

ANNUAL REPORT

2013/2014

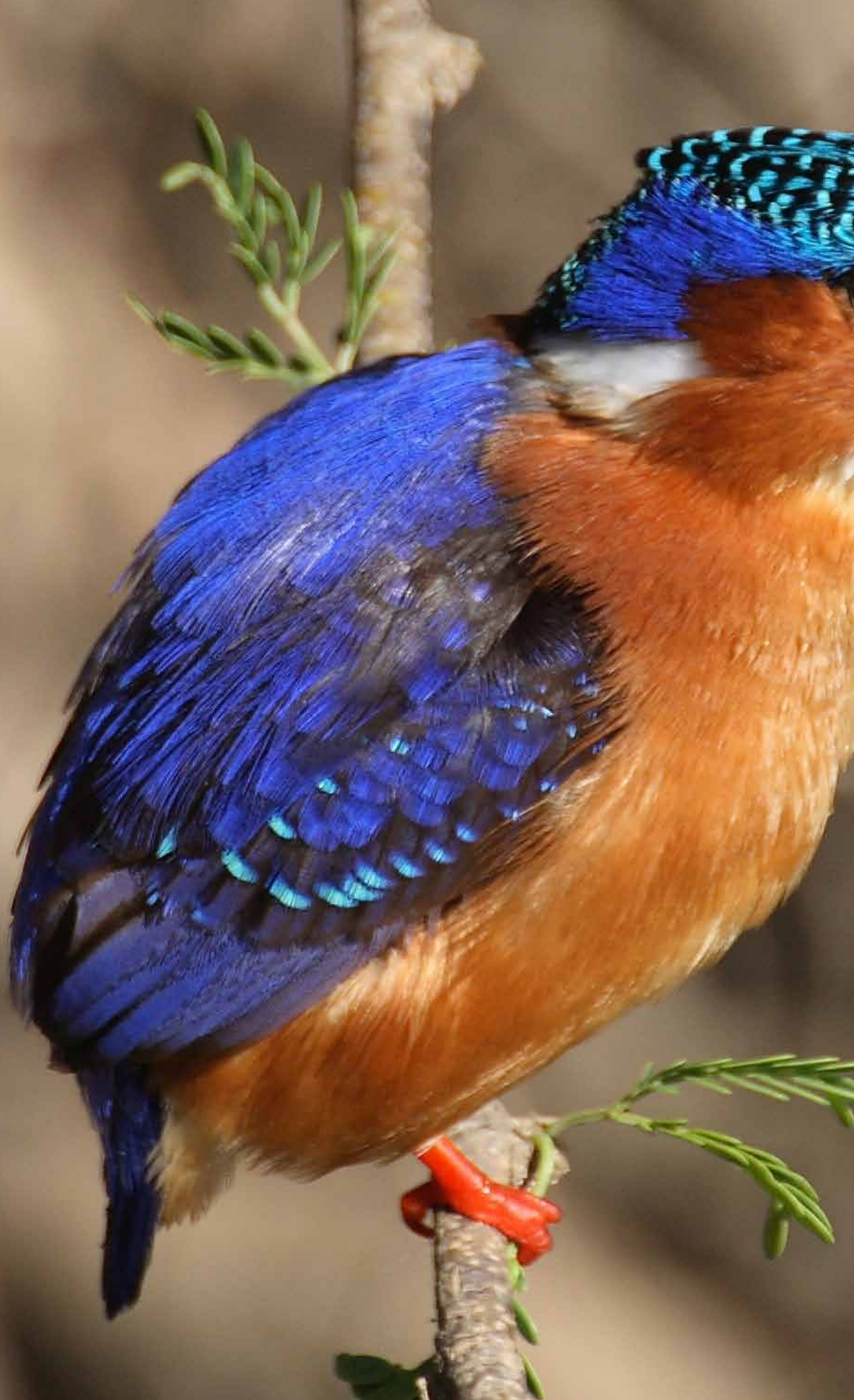


CapeNature

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2013/2014



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PART A
GENERAL
INFORMATION

I. PUBLIC ENTITY'S GENERAL INFORMATION

REGISTERED NAME:	Western Cape Nature Conservation Board
REGISTRATION NUMBER (if applicable):	N/A
PHYSICAL ADDRESS:	PGWC Shared Services Centre Cnr Bosduif and Volstruis Streets Bridgetown 7764
POSTAL ADDRESS:	Private Bag X29 Gatesville 7766
TELEPHONE NUMBER/S:	+27 21 483 0000
FAX NUMBER:	+27 86 554 3948
EMAIL ADDRESS:	info@capenature.co.za
WEBSITE ADDRESS:	www.capenature.co.za
EXTERNAL AUDITORS:	Auditor-General South Africa
BANKERS:	Nedbank
COMPANY/BOARD SECRETARY:	Not applicable

2. LIST OF ABBREVIATIONS/ACRONYMS

AGSA	Auditor-General of South Africa
APO	Annual Plan of Operations
APP	Annual Performance Plan
AVE	Advertising Value Estimate
BBBEE	Broad-Based Black Economic Empowerment
CBD	Convention on Biological Diversity
CBNRM	Community-Based Natural Resource Management
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CFRPA WHS	Cape Floral Region Protected Areas World Heritage Site
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
CMS	Conservation of Migratory Species
DEA&DP	Department of Environmental Affairs and Development Planning
DCCP	Dassenberg Coastal Catchment Partnership
DTPW	Department of Transport and Public Works
EPWP	Expanded Public Works Programme
EPIP	Environmental Protection and Infrastructure Programme
ERP	Enterprise Resource Planning
FIU	Forensic Investigative Unit

FTE	Full-Time Equivalent
GCBC	Greater Cederberg Biodiversity Corridor
GCBR	Gouritz Cluster Biosphere Reserve
GMT	Government Motor Transport
GRAP	Generally Recognised Accounting Practice
GTUP	Game Translocation and Utilization Policy
HCD	Human Capital Development
HR	Human Resources
ICT	Information Communication Technology
IRM	Infrastructure Reporting Model
IUCN	International Union for Conservation of Nature
IWC	International Whaling Commission
MAB	Man and the Biosphere
MEC	Minister of Executive Committee
METT	Management Effectiveness Tracking Tool
MOA	Memorandum of Agreement
MPA	Marine Protected Area
MTEF	Medium-Term Expenditure Framework
MTSF	Medium-Term Strategic Framework
NBF	National Biodiversity Framework
NBSAP	National Biodiversity Strategy and Action Plan
NDT	National Department of Tourism
NFSD	National Framework for Sustainable Development
NGO	Non-governmental Organisation
NYSP	National Youth Service Programme
OHASA	Occupational Health and Safety Act
OHS	Occupational Health and Safety
PAES	Protected Area Expansion Strategy
PAMP	Protected Area Management Plan
PDO	Pre-determined Objectives
PDMC	Provincial Disaster Management Centre
PFMA	Public Finance Management Act
PSDF	Provincial Spatial Development Framework
SAIAB	South African Institute for Aquatic Biodiversity
SAMSA	South African Maritime Safety Authority
SANCCOB	Southern African Foundation for the Conservation of Coastal Birds
SAOBC	South African Ostrich Business Chamber
SCM	Supply Chain Management
SDIP	Sustainable Development Implementation Plan
SMME	Small Medium and Micro Enterprises
TR	Treasury Regulations
UNCLOS	United Nations Convention on the Law of the Sea
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UNFCCC	United Nations Framework Convention on Climate Change
VPN	Virtual Private Network
WAAC	Wild Animal Advisory Committee
WCNCB	Western Cape Nature Conservation Board
WHC	World Heritage Convention
WIL	Work Integrated Learning
WIOMSA	Western Indian Ocean Marine Science Association
WoF	Working on Fire
WTO	World Tourism Organisation
WWF-SA	World Wide Fund for Nature – South Africa

3. FOREWORD BY THE CHAIRPERSON



CapeNature's vision and mission is to conserve the natural heritage resources of the Western Cape for the benefit of all South Africa's citizens; a vision that has become a more relevant and urgent mandate in a world of rapidly-depleting natural resources. On 20 August last year, the Global Footprint Network marked World Overshoot Day – the date when humanity exhausted nature's resources budget for the 2013 year. For 2014 there has been no improvement on this situation.

South Africa's National Development Plan (NDP) provides a broad vision and strategic plan for the country's development. Part of this plan sets out the basis for making choices as to how best to use our limited resources to achieve the key objectives of combating poverty and reducing inequality in our country.

Basic human rights in any just society include, inter alia, rights to a clean environment, the adequate supply of water, nutritious food, shelter, fuel and lighting. The natural environment – or ecological infrastructure - that surrounds us, can provide much of what we need to sustain life. It is therefore imperative that our natural resources are correctly managed, maintained and preserved, resulting in improved ecosystem services, which in turn help to provide a better quality of life for our citizens.

As the custodian of biodiversity in the Western Cape, our major challenges remain the protection of our natural water resources, understanding the threat of climate change and the potential effects thereof, identifying the future extinction of species (extinction debt), monitoring and dealing with the demands of development with concomitant habitat loss, and being able to manage, to the best of our abilities, disasters which can set back our conservation efforts.

While conservation is essentially government's responsibility, a key focus is to find ways in which we can complement and subsidise our budgets to ensure sustainable funding into the future. At the same time, successful conservation is critically dependant on the attitude of our citizens. Our education initiatives strive to make people aware of the need to conserve, and to cohabit with, and respect all fauna and flora, and to appreciate the value of an untainted and harmonious environment. But beyond our efforts, citizens themselves must adopt a responsible attitude towards the environment which we are so dependent on.

Finally, although our country has established good policies and legislation around conservation practice, the enforcement of these laws still needs to be improved upon.

We know the Western Cape is critical to any conservation efforts in South Africa: it is not only one of the most complex and biodiverse areas in the world, but it is one of the primary water catchment areas for the country. CapeNature manages 90% of the water catchment areas in the province, so the work that we do on a daily basis has a direct bearing on the quality of life for millions of citizens.

During this reporting period, CapeNature achieved most of the targets that it had set to protect, restore and maintain the precious biodiversity and ecological infrastructure of the Western Cape. Underlying this, during the past year, focus on more stringent internal controls and continuing development of policies, standard

operating procedures and guidelines for the entity, has given the Board further assurance that there is a clear drive to continuously improve the standard of operations within the organisation.

Going forward, in the forthcoming year CapeNature will focus on strengthening its Information Communication Technology (ICT) platform and the governance framework around ICT, this will further improve controls and the ability to generate income in innovative ways. The strategic drive to further strengthen income producing opportunities via partnerships, product sales and fundraising initiatives will also be a key focus area for management.

Retiring Chairperson Dr Colin Johnson ended his five-year term of office at the end of March 2014, and the Board and CapeNature thank him sincerely for his leadership and guidance offered in so many facets of the activities of the entity. We wish Dr Johnson and his family everything of the best.

Acting Chief Executive Officer, Dr Kas Hamman, retired after 42 years of service to conservation. In a period where the entity was seeking to recruit and appoint a new CEO, Dr Hamman brought much-needed stability to the business, and he earned the respect of our employees and all who dealt with him. We wish him a happy, fulfilling and well-deserved retirement.

Dr Razeena Omar was appointed as Chief Executive Officer in February 2014, and she brings with her a wealth of experience in conservation management and environmental education. Dr Omar is applying her business skills to ensure that the entity achieves its objectives, while realising that this is dependent upon the performance of motivated employees. The Board will give her their full support in this task, and wish her success in this demanding role.

Special thanks go to the Executive team for the many hours devoted by them to achieving their objectives in their areas of expertise, and to all the CapeNature staff who serve this organisation in such a wide range of diverse activities. A final vote of thanks goes to the non-executive directors of CapeNature, who serve on the Board and on a number of specialist underlying committees. In addition to guiding, advising on and monitoring the performance of the entity, they ensure that CapeNature operates within the prescribes of applicable laws and standards, and at all times within a framework of good corporate governance, integrity and professionalism.



Mr Eduard Kok
CHAIRPERSON OF THE BOARD
CapeNature
July 2014

4. CHIEF EXECUTIVE OFFICER'S OVERVIEW



The National Treasury Medium Term Budget Policy Statement for 2013 stated that the world economy had changed dramatically over the past five years, and that the growth of emerging markets in world trade and investment posed both challenges and opportunities for South Africa. In this regard, closer to home, the Western Cape faces substantial threats from industry, over-exploitation of natural resources, the impact of invasive alien species and climate change. The demands for water resources are increasing, and it will become more difficult to meet our societal needs for water supply.

CapeNature is mandated to manage and protect the rich and internationally-recognised biodiversity of the Western Cape. It is within this context that CapeNature faces up to the challenge to protect, restore and maintain the ecological infrastructure in the Western Cape that forms the foundation of the economy and provides industries with the natural resources (ecosystem services) necessary to grow and flourish. Furthermore, our eco-tourism initiatives yield economic benefits through the tourism industry, and our contributions to job creation yield benefits not only for biodiversity, but also provide real opportunities for people to form part of the economy and generate income.

General financial review

CapeNature's total revenue amounted to R289.6 million, of which an allocation of R221.4 million was received from the Department of Environmental Affairs and Development Planning for the reporting period. Spending for this financial year came to R278.3 million.

Revenue generated by the organisation exceeded the projected budget by R4.2 million (15.6%). Tourism revenue and licenses and permits accounts for 73.8% of this over-achievement. Revenue earned from monetary government grants received and projects funding were under-recovered by R22.9 million (8.1%).

The impact of the severe floods that occurred in December 2013 and January 2014, and the subsequent closure of the Whale Trail at De Hoop, and closures of Anysberg, Goukamma, Grootvadersbosch and Swartberg Nature Reserves, cost the organisation an amount of R1.5 million in refunds and cancellations of payments. However, despite the impact of the adverse weather conditions, the entity still managed to over-achieve on its targeted income for tourism by R1.2 million (6.5%).

Grants: The entity received R63 million from the Department of Environmental Affairs through the Environmental Protection and Infrastructure Programme (EPIP) for the upgrading of roads and fencing for the De Hoop Nature Reserve and Ansyberg Nature Reserve roads, and for fencing at Knersvlakte and Driftsands Nature Reserves.

In terms of CapeNature's debtors, R8 million of the total debt of R10.7 million was less than 30 days old and the remaining R2.3 million related to leases and concessions debtors older than 90 days. The entity has been driving the collection of the outstanding debt effectively and as a result it only provided for R380 577 to be uncollectable. Six and a half million rand of the outstanding debt had been collected by April 2014.

Land at the Hangklip property was valued at R4 million, R5.5 million less than the valuation of 2013. The valuation was done by a reputable valuator, and represents the fair value of the land.

CapeNature maintained a positive cash position, where cash and cash equivalents increased by R11.8 million. This is also due to the underspending on staff remuneration and operational activities.

Spending trends of the public entity

The reduction in the grant allocation for the MTEF period, coupled with the reality presented by the resources scarcity environment, resulted in cost-saving measures to ensure effective sustainability of programme operations. CapeNature managed to spend its budget along projected revenue streams. Total expenditure was under-spent by R16.8 million, of which personnel costs accounted for 74% of this under-spending.

Capacity constraints and challenges

The entity's budget has been reduced by R13 million on a recurring basis for the MTEF period. The impact of this resulted in a reduction in staff remuneration of R6.6 million, and 20 critical vacant positions will not be filled. The remaining R6.4 million affects the operational side of the organisation, i.e. the effective management of the nature reserves. The reduction on the operational budget of R4.4 million (68%) will affect transport and travel, repairs and maintenance and training costs. Operationally the organisation will focus only on sector indicators and national objectives within the Annual Performance Plan due to the limited resources allocated to address organisational specific deliverables. Furthermore, the organisational structure has been realigned to create greater efficiencies to mitigate the anticipated challenges linked to reduced budget allocation.

The National Department of Environmental Affairs implemented an open tender process, where the entity had to tender to be appointed as an implementing agent for the Working for Water Programme. The tender will only be awarded during the second quarter of the ensuing reporting period. The delay in this process impacts negatively on the personnel budget as most of the employees in this programme are appointed as permanent staff members.

Discontinued activities

In an endeavour to streamline the biodiversity legislative framework and to improve efficiencies within the industry, CapeNature partnered with the Sustainable Harvesting Industry in 2001.

The entity is currently engaging with the Department of Environmental Affairs and Development Planning to determine the sustainability of this project, its requirements and possible alignment with the Green Economy. A continued lack of funding for this project could result in the activity being discontinued.

New or proposed activities

CapeNature embarked on a Green Revenue Generation in Protected Areas project with the aim of developing a strategic investment case, including a project pipeline to unlock income generating opportunities in and around CapeNature's protected areas. The project aligns to the Smart Ecosystems in the Green Economy Strategy and Provincial Strategic Objectives, and the organisation hopes to attract green investment that will yield the double dividend of optimising green economic opportunities and enhancing our environmental performance.

Requests for rollover of funds

The entity under-spent on staff remuneration due to the vacancies for the Executive Directors: Human Resources and Conservation Management, the ICT Manager, and the CEO. All these positions, with the exception of the Human Resources Executive were filled during the fourth quarter of the reporting period. The Human Resources Directorate position has been translated into a Corporate Support Executive Director post.

The savings on operational costs are as a result of savings on fires, as CapeNature has experienced a moderate fire season. However, the entity is contending with resource constraints impacting on the effective sustainability of core functions. Therefore, an application was forwarded to Treasury requesting the retention of the surplus reported to the ensuing year, which will assist in ensuring effective delivery within programmes and the attainment of mandatory obligations. These funds are earmarked exclusively to service non-recurring expenditure.

Rollover of funds were requested for:

- the Expanded Public Works Programme (EPWP) conditional grant for the procurement of specialised protective clothing; and
- tourism earmarked funding for upgrades to facilities due to a delay in the appointment of contractors.

Supply chain management

(i) All concluded unsolicited bid proposals for the year under review

The entity had no unsolicited bids for the period under review.

(ii) Whether SCM processes and systems are in place

The entity ensured that all the Supply Chain Management (SCM) processes and systems were in place. The SCM policy was revised and updated for approval in May 2014. Training was provided to budget holders in quarter three of the reporting period.

(iii) Challenges experienced and how they will be resolved

The SCM unit has capacity constraints particularly with regards to the function of monitoring and evaluation. The SCM unit situated at Head Office consists of four staff (one Manager, two Officers and one Administrator). It is virtually impossible to perform the risk and internal control functions as required by Treasury Regulation 16A3.2 in conjunction with all other Supply Chain Elements (Demand, Acquisition, Disposal, Inventory, Reporting, etc.).

As a means of addressing this matter, the Supply Chain Manager has been performing the monitoring and control element. Furthermore, the monitoring and control is done retrospectively on procurement and the process is more of an auditing nature rather than a preventative measure.

Through the Department of Environmental Affairs and Development Planning, the entity submitted an application to Treasury for the establishment of an internal control unit.

(iv) Audit report matters in the previous year and how they were addressed

The findings to Supply Chain Management in the 2012/13 audit related to Monitoring and Compliance. These matters have all been resolved, and internal processes have been updated. These include quarterly reviews, updated checklists and delegated signatories on all process documentation. With the implementation of the revised structure, it is envisaged that the review processes will be conducted monthly as an added control measure.

A full reconciliation of the entire project funding that gave rise to the audit qualifications during the 2012/13 financial year was undertaken and completed. The internal control environment has been improved, and all projects were reconciled for completeness, accuracy, validity and compliance in terms of the relevant General Recognised Accounting Practice (GRAP) statements.

With regards to the qualification on the predetermined objectives, CapeNature instituted a quarterly verification process. Furthermore a policy on performance information has been completed for approval by the Board and implementation in the ensuing financial year.

Outlook and plans for the future to address financial challenges

The organisational structure has been realigned to create greater efficiencies to mitigate the challenges. Over

the last five years CapeNature has been prudent in terms of its spending patterns. Further austerity measures were introduced in line with the National Treasury cost containment measures.

In the ensuing reporting period, the entity will continue to conduct quarterly reviews of the financial performance to manage and control spending.

Events after the reporting date

There are no events after the reporting date.

Economic viability

The economic outlook for the country remains subdued. Poor economic growth performance, rising interest rates, higher levels of inflation and, most importantly, persistent poverty and inequality place additional pressure on government's fiscal programme, which seeks to achieve the desired levels of socio-economic outcomes while balancing the fiscal sustainability and efficiency of the budget.

Against this backdrop, National Treasury introduced austerity measures in January 2014 which the entity implemented. The entity has managed to do more for less over the last year and will continue with this practice. The entity is committed to sustainable economic growth and job creation, and has implemented numerous job creation projects throughout the Western Cape. The entity intends increasing its Expanded Public Works Programme (EPWP) performance in order to maximise the EPWP incentive grant funding based on CapeNature's contribution to the Provincial EPWP imperatives.

The entity plans to strengthen drives to source funding from both national and international funders. The analysis of revenue depicts that the entity is not in a position to increase its programme budget baselines. However, the entity reprioritised its activities within the programmes and aligned targets to create the necessary available resources to support critical aspects.

CapeNature is committed to good administration, thereby striving to obtain an unqualified audit opinion through extensive scrutiny of its financial records, operations and performance levels, but also on the extent of its compliance with all relevant laws and regulations to achieve a clean audit status. For the reporting period, CapeNature received an unqualified audit opinion with a clean audit status from the Auditor-General of South Africa, thus confirming its adherence to governance laws, regulations and controls to ensure increased accountability and leadership.



Dr Razeena Omar
CHIEF EXECUTIVE OFFICER

CapeNature
July 2014

5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY OF THE ANNUAL REPORT

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

- All information and amounts disclosed in the annual report is consistent with the annual financial statements audited by the Auditor-General.
- The annual report is complete, accurate and free from any omissions.
- The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.
- The Annual Financial Statements (Part E) have been prepared in accordance with the GRAP standards applicable to the public entity.
- The accounting authority is responsible for the preparation of the annual financial statements and for the judgements made in this information.
- The accounting authority is responsible for establishing and implementing a system of internal control, which has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.
- The external auditors are engaged to express an independent opinion on the annual financial statements.

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the public entity for the financial year ended 31 March 2014.

Yours faithfully



Dr Razeena Omar
CHIEF EXECUTIVE OFFICER
CapeNature
July 2014



Mr Eduard Kok
CHAIRPERSON OF THE BOARD
CapeNature
July 2014

6. STRATEGIC OVERVIEW

6.1 Vision

A quality driven public entity conserving the unique natural heritage resources of the Western Cape for the benefit of all.

6.2 Mission

The establishment of biodiversity conservation as a foundation of a sustainable economy creating access, benefits and opportunities for all.

6.3 Values

CapeNature strives to create a work environment that nurtures people and motivates a high level of performance in putting people first through implementing the Batho Pele principles. The following are our core values:

- Honesty:** We conduct our business with honesty, accuracy and without error.
- Excellence:** We espouse a deep sense of responsibility to our work and endeavour to constantly improve it, so that we may give our stakeholders the highest quality of service, and believe that work done excellently gives us dignity, fulfilment, and self-worth.
- Fitness of purpose:** We strive to ensure that our mission remains relevant to the local, provincial, national and international context of transformation and modernisation of the biodiversity conservation sector.
- Fitness for purpose:** We strive to ensure that our strategic responses and resource allocations, including staff appointments, add optimal value in implementing our mandate.
- Accountability:** We ensure financial, performance and political accountability in the implementation of our mandate.
- Equity and access:** We strive to ensure that benefits and opportunities accruing from the conservation of biodiversity are equitably shared and that our resources and services are accessible to all; ensuring redress for historically disadvantaged individuals, with specific emphasis on women, youth and the disabled; and enabling cultural, traditional and spiritual uses of natural resources on a sustainable basis.
- Personal responsibility:** We, as the custodians of the natural resources essential for human health and well-being and growth and development in the Western Cape, undertake this responsibility with the highest possible level of personal responsibility. We are committed to measurable targets for individual performance, which we pursue through strong professional work ethics, political neutrality and selfless service.

7. LEGISLATIVE AND OTHER MANDATES

7.1 Constitutional Mandates

CapeNature is the public entity responsible for nature conservation in the Western Cape. It discharges this mandate in terms of Schedule 4 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), which sets out functional areas of concurrent national and provincial legislative competence.

7.2 Legislative Mandates

CapeNature is the executive arm of the Western Cape Nature Conservation Board (WCNCB), established in terms of the Western Cape Nature Conservation Board Act, 1998 (Act No. 15 of 1998) as amended. The Act has three general objectives:

- a) promote, ensure and enhance biodiversity conservation and related matters within the framework of sustainable development;
- b) render services and provide facilities for research, education and awareness in connection with biodiversity and related matters in the Province; and
- c) generate income, within the framework of any applicable policy determined by the responsible Minister of the Provincial Cabinet.

CapeNature works towards these objectives by implementing the mandate and functions that are derived from the Nature Conservation Ordinance, 1974 (Ordinance 19 of 1974) as amended.

The following are the key conventions, national and provincial statutes *relevant to the implementation of the mandate of nature conservation*, and they include all amendments to these acts and ordinances and any regulations promulgated there under. Note that the list below excludes all other relevant legislation to which public entities as employers, implementers of government mandate and managers of public finance are subject.

International Conventions, Protocols and Policies:

- Bonn Convention on the Conservation of Migratory Species of Wild Animals (CMS)
- Convention on Biological Diversity (CBD)
- Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)
- Convention on Wetlands of International Importance especially as Waterfowl Habitat (Ramsar)
- United Nations Framework Convention on Climate Change (UNFCCC) and the Kyoto Protocol
- United Nations Convention on the Law of the Sea (UNCLOS)
- International Union for Conservation of Nature (IUCN)
- Convention concerning the Protection of the World Cultural and Natural Heritage (WHC)
- World Tourism Organisation (WTO)
- Intergovernmental Oceanographic Commission
- International Whaling Commission (IWC)
- United Nations Educational, Scientific and Cultural Organisation (UNESCO) Man and Biosphere (MAB) Programme

National Legislation

- Conservation of Agricultural Resources Act, 1983 (Act No.43 of 1983)
- Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996)
- Criminal Procedure Act, 1977 (Act No. 51 of 1977)
- Disaster Management Act, 2002 (Act No. 57 of 2002)
- Environmental Conservation Act, 1989 (Act No. 73 of 1989)
- Forest Act, 1984 (Act No.122 of 1984)
- Marine Living Resources Act, 1998 (Act No. 18 of 1998)
- Minerals Act, 1991 (Act No. 50 of 1991)
- Mountain Catchment Areas Act, 1970 (Act No. 63 of 1970)
- National Environmental Management Act, 1998 (Act No. 107 of 1998)
- National Environmental Management: Biodiversity Act, 2004 (Act No. 10 of 2004)
- National Environmental Management: Integrated Coastal Management Act, 2008 (Act No. 24 of 2008)
- National Environmental Management Laws First Amendment Bill, B13 – 2012
- National Environmental Management: Protected Areas Act, 2003 (Act No. 57 of 2003)
- National Heritage Resources Act, 1999 (Act No. 25 of 1999)
- National Monuments Act, 1969 (Act No. 28 of 1969)
- National Veld and Forest Fire Act, 1998 (Act No.101 of 1998)
- National Water Act, 1998 (Act No. 36 of 1998)
- Occupational Health and Safety Act, 1993 (Act No. 85 of 1993)
- Promotion of Access to Information Act, 2000 (Act No. 2 of 2000)
- Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000)
- Sea Birds and Seals Protection Act, 1973 (Act No. 46 of 1973)
- Seashore Act, 1935 (Act No. 21 of 1935)
- World Heritage Convention Act, 1999 (Act No. 49 of 1999)
- CITES Regulations, 2010
- Bioprospecting, Access and Benefit-Sharing Regulations, 2008
- Regulations for the Proper Administration of Nature Reserves, 2012

Provincial Legislation

- Constitution of the Western Cape, 1998
- Land Use Planning Ordinance, 1985 (Ordinance 15 of 1985)
- Nature Conservation Ordinance, 1974 (Ordinance 19 of 1974)
- Western Cape Land Administration Act, 1998 (Act No. 6 of 1998)
- Western Cape Nature Conservation Board Act, 1998 (Act No. 15 of 1998)
- Western Cape Planning and Development Act, 1999 (Act No. 7 of 1999)
- Spatial Planning and Land Use Management Act, 2013 (Act No. 16 of 2013) (“SPLUMA”)
- Land Use Planning Act, 2014 (Act No. 3 of 2014)

New legislation and potential impacts

The following legislation is either new or pending, and it is envisaged that this legislation will impact on CapeNature:

- Threatened or Protected Species Regulations, 2007 (currently being amended/replaced)
- Alien and Invasive Species Regulations, 2009 (still in draft form)
- National Environmental Management: Protected Areas Amendment Act, 2013
- Bio-prospecting, Access and Benefit Sharing Regulations, 2013 (still in draft form)

7.3 Policy mandates

Beyond the Policy White Papers relevant to the sector, the following are key national and provincial environmental and biodiversity strategic policy frameworks that guide CapeNature's strategic response during the current strategic plan cycle:

National strategic frameworks:

- National Framework for Sustainable Development (NFSD) (2008)
- Strategic Plan for the Environmental Sector (2009-2014)
- National Biodiversity Strategy and Action Plan (NBSAP) (2005)
- National Biodiversity Framework (NBF) (2009)
- Climate Change Response Strategy (2004)

Provincial strategic frameworks:

- Western Cape Sustainable Development Implementation Plan (SDIP) (2007)
- Western Cape Climate Change Response Strategy (2013)
- Western Cape Provincial Spatial Development Framework (PSDF)

7.4 Relevant court rulings

None

7.5 Planned legislative and policy initiatives

CapeNature drafted a Biodiversity Bill to replace the existing provincial Nature Conservation Ordinance, 1974 (Ordinance 19 of 1974). The purpose of this Bill is to replace the existing provincial Nature Conservation Ordinance, 1974 (Ordinance 19 of 1974). The Draft Biodiversity Bill process has been assumed by the Department of Environmental Affairs and Development Planning, along with the drafting of the Western Cape Nature Conservation Board Amendment Act (Act No. 15 of 1998), as a combined process.

The following legislative and policy initiatives, focused specifically on wildlife management, are planned:

- Policy on Fencing and Enclosure of Game, Predators and Dangerous Animals in the Western Cape Province (still a draft)
- Bontebok Non-Detriment Finding (still a draft)
- Cape mountain zebra Non-Detriment Finding (still a draft)

8. ORGANISATIONAL STRUCTURE



**MINISTER FOR
LOCAL GOVERNMENT,
ENVIRONMENTAL AFFAIRS AND
DEVELOPMENT PLANNING**
Mr Anton Bredell

WESTERN CAPE NATURE CONSERVATION BOARD



CHIEF EXECUTIVE OFFICER
Dr Razeena Omar



**CHIEF FINANCE
OFFICER**
Mr Allan Preston



**BIODIVERSITY
SUPPORT**
Dr Ernst Baard



**MARKETING and
ECO-TOURISM**
Mr Sheraaz Ismail



**CONSERVATION
MANAGEMENT**
Ms Gail Cleaver-Christie



**CORPORATE
SERVICES**
Vacant





PART B
PERFORMANCE
INFORMATION

I. AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

The Auditor-General South Africa performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against pre-determined objectives is included in the report to management, with findings being reported under the Pre-determined Objectives heading in the Report on other legal and regulatory requirements section of the Auditor's Report.

Refer to page 93 of the Report of the Auditor's Report, published as **Part E: Financial Information**.

2. SITUATIONAL ANALYSIS

2.1 Service delivery environment

Protected Area Management

In July 2013, Minister Anton Bredell (Department of Environmental Affairs and Development Planning) approved the Dyer Island, Geysers Island, Quoin Rock and Dassen Island Nature Reserve management plans, which are aligned to the National Environmental Management: Protected Areas Act, 2003 (Act No. 57 of 2003). During the reporting period, 11 Provincial Nature Reserve management plans were implemented, which is within the organisation's prescribed five-year implementation period.

Protected Area Management Plans have been drafted and stakeholder participation undertaken for the De Mond Nature Reserve Complex (De Mond Nature Reserve, Waenhuiskrans Nature Reserve, Soetendalsvlei Nature Reserve) and Rocherpan Nature Reserve Complex (Rocherpan Nature Reserve and Rocherpan Marine Protected Area). These plans are in the final stages of completion before they will be submitted to the Board for consideration.

In order to provide a uniform performance evaluation tool to assess management effectiveness of protected areas in South Africa, the Management Effectiveness Tracking Tool (METT-SA) audit is conducted annually. The National Department of Environmental Affairs in agreement with the CEO forum on Protected Areas, set the national norm for management effectiveness for protected areas in South Africa at a minimum of 68%. CapeNature has been able to improve management effectiveness consistently, due to focused actions plans at national, provincial, entity and site level.

Terrestrial Protected Areas	2010/11	2011/12	2012/13	2013/14
Number of Protected Areas assessed	93	93	95	106
Number of Protected Areas with a METT score >67%	5	33	51	90
Percentage Protected Areas with METT score >67%	5%	35%	54%	85%
Percentage hectares with >67% METT Score	46%	65%	71%	76%

CapeNature initiated a process to rezone three Marine Protected Areas (MPAs), namely Betty's Bay, Goukamma and Robberg. Representatives of CapeNature have met with Angling SA, as recreational angling will be affected by the planned rezoning processes.

CapeNature played an integral role in estuary and coastal management in the Western Cape, providing a support role to 16 estuary management forums, three Municipal Coastal Committees, the Provincial Coastal Committee and to the Department of Environmental Affairs: Oceans and Coasts.

The Olifants Estuary is representative of the largest supra-tidal and floodplain salt marshes in South Africa. The communities of Papendorp and Ebenhaezer submitted a land claim, as part of the land restitution process, on the properties on the southern bank of the river mouth and estuary and identified key areas for conservation for future inclusion into the Stewardship Programme. A joint management model has been proposed to the estuary forum to assist with the management of the proposed conservation area.

Disaster Management

On Thursday 8 August 2013, the *Kiani Satu*, a 164 m ship, was discovered grounded on a surf zone reef in the middle of the Goukamma Marine Protected Area (MPA), near Buffalo Bay. Goukamma Nature Reserve staff members participated in the rescue mission of the 19 people on board. An Incident Command Centre to manage the clean-up operations was established; it included members from Local and District Municipalities, Western Cape Disaster Management, South African Maritime Safety Authority (SAMSA), the National Department of Environmental Affairs, CapeNature, the Southern Cape Fire Protection Agency and Working on Fire teams and the Southern African Foundation for the Conservation of Coastal Birds (SANCCOB).

Fuel spillage was limited to about 50 tonnes of fuel oil and a total of 66 African Penguins, 172 Cape Gannets and one White-breasted Cormorant were found oiled along the coast from Mossel Bay to Bird Island in Algoa Bay. These birds were taken to the Southern African Foundation for the Conservation of Coastal Birds (SANCCOB) facility in Cape St. Francis, where the majority were cleaned, rehabilitated and released.

On 27 February 2014 a 24 m fishing vessel, *Connect*, ran aground at Stony Point, an African Penguin colony, near Betty's Bay. With the exception of the captain, who did not survive, all crew members were rescued. The vessel contained 80 litres of engine oil and 9 000 litres diesel, which spilled into the sea, predominantly polluting the rocks. An integrated Incident Command Centre was established to assess the extent of the pollution. This command centre, responsible for clean-up operations, was established at the Betty's Bay Boat Club and consisted of Local Municipalities, District Municipality and Western Cape Disaster Management, South African Maritime Safety Authority (SAMSA), the National Department of Environmental Affairs, CapeNature and the Southern African Foundation for the Conservation of Coastal Birds (SANCCOB). The penguin colony was monitored over the weekend and particular attention was given to returning penguins.

A number of nature reserves across the Western Cape were affected by flooding during December 2013 and January 2014. The affected CapeNature reserves included De Mond, De Hoop, Keurbooms River, Swartberg (Gamkaskloof) and Anysberg Nature Reserves.

Multiple rescue and evacuation operations were mounted to airlift tourism customers and staff safely from the affected reserves and neighbouring properties. The flooding incident affected many roads providing access to reserves and the cost of repairing these roads have been assessed.

Infrastructure

Funding was secured for four of the seven infrastructure projects CapeNature submitted to the Department of Environmental Affairs: Environmental Protection and Infrastructure Programme (EPIP) for the funding period 2014/15 – 2018/19. The approved projects, which commenced 1 April 2014, include the following:

CapeNature Project Name	Communities	Project Deliverables/ Description	No of Jobs	Amount
Knersvlakte Nature Reserve - Fencing Project	Vanrhynsdorp, Nuwerus, Bitterfontein, Rietpoort and Vredendal	Erect 350 km of 1.8 m jackal-proof fence line	40	R15,412,600
Driftsands Nature Reserve - Fencing Project	Delft, West Bank, Silversands, Mfuleni and Khayelitsha	Erect 11 km Palisade fencing around the perimeter of the reserve to protect the reserve from current illegal activities including dumping, prostitution activities, grazing, farming, land invasion etc.	40	R11,000,000
De Hoop Nature Reserve - Upgrading of Roads	Bredasdorp, Swellendam, Napier and Caledon	Upgrading of internal roads on De Hoop Nature Reserve to enhance tourism activities at the reserve	64	R20,000,000
Anysberg Nature Reserve - Upgrading of Roads	Touwsriver, Laingsburg and Ladismith	Upgrade to the road damaged by storms, and upgrade of tourist and management facilities	50	R17,500,000
TOTAL			194	R63,912,600

Landscape conservation

CapeNature's 4 000 ha target to expand protected areas was exceeded by 5 339.62 ha with a total number of 9 339.62 ha added to conservation during the reporting period. The programme model utilised has been adopted by all nine provinces and nationally by the Department of Environmental Affairs.

The following properties were declared Nature Reserves during the reporting period:

- Towerland Trust Nature Reserve (232.60 ha)
- RooiOlifantskloof Nature Reserve (6307.62 ha)
- Blue Hill Nature Reserve (2261.00 ha), which is being managed in conjunction with the Eastern Cape Parks and Tourism Agency

Landowners on the following properties have signed a Protected Area Management agreement with CapeNature:

- Papegaaiberg Protected Area Management Agreement (Stellenbosch Municipality) (143.00 ha)
- Klein Hagelkraal Protected Area Management Agreement (28.52 ha)
- Buffalo Bay Protected Area Management Agreement (318.34 ha)

Private Landowners on the following property signed a Biodiversity Agreement with CapeNature:

- Ashbourne Vineyards Biodiversity Agreement (48.54 ha)

The Goukamma Nature Reserve was expanded by 318 ha through the stewardship mechanism. The adjoining land parcel, Buffalo Valley, is now included in the Goukamma Nature Reserve.

A vocational training programme for farmworkers, which aims to educate and empower staff working on stewardship sites, had eight candidates completing their Nature Guardianship Certificates successfully. This qualification will enable them to be employed as qualified field rangers in future. The third phase, a mentorship programme, will start within the ensuing reporting period.

A ground-breaking offset negotiation in South Africa occurred when the Department of Environmental Affairs and Development Planning stipulated an Environmental Authorisation, during the Shaw's Pass (near Caledon) road re-alignment, as a result of the impact on the Critically Endangered Overberg Sandstone Fynbos. The Provincial Department of Transport and Public Works responsible for the provincial road network was requested to secure 30 ha of the same vegetation type for conservation. The adjoining property landowner chose to enter into a stewardship agreement with CapeNature to declare the 30 ha of vegetation a nature reserve and funding of R7.5 million was secured for the maintenance of the site for the next 100 years. The detail of the financial management of this fund is stipulated in the Environmental Authorisation.

Capacity within CapeNature to achieve the protected area expansion strategy was strengthened as follows:

- CapeNature and the World Wide Fund for Nature (WWF-SA) (acting for the Lesley Hill Succulent Karoo Trust) signed a contract during the reporting period to allow for the appointment of two stewardship negotiators, one in the Upper Breede River area and one in the Karoo; and
- the Table Mountain Fund (associated Trust of the World Wide Fund for Nature-SA) is currently funding a stewardship legal advisor for CapeNature to administer all the legalities necessary for contracting and declaring protected areas.

The Dassenberg Coastal Catchment Partnership (DCCP) is a landscape conservation initiative and partnership between the Wilderness Foundation, City of Cape Town, CapeNature, World Wide Fund for Nature – South Africa (WWF-SA), Table Mountain Fund, Cape West Coast Biosphere Reserve, South African National Parks, the South African National Biodiversity Institute and the surrounding communities of Mamre, Pella, Chatsworth, Riverlands and Atlantis. The DCCP, which is situated to the north of Cape Town in the Atlantis area, is recognised as the most important climate change adaptation corridor identified in the Western Cape. The aim of this corridor is to link the Riverlands Nature Reserve to the coast, and to protect the critical Witzands Aquifer, which provides Atlantis with 40% of its water.

The larger Dassenberg Coastal Catchment Partnership (DCCP) covers an area of approximately 30 000 ha. Within this area, approximately 25 000 ha is conservation-worthy land, and includes some of the most endangered lowland habitats within the Western Cape. It also has significant cultural heritage value. The conservation area spans across the City of Cape Town Metropole and the Swartland Municipality, and will be jointly managed by CapeNature and the City of Cape Town.

A Greater Cederberg Biodiversity Corridor (GCBC) Small Grants facility was created from funding received from the Table Mountain Fund. The Small Grants facility will help to strengthen the corridor's six strategic directions through providing advice and support and building capacity among the communities to manage priority biodiversity effectively. Civil society partners (local communities, landowners, interested groups) will be the beneficiaries of a minimum of 18 projects within the three-year Small Grant funding period. During the reporting period a call for proposals was distributed via an advertisement to the Greater Cederberg Biodiversity Corridor Steering Committee and Working Group members. Several proposals have been received and are under review for the possible allocation of funding.

The GCBC Steering Committee celebrated its 10-year anniversary during the reporting period. This is a milestone for this governance platform and is a reflection of the commitment of the partners in the Greater Cederberg Biodiversity Corridor towards conservation.

The Cape Floral Region Protected Areas World Heritage Site (CFRPA WHS) extension nomination dossier was submitted to the United Nations Educational, Scientific and Cultural Organization (UNESCO) World Heritage Centre during the reporting period. If successful, this extension will double the CFRPA WHS to 1.2 million ha, and will include almost all the significant protected areas of the Cape Floral Region. CapeNature is represented on the Joint Management Committee (JMC) for the CFRPA WHS.

CapeNature is responsible for the management of six of the eight properties included in the CFRPA WHS. In line with Section 42 of the World Heritage Convention Act, 1999 (Act No. 49 of 1999), the organisation is required to report on progress with development of the Integrated Management Plan (IMP) for the CFRPA WHS. The Joint Management Committee is the governance platform for management of the site. The Integrated Management Plan requires that all the Protected Area Management Plans (PAMPs) for the individual Protected Areas within the CFRPA WHS are completed in terms of the National Environmental Management: Protected Areas Act, 2003 (Act No. 57 of 2003). The finalisation of these PAMPs is dependent on adequate resourcing and completion of land transfer processes.

During the period, the nomination for the Gouritz Cluster Biosphere Reserve (GCBR) was updated and resubmitted to the United Nations Educational, Scientific and Cultural Organization (UNESCO) Man and the Biosphere (MAB) programme, who are currently reviewing it. The area comprising the GCBR covers approximately 3.2 million ha, potentially the largest biosphere reserve in South Africa.

CapeNature initiated a strategic partnership with the Wildlife and Environment Society of South Africa and Birdlife South Africa to support protected area expansion within a priority area for the Greater Cederberg Biodiversity Corridor (GCBC). The area of importance includes the catchment area of the Verlorenvlei, as well as land surrounding the vlei. Verlorenvlei is a recognised Ramsar site. Funding was secured through the World Wide Fund for Nature South Africa (WWF-SA) and the Nedbank Green Trust. Stewardship contracts with private landowners will be finalised, and possible maintenance models to secure the long term management of these sites will be investigated. A stewardship extension officer was appointed in Birdlife South Africa to work with the GCBC team to establish new stewardship sites.

Integrated Catchment Management

The Western Cape is one of the primary water catchment areas for the country, and CapeNature manages 90% of the mountain catchment areas in the Western Cape. Sound ecological infrastructure in water catchment areas provides clean, safe water to rivers, dams and the end consumer.

CapeNature submitted a comprehensive bid to the Department of Environmental Affairs: Natural Resource Management to implement various programmes for the period 2014-17, in conjunction with Working for Water, Working on Land and Working on Wetlands. The previous three-year contract with the Department of Environmental Affairs: Natural Resource Management ended on 31 March 2014.

The following is a summary of invasive alien plant eradication completed during the previous three-year project:

Working For Water	2011/2012		2012/2013		2013/2014	
	Planned	Actual	Planned	Actual	Planned	Actual
Initial	24 694	23 028	30 937	29 655	2 632	4 460
Follow-up	82 749	91 483	73 363	95 496	128 126	101 808
TOTAL	107 443	14 511	104 300	125 151	130 758	106 268

CapeNature established a formal unit, funded by the Department of Environmental Affairs, to address the threat posed by alien and invasive animals in the Western Cape. Currently the unit focuses on invasive alien fish and feral pigs.

Seventeen priority rivers in the Western Cape have been identified for the eradication of invasive fish over the next 25 years. To remove invasive fish effectively from rivers, physical barriers, usually in the form of a constructed wall, are often needed to prevent the re-invasion of the river by invasive fish. The Department of Water Affairs assisted CapeNature with plans for three of these barriers, the first of which will be constructed in the Breekkrans River. Once the removal of rainbow trout from the upper Krom River in the Cederberg is completed, CapeNature plans to reintroduce the Critically Endangered Doring fiery redfin there. The unit also rescued several Clanwilliam sandfish from invaded pools in the Biedouw River and relocated them to a bass-free area higher up in the river. Freshwater fish interpretation boards were developed and placed in strategic locations in the Olifants/Doorn River system.

The South African Institute of Aquatic Biodiversity (SAIAB) is undertaking fish surveys of five inland water bodies in the Western Cape, namely the Voëlvlei, Theewaterskloof, Brandvlei and Clanwilliam dams, and Groenvlei, near Sedgfield. The purpose of the survey is to determine the fish species composition in the water bodies, to compare these to past surveys, and to provide recommendations for the management of recreational fishing and harvest fisheries. Preliminary results show that:

- the alien sharptooth catfish is now present in all water bodies except Groenvlei, and is potentially harming valuable recreational bass fisheries;
- the Endangered Berg-Breede whitefish is still flourishing in Brandvlei dam; and
- a good number of Vulnerable mature Clanwilliam yellowfish were found in the Clanwilliam Dam.

The eradication of feral pigs, listed as one of the top 100 worst invasive species worldwide, is the focus of a pilot study in the Kasteelberg/Porseleinberg area. With Department of Environmental Affairs funding, this project was initiated in December 2011, and as at the end of the reporting period, more than 450 feral pigs had been removed. Different control methods, such as constructed coral traps in the Swartland area, were tested, and the unit also made use of satellite tracking and thermal night vision equipment to monitor the movements, feeding routes and sleeping areas of the pigs.

The Duiwenshoks Wetland Rehabilitation Project has achieved the best performance among all wetland projects across the country each year since the inception of the award in 2009/10, and was judged as overall winner for both beneficiary compliance and construction work over the last two years. This project, with 47 workers and an estimated 188 indirect beneficiaries, addresses the rehabilitation of the Goukou and Duiwenshoks wetlands near Riversdale and Heidelberg, respectively. These areas, dominated by palmiet plants, are considered of high value for both biodiversity and water supply to nearby towns and farms.

The West Coast Working for Wetlands Project was initiated in 2006 by Working for Wetlands within the Greater Cederberg Biodiversity Corridor along the Verlorenvlei wetland system. Since the start of the project tremendous progress has been made in terms of rehabilitation work, creating awareness and employment opportunities. Over the reporting period, the project employed 53 workers and delivered 5 533 person days worked, with 968 hectares of alien invasive plants cleared. With almost 80% of the Verlorenvlei system rehabilitated, the project is aiming to expand its footprint to include new areas on the West Coast, focussed towards wetlands situated within the catchment of the Olifants/Doorn system.

The fire season (October 2013 – April 2014) during the reporting period proved to be very mild when compared with previous years, both in regard to the number of fires that were suppressed and total area burnt.

CapeNature Area	2012/13		2013/14	
	NO OF FIRES	TOTAL HECTARES	NO OF FIRES	TOTAL HECTARES
Boland	40	11 012	24	438
Breedeberg	23	4 556	6	6 379
Garden Route	3	836	2	1
Karoo	5	3 552	3	201
Langeberg	7	3 292	5	1 641
North West	18	55 711	5	258
Overberg	3	8 583	0	0
TOTAL	99	87 542	45	8 918

Possible reasons for the reduction in the number of fires include the following:

- the Western Cape experienced a very wet and mild summer season with a very low incidence of south-westerly winds;
- very low incidence of lightning;
- the effectiveness of the Provincial Disaster Management Centre's (PDMC) first-hour aerial response. The PDMC sponsored a rapid aerial response, which included one hour of flying time, to any fire that the District Municipality Fire Chiefs considered a danger. This action was highly effective, and very few fires burnt beyond the first hour;
- acceptance by the District Municipality Fire Chiefs of CapeNature's identified eco-sensitive zones, which were communicated to them prior to the fire season in October 2013;
- the rapid and intensive initial response of CapeNature's fire-fighting teams, which includes CapeNature staff, Working on Fire teams and contractors. Simulation training prior to the season familiarised staff with the need for a rapid concentrated response and implementation of the internationally-recognised Incident Command System. This simulation training involved all roleplayers, ensuring better understanding of the roles and responsibilities of fire partners and greater cooperation at an incident; and
- a number of awareness interventions, including community radio broadcasts, sensitising communities to report any fires immediately were done in communities close to eco-sensitive areas.

During the reporting period, CapeNature hosted numerous training and preparedness interventions including:

Course	Dates	Number of CN People Attended
Fire Investigation - Cause and Origin	8 - 12 April 2013	11
Prescribed Burning for Fire Managers	8 - 12 April 2013	12
Basic Fire Fighting Training	25 Nov - 11 Dec 2013	18
Basic Fire Fighting Refresher Training	12 December 2013	15
ICS 200	19 - 20 November 2013	49
North Summer School	21 November 2013	39
Crew Leader	11 - 15 November 2013	4
Crew Leader Refresher	9 - 10 December 2013	19
Fire Boss	3 - 6 December 2013	15
Fire Boss Refresher	11 December 2013	24
ICS 420	11 - 15 December 2013	10

CapeNature hosts eight Working on Fire teams, totalling about 225 firefighters, at various reserves throughout the province. Working on Fire celebrated its 10th year, and held a celebration camp in Bloemfontein. The Western Cape Working on Fire teams (comprising 50 firefighters of whom 22 were from CapeNature bases) won the national team competition.

Socio-economic development

With funding secured by the Department of Environmental Affairs and Development Planning, CapeNature was able to create 1 241 job opportunities in 54 Expanded Public Works Programme (EPWP) projects for the reporting period. All projects registered by CapeNature were deemed to be EPWP compliant. Two audits conducted on the Vrolijkheid Nature Reserve Incentive Grant project yielded positive feedback.

The appointment of 391 Full Time Equivalents with EPWP funding has significantly increased the capacity available to reserves. An example of the success of this EPWP Programme is at Matjies River Nature Reserve. Previously this reserve was managed by one manager and a field ranger. The EPWP Programme has made it possible to appoint an administration assistant, assistant field ranger and four general workers. Ecological work and biological data collection has improved: for example, only 206 data points were collected during 2010, increasing to well over 2 000 data points collected during the reporting period. In addition, approximately 500 hours of South African Bird Atlas Project recordings were made with the help of an Assistant Field Ranger. Although CapeNature is not currently the implementing agent for the Working for the Coast or the Working on Fire (WoF) Programmes and cannot therefore account for the jobs created, both of these Programmes are hosted on many of our reserves. There are currently nine WoF bases (9 x 25 = 225 firefighters) and five Working on Coast teams (55 people) operational on the reserves, and CapeNature is directly involved with the work planning and day to day management of these teams. As the teams are operational on the reserves for 10 months of the year, the hosting of these teams by CapeNature is critical for the implementation of these EPWP Programmes.

A structured contractor development plan was developed and approved for the reporting period. Eight contractors were identified and a contractor Imbizo was arranged, to which business support institutions were invited in order to engage with contractors on the support available from provincial and national government. In recognition of the positive contribution which Small, Medium and Micro Enterprises (SMME) Development makes to the health of the economy, CapeNature successfully hosted a SMME Indaba on 18 February 2014.

Opportunities were created at this indaba for emerging contractors and enterprise development institutions such as ABSA, The Business Place, the Small Enterprise Development Agency, South African Revenue Service and the National Youth Development Agency to deliberate on issues such as business development programmes (i.e. access to finance and markets, training on business and financial management, mentoring and coaching).

On 12 March 2014 CapeNature, in partnership with Department of Community Safety, hosted a 2013/14 “Driver of the Year” competition at the Gene Louw Traffic College in Brackenfell. The main objectives of the competition were to improve driving skills and reduce accidents involving motor vehicles. Christie Nel (a contractor from the Kogelberg Nature Reserve) won 2013/14 “Driver of the Year”, with Mzikabawo Thys (from Fukweni Thys Construction in Oudsthoorn) in second place and Fumanekile Lihlonye (a driver for Thandiziwe Contractor from Hottentots Holland Nature Reserve) in third place.

During the reporting period, sustainable harvesting opportunities were created for the communities surrounding reserves. Some of the opportunities include:

- the sour fig harvesting and jam making project near Overberg who displayed and sold their jams during the Provincial People and Parks conference held in George on 27 September 2013.
- the wood harvesting project at Goukamma Nature Reserve where a beneficiary has been harvesting wood since 2006 (eight years) and employs eight people by supplying wood to Cape Town buyers.
- the Albertinia Aloe Co-op is producing aloe crystals and aloe sap from sustainable harvesting practices. Five of the Co-operative members were also capacitated and trained in basic business skills and leadership, effective meeting skills and conflict management. While engaging the Natural Resources User Groups, CapeNature also secured R500 000 for implementation by the Albertinia Aloe Co-op from the Department of Rural Development and Land Reform for projects identified by communities in the area.

Environmental education, youth development and awareness

Through various environmental education interventions, CapeNature strives to interact with the youth, typically school learners. These interventions are focused on building the capacity of the youth to become environmentally-conscious citizens and to enable them to make informed decisions about their own environment. Environmental education plays a leading role in conveying messages about conservation and environmental management to the public, and the need to protect biodiversity in the Western Cape.

Through the piloting and implementation of landscape education in partnership with international and local partners, access was provided for environmental education opportunities that highlight the rich natural and cultural heritage of the area. Two landscape education events were hosted in the Knersvlakte Nature Reserve and the Walker Bay Nature Reserve (Klipgat Cave).

CapeNature’s former acting CEO, Dr Kas Hamman, was the keynote speaker at an international seminar on Landscape Education, held in Kalmar, Sweden during May 2013. A Memorandum of Agreement (MOA) was signed in May 2013 between CapeNature, Kalmar Läns Museum (Sweden), Bridging Ages, International Organization in Historic Environment, Education and Time Travels and Bridging Ages Western Cape to further strengthen collaboration around landscape education.

Two staff members attended the International Bridging Ages Conference in Las Cruces, New Mexico in April 2013. Their presentation, entitled “Connecting People, Connecting Nature, Connecting Stories”, highlighted the strides CapeNature has made in developing landscape education initiatives.

The Potberg Environmental Education Centre in the De Hoop Nature Reserve showed an improvement in occupancy rate from 35% in the previous reporting period to 49% in the current period. Schools, universities and the Department of Agriculture (Landcare) are using the facility on a regular basis, but the location of the

centre and the condition of the access road impacts heavily on the cost of a school excursion. To mitigate this impact, a discount is provided to learners to attend camps at the centre.

A total of 540 trainees attended an environmental awareness and leadership programme at Grootvadersbosch Nature Reserve, as part of the induction phase of a skills development programme. A partnership between CapeNature and the Chrysalis Academy aimed to raise the general level of environmental awareness and appreciation of the natural heritage amongst trainees.

During the reporting period the organisation appointed 32 tourism ambassadors from communities surrounding various CapeNature reserves. This National Department of Tourism (NDT) initiative aims to provide job opportunities for young people in the tourism sector. The programme was managed by Proserv, an implementer appointed by NDT, and included partnerships with South African National Parks, CapeNature, City Sightseeing and CleanC (a beach clean-up initiative).

During the reporting period, eight of the nine Work Integrated Learning (WIL) interns located within CapeNature, graduated in March 2014. These conservation trainees completed a one-year practical experiential learning placement (WIL Internship) and received a conservation management qualification, some with distinctions.

The Groen Sebenza programme is a 30-month incubation programme focusing on capacity building of interns who are tutored for careers in the conservation sector. To date, 42 interns have been placed across the organisation with formal mentoring arrangements. Nine interns have secured employment opportunities outside of CapeNature, six of whom have permanent jobs in the sector, and one intern was awarded a PhD fellowship at Rhodes University.

Environmental education and awareness interventions conducted by CapeNature included Environmental Day events, formal programmes on reserves, outreach events, a career guidance conference and many more activities. A total number of 360 environmental awareness activities were conducted during the reporting period.

Some of the highlights from CapeNature's environmental awareness activities include:

- Approximately 138 people from the Goedverwacht community (including youth) participated in the Goedverwacht FireWise Open Day as part of a National Firewise Community Recognition Programme. The purpose of the event was to recognize and celebrate Goedverwacht as one of the communities in the Western Cape to be registered as a FireWise community. The FireWise programme is implemented in partnership with CapeNature and other stakeholders, including local community organisations. The FireWise community awareness programme was also implemented within the Wupperthal Moravian church community in the northern Cederberg and has been valuable as one of the first few steps to capacitate these neighbouring communities to implement fire prevention methods through coordinated and prepared FireWise community committees.
- In coordination with the Dassenberg Coastal Catchment Partnership and the Riverlands Protected Area Advisory Committee, CapeNature launched a "bio-blitz" with youth and the communities in Riverlands and Chatsworth. This entailed a short and intensive visit to Riverlands Nature Reserve to observe and identify as many different threatened species as possible. Communities were taken into the Endangered Atlantis Sand Plain Fynbos areas, comprising several hundred threatened and endangered species, of which less than 1% is formally protected. Many of these fynbos species are either endemic (found nowhere else in the world) or are rare and/or Critically Endangered.
- In partnership with various stakeholders, the Garden Route area reached 6 225 learners through environmental awareness interventions that focused on key environmental themes, outdoor classroom learning and greening initiatives, such as multiple tree plantings in schools, old age homes, pre-schools and surrounding communities.

- A number of Climate Change community workshops, utilising wonder bags and sun stoves as climate change mitigation tools, were undertaken in the Karoo area. Approximately 400 wonder bags and 70 sun stoves were donated to communities during 15 community workshops. Partners in the workshops included the Eden District Municipality, Oudtshoorn Municipality, CapeNature and the South African Ostrich Business Chamber (SAOBC).
- One of the highlights for the Cape Metro area was the establishment of the Junior Ranger Programme. Since the start of the programme in 2012 two groups (90 learners) have graduated. During the reporting period, 40 children from Belhar Primary graduated. The programme requires learners in Grades 6 and 7 to complete certain tasks related to conservation during the course of a year.
- During Marine Week, CapeNature provided marine awareness through a play to 11 schools in the Hessequa area, reaching over 2 000 learners, with funding secured from the Hessequa Municipality.
- CapeNature, the Department of Environmental Affairs and Development Planning and Muizenberg High school started the national coastal clean-up week on 17 September 2013. The coastline areas earmarked for the clean-up included the Muizenberg, St James, Kalk Bay and Clovelly beaches.
- A Biodiversity Youth Conference was hosted in Cape Town on Youth Day. Top Life Sciences pupils from 18 schools attended the conference, where topics identified by the subject adviser for Life Sciences included invasive alien plants, poaching of marine resources and the state of biodiversity in the Western Cape.

Biodiversity scientific support

The Scientific Services Unit provides a professional scientific decision support service to conservation management in the Western Cape.

During the reporting period, the 2010 Western Cape Biodiversity Framework was updated to reflect critical biodiversity gains and losses, as well as national vegetation targets and ecosystem status statistics. This framework is deemed the *de facto* Western Cape Provincial Spatial Biodiversity Plan and will be updated during the ensuing reporting period. The framework is a crucially important planning and decision-making support tool that is incorporated into local and provincial spatial development frameworks, the provincial protected area expansion strategy and protected area management planning.

Scientific Services plans and implements proactive conservation action for priority species and ecosystems, and has the following highlights for the reporting period.

- The African Penguin Biodiversity Management Plan - Species (BMP-s) was approved and published for implementation in the Government Gazette.
- The completion of a draft BMP-s for the Tradouw redbfin, in collaboration with the South African Institute for Aquatic Biodiversity.
- A BMP-s for both the Cape mountain zebra and bontebok were initiated, in partnership with South African National Parks.
- Regular monitoring of the Cape Vulture colony at Potberg in the De Hoop Nature Reserve shows a 14.8% annual growth in population, due to the close working relationship between CapeNature and neighbouring landowners.
- Continued monitoring of the Rondegat project, in collaboration with the Water Research Commission, participation in fish-related policy development and scientific guidance on an alien and invasive fish eradication project in the Krom River.

- The establishment of a committee to oversee and guide the geometric tortoise action plan.
- Providing specialist input and comments into the National Environmental Management: Biodiversity Act, 2004 (Act No. 10 of 2004) and National Environmental Management: Protected Areas Act, 2003 (Act No. 57 of 2003) legislative process, on issues such as norms and standards for hunting, damage-causing animals, protected areas, the translocation of game species, and the draft alien and invasive species regulations.
- Providing specialist comments on development applications and spatial planning in the Western Cape, an important contributor to land-use decision-making and the mainstreaming of biodiversity into spatial planning in the Western Cape.

Two CapeNature staff members attended and presented scientific papers at the International Penguin Conference in Bristol, United Kingdom during May 2013, with sponsorship by the Leiden Foundation. CapeNature presented a talk on the population dynamics of the African Penguin at Stony Point and Dyer Island (*Tale of Two Cities*) and raised awareness of the Biodiversity Management Plan for the African Penguin (BMP-s), under the auspices of the National Environment Management Biodiversity Act, 2004 (Act No. 10 of 2004).

The entity was represented by an ecological coordinator as an International Union for Conservation of Nature (IUCN) delegate that visited the Okavango Delta, Botswana to carry out a World Heritage Site assessment.

The Executive Director: Biodiversity Support and member of the International Union for Conservation of Nature (IUCN) Tortoise & Freshwater Turtle Specialist Group, was invited to participate in an international Red List Assessment Workshop for Sub-Saharan Turtles, Terrapins and Tortoises in Lomé, Togo during August 2013. The trip was partly sponsored by the IUCN Species Survival Commission.

Biodiversity compliance

During the reporting period CapeNature completed a database of all legal and illegal structures in rivers below the high-water mark, as the organisation is responsible for the leasing of these structures. With combined resources from CapeNature, the Department of Environmental Affairs and Development Planning (DEA&DP), various municipalities and the Department of Water Affairs, all structures have been recorded.

The decentralisation and rollout of the electronic permit system to the regions was completed. The electronic permit system now allows customers to apply for and process selected biodiversity compliance permits and licences at regional level.

Over the reporting period, the Biodiversity Crime Unit focused on finalising old cases and also registered and investigated five new cases, some in collaboration with the regional Conservation Services. These cases concerned the illegal possession of ivory, and several cases involving contraventions of the Marine Living Resources Act, 1998 (Act No. 18 of 1998).

The following noteworthy cases were finalised during the reporting period.

- Chu Huong Giang and Dang Xuan Binh were convicted on 16 September 2013 on charges related to the illegal possession and transport of 15 items of rhinoceros horn. Mr Giang, who had a previous conviction for possession of rhino horn, was sentenced to 10 years imprisonment, of which three years were suspended. Mr Binh was sentenced to 10 years imprisonment, of which five years were suspended.

- Qu Li was convicted on 18 November 2013 for the illegal possession of 708.213 kg (10 056 pieces) of African elephant ivory. Mr Li was sentenced to a fine of R1 million and 10 years imprisonment, with the imprisonment being suspended for five years. Mr Li paid the fine.
- Lin Mei Ping was convicted on 18 November 2013 for the illegal possession of 9.535 kg (342 pieces) of African elephant ivory. Mrs Ping was sentenced to a fine of R200 000 and two years' imprisonment, of which R100 000 and one year was suspended for five years. Mrs Ping paid the fine of R100 000.

CapeNature staff issued 37 admissions of guilt fines for contraventions of the Marine Living Resources Act, 1998 (Act No. 18 of 1998) and 16 fines for contraventions of the Nature Conservation Ordinance, 1974 (Ordinance 19 of 1974).

There are currently 21 designated Environmental Management Inspectors (EMIs) within CapeNature. A further 10 employees attended the EMI training successfully during the reporting period, and are awaiting official designation.

The reconstitution of the CapeNature Wild Animal Advisory Committee (WAAC) was required to improve the scope of its work. This committee advises the CapeNature Executive on matters relating to the conservation and utilisation of wild animal species in the province. CapeNature received, processed and approved 30 Game Management Plans for individual farms in terms of the CapeNature Game Translocation and Utilization Policy.

During the reporting period, the Game Translocation and Utilization Policy was amended and a new bontebok operational guideline was drafted. A new fencing policy that pertains to the enforcement of fencing standards for game and other wildlife predators was drafted. This will be set out for public participation in the ensuing reporting period.

During the reporting period the organisation advised on a number of human/wildlife interactions, particularly relating to the management of baboons in the Cape Peninsula. The situation regarding the management of baboons in the Cape Peninsula, in collaboration with the City of Cape Town and South African National Parks, is gradually improving, with a structured collaborative approach resulting in the normalising of baboon troop behaviour in that area.

The Damage-Causing Animal Protocol was finalised and rolled out for implementation by the Predator Management Forum. CapeNature staff and industry stakeholders were trained on the management of damage-causing animals during the reporting period.

CapeNature provided comment on the national Hunting Norms and Standards, and input into the Sport Hunting Notice for 2014. The latter was implemented, along with new general examinations and regulations for professional hunters.

Tourism

CapeNature's tourism facilities continued to show a positive growth trend during the reporting period. Total tourism income increased by 10.3% compared with the projected target for the financial year. Strong contributors to this target being achieved and exceeded are as follows:

- a 7.2% increase in overnight accommodation;
- an 18% growth in Wild Card sales; and
- a 39% increase in reserve events over the previous reporting period.

Various marketing distribution channels and social media platforms including Facebook, YouTube, the monthly e-newsletter and targeted campaign and promotional mailers all contributed to increased website traffic and customer engagement.

This reporting period represents the fourth successful year of operation of the Tourism Public Private Partnership (PPP) at De Hoop Nature Reserve, where targets have already exceeded performance predicted in the original feasibility study. The PPP reported consistent growth in both occupancy and turnover; this could be attributed to improved marketing efforts, customer experience management and diversified product and activity offerings. Five of the seven concessions are fully operational and the private party is continuing to source new investors for the remaining concessions.

CapeNature focused strongly on media to improve brand awareness, and increase conservation and environmental awareness with the public. With a strong tourism presence in online media and trade magazines, the organisation managed to leverage media exposure to an estimated advertising value of R68.4 million. This represents a 35% growth compared with the previous reporting period. The media exposure achieved consists of 60% print, 13% broadcast and 27% online exposure.

Over the year, several improvements were made at selected reserves, enhancing the experience of visitors to CapeNature reserves. The two new product developments earmarked for the reporting period were the development of the Marine Exhibition Centre at Lamberts Bay Bird Island Nature Reserve and new tourism accommodation at Vrolijkheid Nature Reserve. The Cederberg Nature Reserve secured R20 million from the Department of Environmental Affairs to redesign all management infrastructure and to develop new tourism accommodation facilities. It is envisaged that this project will be completed within the ensuing reporting period.

2.2 Organisational environment

The organisation started the reporting period on the back of a qualified audit report. This audit finding ensured that the organisation re-evaluated its processes and procedures, resulting in the implementation of more stringent internal control mechanisms to address the deficiencies identified during the audit of the previous reporting period.

During the reporting period, an inter-governmental task team was appointed, as per a Ministerial request, to assess and review the strategies, structure and role definitions of CapeNature and the Department of Environmental Affairs and Development Planning. The task team concluded their assessment and provided the Minister with a recommendation during July 2013. An implementation plan with seven areas of delivery was submitted to the Minister in December 2013. The implementation plan is scheduled until March 2016.

The reduction of the budget necessitated Management to review the structure, function and the number of posts, particularly at top and senior managerial levels. Thereafter, the Executives engaged in an exercise with their respective teams to reorganise their Departmental structures to improve effectiveness and efficiency. In this regard, a decision was taken to consolidate the eight areas into three regions, and the revised organogram was approved by the Board. The implementation of the new structure is scheduled for 1 September 2014, to allow the organisation to rollout the new model and streamline it prior to 31 March 2015, to coincide with the start of the new five-year strategic period.

After 42 years of dedicated service to biodiversity conservation in the Western Cape, CapeNature said goodbye to acting Chief Executive Officer (CEO) Dr Kas Hamman, who retired on 31 January 2014. Dr Hamman handed the leadership of the organisation over to Dr Razeena Omar who officially took over as CEO on 1 February 2014.

Having vacated his position of Executive Director: Biodiversity Support, Dr Hamman's position was advertised and Dr Ernst Baard was appointed in this position in July 2013.

During the reporting period there was also a change at Conservation Management Executive Director level when Dr Quentin Espy resigned after 12 months of service in May 2013. The directorate had an acting director between June 2013 and February 2014, after which Ms Gail Cleaver-Christie was appointed in March 2014 as the Executive Director: Conservation Management.

The position of the Information and Communication Technology (ICT) Manager proved very difficult to fill in the preceding and current reporting periods. Since October 2012, the position has been filled by an acting ICT Manager and was advertised on two occasions with no successful appointments. The organisation embarked on a head-hunting process and successfully appointed an ICT Manager on 1 December 2013.

During the reporting period, CapeNature experienced a number of challenges that hampered operations at the Head Office building based in the Provincial Government Western Cape Shared Services Centre, Bridgetown. Disruptions included strike actions from the taxi industry and consistent defective telephony (sometimes for a week at a time) due to a faulty electrical system in the building. These disruptions impacted on the quality of service that the organisation was able to provide to the public, prohibited access to the building and affected our ability to generate revenue.

2.3 Key policy developments and legislative changes

During the reporting period a number of internal policies were drafted and approved for the organisation:

- Subsistence allowance
- Recruitment and selection

2.4 Strategic outcome-oriented goals

Strategic Goal 1	<i>Integrated biodiversity management</i>
Goal Statement	Securing priority biodiversity and ecosystem services through integrated biodiversity planning and management enabling appropriate climate change response.
Justification	Biodiversity conservation is the core mandate of CapeNature and the foundation of the economy of the Western Cape. It is essential that biodiversity conservation results in the best possible improvement in the status of biodiversity and ecosystem services on a sustainable basis, responding appropriately to the impacts of climate change.
Links	The conservation of biodiversity and maintenance of ecosystem services is the foundation for sustainable development in the Province. Its conservation and sustainable use will contribute to achieving the national biodiversity conservation targets and provide opportunities for growth and development.

Strategic Goal 2	<i>Development of social capital</i>
Goal Statement	Contributing to the reconstruction and development of social capital.
Justification	CapeNature has a legally mandated role to play in developing an environmental conservation ethic within learners, the youth and the general public of the Province. It has both the relevant core focus and facilities to make a significant impact.
Links	Education, awareness and the acknowledgement of the value of biodiversity is a cornerstone to realising the conservation economy foundation. This is recognised by the NFSD, NBSAP and NBF. The MTSF also envisages the expansion of the National Youth Service Programme over the next five years.

Strategic Goal 3	<i>Growing the conservation economy</i>
Goal Statement	Sustaining and growing the conservation economy.
Justification	CapeNature is committed to enabling increased access to social benefits and local economic development opportunities through strategies that encourage the participation of historically disadvantaged groups. In South Africa, ensuring the implementation of a People and Parks strategy is seen as a priority.
Links	The “green job” as described in the MTSF is directly related to CapeNature’s efforts to develop tourism and hospitality SMMEs and generate economic development opportunities through its management and servicing of its conservation estate. It is also directly related to the national government’s drive to create work opportunities.

Strategic Goal 4	<i>Institutional effectiveness and efficiency</i>
Goal Statement	Ensuring an efficient and effective institution through cutting edge leadership.
Justification	As a relatively young public entity implementing a growing mandate in a context of modernisation and transformation, it will be important to continue to focus on institutional strengthening strategies. Therefore, good corporate governance, institution building, sustainable funding streams, strategic partnerships and efficient administrative support need to result in fitness for purpose.
Links	Improving corporate governance and efficiency in service delivery are key requirements for public entities.

Strategic Goals	Strategic Objectives	Current Programme
GOAL 1 Securing priority biodiversity and ecosystem services through integrated biodiversity management, enabling appropriate climate change response.	1.1 Effective knowledge management informs development and conservation priorities.	2: Biodiversity Support 3: Conservation Management
	1.2 Implementation of the Western Cape Biodiversity Plan and Protected Area Expansion Strategy to secure priority biodiversity.	2: Biodiversity Support 3: Conservation Management
	1.3 Sustained conservation management in priority catchments maintains ecosystem services.	2: Biodiversity Support 3: Conservation Management
	1.4 Legal and wildlife support services and biodiversity crime prevention result in the protection and sustainable use of biodiversity.	2: Biodiversity Support 3: Conservation Management

Strategic Goals	Strategic Objectives	Current Programme
<p>GOAL 2 Contributing to the reconstruction and development of (talent enhancement) social capital.</p>	<p>2.1 Facilitate youth and community development through environmental awareness and assist in developing the knowledge, skills, values and commitment necessary to achieve sustainable development.</p>	<p>2: Biodiversity Support 3: Conservation Management</p>
<p>GOAL 3 Promoting socio-economic development through the conservation economy.</p>	<p>3.1 Develop and implement strategies to facilitate equitable access to and participation in the conservation economy through a People and Parks Programme.</p>	<p>2: Biodiversity Support 3: Conservation Management 4: Marketing and Eco-tourism</p>
<p>GOAL 4 Ensuring an efficient and effective institution.</p>	<p>4.1 Increased sustainable revenue is attained through enhanced tourism product development.</p>	<p>4: Marketing and Eco-tourism</p>
	<p>4.2 Develop policies, systems and processes to support service delivery.</p>	<p>1: Administration 4: Marketing and Eco-tourism 1: Administration</p>
	<p>4.3 Institution building enables a supportive working environment.</p>	<p>1: Administration</p>

3. PERFORMANCE INFORMATION BY PROGRAMME

3.1 Programme I: Administration and Governance

Purpose: To ensure that good corporate governance is achieved and that efficient and effective services are delivered to the organisation with regards to finances and administration and all aspects of human resource management.

Strategic Objectives	<i>Policies, systems and processes</i>
Objective Statement	Develop effective policies, systems and processes to support the core business and enhance service delivery.
Baseline	Improved service delivery is supported and an unqualified Auditor-General's Report achieved. Key systems for corporate monitoring and evaluation, financial management, quality management, risk management and information technology are being developed.

Strategic Objectives	<i>Institution building</i>
Objective Statement	Institution building enables a supportive working environment.
Baseline	An institutional building strategy was developed, including a new organisational structure, pay parity significantly advanced, a performance management system was developed and a Personal Development Plan developed and implemented for each employee.

STRATEGIC OBJECTIVES, PERFORMANCE INDICATORS PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

Strategic Objectives

Programme Objective: Develop effective policies, systems and processes to support the core business and enhance service delivery					
Sub-Programme 1.1 – Office of the CEO					
Strategic Objectives	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to actual achievement for 2013/2014	Comment on deviations
Number of policies, systems and processes to support core business	N/A	7	7	None	
Sub-Programme 1.2 – Finance and Administration Services					
Strategic Objectives	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to actual achievement for 2013/2014	Comment on deviations
Percentage deviation from corporate governance standards	Qualified Auditor - General's Report	Unqualified Auditor - General's Report	Unqualified Auditor - General Report	None	
Percentage deviation from corporate governance standards.	Financial Management Improvement Plan implemented	Financial Management Improvement Plan implemented	Financial Management Improvement Plan implemented	None	
Sub-Programme 1.4 – Information Technology and Systems					
Strategic Objectives	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to actual achievement for 2013/2014	Comment on deviations
Percentage reduction in bandwidth usage. (Baseline 657GB)	N/A	10%	36% increase	+46%	This indicator was linked to the installation of a VPN. As a result of resource constraints that were highlighted after the APP was finalised, the decision was taken not to install the VPN.

Programme Objective: Institution building enables a supportive working environment					
Sub-Programme 1.3 – Human Resource Management					
Strategic Objectives	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to actual achievement for 2013/2014	Comment on deviations
Percentage of underperformers improving in performance appraisal score (%) Baseline = 33	N/A	30%	52%	+22%	Interviews were conducted with underperforming employees and managers to discuss reasons for under-performance.

Key performance indicators, planned targets and actual achievements

Programme I: Administration						
Strategic Objectives	Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to actual achievement for 2013/2014	Comment on deviations
Develop effective policies, systems and processes to support the core business and enhance service delivery	Number of Board meetings held (n)	4	4	4	None	None
	Number of Board Committee meetings held (n)	20	20	20	None	None
	Percentage reduction in bandwidth usage	N/A	10%	36% increase	+46%	This indicator was linked to the installation of a VPN. As a result of resource constraints that were highlighted after the APP was finalised, the decision was taken not to install the VPN. Web filtering has been introduced to facilitate the reduction of non-business bandwidth utilisation.
Institution building enables a supporting working environment	A five-year Human Capital Development Strategy adopted	1	Implement milestones of Human Capital Development Strategy	1	None	None
	Number of people benefitting from skills development interventions (n)	112	100	243	+143	Interventions related to the Groen Sebenza Programme could not be quantified at the time of planning. Further over-performance was related to the implementation of the on-the-job learning programme, with uptake exceeding anticipated participation.
	Percentage variation in number of disciplinary processes as a result of focused wellbeing interventions	N/A	10% Decrease	21% Decrease	+11%	The positive result herein is due to greater visibility and a greater emphasis on discipline at induction sessions.

Strategy to overcome areas of under-performance

The only target that was not met was the percentage bandwidth reduction, which had been linked to the installation of a Virtual Private Network (VPN). A resource constraint was highlighted after the Annual Performance Plan was finalised, and the entity was unable to amend the target, resulting in under-performance. In the absence of a VPN this target will remain a challenge, however, other measures have been implemented to reduce non-business bandwidth utilisation.

Changes to planned targets

The public entity had no in-year changes to performance indicators.

Linking performance with budgets

The programme underspent on the budget by R1.4 million, primarily as a result of the vacancies of the CEO, Human Resource Director and Information and Technology Manager positions. Suffice to say, the overspend of Finance and Administration is a result of an increase in the external audit fee of R1.2 million due to additional work performed by the Auditor-General. The subsequent qualification of the financial statements by the Auditor-General (AG) necessitated that the entity source a service provider to assist with the reconciliations of the 21 project accounts. Furthermore, Public Work transferred R2.8 million to the entity for payment of a contractor. The income has been recognised and the R2.8 million was paid to a contractor, thus resulting in a nil effect.

Programme/active/objective	2013/2014			2012/2013		
	Budget	Expenditure	(Over)/ Under Expenditure	Budget	Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Office of the CEO	5 586	4 149	1 437	5 010	4 159	852
Finance and Administration Services	30 644	39 904	(4260)	29 525	28 920	605
Human Resource Management	10 931	7 064	3687	12 911	10 521	2 391
Information Technology and Systems	6 067	5 748	320	4 427	4 985	(558)
TOTAL	53 227	51 864	1 363	51 873	48 584	3 289

3.2 Programme 2: Biodiversity Support

Purpose: To develop and apply effective knowledge management and decision support systems to maintain, restore and conserve biodiversity and ecosystems required to sustain livelihoods in the Western Cape.

Strategic Objectives	<i>Knowledge Management</i>
Objective Statement	Effective knowledge management informs development and conservation priorities.
Baseline (2008/2009)	Biodiversity priorities consolidated into the Biodiversity Information System which enables the State of Biodiversity reports, informed planning, management and decision-making.

Strategic Objectives	<i>Securing biodiversity priorities</i>
Objective Statement	Implementation of the Western Cape Biodiversity Plan and Protected Area Expansion Strategy (PAES) secure priority biodiversity.
Baseline (2008/2009)	Currently the Biodiversity Management System has incorporated all information from fine-scale plans which will be the information platform for the Biodiversity Plan and PAES which are in development.

Strategic Objectives	<i>Conservation management maintains ecosystem services</i>
Objective Statement	Sustained conservation management in priority catchments maintains ecosystem services.
Baseline (2008/2009)	The total hectares alien vegetation cleared on CapeNature managed land is 42 897 hectares initial and 87 952 hectares follow-up. The current statistics for land burned due to wildfires is in the order of 99% of all land burned in a year.

Strategic Objectives	<i>Legal and Wildlife Support Services</i>
Objective Statement	Legal and wildlife support services and biodiversity crime prevention results in the protection and sustainable use of biodiversity.
Baseline	Currently only 12 Environmental Management Inspectors are appointed in CapeNature. The organisation has a well-established and functioning legal and wildlife support service working towards the sustainable use and protection of biodiversity. CapeNature staff is empowered to deal with legal and wildlife matters.

Strategic Objectives	<i>Youth development and environmental education and awareness</i>
Objective Statement	Facilitate youth and community development through environmental awareness and assist in developing the knowledge, skills, values, and commitment necessary to achieve sustainable development.
Baseline (2008/2009)	80% of NYSP graduates received employment in the conservation sector. 26 556 learners were provided with access to environmental education and 27 youths participated in the National Youth Service Programme.

Strategic Objectives	<i>People and Parks</i>
Objective Statement	Develop and implement strategies to facilitate equitable access to and participation in the conservation economy through a People and Parks Programme.
Baseline (2008/2009)	A People and Parks Action Plan was developed, 252 578 person days created through EPWP and 2 525 job opportunities through the implementation of a range of projects. Access was provided to protected areas (PAs) for 1 278 people for cultural, traditional, spiritual and sustainable harvesting activities. Volunteer effort allocated to CapeNature is currently 8 000 hours/annum.

STRATEGIC OBJECTIVES, PERFORMANCE INDICATORS PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

Strategic Objectives

Programme Objective: Implementation of the Western Cape Biodiversity Plan and Protected Area Expansion Strategy to secure priority biodiversity					
Strategic Objectives	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to actual achievement for 2013/2014	Comment on Deviations
Number of planning mechanisms produced which contribute to conservation planning within the Western Cape Province	N/A	1	1	None	-

Key performance indicators, planned targets and actual achievements

Programme 2: Biodiversity Support						
Strategic Objectives	Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to actual achievement for 2013/2014	Comment on deviations
Effective knowledge management informs development and conservation priorities	Number of environmental research projects undertaken (n)	N/A	10	12	+2	This sector indicator is demand driven. Research projects undertaken, with approved permits, is determined by the number of research project applications received.
	Number of functional environmental information management databases maintained (n)	5	4	5	+1	During the previous audit, an additional information database was identified. The approval cycle for the APP did not allow for the target to be amended.
	An updated Provincial Biodiversity Conservation Plan completed for the Western Cape	Not achieved	1	1	None	None
	Percentage of all land under conservation (both private and public) (%) Baseline = 5.87%	6.47	6.14	6.54	+0.4	An over-achievement in this indicator is desirable.
	Number of new hectares under conservation through biodiversity stewardship (n)	9 709	4 000	9 339.62	+5 339.62	CapeNature concluded agreements where properties had larger areas than the anticipated hectares. An over-achievement in this indicator is desirable.
	CapeNature post-fire season report compiled	CapeNature 2011-12 post-fire season report compiled	1	1	None	None
	Number of Biodiversity Management Plans - Species produced (n)	0	1	1	None	None

Programme 2: Biodiversity Support (continued)						
Strategic Objectives	Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to actual achievement for 2013/2014	Comment on deviations
Effective knowledge management informs development and conservation priorities (continued)	The Western Cape Biodiversity Act promulgated (Replaces Nature Conservation Ordinance 19 of 1974)	Not achieved	Submission of Draft Bill to Cabinet for approval	Not achieved	-1	The WCNCB approved the Draft Biodiversity Bill in December after which DEA&DP Legal Review Work Group adopted the processing of the Bill during February/March 2014 for submission to Cabinet.
Sustained conservation management in priority catchments maintains ecosystems services	Number of management plans for Ramsar site in accordance with the Ramsar convention guidelines developments (n)	1	1	1	None	None
	Number of estuary management plans developed in line with contractual agreements with Oceans and Coast and partners. (n)	0	1	1	None	None
Legal and wildlife support services and biodiversity crime prevention results in the protection and sustainable use of biodiversity	Number of criminal enforcement actions undertaken for non-compliance with environmental management legislation (n)	111	30	64	+34	This sector indicator is demand driven but it should be noted that the need for enforcement actions has decreased over the past year.
Facilitate youth and community development through environmental awareness and assist in developing the knowledge, skills, values, and commitment necessary to achieve sustainable development	Number of new SMMEs developed	N/A	8	8	None	None

Strategy to overcome areas of under-performance

The only target that was not achieved during the reporting period was “The Western Cape Biodiversity Act promulgated”. The organisation does not have the authority to promulgate Acts; and the process to promulgate the Act will be assumed by the Department of Environmental Affairs and Development Planning.

Changes to planned targets

The public entity had no in-year changes to performance indicators.

Linking performance with budgets

Under expenditure is related to remuneration.

Programme/ active/objective	2013/2014			2012/2013		
	Budget	Expenditure	(Over)/ Under Expenditure	Budget	Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Biodiversity Support	26 444	26 244	200	24 665	24 037	628
TOTAL	26 444	26 244	200	24 665	24 037	628

3.3 Programme 3: Conservation Management

Purpose: To conserve the unique natural heritage of the Western Cape, to build social capital through people and conservation initiatives, and to promote equitable access to and sustainable use of natural resources in pursuit of the conservation economy.

Strategic Objectives	<i>Knowledge Management</i>
Objective Statement	Effective knowledge management informs development and conservation priorities.
Baseline (2008/2009)	Biodiversity priorities consolidated into the Biodiversity Information System, which enables the State of Biodiversity reports, informed planning, management and decision-making.

Strategic Objectives	<i>Securing biodiversity priorities</i>
Objective Statement	Implementation of the Western Cape Biodiversity Plan and Protected Area Expansion Strategy (PAES) secures priority biodiversity.
Baseline (2008/2009)	Currently the Biodiversity Management System has incorporated all information from fine-scale plans that will be the information platform for the Biodiversity Plan and PAES, both currently in development.

Strategic Objectives	<i>Legal and Wildlife Support Services</i>
Objective Statement	Legal and wildlife support services and biodiversity crime prevention results in the protection and sustainable use of biodiversity.
Baseline (2008/2009)	Currently only 12 Environmental Management Inspectors are appointed in CapeNature. The organisation has a well-established and functioning legal and wildlife support service working towards the sustainable use and protection of biodiversity. CapeNature staff is empowered to deal with legal and wildlife matters.

Strategic Objectives	<i>Conservation management maintains ecosystem services</i>
Objective Statement	Sustained conservation management in priority catchments maintains ecosystem services.
Baseline (2008/2009)	The total area of alien vegetation cleared on CapeNature-managed land was 42 897 hectares (initial) and 87 952 hectares (follow-up). The current statistic for land burned due to wildfires is in the order of 99% of all land burned in a year.

Strategic Objectives	<i>Youth development and environmental education and awareness</i>
Objective Statement	Facilitate youth and community development through environmental awareness and assist in developing the knowledge, skills, values, and commitment necessary to achieve sustainable development.
Baseline (2008/2009)	80% of NYSP graduates received employment in the conservation sector. 26 556 learners are provided with access to environmental education and 27 youths participated in the National Youth Service Programme.

Strategic Objectives	<i>People and Parks</i>
Objective Statement	Develop and implement strategies to facilitate equitable access to and participation in the conservation economy through a People and Parks Programme.
Baseline (2008/2009)	A People and Parks Action Plan was developed, 252 578 person days were created through EPWP and 2 525 job opportunities through the implementation of a range of projects. Access was provided to protected areas (PAs) for 1 278 people for cultural, traditional, spiritual and sustainable harvesting activities. Volunteer effort allocated to CapeNature is currently 8 000 hours/annum.

STRATEGIC OBJECTIVES, PERFORMANCE INDICATORS PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

Strategic Objectives

Programme Objective: Sustained Conservation Management in priority catchments maintains eco-system services					
Strategic Objectives	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to actual achievement for 2013/2014	Comment on deviations
Number of management effectiveness tools utilised	N/A	3	3	None	

Key performance indicators, planned targets and actual achievements

Programme 3: Conservation Management						
Strategic Objectives	Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to actual achievement for 2013/2014	Comment on deviations
Sustained conservation management in priority catchments maintains ecosystem services	Number of provincial protected areas with approved management plans (n)	9	2	11	+9	Delivery against this target is cumulative. Nine management plans were approved during the 2012/2013 financial year and form part of the targets set for the five-year implementation period.
	Percentage Protected Areas with 68% management effectiveness Baseline = 22%	51%	60%	85%	+25%	The implementation of recommendations of the METT audits resulted in greater improvement than predicted
	Percentage of nature reserves with a minimum pre-fire season audit score of 85% Baseline = 13	91%	80%	87%	+7%	An additional nature reserve was included in the audits for the first time. The drive to involve and work with partners to improve fire management preparedness (such as simulation exercises conducted with partners) improved the readiness of the reserves for the fire season.

Programme 3: Conservation Management (continued)						
Strategic Objectives	Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to actual achievement for 2013/2014	Comment on deviations
Sustained conservation management in priority catchments maintains ecosystem services (continued)	Percentage increase in WoF Base Management audit scores	N/A	15%	7%	-8%	Specialised knowledge and experience requirements and the availability of suitable candidates delayed appointments of Fire Officers until the end of the third quarter. WoF management conducted the initial and consequent audits within a short period of time. A significant improvement in the scores was shown, even though the target was not met.
Develop effective policies, systems and processes to support the core business and enhance service delivery	Disabling Frequency Incident Rate (n) Baseline = 14.5	2.58	Less than 10	3.64	-6.36	An increase in the number of Full Time Equivalents (FTEs) appointed during the reporting period resulted in an increase in the number of disabling incidents, which predominantly occurred during the winter months.
Facilitate youth and community development through environmental awareness and assist in developing the knowledge, skills, values, and commitment necessary to achieve sustainable development (continued)	Number of environmental stakeholders attending capacity building workshops (n).	109	100	101	+1	An additional stakeholder was allowed to participate in the business training course.
	Number of environmental awareness activities conducted (n)	181	360	360	None	None
	Number of job opportunities creating through environmental programmes	N/A	220	1241	+1021	Various funding streams inform the target setting but cannot be included until the funding has been secured. This, as well as additional staff being required to address damage caused by natural disasters, resulted in this target being over-achieved.

Programme 3: Conservation Management (continued)						
Strategic Objectives	Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to actual achievement for 2013/2014	Comment on deviations
Facilitate youth and community development through environmental awareness and assist in developing the knowledge, skills, values, and commitment necessary to achieve sustainable development (continued)	Number of EPWP full time equivalents – Provincial Projects (n)	285	300	391	+91	Various funding streams inform the target setting but cannot be included until the funding has been secured. This, as well as additional staff being required to address damage caused by natural disasters resulted in this target being over-achieved.

Strategy to overcome areas of under-performance

A percentage increase in Working on Fire Base Management audit scores was not achieved, because the specialised knowledge and experience requirements and the availability of suitable candidates delayed appointments of Fire Officers until the end of the third quarter.

Changes to planned targets

The public entity had no in-year changes to performance indicators.

Linking performance with budgets

Conservation Management:

- Over-spending was largely due to transport costs on the government motor transport (daily tariffs and kilometres) required to undertake critical operational functions.

Special Projects:

- As a result of the low numbers and extent of the fires in the 2013/14 fire seasons and Provincial Disaster Management Centre initial response, CapeNature's use of the aerial resources was limited, resulting in significant under-expenditure.
- Specialised protective clothing required for wildfire suppression could not be delivered prior to the end of the financial year as the specialised material to make the clothing had to be sourced from the USA.
- Significant under-expenditure occurred in the Department of Environmental Affairs: Natural Resource Management special project, largely due to flooding events in January 2014. Contractors could not access reserves to complete planned work, either due to unsafe working conditions or the inability to access roads which had been washed away. Sourcing accredited training service providers for specialised training proved challenging, and therefore the training budget was under-spent.
- CapeNature could not take delivery of a vehicle prior to year end; the vehicle was subsequently only paid for in April 2014.
- A high turnover of staff in EPWP and Fire Officer projects resulted in salary savings on remuneration.

Programme/ active/objective	2013/2014			2012/2013		
	Budget	Expenditure	(Over)/ Under Expenditure	Budget	Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Conservation Management	94 155	95 458	(1 304)	88 852	85 276	3 576
Special Projects: Conservation Management	99 593	82 888	16 705	107 300	90 266	17 034
TOTAL	193 748	178 346	15 401	196 152	175 542	20 610

3.4 Programme 4: Marketing and Eco-tourism

Purpose: To develop and maintain unique tourism product offerings that contribute to the sustainability of biodiversity management and to establish a positive and credible CapeNature brand by ensuring effective and efficient communication and marketing support to both internal and external stakeholders.

Strategic Objectives	<i>People and Parks</i>
Objective Statement	Develop and implement strategies to facilitate equitable access to and participation in the conservation economy through a People and Parks Programme.
Baseline (2008/2009)	A People and Parks Action Plan was developed, 252 578 person days created through EPWP and 2 525 job opportunities through the implementation of a range of projects. Access was provided to protected areas (PAs) for 1 278 people for cultural, traditional, spiritual and sustainable harvesting activities. Volunteer effort allocated to CapeNature is currently 8 000 hours/annum.

Strategic Objectives	<i>Sustainable revenue streams</i>
Objective Statement	Increased sustainable revenue is attained through enhanced tourism product development and the development of a system for payment of ecosystem services.
Baseline (2008/2009)	Revenue through sales was R14 379 000, one PPP was concluded, visitor numbers were 210 000, and the filming industry provided for R710 530 in income.

Sub-Programme 4.2: Special Projects: Marketing and Eco-tourism

Purpose: During the final year of the five-year period, CapeNature will continue with the implementation of the Tourism Infrastructure Development Programme. This will ensure that tourism products are adequately staffed, tourism industry standards are consistently applied, tourism sustainability is reviewed and additional funding is secured.

STRATEGIC OBJECTIVES, PERFORMANCE INDICATORS PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

Strategic Objectives

Programme Objective: Increased sustainable revenue is attained through enhance tourism product development					
Strategic Objectives	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to actual achievement for 2013/2014	Comment on deviations
Implementation of the Strategic Tourism Plan shows positive impact on tourism statistics	11%	6.5%	10.3%	+3.8%	Accommodation, events and wildcard sales enabled the organisation to over-achieve this planned target.

Key performance indicators, planned targets and actual achievements

Programme 4: Marketing and Eco-tourism						
Strategic Objectives	Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to actual achievement for 2013/2014	Comment on deviations
Increased sustainable revenue is attained through enhanced tourism product development and the development of a system for payment of ecosystem services	Number of new tourism products established in line with the Strategic Tourism Plan (n)	2	2	1	-1	The Vrolijkheid Tourism Project was on track for completion by 31 March 2014. However due to the Department of Transport and Public Works appointing a service provider to completely overhaul the reserve's electrical infrastructure, completion of the tourism project was delayed
	Number of upgrades on existing tourism products (n)	7	6	12	+6	Additional maintenance projects were embarked upon due to cost savings on certain projects. The Department of Transport and Public Works implemented and funded two projects that had been planned by CapeNature

Programme 4: Marketing and Eco-tourism (continued)						
Strategic Objectives	Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to actual achievement for 2013/2014	Comment on deviations
Sustained conservation management in priority catchments maintains ecosystem services	Kilometres of hiking trails maintained (km)	471	659	665	+6	Ad hoc maintenance on reserves was required.

Strategy to overcome areas of under-performance

The organisation was not able to achieve all the targets against the number of new tourism products established in line with the Strategic Tourism Plan. The Vrolijkheid Tourism Project was on track for completion by 31 March 2014. However, the Department of Transport and Public Works appointed a service provider to completely overhaul the reserve's electrical infrastructure, and thus completion of the project was delayed.

Changes to planned targets

The public entity had no in-year changes to performance indicators.

Linking performance with budgets

Tourism Marketing and Communication:

- Under-expenditure is related to remuneration.

Special Projects:

- The table below relates to operational expenditure only. However, the budget of R27.2 million includes capital expenditure. The variance of R13.1 million relates to a R6.3 million for capital expenditure, R3.5 million for committed expenditure and the balance of R3.2 millions the amount the entity applied for the rollover of funding.

Programme/ active/objective	2013/2014			2012/2013		
	Budget	Expenditure	(Over)/ Under Expenditure	Budget	Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Tourism Marketing and Communication	8 510	7 585	921	9 669	7 501	2 168
Special Projects: Marketing and Eco-tourism	27 275	14 228	13 047	20 395	13 819	6 576
TOTAL	35 785	21 813	13 968	30 064	21 320	8 744

4. REVENUE COLLECTION

Sources of Revenue	2013/2014			2012/2013		
	Estimate	Actual Amount Collected	(Over)/ Under Collection	Estimate	Actual Amount Collected	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Government Grant, Own revenue and special projects	309 204	290 270	18 934	302 755	279 706	23 049
TOTAL	309 204	290 270	18 934	302 755	279 706	23 049

During the reporting period, the organisation generated 93.8% of projected revenue. This improvement is attributed to the performance of CapeNature's own revenue streams. Five of the seven revenue streams performed above budget. CapeNature's overall performance was below budget by 6.2%, which is attributed to a below-budget performance on grants, special projects and donations.

In recognising the threat to the sustainability of operations, the organisation appraised the situation and implemented several interventions. Austerity measures were enforced, and this was coupled with a strengthening in revenue collection processes. Annual tourism product tariffs were increased and a daily conservation fee was introduced. Efficiencies were built into the processing of license applications and an increased rate for express applications was introduced. Additionally, an administration fee for wildlife capturers was instituted.

The entity realised performance below budget only on special projects. This position is attributed to the expenditure that was below budget. The entity received revenue relating to special projects, however, the under-performance relates to the accounting treatment regarding the recognition of revenue for conditional grants.

4.1 Capital Investment

- (a) **Progress made on implementing the capital, investment and asset management plan:**
All projects have been listed and included into the Infrastructure Reporting Model (IRM) and Annexure A of Vote 9 up to the 2016/2017 financial year. The relevant professional teams have been appointed to commence with the design and planning aspects of these respective projects.
- (b) **Material variances in infrastructure projects completed in the current year compared with planned progress:**
The first phase of the tourism development project at Lamberts Bay Bird Island that is co-funded by the Department Economic Development and Tourism, the Department of Transport and Public Works and CapeNature has been completed.

The Department of Transport and Public Works (DTPW) appointed an electrical contractor who will install new electrical infrastructure for the entire Vrolijkheid Nature Reserve. This has resulted in the completion of the tourism project being delayed.

(c) Infrastructure projects currently in progress, and expected completion dates:

De Hoop Nature Reserve – Noetsie Overnight Facility

The contractor for the upgrade to the Noetsie Overnight Facility at De Hoop Nature Reserve will commence with construction in June 2014, and is expected to complete the project by November 2014.

Gamkaberg Nature Reserve – Ou Kraal Overnight 4x4 Camp

The Ou Kraal Overnight camp will be upgraded during the ensuing reporting period. Completion is due by the end of March 2015.

Goukamma Nature Reserve - Groenvlei Bushcamp

The Groenvlei Bushcamp development will continue over the 2014/2015 and 2015/2016 financial years. The initial designs have been completed and it is currently planned to advertise the tender for this project at the end of August 2014. The planned completion date for this project is June 2015.

Rocherpan Nature Reserve - Rocherpan Phase 2

The CapeNature Board approved the appointment of the nominated contractor for this development and the site handover will take place during June 2014. It is envisaged that the project will be completed by March 2015.

Lamberts Bay Bird Island Nature Reserve – Interpretation Facility Upgrade

The first phase of this project, which includes an Exhibition Centre, has been completed. The remainder of the project, which comprises of an upgrade to the current visitor interpretation centre, will be completed by September 2014. The Two Oceans Aquarium and South African Foundation for the Conservation of Coastal Birds (SANCCOB) are providing CapeNature with professional assistance to ensure the interpretation facility meets all requirements.

Cederberg Nature Reserve - Algeria Campsite Development

The Cederberg project is externally funded by the national Department of Environmental Affairs and comprises the following: six overnight accommodation units, a new reserve entrance and visitor facility, new reserve stores, general landscaping and new campsite ablutions. The expected completion date of the project is November 2014.

(d) Plans to close down or downgrade any current facilities:

The following facilities will be closed due to envisaged upgrades: Noetsie overnight facility, Groenvlei Bushcamp and Ou Kraal Overnight 4x4. Rocherpan Nature Reserve will remain functional from a tourism perspective as the construction will occur on a different site from the first phase.

(e) Progress made on the maintenance of infrastructure:

All maintenance and upgrades of products for the reporting period were identified by tourism staff within CapeNature. Due to reprioritisation of funds and improved planning, CapeNature was able to deliver on six additional maintenance projects.

- (f) **Developments relating to the above that are expected to impact on CapeNature's current expenditure:**
The implementation of these projects will not impact on the expenditure of CapeNature as funding allocated for tourism infrastructure development, upgrade and maintenance is funded by Provincial Treasury.
- (g) **Details as to how asset holdings have changed over the period under review, including information on disposals, scrapping and loss due to theft:**
The organisation acquired R12 million worth of assets and it disposed of R1.3 million worth of assets.
- (h) **Measures taken to ensure that the public entity's asset register remained up-to-date during the reporting period:**
The entity maintains a Fixed Asset Register that is verified bi-annually to ensure completeness.
- (i) **The current state of the public entity's capital assets:**
In total, 70% of the organisation's assets are in a good condition. The remaining 15% is in a fair condition; and 15% is in a bad condition that requires disposal.
- (j) **Major maintenance projects that have been undertaken during the reporting period:**
Maintenance projects were conducted at Uikraalsmond, Potberg, Walker Bay, Kogelberg, Limietberg, Cederberg and Lamberts Bay Bird Island Nature Reserves.
- (k) **Progress made in addressing the maintenance backlog during the reporting period:**
There has been no backlog on maintenance projects during the reporting period. The tourism component works in accordance with an on-line action plan that is monitored on a monthly basis.

Infrastructure Projects	2013/2014			2012/2013		
	Budget	Actual Expenditure	(Over)/ Under Expenditure	Budget	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Rocherpan Nature Reserve	-	-	-	5 706	6 002	(296)
Anysberg Ablution Facility	-	-	-	968	1 145	(177)
Kliphuis Campsite – Cederberg Wilderness	-	-	-	1 073	1 300	(226)
Lamberts Bay Bird Island Exhibition Building	3 500	2 507	993	-	-	-
Vrolijkheid Nature Reserve	2 900	2 900	0	-	-	-
TOTAL	6 400	5 407	993	7 747	8 447	(699)





PART C
GOVERNANCE

I. INTRODUCTION

Corporate governance embodies processes and systems by which public entities are directed, controlled and held to account. In addition to legislative requirements based on a public entity's enabling legislation, and the Companies Act, 2008 (Act No. 71 of 2008), corporate governance with regard to public entities is applied through the precepts of the Public Finance Management Act, 1999 (Act No. 1 of 1999 as amended by Act 29 of 1999) (PFMA), and run in tandem with the principles contained in the King's Report on Corporate Governance.

Parliament, the Executive and the Accounting Authority of the public entity are responsible for corporate

2. PORTFOLIO COMMITTEES

Not applicable.

3. EXECUTIVE AUTHORITY

The following reports were submitted to the Executive Authority, Minister Anton Bredell:

Document Description	Date Submitted
Monthly Highlights for inclusion into report : April 2013	06 May 2013
Monthly Highlights for inclusion into report : May 2013	05 June 2013
Monthly Highlights for inclusion into report : June 2013	05 July 2013
Monthly Highlights for inclusion into report : July 2013	05 August 2013
Monthly Highlights for inclusion into report : August 2013	09 September 2013
Monthly Highlights for inclusion into report : September 2013	07 October 2013
Monthly Highlights for inclusion into report : October 2013	05 November 2013
Monthly Highlights for inclusion into report : November 2013	06 December 2013
Monthly Highlights for inclusion into report : December 2013	31 January 2014
Monthly Highlights for inclusion into report : January 2014	31 January 2014
Monthly Highlights for inclusion into report : February 2014	06 March 2014
Monthly Highlights for inclusion into report : March 2014	04 April 2014
The Kiani Satu Incident at the Goukamma Reserve and MPA	27 August 2013
Joint Task Team – Final Report	30 August 2013
Joint Task Team – Progress on Implementation Plan	09 December 2013

4. THE ACCOUNTING AUTHORITY: WESTERN CAPE NATURE CONSERVATION BOARD

Introduction

The Western Cape Nature Conservation Board endorses the principles as set out in the Protocol on Corporate Governance, and where applicable, the King Report on Corporate Governance for South Africa 2009 (King III). The Board has endeavoured to comply with the principles incorporated in the Code of Corporate Practices and Conduct. The Western Cape Nature Conservation Board has a formalised system of Corporate Governance that is applied by the following board committees:

- Marketing and Eco-tourism Committee
- Audit and Risk Committee
- Finance and Information Technology Committee
- Human Resource and Remuneration Committee
- Conservation Committee

The role of the Board:

The roles, responsibilities and objectives are per the Western Cape Nature Conservation Board Act, 1998 (Act No. 15 of 1998), which includes:

- to promote and ensure nature conservation and related matters in the Province;
- to render services and provide facilities for research and training in connection with nature conservation and related matters in the Province; and
- in pursuing the objectives set out in the above two paragraphs, to generate income, within the framework of any applicable policy determined by the responsible Minister or the Provincial Cabinet.

Board Charter

I. Preamble

This Charter has been drafted with the following objectives:

- (a) clearly identify, define and record the high-level responsibilities, function and composition of the Western Cape Nature Conservation Board; and
- (b) provide a referencing tool to new Board members for the purpose of induction.

It is intended that this Charter be read, understood and accepted by all existing and future Board members of the Western Cape Nature Conservation Board. This Charter should be read in conjunction with the Western Cape Nature Conservation Board Act, 1998 (Act No. 15 of 1998), as amended.

2. Objectives of the Board

The objectives of the Board shall be:

- (a) To promote and ensure nature conservation and deal pro-actively with related matters in the Province.
- (b) To render services and provide facilities for research and training that would inform and contribute to nature conservation and related matters in the Province.
- (c) To generate income, within the framework of the applicable policy framework.

3. Board's relationship with key role players

The Board shall promote mutual goodwill, understanding and co-operation between the Minister for Local Government Environmental Affairs and Development Planning (MEC), the Department of Environmental Affairs and Development Planning (the Department), other key Provincial agents, the private sector, civil society and relevant NGOs and all other key role players. With regards to relations with the Department, the Board shall further promote regular meetings between:

- (a) The MEC and the Chairman of the Board
- (b) The Chief Executive Officer of the Board and the Head of the Department
- (c) The top and middle management of both organisations

The Board shall further:

- (i) actively assist the Department in matters related to biodiversity management in the Province, provide the Department with specialist environmental management and nature conservation scientific advice;
- (ii) actively co-operate with the development, establishment and maintenance of environmental information management systems;
- (iii) collaborate in the promotion of environmental awareness, education and relevant capacity building in the Western Cape;
- (iv) collaborate in mutual training initiatives between the parties; and
- (v) collaborate in implementing an integrated Community Based Natural Resource Management (CBNRM) and Community Conservation and Expanded Public Works (EPN) Programme strategically guided by a joint steering committee.

4. Composition of the Board

The Board shall consist of no fewer than nine members and no more than 12 members, of whom at least four shall have expertise in nature conservation. The majority of the members shall be non-executive. The Board comprises a chairperson, a vice-chairperson and a maximum of ten non-executive members. The Executive Directors of the Western Cape Nature Conservation Board are collectively referred to as the "Top Management" within this Charter. The CEO is a full member of the Board whereas the rest of the "Top Management" attend Board meetings by invitation.

Every effort shall be made to ensure that the composition adequately considers and reflects the demographics of the Western Cape Province.

Non-executive members shall hold office for a period not exceeding five years and shall be eligible for re-appointment for one other period not exceeding five years, provided that the member is only re-appointed to the Board if a period of at least 12 months has passed since having last served as a member of the Board. The Chairperson and Vice-Chair shall hold office for a period not exceeding three years and shall be eligible for re-appointment subject to membership on the Board.

5. Role and responsibilities of the Board and its members

The basic responsibility of the members is to exercise their rational judgement to act on what they reasonably believe to be in the best interests of the organisation and its stakeholders. The members should rely on the honesty and integrity of the organisation's Top Management and its external advisers and auditors.

In furtherance of its responsibilities, the Board will, subject to the approval by the Minister, where applicable:

- align the Board's strategic goals and objectives with that of the Province and the Department;
- review, evaluate and approve, on a regular basis, long-range plans for the organisation;
- review, evaluate and approve the organisation's budget, forecasts and Annual Financial Statements;
- review the delegations of the organisation;
- review, evaluate and approve major resource allocations and capital investments;
- review the financial and operating results of the organisation;
- review and approve the policies of the organisation;
- review, evaluate and approve the overall corporate organisational structure, the assignment of Top Management responsibilities and plans of Top Management development and succession;
- review, evaluate and approve compensation strategy as it relates to top management of the organisation, as well as of the performance contracts of top management;
- adopt and monitor compliance with the organisation's Code of Conduct, the Public Finance Management Act (Act No. 1 of 1999 as amended by Act 29 of 1999 and all legislation relevant to the Board;
- review on a regular basis the organisation's corporate objectives and policies relating to social responsibility;
- institute the necessary measures to safeguard the assets of the organisation;
- disclose real and potential conflicts of interest in a transparent manner informed by the imperative of ethical leadership and governance;
- guide the organisation in terms of the demands and challenges of the broader societal context of transformation; and
- establish a closer working relationship with all stakeholders and the broader community.

Upon authorisation of the plans and strategies, the Board empowers and directs Top Management to implement the plans and strategies and to provide the members with regular, accurate and relevant feedback on progress in this regard.

The Board however, remains accountable for the oversight of the implementation of the strategies and for the total process of risk management that includes an effective and functional internal control system.

The Board has formally established committees to assist in discharging its duties and responsibilities, as follows:

- **Human Resources and Remuneration Committee** – this committee assumes an oversight role of the human resource management strategy and related policies in the organisation.
- **Audit and Risk Committee** – assumes an oversight role in that it reviews the adequacy and effectiveness of the financial reporting process, the system of internal control and management

of financial and operating risks, the audit process and the organisation's process for monitoring compliance with laws and regulations. The Committee further provides independent counsel, oversight and advice with respect to the identification, assessment and management of risks and monitors compliance with corporate governance policies and guidelines.

- **Finance Committee** – assumes the oversight of the financial risk management strategy, policy and treasury transactional matters, and reviews major financial transactions on behalf of the Board.
- **Executive Committee** – meets between Board meetings to attend to any urgent matters arising from Board meetings, and assists Top Management in the execution of and expediting decision making which could not be held over until a next Board or Board committee meeting.
- **Conservation Committee** – this committee guides the scientific and research functions and reviews progress towards meeting biodiversity targets and objectives of the organisation.
- **Business Development Committee** – meets to discuss and review tourism, commercialisation, fundraising and strategic public-private partnerships.
- Each committee to have a clearly signed and approved Charter or Terms of Reference which includes all relevant laws and regulations pertaining to that Committee
- Each committee to submit annually to the Board a Work Plan for consideration and approval.

The Board:

- Has the right to institute task teams as it sees fit to assist in the implementation of plans and processes.
- Is responsible for electing members and Chairpersons to committees.
- Reviews and assesses, on an annual basis, the required mix of skills and experience of Board members, its demographic profile and diversity to determine its ability to effectively achieve the objectives of the organisation and adds value to the operation and functioning of the organisation.

6. Quorum

The quorum for a meeting shall be seven members, provided that at least two members with expertise in nature conservation matters shall be present. An attendance register that is signed by every person present at Board and Committee meetings will be maintained.

7. Agenda items for Board and Committee meetings

The Chairpersons of the Board and other committees shall determine the agenda for each meeting, in conjunction with the CEO and other relevant members of Top Management. Each member of the Board and other committees are however free to request items to be placed on the agenda for that meeting. Detailed packs for each meeting will be distributed to the members approximately ten days prior to the meeting.

8. Frequency of meetings

The Board and all committees shall meet no less than four times per annum to carry out its responsibilities.

9. Board and remuneration principles

The organisation's policy that guides the remuneration of Board members is guided by Provincial Treasury norms and standards and any applicable Cabinet resolution.

10. Evaluation (of each member, the Board as a whole and the Board Committee) principles

The Board has formally identified, clarified and documented its collective roles and responsibilities and the key roles, responsibilities and performance standards for each member.

The Board's collective performance is assessed annually in a formal meeting conducted by the Chairperson. The assessment will be used to identify key objectives and improvements for the effective functioning of the Board for the subsequent year.

Individual Board members are expected to adhere to the organisation's code of conduct.

Board members who fail to attend two successive quarterly Board meetings may be asked to reconsider their membership of the Board. Board members who fail to attend two or more successive quarterly Board meetings and also fail to tender their apologies, will be asked to consider resigning from the Board.

11. Member orientation and induction

Management will provide new non-executive members with an induction and orientation programme in order to familiarise them with their responsibilities as non-executive members of the organisation, in terms of the various applicable statutes, being the Western Cape Nature Conservation Board Act, 1998 (Act No. 15 of 1998) and the Public Finance Management Act, 1999 (Act No. 1 of 1999), as amended by Act 29 of 1999, as well as the code of conduct of the organisation and other relevant laws.

12 Member access to employees

Non-executive members shall have full and free access to employees of the organisation in consultation with the CEO of Cape Nature.

13. Independent Advisers

The Board and each committee shall have the authority to engage experts or advisers, including independent legal counsel, at the organisation's expense, deemed appropriate by the Board or committee, in consultation with the CEO and Top Management, after requesting that sufficient funds are made available for the procurement.

14. Conflicts

The existence, real or perceived, of conflicts of interest by members could bring into question the integrity of the entire Board. Failure to identify and deal with such conflicts could cause significant damage to the organisation's image and the perceived value of the going concern. Accordingly, it is critical that there are practical and consistent relationship-checking procedures in place to enable the organisation to recognise, respond to and manage any potential conflicts of interest. All members shall be required to fully disclose all business-related interests for record-keeping purposes.

All non-public information that members acquire in the course of performing their duties should be treated as confidential and members must not use or appear to use this information for personal advantage or for the advantage of a third person.

Where a member is an executive or non-executive member of an organisation that operates in the same industry as the organisation or in a competing industry, there is a requirement that these members maintain ethical (i.e. they do not use intellectual capital and/or knowledge gained from the one to the advantage or disadvantage of the other).

15. Materiality of the Board and an approval framework

At a high level, issues that are of material, strategic or reputational importance and which are either catastrophic (i.e. death, loss of organisational image, detrimental financial loss, total disability or system loss) or critical (i.e. severe injury with partial disability, severe loss of image, partial system loss or large financial loss) in nature should be referred to the Board for consideration, discussion and appropriate interventions. All other issues should be dealt with at Top Management level, but the Board must retain oversight of other issues in order to determine the performance and ability of Top Management.

16. Media statements:

Media statements in respect of non-delegated matters shall be dealt with by the Chairperson.

Media statements in respect of delegated matters shall be dealt with by the Chief Executive Officer.

Media statements with political implications and/or that may reflect poorly on sound financial and human resource management, and/or that do not promote sound intergovernmental relations, must be cleared with the Head of Department and Minister prior to release.

Composition of the Board

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned/ retired	Qualifications	Area of expertise	Board Directorships (List the entities)	Other Committees or Task Teams (eg. Audit Committee/ Ministerial task team)	No. of meetings attended
Dr Colin Johnson	Chairperson	01 Apr 2009	31 Mar 2014	BSc BSc (Hons) MSc PhD	Education, Research, Evaluation, Human Resources, Botanist and Zoologist (Retired)	-	Audit & Risk By invitation Conservation HR & Remuneration Board Finance & IT	3 4 4 3 1
Ms Francina du Bruyn	Vice Chairperson	01 Apr 2010	-	Diploma Road Transport Management	Business Consultant & Coach with expertise in Human Resources Development, Strategic Planning & Change Management	-	HR & Remuneration Board Finance & IT	4 3 4
Dr Edmund February	Board Member	01 Apr 2010	-	BA (Hons) Archaeology MA Archaeology PhD Botany	Botany & Plant Ecologist; Mountaineer	-	Conservation Marketing & Eco-tourism Board	4 3 4
Mr Eduard Kok	Board Member	20 Sep 2010	-	CA (SA)	Chartered Accountant with 30 years commercial experience	-	Audit & Risk Finance & IT Board	4 4 4

Composition of the Board (continued)

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned/retired	Qualifications	Area of expertise	Board Directorships (List the entities)	Other Committees or Task Teams (eg. Audit Committee/ Ministerial task team)	No. of meetings attended
Mr Mico Eaton	Board Member	20 Sep 2010	-	BCom	Strategic Planning and Marketing Communication; Professional 4x4 Trail & Overland Tour Guide – National; Registered 4x4 driving instructor; CMAS 3-Star diver	-	Marketing & Eco-tourism Finance & IT Board	4 4 4
Prof Francois Hanekom	Board Member	01 Apr 2011	-	Master's D.Litt.et Phil (Doctoral) Senior Diploma in Public Administration (Cum laude)	Facilitator: Development, Environment & Tourism	-	Marketing & Eco-tourism Conservation Board	4 4 4
Mr Carl Lotter	Board Member	01 Dec 2011	-	-	Financial and SMMEs	-	Audit & Risk Finance & IT Board	2 3 4
Prof Gavin Maneveldt	Board Member	01 Dec 2011	-	BSc BSc (Hons) MSc PhD Botany, FGASA Honorary SKS (Marine Guiding)	Biodiversity & Conservation Biology	-	Conservation Marketing & Eco-tourism Board	4 4 2
Dr Bruce McKenzie	Board Member	01 Mar 2013	-	BSc BSc (Hons) (Cum laude) MSc PhD	Conservation	-	Conservation Audit & Risk Board	4 4 4
Ms Merle McOmbring-Hodges	Board Member	01 Mar 2013	-	M.Ed: Science Education (structured) B.Ed BSc BSc (Hons) HDE	Education	-	Marketing & Eco-tourism Finance & IT Board	2 4 3
Adv. Mandla Mdludlu	Board Member	01 Mar 2013	-	Bachelor of Laws (Bluris) Bachelor of Laws (LLB)	Consumer & Construction Law	-	Audit & Risk HR & Remuneration Board	4 4 4
Mr Danie Nel	Board Member	01 Mar 2013	-	Dipl. Iuris	Local government management & legislation; Legislative drafting & enforcement of legislation	-	Finance & IT HR & Remuneration Board	2 4 4

Independant Audit Committee Members

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned/retired	Qualifications	Area of expertise	Board Directorships (List the entities)	Other Committees or Task Teams (eg. Audit Committee/ Ministerial task team)	No. of meetings attended
Mr Paul Slack (Alternative Member)	Chairperson of the Audit & Risk Committee	20 Jan 2009	-	CA (SA) BCom (Hons) (Financial Management)	Corporate Governance & Risk	-	Audit & Risk	3
Ms Marguerite Bond-Smith (Alternate Member)	Independent Audit & Risk Committee member	01 Apr 2013	-	LLM- Enviromental Law	Chartered Accountant with taxation & financial industry experience; LLB in Environmental Law & conducts environmental research & advisory work	-	Audit & Risk	4
Mr Christiaan (Tiaan) Snyman (Alternate Member)	Independent Audit & Risk Committee member	01 Apr 2013	-	CA (SA)	Assurance	-	Audit & Risk	4

Committees

Committee	No. of meetings held	No. of members	Name of members
Marketing & Eco Tourism	4	5 - on a basis of how the appointment falls during the financial year	Mico Eaton Edmund February Francois Hanekom Gavin Maneveldt Merle McOmbring-Hodges
Conservation	4	5 - on a basis of how the appointment falls during the financial year	Colin Johnson Edmund February Gavin Maneveldt Francois Hanekom Bruce McKenzie
HR & Remuneration	4	4 - on a basis of how the appointment falls during the financial year	Francina du Bruyn Colin Johnson Danie Nel Mandla Mdludlu
Finance & IT	4 plus 2 special meetings	6 - on a basis of how the appointment falls during the financial year	Eduard Kok Francina du Bruyn Carl Lotter Mico Eaton Danie Nel Merle McOmbring-Hodges
Audit & Risk	4	5 - on a basis of how the appointment falls during the financial year	Paul Slack Tiaan Snyman Marguerite Bond-Smith Colin Johnson (by invitation) Eduard Kok Carl Lotter Mandla Mdludlu Bruce McKenzie

Committees (continued)

Committee	No. of meetings held	No. of members	Name of members
Board	4 plus 1 special meeting	12 – as of 01 March 2013	Colin Johnson Francina du Bruyn Edmund February Eduard Kok Mico Eaton Francois Hanekom Gavin Maneveldt Carl Lotter Bruce McKenzie Merle McOmbring-Hodges Danie Nel Mandla Mdludlu

Remuneration of Board Members

Name	Remuneration	Other allowance	Other reimbursements	Total
Prof A Redlinghuis	1 770	-	-	1 770
Prof F Hanekom	28 086	-	8 796	36 882
Prof G Maneveldt	22 245	-	-	22 245
Dr C Johnson	116 592	-	65 695	182 287
Dr E February	53 173	-	-	53 173
Dr B McKenzie	35 046	-	-	35 046
Mr J van der Merwe	2 334	-	-	2 334
Ms F du Bruyn	89 356	-	10 286	99 642
Mr E Kok	74 101	-	2 224	76 325
Mr M Eaton	59 275	-	2 463	61 738
Mr C Lotter	28 822	-	-	28 822
Mr M Mdludlu	44 781	-	3 235	48 016
Ms M McOmbring-Hodges	27 258	-	1 236	28 494
Mr D Nel	23 364	-	9 869	33 233
TOTAL	606 203	0	103 804	710 007

5. RISK MANAGEMENT

Governance is defined as providing stakeholders assurance that organisational goals and objectives will be achieved in an effective, efficient and ethical manner. Risk Management, which is a component of governance, provides assurance that risks are being managed in such a manner that the goals and objectives of the entity are achieved. Risk Management resides in the Office of the CEO, which ensures that the activities of the component are strategically driven and focused, and decision-making support is risk-based.

The Strategic Risk Profile informs the risk management activities and operational focus areas in the organisation. Independent oversight is provided by the Audit and Risk Committee of the Western Cape Nature Conservation Board. Progress reports, tabled on a quarterly basis, focus on the management of risks and the current status and implementation of risk mitigations. This process involves the verification of mitigations in consultation with relevant risk owners. Where weaknesses are identified, comment is included in reports tabled with the Audit and Risk Committee. Board oversight is provided through the quarterly risk report where essential risk information is reported.

To ensure greater strategic relevance to the challenges experienced by the entity, the Executive Management of CapeNature identified the need to review the current Strategic Risk Profile of the organisation. The review confirmed key elements of the previous assessment and elevated the need of the entity to focus on the potential impact of climate change across the operational landscape, the sustainable use of resources and the management of people, knowledge and information.

The key risks are summarized in the table below.

Risk 1	Increase in wildfires and alien infestations	Extreme
Risk 2	Unsustainable use of natural resources	High
Risk 3	Inability to address the impact of climate change and weather variability	High
Risk 4	Insufficient resources	High
Risk 5	Inability to comply with occupational health and safety legislation	High
Risk 6	Inability to prevent biodiversity crime	High
Risk 7	Lack of access to real time financial data	High
Risk 8	Loss of institutional memory	High
Risk 9	Inadequate information technology and systems	High
Risk 10	Failure to establish and maintain a sustainable revenue stream	High
Risk 11	Lack of adherence to SCM Policies and Procedures	High
Risk 12	Inefficient use of financial resources	Moderate

6. INTERNAL CONTROL UNIT

The organisation does not have a formally instituted Internal Control Unit.

7. AUDIT AND RISK COMMITTEE AND INTERNAL AUDIT FUNCTION

The internal audit function of CapeNature is outsourced to an auditing service provider, for a three-year rolling period. The Audit and Risk Committee reviews the appointment of the internal audit service providers and makes recommendations to the Board.

The mission of the internal audit function is to provide independent, objective assurance and consulting services designed to add value and improve the entity's operations. It assists the entity to accomplish its objectives by bringing a systematic, disciplined approach to evaluate the effectiveness of risk management, control, and governance processes.

The scope of work of the internal auditing function is to determine whether the entity's network of risk management, control, and governance processes, as designed and represented by management, is adequate and functioning in a manner to ensure:

- risks are appropriately identified and managed;
- interaction with the various governance groups occur as needed;
- significant financial, managerial, and operating information is accurate, reliable, and timely;
- employee's actions are in compliance with policies, standards, procedures, and applicable laws and regulations;
- resources are acquired economically, used efficiently, and adequately protected;
- programmes, plans and objectives are achieved;
- quality and continuous improvement is fostered in the organisation's control environment; and
- significant legislative or regulatory issues impacting the organisation are recognised and addressed properly.

Opportunities for improving management control, profitability, and the entity's image are identified during audits. These will be communicated to the appropriate level of management.

For the period under review the following nine internal audits were conducted:

- Programme Management Review
- Information Technology Follow up Review
- Pre-determined Objectives Report
- Marketing and Communications Review
- Review of Labour Relations
- Human Resources Administration Review
- Supply Chain Management Review
- Financial Disciplines Review
- Projects and Deferred Income Review

The key activities and objectives of the Audit and Risk Committee are to:

- provide independent counsel, advice and direction in respect of risk management and internal control;
- consider any matters relating to the identification, assessment, monitoring and management of risks associated with the operations of CapeNature;
- review quarterly and other periodic reports and recommendations submitted by the internal auditors and Chief Risk Officer;
- discuss with Management their response to audit findings and their agreed actions to improve internal control;
- discuss with Management their response to the auditor's proposed risk mitigations and Management's agreed actions to mitigate risks;
- review with Management, the Auditor-General's Report and Management letter; and
- add value to CapeNature's business by carrying out its oversight role and proposing ongoing improvements to internal control and risk management.

Composition of the Audit and Risk Committee

Name	Qualifications	Internal/ Independent	If internal, position in public entity	Date appointed	Date resigned	No. of meetings
Mr Paul Slack	CA (SA) BCom (Hons) (Financial Management)	Independent	Independent Audit Committee member	20 Jan 2009	-	3
Mr Tiaan Snyman	CA (SA)	Independent	Independent Audit Committee member	01 Apr 2013	-	4
Ms Marguerite Bond-Smith	LLM-Environmental Law	Independent	Independent Audit Committee member	01 Apr 2013	-	4
Mr Eduard Kok	CA (SA)	Internal	Board member	20 Sep 2010	-	4
Dr Colin Johnson	BSc BSc (Hons) MSc PhD	Internal	Board member	01 Apr 2009	31 Mar 2014	3
Mr Carl Lotter	-	Internal	Board member	01 Dec 2011	-	2
Adv Mandla Mdludlu	Bluris, LLB	Internal	Board member	01 Mar 2013	-	4
Dr Bruce McKenzie	BSc BSc (Hons) MSc PhD	Internal	Board member	01 Mar 2013	-	4

8. COMPLIANCE WITH LAWS AND REGULATIONS

Compliance is read in conjunction with the charter of the respective board committees. The Western Cape Nature Conservation Board endorses the principles as set out in the Protocol on Corporate Governance, and where applicable, the King Report on Corporate Governance for South Africa 2009 (King III); and has endeavoured to comply with the principles incorporated in the Code of Corporate Practices and Conduct.

9. FRAUD AND CORRUPTION

CapeNature has an approved Fraud Prevention and Detection Strategy in place. This strategy documents the entity's approach to fraud and corruption and confirms its stance and support for a culture of zero tolerance in all its manifestations. The strategy recognises basic fraud prevention initiatives that are in place within CapeNature.

In creating an environment where the highest standards of governance and institutional values can be demonstrated and which will give direct effect to the Strategy, the Western Cape Nature Conservation Board has established a formalised system of governance that includes the establishment of formal Committees to assist the Board in fulfilling its fiduciary responsibilities. The establishment of risk management structures and operational capacity has further strengthened the Board's governance oversight. At an operational level, Management has recommended the development of standard operating procedures and guidelines to ensure organisational processes are consistently implemented and effectively monitored. This intervention will assess the effectiveness of the control environment and presents opportunities for system and process improvements.

In efforts to improve financial accountability and control, CapeNature migrated the accounting function, and implemented a full Enterprise Resource Planning (ERP) system. The entity has steadily improved the integrity of the function, the information generated through the system and the associated control measures in ensuring the accuracy and completeness of financial data.

Ongoing awareness initiatives and interventions are critical to ensure that staff are continually sensitised to issues of fraud and corruption. Over and above basic efforts to inform the behaviour of staff, through policies and procedures and induction and orientation, the entity has utilised formal meeting forums and actual risk assessment engagements to create further awareness. The entity has recognised the need for structured fraud and corruption training and awareness to further support current internal processes.

One of the key aspects of the Fraud Prevention and Detection Strategy is to create a mechanism by which employees are able to raise concerns responsibly through the appropriate channels, where there are reasonable grounds to believe that fraud and corruption is taking place. It is the responsibility of all employees to immediately report all allegations or incidents of fraud and corruption to their immediate manager or next level of management. Allegations of fraud are also anonymously reported to the Chief Risk Officer, any member of the Top Management, Chief Executive Officer, Chairperson of the Board or alternatively the National Anti-Corruption toll-free number at 0800 701 701.

Fraudulent matters reported are screened and evaluated and investigated internally by other advisory and support services at the entity's disposal, including the Internal Auditors, the Auditor-General, Forensic Investigative Unit (FIU) including the Public Protector. Any fraud committed by an employee of CapeNature is pursued by a thorough investigation and to the full extent of the law, including consideration of disciplinary proceedings within a reasonable period of time after the incident, instituting recovery of financial losses, including formal civil action, initiating criminal prosecution and/or any other appropriate and legal remedy available.

10. MINIMISING CONFLICT OF INTEREST

All staff including Supply Chain Officials are required to complete an annual Declaration of Interest. This is done for all regions and Head Office. For each Supply Chain Committee meeting held (Evaluation and Adjudication), all members sign a declaration pertaining to agenda items for discussion. Within the reporting period, there were no cases where conflict of interest have been identified within CapeNature.

11. CODE OF CONDUCT

The Code is a directive to all employees of CapeNature and acts as a guideline to employees as to what is expected of them from an ethical point of view, both in their individual conduct and in their relationship with others. Compliance with the Code enhances professionalism and builds confidence in the organisation. Failure to adhere to the Code of Conduct may lead to disciplinary proceedings.

12. HEALTH AND SAFETY AND ENVIRONMENTAL ISSUES

The main purpose of the public entity's Occupational Health and Safety (OHS) component is to reduce the legal vulnerabilities through ensuring compliance with the provisions of:

1. the Occupational Health and Safety Act, 1993 (Act No. 85 of 1993), as amended, achieved by providing a safe working environment for employees, contractors, volunteers and students and visitors to CapeNature worksites;
2. the Consumer Protection Act, 2008 (Act No. 68 of 2008), achieved by providing a safe product to end-users of our tourism facilities (visitors accessing CapeNature managed land); and
3. the Compensation for Occupational Injuries and Diseases Act, 1998 (Act No. 130 of 1993), achieved by effective compensation claims management.

During the reporting period 21 injuries were reported with an average of 6.25 working days lost.

13. BOARD SECRETARY

Not applicable.

14. SOCIAL RESPONSIBILITY

As part of CapeNature's social responsibility the entity has embarked on initiatives to improve community interaction and strengthen relationships with these communities. Some of the social responsibility highlights for the reporting period are listed below:

- CapeNature staff donated over R2,000 worth of care packages to the Salvation Army Carehaven shelter for abused women and children in Athlone on Nelson Mandela Day. A toy drive was also launched during December for the children at the shelter.
- Kogelberg Nature Reserve arranged a soup kitchen for the impoverished community of Kleinmond and Grabouw.
- The George regional office staff participated in a "CANSAs Relay for Life" event and raised over R3,000 for the cause.

15. AUDIT AND RISK COMMITTEE

The Audit Committee is pleased to present its report for the financial year ended 31 March 2014.

Audit and Risk Committee responsibility

The Audit and Risk Committee reports that it has complied with its responsibilities arising from Section 77 of the Public Finance Management Act and Treasury Regulation 3.1.13. The Audit and Risk Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except that it has not reviewed changes in accounting policies and practices.

The effectiveness of Internal Control

The Audit and Risk Committee's review of the findings of the Internal Audit work, which was based on the risk assessments conducted in the public entity, revealed certain weaknesses that were then raised with the public entity.

The following internal audit work was completed during the reporting period:

• Programme Management Review	May 2013
• Information Technology Follow up Review	May 2013
• Pre-determined Objectives Report	May 2013
• Marketing and Communications Review	May 2013
• Review of Labour Relations	May 2013
• Human Resources Administration Review	May 2013
• Supply Chain Management Review	November 2013
• Financial Disciplines Review	November 2013
• Projects and Deferred Income Review	November 2013

The following were areas of concern:

- a primary focus for the Audit and Risk Committee activities during the reporting period was the elimination of the problems which led to the audit qualification in the previous period. This included outsourcing various reconciliation activities to PriceWaterhouseCoopers. The efforts appear to have paid dividends.
- management made further progress in the collection of accounts receivable and this element of the finance is now under better control.
- Supply Chain Management was also highlighted as an area for increased vigilance this year and the internal auditors conducted several reviews to assist the Audit & Risk Committee in the evaluation of controls.
- the latest risk assessment conducted by management reflected no areas of regression with a number of the risks reflecting an improved status.

- in prior periods, some of the risks and, indeed, some of the causes of audit concerns related to the IT status of the entity. During the year an IT Strategy was developed and it is hoped that the proper implementation of this will obviate some of the concerns of the past.
- some challenges have been experienced in obtaining timeous information to properly manage the performance of the entity. Management has committed itself to establish procedures to generate performance information in a more timely manner.
- the Chairperson of the Audit and Risk Committee was invited to attend Board meetings and address the Board directly on significant issues impacting on their fiduciary responsibilities.

In-Year Management and Monthly/Quarterly Report

The public entity has submitted monthly and quarterly reports to the Executive Authority.

Evaluation of Financial Statements

The Audit and Risk Committee has reviewed the annual financial statements prepared by the public entity.

Auditor's Report

The Audit and Risk Committee has implemented a tracking and monitoring document entitled "The Audit Matrix" which is a standing item at every audit committee. This matrix includes every item raised in the annual external audit, no matter how minor, as well as every item raised by the internal auditors during the course of the year. These audit items stay on the audit matrix until management resolves them. Removal from the matrix is done only once an internal audit verifies that the reported actions have indeed taken place and that the new control is operating efficiently. In this way the Audit and Risk Committee satisfies itself that prompt and correct action is taken to review matters raised by the auditors.

The Audit and Risk Committee concurs and accepts the conclusions of the external auditor 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.



Mr Paul Slack
CHAIRPERSON OF THE AUDIT COMMITTEE
CapeNature
July 2014



CREDIT: Scott N Ramsay - Anysberg Nature Reserve



PART D
**HUMAN
RESOURCE
MANAGEMENT**

I. INTRODUCTION

The reporting period proved challenging due to a number of key positions in the organisation that were vacant and filled with acting personnel. We are pleased to report that most of these positions have now been filled permanently, with the exception of the Executive Director: Corporate Service Support.

The Human Resource priorities of Enhanced Skills Development, Performance Management and the Implementation Plan for a Human Capital Development Strategy have been effectively managed and implemented. Service Excellence Programmes have been initiated to promote a culture of service excellence and enhance organisation culture. Workshops are planned in all regions across the organisation for the ensuing reporting period. The filling of key strategic and critical positions remains a challenge not only for CapeNature, but the sector as a whole; particularly in the appointment of females to these key positions. Despite this being a challenge, the organisation has an opportunity to plan for the effective implementation of employment equity strategies to address some of these challenges.

A further challenge is the discipline of Full Time Equivalent (FTEs) workers, who in most cases have not previously been exposed to a formal working environment and the rules, regulations, policies and procedures associated thereto.

Performance Management

The organisation conducts two performance appraisals per year, the mid-term review being conducted in September/October and the final review conducted in April/May of the following year. During the reporting period the percentage of under-performers decreased to 4.4% compared with 21% in the previous period. The previous underperformers have all improved their performance to a satisfactory level through proper monitoring of performance.

This reporting period saw the implementation of monetary performance rewards. A lengthy and detailed evaluation process was followed to ensure fair and consistent application. All levels across the organisation were included in this process. Personal Development Plans are in place for staff who have not performed; and progress is being monitored by the Human Resource department.

Skills Development

A number of capacity building interventions have been initiated over the reporting period. A significant achievement is that a grant agreement between Procter and Gamble International Flavours and Fragrances and CapeNature has been signed in support of nature education. Funding in the amount of \$10 000 per year for 10 years has been allocated to CapeNature to support the development of capacity in the field of nature conservation.

Another significant achievement is the signed Memorandum of Agreement between CapeNature and the Western Indian Ocean Marine Science Association (WIOMSA). This programme recognizes prior learning in the field of Marine Protected Areas, provides a career assessment on this programme and received excellent results thus far. Further assessments have been planned for the ensuing period for all CapeNature Marine Rangers.

Medical Aid and Pension Fund

During the reporting period the organisation also explored the implementation of a Medical Aid and Pension Fund for its employees. Extensive research was conducted and a lengthy Supply Chain process followed to ensure the appointment of the most suitable, credible and competent service provider. A Steering Committee was established to ensure that the needs of the staff and the organisation were met. Roadshows will be held in all regions, during the ensuing reporting period for all staff, and information brochures will be circulated to ensure consistent and clear communication.

Future Human Resource goals and plans

The goals and objectives for Human Resources for the ensuing reporting period include, but are not limited to, a new five-year Employment Equity Plan (2015 – 2020), and the execution of the Human Capital Development Implementation Plan. This includes employee well-being interventions and enhanced customer service and organisation culture.

2. HUMAN RESOURCE OVERSIGHT STATISTICS

The public entity must provide the following key information on human resources. All the financial amounts must agree to the amounts disclosed in the annual financial statements. Where considered appropriate provide reasons for variances.

Personnel cost by programme

Programme	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel exp. as a % of total exp.	No. of employees	Average personnel cost per employee (R'000)
1	51 864	27 776	54	111	250
2	26 244	21 076	80	53	398
3	178 346	89 303	50	665	134
4	21 813	8 156	37	32	255
TOTAL	278 267	146 311	53	861	170

Personnel cost by salary band

Salary Band	Personnel Expenditure (R'000)	% of personnel exp. to total personal cost	No. of employees	Average personnel cost per employee (R'000)
Top Management 13-15	4 491	3.1	5	898
Senior Management 11-12	22 376	15.3	38	589
Professional qualified 9 - 10	40 540	27.7	101	401
Skilled 6-8	32 597	22.3	116	281
Semi-skilled 3-5	32 551	22.2	235	139
Unskilled 1-2	13 756	9.4	366	38
TOTAL	146 311	100	861	170

Performance rewards

Programme	Performance rewards (R'000)	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost (R'000)
Top Management	27	4 491	0.60
Senior Management	98	22 376	0.43
Professional qualified	58	40 540	0.14
Skilled	25	32 597	0.07
Semi-skilled	15	32 551	0.04
Unskilled	11	13 756	0.07
TOTAL	234	146 311	0.15

Employment and vacancies

Programme	2012/2013 No. of Employees	2013/2014 Approved Posts	2013/2014 No. of Employees		2013/2014 Vacancies		% of vacancies
				FTE	Funded	Unfunded	
1	109	123	111	-	4	8	10
2	582	55	53	-	0	2	4
3	42	385	352	313	8	25	9
4*	-	35	32	-	2	1	9
TOTAL	733	598	548	313	14	36	8

During the 2012/13 reporting period the entity operated with three programmes. These Programmes were

- Programme 1: Corporate Services
- Programme 2: Biodiversity Support and Conservation Management
- Programme 3: Marketing and Eco-tourism

During the reporting period the programme structure changed in the entity with Programme 2 being subdivided, resulting in the following desegregation

- Programme 1: Administration
- Programme 2: Biodiversity Support
- Programme 3: Conservation Management
- Programme 4: Marketing and Eco-tourism

Programme	2012/2013 No. of Employees	2013/2014 Approved Posts	2013/2014 No. of Employees		2013/2014 Vacancies		% of vacancies
				FTE	Funded	Unfunded	
Top Management 13+	5	6	5	-	1	0	16
Senior Management 11-12	35	39	38	-	1	0	2
Professional qualified 9-10	96	106	101	-	3	2	5
Skilled 6-8	128	135	116	-	5	14	15
Semi-skilled 3-5	224	248	235	-	3	10	5
Unskilled 1-2	245	64	53	313	1	10	17
TOTAL	733	598	548	313	14	36	8

Employment Changes

Salary Band	Employment at beginning of period 1/4/2013	Appointments	Terminations	Employment at end of the period
Top Management 13+	4	4	3	5
Senior Management 11-12	38	4	2	38
Professional qualified 9 - 10	99	5	9	101
Skilled 6-8	124	9	17	116
Semi-skilled 3-5	229	34	28	235
Unskilled 1-2	412	379	92	366
TOTAL	906	435	151	861

Closing balance in the 2012/13 Annual Report differs to the opening balance in this report due to contract, terminations and appointments.

Reasons for staff leaving

Reason	Permanent	Contract	FTE	Total	% of total no. of staff leaving
Death	-	1	-	1	1
Resignation	14	13	21	48	32
Dismissal	1	1	5	7	4
Retirement	6	-	-	6	4
Ill health	-	-	-	-	-
Expiry of contract	-	65	20	85	56
Other	3	-	1	4	3
TOTAL	24	80	47	151	100

Vacant position are advertised and filled within a six-month period. The bulk of the resignations and expiry of contracts are due to the appointment of FTE's

Labour Relations: misconduct and disciplinary action

Nature of disciplinary Action	Number	FTE
Verbal warning	5	5
Written warning	18	39
Final written warning	7	19
Dismissal	2	5

Disciplinary action has increased due to the number of FTEs appointed. Most of these persons have not been exposed to a formal working environment and the rules, regulations, policies and procedures affiliated thereto.

Equity Target and Employment Equity Status

Salary band	Male							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top management	0	1	2	1	0	1	1	0
Senior management	4	6	10	13	0	0	14	2
Professional qualified	9	14	15	30	0	2	33	4
Skilled	13	20	29	41	2	4	9	6
Semi-skilled	26	44	125	79	2	2	5	10
Unskilled	56	62	173	109	0	2	3	15
TOTAL	108	147	354	273	4	11	65	37

Salary band	Female							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top management	0	1	1	1	0	0	1	1
Senior management	1	7	4	13	1	1	4	2
Professional qualified	5	14	12	30	2	3	25	4
Skilled	12	20	27	41	1	4	22	6
Semi-skilled	11	43	54	79	0	3	13	11
Unskilled	50	61	84	109	0	3	0	15
TOTAL	79	146	182	273	4	14	65	39

Salary band	Disabled Staff			
	Male		Female	
	Current	Target	Current	Target
Top management	1	0	0	0
Senior management	0	0	1	0
Professional qualified	1	1	3	0
Skilled	1	1	0	1
Semi-skilled	3	2	2	1
Unskilled	2	2	1	2
TOTAL	8	6	7	4

The targets will be reviewed accordingly as part of the development of the new 5 year Employment Equity Plan. This plan should include retention and attraction strategies in line with the Human Capital Development Strategy, nature of the function and the location of employment.



CREDIT: Scott N Ramsay - Keurbooms River



PART E
FINANCIAL
INFORMATION

I. AUDITOR'S REPORT: PRE-DETERMINED OBJECTIVES

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the Western Cape Nature Conservation Board set out on pages 96 to 135, which comprise the statement of financial position as at 31 March 2014, the statement of financial performance, statement of changes in net assets, the cash flow statement and statement of comparison of budget and actual amounts for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting authority's responsibility for the financial statements

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

Auditor-General's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the general notice issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion the financial statements present fairly, in all material respects, the financial position of the Western Cape Nature Conservation Board as at 31 March 2014 and its financial performance and cash flows for the year then ended in accordance with SA Standards of GRAP and the requirements of the PFMA.

Emphasis of matter

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

Significant uncertainties

8. With reference to note 24 to the financial statements, the Western Cape Nature Conservation Board is a defendant in legal claims that are disclosed as contingent liabilities amounting to R63 667 339. The ultimate outcome of these nine cases cannot presently be determined and no provision for any liability that may result has been made in the financial statements.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

9. In accordance with the PAA and the general notice issued in terms thereof, I report the following findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report, non-compliance with legislation as well as internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

10. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected programmes presented in the annual performance report of the public entity for the year ended 31 March 2014:
- Programme 2: Biodiversity Support on pages 44 to 48
 - Programme 3: Conservation Management on pages 48 to 53
11. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
12. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for Managing Programme Performance Information (FMPPI).
13. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
14. I did not raise any material findings on the usefulness and reliability of the reported performance information for the selected programmes.

Additional matter

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

Achievement of planned targets

16. Refer to the annual performance report on pages 39 to 55 for information on the achievement of the planned targets for the year.

Compliance with legislation

17. I performed procedures to obtain evidence that the public entity had complied with applicable legislation regarding financial matters, financial management and other related matters. I did not identify any instances of material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA.

Internal control

18. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance

Auditor-General

Cape Town

30 July 2014



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

2. ANNUAL FINANCIAL STATEMENTS

WESTERN CAPE NATURE CONSERVATION BOARD Trading as CapeNature Annual Financial Statements for the year ended 31 March 2014

ACCOUNTING AUTHORITY'S RESPONSIBILITIES AND APPROVAL

The Board (Accounting Authority) is required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the Board to ensure that the annual financial statements fairly present the state of affairs of the entity as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP).

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

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

The Board has reviewed the entity's cash flow forecast for the 12 months to 31 March 2015 and, in the light of this review and the current financial position, it is satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

The entity is wholly dependent on the Western Cape Department of Environmental Affairs and Development Planning for continued funding of operations. The annual financial statements are prepared on the basis that the entity is a going concern.



Mr Eduard Kok
CHAIRPERSON OF THE BOARD

WESTERN CAPE NATURE CONSERVATION BOARD
Trading as CapeNature
Annual Financial Statements for the year ended 31 March 2014

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014

Figures in Rand	Note(s)	2014	Restated 2013
Assets			
Current Assets			
Inventories	7	2,119,389	2,646,360
Trade and other receivables from exchange transactions	8	2,711,370	3,710,556
Trade receivables from non-exchange transactions	8	8,050,794	1,706,288
Cash and cash equivalents	9	77,229,140	65,438,736
		90,110,693	73,501,940
Non-Current Assets			
Property, plant and equipment	4	83,994,779	85,830,719
Intangible assets	5	6,709,655	7,670,394
		90,704,434	93,501,113
Total Assets		180,815,127	167,003,053
Liabilities			
Current Liabilities			
Trade and other payables	13	30,102,152	40,868,431
Unspent conditional grants and receipts	11	22,906,573	1,385,157
Finance lease obligations	12	1,934,421	1,007,860
		54,943,146	43,261,448
Non-Current Liabilities			
Retirement benefit obligation	6	4,869,000	5,797,000
Unspent conditional grants and receipts	11	10,708,564	16,291,602
Finance lease obligations	12	29,790,223	28,550,854
		45,367,787	50,639,456
Total Liabilities		100,310,933	93,900,904
Net Assets		80,504,194	73,102,149
Net Assets			
Revaluation reserve	10	16,181,728	20,981,183
Western Cape Nature Conservation Fund		1	1
Accumulated surplus		64,322,465	52,120,965
Total Net Assets		80,504,194	73,102,149

WESTERN CAPE NATURE CONSERVATION BOARD
Trading as CapeNature
Annual Financial Statements for the year ended 31 March 2014

STATEMENT OF FINANCIAL PERFORMANCE

Figures in Rand	Note(s)	2014	Restated 2013
Revenue			
Revenue from exchange transactions			
Tourism	15	19,733,502	18,512,042
Licences and permits		3,142,435	1,750,711
Other Income	16	4,368,881	7,122,072
Interest received	17	2,855,060	2,693,708
Total revenue from exchange transactions		30,099,878	30,078,533
Revenue from non-exchange transactions			
Transfer revenue			
Grants, donations and project funds	18	38,029,788	42,029,730
Monetary government grants received		221,427,994	207,664,639
Total revenue from non-exchange transactions		259,457,782	249,694,369
Total revenue		289,557,660	279,772,902
Expenditure			
Employee Costs	20	(152,993,115)	(141,548,986)
Depreciation and amortisation		(10,859,916)	(10,204,723)
Finance costs	21	(8,949,239)	(7,989,566)
Debt impairment		(215,536)	69,525
Repairs and maintenance		(3,314,848)	(1,690,952)
Contractors		(27,668,394)	(31,103,502)
General Expenses		(16,854,245)	(15,469,638)
Stores and Livestock		(10,374,529)	(9,421,248)
Transport and Travel		(20,092,127)	(22,095,129)
Professional and Special Services		(14,356,147)	(14,539,803)
Management fees and Other Services		(7,187,306)	(9,779,665)
Training		(5,402,202)	(5,429,428)
Total expenditure		(278,267,604)	(269,203,115)
Gain (loss) on disposal of assets and liabilities		915,540	(389,840)
Loss on exchange differences		(4,098)	(416)
Surplus for the year		12,201,498	10,179,531

WESTERN CAPE NATURE CONSERVATION BOARD
Trading as CapeNature
Annual Financial Statements for the year ended 31 March 2014

Statement of Changes in Net Assets

Figures in Rand	Revaluation reserve	Capitalisation reserve	Total reserves	Accumulated surplus	Total net assets
Opening balance as previously reported	21,747,176	1	21,747,177	37,049,314	58,796,491
Adjustments					
Prior year adjustments Note 27	-	-	-	4,892,120	4,892,120
Balance at 01 April 2012 as restated	21,747,176	1	21,747,177	41,941,434	63,688,611
Changes in net assets					
Revaluations	(765,993)	-	(765,993)	-	(765,993)
Net income (losses) recognised directly in net assets	(765,993)	-	(765,993)	-	(765,993)
Restated surplus for the year	-	-	-	10,179,531	10,179,531
Total changes	(765,993)	-	(765,993)	10,179,531	9,413,538
Balance at 01 April 2013	20,981,183	1	20,981,184	52,120,967	73,102,151
Changes in net assets					
Revaluations	(4,799,455)	-	(4,799,455)	-	(4,799,455)
Net income (losses) recognised directly in net assets	(4,799,455)	-	(4,799,455)	-	(4,799,455)
Surplus for the year	-	-	-	12,201,498	12,201,498
Total recognised income and expenses for the year	(4,799,455)	-	(4,799,455)	12,201,498	7,402,043
Total changes	(4,799,455)	-	(4,799,455)	12,201,498	7,402,043
Balance at 31 March 2014	16,181,728	1	16,181,729	64,322,465	80,504,194
Note(s)	10				

WESTERN CAPE NATURE CONSERVATION BOARD
Trading as CapeNature
Annual Financial Statements for the year ended 31 March 2014

CASH FLOW STATEMENT

Figures in Rand	Note(s)	2014	Restated 2013
Cash flows from operating activities			
Receipts			
Grants, project funds and tourism revenue		281,352,279	273,678,449
Interest income		2,855,060	2,693,708
		284,207,339	276,372,157
Payments			
Employee costs		(152,898,822)	(135,278,862)
Suppliers		(100,787,653)	(103,247,909)
Finance costs	21	(61,995)	(100,621)
		(253,748,470)	(238,627,392)
Net cash flows from operating activities	22	30,458,869	37,744,765
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(12,758,730)	(24,700,689)
Proceeds from sale of property, plant and equipment		2,255,999	1,649,169
Transfers Property, plant and equipment	4	(1,431,310)	(178,128)
Purchase of intangible assets	5	(13,110)	(116,829)
Transfers Intangible Assets	5	-	9,063
Proceeds from sale of intangible assets	5	-	14
Net cash flows from investing activities		(11,947,151)	(23,337,400)
Cash flows from financing activities			
Additional finance lease		2,165,930	7,090,024
Finance lease payments		(8,887,244)	(8,013,767)
Net cash flows from financing activities		(6,721,314)	(923,743)
Net increase in cash and cash equivalents		11,790,404	13,483,622
Cash and cash equivalents at the beginning of the year		65,438,736	51,955,114
Cash and cash equivalents at the end of the year	9	77,229,140	65,438,736

WESTERN CAPE NATURE CONSERVATION BOARD
Trading as CapeNature
Annual Financial Statements for the year ended 31 March 2014

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Budget on Accrual Basis						
	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Tourism	18,514,449	-	18,514,449	19,733,502	1,219,053	32
Licences and permits	2,568,736	-	2,568,736	3,142,435	573,699	32
Other Income	3,524,754	-	3,524,754	4,368,881	844,127	32
Interest received	2,200,000	-	2,200,000	2,855,060	655,060	32
Gains on disposal of assets	-	-	-	915,540	915,540	32
Total revenue from exchange transactions	26,807,939	-	26,807,939	31,015,418	4,207,479	
Revenue from non-exchange transactions						
Grants, donations and project funds	58,617,140	1,872,273	60,489,413	38,029,788	(22,459,625)	32
Monetary government grants received	223,907,000	(2,000,000)	221,907,000	221,427,994	(479,006)	32
Total revenue from non-exchange transactions	282,524,140	(127,727)	282,396,413	259,457,782	(22,938,631)	
Total revenue	309,332,079	(127,727)	309,204,352	290,473,200	(18,731,152)	
Expenditure						
Employee Costs	(163,061,896)	(2,406,428)	(165,468,324)	(152,993,115)	12,475,209	32
Management Fee	(4,776,656)	373,864	(4,402,792)	(2,859,140)	1,543,652	32
Depreciation and amortisation	(626,616)	-	(626,616)	(10,859,916)	(10,233,300)	32
Finance costs	-	(196)	(196)	(8,949,239)	(8,949,043)	32
Debt impairment	-	-	-	(215,536)	(215,536)	32
Repairs and maintenance	(3,629,667)	(189,379)	(3,819,046)	(3,314,848)	504,198	
Contractors	(28,971,985)	(588,057)	(29,560,042)	(27,668,394)	1,891,648	32
Administrative expenses	(19,207,409)	(1,118,957)	(20,326,366)	(16,854,245)	3,472,121	32
Stores and Livestock	(13,800,209)	(1,718,448)	(15,518,657)	(10,374,529)	5,144,128	
Transport and Travel	(30,314,062)	423,846	(29,890,216)	(20,092,127)	9,798,089	32
Professional and Special Services	(12,483,390)	147,014	(12,336,376)	(14,356,147)	(2,019,771)	32
Other Services	(5,490,598)	(84,389)	(5,574,987)	(4,328,166)	1,246,821	
Training	(7,324,180)	(245,980)	(7,570,160)	(5,402,202)	2,167,958	
Total expenditure	(289,686,668)	(5,407,110)	(295,093,778)	(278,267,604)	16,826,174	
Operating surplus	19,645,411	(5,534,837)	14,110,575	12,205,596	(1,904,979)	
Loss on foreign exchange	-	(1,575)	(1,575)	(4,098)	(2,523)	
Surplus	19,645,411	(5,536,412)	14,108,999	12,201,498	(1,907,501)	

CapeNature does not budget for a surplus. The R19,645,411 shown as a surplus in the original approved budget and the R14,108,999 shown in the final budget are capital expenditure budget amounts.

WESTERN CAPE NATURE CONSERVATION BOARD
Trading as CapeNature
Annual Financial Statements for the year ended 31 March 2014

ACCOUNTING POLICIES

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Public Finance Management Act (Act 1 of 1999) and Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise. They are presented in South African Rand.

A summary of the significant accounting policies, which have been consistently applied, are disclosed below.

The accounting policies and comparatives are consistent with the previous period except for those standards that have been adopted in the current year. Refer from note 3 for more details.

1.1 Significant judgements and sources of estimation uncertainty

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 is 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. Significant judgements includes the following:

Impairment of Trade receivables

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

Post retirement benefits

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

1.2 Biological assets

Transitional provision

An entity shall recognise a biological asset or agricultural produce when, and only when:

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

WESTERN CAPE NATURE CONSERVATION BOARD
Trading as CapeNature
Annual Financial Statements for the year ended 31 March 2014

ACCOUNTING POLICIES

1.3 Property, plant and equipment

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

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

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

Property, plant and equipment is initially measured at cost.

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

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

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

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. 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.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

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

Revaluations for land and buildings are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

Any increase in an asset's carrying amount, as a result of a revaluation, is credited directly to a revaluation surplus. The increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in surplus or deficit in the current period. The decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings when the asset is derecognised.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value. Land is not depreciated.

Infrastructure assets under construction are only depreciated upon completion.

Property is carried at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

WESTERN CAPE NATURE CONSERVATION BOARD
 Trading as CapeNature
 Annual Financial Statements for the year ended 31 March 2014

ACCOUNTING POLICIES

1.3 Property, plant and equipment (continued)

Assets held under finance leases are depreciated over their expected useful lives on the same basis as the owned assets or, where appropriate, the term of the relevant lease, and are recognised in the statement of the financial performance.

The actual useful lives of motor vehicles are assessed annually based on the condition of vehicles and the replacement policy of the entity.

A change in useful life or residual value is accounted for as a change in accounting estimate, thus the depreciation for the current year and future years are restated.

Gains and losses on the disposal of motor vehicles are recognised in the statement of financial performance once they accrue to the entity.

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

	Average useful life
Land	indefinite
Buildings	50 years
Plant and machinery	2-6 years
Furniture and equipment	2-6 years
Motor Vehicles and Boats	4-6 years
IT Equipment	2-3 years
Motor Vehicles under finance lease	15 years
Communication equipment	2 years

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

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 surplus or deficit unless it is included in the carrying amount of another asset.

Assets of entity are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

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

Use of estimates and management judgement

In assessing the remaining useful lives and residual values of property, plant and equipment, management have made judgements based on historical evidence as well as the current condition of property, plant and equipment under its control.

1.4 Intangible assets

An asset is identified as an intangible asset when it:

- arises from contractual rights or other legal rights, regardless whether those rights are transferable or separate from the entity or from other rights and obligations.

An intangible asset is recognised when:

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

WESTERN CAPE NATURE CONSERVATION BOARD
Trading as CapeNature
Annual Financial Statements for the year ended 31 March 2014

ACCOUNTING POLICIES

1.4 Intangible assets (continued)

Intangible assets are initially recognised at cost.

An intangible asset acquired through a non-exchange transaction, the cost shall be its fair value as at the date of acquisition.

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

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

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

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

Item	Useful life
Computer software, other	2-10 years

1.5 Financial instruments

Classification

The entity classifies financial assets and financial liabilities into the following categories:

- All financial assets of CapeNature were categorised as loans and receivables. The classification depends on the nature and the purpose of the financial assets and is determined at the time of initial recognition
- All financial liabilities of CapeNature were classified as financial liabilities at amortised cost. The classification depends on the nature and the purpose of the financial liabilities and is determined at the time of initial recognition.

Initial recognition and measurement

Financial assets and financial liabilities are recognised on the Statement of Financial Position when CapeNature becomes a party to the contractual provisions of the instruments.

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'financial assets at amortised costs'. Financial assets are measured at amortised cost using the effective interest method less any impairment. Interest income is recognised by applying the effective interest rate.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Financial liabilities are initially measured at fair value, net of transaction costs. Financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised using the effective method. Financial instruments are measured initially at fair value.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

WESTERN CAPE NATURE CONSERVATION BOARD
Trading as CapeNature
Annual Financial Statements for the year ended 31 March 2014

ACCOUNTING POLICIES

1.5 Financial instruments (continued)

Receivables from exchange transactions

Financial assets are assessed for indicators of impairment at each year end. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. Appropriate allowances for estimated irrecoverable amounts are recognised in surplus or deficit when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the deficit is recognised in surplus or deficit within operating expenses. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in surplus or deficit. Trade and other receivables are classified as loans and receivables.

Payables from exchange transactions

Financial liabilities are initially measured at fair value, net of transaction costs. Financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised using the effective method. Financial instruments are measured initially at fair value.

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

Once an entity has classified a financial asset or a financial liability either at fair value or amortised cost or cost, it is only allowed to reclassify such instruments in limited instances.

An entity derecognises a financial asset, or the specifically identified cash flows of an asset, when:

- * the cash flows from the asset expire, are settled or waived;
- * significant risks and rewards are transferred to another party; or
- * despite having retained significant risks and rewards, an entity has transferred control of the asset to another entity.

An entity derecognises a financial liability when the obligation is extinguished. Exchanges of debt instruments between a borrower and a lender are treated as the extinguishment of an existing liability and the recognition of a new financial liability. Where an entity modifies the term of an existing financial liability, it is also treated as the extinguishment of an existing liability and the recognition of a new liability.

An entity cannot offset financial assets and financial liabilities in the statement of financial position unless a legal right of set-off exists, and the parties intend to settle on a net basis.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

1.6 Taxation

No provision has been made for SA Income Taxation as the Board is exempt from income taxation in terms of S 10 (1) (cA) (i) of the Income Tax Act (Act No. 58 of 1962).

1.7 Leases

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

WESTERN CAPE NATURE CONSERVATION BOARD
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ACCOUNTING POLICIES

1.7 Leases (continued)

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Operating leases - lessee

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

1.8 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value carried forward at weighted average cost.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the entity incurs to acquire the asset on the reporting date.

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

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The cost of fuel and chemicals are determined on the first-in, first-out (FIFO) basis, while uniforms, stores and other consumables are carried forward at the average cost. Ivory stocks are not capitalised as there is no legal trading market. Confiscated ivory stock is safeguarded by the Board.

1.9 Impairment of cash-generating assets

Cash-generating assets are those assets held by the entity with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

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1.9 Impairment of cash-generating assets (continued)

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

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

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

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

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

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

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

Identification

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

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

1.10 Impairment of non-cash-generating assets

Identification

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

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

1.11 Western Cape Nature Conservation Fund

CapeNature will apply to retain cash surpluses in line with S53 (3) of the Public Finance Management Act (Act 1 of 1999), where applicable,

1.12 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of surplus sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

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1.12 Employee benefits (continued)

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

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

Defined benefit plans

For defined benefit plans the cost of providing the benefits is determined using the projected credit method.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan.

Past service costs are recognised immediately to the extent that the benefits are already vested, and are otherwise amortised on a straight line basis over the average period until the amended benefits become vested.

CapeNature provides post-retirement medical care benefits to some of its employees and their legitimate spouses. The entitlement to post retirement benefits is based on the employee remaining in service up to retirement age. The expected costs of these benefits are accrued over the period of employment, using the project unit credit method. Actuarial gains and losses arising from experience adjustments, and changes in actuarial assumptions, are recognised in profit or loss in the period in which it occurs.

Gains or losses on the curtailment or settlement of a defined benefit plan is recognised when the entity is demonstrably committed to curtailment or settlement.

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

1.13 Provisions and contingencies

Provisions are recognised when:

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

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

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

Provisions are not recognised for future operating deficits.

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

1.14 Revenue from exchange transactions

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

An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

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ACCOUNTING POLICIES

1.14 Revenue from exchange transactions (continued)

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

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Sale of goods

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

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

Rendering of services

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

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

Interest and royalties

Revenue arising from the use by others of entity assets yielding interest and royalties is recognised when:

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

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

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

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

1.15 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by an entity, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arises when the entity can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

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

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ACCOUNTING POLICIES

1.15 Revenue from non-exchange transactions (continued)

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting entity.

Services in-kind are not recognised and measured but disclosed as related party transactions in the notes.

Recognition

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

As the entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Measurement

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

When, as a result of a non-exchange transaction, the entity recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Grants, Donations and Project funds

Funding by way of special project grants are disclosed under liabilities as unspent conditional grants and receipts. The liability is transferred to revenue when the conditions attached to the grants, donations and project funds are met. Grants, donations or project funds that are not subject to any conditions are recognised as revenue.

Interest earned on investment of grants, donations and project funds received is treated in accordance with the stipulations set out in the agreement.

1.16 Comparative figures

Where necessary, comparative figures have been restated to conform to changes in presentation in the current year.

1.17 Irregular, Fruitless and wasteful expenditure

Irregular expenditure, as defined in section 1 of the Public Finance Management Act (PFMA) is expenditure, other than unauthorised expenditure, incurred in contravention of, or that is not in accordance with:

- (a) a requirement of the PFMA (Act No. 29 of 1999); or
- (b) a requirement of the State Tender Board Act (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- (c) a requirement in any provincial legislation providing for procurement procedures in that provincial government.

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

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1.18 Budget information

The approved budget is prepared on an accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 1 April 2013 to 31 March 2014.

1.19 Related parties

The entity operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the national sphere of government are considered to be related parties.

Management are those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, management in their dealings with the entity.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

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2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 1 April 2013 or later periods:

GRAP 18 Segment Reporting

This Standard requires additional disclosures on the various segments of the business in a manner that is consistent with the information reported internally to the management of this entity. This standard does not yet have an effective date.

GRAP 20 Related Party Disclosure

The objective of this Standard is to ensure that a reporting entity's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and surplus or deficit may have been affected by the existence of related parties and by transactions and outstanding balances with such parties. Preliminary investigations indicate that the impact of the financial statements will be minimal.

GRAP 105 Transfer of functions between entities under common control

The objective of this Standard is to establish accounting principles for the acquirer and transferor in a transfer of functions between entities under common control. No significant impact is expected as the entity does not participate in such business transactions.

GRAP 106 Transfer of functions between entities not under common control

The objective of this Standard is to establish accounting principles for the acquirer and transferor of functions between entities not under common control. No significant impact is expected as the entity does not participate in such business transactions.

GRAP 107 Mergers

The objective of this Standard is to establish accounting principles for the combined entity and combining entities in a merger.

Standards not applicable to the entity include:

GRAP 18 Segment Reporting - not required by the Accounting Standards Board
GRAP 103 Heritage Assets - CapeNature does not hold any heritage assets

All the above standards, where applicable, will be complied with in the financial statements once the effective dates have been set. Preliminary investigations indicate that the impact on the financial statements will be minimal.

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3. Biological assets

Non-financial information

CapeNature's biological assets include wildlife, fauna and flora and are not recognised in the Statement of Financial Position. Fair value cannot be attached to these assets as they constantly change as dictated by natural processes like climate, fire, disease, predation, etc. which impacts directly on the rate of population growth and mortality. Some animal species also migrate from and to nature reserves (insects, birds, reptiles and even game species which escape).

CapeNature's statutory responsibility is the conservation of the Western Cape's biodiversity, hence the holding of such assets.

The biological assets are not recognised in the statement of financial position, as the fair value or cost of the assets cannot be measured reliably.

However, the organization have 13 horses that were acquired for no consideration which are utilised in operational activities and the fair value of these assets amounts to R51,400 and are deemed to be immaterial.

4. Property, plant and equipment

	2014			Restated 2013		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	6,450,000	-	6,450,000	11,900,000	-	11,900,000
Buildings	10,761,424	(981,424)	9,780,000	10,110,878	(769,628)	9,341,250
Plant and machinery	3,599,819	(2,113,268)	1,486,551	3,226,177	(1,641,300)	1,584,877
Furniture and fixtures	36,055,548	(15,871,450)	20,184,098	34,913,286	(12,053,845)	22,859,441
Motor vehicles and Boats	5,306,779	(3,327,780)	1,978,999	5,053,339	(2,403,430)	2,649,909
IT equipment	9,585,051	(6,859,432)	2,725,619	8,423,569	(5,296,346)	3,127,223
Infrastructure	15,367,622	-	15,367,622	9,750,309	-	9,750,309
Motor Vehicles under finance leases	32,559,420	(7,053,653)	25,505,767	30,850,054	(6,639,836)	24,210,218
Communication equipment	1,407,659	(891,536)	516,123	837,628	(430,136)	407,492
Total	121,093,322	(37,098,543)	83,994,779	115,065,240	(29,234,521)	85,830,719

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4. Property, plant and equipment (continued)
Reconciliation of property, plant and equipment - March 2014

	Opening balance	Additions	Disposals	Revaluations / Impairments	Transfers	Depreciation	Total
Land	11,900,000	-	-	(5,450,000)	-	-	6,450,000
Buildings	9,341,250	-	-	650,545	-	(211,795)	9,780,000
Plant and machinery	1,584,877	378,267	(6,658)	-	8,133	(478,068)	1,486,551
Furniture and fixtures	22,859,441	1,280,352	(105,451)	-	34,256	(3,884,500)	20,184,098
Boats and vehicles	2,649,909	248,921	-	-	4,519	(924,350)	1,978,999
IT equipment	3,127,223	1,218,437	(29,737)	-	2,509	(1,592,813)	2,725,619
Infrastructure	9,750,309	5,666,730	-	-	(49,417)	-	15,367,622
Motor Vehicles under finance leases	24,210,218	3,246,284	(1,121,332)	-	1,431,310	(2,260,713)	25,505,767
Communication equipment	407,492	719,739	(77,281)	-	-	(533,827)	516,123
Total	85,830,719	12,758,730	(1,340,459)	(4,799,455)	1,431,310	(9,886,066)	83,994,779

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4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Restated March 2013

	Opening balance	Additions	Disposals	Transfers	Revaluations/Impairments	Depreciation	Total
Land	12,990,000	-	-	-	(1,090,000)	-	11,900,000
Buildings	9,222,500	-	-	-	324,007	(205,257)	9,341,250
Plant and machinery	1,624,702	377,438	(35,194)	45,077	-	(427,146)	1,584,877
Furniture and fixtures	14,921,182	5,454,025	(107,334)	6,601,296	-	(4,009,728)	22,859,441
Motor vehicles and Boats	1,740,546	1,750,417	(987)	-	-	(840,067)	2,649,909
IT equipment	1,512,518	3,010,947	(8,434)	34,606	-	(1,422,414)	3,127,223
Infrastructure	13,859,235	2,562,989	-	(6,671,915)	-	-	9,750,309
Motor Vehicles under finance leases	16,340,453	11,409,292	(1,887,060)	169,064	-	(1,821,531)	24,210,218
Communication equipment	532,622	135,581	-	-	-	(260,711)	407,492
Total	72,743,758	24,700,689	(2,039,009)	178,128	(765,993)	(8,986,854)	85,830,719

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4. Property, plant and equipment (continued)

Revaluations

The effective date of the revaluations was 31 March 2014. Revaluations were performed by independent valuers:

- (1) John du Toit, Seeff Properties, a member of the Estate Agency Affairs Board
- (2) Anton W Roodt (ACIS,AIBS, FICB (SA), MIVSA of Anton Roodt and Associates, Professional Valuer
- (3) Richard van Reenen Barry, Barry & Mouton, a member of the Estate Agency Affairs Board
- (4) Harry de Villiers, Rawson Estates, a member of the Estate Agency Board
- (5) Polla van Wyk, Seeff Properties, a member of the Estate Agency Board

The above valuers are not connected to the entity. Land and buildings are revalued every year in March.

These assumptions were based on current market conditions.

The main events and circumstances that led to the recognition of these impairment losses were based on current replacement costs and is also due to the weak market conditions. The carrying value of the revalued assets under the cost model would be:

Land	5,879,900	5,879,900
Buildings	5,996,108	6,201,365

5. Intangible assets

	2014			Restated 2013		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	10,327,737	(3,618,082)	6,709,655	10,314,627	(2,644,233)	7,670,394

Reconciliation of intangible assets - March 2014

	Opening balance	Additions	Amortisation	Total
Computer software	7,670,394	13,110	(973,849)	6,709,655

Reconciliation of intangible assets - March 2013

	Opening balance	Additions	Disposals	Transfers	Amortisation	Total
Computer software	8,780,512	116,829	(14)	(9,063)	(1,217,870)	7,670,394

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6. Employee benefit obligations

Defined benefit plan

Post retirement medical aid plan

Changes in the present value of the defined benefit obligation are as follows:

Opening balance	5,797,000	4,234,000
Net expense recognised in the statement of financial performance	(928,000)	1,563,000
Closing balance	4,869,000	5,797,000
Net (income)/expense recognised in the statement of financial performance		
Current service cost	87,000	66,000
Interest cost	432,000	357,000
Actuarial (gains) losses	(1,285,774)	1,383,000
Less: Expected benefits paid on behalf of the Board	(109,512)	(213,000)
Actual benefits paid by CapeNature	(51,714)	(30,000)
Total included in employee related costs (Note 20)	(928,000)	1,563,000

Key assumptions used

Assumptions used in the last valuation 31 March 2014:

A discount rate of 8.89% has been used to place a present value on future subsidy payments. The rate used reflects the yields used on long term government bonds.

An expected long-term increase in the medical subsidy payments of 0% per annum has been used. This stems from the assumption that the maximum subsidy payment of R1,014 per month will remain in Rand terms for the lifetime of the employees and pensioners.

90% of the employee members are assumed to be married at retirement (or on death-in-service) with no dependant children.

The normal retirement age is 65, however the assumed retirement age of 60 years was used. This assumption is different to the previous valuation.

For pensioner members, actual data was used for spouses and child dependants. A four year difference between spouses' ages, with the female being younger, has been assumed. This is consistent with the previous valuation.

All employees are assumed to continue their medical scheme membership after retirement.

A sensitivity analysis was not done for this valuation.

Retirement Age	60	60
Discount rates used	8.89 %	7.55 %
Number of members included as active members	43	48
Number of members included as pensioners	23	22
	66	70

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6. Employee benefit obligations (continued)

Defined contribution plan

Pension Benefits

Former Department of Environmental Affairs employee contributions to the Government Employees Pension Fund are charged to the statement of financial performance in the year to which it relates. This fund is governed by the Government Employees Pension Act 1996, with benefits that are calculated according to prescribed formulae. The remaining staff members are responsible for their own retirement benefit planning.

The Government Pension Fund is a Defined Benefit Plan, but the organisation treats the contributions made as a Defined Contribution Plan as it is under no obligation to cover any unfunded benefits.

It is the policy of the entity to provide retirement benefits to employees who were previously employed by the Department of Environmental Affairs. As at March 2014, the entity employed 861 staff 155 are members of the Government Employees Pension Fund. The remaining members are responsible for their own retirement benefit planning.

The total economic entity contribution to such schemes (included in employee related costs - Note 20)	3,674,345	3,470,727
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7. Inventories

Uniforms, rations & other merchandise	1,194,257	1,692,589
Fuel	200,274	47,488
Chemical stores	724,858	906,283
	2,119,389	2,646,360

7.1 Additional Financial information

Inventories recognised as an expense during the year	5,668,055	5,935,653
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7.2 Non-financial Information

Ivory and other confiscated stocks are not capitalised as there is no legal trading market. As at 31 March 2014 the Board held 10,057 kg (March 2013:10,057 kg) of confiscated ivory and other stock.

8. Trade and other receivables

Trade debtors from exchange transactions	1,990,112	1,378,672
Employee costs in advance from exchange transactions	7,352	85,918
Other Receivables from exchange transactions	713,906	2,245,966
Trade debtors from non-exchange transactions	8,050,794	1,706,288
	10,762,164	5,416,844

Other receivables

Other receivables includes prepaid expenses and accrued income. Included in trade debtors for non-exchange transactions are four invoices raised in March 2014 for R6,7 million, of which R6,2 million was settled in April 2014.

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8. Trade and other receivables (continued)

Analysis of total trade and other receivables' ageing in days

The ageing of amounts are as follows:

Current	7,599,203	3,521,885
30 days	1,121,692	559,476
60 days	364,026	58,598
90 days plus	1,962,964	1,727,647
	11,047,885	5,867,606

Reconciliation of allowance for impairment of trade and other receivables

Opening balance	(450,762)	(573,374)
(Increase)/decrease in allowance recognised in surplus for impairment	(215,536)	69,526
Amounts written off as uncollectible	380,577	53,086
Closing Balance	(285,721)	(450,762)

The average credit period on exchange revenue is 30 days. No interest is charged on trade receivables for amounts outstanding longer than the period.

Trade receivables disclosed above include amounts which are past due, ie. (90 days) at the end of the reporting period. Management believes no further credit provisions are required in excess of the present allowance for doubtful debts, because there has not been a significant change in credit quality and the amounts are still considered recoverable.

9. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	211,351	189,010
Bank balances	77,017,789	65,249,726
	77,229,140	65,438,736

10. Revaluation reserve

Opening balance	20,981,183	21,747,176
Revaluation during the year	(4,799,455)	(765,993)
	16,181,728	20,981,183

The revalued amount mainly relates to the current fair value of land at Hangklip

11. Unspent conditional grants and receipts

Movement during the year

Balance at the beginning of the year	17,676,759	20,901,369
Additional funds received during the year	88,439,897	113,175,288
Income recognition during the year	(72,501,519)	(116,399,898)
	33,615,137	17,676,759

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11. Unspent conditional grants and receipts (continued)

Non-current liabilities	10,708,564	16,291,602
Current liabilities	22,906,573	1,385,157
	33,615,137	17,676,759

The unspent conditional grants and receipts represents amounts previously received from government grants and private funders that will be utilised in the future against the respective projects.

12. Finance Lease Obligations

Finance lease liabilities	31,724,644	29,558,714
Less: Current Portion transferred to Current Finance Lease Liabilities	(1,934,421)	(1,007,860)
Total Long-term Liabilities	29,790,223	28,550,854

The management of CapeNature is of the opinion that the carrying value of Long-term Liabilities recorded at amortised cost in the Annual Financial Statements approximate their fair values.

Obligations under Finance Lease Liabilities

CapeNature as Lessee:

(a) Finance Leases relate to permanently allocated vehicles with lease terms between 5 to 36 years. The effective annual interest rate on new vehicles purchased and permanently allocated to Cape Nature during the year under review is between 31% and 40%.

Ownership of the leased vehicle is transferred to Government Motor Transport at the conclusion of the lease agreements.

(b) The entity leases cellphones on fixed term contracts. The leases were classified as finance leases because all the risks and rewards of ownership have substantially been transferred to the entity. The average term of these cellphone contracts is two years. The finance lease liability amounts to R515,932 (March 2014) and R407,492 (March 2013).

The obligations under Finance Leases are as follows:

	Minimum Lease Payments		Present Value of Minimum Lease Payments	
	March 2014	March 2013	March 2014	March 2013
Amounts payable under finance leases				
Within one year	10,984,362	9,382,225	1,934,421	1,007,860
In the second to fifth years	46,008,273	38,916,492	18,835,583	13,807,447
Over five years	13,360,300	18,932,976	10,954,640	14,743,407
Less: Future Finance Obligations	(38,628,290)	(37,672,979)	-	-
Present Value of Minimum Lease Payments	31,724,645	29,558,714	31,724,644	29,558,714

Present Value of Minimum Lease Obligations
Less: Amounts due for settlement within 12 months (Current Portion)

Finance Lease Obligations due for settlement after 12 months (Non-current Portion)

Present Value of Minimum Lease Payments	
March 2014	Mar 2013
31,724,644	29,558,714
(1,934,421)	(1,007,860)
29,790,223	28,550,854

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12. Finance Lease Obligations (continued)

Government Motor Transport (GMT) has finance lease agreements for the following significant classes of assets:

- Motor vehicles

Included in these classes are the following significant leases

Instalments are payable monthly in arrears

	GCD338G	GCG169G
Average effective interest rate	31.02 %	34.59 %
Average monthly instalment	4,153	6,283
Annual escalation	5.37 %	5.37 %

13. Trade and other payables

Trade payables from exchange transactions	13,356,272	24,802,345
Income received in advance from exchange transactions	5,727,881	5,600,996
Sundry payables from exchange transactions	2,545,855	2,599,743
Employment leave entitlement from non-exchange transactions	6,756,267	6,296,066
13th cheque cash portion from non-exchange transactions	1,715,877	1,569,281
	30,102,152	40,868,431

Interest is charged on trade payables. CapeNature has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

Income received in advance mainly consists of tourism accommodation and trail deposits.

Sundry payables mainly includes employees tax, UIF and pension fund contributions and paid by the 7th of the following month.

14. Categories of financial instruments

The accounting policies for financial instruments have been applied to the line items below:

2014

Financial assets

	At amortised cost	Total
Receivables from exchange transactions	2,699,666	2,699,666
Receivables from non-exchange transactions	8,050,794	8,050,794
Cash and cash equivalents	77,229,140	77,229,140
	87,979,600	87,979,600

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	15,902,126	15,902,126
Trade and other payables from non-exchange transactions	8,472,144	8,472,144
Finance lease obligations	31,208,714	31,208,714
	55,582,984	55,582,984

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14. Categories of financial instruments (continued)		
2013		
Financial assets	At amortised cost	Total
Receivables from exchange transactions	3,200,280	3,200,280
Receivables from non-exchange transactions	1,706,288	1,706,288
Cash and cash equivalents	65,438,736	65,438,736
	70,345,304	70,345,304
Financial liabilities	At amortised cost	Total
Trade and other payables from exchange transactions	27,402,087	27,402,087
Trade and other payables from non-exchange transactions	7,865,347	7,865,347
Finance lease obligations	29,558,714	29,558,714
	64,826,148	64,826,148
15. Tourism		
Accommodation	7,110,742	6,698,406
Entrance fees, hiking and activities	10,143,099	9,550,724
Wildcard Sales	1,131,794	958,504
PPP Business Income	633,600	600,000
Filming Fees	714,267	704,408
	19,733,502	18,512,042
16. Other income		
Management fees	2,851,256	5,231,553
Insurance Recoveries	268,377	8,690
Staff and Private Accommodation	745,040	658,108
Fines	96,200	156,930
Game - Sales	196,000	-
Services Rendered	165,633	1,033,048
Sundry Income	46,375	33,743
	4,368,881	7,122,072
17. Investment revenue		
Interest revenue		
Bank interest	2,855,060	2,693,708
18. Grants, donations and project funds		
Donations	30,096	91,932
Project grants	10,631,186	10,674,534
Department of Environmental Affairs (Natural Resource Management)	27,664,797	31,263,264
	38,326,079	42,029,730

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19. Operating surplus		
Operating surplus for the year is stated after accounting for the following:		
(Profit)/Loss on sale of property, plant and equipment	(915,540)	389,840
Loss on exchange differences	4,098	416
Amortisation on intangible assets	973,849	1,217,870
Depreciation on property, plant and equipment	9,886,066	8,986,854
Employee related costs	152,993,115	141,548,986
Audit Fees - External	3,822,408	2,420,389
Professional and Special Services	10,533,738	12,119,413
Contractor Costs	27,668,394	31,066,769
20. Employee related costs		
Salaries and wages	149,786,569	135,567,230
Leave pay accrual	460,201	948,029
Post-retirement medical benefit	(928,000)	1,563,000
Post-employment pension benefits	3,674,345	3,470,727
	152,993,115	141,548,986
21. Finance costs		
Interest charged	61,995	100,621
Finance costs on leases	8,887,244	7,888,945
	8,949,239	7,989,566
22. Cash generated from operations		
Surplus	12,201,498	10,179,531
Adjustments for:		
Depreciation and amortisation	10,859,915	10,204,723
(Gain)/Loss on sale of assets and liabilities	(915,540)	389,840
Finance costs - Finance leases	8,887,244	7,888,945
Movements in retirement benefit assets and liabilities	(928,000)	1,563,000
Changes in working capital:		
Inventories	526,971	(492,833)
Trade and other receivables	(5,345,320)	(492,430)
Trade & other payables	(10,766,277)	9,465,527
Unspent conditional grants and receipts	15,938,378	(961,538)
	30,458,869	37,744,765

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23. Commitments

23.1. Authorised capital expenditure

Approved and contracted

The following capital commitments will be financed through operating cash flows.

IT - Upgrade & Virtualisation of Server	-	490,271
Website Design	-	132,240
Appointed to construct planned developments at Noetsie, De Hoop Nature Reserve	3,648,246	-
Design and Supply of Signage	415,701	-
Supply and delivery of Isuzu Bakkie	434,570	-
Subtotal	4,498,517	622,511

23.2. Authorized operational expenditure

• Reserve determination study for the Heuningnes Estuary	-	609,999
• Cleaning, Laundry & Porterage services at the Whale Trail	2,688,449	-
• Veterinarian services for Baboon Management	360,000	-
Subtotal	3,048,449	609,999

23.3 Operating leases - as lessee (expense)

Minimum lease payments due		
- within one year	1,096,518	2,216,701
- in second to fifth year inclusive	2,356,256	3,329,731
Subtotal	3,452,774	5,546,432

Photocopy machine leases are negotiated for an average term of three years and the rentals are fixed for the duration of the lease term.

The lease agreement between URAD Technologies and CapeNature is for subscription fees for the ResByWeb software for the Central Reservation System and Permit Suite. The contract commenced 1 October 2012 and expires on 30 September 2015.

Grand Total	10,999,740	6,778,942
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24. Contingencies

The contingencies represent claim submission amounts. These values are in the process of assessment and do not represent actual future payments.

The ultimate outcome of these cases cannot presently be determined and no provision for any liability that may result has been made in the financial statements.

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24. Contingencies (continued)

Contingent liabilities

Lourensford Estate vs CapeNature	9,000,000	9,000,000
MTO and Cape Sawmills vs CapeNature	33,616,497	33,616,497
Amalienstien vs CapeNature	19,750	19,750
Vickers CJ vs CapeNature	-	17,575
MTO and Cape Sawmills vs CapeNature	19,500,000	19,500,000
Heymann JJ vs CapeNature	25,000	25,000
October R vs CapeNature	1,100,000	-
Ocotber M vs CapeNature	300,000	-
Van Reenen N vs CapeNature	100,000	-
Meyer K vs CapeNature	6,092	-
	63,667,339	62,178,822

The case of Lourensford Estate vs CapeNature is in respect of fire damage in Jonkershoek - 4 February 2009

The case of Mountain to Ocean and Cape Sawmills vs CapeNature is in respect of fire damage in Jonkershoek - 23 and 28 February 2009

The case of intent from Amalienstien is in respect of fire on Casidra property - 18 June 2010

The case of Mountain to Ocean and Cape Sawmills vs CapeNature is in respect of fire damage in the Wolseley area - 7 to 12 January 2012

The case of Heyman JJ vs CapeNature is in respect of personal injury - 22 September 2010

The case of October R and October M vs CapeNature is in respect of damages and loss of income in Rooisand area - 16 to 30 March 2011

The case of Van Reenen N vs CapeNature is in respect of personal injury - 3 November 2013

The case of Meyer K vs CapeNature is in respect of a motor vehicle accident - 1 November 2013

Contingent assets

CapeNature vs Stellenbosch Municipality	706,557	706,557
CapeNature vs Grootwinterhoek	633,241	633,241
CapeNature vs JB Gerber	-	291,671
	1,339,798	1,631,469

The case of CapeNature vs Stellenbosch Municipality is in respect of damages arising from a fire which started in an informal settlement in Franschhoek - 25 December 2005

The case of CapeNature vs Grootwinterhoek is in respect of damages arising from fire claims which started on Misgund and Poplar Grove farm respectively - 1 February 2008

Legal Fees

Legal fees associated with these claims has not been provided for.

25. Related parties

Relationships

Members of key management

Refer to note 26

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25. Related parties (continued)

CapeNature is a Schedule 3C state controlled public entity resorting under the responsibility of the Western Cape Department of Environmental Affairs and Development Planning. In the ordinary course of business, the Board enters into various sales and purchase transactions on an arm's length basis at market rates with other state controlled entities.

Office Rentals

CapeNature has no obligation towards office rental expenses as the responsibility lies with the Department of Transport and Public Works for the settlement of these payments. The shared services building in Bridgetown is owned by DTPW and CapeNature occupies office space in this building for administration purposes.

Land Rentals

There are ten agreements on land owned by World Wildlife Fund South Africa and managed by CapeNature for conservation purposes.

GMT Vehicles

Refer to note 12

A related party relationship exists between the Department and Government Motor Transport with regard to the management of government motor vehicles of the Departments. This relationship is based on an arms-length transaction in terms of tariffs approved by the Provincial Treasury.

Department of Environmental Affairs (DEA) Natural Resources Management Project

CapeNature executes certain projects on behalf of DEA based on a cost recovery plus 7.5% management fee basis. DEA donates certain chemicals to CapeNature which are recorded as donations.

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26. Key Management Information - Executive Management and Board Members' emoluments

The following persons are employed by the Western Cape Nature Conservation Board in their respective executive capacities during the financial year.

The Board operates a remuneration system based on the total cost to company principle. As such, all contributions to medical aid and pension funds are borne by the employee out of this package. A performance system was in place for the current financial year.

Executive Management Emoluments

March 2014

	Emoluments	Acting Allowance	Performance Bonus	Total
Dr Omar R - Chief Executive Officer (Jan - Mar 2014)	297,212	-	-	297,212
Dr Hamman KCD - Chief Executive Officer (Nov 2013 - Jan 2014)	284,228	-	11,642	295,870
Dr Hamman KCD - Acting Chief Executive Officer	652,026	11,172	-	663,198
Cleaver-Christie G - Conservation Management (Mar 2014)	64,276	-	-	64,276
Preston A - Chief Financial Officer	891,836	-	-	891,836
Espey Q - Conservation Management (Apr - May 2013)	145,369	-	-	145,369
Ismail S - Marketing and Eco Tourism	891,836	-	13,427	905,263
Dr Baard EW - Biodiversity (Jul 2013 - Mar 2014)	587,162	43,886	-	631,048
Vaughan R - Human Resources	-	199,459	-	199,459
Cloete E - Conservation Management (Jun 2013 - Feb 2014)	-	247,899	-	247,899
	3,813,945	502,416	25,069	4,341,430

March 2013

	Emoluments	Acting Allowance	Other Benefits	Total
Moroka TM - Chief Executive Officer (Apr - Aug 2012)	448,591	-	538,310	986,901
Dr Hamman KCD - Acting Chief Executive Officer	986,092	80,937	-	1,067,029
Preston A - Chief Financial Officer	855,052	-	-	855,052
Ismail S - Marketing & Eco Tourism	835,143	-	-	835,143
Pantsi M - Acting Conservation Management	-	50,590	-	50,590
Espey Q - Conservation Management (Jun 2012 - Mar 2013)	726,845	-	-	726,845
Dr Baard EW - Acting Biodiversity	-	161,711	-	161,711
Jamie MN - Human Resources	822,807	(7,841)	-	814,966
Vaughan R - Acting Human Resources	-	189,383	-	189,383
	4,674,530	474,780	538,310	5,687,620

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26. Key Management Information - Executive Management and Board Members' emoluments (continued)

Non-executive Management Emoluments

March 2014

	Remuneration	Reimbursive Expenses	Total
Prof Redlinghuis A	1,770	-	1,770
Dr Johnson C	116,592	65,695	182,287
Van der Merwe J	2,334	-	2,334
Dr February E	53,173	-	53,173
Du Bruyn F	89,356	10,286	99,642
Kok E	74,101	2,224	76,325
Eaton M	59,275	2,463	61,738
Prof Hanekom F	28,086	8,796	36,882
Lotter C	28,822	-	28,822
Prof Maneveldt G	22,245	-	22,245
McKenzie B	35,046	-	35,046
Mdludlu M	44,781	3,235	48,016
McOmbring-Hodges M	27,258	1,236	28,494
Nel D	23,364	9,869	33,233
	606,203	103,804	710,007

March 2013

	Remuneration	Reimbursive Expenses	Total
Prof Redlinghuis A	61,693	2,109	63,802
Dr Johnson C	108,078	69,296	177,374
Van der Merwe J	57,319	8,289	65,608
Dr February E	29,511	-	29,511
Du Bruyn F	69,568	11,180	80,748
Kok E	71,461	3,100	74,561
Eaton M	32,336	7,427	39,763
Prof Hanekom F	24,251	11,621	35,872
Lotter C	42,920	558	43,478
Prof Maneveldt G	21,506	-	21,506
Kagee H	2,237	-	2,237
Dr McKenzie B	1,947	-	1,947
Adv Mdlulu M	1,947	-	1,947
McOmbring-Hodges M	1,947	-	1,947
	526,721	113,580	640,301

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27. Prior period errors and reclassifications

Operating Surplus (note 19)

The amount of R18,780,780 for Professional and Consulting fees was incorrectly disclosed. The amount should have been R12,119,413.

Irregular Expenditure (Note 31)

Irregular expenditure of R556,339 was incorrectly reported in the previous year; the amount should have been R108,166.

Fruitless and Wasteful Expenditure (Note 30)

The additional interest paid of R56,629 for the previous period is due to GMT interest invoices received. This increase is also reported in the Cashflow statement

Trade and other receivables

Prepayments and Accounts Receivables were previously understated by R3,334 and R1,600. Correction of a subsistence allowance of R2,400 and casual wages of R39,000 (2012) resulted in trade and other receivables being overstated by R41,400.

Trade and other payables

Expenses of R73,402 and Trade and other payables of R695,843 were understated mainly due to certain year-end accruals not being processed, reversals of duplicate invoices and duplicate entries allocated to expenses.

Cash and cash equivalents

A new bank account was opened and bank charges of R660 were not accounted for due to delays in adding the accounts into the general ledger.

Unspent conditional grants and receipts

Correction of previous recognition of income journals amounting to a R13,687, misallocations amounting to a charge of R470,000 and expenditure not claimed against deferred income and corrections identified through the Project Funding Reconciliation exercise amounting to R783,315. R5,357,382 previously recorded as conditional grants has been corrected and recognised as income in project grants and transfer payments received.

Property, plant and equipment

Recognition of accumulated depreciation of an asset amounting to R889.

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27. Prior period errors and reclassifications (continued)

Statement of Financial Position

Increase in trade and other receivables (prepayments)	-	3,334
Increase in trade and other receivables	-	1,600
Decrease in trade and other receivables	-	(41,400)
Increase in trade and other payables (accounts payables)	-	(727,193)
Decrease in cash and cash equivalents	-	(660)
Decrease of unspent conditional grants	-	6,624,384
Increase in property, plant and equipment (accumulated depreciation)	-	(889)
	-	5,859,176

Statement of Changes in Net Assets

Increase in accumulated surplus	-	(4,892,120)
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Statement of Financial Performance

Increase in revenue (project grants)	-	(1,041,347)
Increase in operating expenses	-	73,402
Increase in depreciation	-	889
	-	(967,056)

28. Risk management

Financial risk management

The entity's activities expose it to a variety of financial risks: credit risk and liquidity risk.

Liquidity risk

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

Cash is managed prudently by keeping sufficient cash in bank accounts. Cash is received from Government funding and several project funders. This cash is managed on behalf of the funders, and separate bank accounts are held for funders' money as and when required.

At 31 March 2014

Within 1 year Between 2 and Over 5 years
5 years

• Trade and other payables	24,374,270	-	-
• Finance Lease obligations	10,984,362	9,382,224	13,360,300

At 31 March 2013

Less than 1 Between 2 and Over 5 years
year 5 years

• Trade and other payables	35,267,435	-	-
• Finance Lease obligations	9,382,225	38,916,492	18,932,976

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28. Risk management (continued)

Interest rate risk

The Board has interest-bearing assets and the income and operating cash flows are substantially dependant on the changes in the market interest rates. The interest-bearing assets consist of short term investments with floating interest rate that expose the Board to cash flow interest rate risks. The interest rate used is based on the Prime rate.

Interest rate sensitivity analysis

At 31 March 2014, if interest rates on currency-denominated investments had been 1% higher/lower with all other variables held constant, the surplus for the year would have been R772,338 (2013: R654,434) lower/higher, mainly as a result of higher/lower interest expense on floating rate investments

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The entity only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

Financial assets exposed to credit risk at year end were as follows:

Financial instruments	March 2014	March 2013
Trade and other receivables	10,750,460	4,906,568
Cash and cash equivalents	77,229,140	65,438,736

29. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

30. Fruitless and wasteful expenditure

During the year under review the board incurred fruitless expenditure amounting to:	61,995	100,621
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March 2014

The amount of R61,995 relates to interest paid on late payments and is mainly due to timing and billing differences of invoices raised by Government Motor Transport. Regular meetings were conducted to address the discrepancies and the matters have been resolved.

March 2013

The amount of R100,621 relates to interest paid on late payments. This is mainly due to timing and billing differences of invoices raised by Government Motor Transport. This matter has been raised and is currently being considered.

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31. Irregular expenditure

Opening balance	1,497,369	1,090,939
Procurement process not followed (Gate Guarding and Cleaning Services)	178,569	-
Approval not in place before extension of services (IT Service Desk Solution)	41,610	-
General - procurement process	144,082	108,166
General - functionality process	-	195,031
Deviation from obtaining less than three(3) quotes	-	103,233
	1,861,630	1,497,369

Analysis of expenditure awaiting condonation per age classification

Current year	220,179	-
Prior year 2013	-	406,430
Prior year 2012	-	1,090,939
	220,179	1,497,369

The current year irregular expenditure of R144,082 relates to a contract, deemed to be irregular, awarded in the prior year.

32. Explanation of variances between Actual and Budget

REVENUE

During the year under review, the entity achieved 93,9% of its projected revenues, and much of this improvement was due to good performance from own revenue streams. Five out of seven key revenue streams, representing 71% of total own revenues, performed better than budget. However, the entity's overall performance was below budget by 6,1% due to below budget performance in grants, special projects and donations revenues.

Tourism

Tourism revenues for the year under review exceeded budget by 6.6%, and this arose from good performance in entrance fees, accommodation, Wildcard sales and events revenues. At the same time, the introduction of the daily conservation fee as well as annual increases in tourism product tariffs also contributed to the improved results, whilst focussed marketing and advertising initiatives improved visitor numbers by 36% over the previous year. This happened despite CapeNature having to refund and cancel bookings to the amount of R1,5 million due to the closure of the Whale Trail, Anysberg, Goukamma, Grootvadersbosch and Swartberg reserves since December 2013 as a resulting of flooding.

Licences and Permits

As a result of the entity's objective of strengthening revenue collection interventions, all license streams performed better than budget, and revenues from this activity improved by 22% over the previous year. This performance was also partially stimulated by positive changes in trends around the flora industry. Permit revenues also improved as a result of more efficient processing of permit applications, and the introduction of increased charges for express applications.

Other Income

Other incomes reflected results which were 17% better than budget, and were enhanced primarily by more unconventional income streams such as proceeds from the sale of game, and insurance recoveries.

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32. Explanation of variances between Actual and Budget (continued)

Interest Received

Interest received from the bank was higher than the levels budgeted, as a direct result of the spending on various projects not occurring as planned.

Gains on disposal of assets

Revenues from this adhoc activity arose primarily for the disposal of certain assets, primarily GMT vehicles.

Grants, donations and project funds

Grants, donations and project funds represent a significant portion of the entity's revenue source, and in the year under review, special projects' funding was 36% below the levels budgeted, due primarily to delays in finalising the agreement on DEA projects, which constitute 51% of special projects revenues. The roll-out of certain new special projects during the year were also adversely affected where their implementation times overlapped, and the accounting treatment relating to the recognition of income for conditional funding also contributed to the adverse variance.

Monetary Government Grants

Where R2 million of the entity's allocation of funds was rolled over into the 2014/2015 financial year, the balance was received in full with 99,6% thereof being utilised.

EXPENDITURE

The entity's expenditure is below budget by 5.8% (R17,1 million) excluding Capex budget and performance amounting to R14,1 million and R12,2 million respectively. The reduction in grant funding for the ensuing MTEF period has had an impact in the realisation of these savings. The need to freeze the filling of funded vacant positions negatively influenced operational costs incurred.

Employee Costs

As a result of the reduction in grant funding of R39 million over the MTEF period 2014/2015 to 2016/2017 (R13 million per annum) it was necessary to curb employment costs, and this was achieved by not filling vacant positions. The vacant positions arose primarily as a result of resignations as opposed to the filling of new positions. Expenditure on personnel was therefore below budget by 7,5%.

Management Fee

Below budget performance and associated under expenditure on special projects resulted in fees linked to planned project spend falling below budgeted levels by 35%.

Depreciation and amortisation

The entity did not budget for depreciation, but utilised the savings on administration costs to cover the over-expenditure.

Finance costs

Finance costs relate almost entirely to GMT finance charges which represent 99% of finance costs. However, this cost is not regarded as over-expenditure as it is offset by savings in transport and travel costs.

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32. Explanation of variances between Actual and Budget (continued)

Debt Impairment

Losses arising from impairment of debt are not budgeted for and every effort is made to recover amounts owing from all the entity's debtors. However, where all recovery efforts have failed, and after careful consideration, amounts considered irrecoverable are written off. In the year under review a decision was taken to write off debt amounting to R215,536, which was considered irrecoverable.

Contractors

Contractor costs are primarily related to special projects associated with wildfire suppression and alien vegetation clearing programmes. Expenditure is influenced directly by the severity of fires in the dry season, and in the year under review the entity contained this expenditure within budget. In addition, the delayed finalisation of the DEA agreement contributed to the underspend of 7% in relation to the levels budgeted.

Administrative expenses

The entity has been prudent in containing the general administration costs and the savings accumulated represents 18% when compared to the budget. These savings are being utilised to offset the over-expenditure on depreciation.

Transport and Travel

The variance of R925,000 is considered to be inconsequential after deducting finance costs related to the GMT fleet.

Professional and special services

Costs exceeding budget by 13.9% related to the need to perform extra tasks and analysis as the entity's financials in response to issues raised by the Auditor-General. Following the outcome of the 2012/13 audit, the entity had to broaden the internal auditor's scope in order to rectify certain deficiencies raised by the Auditor General, and in preparation for the 2013/14 audit.

Other Services

Included in other services are cost related to licences for software and other financial system licences, cleaning services and security services. The entity enforced savings measures and the favourable variance of 22% is attributed to savings achieved in these areas.

Training

The training budget comprises mainly functional training required within several programmes. R5.8 million presenting 77% of the training budget relates to special programmes and projects. The delayed commencement of some projects influenced this position as not all planned training could be provided. Planned training interventions remain relevant and will be offered in the ensuing year.



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Physical Address

CapeNature
PGWC Shared Services Centre
Cnr Bosduif and Volstruis Streets
Bridgetown
Cape Town

Postal Address

CapeNature
Private Bag X29
Gatesville
7766

Telephone: 021 483 0000

Website: www.capenature.co.za