="list-style-type: none"> <li>Systems to make information on biodiversity accessible to school learners are set up and operating.</li> <li>Projects to strengthen biodiversity content in the curriculum are underway.</li> </ul>	<ul style="list-style-type: none"> <li>Access to biodiversity information (garden-based school and adult programmes, enquiry service, library, bookshop, publications, experts, website).</li> </ul>	
		<ul style="list-style-type: none"> <li>A strategic partnership with education departments and schools is in place to increase visibility and access to information on careers in the biodiversity sector.</li> </ul>	<ul style="list-style-type: none"> <li><b>Pilot projects on providing guidance on biodiversity careers to high school learners are underway, with a view to wider roll out.</b></li> </ul>	<p><b>We will develop strategic partnerships with guidance from SANBI's Human Capital Development Co-ordinator. However, we participated in or hosted various careers events and expos.</b></p>



**SANBI is committed to delivering service and operational excellence that adds value to the fiscal grants received from government and our donors and sponsors. As in previous years, SANBI has complied with the regulatory framework provided by the Department of Environmental Affairs and National Treasury.**

## STATEMENT OF RESPONSIBILITY OF THE BOARD

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

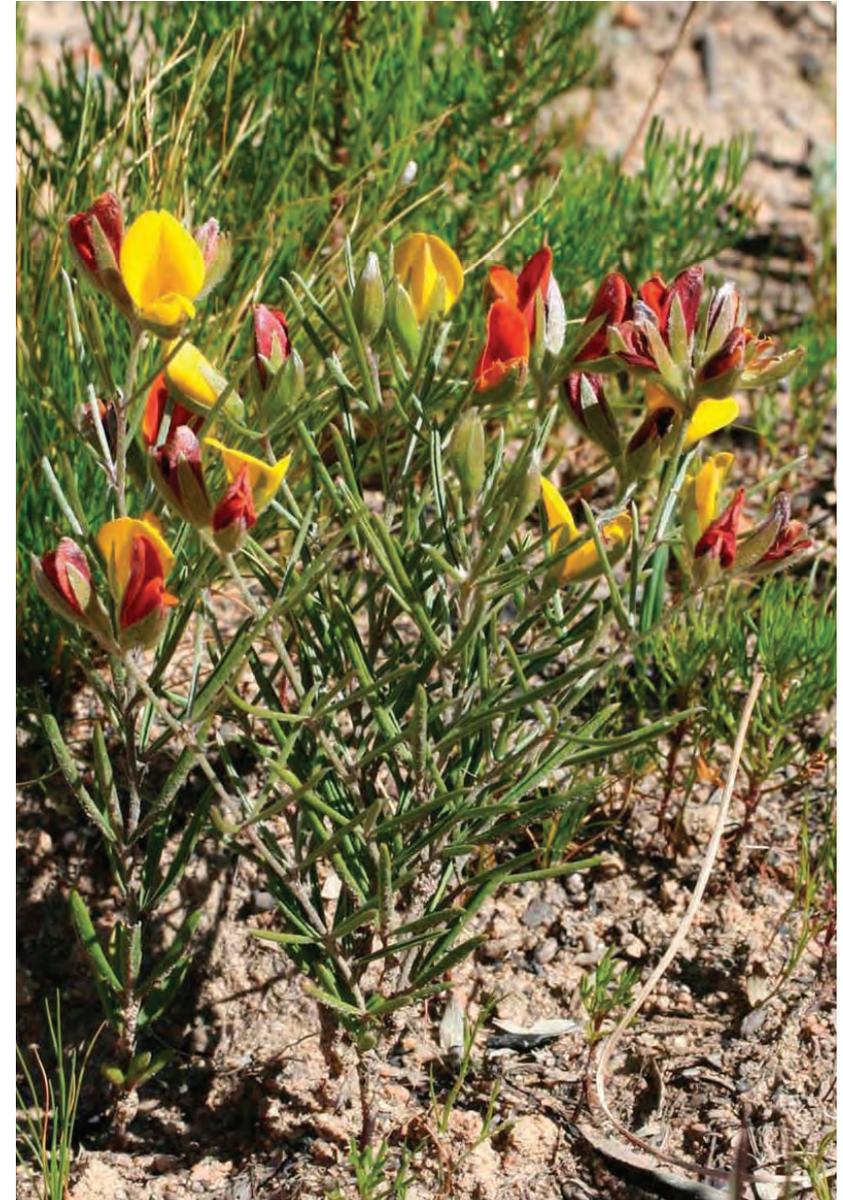
The members of the SANBI Board are responsible for the presentation of Annual Financial Statements in compliance with generally recognised accounting practices, the maintenance of accounting records, internal control and risk management, and the consistent use of appropriate accounting policies supported by reasonable judgements and estimates.

The Board believes that the Institute is a going concern for the foreseeable future.

The Annual Financial Statements for the year ended 31 March 2010 were approved by the Board on 27 May 2010 and are signed on its behalf by:

Mr Thamsanqa Sokutu  
Chairperson of the SANBI Board

Dr. Tanya Abrahamse  
Chief Executive Officer



# REPORT OF THE ACCOUNTING AUTHORITY

to the Executive Authority and Parliament of the Republic of South Africa

## Preparation and Presentation of the Annual Financial Statements

SANBI adopted all the Standards of Generally Recognised Accounting Practice (GRAP) issued by the Accounting Standards Board and approved by the Minister of Finance, and which were effective from 1 April 2009. The financial statements have been prepared on a going concern basis in accordance with GRAP standards.

## General Review of the State of Affairs

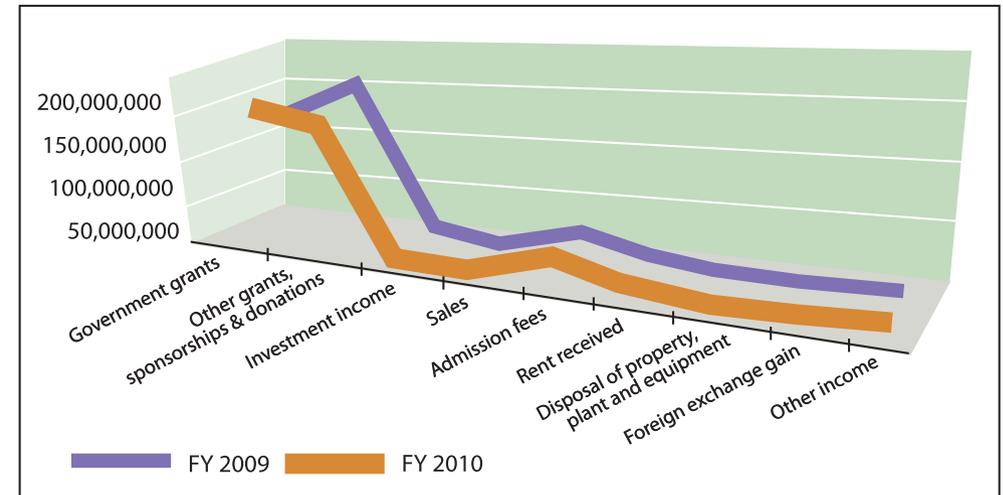
The financial position of the business and activities of SANBI is clearly indicated in the attached financial statements. No material fact or circumstance has occurred between the accounting date and date of this report.

SANBI continues to perform well despite certain challenges, as is described in the Performance Information section of this Annual Report. The results for the period under review are:

## REVENUE

	March 2010 R	March 2009 R
<b>Revenue</b>		
Government grants	150,886,000	128,831,000
Other grants, sponsorships and donations	136,967,022	163,424,891
Investment income	2,735,235	6,807,075
Sales	1,647,785	1,553,555
Admission fees	26,126,220	21,877,463
<b>Total Revenue</b>	<b>318,362,262</b>	<b>322,443,984</b>
<b>Other Income</b>		
Rent received	8,223,251	7,456,241
Disposal of property, plant and equipment	32,814	544,597
Foreign exchange gain	194,702	359,492
Other income	4,561,6295	2,518,395
<b>Total Income</b>	<b>331,374,324</b>	<b>333,372,709</b>

## TOTAL INCOME



Total income declined by 1% (R2 million) from 333.4 million (2009) to R331.4 million (2010). The overall income of the Institute, including Government grants, was 1% less than the previous financial year. This reflects the depressed economic climate.

1. Despite the economic situation, income from Admission Fees, which is one of the main operating revenue streams, shows a positive variance of R4.3m (19%) compared to 2009.
2. Rent is a non-core business revenue stream. This shows a positive variance of R0.77m (10%), which can be attributed to a more concerted effort to collect rental from the restaurant operators.
3. Income from other revenue streams shows a cumulative positive variance of R2m (81%), despite tight economic conditions.
4. Investment income plummeted by R4.1m year-on-year as a result of fewer grants received and their concomitant interest earned.
5. Although not a main revenue stream, sales are up by 6% on 2009 figures.
6. Other Grants, Sponsorships and Donations declined by R26.5m (16%).

The Department of Environmental Affairs' grant was increased by 17% to R150.8m from R128.8m. This grant is mainly to fund SANBI's operational expenses.

## EXPENSES

### Expenditure

Personnel costs	153,714,701	129,358,075
Operating expenses	81,356,679	91,331,062
Audit fees: External audit	1,270,585	1,468,991
Audit fees: Internal audit	1,183,840	738,194
Finance costs	2,033	21,390
Depreciation and amortisation	14,725,584	11,604,159
Impairment charge	728,813	-
Direct project expenditure	90,187,769	102,644,562
	<b>343,170,004</b>	<b>337,166,433</b>

The Institute's total expenses show a negligible increase of 2% compared to the previous financial year. Expenditure categories that contributed to savings were:

- Operating expenses (11%)
- Audit Fees: External Audit (14%)
- Finance costs (91%)
- Direct project expenses (12%).

Personnel costs increased by 19% from R129.4m (2009) to R153.7m (2010).

### Corporate Governance Arrangements

Please refer to the Corporate Governance Statement in this Annual Report.

### Performance Information

Performance targets for SANBI are set on an annual basis. Full disclosure of these targets and performance against them is disclosed in this Annual Report. Quarterly performance reports are prepared by SANBI and submitted to the Department of Environmental Affairs and other stakeholders, reflecting achievements during the various reporting periods. Throughout, results obtained are assessed against targets set.

### Address

Registered office: South African National Biodiversity Institute  
2 Cussonia Avenue  
Brummeria  
Pretoria  
0002  
Private Bag X101  
Pretoria  
0001

### Auditors

The South African National Biodiversity Institute, as a Public Entity, is audited by the Auditor-General or its nominees.

### Approval

The Annual Financial Statements set out on pages 52 to 93 have been approved by the Accounting Authority.

**Mr Thamsanqa Sokutu**

Chairperson of the SANBI Board

Date: 27 May 2010

# CORPORATE GOVERNANCE STATEMENT

## GOVERNANCE STRUCTURE

The South African National Biodiversity Institute subscribes to and is committed to complying with the principles and standards of integrity and accountability expressed in the Public Finance Management Act, relevant Treasury Regulations and the King Report on Corporate Governance. The Board is furthermore committed to providing timeous and meaningful information on all of its activities.

### Composition of the Board

Members of the SANBI Board are appointed in terms of Section 15 of the National Environmental Management Biodiversity Act, 10 of 2004.

The Board consists of not fewer than seven and not more than nine members who are appointed by the Minister of Water and Environmental Affairs. The Board further includes the Director-General, or an official of the Department Environmental Affairs designated by the Director-General, and the Chief Executive Officer of the Institute. The Minister must appoint a member of the Board as Chairperson. Board members are appointed for a term of three years.

The Board has adopted formal terms of reference regulating its functions. The Board fulfils the same function as the Board of Directors of any other organisation on behalf of its stakeholders, with responsibility and accountability for all decisions of the Institute. The Board meets quarterly and monitors the executive management by ensuring that all material matters are subject to Board approval. The Chief Executive Officer is a member of the Board. Other members of the executive management attend Board meetings by invitation.

Members of the Board during the period 1 April 2009 to 31 March 2010:	
Mr T. Sokutu (Chairperson)	Ms K. Montgomery
Prof. P. Omara-Ojungu	Ms T. Dingaen
Dr P. Hanekom	Dr T. Abrahamse (Chief Executive Officer)
Mr A. Frost	Mr S. Somyo
Mr F. Mketeni	Ms M. Pyoos

The roles of the Chairperson and Chief Executive Officer do not vest in the same person and the Chairperson is a non-executive member of the organisation. The Chairperson and Chief Executive Officer provide leadership and guidance to the Board. All advisory committees of the Board are chaired by non-executive members of the Board.

The Board shall as soon as practically possible after the end of each financial year, submit:

- An annual report for the Minister's approval and tabling in Parliament, and
- Any other matter that the Minister may request the Board to deal with.

The effective functioning of the Board is largely dependent on the preparation, for its consideration, of the Institute's Corporate Strategic Plan, its annual Business Plan, policy proposals, Medium Term Expenditure Framework (MTEF) and other such documents that require the Board's approval.

All Board members are subject to and accept the provisions of the Biodiversity Act and the PFMA in terms of responsibility and accountability.

### Executive Management

The Executive Management Committee comprises the Chief Executive Officer (as Chairperson), Heads of Branches, Chief Financial Officer, Chief Directors, and Director: Finance and Unit Heads of the functional areas of the Institute. This Committee meets monthly or more frequently if necessary. The role of the Committee is to ensure the co-ordinated and efficient execution of all functions delegated to it by the Board, in particular to ensure that its decisions, strategies and objectives are implemented. The Executive Management retains full and executive control over the Institute.

### Audit Committee

In keeping with Treasury Regulation 27 of the PFMA, the Board appointed an Audit Committee to assist with the discharge of its duties by reviewing and reporting on the governance responsibilities of the Board and the Institute.

The terms of reference of the Audit Committee, its duties and functions, its composition and its modus operandi have been approved by the Board. The committee meets three times per year.

Members of the Audit Committee for the period 1 April 2009 to 31 March 2010	
Dr P.E. Hanekom	(Chairperson)
Ms M. Pyoos	Member
Mr G.J. Dladla	Independent member
Mr T. Bouwer	Independent member
Dr T. Abrahamse	<i>ex officio</i>
Mr M. Khoahli (Chief Financial Officer)	<i>ex officio</i>

## Board Sub-Committees

For operational effectiveness, the Board has instituted Sub-Committees for each of the functional areas of the Institute. These Sub-Committees comprise one or more members of the Board and several additional members who are recognised leaders in the functional areas. Members are appointed for a term concurrent with that of the Board. Any Board member may request or be requested to attend a Board Sub-Committee meeting.

The role of the Sub-Committees is to advise the Board on:

- The mandate given to the Institute by Parliament.
- The strategic direction and emphasis of the Institute.
- The efficient implementation of those facets of the Corporate Strategic Plan that are relevant to the functional area.
- The evaluation of individual activities, personnel, budgeting requirements and the initiation of new activities or the termination of existing activities.
- Budget and infrastructure needs.
- Service to the community.

Committee	1 April 2009 – 31 March 2010
Strategy and Governance Committee	Mr T. Frost (Chairperson) Mr S. Somyo Ms K. Montgomery Dr T. Abrahamse
Remuneration & Human Resource Committee	Ms T. Dinga (Chairperson) Mr A. Frost Dr T. Abrahamse Ms Y. Koyo <i>ex officio</i> Mr M. Netshiombo <i>ex officio</i>
Research and Development Committee	Ms M. Pyoos (Chairperson) Prof. P. Omara-Ojunga (Member) Prof. S. Chown (Independent member) Mr D. Naidoo (Independent member) Prof. B. Sibara (Independent member) Dr T. Abrahamse Ms C. Mbizvo <i>ex officio</i>

## Management Structure of the Institute

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

Implicit in the concept is a substantial measure of delegation of both responsibility and authority, which in turn requires effective control and evaluation systems. Both financial and management responsibilities are delegated and clearly communicated to such Head. These officers are actively involved in the budget development cycle and must assume responsibility for the disciplined management of their cost centre budgets within clearly defined policies, procedures and delegations of authority.

## GOVERNANCE PRINCIPLES

### Framework

Corporate Governance is a system by which organisations are directed and controlled. Basically it is a set of checks and balances that gives assurance to stakeholders that the organisation is run according to sound corporate governance standards and principles. These standards and principles are based on international best practice.

The Institute's Board, its Sub-committees and the Executive Committee believe that the Institute has complied with these principles.

### Financial Statements

The Institute's Board and Executive Committee confirm that proper records were kept and that they fairly represent the financial state of affairs of the Institute. The Financial Statements are prepared in accordance with Generally Recognised Accounting Practice (GRAP).

External auditing is conducted by the office of the Auditor-General.

### Risk Management

Effective risk management is integral to the Institute's objective of consistently adding value to the business. Management is continuously developing and enhancing its risk and control procedures to improve the mechanisms for identifying and monitoring risks. Risk assessments are conducted on a regular basis and a risk management strategy, which includes a fraud prevention plan, is used to direct the internal audit effort and priority.

Key policies and procedures that are in place to manage operating risks include segregation of duties, transaction authorisation, supervision, monitoring and financial and managerial reporting. Where the risk management workshop identified weaknesses in the systems of the Institute, they have been addressed.

The Institute has an active Risk Management and Fraud Prevention Committee, which meets regularly and effectively deals with matters pertaining to its Terms of Reference. This committee is chaired by the Chief Financial Officer. The Institute has adopted a Fraud Prevention Policy and Plan, which incorporates a whistleblowing system and procedure. The whistleblowing hotline is administered by the South African Corporate Fraud Management Institute (SACFMI). Information on hotline disclosures is assessed in terms of warranting further investigation (forensic or other) and the necessary steps are taken to ensure that fraudulent and corruptive misdemeanours are adequately addressed and that stolen assets are recovered.

The insurance and risk management policies adopted are aimed at obtaining sufficient cover to protect the Institute's asset base, its earning capacity and its legal obligations against possible insurable losses.

All buildings are insured. The following, inter alia, are not insured: roads, bridges, fencing (perimeter and other), dam walls and content, driveways, pavements, outdoor recreation surfaces, outdoor parking surfaces, animals and plants of whatever nature as well as laptops.

During the reporting period there were grievances, complaints and hotline disclosures within SANBI. In order to efficiently and effectively address these matters the Chief Executive Officer commissioned a task team to investigate compliance of 1) Human Resources, 2) Supply Chain Management and 3) Management and Leadership issues. The task team was also instructed to revise systems, practices and processes and to make recommendations in terms of streamlining and improving policies and procedures and to identify developmental areas in this regard. Recommendations and action plans have been systematically implemented.

### Internal Control Systems

To meet its responsibility with respect to providing reliable financial information, the Institute maintains financial and operational systems of internal control. These controls are designed to provide reasonable assurance that transactions are concluded in accordance with management authority, that assets are protected against material loss or unauthorised acquisition, use or disposition, and those transactions are properly authorised and recorded.

The system includes a documented organisational structure and division of responsibility, established policies and procedures and the careful selection, training and development of people.

Internal auditors monitor the operation of the internal control system and report findings and recommendations to Management and Executive Management. Corrective actions are taken to address control deficiencies and other opportunities for improving the systems, as they are identified. The Board, operating through its Audit Committee, provides oversight of the financial reporting process and internal control systems.

The Institute has a comprehensive network of compliance officers who submit quarterly reports on cost centre/project compliance in terms of recommendations made by the internal auditors.

All compliance officers have a duty to ensure that controls and systems are put in place to prevent or mitigate possible risks from materialising. The accounting policies and procedures have been presented and approved by the Board. All other operational policies have been revised, edited and approved by the Board or the Executive Committee during this financial year.

The Institute has an effective loss management system, processes and procedures where all losses and damages are duly reported and entered in a Loss Control Register and appropriately and adequately adjudicated. Liability for these losses and damages is determined and disciplinary procedures are instituted where necessary. Recovery of assets is done where possible and assets are duly written off according to the relevant regulations and policies in this regard.

### Transformation

SANBI is committed to building an inclusive workforce, fostering an environment that respects the individual and offering the opportunity for all staff to develop to their full potential in the pursuit of SANBI's goals. In support of SANBI's transformation process, a diversity management programme was launched in 2005. The programme aims to increase employee productivity by utilising talents, creating a work environment that allows everyone to reach his or her full potential, attract a diverse population to SANBI and increase job satisfaction.

### Employment Equity

SANBI has an Employment Equity and Training Committee which facilitates and supports the transformation programme in the Institute. The Employment Equity Policy of the Institute seeks to:

- successfully execute the employment equity strategy and attain specific employment equity targets
- ensure compliance with the provisions and legal requirements of the Employment Equity Act
- promote diversity
- modify and adjust physical working environments to accommodate disabled people
- attract, attain, develop and retain staff that are representative of groups.

### Integrated Employee Health and Wellness Programme

SANBI has adopted a holistic integrated Employee Health and Wellness Model with the following four pillars:

#### • HIV/AIDS and Tuberculosis Management

In response to HIV and AIDS, SANBI is guided by the National Strategic Plan of 2007–2010 on HIV & AIDS and Sexually Transmitted Infections, which focuses on prevention, treatment, care and support, research, monitoring and surveillance, human rights and access to justice. SANBI recognises the problem to public health posed by TB and ensures that employees suspected of having TB have access to an appropriate treatment and support system.

- **Health and Productivity Management**

Health and Productivity management in the workplace is defined as: “the integrated management of health risks for chronic illnesses, occupational injuries and diseases, mental diseases and disability in order to reduce employees’ total health-related costs, including direct medical expenditure, unnecessary absence from work and loss of performance at work.” SANBI promotes and maintains the general health of employees through prevention, intervention, awareness, education, risk assessment and support in order to mitigate the impact and effect of communicable and non-communicable diseases and injuries on the productivity and quality of life of individual employees.

- **Safety, Health, Environment, Risk, Quality Management (SHERQ)**

SANBI will implement SHERQ in accordance with the standards identified by the International Organisation of Standards, OHSAS 18001 for OHS, ISO 14001 for Environmental Management, and ISO 9001 for Quality Management.

- **Wellness Management**

SANBI addresses individual and organisational wellness in a proactive manner. This approach is a radical departure from the Employee Assistance Programme, which was limited in scope and practice and reactive. Individual Wellness is the promotion of the physical, social, emotional, spiritual and intellectual wellness of individuals. This is attained by creating an organisational climate and culture that is conducive to wellness and the comprehensive identification of psycho-social health risks. Wellness management is a priority as the health, safety and wellness of employees directly impact on the entire Institute.

**Employee Participation**

Employee participation is encouraged by implementing best practices in place to foster good and co-operative relationships and employee participation at all levels of the organisation. Union representation, leadership development programmes, focus groups and task teams and surveys are all instrumental in facilitating participation.

**Code of Conduct**

A Code of Conduct has been developed for all staff of the Institute. The Code has been translated into the various languages that are used in the Institute. All staff members were consulted and given the opportunity to make comments and recommendations on the Code. The Code of Conduct facilitates sound business ethics in the Institute and plays an important role in defining the organisational culture and in governing effective discipline within the organisation. It is a standard annexure to all letters of appointment to ensure that new staff are adequately informed about this upon commencing duty.

A Code of Conduct for Board members has also been developed, approved and implemented and all Board members are subject to these prescripts.

**Delegation of Authority**

The Board approved the Delegations of Authority for effective operational purposes. These are contained in the Finance and Accounting: Policies, Procedures and Delegations Manual.

**Supply Chain Management**

During this financial year, the Institute aligned all procurement systems, policies, processes and practices with PFMA and Treasury requirements concerning Supply Chain Management. SANBI complied with the reporting requirements of the Department of Environmental Affairs and National Treasury by regularly reporting on the supply chain management system, processes, policy and procedures.

**Conflict of Interest**

As part of the appointment protocol, all new staff members of the Institute are obliged to complete a “Declaration on Conflict of Interest” when they are appointed.

All Board members are, in keeping with the PFMA, required to complete a “Disclosure of Interest” declaration.

**LEGISLATIVE FRAMEWORK**

The Institute, being a Section 3A Public Entity, has to comply with a number of laws, including:

- National Environmental Management: Biodiversity Act No. 10 of 2004
- Labour Relations Act No. 66 of 1995
- Basic Conditions of Employment Act No. 75 of 1997
- Employment Equity Act No. 55 of 1998
- Public Service Act No. 103 of 1994 (together with its regulations) – subject to ministerial approval
- Decisions reached at the Central Bargaining Chamber – subject to ministerial approval
- Public Finance Management Act No. 1 of 1999 (PMFA)
- Occupational Health and Safety Act No. 85 of 1993
- Generally Recognised Accounting Practice (GRAP)
- Compensation for Occupational Injuries and Diseases Act No. 180 of 1993
- Promotion of Access to Information Act No. 2 of 2000.



**Dr. Tanya Abrahamse**  
Chief Executive Officer

# REPORT OF THE AUDIT COMMITTEE

We are pleased to present our report for the financial year ended 31 March 2010.

## 1. Audit Committee Members and Attendance

The Audit Committee consisted of the members listed hereunder and should meet five (5) times per annum as per its approved terms of reference. During the current year (2009/10) five (5) meetings were held.

Membership of the Audit Committee from 1 April 2009 to 31 March 2010 comprised:

Name of Member	Number of Meetings Attended
Dr P.E. Hanekom (Chairperson)	5
Dr T. Abrahamse (Board Member)	5
Ms M. Pyoos (Board Member)	3
Mr G.J. Dladla (Non Board Member)	2
Mr T. Bouwer (Non Board Member)	4
Mr M. Khoahli ( <i>ex officio</i> )	5

## 2. Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from section 51(1) (a) of the PFMA and Treasury Regulation 27.1.

The Audit Committee also reports that it has adopted appropriate formal Terms of Reference as its Audit Committee Charter, has regulated its affairs in compliance with its Charter and has discharged its responsibilities as contained therein.

## 3. The effectiveness of internal control

The system of internal control applied by the Institute over financial risk and risk management is effective, efficient and transparent. In line with PFMA and the King III Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and Management with assurances that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. From the various reports of the Internal Auditors, the Audit Report on the Annual Financial Statements and the Management Report of the Auditor-

General, it was noted that no matters were reported indicating any material deficiencies in the system of internal control or any other deviations therefrom. Accordingly, we can report that the system of internal control for the period under review was efficient and effective.

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

## 4. Evaluation of Financial Statements

The Audit Committee has:

- Reviewed and discussed the audited annual financial statements to be included in the annual report with the Office of the Auditor-General and the SANBI Management;
- Reviewed the Auditor-General's management letter and management's response thereto;
- Reviewed accounting policies and practices;
- Reviewed the Institute's compliance with legal and regulatory provisions; and
- Reviewed significant adjustments resulting from the audit.

The Audit Committee concurs and accepts the Auditor-General's conclusions on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.

## 5. Internal Audit

The Internal Audit Committee is satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the Institute in its audit.

## 6. Auditor-General South Africa

The Audit Committee has met with the Auditor-General of South Africa to ensure that there are no unresolved issues.



Dr Patricia Hanekom  
Chairperson: Audit Committee

Date: 27 May 2010

# REPORT OF THE AUDITOR-GENERAL

to Parliament on the Financial Statements of the South African National Biodiversity Institute for the Year Ended 31 March 2010

## REPORT ON THE FINANCIAL STATEMENTS

### Introduction

1. I have audited the accompanying financial statements of the South African National Biodiversity Institute (SANBI), which comprise the statement of financial position as at 31 March 2010, and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory information, as set out on pages 52 to 93.

### Accounting Authority's responsibility for the financial statements

2. The accounting authority is responsible for the preparation and fair presentation of these financial statements in accordance with Generally Recognised Accounting Practice (SA Standards of GRAP) and in the manner required by the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) and the National Environmental Management: Biodiversity Act, 2004 (Act No 1 of 2004). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Auditor-General's responsibility

3. As required by section 188 of the Constitution of the Republic of South Africa and section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), my responsibility is to express an opinion on these financial statements based on my audit.

4. I conducted my audit in accordance with International Standards on Auditing and General Notice 1570 of 2009 issued in Government Gazette 32758 of 27 November 2009. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

7. In my opinion, the financial statements present fairly, in all material respects, the financial position of the South African National Biodiversity Institute as at 31 March 2010, and its financial performance and its cash flows for the year then ended, in accordance with SA Standards of GRAP as described in note 1 to the financial statements and in the manner required by the PFMA.

### Emphasis of matter

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

### Restatement of corresponding figures

9. As disclosed in note 20 to the financial statements, the corresponding figures for 31 March 2009 have been restated as a result of errors discovered during 31 March 2010 in the financial statements of SANBI at, and for the year ended, 31 March 2009.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

10. In terms of the PAA of South Africa and General notice 1570 of 2009, issued in Government Gazette No. 32758 of 27 November 2009, I include below my findings on the report on predetermined objectives, compliance with the PFMA and financial management.

### Findings

#### Predetermined objectives

#### Usefulness of information

11. The following criteria were used to assess the usefulness of the planned and reported performance:
- Consistency: Has the entity reported on its performance with regard to its objectives, indicators and targets in its approved strategic plan, i.e. are the objectives, indicators and targets consistent between planning and reporting documents?
  - Relevance: Is there a clear and logical link between the objectives, outcomes, outputs, indicators and performance targets?
  - Measurability: Are objectives made measurable by means of indicators and targets? Are indicators well defined and verifiable, and are targets specific, measurable, and time bound?

The following audit findings relate to the above criteria:

#### Planned and reported performance targets not specific or measurable

12. For the selected programmes, 29% of the planned and reported indicators were not specific in clearly identifying the nature and the required level of performance as baseline numbers (numerators and denominators) were not specified for targets expressed as percentages.

#### Planned and reported indicators not verifiable

13. For the selected indicators, 62% of the planned and reported indicators were not verifiable, as the processes and systems that produce the indicators could not be verified.

#### Compliance with laws and regulations

14. No matters to report.

#### Internal control

15. I considered internal control relevant to my audit of the financial statements and the report on predetermined objectives and compliance with the PFMA, but not for the purposes of expressing an opinion on the effectiveness of internal control. The matters reported below are limited to the deficiencies identified during the audit.

### Leadership

16. With reference to the matters described in paragraphs 12 and 13 above, while the entity has implemented corrective measures for 2010-11, for the year under review, the accounting authority did not exercise sufficient oversight responsibility over reporting and internal control regarding performance management, which describe and represent how the entity's processes of performance planning, monitoring, measurement, review and reporting will be conducted, organised and managed, as required in terms of section 51(1)(a)(i) of the PFMA.

## OTHER REPORTS

### Investigations

#### Investigations completed during the financial year

##### *Greening of the nation*

17. An investigation was conducted by an independent consulting firm on request of the entity dealing with allegations pertaining to the disbursement of funds of the Greening the Nation Project for the period 1 January 2005 to 31 December 2008. The aim of the investigation was to evaluate the financial management of the project, the procurement of goods and services, the overall management of the project and the role of certain service providers. The final report was issued in June 2010.

### Donor funding

18. A donor funding audit engagement was conducted during the year under review with respect to the following donor fund:

- World Bank Report - CAPE GEF YCAPE/WB Project (Grant No. TF 05322)

The report covered the period 1 April 2008 to 31 March 2009 and was issued on 8 January 2010.

*Auditor-General*

Cape Town  
30 July 2010



*Auditing to build public confidence*

## STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2010

## STATEMENT 1

	Notes	March 2010 R	Restated March 2009 R
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4.	192,664,852	200,663,204
Intangible assets	5.	2,120,872	2,547,030
Defined benefit asset	10.1	5,498,304	5,015,520
		<b>200,284,028</b>	<b>208,225,754</b>
<b>Current assets</b>			
Consumables	23.	110,977	632,816
Trade and other receivables	6.	1,991,825	2,242,836
Cash and cash equivalents	7.	62,357,748	41,491,868
		<b>64,460,550</b>	<b>44,367,520</b>
<b>Total assets</b>		<b>264,744,578</b>	<b>252,593,274</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Income fund		129,788,874	141,584,554
		<b>129,788,874</b>	<b>141,584,554</b>
<b>Non-current liabilities</b>			
Retirement benefit obligation	10.2	28,750,000	28,020,000
		<b>28,750,000</b>	<b>28,020,000</b>
<b>Current liabilities</b>			
Projects Fund: Unspent committed	2.1 & 2.2	62,445,307	36,351,981
Trade and other payables	3.	43,760,397	46,636,739
		<b>106,205,704</b>	<b>82,988,720</b>
<b>Total equity and liabilities</b>		<b>264,744,578</b>	<b>252,593,274</b>

# Annual Financial Statements as at 31 March 2010

## STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2010

## STATEMENT 2

	Notes	March 2010 R	Restated March 2009 R
<b>Revenue</b>			
Government grants		150,886,000	128,831,000
Other grants, sponsorships and donations	14.	136,967,022	163,424,891
Investment income	16.	2,735,235	6,807,075
Sales		1,647,785	1,553,555
Admission fees		26,126,220	21,877,463
<b>Total Revenue</b>		<b>318,362,262</b>	<b>322,493,984</b>
<b>Other Income</b>			
Rent received		8,223,251	7,456,241
Disposal of property, plant and equipment		32,814	544,597
Foreign exchange gain		194,702	359,492
Other income	24.	4,561,295	2,518,395
<b>Total Income</b>		<b>331,374,324</b>	<b>333,372,709</b>
<b>Expenditure</b>			
Personnel costs	17.	153,714,701	129,358,075
Operating expenses	28.	81,356,679	91,331,062
Audit fees: External audit	15.	1,270,585	1,468,991
Audit fees: Internal audit	15.	1,183,840	738,194
Finance costs	11.	2,033	21,390
Depreciation and amortisation	4 & 5	14,725,584	11,604,159
Impairment charge	4.	728,813	-
Direct project expenditure	29.	90,187,769	102,644,562
		<b>343,170,004</b>	<b>337,166,433</b>
<b>Net deficit for the year</b>		<b>(11,795,680)</b>	<b>(3,793,724)</b>

# Annual Financial Statements as at 31 March 2010

## STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2010

## STATEMENT 3

	Notes	Restated Income Fund R
<b>Balance at 31 March 2008 - as previously reported</b>		<b>143,241,006</b>
Effect of prior year error	20.	(6,317,295)
Prior year adjustment - reclassification of income	20.	8,454,567
<b>Balance at 31 March 2008 - restated</b>		<b>145,378,278</b>
Net deficit for the year restated		(3,793,724)
<b>Balance at 31 March 2009 - restated</b>		<b>141,584,554</b>
Net deficit for the year - restated		(11,795,680)
<b>Balance at 31 March 2010</b>		<b>129,788,874</b>

# Annual Financial Statements as at 31 March 2010

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2010

## STATEMENT 4

	Notes	March 2010 R	Restated March 2009 R
<b>Cash flows from operating activities</b>			
<b>Receipts</b>		<b>328,662,584</b>	<b>324,152,014</b>
Government grant		150,886,000	128,831,000
Other grants, sponsorships and donations		136,967,022	160,749,034
Commercial and other income		40,809,562	34,571,980
<b>Payments</b>		<b>303,532,833</b>	<b>297,476,924</b>
Employee benefits		156,652,651	129,220,729
Suppliers and other payments		146,880,182	168,256,195
<b>Cash inflow from operating activities</b>	<b>18.</b>	<b>25,129,751</b>	<b>26,675,090</b>
		<b>2,733,202</b>	<b>6,785,685</b>
Investment income	<b>16.</b>	2,735,235	6,807,075
Finance costs	<b>11.</b>	(2,033)	(21,390)
<b>Net cash inflow from operating activities</b>		<b>27,862,953</b>	<b>33,460,775</b>
<b>Cash flows from investing activities</b>		<b>(6,997,073)</b>	<b>(28,066,370)</b>
Purchase of property, plant and equipment	<b>4.</b>	(6,507,889)	(26,518,174)
Purchase of intangible assets	<b>5.</b>	(566,801)	(2,237,848)
Proceeds from sale of property, plant and equipment		77,617	689,652
<b>Cash flows from financing activities</b>		<b>-</b>	<b>(368,000)</b>
Repayment of loan		-	(368,000)
<b>Net increase in cash and cash equivalents</b>		<b>20,865,880</b>	<b>5,026,405</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>41,491,868</b>	<b>36,465,463</b>
<b>Cash and cash equivalents at end of year</b>	<b>7.</b>	<b>62,357,748</b>	<b>41,491,868</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## for the Year Ended 31 March 2010

### 1. ACCOUNTING POLICY

The financial statements have been prepared on a going concern basis in accordance with Standards of Generally Recognised Accounting Practice (GRAP) issued by the Accounting Standards Board and approved by the Minister of Finance. The following Standards of GRAP have been issued and are effective. The GRAP Standards were earlier adopted by SANBI during the March 2009 financial year. The equivalent South African Statements of Generally Accepted Accounting Practices (GAAP) has also been provided.

GRAP	Statement of GAAP	IAS Statement	Description	Effective date
GRAP 1	AC101	IAS 1	Presentation of Financial Statements	1 April 2005
GRAP 2	AC118	IAS 7	Cash Flow Statements	1 April 2005
GRAP 3	AC103	IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	1 April 2005
GRAP 4	AC112	IAS 21	The Effects of Changes in Foreign Exchange Rates	1 April 2009
GRAP 5	AC 114	IAS 23	Borrowing Costs	1 April 2009
GRAP 6	AC132	IAS 27	Consolidated and Separate Financial Statements	1 April 2009
GRAP 7	AC110	IAS 28	Investments in Associates	1 April 2009
GRAP 8	AC119	IAS 31	Interests in Joint Ventures	1 April 2009
GRAP 9	AC111	IAS 18	Revenue from Exchange Transactions	1 April 2009
GRAP 10	AC124	IAS 29	Financial Reporting in Hyperinflationary Economies	1 April 2009
GRAP 11	AC109	IAS 11	Construction Contracts	1 April 2009
GRAP 12	AC108	IAS 2	Inventories	1 April 2009
GRAP 13	AC105	IAS 17	Leases	1 April 2009
GRAP 14	AC107	IAS 10	Events After the Reporting Date	1 April 2009
GRAP 16	AC135	IAS 40	Investment Property	1 April 2009
GRAP 17	AC123	IAS 16	Property, Plants and Equipment	1 April 2009
GRAP 19	AC130	IAS 37	Provisions, Contingent Liabilities and Contingent Assets	1 April 2009
GRAP 100	AC142	IFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 April 2009
GRAP 101	AC137	IAS 41	Agriculture	1 April 2009
GRAP 102	AC129	IAS 38	Intangible Assets	1 April 2009

In the absence of a standard of GRAP that deals with a particular transaction or event, management used judgement in developing and applying an accounting policy. To this end, the standards of the following standard setters should be used in descending order, to the extent that these do not conflict with the Standards of GRAP or the framework for the Preparation and Presentation of Financial Statements:

- International Public Sector Accounting Standards Board (IPSASB).
- International Accounting Standards Board (IASB) and the Framework.
- Accounting Practices Board (APB).
- Accounting Practices Committee (APC) of the South African Institute of Chartered Accountants.

The cash flow statement can only be prepared in accordance with the direct method.

# Notes to the Annual Financial Statements for the Year Ended 31 March 2010 (continued)

## 1.1 Income fund

This Fund relates to the accumulated surplus or deficit of income over expenditure.

## 1.2 Project fund

This Fund comprises temporary funds, which are project specific in terms of agreed terms between the Institute and funders as well as funds earmarked for major capital projects and also for projects of a non-capital nature. Funding is derived from donations, grants, transfers from the Income fund, and interest on the investment of temporary surpluses in this fund. The balance in the project fund at the end of the year is reflected under unspent committed project funds as these funds are expected to be spent during the course of the next year. There is no obligation to repay the amounts not spent.

## 1.3 Revenue

Revenue from exchange transactions is recognised as income to the extent that it is probable that the economic benefits associated with the transaction will flow to the Institute and the revenue can be reliably measured. Revenue from exchange transactions is measured at the fair value of the consideration received, excluding discounts, rebates, and other sales taxes or duty. The following specific recognition criteria must also be met before revenue is recognised:

### Admission fees

Admission fees are recognised on a daily basis as and when they become due.

### Donations and sponsorships

Ad hoc donations and sponsorships are recognised as income when received.

### Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

### Investment income

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

### Rental income

Rental income arising from operating leases is accounted for based on the lessees' turnover. This makes it impractical to account for rental income on a straight line basis. Contingent rental payments are recognised as income in the period in which they accrue.

## 1.4 Government grants

Government grants are recognised when it is probable that future economic benefits will flow to the Institute and when the amount of the grant can be measured reliably. Government grants are recognised as revenue to the extent that there is no further obligation arising from the receipt of the transfer payment. A liability is recognised to the extent that the grant is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met.

## 1.5 Property, plant and equipment

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

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

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

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add or replace part of an asset, when such costs meet the recognition criteria. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Depreciation is charged so as to write off the cost or fair value of assets over their estimated useful lives, using the straight line method, on the following basis:

<u>Item</u>	<u>Useful life</u>
<b>Motor vehicles</b>	5 years
<b>Equipment</b>	
• Office equipment, furniture and fittings, art etc.	5 years
• Computer equipment	3 years
<b>Buildings</b>	40 years

Buildings reflect improvements to property occupied on long-term leases or on state-owned land managed by the Institute.

# Notes to the Annual Financial Statements for the Year Ended 31 March 2010 (continued)

The residual value and the useful life of each asset are reviewed at each financial period-end and adjusted if required.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

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

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

Repairs and maintenance are charged to the Statement of Financial Performance during the year in which they are incurred.

## 1.6 Intangible assets

An intangible asset is recognised when:

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

Intangible assets are initially recognised at cost.

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

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

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

<u>Item</u>	<u>Useful life</u>
<b>Computer software</b>	3 years

## 1.7 Impairment of non-financial assets

The Institute assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, SANBI estimates the recoverable amount of the asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss, which is recognised immediately in surplus or deficit.

A reversal of an impairment loss of assets other than goodwill is recognised immediately in surplus or deficit.

## 1.8 Consumables

### Consumables consists of plants and clothing

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

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

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

The cost of consumables are assigned using the first-in, first-out formula. The same cost formula is used for all inventories having a similar nature and use to SANBI.

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

## 1.9 Financial instruments

### Initial recognition

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

Financial assets and financial liabilities are recognised on SANBI's Statement of Financial Position when SANBI becomes party to the contractual provisions of the instrument.

Financial instruments are initially measured at fair value, including any directly attributable transaction costs.

## Financial assets

SANBI's financial assets consist of certain Trade and other receivables and Cash and cash equivalents. For measurement purposes, all financial assets are categorised as loans and receivables and after initial measurement are carried at amortised cost using the effective interest method less any allowance for impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

## Financial liabilities

Financial liabilities consist of Interest bearing borrowings and certain Trade and other payables. For measurement purposes, all financial liabilities are carried at amortised cost subsequent to initial recognition.

## Amortised cost

Amortised cost is computed using the effective interest method less any allowance for impairment. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the initial carrying amount of the financial instrument.

## Impairment of financial assets

If there is objective evidence that an impairment loss on assets carried at amortised cost has been incurred (such as the probability of insolvency or significant financial difficulties of the debtor), the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognised in profit or loss. Impaired debts are derecognised when they are assessed as uncollectible.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date. Any subsequent reversal of an impairment loss is recognised in profit or loss.

## Derecognition

A financial asset or a portion thereof is derecognised when the entity realises the contractual rights to the benefits specified in the contract, the rights expire and the entity surrenders those rights or otherwise loses control of the contractual rights that comprise the financial asset. On derecognition, the difference between the carrying amount of the financial asset and the sum of the proceeds receivable and any prior adjustments to reflect the fair value of the asset that were reported in equity is included in net surplus or deficit for the year.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or has expired.

## 1.10 Retirement fund and other Post employment benefits

Retirement benefits are provided for employees through separate pension and provident funds to which both employer and employee contribute.

The funds are regulated by the Pension Funds Act and operated as defined contribution plans managed by an independent board of trustees. The provident fund plan incorporates a defined benefit underpin for members of the plan prior to November 1995. The defined benefit obligation and related fund assets are included in note 10.

Retirement benefits are determined by the contributions to the fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where SANBI's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

Actuarial gains and losses are recognised as income or expenses when the net cumulative unrecognised actuarial gains and losses for each individual plan at the end of the previous reporting period exceeded 10% of the higher of the defined benefit obligation and the fair value of plan assets at that date. These gains or losses are recognised over the expected average remaining working lives of the employees participating in the plans.

The past service costs are recognised as an expense on a straight line basis over the average period until the benefits become vested. If the benefits have already vested, immediately following the introduction of, or changes to, a pension plan, past service costs are recognised immediately.

The defined benefit asset or liability comprises the present value of the defined benefit obligation (using a discount rate based on corporate bonds), less past service costs not yet recognised and less the fair value of plan assets out of which the obligation is to be settled. Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of SANBI nor can they be paid directly to SANBI. Fair value is based on market price information and in the case of quoted securities it is the published bid price. The value of any plan asset recognised is restricted to the sum of any past service costs not yet recognised and the economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan.

The post employment medical benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and pension increases. Due to the long-term nature of these plans, such actuarial estimates are subject to significant uncertainty.

## 1.11 Taxation

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

## 1.12 Value Added Tax

The Revenue Laws Amendment Act, 2003 (Act No. 45 of 2003) commenced on 22 December 2003. Previously, the definition of enterprise placed SANBI listed in Schedule 3 A within the scope of VAT. The Amendment Act, however has amended this definition of enterprise and effectively places SANBI outside the scope of VAT. The amended definition of enterprise came into operation on 1 April 2005. Notwithstanding this, certain projects are obliged to register for VAT when certain criteria are met.

## 1.13 Operating leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date and whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. Where SANBI does not transfer substantially all the risks and benefits of ownership of the asset, the lease is classified as an operating lease. Operating lease payments are recognised in the statement of financial performance as an expense when paid.

## SANBI as lessor

Rental income is recognised on a monthly basis as a percentage of the lessee's turnover.

## 1.14 Fruitless, wasteful and irregular expenditure

Irregular expenditure means expenditure incurred in contravention of, or not in accordance with, a requirement of the Public Audit Act, 2004 (Act No. 25 of 2004). Fruitless and wasteful expenditure means expenditure that was incurred in vain and would have been avoided should reasonable care have been exercised. All irregular, fruitless or wasteful expenditure is charged against income in the period it was incurred.

## 1.15 Significant accounting judgements

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

## Useful lives of property, plant and equipment

For the financial period under review, management applied judgement in determining the extended useful lives of fixed assets in terms GRAP 17 (Property, Plant and Equipment). Refer to accounting policy note 1.5.

## Retirement benefits

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

Future salary increases and pension increases are based on expected future inflation rates for the specific country. Refer to note 10 for further details of assumptions.

## Impairment of receivables

Impairment of receivables are recognised when SANBI's outstanding debtors are above 120 days and for debts which on merit appear to be irrecoverable.

## 1.16 Foreign currencies

Transactions in currencies other than the functional currency (Rands) are initially recorded at the rates of exchange ruling on the dates of the transactions. Monetary assets and liabilities denominated in such currencies are retranslated at the rates ruling on the Statement of Financial Position date. Exchange differences arising on the settlement of monetary items or on reporting an enterprise's monetary items at rates different from those at which they were initially recorded are recognised as income or expenses in the year in which they arise.

SANBI did not enter into forward contracts and options in order to hedge its exposure to foreign exchange risks, during the financial year under review.

## 1.17 Related parties

All transactions and balances with national departments of Government and state-controlled entities are regarded as related party transactions and are disclosed separately in the notes to the annual financial statements (refer note 19).

Parties are considered to be related if one party has the ability to control the other party or to exercise significant influence or joint control over the other party in making financial and operational decisions.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

## 1.18 Events after the reporting period

No material events have occurred after the financial year reporting period.



# Notes to the Annual Financial Statements for the Year Ended 31 March 2010 (continued)

## 2. Unspent Committed Funds

	March 2010 R		Restated March 2009 R
<b>2.1 Projects Fund: Unspent committed</b>			
<b>Income</b>			
Government grants	10,000,000		10,000,000
Other grants, sponsorships and donations	160,476,126		180,472,322
Investment income	2,045,791		3,199,560
Sales	200		-
Foreign exchange (loss)/ gain	(4,486)		359,230
Other income	1,271,873		-
	<b>173,789,504</b>		<b>194,031,112</b>
<b>Less: Expenditure</b>			
Expenditure capitalised	4,716,296		15,779,224
Expenditure not capitalised	142,979,882		149,579,528
	<b>26,093,326</b>		<b>28,672,360</b>
Loan repayments	-		(368,000)
	<b>26,093,326</b>		<b>28,304,360</b>
<b>Unspent committed project funds at beginning of the year</b>	<b>36,351,981</b>		<b>8,047,621</b>
<b>Unspent committed project funds at the end of the year</b>	<b>62,445,307</b>		<b>36,351,981</b>
<b>2.2 Total projects fund: unspent committed: 2010</b>	<b>Closing balance</b>	<b>Movement</b>	<b>Opening balance</b>
MTEF	6,301,880	7,058,143	(756,263)
External funded	56,143,427	19,035,183	37,108,244
<b>Total Projects Fund: unspent committed as at 31 March 2010</b>	<b>62,445,307</b>	<b>26,093,326</b>	<b>36,351,981</b>
<b>Total Projects Fund: unspent committed: 2009</b>	<b>Closing balance</b>	<b>Movement</b>	<b>Opening balance</b>
MTEF	(756,263)	(590,603)	(165,660)
External funded	37,108,244	28,894,963	8,213,281
<b>Total projects fund: unspent committed as at 31 March 2009</b>	<b>36,351,981</b>	<b>28,304,360</b>	<b>8,047,621</b>
<b>3. Trade and other payables</b>			
Trade payables	9,342,416		8,184,639
Other payables *	21,907,311		26,726,415
Leave liability	8,678,163		8,371,281
Services bonuses	3,755,930		3,277,828
Performance and related incentives	76,577		76,576
	<b>43,760,397</b>		<b>46,636,739</b>

\* Other payables consist mainly of year end accruals.

### Terms and conditions of the above financial liabilities.

- Trade and other payables are non-interest bearing and are normally settled within 30-days.

# Notes to the Annual Financial Statements for the Year Ended 31 March 2010 (continued)

## 4. Property, plant and equipment

### Cost

On hand at start of financial year	
Purchases	
Demolished / disposals / write-offs	
Impairment charge	

### On hand at end of financial year

### Accumulated depreciation

Accumulated depreciation at start of financial year	
Depreciation for the year	
Depreciation on disposals / write-offs	
Impairment charge	

### Accumulated depreciation

### Net book value at end of financial year

### Cost

On hand at start of financial year	
Prior period error	

### Restated

Purchases	
Demolished / disposals / write-offs	

### On hand at end of financial year

### Accumulated depreciation

Accumulated depreciation at start of financial year	
Prior period error	

### Restated

Depreciation for the year	
Depreciation on disposals / write-offs	

### Accumulated depreciation

### Net book value at end of financial year

March 2010			
Total	Land and Buildings	Vehicles	Equipment
R	R	R	R
255,889,751	204,126,236	11,855,916	39,907,599
6,507,889	4,372,319	525,783	1,609,787
(255,084)	-	-	(255,084)
(784,667)	(784,667)	-	-
<b>261,357,889</b>	<b>207,713,888</b>	<b>12,381,699</b>	<b>41,262,302</b>
55,226,547	21,913,238	5,943,517	27,369,792
13,732,624	4,393,564	1,366,349	7,972,711
(210,280)	-	-	(210,280)
(55,854)	(55,854)	-	-
<b>68,693,037</b>	<b>26,250,948</b>	<b>7,309,866</b>	<b>35,132,223</b>
<b>192,664,852</b>	<b>181,462,940</b>	<b>5,071,833</b>	<b>6,130,079</b>

March 2009 Restated			
Total	Land and Buildings	Vehicles	Equipment
R	R	R	R
236,482,919	194,229,040	10,277,191	31,976,688
(6,326,347)	(6,326,347)	-	-
<b>230,156,572</b>	<b>187,902,693</b>	<b>10,277,191</b>	<b>31,976,688</b>
26,518,175	16,223,543	1,910,166	8,384,466
(784,996)	-	(331,441)	(453,555)
<b>255,889,751</b>	<b>204,126,236</b>	<b>11,855,916</b>	<b>39,907,599</b>
44,776,406	17,710,890	4,468,893	22,596,623
(9,052)	(9,052)	-	-
<b>44,767,354</b>	<b>17,701,838</b>	<b>4,468,893</b>	<b>22,596,623</b>
11,099,134	4,211,400	1,706,695	5,181,039
(639,941)	-	(232,071)	(407,870)
<b>55,226,547</b>	<b>21,913,238</b>	<b>5,943,517</b>	<b>27,369,792</b>
<b>200,663,204</b>	<b>182,212,998</b>	<b>5,912,399</b>	<b>12,537,807</b>

In accordance with the mandate envisaged in the Biodiversity Act, SANBI is responsible for managing, controlling and maintaining all National Botanical Gardens. The majority of the land that is currently utilised as National Botanical Gardens in the Republic belongs to government, and the control of the land is vested in SANBI in accordance with its mandate.

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

# Notes to the Annual Financial Statements for the Year Ended 31 March 2010 (continued)

## 5. Intangibles

### Cost

On hand at start of financial year  
Purchases  
On hand at end of financial year

Accumulated amortisation at start of financial year  
Amortisation for the year  
Accumulated amortisation at end of financial year  
Net book value at end of financial year

## 6. Trade and other receivables

Trade debtors  
Provision for doubtful debts  
Receiver of Revenue (VAT)  
Accrued income  
Prepaid expenses  
Other

### Fair value of trade and other receivables

### Trade and other receivables

Amounts neither past due nor impaired are considered fully recoverable. No credit quality issues are noted.

	March 2010	March 2009
	<b>Computer Software</b>	<b>Computer Software</b>
	<b>R</b>	<b>R</b>
On hand at start of financial year	4,179,135	1,941,287
Purchases	566,801	2,237,848
On hand at end of financial year	<b>4,745,936</b>	<b>4,179,135</b>
Accumulated amortisation at start of financial year	1,632,105	1,127,080
Amortisation for the year	992,960	505,025
Accumulated amortisation at end of financial year	<b>2,625,065</b>	<b>1,632,105</b>
Net book value at end of financial year	<b>2,120,872</b>	<b>2,547,030</b>
Trade debtors	1,053,682	1,177,269
Provision for doubtful debts	(389,456)	(630,660)
Receiver of Revenue (VAT)	79,714	139,859
Accrued income	123,403	798,745
Prepaid expenses	123,436	238,368
Other	1,001,047	519,255
	<b>1,991,826</b>	<b>2,242,836</b>
Fair value of trade and other receivables	<b>1,991,826</b>	<b>2,242,836</b>
Trade and other receivables	<b>1,991,826</b>	<b>2,242,836</b>

# Notes to the Annual Financial Statements for the Year Ended 31 March 2010 (continued)

	March 2010 R	Restated March 2009 R
<b>Trade and other receivables past due but not impaired</b>		
Trade and other receivables which are less than 3 months past due are not considered to be impaired. At 31 March 2010, R175,804 (2009: R789 284) were past due, but not impaired.		
The ageing of amounts past due but not impaired is as follows:		
0 - 1 month past due	4,185	9,065
1 - 2 month past due	40,792	574,926
2 - 3 month past due	130,827	205,293
	<b>175,804</b>	<b>789,284</b>
<b>Trade and other receivables impaired</b>		
As of 31 March 2010, trade and other receivables of R389,456 (2009: R630,660) were impaired and provided for.		
The ageing of these loans is as follows:		
3 to 6 months	389,456	630,660
<b>Reconciliation of provision for impairment of trade and other receivables</b>		
Opening balance	630,660	1,189,911
Provision reversed in the year	(241,204)	(559,251)
	<b>389,456</b>	<b>630,660</b>
<b>7. Cash and cash equivalents</b>		
Short term deposits	25,885,949	24,917,381
Cash on hand	914,561	621,465
Bank balances	35,557,238	15,953,022
	<b>62,357,748</b>	<b>41,491,868</b>
Attributable to Projects fund	56,143,427	37,108,244
Attributable to Income fund	6,214,321	4,383,624
	<b>62,357,748</b>	<b>41,491,868</b>

Cash in current accounts at banks earns interest. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of SANBI and earn interest at the respective short-term deposit rates.

# Notes to the Annual Financial Statements for the Year Ended 31 March 2010 (continued)

## 8. Capital commitments

Approved and contracted:

Capital projects

11,699,598	1,437,163
<b>11,699,598</b>	<b>1,437,163</b>

## 9. Contingent liabilities

### Guarantees

Staff housing guarantees, estimated maximum

Recoverable from retirement funds

312,100	452,072
(312,100)	(452,072)
-	-

SANBI assists qualifying employees partly for housing loans from financial institutions. For this purpose agreements have been entered into with approved financial institutions to the effect that SANBI will guarantee a maximum of 20% of the housing loan for which a person qualifies. The maximum amount is based on the employee's basic salary. SANBI guaranteed 19 loans in the current year (2009: 30). The guarantees are fully recoverable from the employees' cash portion of their retirement fund.

### Forensic Audit

A forensic audit was conducted on the Greening of the Nation project. The findings resulted in the suspension of the contract with the service provider and also the lodging of a criminal case. SANBI has agreed to engage in an arbitration process for termination of the contract. In the unlikely event of the award going in favour of the service provider, SANBI may be expected to pay R950 000, being the retainer withheld in terms of the original contract.

### Performance Bonuses

SANBI has budgeted for an amount of R2,050,000 for staff performance bonuses. The moderation of the results obtained from the performance assessments process has not been completed, and the final liability for performance cannot be determined at this time.

### Municipal Services

National Department of Public Works (NDPW) has paid municipal services on Farm 875, Cecil John Rhodes, Western Cape to the City of Cape Town Municipality since September 2003, amounting to R3,3 million. Farm 875 is under custodianship of Kirstenbosch - operated by SANBI. NDPW wants to recover the services paid from SANBI. The legality of the potential claim is under investigation.

### Claim Instituted

A former employee has instituted a claim against SANBI at the CCMA. SANBI will be defending the claim.

### Accumulated surplus

Since the previous financial year SANBI adopted GRAP as its accounting framework. This resulted in government grants being recognised as revenue to the extent that there are no further obligations arising from the receipt of the transfer payment. This treatment specifically affects government grants received for the purchase of fixed assets where in the past SANBI recognised the grant as deferred income and only recognised the use of the asset as revenue. The new policy adopted by SANBI recognises the government grant as revenue when the asset is purchased. As required by Section 53 (3) of the PFMA, public entities may not accumulate surpluses unless prior approval is obtained from National Treasury. SANBI is in the process of obtaining approval from National Treasury to retain the accumulated surplus.

## 10. Retirement funds

### 10.1 Post-Retirement benefits

The South African National Biodiversity Institute Retirement Funds consist of the South African National Biodiversity Institute Provident Fund and the South African National Biodiversity Institute Pension Fund.

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

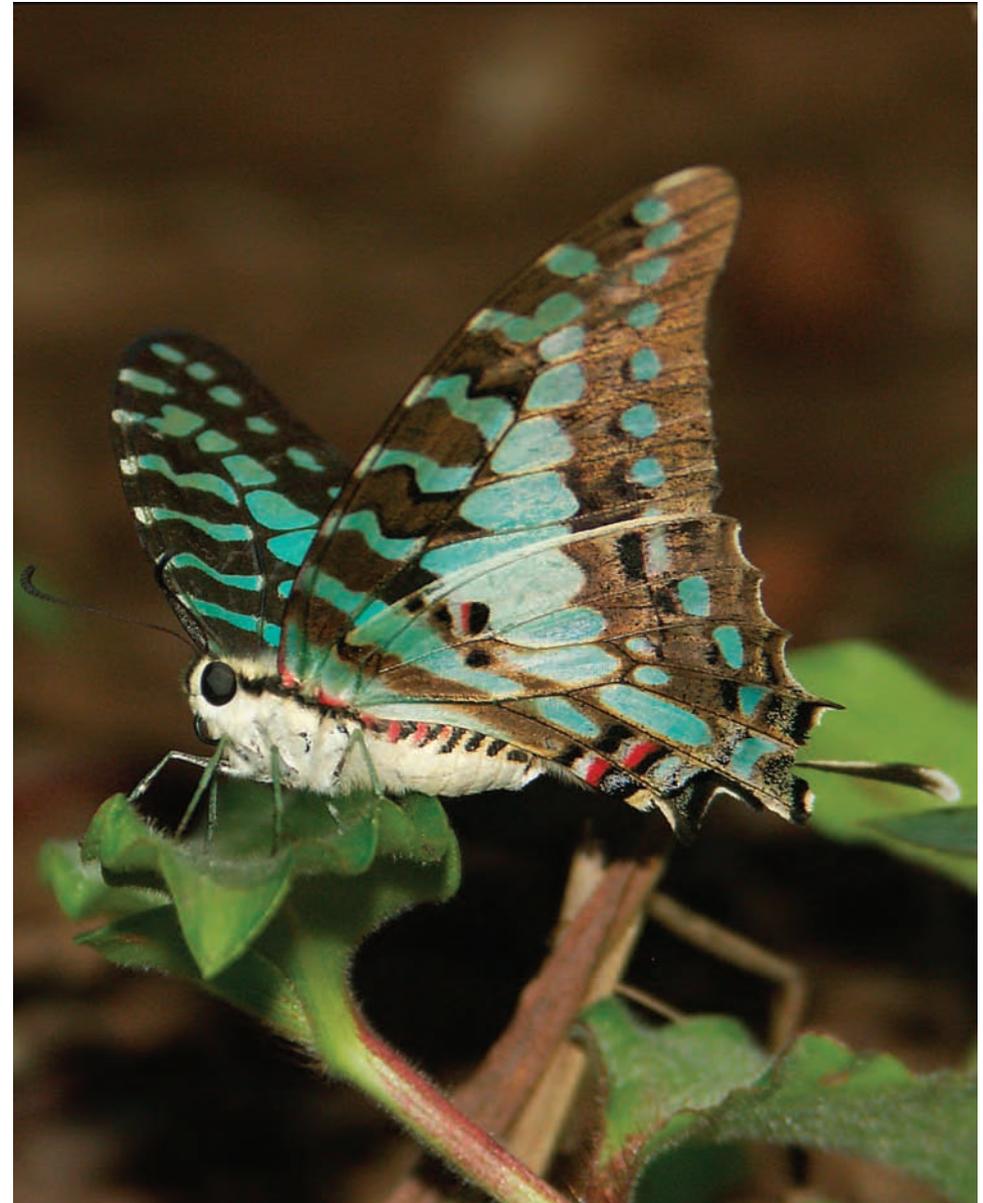
The policy is to provide retirement benefits for employees by means of separate Pension and Provident Funds to which both employee and employer respectively contribute in equal proportion.

The funds are administered by the South African Mutual Life Assurance Society (Old Mutual), which is registered in terms of the Pension Fund Act 24 of 1956.

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

The surplus of the actuarial valuation as 31 March 2010 has been taken into account in the AC116 as at 31 March 2010 calculation.

The next statutory actuarial valuation will be undertaken in June 2010.



# Notes to the Annual Financial Statements for the Year Ended 31 March 2010 (continued)

	March 2010 R	Restated March 2009 R
<b>Fund information for the year</b>		
<b>Total Employer's Contribution</b>	<b>7,007,727</b>	<b>5,867,381</b>
<b>Fair Value of Defined Benefit Obligations</b>		
Present value of obligation as at 31 March 2009	(165,541,408)	(178,218,000)
Interest cost	(13,243,651)	(16,710,928)
Current service cost	(7,007,727)	(5,867,381)
Benefits paid	20,772,616	8,696,803
Present value of obligation as at 31 March 2010	172,570,646	165,541,408
<b>Actuarial loss ( gain)</b>	<b>7,550,476</b>	<b>(26,558,098)</b>
<b>Fair Value of Plan Assets</b>		
Fair value plan of assets as at 31 March 2009	184,884,255	183,870,883
Expected return on plan assets	16,033,506	16,423,798
Contributions	7,007,727	5,867,381
Benefits paid	(20,772,616)	(8,696,803)
Fair value of plan assets as at 31 March 2010	(186,917,313)	(184,884,255)
<b>Actuarial gain on plan assets</b>	<b>235,559</b>	<b>12,581,004</b>
<b>Unrecognised Actuarial Loss / (Gain)</b>		
Unrecognised actuarial (gain) as at 31 March 2009	(14,327,327)	(4,259,058)
Recognised actuarial (gain) / loss as at 31 March 2009	-	-
<b>Net Unrecognised actuarial gain as at 31 March 2009</b>	<b>(14,327,327)</b>	<b>(4,259,058)</b>
Actuarial loss / (gain) on present value of obligation	6,947,406	(31,573,618)
Actuarial loss on fair value of plan assets	235,559	12,581,004
(Loss) / gain recognised in terms of corridor rule are provided for	(1,704,001)	8,924,345
<b>Unrecognised actuarial gain as at 31 March 2010</b>	<b>(8,848,363)</b>	<b>(14,327,327)</b>
<b>Amounts recognised in the Statement of Financial Position</b>		
Present value of fund obligation	(172,570,646)	(165,541,408)
Fair value of plan assets	186,917,313	184,884,255
<b>Surplus in plan</b>	<b>14,346,667</b>	<b>19,342,847</b>
Unrecognised actuarial gains	(8,848,363)	(14,327,327)
<b>Net asset in balance sheet *</b>	<b>5,498,304</b>	<b>5,015,520</b>

# Notes to the Annual Financial Statements for the Year Ended 31 March 2010 (continued)

## Post - retirement benefits

\* In terms of clause 60 of AC116 an asset should not be recognised in the entity's statement of financial position unless the entity has control of the asset, the asset arises due to past events (e.g. excess contributions) and the entity has beneficial use of the assets (e.g. via a contribution holiday or cash refund). A liability must always be recognised.

The Employer Surplus Account as at 31 March 2010 was R14,346,667, but according to AC116 only R 5,498,304 of the surplus was recognised in the statement of financial position.

	<b>March 2010 R</b>	<b>Restated March 2009 R</b>
Current service cost	7,007,727	5,867,381
Interest on obligation	13,243,651	16,710,928
Expected return on plan assets	(16,033,506)	(16,423,798)
Net actuarial loss / (gains) recognised in the current year	1,704,002	(8,924,345)
Past service cost	603,070	5,015,520
<b>Net expense recognised in Statement of Financial Performance</b>	<b><u>6,524,944</u></b>	<b><u>2,245,686</u></b>

## Key Actuarial Assumptions in determining the above positions

Discount rate (annualised yield on R157)	8.11%	8.34%
Inflation rate ( difference in annualised yield R186 and R197)	5.50%	5.90%
Expected rate of salary increases (Inflation +1%)	6.50%	6.90%
Expected rate of return on plan assets (Actuarial valuation)	9.00%	9.00%

# Notes to the Annual Financial Statements for the Year Ended 31 March 2010 (continued)

## 5 year History

Year ending	31 March 2006		31 March 2007		31 March 2008		31 March 2009		31 March 2010	
Present Value of Obligation	R117,556,000		R152,103,000		R178,218,000		R165,541,408		R172,570,646	
Present Value of Assets	R120,166,465		R160,689,984		R183,870,883		R184,884,255		R186,917,313	
Surplus ( Shortfall)	R2,610,465		R8,586,984		R5,652,883		(R19,342,847)		R14,346,667	
<b>Experience adjustments - Liabilities</b>										
Interest cost	R8,940,000		R10,946,525		R14,207,379		R16,710,928		R13,243,651	
Expected Contributions made	R3,843,000		R4,295,312		R4,667,340		R5,867,381		R7,007,727	
Benefit paid	(R7,145,000)		(R4,028,102)		(R8,269,362)		(R8,696,803)		(R20,772,616)	
Increase in Liabilities	R16,604,019		R34,547,000		R26,115,000		(R17,692,112)		R6,426,167	
<b>Versus - Experience adjustments - Liabilities</b>	R5,638,000		R11,213,735		R10,605,357		R13,881,506		(R521,238)	
<b>Actuarial (gain) loss on Liabilities</b>	<b>R10,966,019</b>	<b>9.3%</b>	<b>R23,333,265</b>	<b>15.3%</b>	<b>R15,509,643</b>	<b>8.7%</b>	<b>(R31,573,618)</b>	<b>-19.1%</b>	<b>R6,947,405</b>	<b>4.0%</b>
<b>Experience adjustments - Assets</b>										
Investment returns	R8,860,000		R11,220,207		R14,309,560		R16,423,798		R16,033,506	
Contributions made	R7,211,000		R5,175,158		R4,805,000		R5,867,381		R7,007,727	
Benefits paid	(R7,145,000)		(R4,028,102)		(R8,269,362)		(R8,696,803)		(R20,772,616)	
Increase in Assets	R21,753,465		R40,523,519		R23,180,899		R26,175,380		R2,504,176	
<b>Versus - Experience adjustments - Assets</b>	R8,926,000		R12,367,263		R10,845,198		R13,594,376		R2,268,617	
<b>Actuarial loss on Assets</b>	<b>R12,827,465</b>	<b>10%</b>	<b>R28,156,256</b>	<b>17,5%</b>	<b>R12,335,701</b>	<b>6.7%</b>	<b>R12,581,004</b>	<b>6.8%</b>	<b>R235,559</b>	<b>0.1%</b>

# Notes to the Annual Financial Statements for the Year Ended 31 March 2010 (continued)

## 10.2 Post - retirement medical aid benefits

### Amounts Recognised in the Statement of Financial Performance

Post-employment medical benefits:

Current service cost

Interest cost

**Total included in employee benefits expense**

### Amounts Recognised in the Statement of Financial Position

Post-employment medical benefits:

Present value of funded obligations

- Members

- Non-members

**Net Liability in the Statement of Financial Position**

**Long - term provision**

### Movements in the Net Liability in the Statement of Financial Position:

Post-employment medical obligation:

Net liability at start of year

Interest cost

Current service cost

Benefit payments

Projected accrued services liability at end of year

Actuarial gain

**Net liability at end of year**

### Principal Actuarial Assumptions at Statement of Financial Position Date:

Discount rate 31 March (%)

General increases to medical aid subsidy (%)

Proportion continuing membership at retirement (%)

Proportion of retiring members who are married (%)

**Retirement age (years)**

	March 2010 R	March 2009 R
	1,300,000	1,190,000
	2,560,000	2,500,000
	<b>1,160,000</b>	<b>3,130,000</b>
	<b>28,750,000</b>	<b>28,020,000</b>
	27,210,000	26,150,000
	1,540,000	1,870,000
	<b>28,750,000</b>	<b>28,020,000</b>
	<b>28,750,000</b>	<b>28,020,000</b>
	28,020,000	25,280,000
	2,560,000	2,500,000
	1,300,000	1,190,000
	(430,000)	(390,000)
	31,450,000	28,580,000
	(2,700,000)	(560,000)
	<b>28,750,000</b>	<b>28,020,000</b>
	9.00%	8.80%
	6.50%	7.00%
	100.00%	100.00%
	90.00%	90.00%
	<b>60</b>	<b>60</b>

# Notes to the Annual Financial Statements for the Year Ended 31 March 2010 (continued)

## Projection of liability to 31 March 2010

The projection of the results from 31 March 2010 to 31 March 2011, assuming that the experience follows the assumptions exactly, is as follows :

### Post-employment medical obligation:

	R
Net liability at start of year	28,750,000
Interest cost	2,680,000
Current service cost	1,270,000
Benefit payments	(550,000)
Projected accrued services liability at end of year	<u><u>32,150,000</u></u>

### Sensitivity Analyses

The results are dependent on the assumptions used. The table below illustrates the impact on the past service cost as at 31 March 2010.

In-Service and Continuation Members	Accrued Service Liabilities as at 31.3.2010 (R million)	% Increase
Assumptions as above	28.75	
Discount rate - increases by 1% p.a.	24.84	-14%
Discount rate - reduces by 1% p.a.	33.67	17%
Medical Aid subsidy inflation - increases by 1% p.a.	33.82	18%
Medical Aid subsidy inflation - reduces by 1% p.a.	24.67	-14%
Retirement age - 65 for all employees who joined on or before 13 February 2000; retirement age 60 for all who joined on or after 14 February 2000.	22.55	-22%
Discount rate - reduces by 1% p.a.	1.59	26%
Medical Aid subsidy inflation - increases by 1% p.a.	1.60	27%
Medical Aid subsidy inflation - reduces by 1% p.a.	1.01	-20%
Retirement age - 65 for all employees who joined on or before 13 February 2000; retirement age 60 for all who joined on or after 14 February 2000.	1.04	18%

Interest Cost	1.4.2010 - 31.3.2011 (R million)	% Increase
Assumptions as above	2.68	
Discount rate - increases by 1% p.a.	2.56	-4%
Discount rate - reduces by 1% p.a.	2.80	5%
Medical Aid subsidy inflation - increases by 1% p.a.	3.16	18%
Medical Aid subsidy inflation - reduces by 1% p.a.	2.29	-15%
Retirement age - 65 for all employees who joined on or before 13 February 2000; retirement age 60 for all who joined on or after 14 February 2000.	2.10	-22%

# Notes to the Annual Financial Statements for the Year Ended 31 March 2010 (continued)

<b>11. Finance costs</b>	<b>March 2010 R</b>	<b>March 2009 R</b>
Interest paid: IDC Loan	-	21,061
Interest paid: other	2,033	329
	<u><b>2,033</b></u>	<u><b>21,390</b></u>

## 12. Risk Management

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

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

### Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

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

### Cash flow forecasts are prepared

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

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

The table below analyses SANBI's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

<b>At 31 March 2010</b>	<b>Total R</b>	<b>Less than 1 month R</b>	<b>Between 1 and 3 months R</b>	<b>Between 4 and 12 months R</b>	<b>Later than 1 year R</b>
<b>Trade and other payables</b>	<b>31,249,727</b>	<b>25,885,493</b>	<b>5,231,624</b>	<b>132,610</b>	<b>-</b>
<b>At 31 March 2009 - Restated</b>	<b>Total R</b>	<b>Less than 1 month R</b>	<b>Between 1 and 3 months R</b>	<b>Between 4 and 12 months R</b>	<b>Later than 1 year R</b>
<b>Trade and other payables</b>	<b>34,911,053</b>	<b>33,082,317</b>	<b>1,785,022</b>	<b>43,714</b>	<b>-</b>

# Notes to the Annual Financial Statements for the Year Ended 31 March 2010 (continued)

## Market risk

### Interest rate risk

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

SANBI obtains competitive rates from approved financial institutions on a monthly basis. SANBI's exposure to interest rate risk and the effective interest rates on financial instruments at the statement of financial position date are as follows:

	March 2010		March 2009	
	Amount	Effective interest rate	TOTAL	Effective interest rate
<b>Floating rate</b>				
<b>YTD 31 March 2010</b>				
<b>Assets</b>				
Cash	25,885,949	6.7%	24,917,381	9.1%
Accounts receivable	-	0.0%	-	0.0%
Total financial assets	<b>25,885,949</b>		<b>24,917,381</b>	
Total financial assets	25,885,949		24,917,381	
Total financial liabilities	-		-	
	<b>25,885,949</b>		<b>24,917,381</b>	

### Interest rate risk - Deposits

As SANBI has significant interest-bearing assets, its SANBI's income and operating cash flows are dependent on changes in market interest rates.

SANBI reviews its interest rate exposure on a regular basis. Market rates are compared with stable and credit-rated financial institutions. Various institutional rates are simulated taking into consideration terms of deposits, availability of cash resources and any related risk factors. Based on these scenarios, the impact of a positive 1% shift in deposit interest rates will render R322,053 (2009: R393,518) in income.

	March 2010 R	March 2009 R
<b>Sensitivity</b>	<b>Deposit rate 1 % higher</b>	<b>Deposit rate 1 % higher</b>
<b>Investment income</b>	<b>322,053</b>	<b>393,518</b>

## Risk Management

### Credit risk

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

Financial assets, which potentially subject SANBI to the risk of non performance by counter parties, consist mainly of cash and cash equivalents and accounts receivable.

SANBI limits its treasury counter-party exposure by only dealing with well-established financial institutions approved by National Treasury through the approval of their cash management policy in terms of Treasury Regulation. SANBI's exposure is continuously monitored by the Accounting Authority.

SANBI does not have any material exposure to any individual or counter-party. SANBI's largest concentration of credit risk is limited mainly to the sale of plants. No events occurred in the industry during the financial year that may have an impact on the accounts receivable that have not been adequately provided for.

SANBI no longer assists qualifying employees to obtain 100% housing loans from financial institutions without a cash deposit, as the financial institutions concentrate more on the affordability rather than what the staff member qualifies for. However, these guarantees are fully recoverable from the employees' cash portion of their retirement fund.

# Notes to the Annual Financial Statements for the Year Ended 31 March 2010 (continued)

	<b>March 2010 R</b>	<b>March 2009 R</b>
<b>Maximum exposure to credit risk of financial assets at year end:</b>		
Trade receivables	2,178,132	2,495,269
Cash and cash equivalents	62,357,748	41,491,868
Guaranteed loans	312,100	452,072
<b>Fair value of financial assets at year-end</b>		
Trade receivables	2,178,132	2,495,269
Cash and cash equivalents	62,357,748	41,491,868

## Foreign currency risk

SANBI does not operate internationally, but undertakes certain transactions denominated in foreign currencies, and is exposed to foreign exchange risk arising from fluctuations in foreign currencies. The entity does not hedge against its exposure to foreign exchange risk.

Foreign currency exposure at the financial year end 2009 relates to trade payables disclosed under note 3.

		<b>March 2010 R</b>	<b>March 2009 R</b>
USD payables	Foreign currency \$138 000	-	1,225,212

## Sensitivity Analysis

The entity is mainly exposed to the US dollar currencies.

The following table details SANBI's sensitivity to a 5% increase and decrease in Rand against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at financial year-end for a 5% change in foreign currency rates. A positive number below indicates an increase in surplus where the Rand strengthens 5% against the relevant currency. For a 5% weakening of the Rand against the relevant currency, there would be an equal and opposite impact on the surplus and the balances below would be negative.

	<b>USD Impact</b>	
	<b>March 2010 R</b>	<b>March 2009 R</b>
Surplus	-	61,261

# Notes to the Annual Financial Statements for the Year Ended 31 March 2010 (continued)

## 13. Capital management policy

The objective of SANBI is to maintain a strong capital base so as to maintain public sector confidence and to sustain the future development of SANBI. The Institute is a schedule 3A public entity and reports to the Department of Environmental Affairs (DEA) and the latter reports to National Treasury. SANBI is in discussion with DEA and Treasury regarding SANBI's capital requirements to meet its strategic objectives.

## 14. Donations, Grants and Sponsorships

**March  
2010  
R**

**March  
2009  
R**

### Government

Department of Environmental Affairs	89,279,260	128,911,395
Department of Water Affairs and Forestry	9,158,061	2,883,425
Department of Science and Technology	2,700,000	2,700,000
National Lotteries Board	325,402	2,358,941
Independent Development Trust	-	2,341,730
South African Environmental Observation Network (NRF)	750,500	1,313,000
Gauteng Department of Agriculture Conservation & Environment	1,000,000	1,000,000
Rand Water	120,000	-
CSIR (Council for Scientific Research)	16,480	-
Mercury Media	-	44,640
Medical Research Council	7,500	44,625
National Research Foundation	562,659	8,750
City of Tshwane	735,000	-
	<b>104,654,862</b>	<b>141,606,506</b>

# Notes to the Annual Financial Statements for the Year Ended 31 March 2010 (continued)

<b>Donation, Grants and Sponsorships (Continued)</b>	<b>March 2010 R</b>	<b>March 2009 R</b>
<b>Foreign</b>		
Anglo Holdings	-	161,920
Ball Horticultural	-	457,015
BGCI (Botanical Gardens Conservation International)	-	4,400
Birdlife International	23,281	-
CEPF via Conservation International	1,269,760	6,237,547
Conservation International	-	164,235
Fairchild Tropical Botanic Gardens	-	351,592
European Commission FP6 Programme	129,399	-
GBIF	200,000	-
International Foundation for Science	-	92,449
International START Secretariat	-	86,076
IUCN (The World Conservation Union)	-	520,589
JRS Biodiversity Foundation	709,493	983,407
Macauley Institute	18,037	-
Netherlands Environmental Assessment Agency (Milieu en Nature Plan bureau)	-	459,399
Norwegian Government (via DEA)	2,681,516	1,340,758
Royal Botanic Gardens Kew	2,106,140	1,878,608
Royal Danish Embassy	961,000	-
Rufford Maurice Laing Foundation	82,834	382,836
Smithsonian Institute	83,753	151,084
The Andrew W Mellon Foundation	3,976,991	2,120,354
The Open University	233,462	-
The World Bank (International Bank for Reconstruction and Development)	18,531,912	20,626,088
UNDP	20,579,093	8,694,300
UNEP	643,805	-

# Notes to the Annual Financial Statements for the Year Ended 31 March 2010 (continued)

<b>Donation, Grants and Sponsorships (Continued)</b>	<b>March 2010 R</b>	<b>March 2009 R</b>
UNOPS	556,740	-
University of Connecticut	51,195	270,923
University of Hamburg	1,296,320	889,856
Western Australian Department of Environment and Conservation	171,821	-
Wildlife Conservation Society (WCS)	13,006	7,923
WWF (World Wide Fund for Nature)	387,877	780,950
	<b><u>54,707,435</u></b>	<b><u>46,662,309</u></b>
 <b>Corporate</b>		
Afrox	-	75,000
Featherbrooke Estate	10,000	-
Inyanda Coal	83,176	-
Old Mutual	1,451,531	844,400
Pick 'n Pay	29,500	-
Richards Bay Minerals	22,964	-
SAPPI	285,000	255,000
SASOL	-	100,000
Standard Bank of South Africa	30,000	-
	<b><u>1,912,171</u></b>	<b><u>1,274,400</u></b>

# Notes to the Annual Financial Statements for the Year Ended 31 March 2010 (continued)

	<b>March 2010 R</b>	<b>March 2009 R</b>
<b>Individuals and Organisations</b>		
Association for the Promotion of Scientific Botanical Research	-	133,013
Cape Town Tourism	100,000	-
Cape Nature Conservation	70,000	-
City of Cape Town	-	141,524
Claremont Rotary Club	50,000	-
Kogelberg Biosphere Reserve Company	20,000	-
The Parker Family of Elandsfontein Nature Reserve	50,000	-
Table Mountain Fund	732,205	202,000
The Botanical Society of South Africa	392,331	1,148,262
SANParks	10,000	-
University of Western Cape	-	15,000
	<b><u>1,424,536</u></b>	<b><u>1,639,799</u></b>

# Notes to the Annual Financial Statements for the Year Ended 31 March 2010 (continued)

	March 2010 R	March 2009 R
<b>Trusts</b>		
BOE Trust Ltd	22,500	-
Dr Sunshine	1,684	-
Estate Helen Mitchell	12,284	-
Fitzroy Trust	80,000	-
Graafs Trust	1,388	-
HR Hill Trust	86,026	-
Rowland & Leta Hill Trust	50,000	-
Sundry	8,625	201,160
	<b>262,507</b>	<b>201,160</b>
<b>Other</b>		
Bench Donations	82,464	31,077
Sundry Donations	16,373	314,000
	<b>98,837</b>	<b>345,077</b>
<b>Total Donations, Grants and Sponsorships for the year received</b>	<b>163,060,348</b>	<b>191,729,251</b>
Project Income transferred - Unspent committed funds	(26,093,326)	(28,304,360)
<b>TOTAL</b>	<b>136,967,022</b>	<b>163,424,891</b>
<b>15. External audit</b>	<b>1,270,585</b>	<b>1,468,991</b>
Fees	1,263,081	1,412,022
Expenses	7,504	56,969
<b>Internal audit</b>	<b>1,183,840</b>	<b>738,194</b>
Fees	690,497	496,550
Expenses	42,520	60,834
Other services	450,823	180,810
	<b>2,454,425</b>	<b>2,207,185</b>

# Notes to the Annual Financial Statements for the Year Ended 31 March 2010 (continued)

	Notes	March 2010 R	Restated March 2009 R
<b>16. Interest revenue</b>			
Bank - call account		1,256,568	3,111,654
Bank - call account: Project funds		1,478,667	3,695,421
		<b><u>2,735,235</u></b>	<b><u>6,807,075</u></b>
<b>17. Personnel costs</b>			
Personnel costs and benefits		150,732,666	123,454,451
Provident fund		482,784	851,861
Leave and workmens' compensation		1,339,251	1,921,763
Post retirement medical aid		1,160,000	3,130,000
		<b><u>153,714,701</u></b>	<b><u>129,358,075</u></b>
Personnel costs include all amounts paid to employees including payments to retirement funds as disclosed in note 10.			
<b>18. Cash flows from operating activities</b>			
<b>Net deficit for the year</b>		<b>(11,795,680)</b>	<b>(3,793,724)</b>
<b>Adjustments for:</b>			
Depreciation and amortisation	4 & 5	14,725,584	11,604,159
Impairment charge	4.	728,813	-
Investment income	16.	(2,735,235)	(6,807,075)
Interest paid	11.	2,033	21,390
Foreign exchange gain		(194,702)	(359,492)
Profit on disposal of fixed assets		(32,814)	(544,597)
<b>Operating surplus (deficit) before working capital changes</b>		<b>697,999</b>	<b>120,661</b>
<b>Working capital changes</b>		<b>24,431,752</b>	<b>26,554,429</b>
Decrease / (increase) in consumables	24.	521,839	(114,469)
Decrease in trade and other receivables		251,011	776,061
Increase in trade and other payables		23,658,902	25,892,837
<b>Cash generated from operations</b>		<b><u>25,129,751</u></b>	<b><u>26,675,090</u></b>

# Notes to the Annual Financial Statements for the Year Ended 31 March 2010 (continued)

## 19. Related Parties

### Related Party Relationships

#### Reporting Department

Department of Environmental Affairs and Tourism

#### Other Government Departments

Department of Science and Technology  
Department of Water Affairs and Forestry

#### Public Entities

Development Bank of South Africa  
Independent Development Trust  
Medical Research Council  
National Research Foundation  
South African Environmental Observation Network (NRF)  
Government Printing Works  
S.A. Post Office  
SABC  
Natal Parks Board  
South African National Parks  
Telkom SA Ltd  
ICASA  
Rand Water  
CSIR  
Gauteng Department of Agriculture  
Cape Nature Conservation  
Working on Fire  
Eskom

#### Municipalities

City of Cape Town  
City of Tshwane  
City of Durban  
Overstrand Municipality  
Hantam Municipality  
Mbombela Municipality  
Mangaung Municipality  
Ukhahlamba District Municipality  
Breede Valley Municipality  
Msunduzi Municipality

#### Other

The Botanical Society of South Africa

# Notes to the Annual Financial Statements for the Year Ended 31 March 2010 (continued)

<b>Related Party Transactions (continued)</b>	<b>March 2010 R</b>	<b>March 2009 R</b>
<b>Government Grants</b>		
Department of Environmental Affairs and Tourism	<b>150,886,000</b>	<b>128,830,992</b>
<b>Other Grants, Sponsorships and Donations</b>		
Department of Environmental Affairs and Tourism	91,014,260	129,160,818
Department of Science and Technology	2,700,000	2,700,000
Department of Water Affairs and Forestry	9,158,061	2,883,425
Independent Development Trust	-	2,341,730
Medical Research Council	7,500	44,625
National Research Foundation	562,659	8,750
South African Environmental Observation Network (NRF)	750,500	1,313,000
City of Cape Town	-	141,524
Rand Water	120,000	-
CSIR	16,480	-
The Botanical Society of South Africa	392,311	1,148,262
Gauteng Department of Agriculture Conservation & Environment	1,000,000	1,000,000
	<b>105,721,771</b>	<b>140,742,134</b>
<b>Purchases</b>		
City of Cape Town	1,343,173	53,866
CSIR	1,209,962	1,047,377
Department of Agriculture	7,118	-
Department of Water & Forestry	27,300	6,274
Eskom	94,260	485,087
Government Printing Works	12,759	560
Overstrand Municipality	-	63,887
S.A. Post Office	-	131,347
SABC	7,576	6,818
South African National Parks	8,025,189	2,330,855
Telkom SA Ltd	2,329,242	2,338,596
The Botanical Society of S.A.	91,640	895,425
Hantam Municipality	2,829	2,577
Mangaung Municipality	76,543	108,302

# Notes to the Annual Financial Statements for the Year Ended 31 March 2010 (continued)

<b>Related Party Transactions (continued)</b>	<b>March 2010 R</b>	<b>March 2009 R</b>
Mbombela Municipality	139,706	85,466
Ukhahlamba District Municipality	3,678,008	4,109,621
ICASA	3,808	-
City of Tshawne	692,679	-
City of Durban	472,553	-
Breede Valley Municipality	187,526	-
Msunduzi Municipality	247,016	-
	<b>18,648,887</b>	<b>11,666,058</b>
<b>Sales</b>		
CSIR	8,103	-
Botanical Society of South Africa	664,407	556,861
Cape Nature Conservation	96,733	24,782
City of Cape Town	194,316	131,669
Medical Research Council	15,000	-
Natal Packs Board	3,981	-
Working on Fire	42,363	-
Department of Environmental Affairs and Tourism	268,508	165,853
South African National Parks	83,688	71,247
	<b>1,377,099</b>	<b>950,412</b>
<b>Accounts payables</b>		
City of Cape Town	123,467	4,272
CSIR	-	246,959
Government Printing Works	2,975	425
Overstrand Municipality	14,666	1,067
S.A. Post Office	-	7,169
South African National Parks	1,300,989	798,000
Telkom SA Ltd	86,258	45,153
The Botanical Society of S.A.	25,000	238,686
Hantam Municipality	-	2,388
Mangaung Municipality	11,825	5,097
Ukhahlamba District Municipality	546,850	355,517
Department of Water Affairs and Forestry	39,222	3,408
City of Tshwane	55,731	-

# Notes to the Annual Financial Statements for the Year Ended 31 March 2010 (continued)

<b>Related Party Transactions (continued)</b>	<b>March 2010 R</b>	<b>March 2009 R</b>
<b>Accounts payables (continued)</b>		
City of Durban	3,705	-
Breede Valley Municipality	22,844	-
Msunduzi Municipality	55,479	-
	<b>2,289,011</b>	<b>1,708,141</b>
<b>Accounts receivables</b>		
Natal Parks Boards	2,910	-
Botanical Society of South Africa	25,145	39,500
Cape Nature Conservation	4,213	5,306
Department of Environmental Affairs and Tourism	16,608	23,018
CSIR	4,800	-
South African National Parks	-	40,742
Department of Water Affairs and Forestry	-	330,884
Working on Fire	6,633	-
Independent Development Trust	-	416,174
	<b>60,309</b>	<b>855,624</b>

The transactions with related parties are at normal market prices.

Payments to key personnel are detailed in note 31 & 32 in the financial statements.

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

# Notes to the Annual Financial Statements for the Year Ended 31 March 2010 (continued)

## 20. Prior period errors

### 20.1 Effect of the correction on Property, Plant and Equipment

A building at the Grahamstown Botanical Garden comprising of a research centre and a visitors centre should not have been capitalised in the 2008 and 2009 financial years as the building had to be transferred to Rhodes University. Property, plant and equipment was restated by an amount of R2,007,817 for 2009 and R6,317,295 for 2008 (cumulative restatement of R8,219,701). The effects of the prior period error on the statement of financial position and statement of financial performance are shown below:

	<b>March 2009 as previously stated</b>	<b>Prior period error</b>
	R	R
<b>Statement of Financial Position</b>		
Property, plant and equipment at cost	264,223,914	(8,334,164)
Accumulated depreciation	(55,341,010)	114,463
<b>Net book value at the end of the financial year</b>	<b>208,882,904</b>	<b>(8,219,701)</b>
Opening accumulated surplus	(143,241,006)	6,317,295
<b>Statement of Financial Performance</b>		
Depreciation	11,709,570	(105,411)
Project expenses	100,712,545	2,007,817

# Notes to the Annual Financial Statements for the Year Ended 31 March 2010 (continued)

## 20.2 Reclassification of unspent committed project funds

During prior years certain income was generated and received to fund various SANBI programmes. These programmes were accounted for as projects and the net income at year end as part of unspent committed project funds. These funds are now recognised as income to the extent that it is probable that the economic benefits associated with the transactions will flow to SANBI and the revenue can be reliably measured. The effects of the prior period error on the statement of financial position and statement of financial performance are shown below:

	<b>March 2009 as previously stated</b>	<b>Prior period error</b>
	<b>R</b>	<b>R</b>
<b>Statement of Financial Position</b>		
Unspent committed funds	(47,482,406)	11,130,425
Opening accumulated surplus	(143,241,006)	(8,454,568)
<b>Statement of Financial Performance</b>		
Revenue	(319,818,127)	(2,675,857)

## 20.3 Defined Benefit Asset

A revised actuarial valuation was performed on SANBI's Provident Fund. The effects of the prior period error on the statement of financial position and statement of financial performance are shown below:

	<b>March 2009 as previously stated</b>	<b>Prior period error</b>
	<b>R</b>	<b>R</b>
<b>Statement of Financial Position</b>		
Defined benefit asset	1,106,695	3,908,825
<b>Statement of Financial Performance</b>		
Personnel costs	133,266,900	(3,908,825)

## 20.4 Reconciliation of prior year opening accumulated surplus due to prior period errors

<b>Accumulated fund at beginning of year - 1 April 2008 (Previously reported)</b>	<b>(143,241,006)</b>
<b>Prior Period Errors</b>	<b>(2,137,272)</b>
Land and Buildings	6,317,295
Unspent committed funds	(8,454,567)
<b>Accumulated fund at beginning of year - 1 April 2008 restated</b>	<b>(145,378,278)</b>

# Notes to the Annual Financial Statements for the Year Ended 31 March 2010 (continued)

## 21. Going Concern

Pursuant the Board instruction management has taken corrective cost curtailment measures and income generating initiatives to address the deficit of the previous financial years. It is envisaged that these measures will have a positive effect on the SANBI's cash flow position over the next financial year.

## 22. Biological assets

SANBI's main purpose is the conservation of a representative system of biodiversity, encompassing fauna, flora and unique scenery within the National Botanical Gardens and the Scientific management of the ecosystem under its management authority. SANBI does not focus on traditional natural resource management of species, but rather on ecosystem management and ecological integrity within the Botanical Gardens. SANBI can intervene in eco-system responsibly and sustainably, but it focuses management on complementing natural processes (e.g. fires and disease outbreaks) under a minimum interference philosophy. SANBI does not manage for the reproduction of biodiversity, but for biodiversity representivity and complementary that promotes resilience and ensures ecosystem integrity. SANBI acquired the majority of biodiversity at no cost to SANBI. SANBI's major sources of revenue comprises of grants, sponsorships, donations and tourism. SANBI management is involved in the biological transformation of fauna and flora primarily to provide the public with the opportunity for recreational activity, rather than for sale. SANBI does not measure the quantities and value of biological assets as they are not of a nature that can be easily counted and the Gardens cannot keep up with the growth, generation and procreation of flora and fauna. As the biological assets cannot be counted it is impossible to calculate gains and losses of biological assets during the year.

## 23. Consumables

	<b>March 2010 R</b>	<b>March 2009 R</b>
Inventories	57,208	56,084
Publications	-	450,031
Corporate clothing	53,769	126,701
	<b><u>110,977</u></b>	<b><u>632,816</u></b>

The amounts for consumables recognised as an expense is R521,839 (2009: R346,039).

# Notes to the Annual Financial Statements for the Year Ended 31 March 2010 (continued)

## 24. Other Income

	<b>March 2010</b>	<b>March 2009 Restated</b>
	<b>R</b>	<b>R</b>
Commission received	296,304	295,563
Courtesy car	267,687	227,706
Guided tours	331,378	273,954
Professional services	739,353	593,514
Publications	87,616	54,666
Royalties	52,934	51,356
Seminars & workshops	149,258	15,380
Sundry income	2,304,645	733,387
Use of gardens facilities	159,766	84,137
Film location fees	172,354	188,732
	<b><u>4,561,295</u></b>	<b><u>2,518,395</u></b>

## 25. Reconciliation of Breakeven Budget with the Deficit in the Statement of Financial Performance

	<b>March 2010 R</b>
<b>Net deficit per the Statement of Financial Performance</b>	<b>(11,795,680)</b>
Adjusted for:	
Impairment recognised	728,813
Surplus on the sale of assets	(32,814)
Decreases in provisions	241,204
Other Grants, Sponsorships and Donations / Unspent projects funds / Depreciation / Other	(11,858,447)
<b>Breakeven per approved Budget</b>	<b><u>-</u></b>

## 26. Standards of GRAP approved but not yet effective

SANBI has not early adopted the following standards of GRAP which have been issued but are not yet effective. The ASB has not indicated when these standards will be effective.

- GRAP 8: Segment reporting
- GRAP 21: Impairment of non-cash generating assets
- GRAP 23: Revenue from non-exchange transactions
- GRAP 25: Employee benefits
- GRAP 26: Impairment of cash-generating assets
- GRAP 103: Heritage assets
- GRAP 104: Financial instruments

## 27. Investment Property

In terms of GRAP 16, SANBI is required to disclose Investment Property. The value of the investment property of SANBI is R131,000. This value is not considered material in relation to the total value of SANBI's Land and Buildings and is therefore not separately recognised. The majority of the land is owned by the State. Refer to note 4.

## 28. Operating expenses

Operating expenses comprise amounts which are not required to be separately disclosed. Major expense categories include professional services, municipal services, travel, security, repairs and maintenance.

## 29. Direct project expenditure

Direct project expenditure comprise amounts which are incurred in the process of achieving agreed project deliverables, which excludes certain indirect project costs.

## 30. Soccer World Cup Expenditure

In response to a call to support the National Soccer Team (Bafana Bafana) in the World Cup, staff of SANBI were supplied in June 2010 with Corporate T-Shirts that had the SANBI Logo, SA National Flag, and the Bafana Bafana colours. The cost of these memorabilia amounted to approximately R97,000.

# Notes to the Annual Financial Statements for the Year Ended 31 March 2010 (continued)

## 31. Board and Board Committee Members' Emoluments

Fees for the Board and Board Committee meetings for the period 1 April 2009 to 31 March 2010 (1 April 2008 to 31 March 2009) were as follows:

<b>Board Members</b>		<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>
		<b>2010</b>	<b>2010</b>	<b>2010</b>	<b>2009</b>	<b>2009</b>	<b>2009</b>
<b>Name</b>		<b>Fees</b>	<b>Travel</b>	<b>Total</b>	<b>Fees</b>	<b>Travel</b>	<b>Total</b>
Mr T Sokutu	Board Chairperson	-	-	-	5,131	7,039	12,170
Dr T Abrahamse	CEO	-	-	-	-	-	-
Mr T Frost		27,844	22,606	50,450	17,853	34,009	51,862
Prof P Omara-Ojungu		13,765	11,270	25,035	7,935	14,984	22,919
Dr P Hanekom		23,876	3,700	27,576	17,029	2,729	19,758
Ms Thoko Dingaan		10,839	-	10,839	3,967	10,492	14,459
Ms K Montgomery		16,494	1,448	17,942	7,935	9,888	17,823
Mr S Somyo		16,494	-	16,494	7,935	3,457	11,392
Mr F Mketeni *		-	-	-	-	-	-
Ms M Pyoos *		-	-	-	-	-	-
		<b>109,312</b>	<b>39,024</b>	<b>148,336</b>	<b>67,785</b>	<b>82,598</b>	<b>150,383</b>

\* No honoraria were paid - State employee

# Notes to the Annual Financial Statements for the Year Ended 31 March 2010 (continued)

## 32. EXECUTIVE MEMBER'S REMUNERATION:

### Executive Management 2010

Name	Status	Short-term benefits									Post-employment benefits	Total
		Salary	Non Pens Allow	Service Bonus	Cell phone Allow	Performance Bonus	Medical & UIF	Travel Allowance	Gratuity	Housing	Pension	
		R	R	R		R	R	R	R	R	R	R
TE Abrahamse	CEO	789,593	303,571	64,827	0	-	33,627	60,000			64,081	1,315,699
MJ Netshiombo	Chief Director HR	482,311	84,782	39,599	10,800	-	25,077	133,438			39,143	815,150
KE Maze	Chief Director Bioregional Plan	468,160	174,725	38,437	9,360	-	19,167	41,400			37,995	789,243
CK Willis	Chief Director Gardens	482,311	218,220	41,975	10,400	-	25,077				39,321	817,304
GF Smith	Chief Director Research	489,546	205,978	40,193	9,360	-	20,703			20,400	39,730	825,910
MM Wolfson	Director Research	326,706	151,644	35,612		-	13,418		128,899		26,953	683,232
GF Midgley	Chief Specialist Scientist	454,424	127,414	37,309	5,200	-	24,192	77,000			36,880	762,419
JS Donaldson	Chief Director Research	468,160	151,100	38,437		-	25,782	60,000			37,995	781,473
MC Rutherford	Chief Specialist Scientist	403,898	106,791	33,161	5,000	-	1,497	60,000		36,000	32,779	679,127
JS Dini	Director Research (WFW)	386,253	73,200	13,119	2,800	-	9,052	113,287			29,954	627,665
AC Stephens	Program Manager Grasslands	386,253	183,437			-	3,467	72,000			0	645,157
M Johnson	Program Manager SKEP	30,782	10369.10			-	1,609	8,667			0	51,427
AY Koyo	Deputy DG	631,881	317,257	38,802	19,466	-	1,553				50,301	1,059,260
CH Mbizvo	Deputy DG	613,341	288,388	53,378	17,550	-	21,095				50,004	1,043,756
ME Khoahli	CFO Finance	527,384	81,887	32,030	10,800	-	25,077	158,964			41,956	878,097
AT Smith	Director Finance	374,921	188,241	30,782		-	1,497				30,428	625,869
P Gozo	Director Mark and Com	374,921	180,796	30,782		-	8,832				30,428	625,759
PH le Roux	Agricult Tec Supp	380,544	171,650	31,243		-	20,622				30,884	634,943
ML Hamer	Director Research	374,921	188,241	9,108		-	1,497				28,802	602,570
SM Mpungose	Director IT	446,247	225,066	39,011		-	1,497				36,546	748,368
SN Matai	Director Biodiversity	374,921	110,241	32,629	5,100	-	1,497	78,000			30,566	632,954
ES Moeng	Director Human Resources	374,921	180,796	10,120	1,440	-	8,832				28,878	604,987
SW Willoughby	Director Info & Know Man	374,921	188,241	32,629		-	1,497				30,566	627,855
AL Driver	Director Bio Policy	374,921	180,797	32,629	5,625	-	8,832				30,566	633,369
TR Frantz	Director Research	409,955	186,652	21,394		-	15,177			5,500	32,351	671,028
KB Mantlana	Director Climate Change	374,921	180,851	30,782	10,400	-	8,722				30,428	636,104
M Barnett	Director Fynbos Bio Prog	374,921	128,236	30,782		-	15,492	45,341			30,428	625,200
		<b>11,552,037</b>	<b>4,588,572</b>	<b>838,766</b>	<b>123,301</b>	<b>-</b>	<b>344,390</b>	<b>908,097</b>	<b>128,899</b>	<b>61,900</b>	<b>897,963</b>	<b>19,443,926</b>

# Notes to the Annual Financial Statements for the Year Ended 31 March 2010 (continued)

Executive Management 2009		Short-term benefits								Post-employment benefits	
Name	Status	Salary	Non Pens Allow	Service Bonus	Performance Bonus	Medical & UIF	Travel Allowance	Acting Allowance	Housing	Pension	Total
		R	R	R	R	R	R	R	R	R	R
BJ Huntley	Senior Policy Advisor	491,347	179,017	50,214	123,875	12,540	55,000	361,077	-	40,617	1,313,687
TE Abrahamse	CEO	696,150	260,345	26,773	359,422	28,800	60,000	-	-	54,219	1,485,709
S Singh	CFO Finance	1,061	38,976	13,526	-	-	179	-	-	1,094	54,836
MJ Netshiombo	Chief Director HR	424,451	58,023	35,306	45,848	22,140	133,438	-	-	34,482	753,688
KE Maze	Chief Director Bioregional Plan	412,026	143,471	33,764	44,511	12,000	41,400	-	-	33,472	720,644
NM Qwathekana	Director Education	174,564	87,646	-	* 45,919	-	-	-	-	13,092	321,221
CK Willis	Chief Director Gardens	424,451	191,280	39,013	45,848	21,960	-	-	-	34,760	757,312
GF Smith	Chief Director Research	434,871	180,306	36,290	**100,683	17,820	-	-	20,400	35,337	825,707
MM Wolfson	Director Research	354,314	165,323	29,129	38,965	13,790	-	-	-	30,788	632,309
GF Midgley	Chief Specialist Scientist	391,763	94,986	33,764	42,675	18,345	84,000	-	-	31,914	697,447
JS Donaldson	Chief Director Research	412,026	121,046	31,794	44,511	25,935	60,000	-	-	33,322	728,634
MC Rutherford	Chief Specialist Scientist	364,991	75,256	29,094	-	-	72,000	-	36,000	29,556	606,897
JS Dini	Director Research (WFW)	348,062	88,891	-	-	5,130	113,287	-	-	11,271	566,641
AC Stephens	Program Manager Grasslands	343,946	150,938	-	37,830	6,455	72,000	-	-	-	611,169
M Johnson	Program Manager SKEP	334,945	101,658	4,249	-	17,820	104,004	-	-	-	562,676
AY Koyo	Deputy DG	125,930	66,598	-	-	-	-	-	-	7,782	200,310
CH Mbizvo	Deputy DG	50,356	23,653	-	-	96	-	-	-	3,777	77,882
ME Khoahli	CFO Finance	320,574	41,537	-	-	14,495	104,924	-	-	24,043	505,573
AT Smith	Director Finance	257,814	129,444	7,021	-	-	-	-	-	19,863	414,142
P Gozo	Director Mark and Com	257,814	124,314	11,677	-	5,185	-	-	-	20,212	419,202
PH le Roux	Agricult Tec Supp	338,879	152,510	27,857	-	17,965	-	-	-	27,505	564,716
ML Hamer	Director Research	92,345	46,365	-	-	-	-	-	-	6,926	145,636
SM Mpungose	Director IT	73,607	36,957	-	-	-	-	-	-	5,520	116,084
SN Matai	Director Biodiversity	257,814	90,444	18,132	-	-	39,000	-	-	20,696	426,086
ES Moeng	Director Human Resources	92,345	44,655	-	-	1,765	-	-	-	6,926	145,691
SW Willoughby	Director Info & Know Man	92,345	46,365	-	-	-	-	-	-	6,926	145,636
AL Driver	Director Bio Policy	257,814	124,314	30,782	26,086	5,235	-	-	-	21,645	465,876
TR Frantz	Director Research	89,448	42,455	-	-	3,420	-	-	1,000	6,709	143,032
KB Mantlana	Director Climate Change	230,793	111,317	27,856	-	4,560	-	-	-	19,399	393,925
M Barnett	Director Fynbos Bio Prog	257,814	89,312	27,021	29,949	6,781	34,006	-	-	21,363	466,246
		<b>8,404,660</b>	<b>3,107,402</b>	<b>513,262</b>	<b>986,122</b>	<b>262,237</b>	<b>973,238</b>	<b>361,077</b>	<b>57,400</b>	<b>603,216</b>	<b>15,268,614</b>

\* Performance bonus relates to payment for the financial year 2008.

Executive member's remuneration:

\*\* Performance bonus relates to payment for two financial years (2008 and 2009).

# MATERIALITY AND SIGNIFICANCE FRAMEWORK

Treasury Regulation, section 28.3.1 requires that the Accounting Authority develop and agree on a framework of acceptable levels of materiality and significance with the relative executive authority.

South African Auditing Standard 320 paragraph 3 defines materiality as “information is material if its omission or misstatement could influence the economic decision of users taken on the basis of the financial statements”. Materiality depends on the size of the item or error judged in the particular circumstances of its omission or misstatement.

## **Quantitative aspects**

In setting the materiality figure, the Institute considered:

- The relationship of the amount of an item to the financial information as a whole or in total from which the item comes is the important factor.
- Elements of the financial statements i.e. expenditure, capital, assets, income and liabilities.
- Financial statements must be free of any misstatements.

## **Qualitative aspects**

Qualitative characteristics to assess materiality included:

- Public accountability and disclosure requirements in terms of legislation.
- Compliance with legislation.
- Disclosure requirements.
- Sensitive situations, including transactions with officers, irregularities and questionable transactions.
- Importance of information to users, especially donors.

Taking the above into consideration, the Institute has set materiality at R1,7 million. This has been determined by applying 0.5% to the actual expenditure for the year.

## **Significant aspects**

Any transaction or circumstances that may have a significant impact on the Institute regardless of the monetary value is considered significant for the purpose of the framework.





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