



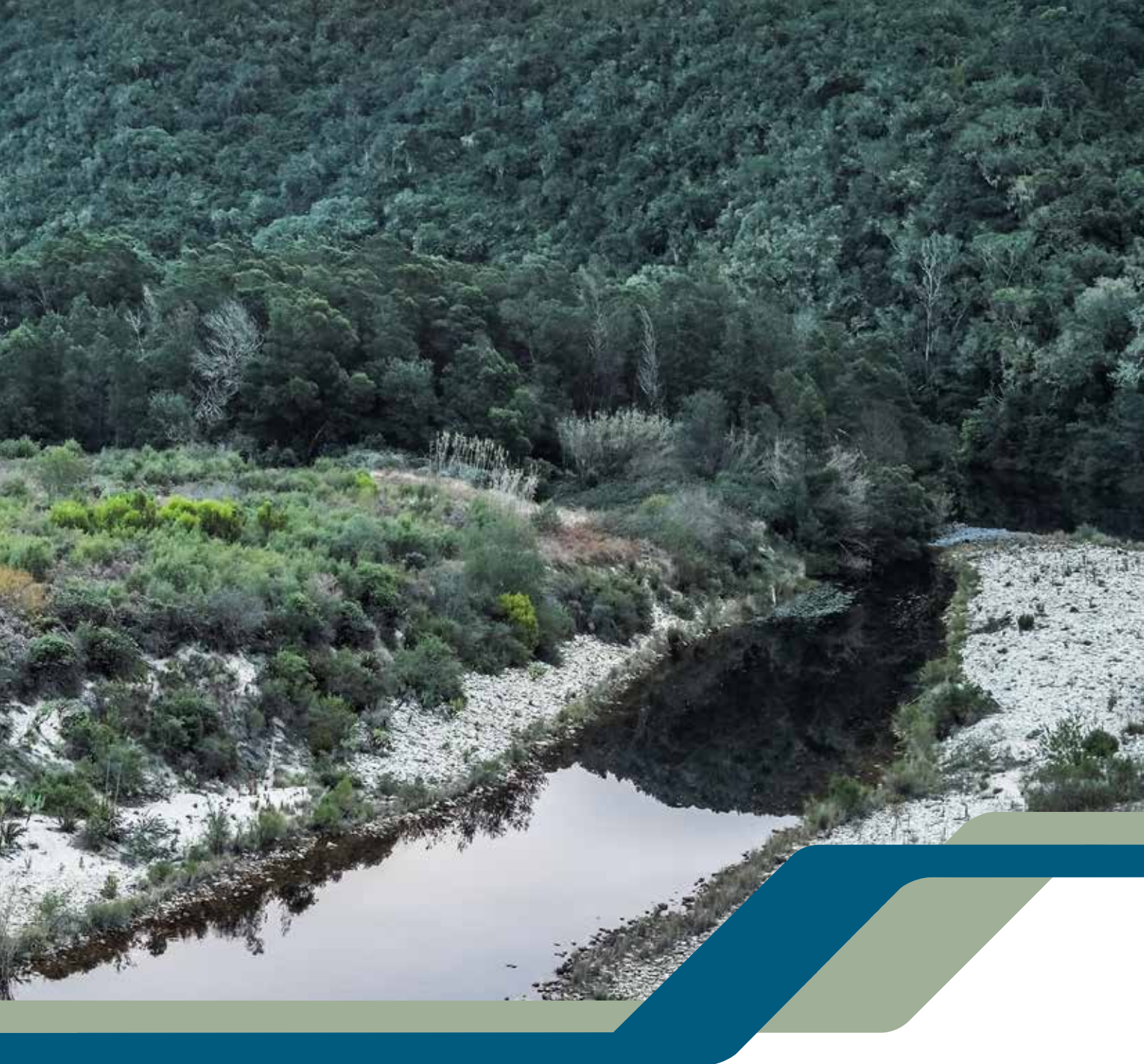
# ANNUAL REPORT

2021/2022



CapeNature





2021 | ANNUAL  
2022 | REPORT



# Contents

## A

### GENERAL INFORMATION

5

1.	PUBLIC ENTITY'S GENERAL INFORMATION	6
2.	LIST OF ABBREVIATIONS/ACRONYMS	7
3.	FOREWORD BY THE CHAIRPERSON	8
4.	CHIEF EXECUTIVE OFFICER'S OVERVIEW	10
5.	STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT	17
6.	STRATEGIC OVERVIEW	18
	6.1. Vision	18
	6.2. Mission	18
	6.3. Values	18
7.	LEGISLATIVE AND OTHER MANDATES	19
	7.1. Constitutional mandates	19
	7.2. Legislative mandates	19
8.	ORGANISATIONAL STRUCTURE	23

## B

### PERFORMANCE INFORMATION

25

1.	AUDITOR'S REPORT: PREDETERMINED OBJECTIVES	26
2.	OVERVIEW OF PERFORMANCE	26
	2.1. Service Delivery Environment	26
	2.2. Organisational Environment	36
	2.3. Key policy developments and legislative changes	36
	2.4. Progress towards achievement of institutional impacts and outcomes	37
3.	INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION	41
	3.1. Programme 1: Administration and Governance	41
	3.2. Programme 2: Biodiversity Capabilities	43
	3.3. Programme 3: Conservation Operations	46
	3.4. Programme 4: Eco-tourism and Access	49
4.	REVENUE COLLECTION	55
5.	CAPITAL INVESTMENT	55

# Contents

## C

### GOVERNANCE

57

1.	INTRODUCTION	58
2.	PORTFOLIO COMMITTEES (if applicable)	58
3.	EXECUTIVE AUTHORITY	58
4.	THE ACCOUNTING AUTHORITY / BOARD	59
5.	RISK MANAGEMENT	68
6.	INTERNAL CONTROL UNIT	69
7.	INTERNAL AUDIT AND AUDIT COMMITTEES	71
8.	COMPLIANCE WITH LAWS AND REGULATIONS	72
9.	FRAUD AND CORRUPTION	72
10.	MINIMISING CONFLICT OF INTEREST	73
11.	CODE OF CONDUCT	73
12.	HEALTH, SAFETY AND ENVIRONMENTAL ISSUES	73
13.	COMPANY/BOARD SECRETARY (if applicable)	76
14.	SOCIAL RESPONSIBILITY	76
15.	AUDIT AND FINANCE COMMITTEE REPORT	78
16.	B-BBEE COMPLIANCE PERFORMANCE INFORMATION	80

## D

### HUMAN RESOURCE MANAGEMENT

81

1.	INTRODUCTION	82
2.	HUMAN RESOURCE OVERSIGHT STATISTICS	83

## E

### FINANCIAL INFORMATION

89

1.	REPORT OF THE EXTERNAL AUDITOR	90
2.	ANNUAL FINANCIAL STATEMENTS	95





PART  
**A** | GENERAL  
INFORMATION

# A GENERAL INFORMATION

## I. Public Entity's General Information



REGISTERED NAME	Western Cape Nature Conservation Board
REGISTRATION NUMBER	Not applicable
PHYSICAL ADDRESS	PGWC Shared Services Centre Cnr Bosduif and Volstruis Streets Bridgetown 7764
POSTAL ADDRESS	Private Bag X29 Gatesville 7766
TELEPHONE NUMBER/S	+27 87 087 9262
E-MAIL ADDRESS	info@capenature.co.za
WEBSITE ADDRESS	www.capenature.co.za
EXTERNAL AUDITORS	Auditor-General of South Africa
BANKERS	Nedbank, Mutual Park, 91 Jan Smuts Drive, Pinelands, 7405
COMPANY/BOARD SECRETARY	Not applicable



## 2. List of Abbreviations/Acronyms

APP	Annual Performance Plan
CAPEX	Capital Expenditure
CEO	Chief Executive Officer
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
DFFE	Department of Forestry, Fisheries and the Environment
DMRE	Department of Mineral Resources and Energy
EPWP	Expanded Public Works Programme
FTE	Full time Equivalent
GCFR	Greater Cape Floristic Region
GCTWF	Greater Cape Town Water Fund
HR	Human Resources
ICT	Information and Communication Technology
MPA	Marine Protected Area
METT	Management Effectiveness Tracking Tool
MTEF	Medium-Term Expenditure Framework
NPA	National Prosecuting Authority
PBSAP	Provincial Biodiversity Strategy and Action Plan
PFMA	Public Finance Management Act
SAPS	South African Police Service
SCM	Supply Chain Management
SMME	Small Medium and Micro Enterprise
WIL	Work Integrated Learner



## 3. Foreword by the Chairperson

The year under review was testimony that CapeNature's vision, *to conserve nature for resilience and sustainability*, is practiced by staff in their daily operations. The curveball of COVID-19 caused massive chaos at the onset of the pandemic, but 2021/22 saw the entity regain many of the losses experienced in the 2020/2021 period. The ongoing pandemic aside, budget cuts, resource limitations and the ongoing illegal occupation of the Driftsands provincial nature reserve also tested the resolve of the entity. However, CapeNature continued to be inventive in mitigating these challenges and met all their Annual Performance Plan targets and over-achieved on several.

COVID-19 emerged as a health crisis which quickly escalated into an economic crisis with national unemployment rates reaching unprecedented levels. CapeNature recognises the ability of the conservation estate to provide opportunities for sustainable livelihoods, particularly for marginalised communities. The appointment of Small, Medium & Micro Enterprises (SMMEs) to provide key services to the entity such as invasive alien plant clearing, the making and maintenance of important fire breaks, hiking trail maintenance and reserve road maintenance, creates substantial job opportunities in rural areas.

The newly assented Western Cape Biodiversity Act provides improved framework legislation to govern biodiversity in the province and CapeNature's nature conservation mandate. The Act will be implemented in phases and certain sections will be effected with Regulations, aligned with national and biodiversity conservation legislation and policies, whilst tailoring to the specific biodiversity conservation requirements of the Western Cape. The Nature Conservation Ordinance of 1974 will stay in effect until replaced by Regulations.

CapeNature embraces technology and innovation to facilitate effective strategic management and communication. The entity rolled out the pilot phase of the Conservation Management System (CMSi) – a centralised Conservation Management Software that enables strategic adaptive management<sup>1</sup> for conservation. CMSi harnesses Geographic Information System (GIS) and database technology in a single tool that will serve as the primary warehouse for all data related to reserve management and biodiversity.

Eco-tourism is an important revenue generator for the entity, contributing to our conservation efforts. In the first year of the COVID-19 pandemic, tourism was severely impacted by lockdowns, social distancing, closed borders, and curbs on crowding. In the year under review, the tourism sector enjoyed a rebound as travel restrictions were lifted and vaccinations were rolled out. Domestic tourism became a beacon of hope and a catalyst for the recovery of the tourism sector.



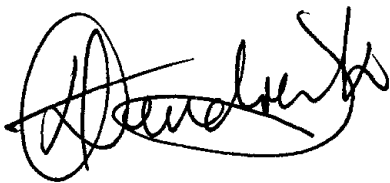
*Prof Denver Hendricks*

<sup>1</sup> Adapted from Kingsford and Biggs (2012) and the Conservation Measures Partnership (2020), strategic adaptive management acknowledges the complexity of socio-ecological systems and is the incorporation of deliberate learning to reduce inherent uncertainties of dynamic and unpredictable ecosystems, progressively improving management. It integrates design, management, and monitoring to produce measurable results for testing key assumptions to enable the adjustment of management decisions.

# GENERAL INFORMATION **A**

In yet another challenging year, I am proud to have witnessed CapeNature's stamina and resilience to deliver on their mandate by going above and beyond to meet their Annual Performance Plan targets. Dr Razeena Omar, Chief Executive Officer (CEO) and her executive team are to be commended for their sterling work. My sincere gratitude also to all CapeNature staff for their unwavering dedication and hard work.

I acknowledge our partners who have worked closely with us as we execute our mandate, in particular the Western Cape Minister of Local Government, Environmental Affairs and Development Planning, Minister Anton Bredell, and the Department of Environmental Affairs and Development Planning. Lastly, my appreciation goes to the Board for their vision and commitment in taking the entity forward.



**Professor Denver Hendricks**

Chairperson of the Western Cape Nature Conservation Board

CapeNature

August 2022



# A GENERAL INFORMATION

## 4. Chief Executive Officer's Overview

The year under review will be remembered as a year of recovery, revitalisation, and resilience. The second year in the entity's five-year strategic cycle of 2020-25, saw CapeNature draw on all its available resources to successfully meet all the performance targets set out for the reporting period.

Protected area expansion and stewardship play a pivotal role in biodiversity conservation and ecological sustainability. CapeNature's Protected Areas are important for conserving ecosystems and species. The entity exceeded the planned target of adding 5 000 hectares (ha) to the conservation estate by achieving 33 352.47 ha. CapeNature released the second annual State of Conservation Report, providing an annual snapshot of the conservation status of species and ecosystems, highlighting achievements and impacts. This Report is the foundation for prioritising surveillance, monitoring, compliance, and regulatory functions in the Western Cape.



Dr Razeena Omar

### REGULATORY FRAMEWORK AND CONSERVATION ESTATE

Hectares under conservation



Target **5 000**

Actual **33 352**

Conservation tools and actions

State of Conservation Report completed

Target **1**

Actual **1**



3 277

Permits issued



within legislated time frames

Regulatory Framework

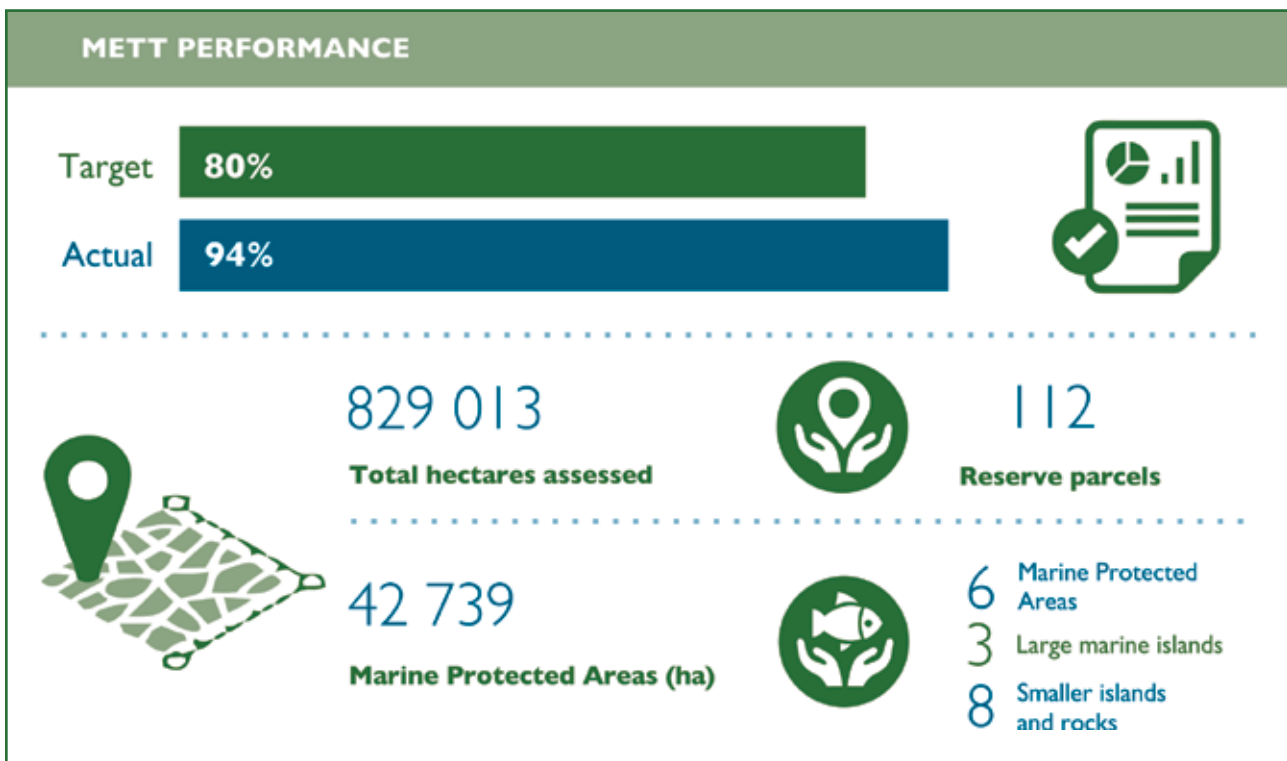
Western Cape Nature Conservation Board Act



Western Cape Biodiversity Act



Protected area management effectiveness assessments<sup>2</sup> [Management Effectiveness Tracking Tool (METT) Assessments] were undertaken for all CapeNature-managed protected areas during the reporting period, using the web-based METT-SA tool administered by the Department of Forestry, Fisheries and the Environment (DFFE). Results for the 2020-22 assessment season reflect that 94% of the area of protected areas managed by CapeNature falls in the 'Sound Management' category of more than 67%. This result confirms that CapeNature achieves effective management of its protected areas significantly above the national norm.

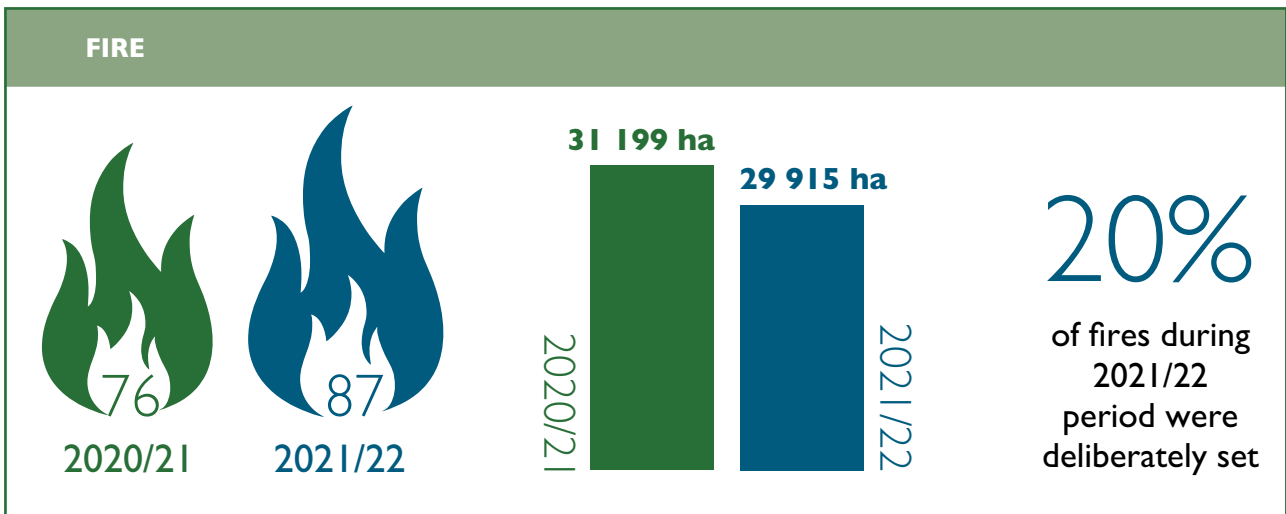


Biodiversity crime is an ecological catastrophe which damages critical ecosystems across the Western Cape. During the reporting period, the entity experienced a significant number of biodiversity crime incidents, in particular the illegal collection of succulent plants in the Succulent Karoo landscapes. Effective enforcement actions by CapeNature officials resulted in 72 completed criminal investigations against a target of 20.

Although more fires were responded to during the year under review than the previous financial year, the burned area was less. In 2021/22 CapeNature responded to 87 fires resulting in a burned area of 29 915 ha whilst 31 199 ha burned in the 2020/21 year as a result of 76 fires. Regrettably, 20% of the fires in the period under review were deliberately started.

<sup>2</sup> METT is one of the two most widely used/adapted globally applicable generic systems developed to assess protected area management effectiveness. It is used to report progress towards the Convention on Biological Diversity. METT has been designed to track and monitor progress towards worldwide protected area management effectiveness.

# A GENERAL INFORMATION

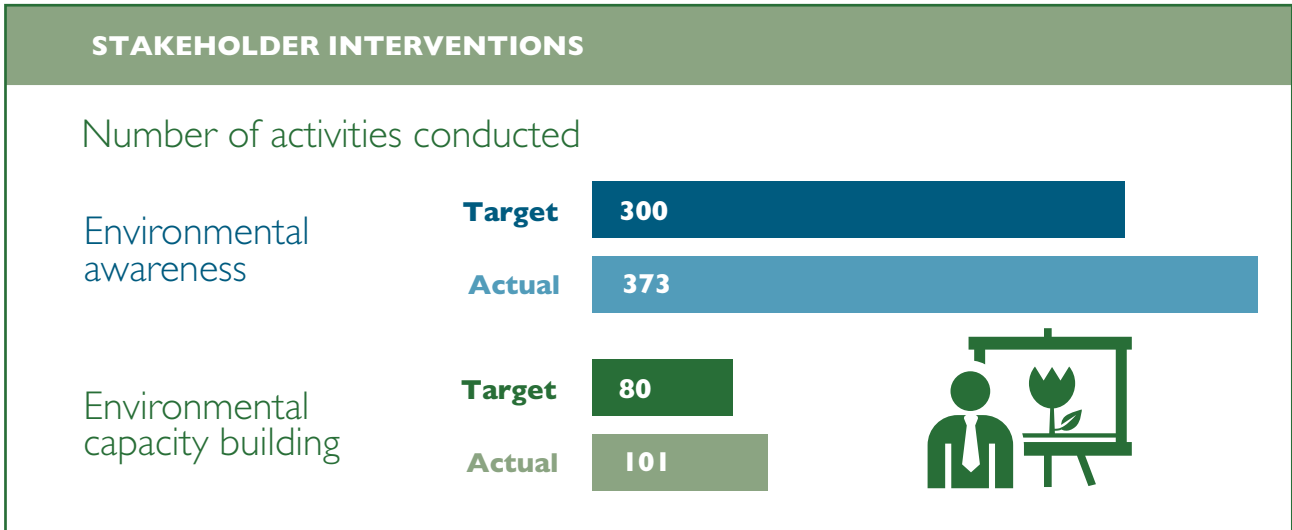


One of the major challenges of the year under review was the outbreak of avian influenza in October 2021. The outbreak only subsided in March 2022. A total of 25 001 seabirds of at least 11 species<sup>3</sup> succumbed to the outbreak. In as much as the outbreak resulted in the loss of a significant number of birds, with its consequent impact on the environment, the entity commends the partnerships between provincial disaster management, conservation and state veterinarian authorities, assisted by local authorities, in managing the outbreak during the reporting period.

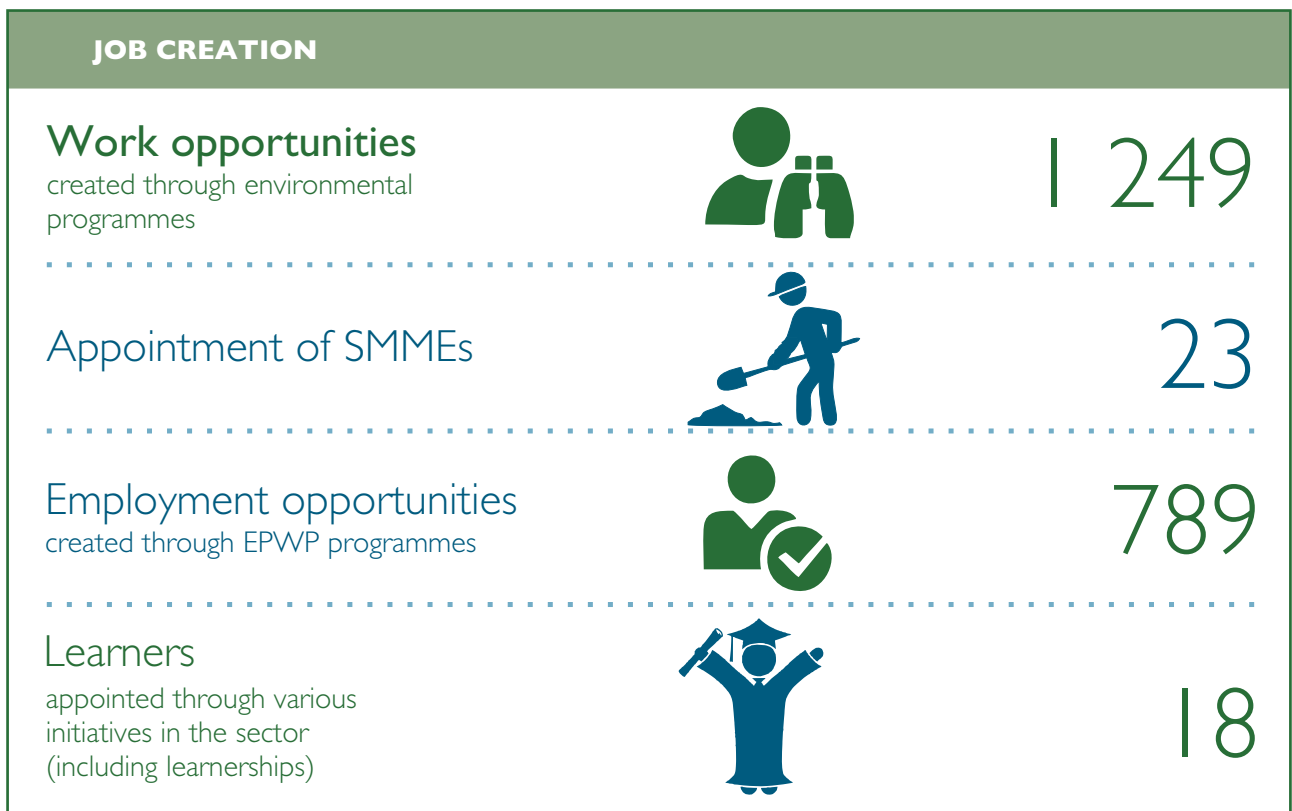
On the tourism front the Mbali Collection at Kogelberg Nature Reserve received a prestigious architecture accolade for its innovative and nature-sensitive design and the highly anticipated glamping sites at Grootvadersbosch Nature Reserve were launched. The entity's tourism income performance surpassed all expectations totalling R50 554 798, which is a record for the entity showing that the entity has not only recovered from the impact of the pandemic but also exceeded pre-pandemic tourism income performance.

Stakeholder engagement and environmental awareness are critical mechanisms in the entity's efforts to increase an understanding of the environment and nature. A total of 373 environmental awareness and education activities against a target of 150 were conducted in 2021/22 with 101 stakeholder capacity building activities presented against a target of 80.

<sup>3</sup> Cape Cormorant 24 136, African Penguin 237, Cormorant (unknown) 142, Kelp Gull 83, Common Tern 76, White-breasted Cormorant 60, Gull (unknown) 59, Swift Tern 48, Hartlaub's Gull 25, Cape Gannet 21, Great White Pelican 20, Other 94: Total 25 001.



A number of output indicators across the entity address the need for job creation. The target of 450 employment opportunities set for the year under review, was substantially exceeded by generating 789 Expanded Public Works Programme (EPWP) related employment opportunities. Eighteen (18) Work Integrated Learners (WILs) and graduate interns benefitted from the in-service training programmes. CapeNature's Protected Areas are important for conserving ecosystems and species, as well as for socioeconomic upliftment through job creation opportunities, particularly in the rural areas. During the reporting period, a total of 1 249 employment opportunities were created by procuring the services of 23 SMMEs, giving much needed economic reprieve to rural communities.





## **GENERAL FINANCIAL REVIEW OF THE PUBLIC ENTITY**

CapeNature's total revenue generated amounted to R362 million for the period under review. In this regard, R287 million was received from the Department of Environmental Affairs and Development Planning and the remaining funds were generated from other funders and own revenue streams.

Revenue generated from eco-tourism activities saw a significant rebound post the relaxation of COVID-19 lockdown regulations, with the entity generating nearly R51 million, which is higher than pre-COVID-19 performance.

## **SPENDING TRENDS OF THE PUBLIC ENTITY**

The entity managed to spend 98% of its total budget on the accrual basis and 99% on cash basis. The impact of COVID-19 on the economy and the reductions to Medium-Term Expenditure Framework (MTEF) allocations resulted in the entity having to utilise savings and additional income generated in the prior years to ensure that core operational expenditure and resultant service delivery were not impacted. The lockdown restrictions created significant delays on capital infrastructure projects during the previous financial year. These projects were therefore completed in the 2021/22 financial year, resulting in an increase in capital expenditure.

## **CAPACITY CONSTRAINTS AND CHALLENGES FACING THE PUBLIC ENTITY**

CapeNature's operations and growth in personnel are constrained as the levels of operations can no longer be sustained due to the reduction in available resources over the MTEF. This has further been exacerbated with the reduction in allocations. This has been mitigated to some extent with the increase in eco-tourism revenue which is ploughed back directly into conservation efforts. As a result, the sustainability of personnel obligations, coupled with impeded growth in required operational funding, remains a concern. Due to limited resources, the entity largely focused on sector indicators and national priorities.



## **DISCONTINUED ACTIVITIES/ACTIVITIES TO BE DISCONTINUED**

None of CapeNature's programmes were discontinued during the period under review as they remained relevant, interrelated and aligned to both national and provincial priorities. Furthermore, in recognition of the importance of support functions responsible for ensuring governance, compliance and sustainability of own revenue streams, no units were discontinued.

## **NEW OR PROPOSED ACTIVITIES**

No new activities were implemented.

## **REQUESTS FOR ROLL OVER OF FUNDS**

Not applicable.

## **SUPPLY CHAIN MANAGEMENT**

### **All concluded unsolicited bid proposals for the year under review**

No unsolicited bids were received for the year under review.

### **Whether Supply Chain Management (SCM) processes and systems are in place**

The entity maintained effective Supply Chain Management systems.

### **Challenges experienced and how they will be resolved**

Compliance with the various laws and regulations within the SCM environment remains a challenge especially considering the recent constitutional court judgement confirming that certain sections of the Preferential Procurement Regulations of 2017 issued in terms of the Preferential Procurement Framework Act being deemed unconstitutional. However, the entity is in communication with the Provincial Treasury's Supply Chain Management Unit and is working with internal and external auditors to ensure that controls are implemented and monitored to ensure compliance.

### **Audit report matters in the previous year and how they would be addressed**

There were no audit report matters in the previous year.

### **Outlook/Plans for the future to address financial challenges**

In order to ensure sound financial management practices, CapeNature will continue to implement stringent control measures, which include conducting monthly financial reviews in order to monitor financial performance.

In light of a resource constrained environment, the entity endeavoured to improve the performance of own revenue streams. Adherence to cost containment measures, reprioritisation and identifying trade-offs are additional on-going considerations.

### **Events after the reporting date**

There were no significant events after the reporting date.

# A GENERAL INFORMATION

## **ECONOMIC VIABILITY**

CapeNature continues to contend with resource constraints and although it is affected by pressures on the fiscus, several measures were implemented to mitigate the impact. The entity continued to implement austerity measures which have been prescribed by National Treasury, while remaining committed to contributing to sustainable growth and job creation in the province.

The entity endeavours to practice acceptable financial and administrative principles that are in line with all the relevant legislative prescripts.

## **ACKNOWLEDGEMENT/S OR APPRECIATION**

I acknowledge, with gratitude, the guidance received from the Western Cape Nature Conservation Board, and Chairperson Professor Denver Hendricks, and from the various Board Committees.

I would also like to thank the Standing Committee on Agriculture, Environmental Affairs and Development Planning for their recommendations and encouragement. Support has also been readily available from other departments, both national and provincial. I am further grateful to the Department of Environmental Affairs and Development Planning for their ongoing and valued support.

Finally, I'm extending my sincere appreciation to all CapeNature staff for their hard work and dedication during the period under review.



**Dr Razeena Omar**  
CHIEF EXECUTIVE OFFICER  
CapeNature  
August 2022

## 5. Statement of Responsibility and Confirmation of Accuracy for the Annual Report

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

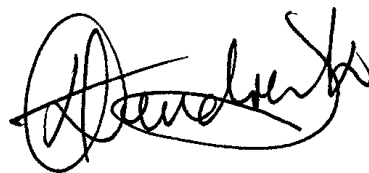
- All information and amounts disclosed in the Annual Report is consistent with the Annual Financial Statements audited by the Auditor-General.
- The Annual Report is complete, accurate and free from any omissions.
- The Annual Report has been prepared in accordance with the guidelines on the Annual Report as issued by National Treasury.
- The Annual Financial Statements (Part E) have been prepared in accordance with the Generally Recognised Accounting Practice 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 on 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 2022.

Yours faithfully



Chief Executive Officer  
**Dr Razeena Omar**  
August 2022






Chairperson of the Board  
**Professor Denver Hendricks**  
August 2022







# A GENERAL INFORMATION

## 6. Strategic Overview

### 6.1 VISION, MISSION, VALUES

	<p><b>Vision</b></p> <p>Conserving nature for resilience and sustainability.</p>
	<p><b>Mission</b></p> <p>To conserve, protect and restore our natural environment by inspiring and influencing positive change.</p>
	<p><b>Values</b></p> <p>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.</p>

The following are our core values:

	Core values	Behaviour
	Innovation	We encourage creativity and invention by embracing sector and industry developments to enhance corporate and conservation capabilities and to stimulate new ideas and new approaches.
	Customer Service	We endeavour to care for the needs of our internal and external customers by providing professional, high-quality service and assistance. Advocate the principles of passion, responsiveness to queries, excellent customer support, professionalism, competence, commitment, courtesy, efficiency, active listening, empathy, warmth and friendliness (a smile on their face).
	Accountability	We encourage staff to take responsibility for their actions and outcomes. Advocate the principles of ownership, “i” language, victor rather than the victim, takes responsibility for errors, accepts the consequences with dignity problems into opportunities, owns up to mistakes and offers solutions.
	Respect	We strive to treat people with care and courtesy, having a high regard for their wellbeing. Advocate the principles of thoughtfulness, attentiveness, politeness, kindness, patience, good listening skills and empathy.
	Ethics	We embrace ethics in all we do and conduct ourselves in a moral and ethical manner. Advocate the principles of morality, honesty, ideals, creed and ethos, rules of conduct, standards (of behaviour), virtues and honour.

## 7. Legislative and other Mandates

### 7.1. CONSTITUTIONAL MANDATES

CapeNature is a Schedule 3C 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 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 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 which are derived from the Nature Conservation Ordinance, 1974 (Ordinance 19 of 1974), as amended.

During the 2015-2020 strategic planning cycle the entity, together with the Department of Environmental Affairs and Development Planning, commenced a process to review the existing legal frameworks for conservation and biodiversity in the Province. This process has resulted in the newly assented Western Cape Biodiversity Act, 2021 (Act 6 of 2021).

### International Conventions, Protocols and Policies:

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

- Bonn Convention on the Conservation of Migratory Species of Wild Animals (CMS)
- Convention Concerning the Protection of the World Cultural and Natural Heritage (WHC)
- 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 Convention on the Law of the Sea (UNCLOS)
- United Nations Educational, Scientific and Cultural Organisation (UNESCO) Man and Biosphere (MAB) Programme
- United Nations Framework Convention on Climate Change (UNFCCC) and the Kyoto Protocol
- World Tourism Organisation (WTO)

# A GENERAL INFORMATION



## National Legislation:

The following are the key National Legislation relevant to the implementation of the mandate of nature conservation and include all amendments to these acts and any regulations promulgated thereunder.

- Alien and Invasive Species Regulations, 2020
- Carbon Tax Act, 2019 (Act 15 of 2019)
- Civil Aviation Act, 2009 (Act 13 of 2009)
- Conservation of Agricultural Resources Act, 1983 (Act 43 of 1983)
- Constitution of the Republic of South Africa, 1996 (Act 108 of 1996)
- Construction Industry Development Board Act, 2000 (Act 38 of 2000)
- Criminal Procedure Act, 1977 (Act 51 of 1977)
- Disaster Management Act, 2002 (Act 57 of 2002)
- Environmental Conservation Act, 1989 (Act 73 of 1989)
- Forest Act, 1984 (Act 122 of 1984)
- Marine Living Resources Act, 1998 (Act 18 of 1998)
- Minerals Act, 1991 (Act 50 of 1991)
- Mountain Catchment Areas Act, 1970 (Act 63 of 1970)
- National Environmental Management Act, 1998 (Act 107 of 1998)
- National Environmental Management: Biodiversity Act, 2004 (Act 10 of 2004)
- National Environmental Management: Integrated Coastal Management Act, 2008 (Act 24 of 2008)
- National Environmental Management: Protected Areas Act, 2003 (Act 57 of 2003)
- National Environmental Management: Waste Act, 2008 (Act 59 of 2008)
- National Forests Act, 1998 (Act 84 of 1998)
- National Heritage Resources Act, 1999 (Act 25 of 1999)
- National Prosecuting Authority Act, 1999 (Act 32 of 1999)
- National Veld and Forest Fire Act, 1998 (Act 101 of 1998)
- National Water Act, 1998 (Act 36 of 1998)
- Occupational Health and Safety Act, 1993 (Act 85 of 1993)
- Promotion of Access to Information Act, 2000 (Act 2 of 2000)
- Promotion of Administrative Justice Act, 2000 (Act 3 of 2000)
- Regulations for the Management of the Marine Protected Areas, 2019
- Sea Birds and Seals Protection Act, 1973 (Act 46 of 1973)
- Seashore Act, 1935 (Act 21 of 1935)
- Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013)
- Threatened or Protected Species Regulations, 2007
- Threatened or Protected Marine Species Regulations, 2017
- World Heritage Convention Act, 1999 (Act 49 of 1999)

## **Provincial Legislation:**

The following are the key provincial legislation relevant to the implementation of the mandate of nature conservation and include all amendments to these acts and ordinances and any regulations promulgated thereunder.

- Constitution of the Western Cape, 1998 (Act 1 of 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 6 of 1998)
- Western Cape Nature Conservation Board Act, 1998 (Act 15 of 1998)
- Western Cape Nature Conservation Laws Amendment Act, 2000 (Act 3 of 2000)
- Western Cape Planning and Development Act, 1999 (Act 7 of 1999)
- Land Use Planning Act, 2014 (Act 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:

- Climate Change Bill, 2018
- National Environmental Management Laws Amendment Bill, 2017
- Threatened or Protected Species Regulations, 2007
- Western Cape Biodiversity Act, 2021 (Act 6 of 2021)

## **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. These lists are not an exhaustive list and exclude frameworks or policies or legislation currently in draft format:

## **National strategic frameworks:**

- National Development Plan, 2030
- Medium Term Strategic Framework, 2019 – 2024
- National Framework Strategy for Sustainable Development, 2009
- National Strategy for Sustainable Development and Action Plan, 2011
- South Africa's National Biodiversity Strategy and Action Plan, 2015
- National Biodiversity Framework, 2009
- National Climate Change Policy, 2011.
- National Protected Areas Expansion Strategy, 2016

## **Provincial strategic frameworks:**

- OneCape 2040, 2013
- Western Cape Government: Provincial Strategic Plan, 2019 – 2024
- Western Cape Government: Western Cape Delivery Plan, 2015 – 2030
- Western Cape Provincial Spatial Development Framework, 2014
- Western Cape Green Economy Strategic Framework, 2013
- Western Cape Climate Change Response Strategy and Implementation Framework, 2014
- Provincial Biodiversity Strategy and Action Plan, 2015
- Provincial Coastal Management Programme, 2016
- Western Cape Biodiversity Spatial Framework, 2017
- Western Cape Protected Area Expansion Strategy, 2017

## **Institutional policies and strategies over the five-year planning period**

CapeNature's strategic planning aligns with the Provincial Biodiversity Strategy and Action Plan (PBSAP) 2015-2025, a strategic mechanism of the Western Cape Government that aims to ensure all stakeholders act in a co-ordinated and collaborative manner with regards to biodiversity conservation, its sustainable use and benefit sharing. The PBSAP gives prominence to CapeNature's mandate in terms of the Western Cape Biodiversity Spatial Plan, the Western Cape Protected Area Expansion Strategy, the Western Cape State of Biodiversity Report, Integrated Catchment Planning, biodiversity mainstreaming and the biodiversity economy sector.

## **Relevant court rulings**

All judgements relevant to the operations of CapeNature as handed down by the Constitutional Court, the Supreme Court of Appeal, the High Court, and the Labour Court are perused and implemented where appropriate and applicable.

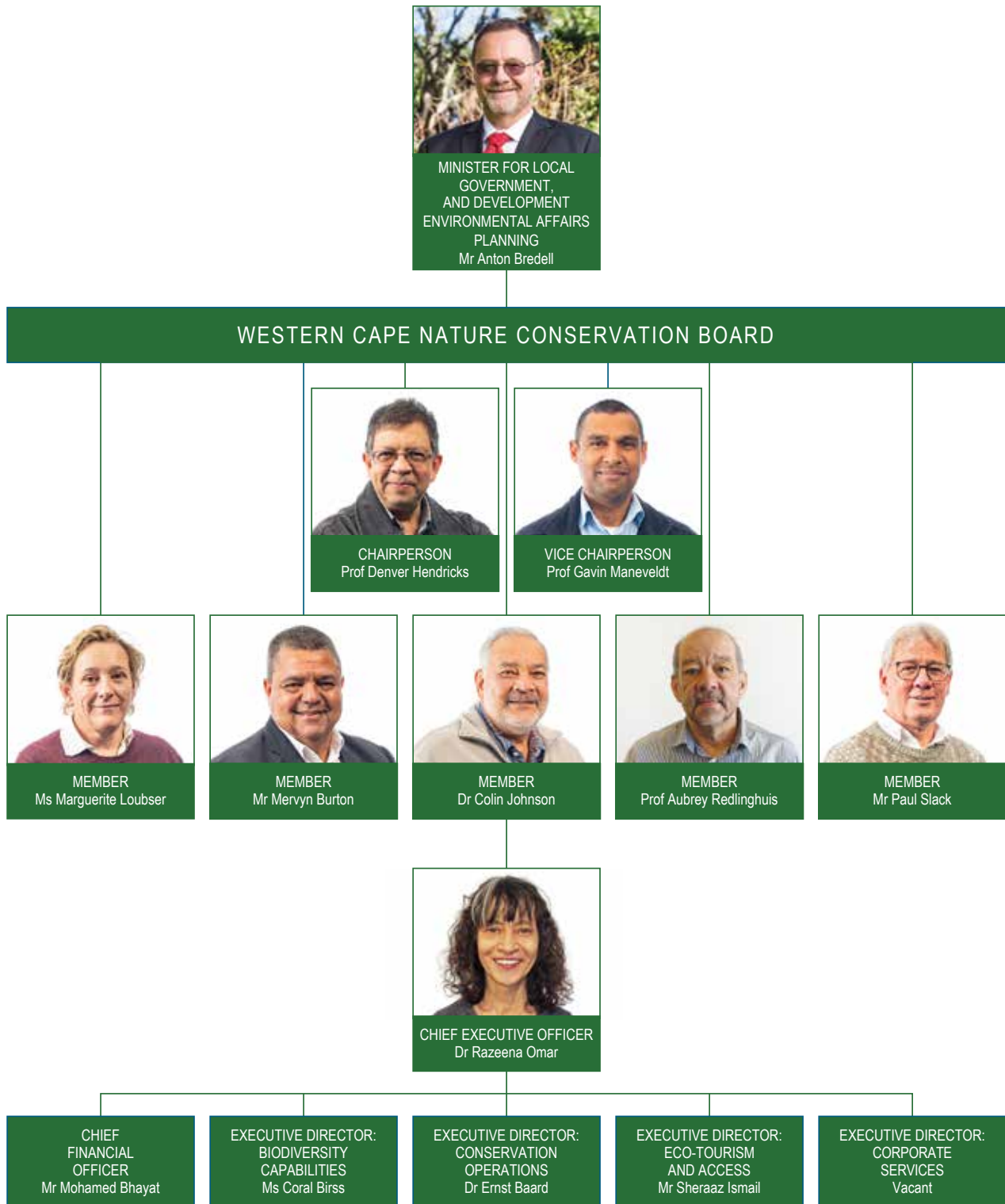
## **Planned legislative and policy initiatives**

The following policies and charters were reviewed during the 2021/22 financial year:

- Board Charter
- Board Audit and Finance Committee Charter
- Board Risk and Information and Communication Technology (ICT) Committee Charter
- Bontebok Conservation Translocation and Utilisation Policy
- Bursary Policy
- Fencing and Enclosure of Game and Predator Policy
- Game Translocation and Utilization Policy
- Media Management Policy
- Personal Data Protection Policy
- Protection of Personal Information Policy



## 8. Organisational Structure







PART  
**B**

PERFORMANCE  
INFORMATION

# B PERFORMANCE INFORMATION

## 1. Auditor's Report: Predetermined Objectives

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

Refer to page 90 of the Annual Report, which sets out the Report of the Auditor-General, published as Part E: Financial Information.

## 2. Overview of Performance

### 2.1. SERVICE DELIVERY ENVIRONMENT

CapeNature's Strategic Plan 2020-2025 aspires to enhance efforts for conservation, biodiversity resilience and sustainability in the Western Cape. The following outcome statements were developed in support of these aspirations:

- Enhanced biodiversity conservation;
- Landscape resilience maintained, and
- Advanced economic sustainability.

The 2021/22 financial year marked the second year of the current 5-year strategic cycle and during the year under review, CapeNature achieved all the performance targets set in the 2021/22 Annual Performance Plan (APP). This achievement is noteworthy given the repercussions of the COVID-19 pandemic not only on the entity but on the broader functioning of government, South Africa in general, and globally.



## Conserving Nature for Resilience and Sustainability

The Western Cape has outstanding natural beauty and the unique plants, animals and ecosystems found here are characterised by high levels of diversity and endemism, that is, they are found nowhere else on the planet; a characteristic of global importance in the landscape known as the Greater Cape Floristic Region (GCFR). The GCFR is globally recognised as one of the six<sup>4</sup> floral kingdoms of the world and the most diverse, yet it is the smallest and the only one occurring in one country. The GCFR is also characterised by a rich cultural heritage which reflects the dawn of modern humans and the development of rich cultures of hunter-gatherers and pastoralists who populated this ancient landscape. Extensive ancient cultural and rock-art sites throughout the Cape Fold Mountains and the associated coastal zone bear witness to this rich history.

This rich endowment of cultural and natural history linked to the potentially significant negative impact of climate change brings great responsibility to the current generation to safeguard and conserve it for future generations. CapeNature, as the custodian of biodiversity, takes responsibility for this with a vision of conserving nature for resilience and sustainability with an outward-looking, landscape conservation<sup>5</sup> approach.

## PROGRAMME 2: BIODIVERSITY CAPABILITIES

### Protected Area Expansion and Stewardship

The declaration of land and waters as protected areas remains the cornerstone of any biodiversity conservation programme worldwide. Once declared, protected areas represent the strongest and most secure level of statutory protection that can be afforded to biodiversity. It is only at the stage of declaration that the biodiversity contained within an area can be considered protected from inappropriate land use and can contribute to biodiversity targets.

CapeNature exceeded the planned target of adding 5 000 ha to the conservation estate by 28 352.47 ha for an annual achievement of 33 352.47 ha comprising eight properties, including the following:

Properties	Hectares
Lettaskraal Nature Reserve	6 922.61
Sifflay Nature Reserve	1 280.61
Rietkraal Nature Reserve	922.33
Mount David Nature Reserve	714.02
Anysberg Nature Reserve	14 216.62
Riverlands (Pella) Nature Reserve	599.57
Gecko Rock Nature Reserve	3 658.03
Thornhill Nature Reserve	5 038.68
<b>Total</b>	<b>33 352.47</b>

<sup>4</sup> Prof Ronald Good identified six floristic kingdoms (Holarctic, Neotropical, Paleotropical, South Africa, Australian, and Antarctic), the largest natural units determined for flowering plants.

<sup>5</sup> Adapted from Curtin & Tabor: Large landscape conservation is the paradigm that aims to scale-up action to address the realities of a dramatically changing world. From habitat fragmentation to climate change, large-scale approaches that transcend ecological and social boundaries are essential for addressing complex, challenges. Healthy, connected natural landscapes are essential—for clean water, healthy ecosystems, cultural heritage, vibrant communities and economies, climate resilience, climate mitigation, flood and fire control, outdoor recreation, and local sense of place.

# B PERFORMANCE INFORMATION



*Arthroleptella landdrosia*  
Landdros moss frog

## Monitoring Priority Species:

Long-term monitoring of the Landdros and De Villiers's moss frog populations demonstrates rapid population declines after fires. Frogs are generally sensitive to environmental disturbances and are thus good indicators of the impacts of climate change.

De Villiers's moss frog is capable of more rapid population recovery. This data aids in determining minimum fire return intervals. For the high altitudes of the Hottentots-Holland Nature Reserve, this interval is more than 12 years.

Four nature reserves managed by CapeNature were declared in this financial year, including Thornhill, Rietkraal, Anysberg Extension and Riverlands-Pella Nature Reserves.

Seven biodiversity stewardship site agreements were signed by the entity in 2021/2022, including:

- Protea Grove Biodiversity Agreement
- Silflay Nature Reserve
- Lettaskraal Nature Reserve
- Mount David Nature Reserve
- Gecko Rock Nature Reserve
- New Glen Heatlie Biodiversity Agreement
- Joostenbergkloof Biodiversity Agreement

## *The State of Biodiversity in the Western Cape*

CapeNature released the second annual State of Conservation Report. This report provides an annual snapshot of the conservation status of species and ecosystems, highlighting achievements and impacts.

CapeNature's Ecological Surveillance, Monitoring and Research Framework guides CapeNature's actions for the 2022-2026 period.

## *Administration and Enforcement of Biodiversity and Nature Conservation Legislation*

As the biodiversity regulatory authority in the Western Cape, CapeNature issues biodiversity authorisations to members of the public to comply with legislation and permit certain restricted activities.

A total of 3 277 permit applications were processed during the reporting period (Ordinance Permits = 2 672 and CITES Permits = 605) of which 87% were processed within newly established timeframes.

During the reporting period, CapeNature officials issued 71 spot fines (J534 fines) and opened 89 criminal case dockets for non-compliance with biodiversity legislation.

## *Integrated Catchments*

CapeNature developed a new five-year Catchment to Coast Strategy, derived from the Integrated Catchment Management Strategy and Implementation Plan for 2016 to 2020. This strategy is aimed at guiding the entity towards the improvement, maintenance, and



*Arthroleptella villiersi*  
De Villiers Moss Frog

restoration of ecological infrastructure, on CapeNature managed land, for improved ecological resilience and ecosystem functioning for the benefit of the people in the Western Cape.

The strategy is informed by two technical reports, namely the CapeNature Annual Fire Report 2020/2021 and the CapeNature Invasive Alien Species Report 2020/2021. These reports provide an analysis of the impacts of fires and invasive alien species and the *status quo* of work completed by CapeNature in the previous year, with management recommendations.

Invaluable partnership agreements with Provincial Disaster Management, Cape Winelands, Overberg, and West Coast District Municipalities; the Southern Cape, Greater Overberg, Winelands, Cape Peninsula and Greater Cederberg Fire Protection Associations; MTO Forestry and Volunteer Wildfire Services were maintained for the suppression of wildfires on CapeNature managed land.

A new formal partnership agreement with Metos SA (Pty) Ltd was established, to install, manage, and maintain a network of weather stations on CapeNature Protected Areas. This advancement is an important response to understanding, monitoring, and mitigating the severe threats posed by climate change, to biodiversity, agriculture, and sustainability, particularly in the context of the Western Cape, with increased severity of droughts. Climate change monitoring relies on the accessibility of quality, representative weather data. CapeNature manages land where the placement of weather stations will significantly contribute to desired representivity for the collection of quality weather data. This partnership will expand and improve the monitoring network and the representativity of the data acquired.

CapeNature launched the use of *FireWeb*, a web-based information, incident, and communications application which was developed for fire and other incidents. *FireWeb* is currently used successfully in national, provincial, district and local government throughout South Africa. The application delivers vital features necessary for the effective communication, management, dispatching and reporting on fire or other incidents. Staff involved with fire management collect real-time data during a fire using the *FireWeb* application on their phones. The online application also provides staff with critical information in-field to assist with decision making when suppressing fires.

### **Conservation Innovation**

CapeNature rolled out the pilot phase of CMSi – a centralised Conservation Management Software that enables strategic adaptive management for conservation. CMSi harnesses GIS and database technology in a single tool that will serve as the primary warehouse for all data related to reserve management and biodiversity.





## **PROGRAMME 3: CONSERVATION OPERATIONS**

### ***Protected Area Management***

The biennial Protected Area Management Effectiveness assessment for CapeNature-managed protected areas was undertaken during the reporting period. The web-based Management Effectiveness Tracking Tool-SA (METT-SA) was used to conduct the CapeNature METT assessment for the period 2020-22. Protected Area Management Effectiveness is measured as the percentage of the area, in hectares, of protected areas managed by CapeNature, with a METT-SA rating or “score” of more than 67% and falling in the “Sound Management” category.

The total area (hectares) for the 2020-22 assessment comprised 829 012.79 ha comprising 112 reserve parcels and including 42 739.31 ha of marine protected areas (six in total), three large marine islands, and a number of smaller islands and rocks. CapeNature adopts an integrated management approach and thus the assessment was completed for both terrestrial and marine protected areas.

Results for the 2020-22 assessment reflect that 94% of the area of protected areas managed by CapeNature is in the “Sound Management” category, that is, with a METT-SA rating of more than 67%. At protected area site level, 87% (approximately 9 out of 10) of protected areas lie within the “Sound Management” category while 13% (approximately 1 out of 10) of reserves lie within the “Basic Management” category. There are no protected areas in the “Inadequate Management” category and all marine protected areas are categorised as having “Sound Management”.

The improvement in the percentage of hectares previously (2018-20) categorised as “Sound Management” (87%) can be attributed to the implementation of METT Action Plans for protected areas during the period 2020-22 and a shift of three large, protected area complexes into the category of “Sound Management”, these being the Hottentots Holland, Hexrivier and Outeniqua Nature Reserve Complexes.

### ***Work Opportunities***

During the reporting period, a total of 1 249 work opportunities was created by procuring the services of 23 SMMEs. These SMMEs provided key services to the entity, which included invasive alien plant clearing, the making and maintenance of important fire breaks, hiking trail maintenance and reserve road maintenance. The appointment of 23 SMMEs, 11 more than the annual target, resulted in more work opportunities created and the over-achievement reported.



## **Compliance and Enforcement**

Administrative enforcement notices are issued to recipients for non-compliance to the conditions set in environmental legislation. During the reporting period, the unlawful occupation of the Driftsands provincial nature reserve and associated illegal mining of sand from inside the reserve continued, and the entity issued one administrative compliance notice to illegal operators of earth-moving equipment. In collaboration with the national Department of Mineral Resources and Energy (DMRE), the Mfuleni South African Police Services (SAPS) and City of Cape Town Law Enforcement, the entity conducted a compliance and enforcement intervention in March 2022 during which earth-moving machinery was confiscated by DMRE and a case was registered with the Mfuleni SAPS.

Authorisations (permits), under the Nature Conservation Ordinance No. 19 of 1974 and its Regulations, are issued to facilities to, among other, keep wild animals in captivity for display, educational, show and rehabilitation purposes, grow or sell protected plants, or keep wild animals within adequate enclosure. Subject to the conditions of their permits, regular compliance inspections are conducted by CapeNature, and upon expiry of any permit, inspections are required for permit renewals. The entity managed to conduct 116 compliance inspections (target = 40) of facilities during the reporting period. Due to the impact of the COVID-19 pandemic (hard lockdown) in 2020/21, a backlog of physical inspections built up and was performed during the reporting period resulting in an over-achievement.

During the reporting period, the entity experienced an increase in the number and scale of biodiversity crime incidents, in particular the illegal collection of succulent plants in the Succulent Karoo landscapes. Upon detecting alleged contraventions of the Nature Conservation Ordinance No. 19 of 1974 or the Marine Living Resources Act No. 18 of 1998, or regulations proclaimed thereunder, enforcement actions are undertaken by CapeNature staff, who contributes to the drafting of completed criminal investigation dockets handed to the National Prosecuting Authority (NPA) by the investigating authority (SAPS) for consideration of formal prosecution. During the reporting period, a total of 72 (target = 20) completed criminal investigations were handed to the NPA for prosecution. The significant escalation of the illegal collection of succulent plants from the wild and resultant successful compliance and enforcement action resulted in the over-achievement of the target.

## **Invasive Alien Species Management**

Partnerships are required to attain success commensurate with the scale of the invasive alien species problem. During the reporting period, CapeNature had agreements with partners to manage invasive alien plants on CapeNature-managed land. These partners include The Nature Conservancy of South Africa (TNC), World Wildlife Fund South Africa (WWF-SA) and Working on Fire (WoF) High Altitude Teams (HAT). All three partners are also members of the Greater Cape Town Water Fund (GCTWF) who managed to clear 54 300 ha of the highest priority catchments in the Strategic Water Source Areas supplying the Western Cape Water Supply System. The total value of the GCTWF alien clearing on CapeNature land equated to 4 975 hectares cleared to the value of R12.1 million during the reporting period. Most of this clearing took place in intermediate to high altitude areas, which requires highly specialised trained teams and equipment.

## **Fire Management**

During the reporting period, CapeNature responded to a total of 87 fires in the Western Cape which resulted in a burned area of 29 915 ha. These fires were reported from, among other, the Grootwinterhoek, Limietberg, Hottentots Holland, Waterval, Kogelberg, Grootvadersbosch, Walker Bay, Gamkaberg and Kammanassie

# B PERFORMANCE INFORMATION

Nature Reserves. The largest fire occurred in the Highlands/Kleinmond area near the Kogelberg Nature Reserve during January 2022. In comparison, there were 76 fires responded to during the 2020/21 fire season resulting in 31 199 ha burned. The Large-Scale Rapid Attack effort by CapeNature and all partners involved during the reporting period proved effective, with most fires being contained quickly before they could extend to multi-day events. The main cause of wildfires during this reporting period remained human-induced ignitions with a significant proportion of fires (20%) started deliberately by people.

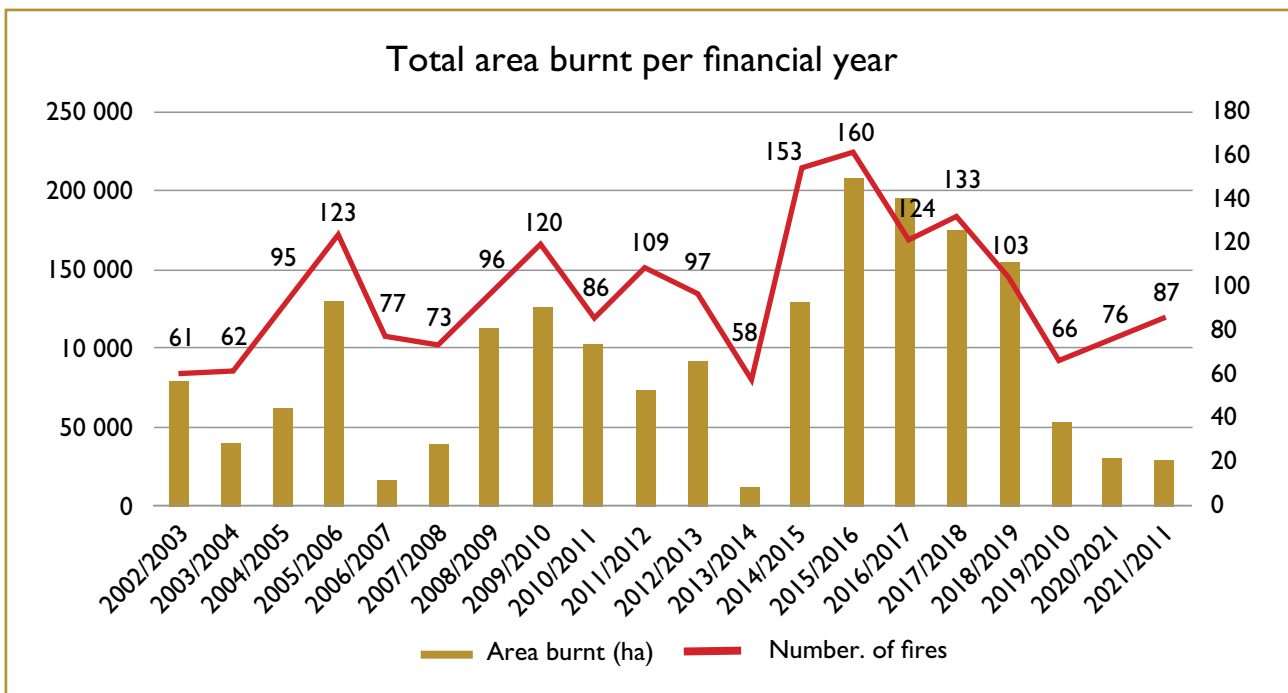


Figure I: Total area burned and number of fires per financial year.

## Marine and Coastal Management

During the reporting year CapeNature continued managing six Marine Protected Areas (MPAs) i.e., Robberg, Goukamma, Still Bay, De Hoop, Betty's Bay and Rocherpan Marine Protected Areas. In addition, Dyer, Dassen and Bird (Lambert's Bay) Islands remain under CapeNature's management as three globally important sites for the protection of threatened seabirds such as the African Penguin, Cape Gannet, the Bank and Cape Cormorant. Quarterly progress reports were submitted to DFFE during the reporting period to track management performance. Annual reports on all MPAs and Islands were submitted in compliance with requirements.

Following the outbreak of avian flu in the region of the Berg River estuary in October 2021, CapeNature formed an integral part of the Western Cape Government Disaster Management Joint Operations Centre, guided by the State Veterinarian, to deal with the outbreak. A proactive approach of removing all sick, dying and dead birds from the hotspots (breeding and roosting colonies) was followed to curb infection rates. CapeNature landscape teams, in collaboration with local authorities, SANParks and several NGOs, monitored all major marine and coastal bird colonies from the Olifants River estuary in the northwest to the Keurbooms River estuary in the southeast. By February 2022, Dyer Island and De Mond (Heuningnes River estuary) Nature Reserves suffered the most losses with 15 319 and 1 372 sea bird (all species) mortalities, respectively.

## PERFORMANCE INFORMATION **B**

The Cape Cormorant (24 136) and the African Penguin (237), both Endangered species, suffered the most mortalities throughout the affected areas. The outbreak ended in March 2022 with a total of 25 001 seabirds of at least 11<sup>6</sup> species having succumbed to the avian flu.

CapeNature, in partnership with the Department of Environmental Affairs and Development Planning (DEA&DP), developed estuary management plans for 13 priority estuaries where the entity has been identified as the Relevant Management Authority. These plans were published during the reporting period by DEA&DP for public comment by March 2022. The public comment process will be concluded during the ensuing fiscal period.

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<sup>6</sup> Cape Cormorant 24 136, African Penguin 237, Cormorant (unknown) 142, Kelp Gull 83, Common Tern 76, White-breasted Cormorant 60, Gull (unknown) 59, Swift Tern 48, Hartlaub's Gull 25, Cape Gannet 21, Great White Pelican 20, Other 94; TOTAL 25 001.



Photo: Joan Ward

# B PERFORMANCE INFORMATION

## Eco-tourism and Access Awards

CapeNature was announced as the 1st runner-up in the Reigniting Africa Travel & Tourism Awards. The #NatureStaycation campaign encouraged South African travellers to explore locally. The entity was recognised among 16 other entries, which acknowledges the most impactful, story-driven and positive destination campaign.

The Siyaya – “Come wild with us” series, a collaboration between CapeNature, Wesgro and SANParks and produced by Francois Odendaal Productions, was awarded “Best Documentary” - at the Golden Bee International Children’s Film Festival held in New Delhi, India. This extraordinary series bridges the gap between young children and nature with a deeply resonant conservation message.

## PROGRAMME 4: ECO-TOURISM AND ACCESS

The Western Cape Province’s Recovery Plan for tourism to mitigate the impact of COVID-19 was geared towards creating safe and cohesive communities while growing job opportunities and nurturing innovation. In this regard, CapeNature contributed to the economic stability through the development and execution of creative marketing campaigns and the introduction of new products to the market such as the glamping experience in the Overberg and launching the mobile visitor application.

During the period under review and the continued impacts of COVID-19 regulations the entity had to establish a new revenue baseline. The entity achieved an unprecedented revenue performance of R50 554 798 compared to the 2020/21 revenue performance of R27 789 639 during the hard lockdown, showing a healthy recovery. Revenue growth can be attributed to the significant increase in domestic visitors, attraction of new visitors and sustained marketing campaigns and messaging. Accommodation (44%) and Entrance Fees and Hiking (45%) were collectively responsible for 89% of the total revenue generated while the remaining 11% was generated through Wildcard sales, merchandise, filming, events and concession fees. The total annual online booking revenue has increased by 27% in comparison with the same period in 2020/21.

During the reporting period, the entity generated an Advertising Value Equivalent (AVE) of R106 373 107 with a combined positive and neutral public sentiment of 99%. All social media platforms experienced growth in followers, including Facebook (1.81%), Twitter (26.35%) and Instagram (42%).

In 2021 CapeNature’s Mbali Collection at Kogelberg Nature Reserve received the CIFA (Cape Institute for Architects) award for Architecture. The nomination and award exemplify CapeNature’s efforts to produce architecturally significant, low impact tourist infrastructure that follows the entity’s philosophy of ‘touching the earth lightly’.





The Marketing and Promotions component successfully executed 12 promotional activities during the reporting period. The original target of 11 was surpassed when an opportunity presented itself through the Rocklands Bouldering Partnership. The 12 campaigns are listed below:

- Grootvadersbosch Campsite Launch Campaign
- Winter Campaign
- Senior Citizen Campaign
- Online Visitor Mobile App Campaign
- Access Week Campaign
- Wild Card Campaign
- Summer Campaign
- Filming Campaign
- Black Friday Campaign
- Picnic Campaign
- Curio Shop Campaign
- Rocklands Campaign

A hybrid model was effectively implemented to ensure the successful rollout of the entity's learning and awareness mandate. The Learning and Awareness component recovered from the impact of the COVID-19 pandemic with the continuation of a hybrid model to include both contact and non-contact activities with external stakeholders such as schools, municipalities, community groupings, partners and an array of other stakeholders. The stakeholder engagement activities were split into two for the 2021/22 financial year and included an environmental capacity building target of 80 and an environmental awareness target of 150. A total of 101 capacity building activities and 373 awareness activities were achieved. For capacity building activities, additional requests and opportunities resulted in the over-achievement. For awareness activities, additional requests from stakeholders and events as well as value added interviews and social media posts resulted in the over-achievement.

# B PERFORMANCE INFORMATION

## 2.2. ORGANISATIONAL ENVIRONMENT

The Human Resources (HR) component of CapeNature strives to deliver effective and efficient human resource services to the entity. It achieves this through recruitment and selection, training and development and consistent performance management. The year under review remained a challenging one given the impact of the COVID-19 pandemic which brought about a significant change in the way of work. CapeNature had to adjust its operational requirements and adapt to the protocols as set out in the COVID-19 regulations.

To ensure effective service delivery, all CapeNature staff were required to complete monthly timesheets, indicating outputs and outcomes as per individual performance agreements and APP targets, respectively. This proved to be an effective tool to monitor and evaluate employees' performance towards the achievement of the entity's goals and objectives.

The entity commenced the implementation of an Electronic Performance Management system, which facilitated the compilation and approval of performance agreements for all staff and the undertaking of performance reviews. The implementation is being undertaken in a phased approach and is expected to improve administrative efficiencies.

The entity continued its gender mainstreaming journey to ensure it meets the objectives of its approved Gender Mainstreaming Policy. A Gender Mainstreaming Task Team is in place to assist in ensuring this critical area is given the necessary focus and attention. During the reporting period a Gender Equality Employee Survey was facilitated, the Gender Analysis was completed, the Gender Equality Guide and Gender Strategy and Gender Action Plan were developed.

### Job Creation and Empowerment

The entity exceeded the job creation and work opportunity targets by creating 789 employment opportunities through the EPWP and 1 249 employment opportunities through environmental programmes such as the Integrated Catchment Management (ICM) and tourism through the appointment of 23 SMME contractors. These SMMEs provided key services to the entity, which included invasive alien plant clearing, the making and maintenance of important fire breaks, hiking trail maintenance and reserve road maintenance.

Furthermore, 18 Work Integrated Learners (WILs) and graduate interns assumed duty at CapeNature, exceeding the target of 15.

## 2.3. KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

None

**2.4. Progress towards achievement of institutional impacts and outcomes**

**Table 1: Progress made towards achievement of impact of enhance efforts for conservation, biodiversity resilience and sustainability**

Outcome	Outcome indicator	Measure	5 Year Target	Achievement
ENHANCED BIODIVERSITY CONSERVATION AND LANDSCAPE RESILIENCE	1.1	Percentage of area managed protected areas assessed with a Management Effectiveness Tracking Tool (METT) score above 67%	80%	94% in 2021/22 This is a biennial indicator.
	1.2	Number of State of Conservation Reports completed	Updated State of Biodiversity Report	1 in 2020/21 1 in 2021/22
Number of Western Cape Protected Area Expansion Strategies approved			1 in 2020/21 Reviewed and updated every five years	
Number of permits issued within legislated timeframes			4 122 in 2020/21 3 277 in 2021/2022	
	Percentage of complete applications for biodiversity permits and authorisations finalised within legislated timeframes			Baseline established in 2020/21 87% of permits were finalised within the established timeframes
	Number of compliance inspections conducted			46 in 2020/21 116 in 2021/22
	Number of administrative enforcement notices issued for non-compliance with environmental legislation			1 in 2020/21 1 in 2021/22

<sup>7</sup>As measured against the SOB 2017 recommendations

# B PERFORMANCE INFORMATION

Outcome	Outcome indicator	Measure	5 Year Target	Achievement
ENHANCED BIODIVERSITY CONSERVATION AND LANDSCAPE RESILIENCE		Number of completed criminal investigations handed to the NPA for prosecution		34 in 2020/21 72 in 2021/22
		Number of stakeholder learning activities conducted		1 138 in 2020/21
	1.3 Number of stakeholder interventions to enhance biodiversity conservation and landscape resilience	Number of environmental awareness activities conducted	1 150 interventions	In 2020/21, this indicator was combined with the indicator, Number of environmental capacity building activities conducted, and its achievement reported against the indicator, Number of stakeholder learning activities conducted. In 2021/22 the indicator, Number of stakeholder learning activities conducted, was split based on the Standardised Sector Indicators issued during 2020/21. For 2021/22, 373 environmental awareness activities were conducted.  In 2020/21, this indicator was combined with the indicator, Number of environmental awareness activities conducted, and its achievement reported against the indicator, Number of stakeholder learning activities conducted. In 2021/22, the indicator, Number of stakeholder learning activities conducted, was split based on the Standardised Sector Indicators issued during 2020/21. For 2021/22, 101 capacity building activities were conducted.
		Number of environmental capacity building activities conducted		



# PERFORMANCE INFORMATION **B**

Outcome	Outcome indicator	Measure	5 Year Target	Achievement
ADVANCED ECONOMIC SUSTAINABILITY	1.4	Number of hectares in the conservation estate Number of biodiversity stewardship sites	994 407.89 ha + 5 000 ha + 5 000 ha per year for the 5-year strategic planning period	+ 7 156.44 ha in 2020/21 + 33 352.47 ha in 2021/22  7 in 2020/21 7 in 2021/22
	1.5	Percentage increase in tourism income generated	Re-establishment of a baseline in 2021/22 due to the removal of the indicator during 2020/21.	The target was removed during the 2020/21 financial year due to the impact of COVID-19. The indicator was re-introduced for the 2021/22 financial year to set a new baseline.
		Number of new and/or upgrades on existing tourism products (n). Number of tourism promotional activities to promote access		11 in 2020/21 12 in 2021/22
	1.6	Number of individuals benefitting from job creation initiatives	Number of employment opportunities provided through Expanded Public Works Programme (EPWP) programmes	7 300
Number of learners appointed through various initiatives in the sector (including learnerships) Number of work opportunities created through environmental programmes			17 in 2020/21 18 in 2021/22  1 212 in 2020/21 1 249 in 2021/22	
ADVANCED ECONOMIC SUSTAINABILITY	1.7	Audit opinion from Auditor-General of South Africa	Unqualified Auditor-General opinion	2021/22 being Year 2 of 5, 2 out of 5 unqualified audit opinions have been obtained

# B PERFORMANCE INFORMATION



The above table set out the outcomes and outcome indicators documented in the 5-year strategic plan, the associated performance measures and the achievement for each indicator over the 5-year strategic cycle. Being the second year of the current 5-year strategic cycle, the table only presents the achievements of year one and year two and its contribution to the 5-year targets.

The growth of the conservation estate is fundamental in conserving biodiversity and in this regard the entity has exceeded its target of 5 000 ha by 667% (rounded), which equates to 28 352.47 ha. The growth of the conservation estate is largely facilitated through the conclusion of stewardship agreements for priority areas of conservation value. Equally critical to conservation efforts, ensuring ecosystem health and functioning, was the inaugural annual State of Conservation Report, summarising the state of priority species and ecosystems. This report will inform the five-yearly State of Biodiversity Report. The targets set and the strategy will contribute significantly to the achievement of international commitments and the Medium-Term Strategic Framework (MTSF) 2019 – 2024, sub-outcome 1, which aims to ensure ecosystems are sustained and natural resources are used efficiently. The achievements related to the compliance and enforcement indicators contributed to reducing the loss of biodiversity and ensuring the sustainability of biodiversity.

COVID-19 had a debilitating impact on the tourism and hospitality sector in the country. This necessitated the removal of the indicator - percentage increase in tourism income generated, as part of the in-year APP amendment process during the 2020/21 reporting period. This indicator was reintroduced for the 2021/22 APP. Income generation remains fundamental in the sustainability of the entity with a significant percentage of income diverted to support conservation operations. For the reporting period the entity generated R50 554 798.

Job creation and provision of socio-economic opportunities are at the forefront of the entity's mandate and focus. These objectives are achieved through a number of indicators that provide employment opportunities through the provision of EPWP and non-EPWP related job opportunities and learnerships. These opportunities are taken up by individuals and businesses within communities located in and around protected areas.

Stakeholder engagement and environmental awareness are critical mechanisms in the entity's efforts to effect behavioural change with respect to understanding the environment and nature. Through the significant number of environmental awareness activities conducted and the number of environmental capacity building activities conducted, the entity strives to work towards achieving the vision of conserving nature for resilience and sustainability.

Sound governance principles and systems together with the implementation of laws and regulations and documented policies and procedures are key to good audit outcomes. The entity endeavoured to achieve these principles through obtaining an unqualified audit opinion for the year under review.

## 3. Institutional Programme Performance Information

### 3.1. PROGRAMME I: ADMINISTRATION AND GOVERNANCE

**Purpose:** To provide efficient corporate governance through effective leadership, finance and human resource management.

The programme consists of the following sub-programmes:

#### Sub-Programme 1.1: Office of the CEO

**Purpose:** To ensure effective governance, compliance with legislative requirements, governance frameworks, staff well-being and overall administrative functioning, strategic planning and risk management.

#### Sub-Programme 1.2: Finance Services

**Purpose:** To manage the financial resources and assets of CapeNature and ensure the effective management and administration of ICT and Shared Services.

#### Sub-Programme 1.3: Strategy, Governance and Risk

**Purpose:** To ensure the effective management of organisational risk, internal control, corporate legal services and strategic support.

#### Outcomes, Outputs, Output Indicators, Targets and Actual Achievement Table

During the period under review, CapeNature achieved a clean audit for the 2020/21 financial period. This confirms the Auditor-General's opinion that the Annual Financial Statements contained no material misstatements, it was compliant with legislation and that there were no material findings on predetermined objectives. A total of employed, 789 EPWP related work opportunities have been created against a target of 450, which shows a significant overachievement. Similarly, 18 Work Integrated Learners and graduate interns have been appointed, exceeding the target by three.

The entity facilitates the employment and empowerment of vulnerable groups through funding received from the EPWP. This Programme makes provision for women, youth and people with disabilities. The entity has historically been able to meet the required targets with only the target for people with disabilities at times presenting a challenge. Through the focus on paid learnerships and intern programmes, the entity provides experiential learning and job market readiness for youth specifically.

The entity did not re-table the Annual Performance Plan during the financial year under review.



# B PERFORMANCE INFORMATION

**Table 2: Output Indicators**

Programme I – Administration and Governance								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
Advanced economic sustainability	Un-qualified audit report	Audit opinion from Auditor General of South Africa	An un-qualified audit opinion	An un-qualified audit opinion	An un-qualified audit opinion	An un-qualified audit opinion	None	None
	Employment opportunities provided through EPWP programmes	Number of employment opportunities provided through EPWP programmes	528	662	450	789	+339	The high turn-over of staff taking up alternative employment opportunities resulted in the over-achievement.
	Learning opportunities provided in the sector	Number of learners appointed through various initiatives in the sector (including learnerships)	21	17	15	18	+3	Additional learners were appointed to address capacity challenges with candidates afforded the opportunity to obtain meaningful work experience.

### **Strategy to overcome areas of under-performance**

N/A

### **Linking performance with budgets**

Please refer to note 34 of the Annual Financial Statement which explains the variance.

**Table 3: Administration and Governance**

Programme/ sub- programme	2021/22			2020/21		
	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	9 577	10 480	(903)	9 849	7 715	2 134
Finance Services	61 071	62 146	(1 075)	62 809	65 944	(3 135)
Strategy, Governance and Risk	10 399	9 451	948	6 565	12 100	(5 535)
<b>Total</b>	<b>81 047</b>	<b>82 078</b>	<b>(1 031)</b>	<b>79 223</b>	<b>85 759</b>	<b>(6 536)</b>

Note: Budget and expenditure excludes CAPEX. Budget is on cash basis and expenditure is on accrual basis.

### 3.2. PROGRAMME 2: BIODIVERSITY CAPABILITIES

**Purpose:** To develop and deploy capability centres to support, inform, enable, and advance the practice of conservation and enhance biodiversity resilience.

#### **Outcomes, Outputs, Output Indicators, Targets and Actual Achievement Table**

CapeNature aimed to improve effective management of both the terrestrial and marine components of the entity's conservation estate by a further expansion of 5 000 hectares, during the reporting period. The conclusion of a significant number of agreements during the reporting period, resulted in adding 33 352.47 hectares to the conservation estate, thus exceeding the target by 28 352.47 hectares.

CapeNature, as the regulatory authority for nature conservation in the Western Cape, processes permit applications in terms of relevant legislation, to enable compliance with legislative requirements. With the change in the sector indicator, focussing on more outcomes based rather than output-based performance, a new indicator was introduced for the reporting period under review. This indicator measured the percentage of complete applications for biodiversity permits and authorisations finalised within legislated timeframes. The entity was required to establish a baseline for 2021/22.

The output indicators for Programme 2 do not facilitate the ability to respond to prioritising women, youth and persons with disabilities. The entity, broadly, facilitates the employment and empowerment of women, youth and people with disabilities through the EPWP funding received. With its ongoing focus on local economic development initiatives, contractor development and the provision of work opportunities, and more significantly in and around its protected areas and to surrounding communities, the entity can respond to the needs of priority groups.

The entity did not re-table the Annual Performance Plan during the financial year under review.

# B PERFORMANCE INFORMATION

**Table 4: Output Indicators**

Programme 2: Biodiversity Capabilities								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
	Updated land- and seascape targets for protected area expansion	Number of hectares in the conservation estate	1 003 768.89 ha	1 010 925.33 ha	Previous Year +5 000 ha	1 044 277.80 ha	+28 352.47 ha	The signing of stewardship agreements and the proclamation/ declaration of protected areas is the result of a lengthy negotiation and legal process. The timeframes for concluding agreements cannot be predetermined.
Enhanced bio-diversity conservation and landscape resilience	Updated State of Bio-diversity Report	Number of State of Conservation Reports completed	Indicator not included in 2019/20 Annual Performance Plan	1	1	1	None	None
	Expansion of the conservation estate	Number of biodiversity stewardship sites	Indicator not included in 2019/20 Annual Performance Plan	7	1	7	+6	The signing of stewardship agreements and the proclamation/ declaration of protected areas is the result of a lengthy negotiation and legal process. The timeframes for concluding agreements cannot be predetermined.

Programme 2: Biodiversity Capabilities								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
	Permits processed and finalised within legislated time-frames	Percentage of complete applications for biodiversity permits and authorisations finalised within legislated time-frames	Indicator not included in 2019/20 Annual Performance Plan	Indicator not included in 2020/21 Annual Performance Plan	Establish baseline	87%	None	None, baseline established

### Strategy to overcome areas of under-performance

N/A

### Changes to planned targets

N/A

### Linking performance with budgets

Please refer to note 34 of the Annual Financial Statement which explains the variance.

**Table 5: Biodiversity Capabilities**

Programme/ sub- programme	2021/22			2020/21		
	Budget	Expenditure	(Over)/ Under Expenditure	Budget	Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Biodiversity Capabilities	39 008	36 231	2 777	44 940	48 259	(3 319)
<b>Total</b>	<b>39 008</b>	<b>36 231</b>	<b>2 777</b>	<b>44 940</b>	<b>48 259</b>	<b>(3 319)</b>

Note: Budget and expenditure excludes CAPEX. Budget is on cash basis and expenditure is on accrual basis.

# B PERFORMANCE INFORMATION

## 3.3. PROGRAMME 3: CONSERVATION OPERATIONS

**Purpose:** To conserve, enhance and restore biodiversity resilience in Western Cape landscapes.

### Outcomes, Outputs, Output Indicators, Targets and Actual Achievement Table

CapeNature completed the biennial METT-SA protected area management effectiveness assessment for the period 2020-22 and established that 94% of the area, in hectares, managed by the entity is categorised to fall above the “Sound Management” national threshold of 67%. By appointing more (23) Small, Medium & Micro Enterprises than targeted (12), CapeNature created significantly more work opportunities (160%) than the target. Due to the impact of COVID-19 (hard lockdown) during 2020/21 and a backlog of inspections, CapeNature conducted more than targeted compliance inspections (+76) of wildlife facilities keeping and displaying wild animals, and growers and sellers of indigenous plants during the reporting period. A significant escalation of biodiversity crime incidents during 2021/22 resulted in a higher number of criminal investigations (+52) than targeted handed to the National Prosecuting Authority.

The entity, broadly, facilitates the employment and empowerment of women, youth and people with disabilities through the EPWP funding received. With its ongoing focus on local economic development initiatives, contractor development and the provision of work opportunities, and more significantly in and around its protected areas and to surrounding communities, the entity can respond to the needs of priority groups.

The entity did not re-table the Annual Performance Plan during the financial year under review.

**Table 6: Output Indicators**

Programme 3: Conservation Operations								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
Enhanced bio-diversity conservation and landscape resilience  Advanced economic sustainability	Manage effectiveness of Cape-Nature managed protected areas assessed	Percentage of area of state managed protected areas assessed with a METT score above 67%	87%	N/A	80%	94%	+14%	Successful implementation of METT Action Plans for 2020-22 and the shift of three large protected area complexes into the category of ‘Sound Management’ resulted in the over-achievement



# PERFORMANCE INFORMATION **B**

Programme 3: Conservation Operations								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
Enhanced bio-diversity conservation and landscape resilience	Work opportunities created through the bio-diversity sector economy	Number of work opportunities created through environmental programmes	1 568	1 212	700	1 249	+549	The appointment of additional SMMEs resulted in more work opportunities created.
	Compliance inspections conducted	Number of compliance inspections conducted	Indicator not included in 2019/20 Annual Performance Plan	46	40	116	+76	Due to the impact of the COVID-19 pandemic (hard lockdown) in 2020-21, a backlog of physical inspections were performed during the reporting period resulting in the over-achievement.
Advanced economic sustainability								

# B PERFORMANCE INFORMATION

Programme 3: Conservation Operations								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
Enhanced bio-diversity conservation and landscape resilience	Advanced economic sustainability	Number of administrative enforcement notices issued for non-compliance with environmental legislation	Indicator not included in 2019/20 Annual Performance Plan	1	0 *	1	+1	This is a demand-driven target and achievement cannot be predicted.
	Criminal investigations handed to the NPA	Number of completed criminal investigations handed to the NPA for prosecution	Indicator not included in 2019/20 Annual Performance Plan	34	20	72	+52	The significant escalation of the illegal collection of succulent plants from the wild and successful compliance and enforcement actions resulted in the over-achievement.
Advanced economic sustainability								

\*The issuance of administrative enforcement notices primarily relates to the implementation of the National Environmental Management Act (No. 7 of 1998) and other specific environmental legislation. CapeNature implements the Nature Conservation Ordinance and has limited scope for issuing administrative enforcement notices. CapeNature considers the issuance of administrative notices as a last resort for achieving compliance and in accordance with the Province's impetus to reduce red tape, do not pursue an increased/ increasing target. This would be considered contrary to creating an enabling environment for economic development. The entity should not be seen to be pursuing a target of negative enforcement measures and has therefore set the target for this indicator at 0.

## Strategy to overcome areas of under-performance

N/A

## Changes to planned targets

N/A

## Linking performance with budgets

Please refer to note 34 of the Annual Financial Statement which explains the variance.

**Table 7: Conservation Operations**

Programme/ sub- programme	2021/22			2020/21		
	Budget	Expenditure	(Over)/ Under Expenditure	Budget	Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Conservation Operations	151 077	157 452	(6 375)	154 268	143 729	10 539
<b>Total</b>	<b>151 077</b>	<b>157 452</b>	<b>(6 375)</b>	<b>154 268</b>	<b>143 729</b>	<b>10 539</b>

Note: Budget and expenditure excludes CAPEX. Budget is on cash basis and expenditure is on accrual basis.

## 3.4. PROGRAMME 4: ECO-TOURISM AND ACCESS

**Purpose:** To advocate for change that promotes and enhances sound conservation and environmental practice, develop a customer centric approach to visitors, provide access to our natural resources for communities and facilitate economic and social opportunities in the biodiversity economy sector.

The programme consists of the following sub-programmes:

### Sub-Programme 4.1: Eco-tourism & Access: Advocacy

**Purpose:** To advocate conservation efforts, behavioural change and eco-tourism through effective public relations across existing and new communication platforms to internal and external target audiences in line with the entity's brand.

### Sub-Programme 4.2: Eco-tourism & Access: Tourism Development

**Purpose:** Develop and maintain a range of tourism products and income-generating initiatives that contributes to the entity's financial sustainability.

### Sub-Programme 4.3: Eco-tourism & Access: Stakeholder Engagement and Access

**Purpose:** To build and sustain support among communities in terms of natural resources management, education and cultural heritage activities through promoting biodiversity conservation and participation in the biodiversity economy sector.

# B PERFORMANCE INFORMATION

## Outcomes, Outputs, Output Indicators, Targets and Actual Achievement Table

For the reporting period the entity generated R50 554 798 in tourism revenue.

The entity, broadly, facilitates the employment and empowerment of women, youth and people with disabilities through the EPWP funding received. With its ongoing focus on local economic development initiatives, contractor development and the provision of work opportunities through infrastructure development and maintenance and concessions and Public Private Partnerships (PPPs), and more significantly in and around its protected areas and to surrounding communities, the entity can respond to the needs of priority groups.

The entity did not re-table the Annual Performance Plan during the financial year under review.

**Table 8: Output Indicators**

Programme 4: Eco-tourism and Access								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
Advanced economic sustainability	Increased eco-tourism income	Percentage increase in tourism income generated	21%	Indicator removed from the 2020/21 Annual Performance Plan due to the impact of COVID-19.	Establish a baseline	R50 554 797.75	None	None. Baseline established

# PERFORMANCE INFORMATION **B**

Programme 4: Eco-tourism and Access								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
Advanced economic sustainability	Increased eco-tourism income	Number of new and/or upgrades on existing tourism products (n)	10	11	10	12	+2	The solar projects at Cederberg Wilderness Area and Rocherpan Nature Reserve, which were delayed due the shortage of components within the solar industry caused by the COVID-19 pandemic, resulted in the over-achievement.
	Marketing and promotional activities to facilitate access	The number of tourism promotional activities to promote access	12	12	11	12	+1	An additional campaign was undertaken through the Rocklands Bouldering Partnership to market bouldering in the Cederberg Wilderness Area.

# B PERFORMANCE INFORMATION

Programme 4: Eco-tourism and Access								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
Enhanced bio-diversity conservation and landscape resilience	Environmental awareness activities conducted	Number of environmental awareness activities conducted	230	Indicator not included in 2020/21 Annual Performance Plan	150	373	+223	Additional requests from stakeholders and events as well as value added interviews and social media posts resulted in the over-achievement.
	Stakeholder capacity building activities conducted	Number of environmental capacity building activities conducted	98	Indicator not included in 2020/21 Annual Performance Plan	80	101	+21	Additional requests and opportunities resulted in the over-achievement.

### **Strategy to overcome areas of under-performance**

N/A

### **Changes to planned targets**

N/A

### **Linking performance with budgets**

Please refer to note 34 of the Annual Financial Statement which explains the variance.

**Table 9: Eco-tourism and Access**

Programme/ sub- programme	2021/22			2020/21		
	Budget	Expenditure	(Over)/ Under Expenditure	Budget	Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Advocacy	15 845	16 094	(249)	12 436	15 923	(3 487)
Tourism Development	25 429	33 129	(7 700)	6 034	29 464	(23 430)
Stakeholder Engagement and Access	33 096	31 071	2 025	35 644	26 469	9 175
<b>Total</b>	<b>74 370</b>	<b>80 294</b>	<b>(5 924)</b>	<b>54 114</b>	<b>71 856</b>	<b>(17 742)</b>

Note: Budget and expenditure excludes CAPEX. Budget is on cash basis and expenditure is on accrual basis.



# B PERFORMANCE INFORMATION

**Reporting on the Institutional Response to the COVID-19 Pandemic**  
**Table 10: Progress on Institutional Response to the COVID-19 Pandemic**

Pro-gramme/ Sub Pro-gramme	Geographic location (province/district/local municipality) (where possible)	Number of beneficiaries (where possible)	Dis-aggregation of beneficiaries (where possible)	Total budget allocation per intervention (R'000)	Budget spent per intervention (R'000)	Contribution to the Outputs in the APP (where applicable)	Immediate outcomes
Administration and Governance	Western Cape Province	Beneficiaries included all Cape-Nature staff and visitors to reserves and offices	Beneficiaries included all Cape-Nature staff and visitors to reserves and offices	0	570	The appointment of contractors and service providers contribute towards the following CapeNature APP indicators namely: 1. Number of work opportunities created through environmental programmes, Number of new and/or upgrades on existing tourism products 2. Visitors coming to reserves result in increased revenue which is linked to the following APP indicator: Percentage increase in tourism income generated. Due to the impact of COVID-19 and the anticipated second wave of infections at the time and a potential third and fourth wave, the indicator was removed as part of the in-year APP amendment process.	Through the implementation of the worksite safety intervention and fulfilment of its mandate, the entity directly responds to the Western Cape Government's four focus areas of COVID-19 i.e., Recovery, Jobs, Safety and Wellbeing, as the pillars of a Recovery Plan to stimulate economic growth and recovery in the Province.  The entity contributes in this regard through existing job creation interventions such as being an EPWP implementing agent, opportunities afforded through Natural Resource and Integrated Catchment Management and eco-tourism, etc., and from a safety and wellbeing perspective the management of our catchment areas ensures a sustainable supply of clean, fresh and potable water to the citizenry of the Western Cape, the vast landscapes provide areas for pollinators, which is crucial for food security, pristine reserves for cultural, spiritual, traditional and recreational purposes can be accessed, criminal activity linked to biodiversity crime is prevented and sound land use advise, and spatial planning is provided, which contribute to safeguarding community livelihoods against fires floods and other natural disasters.  Twelve of the Annual Performance Plan indicators contribute, directly or indirectly, to the aforementioned focus areas.



## 4. Revenue Collection

**Table 1 I: Revenue collection**

Sources of revenue	2021/22			2020/21		
	Budget	Expenditure	(Over)/ Under Expenditure	Budget	Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Government Grant, own revenue and special projects	371 287	362 013	9 274	366 574	358 453	8 121
<b>Total</b>	<b>371 287</b>	<b>362 013</b>	<b>9 274</b>	<b>366 574</b>	<b>358 453</b>	<b>8 121</b>

Budget is on cash basis and revenue is on accrual basis.

## 5. Capital Investment

- Cederberg Wilderness – Solar upgrade and installation of new fridges at all cottages at Kliphuis, installation of new walkways between selected camp sites with solar lighting and maintenance and repairs of cottages at Kliphuis and solar retrofit through renewable energy provision for six tourist cottages at Algeria, Cederberg Wilderness.
- De Hoop Nature Reserve (Potberg) – Upgrading of water purification and reticulation system for staff and visitor use.
- De Hoop Nature Reserve (Whale Trail) – Welcome Centre improvement and solar power panel at Potberg entrance gate.
- Grootvadersbosch Nature Reserve – Upgrading of internal ring road.
- Kogelberg Nature Reserve – Installation of a new curio shop and wastewater treatment works.
- Robberg Nature Reserve – Installation of new roller gate and fence and upgrading of interpretation centre.
- Rocherpan Nature Reserve – Upgrading and installation of solar system.
- Vrolijkheid Nature Reserve – Upgrading of the conference centre to include parking and paving around the building, kitchen upgrades, landscaping and installation of air conditioners.
- Walker Bay Nature Reserve – Erection of boundary fences at Uilkraalsmond to ensure access control management and visitor safety.





PART  
**C** | GOVERNANCE

## 1. 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 (No. 71 of 2008), corporate governance with regard to public entities is applied through the precepts of the Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999) as amended by Act No. 29 of 1999 and run in tandem with the principles contained in the King Report on Corporate Governance.

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

## 2. Portfolio Committees (if applicable)

Not applicable.

## 3. Executive Authority

The following reports were submitted to the Executive Authority.

Document Description	Date Submitted
Monthly Highlights for inclusion into report to Minister Bredell: April	6 May 2021
Monthly Highlights for inclusion into report to Minister Bredell: May	8 June 2021
Monthly Highlights for inclusion into report to Minister Bredell: June	8 July 2021
Monthly Highlights for inclusion into report to Minister Bredell: July	10 August 2021
Monthly Highlights for inclusion into report to Minister Bredell: August	6 September 2021
Monthly Highlights for inclusion into report to Minister Bredell: September	8 October 2021
Monthly Highlights for inclusion into report to Minister Bredell: October	5 November 2021
Monthly Highlights for inclusion into report to Minister Bredell: November	8 December 2021
Monthly Highlights for inclusion into report to Minister Bredell: December	14 January 2022
Monthly Highlights for inclusion into report to Minister Bredell: January	4 February 2022
Monthly Highlights for inclusion into report to Minister Bredell: February	8 March 2022
Monthly Highlights for inclusion into report to Minister Bredell: March	7 April 2022

## 4. The Accounting Authority/ 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. 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:

- Audit and Finance Committee
- HR and Remuneration Committee
- Conservation Committee
- Risk and ICT Committee
- Eco-tourism and Access 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 deal pro-actively with related matters in the Province;
- To render services and provide facilities for research and training that would inform and contribute to 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 the applicable policy framework.

## BOARD CHARTER

### I. INTRODUCTION

- 1.1 Governance embodies processes, policies, systems, laws and regulations by which organisations are strategically directed, governed and held to account.
- 1.2 The King IV Report on Corporate Governance requires boards and management to publicly confirm that they have reviewed the effectiveness of risk management and internal control and have implemented systems essential for the effective discharge of their responsibilities.
- 1.3 Section 51(a)(i) of the Public Finance Management Act, 1999 (Act No. 1 of 1999) as amended (PFMA), requires the Accounting Authority for a public entity to have and maintain effective, efficient and transparent systems of financial and risk management and internal control.
- 1.4 In terms of Section 77 (Liability of Directors and Prescribed Officers) of the Companies Act, 2008 (Act No.71 of 2008), independent members and non-executive members of Board Committees carry the same fiduciary responsibility as Executive Directors.
- 1.5 The Western Cape Nature Conservation Board, hereafter referred to as the “Board”, hereby details the manner in which it will operate in terms of the Western Cape Nature Conservation Board Act, 1998 (Act No. 15 of 1998) as amended.

## 2. PURPOSE

- 2.1 The Western Cape Nature Conservation Board is established as a Schedule 3C public entity responsible for nature conservation in the Western Cape.
- 2.2 The objectives of the Board as per the Board Act shall be:
  - To promote and ensure nature conservation and deal pro-actively with related matters in the Province;
  - To render services and provide facilities for research and training that would inform and contribute to nature conservation and related matters in the Province, and
  - To generate income, within the framework of the applicable policy framework.
- 2.3 This Charter has been developed with the following objectives:
  - Clearly identify, define and record the corporate governance and fiduciary responsibilities, functions and composition of the Western Cape Nature Conservation Board, and
  - Provide a referencing tool to new Board members for the purpose of orientation and induction.
- 2.4 This Charter should 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 Act.

## 3. AUTHORITY

- 3.1 The Board is mandated to fulfil its roles and responsibilities as set out in the Western Cape Nature Conservation Act.
- 3.2 In so doing, the Board is authorised to:

Assess and analyse any risk and/or governance related matters pertaining to CapeNature;

  - Request any official in the employ of CapeNature to attend meetings and to provide advice and/or information;
  - Seek any information it requires from external parties and obtain outside legal or other independent professional advice;
  - Secure the attendance of any person with relevant experience and expertise if necessary;
  - Ensure that any appointments for the purposes of requesting information from any external party, obtaining independent professional advice and/or attendance shall be made subject to normal tender and procurement procedures and the availability of funding resources, and
  - Facilitate investigations into any matter within the scope of its responsibility.

## 4. BOARD STRUCTURE AND MEMBERSHIP

- 4.1 The Board shall consist of no more than twelve (12) members, of which at least four (4) shall have expertise in nature conservation. The majority of the members shall be non-executive.
- 4.2 The following conditions apply to the appointment of the members:
  - The relevant Provincial Minister shall, in consultation with the Board, appoint or re-appoint one member of the Board as a Chairperson and one as Vice-Chairperson;
  - The Chairperson of the Board shall, in consultation with the Board, appoint Board Committee Chairpersons and members to each Committee;
  - The Chairperson and Vice-Chairperson shall hold office for a period not exceeding three years where after they shall be eligible for re-appointment subject to membership on the Board;
  - 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;
  - A member may only be 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;

- 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;
- Should a Board member wish to resign from the Board, a formal written signed request must be sent to the relevant Provincial Minister to request such permission;
- No member may resign from the Board until an official written response has been received from the relevant Provincial Minister to approve such resignation;
- Remuneration of Board members are determined by scales approved by National Treasury, and
- The Chief Executive Officer is a full member of the Board whereas the rest of the Executive Management attend Board meetings by invitation only. The relevant Provincial Minister and representatives of the respective Provincial Department will be standing invitees to all Board meeting proceedings and deliberations.

## 5. MEETINGS

- 5.1 The Board and all Board Committees will meet at least four (4) times during the course of the financial year.
- 5.2 The quorum for all meetings will be 50% plus one of the membership, provided that at least two members with expertise in nature conservation are present.
- 5.3 The Board can invite other parties to attend Board meetings. Invited parties shall be provided the opportunity to participate in discussions but shall have no voting rights and will attend the meeting for the appropriate agenda items only.
- 5.4 Other than for emergency and ad hoc meetings, members will be provided with documentation appropriate to the agenda at least seven (7) calendar days prior to the meeting.
- 5.5 The proceedings for all meetings shall be minuted by the Board Secretary. Draft minutes will be produced within ten (10) calendar days after the meeting and distributed to members as soon thereafter.
- 5.6 Minutes shall be supported by members of the Board and signed by the Chairperson at the next meeting or as soon thereafter.
- 5.7 Each member of the Board and Board Committees are allowed to request items to be placed on the agenda for that meeting.
- 5.8 In the event of both the Chairperson and Vice-Chairperson being absent from a meeting of the Board, the members shall elect a Chairperson from amongst the members present to preside at that meeting. The mandatory quorum requirements will still need to apply.
- 5.9 Special meetings of the Committee may be convened as required. Any member of the Committee may call a special meeting provided that it is convened in consultation with or through the Chairperson. Special meetings will be confirmed seven (7) calendar days prior to the date of the meeting.

## 6. ROLES AND RESPONSIBILITIES

- 6.1 The Board will, subject to the approval by the Minister, where applicable:
  - Align the Board's strategic goals and objectives with that of the Department of Environmental Affairs and Development Planning and Provincial and National Government;
  - Review, evaluate and approve, long-term strategic objectives, plans and projects for the organisation;
  - Review, evaluate and approve the organisation's annual budget, budget projections and Annual Financial Statements;
  - Review the delegations of the Board;

- Review, evaluate and approve major resource allocations and capital investments;
  - Review the financial and operating results of the organisation;
  - Review and approve the strategic policies of the organisation;
  - Adopt and monitor compliance with the organisation's Code of Conduct, the PFMA and all legislation relevant to the Board;
  - 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, and
  - Guide the organisation in terms of the demands and challenges of the broader societal context of transformation.
- 6.2 Upon authorisation of the strategic plans and projects, Management will provide the Board with regular, accurate and relevant feedback on progress with regard to implementation.
- 6.3 The Board however remains accountable for the oversight of the implementation of the strategies and for the total process of risk management.
- 6.4 The Board has formally established Board Committees to assist in discharging its duties and responsibilities, as follows:
- Human Resources (HR) and Remuneration – The Committee fulfils an oversight role with respect to the human resource management strategy and related strategic policies in the organisation.
  - Audit and Finance – The Committee fulfils an Audit oversight role with respect to the effectiveness of the system of internal control, management of financial and operational risks and the auditing process as it relates to the functions performed by the Auditor-General and Internal Audit. The Committee fulfils a Finance oversight role with respect to reviewing the adequacy of financial management and budgeting processes and procedures, the accuracy of financial reporting, the recommendation of significant financial transactions and compliance with all relevant laws and regulations.
  - Executive (EXCO) – This Committee is constituted of the Chairpersons of the Board Committees and convenes to attend to any urgent matters arising from Board meetings which could not be held over until the next Board or Board Committee meeting.
  - Conservation – The Committee fulfils an oversight role with respect to the biodiversity conservation functions and reviews progress towards meeting biodiversity and conservation targets and objectives of the organisation.
  - Eco-tourism and Access – The Committee fulfils an oversight role with respect to matters pertaining to tourism and infrastructure development, marketing, communication, fundraising and partnerships.
  - Risk and ICT – The Committee fulfils an oversight role through independent counsel, guidance and advice with respect to the identification, assessment and management of risks and monitors compliance with corporate governance policies and guidelines. The Committee fulfils an ICT oversight role with respect to the adequacy of the ICT environment, compliance to ICT laws, regulations and best practice, research and the recommendation of significant innovation investments.
- 6.5 Each Committee must be established in terms of an approved Charter, which will set out the roles and responsibilities for that Committee.
- 6.6 The Chairperson of the Board shall, in consultation with the Board, appoint Board Committee Chairpersons and members to each Committee.
- 6.7 The Board should review and assess, the required mix of skills and experience of members and its diversity on a regular basis.



## 7. STAKEHOLDER MANAGEMENT AND COMMUNICATION

- 7.1 The Board shall promote mutual goodwill, understanding and co-operation between the relevant Provincial Minister and other key role players.
- 7.2 With respect to the relationship with the respective Provincial Department, the Board shall further promote regular meetings between:
- The Provincial Minister and the Chairperson of the Board;
  - The Chief Executive Officer of the Board and the Head of Department; and
  - The Management of both organisations.
- 7.3 The Board shall further:
- Actively assist the Department in matters related to the Biodiversity management in the Province and provide the Department with specialist environmental management service and nature conservation scientific advice;
  - Actively co-operate in the development, establishment and maintenance of an environmental information management system;
  - Collaborate in the promotion of environmental awareness, education and relevant capacity building and job-creation initiatives in the Western Cape;
- 7.4 Media statements in respect of non-delegated matters shall be dealt with by the Chairperson of the Board or his/her delegated authority.
- 7.5 Media statements in respect of delegated matters shall be dealt with by the Chief Executive Officer or his/her delegated authority.
- 7.6 Media statements with political implications and/or that may reflect poorly on sound financial and human resource management, and/or that does not promote sound intergovernmental relations, must be cleared with the Head of Department and the Minister prior to its release.
- 7.7 Matters that are of material, strategic or reputational importance and that are either catastrophic (i.e. death, severe reputational loss, detrimental financial loss, total systems loss) or critical (i.e. severe injury with partial disability, reputational loss, partial systems loss or significant financial loss) in nature should be referred to the Board for consideration, discussion and appropriate interventions. All other matters should be dealt with by Management, but the Board must retain oversight of other issues in order to determine the performance and ability of Management.

## 8. MEMBER ORIENTATION AND INDUCTION

- 8.1 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 Western Cape Nature Conservation Board Act, 1998 (Act No. 15 of 1998) as amended and the Public Finance Management Act, 1999 (Act No. 1 of 1999) as amended (PFMA), the Code of Conduct of the organisation and other relevant laws.

## 9. CONFLICT OF INTEREST

- 9.1 Members are required to declare any conflict of interest that may arise in the course of any CapeNature business and excuse themselves from any deliberations dealing with that business.
- 9.2 All members shall be required to fully disclose all business-related interests for record keeping purposes.
- 9.3 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.

- 9.4 Where the family member of a non-executive member applies and is appointed to a position within Management, such Board member is required to resign from the Board.

## 10. BOARD ADMINISTRATION

- 10.1 The Board Secretary shall be functionally responsible to the Board and provide administrative support services including:
- Arranging of meetings
  - Drafting of agendas
  - Distribution of information packs prior to the meetings
  - Taking minutes at all meetings
  - File attendance registers and Declaration of Interest forms signed by members, minutes, self-assessment and Committee performance questionnaires and other documentation.
- 10.2 Meeting agendas and information packs shall be sent to members electronically at least seven (7) calendar days prior to any Board meeting.

## 11. PERFORMANCE ASSESSMENT

- 11.1 The Board has formally identified, clarified and documented its collective roles and responsibilities and the key roles, responsibilities and performance standards for each member.
- 11.2 The Board will conduct an annual performance assessment of its collective performance. The assessment will be used to identify key objectives and improvements for the effective functioning of the Board.

## 12. REVIEW

- 12.1 The Board will review its Charter as and when required.



**Table 12: Composition of the Board**

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned/End of term	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of meetings attended
Professor Denver Hendricks	Chairperson	11 April 2021	10 April 2026	BSc; MSc; PhD	Biochemistry; Natural Sciences; Biodiversity	None	Audit and Finance (Ex-Officio); Eco-tourism & Access; Conservation	17
Professor Gavin Maneveldt	Vice Chairperson	01 March 2018	28 Feb 2023	BSc; BSc (Hons); MSc; PhD Botany; Field Guide Association of South Africa; FGASA Honorary SKS	Marine Biology; Botany	None	Conservation; Human Resource & Remuneration; Risk and ICT	18
Dr Colin Johnson	Member	11 April 2021	10 April 2026	MSc; PhD	Natural Sciences; Botany	None	Conservation; Human Resource & Remuneration	12
Mervyn Burton	Member	14 June 2020	14 June 2025	A (SA); BCompt (Hons)	Financial Management; Corporate Governance and Risk	None	Audit and Finance; Eco-tourism & Access; Risk and ICT	14
Professor Aubrey Redlinghuis	Member	14 June 2020	14 June 2025	BA (Hons); MA; Doctorate in Economic Geography	Education	None	Human Resource & Remuneration; Conservation	10
Paul Slack	Member	14 June 2020	14 June 2025	BCom (Hons) in Financial Management; CA (SA)	Financial Management; Corporate Governance and Risk	None	Audit and Finance; Risk and ICT	17
Marguerite Loubser	Member	01 March 2018	28 Feb 2023	BCom; Postgraduate Diploma in Tax; CA (SA) LLB; LLM	Tax and Environmental Law	None	Eco-tourism & Access; Risk and ICT	16

**Table 13: Independent Committee Members**

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned/End of term	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of meetings attended
Nirvani Dhevcharran	Independent member	01 June 2021	31 May 2022	BSc (Hons) Computer Science; MSc; MCSE	Technology	None	Risk and ICT	5
Burton Van Staaden	Independent member	01 June 2021	31 May 2022	BCom; BCompt; Postgraduate Certificate in Auditing; CA (SA)	Auditing	None	Audit and Finance	4



**Table 14: Committees**

Committee	No. of meetings held	No. of members	Name of members	
Board	5	7	Prof Hendricks Prof Maneveldt Dr Johnson Mr Burton	Prof Redlinghuis Mr Slack Ms Loubser
Board Exco	0	6	Prof Hendricks Prof Maneveldt Dr Johnson	Mr Burton Mr Slack Ms Loubser
Conservation	4	4	Prof Maneveldt Prof Redlinghuis	Dr Johnson Prof Hendricks
Eco-tourism and Access	4	3	Mr Burton Prof Hendricks	Ms Loubser
HR & Remuneration	4	3	Dr Johnson Prof Maneveldt	Prof Redlinghuis
Audit and Finance	5	4	Mr Slack Mr Burton	Prof Hendricks (Ex-Officio) Mr Van Staaden (Independent member)
Risk and ICT	4	5	Ms Loubser Mr Slack Mr Burton	Prof Maneveldt Ms Dhevcharran (Independent member)

**Table 15: Remuneration of board members**

Name	Remuneration (Rands)	Other Allowances (Rands)	Other Re-imbursments (Rands)	Total (Rands)
Professor Denver Hendricks	39 000	-	-	39 000
Professor Gavin Maneveldt	37 404	-	-	37 404
Dr Colin Johnson	29 841	931	-	30 772
Professor Aubrey Redlinghuis	23 364	-	-	23 364
Mervyn Burton	34 596	-	-	34 596
Marguerite Loubser	32 649	-	-	32 649
Paul Slack	31 563	-	-	31 563
Burton Van Staaden	16 566	-	-	16 566
Nirvani Dhevcharran	13 795	-	-	13 795
<b>TOTAL</b>	<b>258 778</b>	<b>931</b>	<b>-</b>	<b>259 709</b>

## 5. Risk Management

Governance embodies processes, policies, systems, laws, and regulations by which organisations are strategically directed, governed and held to account. The King IV Report on Corporate Governance requires boards to govern risk in a manner which supports the setting and achievement of organisational strategic objectives. This requirement is supported by assessing the effectiveness of risk management and internal control, the alignment of ICT with business objectives and sustainability, and the integrity of financial reporting. Risk management, as a component of governance, provides assurance that risks are being managed in such a manner that organisational outcomes and outputs are being achieved. The risk management function is structurally placed in the Strategy, Governance and Risk component, which reports to the CEO. This ensures that the activities of the function are strategically driven and focused, and decision-making support is risk-based.

Risk management assurance is provided through the implementation of the approved Risk Management Policy. Board oversight of the risk management function is provided by the Risk and ICT Committee. Notwithstanding the role of the Risk and ICT Committee, the Audit and Finance Committee continued to perform its oversight role with respect to governance and related matters. In addition to these oversight structures, the risk profile is tabled at all other Board Committee meetings to ensure that all relevant aspects of risk management, including, risk identification and mitigation, the identification of emerging risks and cross functional priorities, are considered and deliberated on. Progress reporting on risk takes place in consultation with relevant risk owners and ensures commitment and a risk-based focus by Management.

The risk profile was reviewed during the reporting period and resulted in the reduction of the number of risks and the consolidation of certain similar risks. Management identified the following transversal and strategic risks of (1) Financial sustainability (2) Unlawful occupation of protected areas (3) Climate change resilience (4) Reduced socio-economic opportunities and access (5) Lack of knowledge capability and (6) Inadequate reputation management.

The risk profile is aligned to the organisational structure and incorporates all directorates. During the period under review, ongoing risk management focus was directed at responding to the impact of the COVID-19 pandemic. The applications of the Regulations issued by Government and the implementation of initiatives to minimise the spread of the pandemic were consolidated to ensure for minimal impact on the entity's operations. The entity continued to sensitise staff on preventative measures, advising on responsible behaviour in the workplace, employee wellbeing and coping initiatives, information on developments regarding the pandemic and relevant Government directives and the need to vaccinate. Two surveys were undertaken to determine the level of staff vaccination in the entity. The entity further reviewed and updated the Business Continuity Plan throughout the year and developed and updated a number of standard procedures and processes to mitigate the spread of the pandemic in the workplace.

Significant focus was also given to the unlawful occupation of Driftsands Nature Reserve, which posed not only a risk to biodiversity but also to the safety of staff on the reserve and the potential for loss of property and the endangerment to the lives of those members of the public that have taken up occupation in areas that are not conducive for occupation. To mitigate this risk, a Provincial Task Team was established. The task team comprises of the Departments of Human Settlements (renamed the Department of Infrastructure), Transport and Public Works (renamed the Department of Urban Mobility) and Local Government, City of Cape Town, DEA&DP and CapeNature. There are five workstreams within the task team: Security and Site

Protection; Legal; Communication and Stakeholder Engagement; Relocation and Residential Upgrade; and Biodiversity and Offset Identification. The Team convened regularly to deliberate on the challenges faced at the Reserve and to work towards an amicable outcome. Broadly, the entity Early Detection and Rapid Response Plans have been developed for all reserves at risk of unlawful occupation. These are Waterval, Limietberg, Jonkershoek, Hottentots Holland, Kogelberg, Riverlands and Ganzekraal Nature Reserves. Local Authorities are being engaged to sign memoranda of agreement which will provide law enforcement to assist with the rapid response to unlawful occupation.

The entity has recognised the impact of climate change through the identification of Climate Change Resilience as a strategic risk. This is underpinned in all the work performed at landscape level and through the extensive stakeholder collaboration and partnership arrangements forged by the entity. Resilience is primarily driven by the implementation of alien invasive management interventions, integrated catchment management, landscape restoration, research initiatives, environmental education and capacity building. The integrated catchment management approach is fundamental to not only managing the alien invasive species and fire risk but has a dual benefit in that if done effectively, it could improve the yield and quality of water into the Western Cape Provincial catchments. CapeNature has continued to focus on alien eradication in priority areas and water catchment areas through the investment of own resources and the strategic partnerships. These initiatives not only achieve the objective of reducing fuel loads and mitigating against fire but give effect to the entity's socio-economic mandate of job creation, community upliftment and local economic development and critically, water conservation in the Western Cape Province.

The entity continues to manage and mitigate risk within the limitations of the available resources. The impact on resources has further been affected by the pandemic and the overall reduction in the fiscus resulting from Government's response to mitigate its impact. The entity continues to invest in innovation, technology and systems as a means to gain operational efficiencies. The focus on ICT has been key in ensuring that the necessary infrastructure is in place and is maintained and is able to support the entity's operational requirements. Critical during the reporting period has been the efforts to address any information security challenges and to align to industry standards.

## 6. Internal Control Unit

The Internal Control Unit is tasked with providing assurance on the effectiveness of the system of internal control within the entity. This is done collaboratively through the approved Combined Assurance Plan, which sets out the Unit's contribution to the combined assurance model. During the reporting period the Unit focused on monitoring and control activities, compliance testing and governance to ensure the entity maintains a sound control environment.

In relation to governance, the Unit reported quarterly to the Audit and Finance and Risk and ICT Committees on the status of audit action plans, which Management were required to implement. The Unit assessed the status of compliance to the principles of the King 4 Report on Corporate Conduct and Good Governance on a quarterly basis.

In terms of control activities, the Unit has representation on the Policy Review Committee. The Committee is responsible for the review of policies, thereby ensuring that the entity's policies are updated in line with current

legislation and regulations. The Unit reviewed and updated the following Standard Operating Procedures (SOPs):

- E-Signatures
- Public Complaints and Feedback
- CRS Refunds

For compliance testing, the focus was on monitoring confirmed areas required by the regulatory framework. The Unit completed and reported on the following reviews for the financial year:

- SCM Deviations
- Contract Management
- Pre-Determined Objectives
- Payroll
- Internal Financial Controls
- Cash & Asset Management and use of GMT Vehicles at reserves, specifically
- Loss Management Review
- Quarterly Reporting on Fruitless and Wasteful Expenditure

For compliance testing, the focus was on monitoring confirmed areas required by the regulatory framework. The following Acts and Regulations were reviewed during the financial year:

- Compensation for Occupational Injuries and Diseases Act, 1993 (Act 130 of 1993)
- Occupational Health and Safety Act, 1993 (Act 85 of 1993)
- Employment Equity Act, 1998 (Act 55 of 1998)
- Threatened or Protected Species Regulations, 2007
- Alien and Invasive Plant Species Regulations, 2020
- Western Cape Nature Conservation Board Act, 1998 (Act 15 of 1998)
- Labour Relations Act, 1995 (Act 66 of 1995)
- Marine Living Resources Act, 1998 (Act 18 of 1998)
- Integrated Coastal Management Act, 2008 (Act 24 of 2008)
- Seashore Act, 1935 (Act 21 of 1935)





7. Internal Audit and Audit Committees

**Table 16: Composition of the Audit and Finance Committee**

Name	Qualifications	Internal or external	If internal, position in the public entity	Date appointed	Date Resigned/ End of Term	No. of Meetings attended
Marguerite Loubser	BCom; Postgraduate Diploma in Tax; CA (SA) LLB; LLM	Board Member	N/A	01 March 2018	25 May 2021	2
Paul Slack	BCom (Hons) in Financial Management; CA (SA)	Board Member	N/A	15 June 2020	14 June 2025	5
Mervyn Burton	CA (SA); BCompt (Hons)	Board Member	N/A	15 June 2020	14 June 2025	4
Professor Denver Hendricks	BSc; MSc; PhD	Board Member (Ex-officio)	N/A	11 April 2021	10 April 2026	2
Nirvani Dhevcharran	BSc (Hons) Computer Science; MSc; MCSE	Independent Member	N/A	01 January 2018	25 May 2021	1
Burton Van Staaden	BCom; BCompt; Postgraduate Certificate in Auditing; CA (SA)	Independent Member	N/A	01 January 2018	31 May 2022	4



## 8. Compliance with Laws and Regulations

Compliance is read in conjunction with the Board Charter and the Charters of the respective Board Committees. The Western Cape Nature Conservation Board endorses the principles as set out in the Protocol on Corporate Governance in the Public Sector and, where applicable, the King IV Report on Corporate Governance for South Africa 2016 and has endeavoured to comply as far as practically possible with the principles and practices contained in King IV.

## 9. Fraud and Corruption

The management of fraud and corruption in CapeNature is administered through the Fraud Prevention Policy, approved by the Board. CapeNature's approach to fraud prevention confirms its stance and support for a culture of zero tolerance. The Policy recognises basic fraud prevention initiatives that are in place within CapeNature.

The Fraud Prevention Policy provides a mechanism through which employees are able to raise concerns responsibly where there are reasonable grounds to believe that fraud and corruption has occurred. 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. Should any employee wish to report allegations of fraud, they may also contact any member of Management, the Chief Executive Officer, Chairperson of the Board or alternatively the National Anti-Corruption toll free number at 0800 701 701. In addition to above mechanisms, incidents can be reported directly to Provincial Forensic Services within the Department of the Premier.

All matters that are reported will be considered and evaluated and may either be investigated internally and/or referred to any other advisory and support service at the entity's disposal, including Internal Audit, Auditor-General, Provincial Forensic Services and/or any other investigative agencies prescribed by law. Any fraud committed by an employee of CapeNature will be thoroughly investigated 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. An investigative protocol between CapeNature and the Department of Environmental Affairs and Development Planning, in collaboration with Provincial Forensic Services, is in place and applied to all investigative processes, where applicable. The work of the Internal Control Unit has further allowed for a more prompt response to incidents where a breakdown of control has occurred and/or is suspected and to identify remedial actions to strengthen the control environment. These incidents will inform both proactive and reactive processes and functional areas in order to prevent future incidents of fraud and corruption.

On-going awareness initiatives and interventions are critical to ensure that staff are continually sensitised to issues of fraud and corruption. This can take the form of communication with staff through policies, induction and orientation, and other formal and informal meeting forums. Instances where deficiencies were identified in the implementation of business processes as it relates to the prevention of fraud and corruption, Management communicated concerns with staff and advised on ways to mitigate these deficiencies.

## 10. Minimising Conflict of Interest

All staff and Board Members are required to complete an annual Declaration of Interest. For each Supply Chain Committee meeting held (Evaluation and Adjudication), all members sign a declaration pertaining to agenda items for discussion. During the period under review, no cases of conflict of interest were identified.

## 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 the individual conduct and in their relationship with others. Compliance with the Code can be expected to enhance professionalism and build confidence in the entity. Failure to adhere to the spirit and the letter of the Code of Conduct may open an employee to disciplinary proceedings.

## 12. Health, Safety and Environmental Issues

The main purpose of occupational health and safety in the workplace is to ensure 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, students and visitors to CapeNature worksites.
2. The Consumer Protection Act, 2008 (Act No. 68 of 2008) to provide a safe product to end-users of our tourism facilities (visitors accessing CapeNature managed land).
3. The Compensation for Occupational Injuries and Diseases Act, 1993 (Act No. 130 of 1993), by ensuring effective management of compensation claims.

An important measurement of the effectiveness of health and safety initiatives is the occurrence and frequency of injuries and incidents in the workplace (Injuries on Duty – IOD) and the days lost as a result thereof.

During the period under review, 50 injuries occurred resulting in 43 disabling injuries (Figure 2). These injuries resulted in an average of 4.05 working days lost per injury. There is an increase from the previous year in the number of lost time injuries (6 cases – 16.2%). This can be attributed to a difficult fire break clean-up that occurred in Waterval Nature Reserve (nine IODs of which four insect stings, three caused by underfoot conditions, and two other). All injuries are investigated at worksite level to determine root causes and to identify remedial and improvement actions to prevent its re-occurrence.

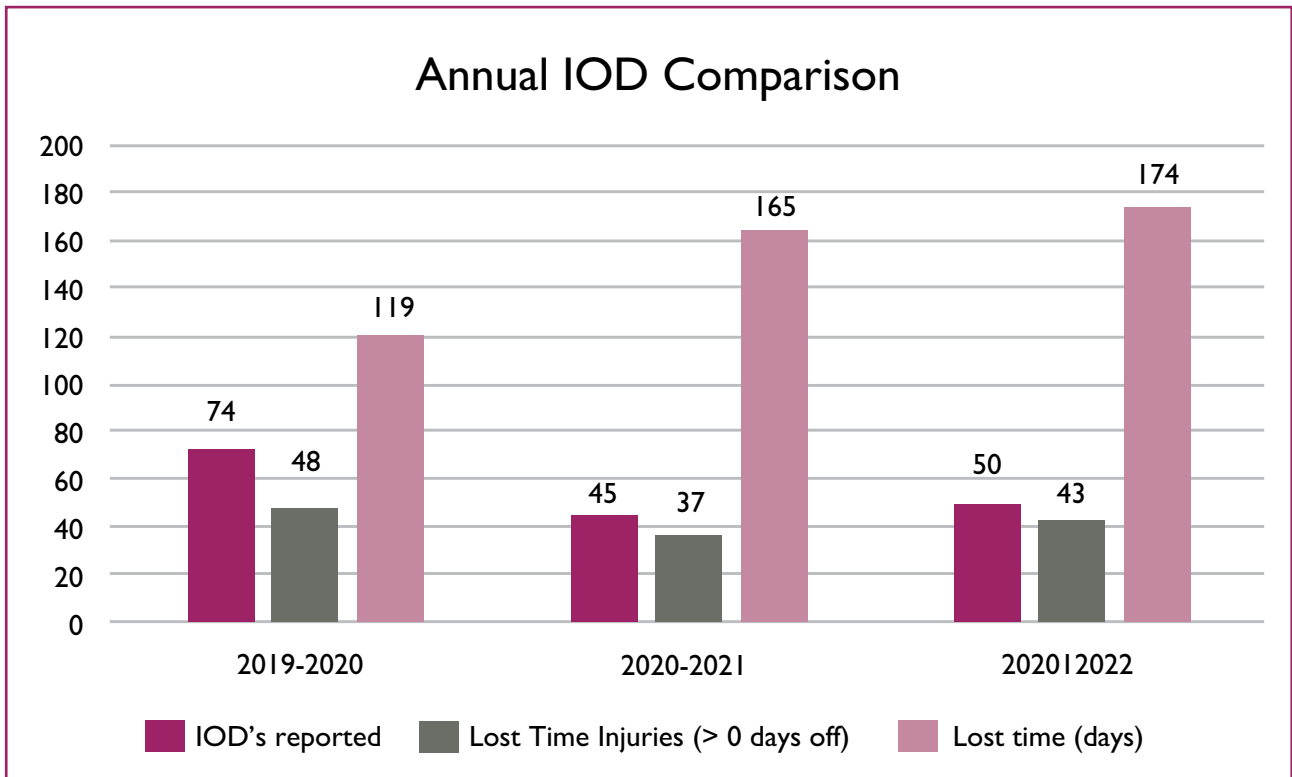


Figure 2: Total incidents reported during 2019-20, 2020-21 and 2021-22

Regarding types and causes of incidents during the reporting period, Figure 3 indicates that persons overextending themselves, slip/trip and fall incidents, and related injuries had the highest prevalence. Lifting of heavy objects amounted to seven of the overextended injuries. With the slip/trip incidents, five of these were attributed to underfoot conditions when walking through the veld and two when crossing rivers. This remains a high-risk area, because of the natural and unpredictable terrain that must be negotiated when infield. Toolbox talks are provided to raise awareness amongst staff members on the safe procedures to follow.

The number of vehicle accident-related injuries relates to the number of employees (driver and passengers) who were injured in the vehicle at the time of the incident and not the number of accidents.

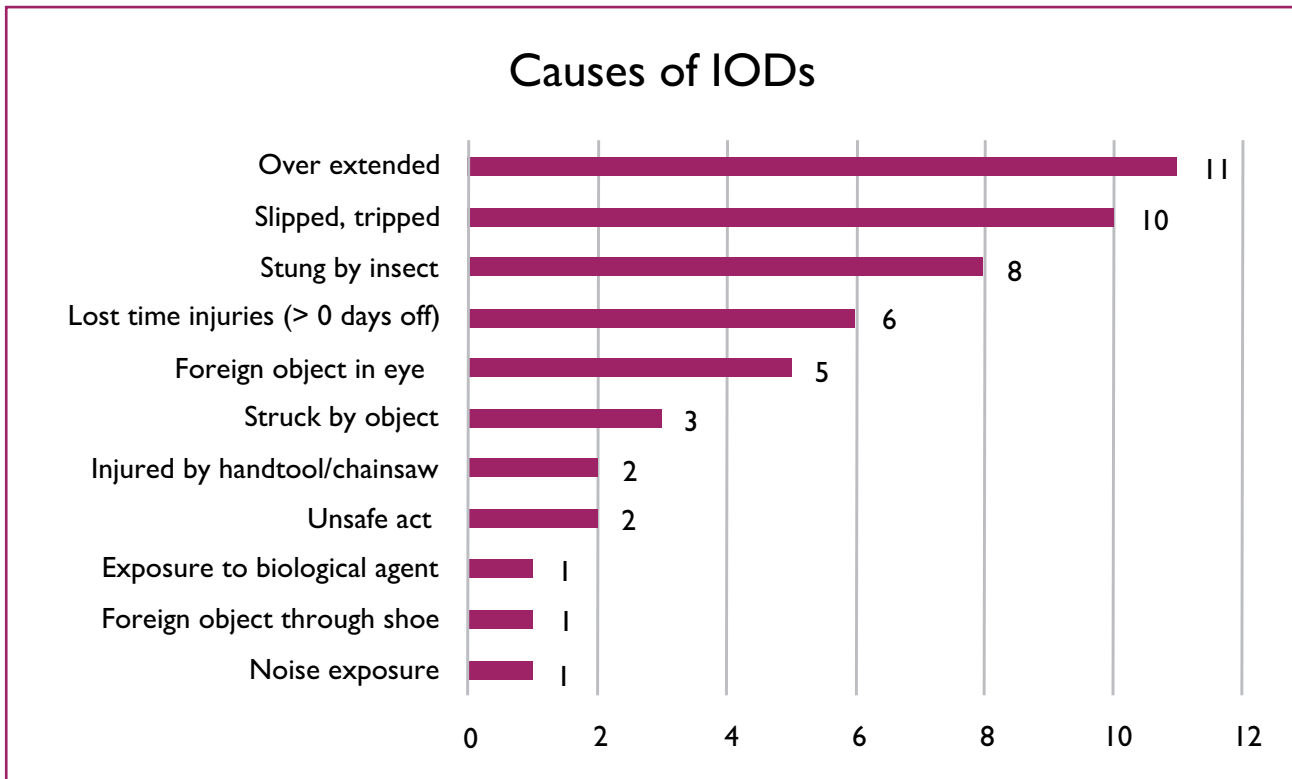


Figure 3. Types and causes of incidents during 2021-22

During the reporting period, CapeNature acquired marine Personal Protective Equipment (PPE) as well as PPE for staff employed under the EPWP. First-aid, Health and Safety Representative, and Fire Marshal training was provided throughout all four Landscapes. Functional training on Veldfire Fire Management, and Chainsaw and Brush-cutter use was also provided. The COVID-19 requirements under the National Disaster Management Act were followed at all worksites and weekly reporting on the implementation thereof was provided to the COVID-19 Compliance Officer.

Incident investigations, training and induction of new employees, awareness raising and management support were conducted to ensure compliance to the Occupational Health and Safety Act and internal policies

## 13. Company/Board Secretary (if applicable)

N/A

## 14. Social Responsibility

The entity has delivered on several social responsibility projects. The entity also responds to a number of sponsorship requests from charitable organisations throughout the year. Some of the initiatives for the period under review are listed below:

### 1. Wild Nights Out

Wild Nights Out (a registered NPO) provides matriculants who are leaving school, a pivotal transition time in their lives, an important opportunity to experience the natural world. The programme consists of seven days hiking in the Cederberg mountains and uses the natural metaphors of the local environment as tools for experiential learning. In learning about the value of natural biodiversity of the Cederberg, young people come to also appreciate human diversity - those from different cultures and backgrounds.

CapeNature sponsored:

Camping for 24 people (18 matriculants, four facilitators and two previous participants) for six nights at Algeria-Cederberg

### 2. Access Week

During Access Week (13 – 20 September 2021), CapeNature sponsored a variety of community groups to attend facilitated educational outings at participating nature reserves.

### 3. Matrics in Antarctica

“Matrics in Antarctica” is a competition through which matriculants from across the country compete to win a trip to Antarctica to learn more about sustainability, the diverse ecosystem and conservation. Following the selection of ten finalists, CapeNature hosted these matriculants for a week at Grootvadersbosch Nature Reserve where the final five winners were selected.

CapeNature sponsored:

Accommodation for five nights for ten matriculants/staff and one night stay for sponsors of the event at Grootvadersbosch Nature Reserve.

### 4. Lamberts Elands Animal Protection Services (LEAPS) LEAPS Paddle for the PAW charity event.

This is a registered non-profit animal rescue group that services the townships along the West Coast.

CapeNature sponsored:

2-night getaway for four people to Rocherpan Nature Reserve.

## 5. Hermanus Botanical Society

Hermanus Botanical Society hosted an annual raffle, and they were looking for support from local businesses. Due to COVID-19 they were not able to host their annual Flower Show for the second year in a row. They sold tickets and all prizes were distributed at the event.

CapeNature sponsored:

2-night getaway for four people to Grootvadersbosch Nature Reserve.

## 6. St Luke's Hospice

St. Luke's hospice cares for over 900 people with life-threatening illnesses at any given time and most of the care is in the patient's home. There is no charge for the service that they offer. The entity hosted an online auction for the public to bid, and the funds raised was in aid of St Luke's Hospice.

CapeNature sponsored:

2-night getaway for four people to Grootvadersbosch Nature Reserve.

## 7. Spin for Charity

Spin for Charity, Mountain Man and their community outreach programme is a non-profit organisation. Their role is to educate communities, children, and adults from various areas on heritage. The charity established a mountain youth training programme that teaches hiking clubs, eco school clubs and/or scout clubs.

CapeNature sponsored:

Accommodation for two nights at Limietberg Nature Reserve (Tweede Tol camp site) for ten adults (volunteers) and ten children (8-12 years).



## 15. Audit and Finance Committee Report

We are pleased to present our report for the financial year ended 31 March 2022.

### **Audit Committee Responsibility**

The Audit and Finance Committee reports that it has complied with its responsibilities arising from Section 51 (1)(a)(ii) of the Public Finance Management Act and Treasury Regulation 27.1. The Audit and Finance Committee also reports that it has adopted appropriate formal terms of reference as its Audit and Finance Committee Charter, has regulated its affairs in compliance with this Charter and has discharged all its responsibilities as contained therein, except that we have not reviewed changes in accounting policies and practices.

### **The Effectiveness of Internal Control**

Our review of the findings of the Internal Audit work, which was based on the risk assessments conducted in the public entity revealed certain weaknesses, which were then raised with the public entity.

The following internal audit work was completed during the year under review:

- Cyber Security
- Follow up matrix
- Grants and Deferred Revenue
- Human Resource Management
- Internal Financial Controls
- Pre-determined Objectives
- Supply Chain Management
- Website Review

The following were areas of concern:

- There were no real areas of concern highlighted by Internal Audit

### **In-Year Management and Monthly/ Quarterly Report**

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

### **Financial oversight**

Financial oversight of the following took place:

- The Audit and Finance Committee Charter was reviewed.
- Regular review of the audit matrix.

### **Evaluation of Financial Statements**

We have reviewed the annual financial statements prepared by the public entity and concur with the figures reported and the findings of the Auditor-General.



The entity obtained a clean report in the four major areas of Auditor-General review viz.:

- Financial statements
- Pre-determined Objectives
- Compliance with laws and regulations
- Internal controls

### Auditor-General's Report

The Committee has implemented a tracking and monitoring document entitled the "Audit Matrix", which is a standing item at every Committee meeting. The matrix includes every matter raised by internal and external auditors as well as the Internal Control Unit, irrespective its significance. These matters stay on the audit matrix until Management resolves them. Removal of any matter from the audit matrix is only upon confirmation by the internal auditors that the matter has been fully resolved. In this way the Committee satisfies itself that prompt and correct action is taken to resolve audit findings.

We have reviewed the public entity's implementation plan for audit issues raised in the prior year and we are satisfied that the matters have been adequately resolved.

The 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.



**Paul Slack**

Chairperson of the Audit and Finance Committee  
CapeNature  
August 2022



## 16. B-BBEE Compliance Performance Information

REPORTING BY ORGANS OF STATE AND PUBLIC ENTITIES IN TERMS OF SECTION 13(G) (1) OF THE BROAD-BASED BLACK ECONOMIC EMPOWERMENT ACT 53 OF 2003 AS AMENDED BY ACT 46

<b>Name of Sphere of Government / Public Entity / Organ of State:</b>	<b>Western Cape Nature Conservation Board trading as CapeNature</b>
Registration Number (If Applicable):	N/A
Physical Address:	PGWC Shared Services Centre, Cnr Bosduif and Volstruis Streets, Bridgetown, 7764
Type of Sphere of Government / Public Entity / Organ of State:	Schedule 3C Public Entity in terms of the Public Finance Management Act (PFMA)
Organisation Industry / Sector	Environment and Nature Conservation

<b>Application of Code of Good Practice (B-BBEE Certificate Levels 1 – 8):</b>		
<b>Criteria</b>		<b>Attachment</b>
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law	No	If Yes, please attach Qualification Criteria as well as the compliance report of implementation thereof in the Annual Report
Developing and implementing a preferential procurement policy	Yes	If Yes, please attach Preferential Procurement Policy as well as the compliance report of implementation thereof in the Annual Report
Determining qualification criteria for the sale of state-owned enterprises	No	If Yes, please attach Qualification Criteria as well as the compliance report of implementation thereof in the Annual Report
Developing criteria for entering into partnerships with the private sector	No	If Yes, please attach Qualification Criteria as well as the compliance report of implementation thereof in the Annual Report
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment	No	If Yes, please attach Qualification Criteria as well as the compliance report of implementation thereof in the Annual Report

APPROVED BY:



Accounting Authority:  
CapeNature  
August 2022



PART | HUMAN  
D | RESOURCE  
MANAGEMENT

# D HUMAN RESOURCE MANAGEMENT

## I. Introduction

The Human Resources (HR) component is responsible for managing critical resources through the functional disciplines of training and development, recruitment and selection, fair and transparent employee relations, and consistent performance management – all of which play a crucial role in the entity.

As per the previous year, the year under review was challenging for everyone and no different for the HR component. The COVID-19 pandemic required a different way of working and ensuring staff wellbeing, whilst at the same time ensuring optimal performance. Whilst nothing changed in terms of the austerity measures, it meant that the entity had to do more with less and that included being vigilant when considering the appointment of additional staff. Notwithstanding this challenge, the entity has managed to monitor and evaluate the appointment of new staff by having regular meetings to discuss vacancies and critical appointments. The relaxation of COVID-19 regulations during the year allowed for the continuation of training and development initiatives which was well attended by staff. As a result 100% of the training budget was spent and planned initiatives implemented.

A notable achievement during this year was the establishment of the Gender Mainstreaming Task Team as well as the finalisation of the Gender Mainstreaming Strategy and Action Plan. For the period under review, the Gender Mainstreaming Task team facilitated the completion of the Gender Equality Employee Survey, the Gender Survey, the Gender Equality Guide and the Gender Strategy and Action Plan, which include a Communications Plan.



## 2. Human Resource Oversight Statistics

**Table 17: 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)
Administration and Governance	82 078	31 944	39%	70	456
Biodiversity Capabilities	36 231	26 023	72%	32	813
Conservation Operations	157 452	112 651	72%	749	150
Eco-tourism and Access	80 294	37 249	46%	44	847
<b>Total</b>	<b>356 055</b>	<b>207 868</b>	<b>58%</b>	<b>895</b>	<b>232*</b>

\* This figure calculates the average personnel cost per employee and is determined by dividing the personnel expenditure (R207 868) with the number of employees (895).

**Table 18: Personnel cost by salary band**

Salary band	Personnel expenditure (R'000)	% of personnel exp. to total personnel cost (R'000)	No. of employees	Average personnel cost per employee (R'000)
Top Management 13 – 15	6 799	3%	5	1 360
Senior Management 11 – 12	27 147	13%	33	823
Professional qualified 9 – 10	48 791	23%	68	718
Skilled 6 – 8	52 665	25%	117	450
Semi-skilled 3 – 5	45 096	22%	166	272
Unskilled 1 – 2	27 370	13%	506	54
<b>Total</b>	<b>207 868</b>	<b>100%</b>	<b>895</b>	<b>232*</b>

\* This figure calculates the average personnel cost per employee and is determined by dividing the personnel expenditure (R207 868) with the number of employees (895).

### Performance Rewards

No performance rewards were disbursed during the period under review.

**Table 19: Training costs**

Programme	Personnel expenditure (R'000)	Training expenditure (R'000)	Training expenditure as a % of personnel cost	Number of employees trained	Average training cost per employee (R'000)
Programme 1: Administration and Governance	31 944	1 159	4%	77	15
Programme 2: Biodiversity Capabilities	26 023	351	1%	32	11
Programme 3: Conservation Operations	112 651	195	0%	688	0.28
Programme 4: Eco-tourism and Access	37 249	823	2%	37	22
<b>Total</b>	<b>207 868</b>	<b>2 528</b>	<b>1%</b>	<b>834</b>	<b>3*</b>

\* This figure calculates the average training cost per employee and is determined by dividing the training expenditure (R2 528) with the number of employees trained (834).

**Table 20: Employment and vacancies per programme**

Programme	2020/2021 No. of employees	2021/2022 Approved posts	2021/2022 No. of employees	2021/2022 Vacancies	% of vacancies
Programme 1: Administration and Governance	75	98	68	30	31%
Programme 2: Biodiversity Capabilities	29	43	31	12	28%
Programme 3: Conservation Operations	299	339	285	54	16%
Programme 4: Eco-tourism and Access	41	51	44	7	14%
<b>Total</b>	<b>444</b>	<b>531</b>	<b>428</b>	<b>103</b>	<b>19%*</b>

\* This figure calculates the percentage of vacancies and is determined by dividing the number of vacancies (103) with the number of approved posts (531).

**Table 21: Employment and vacancies per salary band**

Salary band	2020/2021 No. of employees	2021/2022 Approved posts	2021/2022 No. of employees	2021/2022 Vacancies	% of vacancies
Top Management 13+	5	6	5	1	17%
Senior Management 11 – 12	30	38	33	5	13%
Professional qualified 9 – 10	74	93	68	25	27%
Skilled 6 – 8	113	142	117	25	18%
Semi-skilled 3 – 5	180	200	166	34	17%
Unskilled 1 – 2	42	52	39	13	25%
<b>Total</b>	<b>444</b>	<b>531</b>	<b>428</b>	<b>103</b>	<b>19%*</b>

\* This figure calculates the percentage of vacancies and is determined by dividing the number of vacancies (103) with the number of approved posts (531).

**Table 22: Employment changes\***

Salary band	Employment at beginning of period 01/04/2021	Appointments	Terminations	Employment at end of the period
Top Management 13+	5	0	0	5
Senior Management 11 – 12	30	6	3	33
Professional qualified 9 – 10	74	2	7	68
Skilled 6 – 8	113	20	16	117
Semi-skilled 3 – 5	180	27	35	166
Unskilled 1 – 2	546	143	589	506
<b>Total</b>	<b>948</b>	<b>198</b>	<b>650</b>	<b>895</b>

\* The table reflects the appointment of Full-Time Equivalents (FTEs) and Board employees, including employees promoted. Terminations are comprised of Board employees and FTEs, and include terminations and contracts ending 31 March 2022. The majority of terminations are as a result of FTE contracts ending.

**Table 23: Reasons for staff leaving**

Reason	Number	% of total no. of staff leaving
Death	2	0%
Resignation	113	17%
Dismissal/Discharged	11	2%
Misconduct	9	1%
Retirement/Pensioned	13	2%
Ill health	1	0%
Expiry of contract	476	73%
Other/absconded/retrenched	25	4%
<b>Total</b>	<b>650</b>	<b>100%</b>

**Table 24: Labour Relations: Disciplinary actions taken**

Nature of disciplinary action	Number
Verbal Warning	30
Written Warning	48
Final Written warning	37
Dismissal	11

**Table 25: Equity Target and Employment Equity (EE) Status**

Salary band	Male							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	1	1	1	1	1	1	0
Senior Management	3	2	7	4	0	1	11	2
Professional qualified	6	6	11	9	0	0	19	29
Skilled	16	15	24	25	3	1	8	4
Semi-skilled	16	19	85	97	0	2	3	6
Unskilled 1 – 2	50	63	169	178	0	1	1	2
<b>Total</b>	<b>91</b>	<b>106</b>	<b>297</b>	<b>314</b>	<b>4</b>	<b>6</b>	<b>43</b>	<b>43</b>



**Table 25: Equity Target and Employment Equity (EE) Status**

Salary band	Female							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	0	1	1	0	0	1	1
Senior Management	0	0	4	1	1	0	7	2
Professional qualified	5	0	11	6	2	2	14	15
Skilled	16	18	32	27	2	3	16	19
Semi-skilled	19	27	33	56	1	2	9	15
Unskilled 1 – 2	112	112	174	162	0	0	0	0
<b>Total</b>	<b>152</b>	<b>157</b>	<b>255</b>	<b>253</b>	<b>6</b>	<b>7</b>	<b>47</b>	<b>52</b>

**Table 25: Equity Target and Employment Equity (EE) Status**

Salary band	Disabled staff			
	Male		Female	
	Current	Target	Current	Target
Top Management	0	0	0	0
Senior Management	0	0	0	0
Professional qualified	0	0	1	0
Skilled	1	4	0	4
Semi-skilled	0	1	1	2
Unskilled 1 – 2	6	5	4	3
<b>Total</b>	<b>7</b>	<b>10</b>	<b>6</b>	<b>9</b>





PART | FINANCIAL  
E | INFORMATION

## Report of the auditor-general to Western Cape Provincial Parliament on Western Cape Nature Conservation Board

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Opinion

1. I have audited the financial statements of the Western Cape Nature Conservation Board set out on pages 97 to 136, which comprise the statement of financial position as at 31 March 2022, statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. 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 2022, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

#### Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the public entity in accordance with the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Emphasis of matters

6. I draw attention to the matters below. My opinion is not modified in respect of these matters.

#### Restatement of corresponding figures

7. As disclosed in note 29 to the financial statements, the corresponding figures for 31 March 2021 were restated as a result of errors in the financial statements of the public entity at, and for the year ended, 31 March 2022.

#### Significant uncertainties

8. With reference to note 26 to the financial statements, the public entity is the defendant in fire damage claims. The ultimate outcome of the matters cannot be presently determined and no provision for any liability that may result has been made in the financial statements.

## Responsibilities of the accounting authority for the financial statements

9. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and the requirements of the 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.
10. In preparing the financial statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

## Auditor-general's responsibilities for the audit of the financial statements

11. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users, taken on the basis of these financial statements.
12. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

## REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

### Introduction and scope

13. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected programme as presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
14. My procedures address the usefulness and reliability of the reported performance information, which must be based on the public entity's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
15. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the public entity's annual performance report for the year ended 31 March 2022:

Programme	Pages in the annual performance report
Programme 3 – Conservation and operations	46 - 48

16. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
17. I did not identify any material findings on the usefulness and reliability of the reported performance information for this programme:
  - Programme 3 – Conservation and operations.

## **Other matters**

18. I draw attention to the matters below.

## **Achievement of planned targets**

19. Refer to the annual performance report on pages 46 to 48 for information on the achievement of planned targets for the year and management's explanations provided for the over achievement of targets.

## **Adjustments of material misstatements**

20. We identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of Programme 3 – Conservation and Operations. As management subsequently corrected the misstatements, we did not raise any material findings on the usefulness and reliability of the reported performance information.

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

### **Introduction and scope**

21. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the public entity's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
22. I did not identify any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

## **OTHER INFORMATION**

23. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report, which includes the chairperson's report, chief executive officer's report and the audit committee's report. The other information does not include the financial statements, the auditor's report and the selected programme presented in the annual performance report that have been specifically reported in this auditor's report.
24. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.

25. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
26. The other information I obtained prior to the date of this auditor's report is part of the draft annual reports which included general information, performance information and governance information. The draft annual report before printer's proof, which will include the foreword of the chairperson, the chief executive officer's report, the audit committee's report, among other documents are expected to be made available to us after 31 July 2022.
27. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact.
28. When I do receive and read the foreword of the chairperson, the chief executive officer's report, the audit committee's report, among other documents, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

## INTERNAL CONTROL DEFICIENCIES

29. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
30. I did not identify any significant deficiencies in internal control.

*Auditor-General*

Cape Town  
31 July 2022



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## Annexure – Auditor-general's responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for the selected programme and on the public entity's compliance with respect to the selected subject matters.

### Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:
  - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
  - obtain an understanding of internal control relevant to the audit 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 public entity's internal control.
  - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting authority.
  - conclude on the appropriateness of the accounting authority's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Western Cape Nature Conservation Board to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a public entity to cease operating as a going concern.
  - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

### Communication with those charged with governance

3. I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also provide the accounting authority with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.



## Index

The reports and statements set out below comprise the annual financial statements presented to the provincial legislature:

	<b>Page</b>
Accounting Authority's Responsibilities and Approval	96
Statement of Financial Position	97
Statement of Financial Performance	98
Statement of Changes in Net Assets	99
Cash Flow Statement	100
Statement of Comparison of Budget and Actual Amounts	101
Accounting Policies	102 - 112
Notes to the Annual Financial Statements	113 - 136

## 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 member 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) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

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 or deficit.

The Board has reviewed the entity's budget forecast for the year from 1 April 2022 to 31 March 2023 and, in the light of this review and the current financial position, it is satisfied that the entity has access to adequate resources to continue in operational existence for the foreseeable future.

The annual financial statements set out on pages 97 to 136, which have been prepared on the going concern basis, were approved by the accounting authority on 31 May 2022 and were signed on its behalf by:



**Professor Denver Hendricks**

Chairperson of the Western Cape Nature Conservation Board  
CapeNature

## Statement of Financial Position as at 31 March 2022

Figures in Rand	Note(s)	2022	2021 Restated*
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4	138 228 643	165 616 851
Inventories	5	1 611 077	1 329 020
Receivables from exchange transactions	6	6 681 662	6 350 229
Trade and other receivables from non-exchange transactions	6	3 385 240	9 186 077
		<b>149 906 622</b>	<b>182 482 177</b>
<b>Non-Current Assets</b>			
Intangible assets	7	2 472 992	3 839 524
Property, plant and equipment	8	198 526 940	176 605 116
		<b>200 999 932</b>	<b>180 444 640</b>
<b>Total Assets</b>		<b>350 906 554</b>	<b>362 926 817</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Finance lease obligation	9	3 569 766	3 715 939
Short term employee benefits	10.1	11 397 606	12 780 180
Trade and other payables from exchange transactions	10.2	28 521 499	45 393 921
Trade and other payables from non-exchange transactions	10.3	499 880	544 345
Unspent conditional grants and receipts	11	3 316 006	3 005 408
		<b>47 304 757</b>	<b>65 439 793</b>
<b>Non-Current Liabilities</b>			
Finance lease obligations	9	30 355 453	27 661 495
Unspent conditional grants and receipts	11	32 699 831	34 671 990
Employee benefit obligation	12	4 795 000	5 348 000
		<b>67 850 284</b>	<b>67 681 485</b>
<b>Total Liabilities</b>		<b>115 155 041</b>	<b>133 121 278</b>
<b>Net Assets</b>		<b>235 751 513</b>	<b>229 805 539</b>
Accumulated surplus		176 975 739	164 755 923
Project reserve	13	39 079 825	49 326 825
Revaluation reserve	14	19 695 949	15 722 791
<b>Total Net Assets</b>		<b>235 751 513</b>	<b>229 805 539</b>

## Statement of Financial Performance

Figures in Rand	Note(s)	2022	2021 Restated*
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Eco-tourism and access	15	50 554 797	27 789 639
Licences and permits		3 582 960	3 954 647
Other income	17	5 027 821	3 927 596
Interest received	16	4 897 391	5 474 526
<b>Total revenue from exchange transactions</b>		<b>64 062 969</b>	<b>41 146 408</b>
<b>Revenue from non-exchange transactions</b>			
<b>Transfer revenue</b>			
Grants, donations and project funds	18	7 709 084	17 098 498
Fines		282 400	310 700
Monetary government grants received	19	286 757 000	297 087 000
Services in kind - office accommodation	7	3 201 484	2 809 911
<b>Total revenue from non-exchange transactions</b>		<b>297 949 968</b>	<b>317 306 109</b>
<b>Total revenue</b>		<b>362 012 937</b>	<b>358 452 517</b>
<b>Expenditure</b>			
Administrative expenses	20	(17 688 778)	(15 771 456)
Bad debts written off	6	(998 333)	-
Debt impairment movement	6	(2 100 144)	(1 476 366)
Depreciation and amortisation	8&7	(23 562 515)	(22 088 588)
Employee related costs	21	(207 867 910)	(210 318 849)
Finance costs	22	(13 040 523)	(12 080 383)
Firefighting aircraft hire		(3 996 171)	(2 594 122)
Information, communication and technology (ICT) costs		(20 188 193)	(17 989 808)
Professional and other services		(20 248 925)	(29 643 337)
Repairs and maintenance	8	(11 278 957)	(6 681 941)
Stores		(15 848 172)	(15 474 899)
Training		(2 527 711)	(2 071 770)
Transport and travel		(16 708 752)	(13 411 369)
<b>Total expenditure</b>		<b>(356 055 084)</b>	<b>(349 602 888)</b>
<b>Operating surplus</b>		<b>5 957 853</b>	<b>8 849 629</b>
Gain on disposal of property, plant and equipment		407 524	567 273
Loss on foreign exchange		(1 219)	(9 515)
Impairment loss	8	(391 342)	(466 073)
Re-measurement gain on trade payables from non-exchange transactions		-	392 272
		<b>14 963</b>	<b>483 957</b>
<b>Surplus for the year</b>		<b>5 972 816</b>	<b>9 333 586</b>

### Statement of Changes in Net Assets

Figures in Rand	Revaluation reserve	Project reserve	Total reserve	Accumulated surplus	Total net assets
Opening balance as previously reported	15 722 791	54 356 709	70 079 500	152 924 647	223 004 147
Adjustments					
Prior year adjustments	-	-	-	(2 532 194)	(2 532 194)
<b>Restated* Balance at 01 April 2020</b>	<b>15 722 791</b>	<b>54 356 709</b>	<b>70 079 500</b>	<b>150 392 453</b>	<b>220 471 953</b>
Changes in net assets					
Surplus for the year	-	-	-	7 621 007	7 621 007
Transfers out	-	(5 029 884)	(5 029 884)	5 029 884	-
Total changes	-	(5 029 884)	(5 029 884)	12 650 891	7 621 007
Opening balance as previously reported	15 722 791	49 326 825	65 049 616	163 043 344	228 092 960
Adjustments					
Prior year adjustments Note 29	-	-	-	1 712 579	1 712 579
<b>Restated* Balance at 01 April 2021</b>	<b>15 722 791</b>	<b>49 326 825</b>	<b>65 049 616</b>	<b>164 755 923</b>	<b>229 805 539</b>
Changes in net assets					
Fair value gains, net of tax: Land and buildings	3 973 158	-	3 973 158	-	3 973 158
Net income (losses) recognised directly in net assets	3 973 158	-	3 973 158	-	3 973 158
Surplus for the year	-	-	-	5 972 816	5 972 816
Total recognised income and expenses for the year	3 973 158	-	3 973 158	5 972 816	9 945 974
Transfers out	-	(23 285 000)	(23 285 000)	23 285 000	-
Transfers in	-	13 038 000	13 038 000	(13 038 000)	-
Surrender of surplus to Provincial Revenue Fund	-	-	-	(4 000 000)	(4 000 000)
Total changes	3 973 158	(10 247 000)	(6 273 842)	12 219 816	5 945 974
<b>Balance at 31 March 2022</b>	<b>19 695 949</b>	<b>39 079 825</b>	<b>58 775 774</b>	<b>176 975 739</b>	<b>235 751 513</b>
Note(s)	14	13			

\* See Note 29

## Cash Flow Statement

Figures in Rand	Note(s)	2022	2021 Restated*
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Grants, project funds and tourism revenue		357 851 098	335 545 288
Interest income	16	4 897 391	5 474 526
		<b>362 748 489</b>	<b>341 019 814</b>
<b>Payments</b>			
Employee costs		(209 803 484)	(209 364 005)
Suppliers		(128 913 495)	(95 206 555)
Finance costs	21	(13 040 523)	(12 080 383)
		<b>(351 757 502)</b>	<b>(316 650 943)</b>
<b>Net cash flows from operating activities</b>	<b>23</b>	<b>10 990 987</b>	<b>24 368 871</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	8	(38 764 551)	(28 363 836)
Proceeds from sale of property, plant and equipment	8	1 990 264	743 423
Purchase of other intangible assets	7	(112 884)	(845 678)
Proceeds from sale of other intangible assets	7	-	21
Transfers plant, property and equipment		(39 809)	4 146 598
<b>Net cash flows from investing activities</b>		<b>(36 926 980)</b>	<b>(24 319 472)</b>
<b>Cash flows from financing activities</b>			
Movement in finance lease obligations		2 547 785	(3 268 324)
Surrender of surplus to Provincial Revenue Fund		(4 000 000)	-
<b>Net cash flows from financing activities</b>		<b>(1 452 215)</b>	<b>(3 268 324)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(27 388 208)</b>	<b>(3 218 925)</b>
Cash and cash equivalents at the beginning of the year		165 616 851	168 835 776
<b>Cash and cash equivalents at the end of the year</b>	<b>4</b>	<b>138 228 643</b>	<b>165 616 851</b>

## Statement of Comparison of Budget and Actual Amounts

### Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
<b>Figures in Rand</b>						
<b>Statement of Financial Performance</b>						
<b>Revenue</b>						
<b>Non-tax Revenue</b>						
Sale of goods and services other than capital assets	32 086 000	11 988 000	<b>44 074 000</b>	57 345 930	<b>13 271 930</b>	34
Entity revenue other than sales	3 250 000	2 333 000	<b>5 583 000</b>	6 803 888	<b>1 220 888</b>	34
Departmental transfers	288 757 000	(2 000 000)	<b>286 757 000</b>	286 757 000	-	34
Other transfers	28 582 000	10 291 000	<b>38 873 000</b>	11 841 671	<b>(27 031 329)</b>	34
<b>Total revenue</b>	<b>352 675 000</b>	<b>22 612 000</b>	<b>375 287 000</b>	<b>362 748 489</b>	<b>(12 538 511)</b>	
<b>Expenses</b>						
Compensation of employees	(214 935 000)	1 661 000	<b>(213 274 000)</b>	(209 803 484)	<b>3 470 516</b>	34
Use of goods and services	(108 627 000)	(23 601 000)	<b>(132 228 000)</b>	(124 952 401)	<b>7 275 599</b>	34
Payment for capital assets	(29 113 000)	3 328 000	<b>(25 785 000)</b>	(34 379 196)	<b>(8 594 196)</b>	34
Surrender of surplus to Provincial Revenue Fund	-	(4 000 000)	<b>(4 000 000)</b>	(4 000 000)	-	
<b>Total expenditure</b>	<b>(352 675 000)</b>	<b>(22 612 000)</b>	<b>(375 287 000)</b>	<b>(373 135 081)</b>	<b>2 151 919</b>	
<b>Deficit for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(10 386 592)</b>	<b>(10 386 592)</b>	
<b>Reconciliation</b>						
<b>Basis difference</b>						
Depreciation and amortisation				(23 562 515)		
Services in kind				3 201 484		
Capital assets				38 948 378		
Working capital changes				14 773 676		
Movement in trade creditors				(17 001 615)		
<b>Actual amount in the Statement of Financial Performance</b>				<b>5 972 816</b>		

## Accounting Policies

### I. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999).

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

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

These accounting policies are consistent with the previous period.

#### I.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the entity.

#### I.2 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 include:

##### 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, the provincial entity makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

##### Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.

##### 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.

##### Useful lives of property, plant and equipment

The entity's management determines the estimated useful lives and related depreciation charges for property, plant and equipment. This estimate is based on industry norm.

#### I.3 Going concern assumption

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

#### I.4 Living and non-living resources

Living resources are those resources that undergo biological transformation. Non-living resources are those resources, other than living resources, that occur naturally and have not been extracted.

Non-living resources, other than land, shall not be recognised as assets with additional information disclosed in the notes to the financial statements.

A living resource shall be recognised as an asset if, and only if it meets the definition of an asset and:

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

The definition of an asset is met if the living resource is controlled by the entity, as a result of past events, and from which future economic benefits or service potential is expected to flow to the entity.



## Accounting Policies

### 1.5 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.

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

Revaluations 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.

Land and Buildings are carried at revalued amounts less any accumulated depreciation on buildings. revaluations are done every 3 years.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

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.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings as the asset is used. The amount transferred is equal to the difference between depreciation based on the revalued carrying amount and depreciation based on the original cost of the asset.

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

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

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

## Accounting Policies

Item	Depreciation method	Average useful life
Land	N/A	indefinite
Buildings	Straight-line	50 years
Leasehold improvements	Straight-line	6-50 years
Plant and machinery	Straight-line	2-6 years
Furniture and fixtures	Straight-line	2-15 years
Motor vehicles and boat	Straight-line	4-6 years
IT equipment	Straight-line	2-5 years
Motor vehicles under finance	Straight-line	4-10 years
Infrastructure developments	Straight-line	15-50 years

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

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 method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the entity. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The entity assesses at each reporting date whether there is any indication that the entity expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the entity revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

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

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

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

Assets which the entity holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

The entity separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note ).

The entity discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note ).

### 1.6 Intangible assets

An asset is identifiable if it either:

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

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

An intangible asset is recognised when:

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

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

## Accounting Policies

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

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

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

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight-line basis over their useful life.

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.

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

Item	Depreciation method	Average useful life
Computer software, other	Straight-line	2-10 years
Service in kind-office accommodation	Straight-line	1 year

The entity discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note ).

### 1.7 Heritage assets

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

An impairment loss of a non-cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable service amount.

Classes of heritage assets include conservation areas such as nature reserves.

#### Recognition

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

The entity is responsible for the management of proclaimed nature reserves in the Western Cape which are conservation areas and therefore regarded as heritage assets.

The entity does not recognise heritage assets which on initial recognition, do not meet the recognition criteria of a heritage asset because they cannot be reliably measured. Relevant and useful information has been disclosed in the notes to the financial statements.

#### Initial measurement

Heritage assets are measured at cost.

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

#### Subsequent measurement

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

#### Impairment

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

#### Transfers

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

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

#### Derecognition

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

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

## Accounting Policies

### 1.8 Financial instruments

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

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

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

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

A financial asset is:

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

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

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

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

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

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

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

### Classification

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

All financial assets of CapeNature are categorised as financial instruments at amortised cost. 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 are 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. The entity has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Trade and other receivables from exchange transactions	Financial asset measured at amortised cost
Trade and other receivables from non-exchange transactions	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at amortised cost

The entity has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Trade and other payables from exchange transactions	Financial liability measured at amortised cost
Finance lease obligations	Financial liability measured at amortised cost

### 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

## Accounting Policies

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.

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.

### Subsequent measurement

Financial assets are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Financial liabilities are subsequently measured at amortised cost, using the effective interest method.

### Receivables from exchange transactions

Financial assets are assessed for indicators of impairment at 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 and other receivables. Subsequent recoveries of amounts

previously written off are credited against operating expenses in surplus or deficit

### 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.

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

An entity derecognised a financial asset, or 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 extinguishments of an existing liability and the recognition of a new 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 amortised cost.

## 1.9 Tax

### Current tax assets and liabilities

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

## Accounting Policies

### 1.10 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.

#### 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.

### 1.11 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.

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.

### 1.12 Impairment

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.

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.

#### Identification

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

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

## Accounting Policies

### 1.13 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.

#### 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 spouses. The entitlement to spouse 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 projected 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.

### 1.14 Provisions and contingencies and payables from non-exchange transactions

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 26.

Payables from non-exchange are measured at fair value through profit or loss.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an entity either receives values 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.

### 1.15 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,

## Accounting Policies

and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

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

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

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

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

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

### 1.16 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 arise 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.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

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.

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.



## Accounting Policies

### Recognition

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

### Measurement

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

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.

### Gifts and donations, including goods in-kind

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

## 1.17 Accounting by principals and agents

### Identification

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

### Recognition

The entity, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

The entity, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

The entity recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

## 1.18 Comparative figures

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

## 1.19 Fruitless and wasteful expenditure

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

Fruitless and wasteful expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

## 1.20 Irregular expenditure

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

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

## 1.21 Budget information

The budget for the entity includes all the approved budgets as tabled in the Budget estimates of provincial revenue and expenditure.

The budget only includes planned expenditure to be incurred for the financial year and excludes any payments for expenditure incurred in the previous financial year.

The annual financial statements and the budget are not on the same basis of accounting therefore a reconciliation between the statement of financial

## Accounting Policies

performance and the budget have been included in the financial statements

The approved budget covers the fiscal period from 1 April 2021 to 31 March 2022.

### 1.22 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 and provincial sphere of government are considered to be related parties.

The objective is to ensure that a reporting entity's financial statements contain 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

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

### 1.23 Events after reporting date

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

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

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

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

### 1.24 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Commitments for which disclosure is necessary to achieve a fair presentation is disclosed in a note to the financial statements, if both the following criteria are met:

- (a) Contracts should be non-cancellable or only cancellable at a significant cost (for example, contracts for computer or building maintenance services); and
- (b) Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

## Notes to the Annual Financial Statements

### 2. New standards and interpretations

#### 2.1 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2022 or later periods:

##### **Guideline: Guideline on Accounting for Landfill Sites**

The objective of this guideline: The Constitution of South Africa, 1996 (Act No. 108 of 1996) (the constitution), gives local government the executive authority over the functions of cleaning, refuse removal, refuse dumps and solid waste disposal. Even though waste disposal activities are mainly undertaken by municipalities, other public sector entities may also be involved in these activities from time to time. Concerns were raised about the inconsistent accounting practices for landfill sites and the related rehabilitation provision where entities undertake waste disposal activities. The objective of the Guideline is therefore to provide guidance to entities that manage and operate landfill sites. The guidance will improve comparability and provide the necessary information to the users of the financial statements to hold entities accountable and for decision making. The principles from the relevant Standards of GRAP are applied in accounting for the landfill site and the related rehabilitation provision. Where appropriate, the Guideline also illustrates the accounting for the land in a landfill, the landfill site asset and the related rehabilitation provision.

It covers: Overview of the legislative requirements that govern landfill sites, Accounting for land, Accounting for the landfill site asset, Accounting for the provision for rehabilitation, Closure, End-use and monitoring, Other considerations, and Annexures with Terminology & References to pronouncements used in the Guideline.

It is unlikely that the standard will have a material impact on the entity's annual financial statements.

##### **GRAP 25 (as revised): Employee Benefits**

###### **Background**

The Board issued the Standard of GRAP on Employee Benefits (GRAP 25) in November 2009. GRAP 25 was based on the International Public Sector Accounting Standard on Employee Benefits (IPSAS 25) effective at that time. However, GRAP 25 was modified in some respects where the Board decided the requirements of the International Accounting Standard on Employee Benefits (IAS® 19) were more appropriate. Specifically, the Board:

- Eliminated the corridor method and required recognition of actuarial gains and losses in full in the year that they arise.
- Required the recognition of past service costs in the year that a plan is amended, rather than on the basis of whether they are vested or unvested.

Since 2009, the International Accounting Standards Board® has made several changes to IAS 19, including changes to the recognition of certain benefits, and where these changes are recognised. The IPSASB made similar changes to its standard and as a result of the extent of changes, issued IPSAS 39 on Employee Benefits to replace IPSAS 25 in 2016.

When the Board consulted locally on the proposed amendments to IPSAS 25 in 2016, stakeholders welcomed the amendments to align IPSAS 25 to IAS 19 and supported the changes that resulted in IPSAS 39.

In developing GRAP 25, the Board agreed to include the guidance from the IFRS Interpretation on IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (IFRIC 14®) partly in GRAP 25 and partly in the Interpretation of the Standards of GRAP on The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (IGRAP 7).

###### **Key amendments to GRAP 25**

The Board agreed to align GRAP 25 with IPSAS 39, but that local issues and the local environment need to be considered.

As a result of this decision, there are areas where GRAP 25 departs from the requirements of IPSAS 39. The Board's decisions to depart are explained in the basis for conclusions.

The amendments to GRAP 25 are extensive and mostly affect the accounting for defined benefit plans. A new renumbered Standard of GRAP (e.g. GRAP 39) will not be issued, but rather a new version of the current GRAP 25.

It is unlikely that the revisions will have a material impact on the entity's annual financial statements.

## Notes to the Annual Financial Statements

### Figures in Rand

2022

2021

### 3. Living and non-living resources

#### Non-financial information

CapeNature works towards its objectives by implementing its mandated functions. In rendering these objectives the entity manages 31 nature reserve complexes which include six marine protected areas. The nature reserve complexes and marine protected areas house non-living resources as defined. The details of these reserve complexes and marine protected areas can be found in Note 36.

#### Living Resources

Although living resources exist within the nature reserve complexes and marine protected areas managed by CapeNature, they do not meet the asset definition and recognition criteria, given that CapeNature does not have control over these resources as defined by GRAP. Therefore, these resources are not recognised in the financial statements.

### 4. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	207 010	203 970
Bank balances	138 021 633	165 412 881
	<b>138 228 643</b>	<b>165 616 851</b>

#### Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates:

#### Credit rating

Nedbank Limited Standard & Poors bbb-	138 021 633	165 412 881
---------------------------------------	-------------	-------------

### 5. Inventories

Uniforms, rations and other consumables	746 717	438 475
Fuel	306 219	278 855
Chemical Stores	558 141	611 690
	<b>1 611 077</b>	<b>1 329 020</b>

#### 5.1 Additional Information

Inventories recognised as an expense during the year	11 819 917	6 222 568
Other stores	4 028 255	9 252 331
	<b>15 848 172</b>	<b>15 474 899</b>

Other stores consists mainly of IT consumables, accommodation and cleaning equipment and small machinery tools.

## Notes to the Annual Financial Statements

Figures in Rand 2021

	2022	2021
6. Receivables from exchange transactions		
Trade debtors from exchange transactions	3 145 883	1 337 876
Other receivables from exchange transactions	3 535 779	5 012 353
<b>Trade and other receivables from exchange transactions</b>	<b>6 681 662</b>	<b>6 350 229</b>
Trade debtors from non-exchange transactions	3 385 241	9 186 077

Other receivables includes accrued income and prepaid expenses such as licence fees and insurance.

### Analysis of total trade and other receivables' ageing in days

Trade and other receivables which are less than 3 months past due are not considered to be impaired.

### The ageing of the amounts is as follows:

Current	4 470 895	5 219 576
30 days	529 287	688 485
60 days	103 322	311 786
90 days plus	7 644 970	4 097 049
Subtotal	12 748 474	10 316 896
Allowance for impairment of trade and other receivables	(6 066 812)	(3 966 667)
<b>Trade and other receivables from exchange transactions</b>	<b>6 681 662</b>	<b>6 350 229</b>
Current	3 385 241	9 186 077
<b>Trade and other receivables from non-exchange transactions</b>	<b>3 385 241</b>	<b>9 186 077</b>

### Reconciliation of provision for impairment of trade and other receivables

Opening balance	(3 966 667)	(2 490 302)
(Increase)/decrease in allowance recognised in surplus for impairment	(2 100 145)	(1 476 365)
	<b>(6 066 812)</b>	<b>(3 966 667)</b>

A significant portion of the provision for impairment of trade and other receivables related to a Public-private partnership partner suffering financial difficulties due to the impact of COVID-19, and has not been able to pay their full amount owing for the past two financial years.

The actual bad debt written off was R998 333, and was previously provided for in the provision for impairment of trade and other receivables.

## Notes to the Annual Financial Statements

### 7. Intangible assets

	2022			2021		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	17 522 565	(15 049 573)	2 472 992	17 519 443	(13 679 919)	3 839 524
Services in kind - office accommodation	3 201 484	(3 201 484)	-	2 809 911	(2 809 911)	-
<b>Total</b>	<b>20 724 049</b>	<b>(18 251 057)</b>	<b>2 472 992</b>	<b>20 329 354</b>	<b>(16 489 830)</b>	<b>3 839 524</b>

#### Reconciliation of intangible assets - 2022

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software	3 839 524	112 884	(11 329)	(1 468 087)	2 472 992
Services in kind - office accommodation	-	3 201 484	-	(3 201 484)	-
	<b>3 839 524</b>	<b>3 314 368</b>	<b>(11 329)</b>	<b>(4 669 571)</b>	<b>2 472 992</b>

#### Reconciliation of intangible assets - 2021

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software	5 151 815	845 678	(21)	(2 157 948)	3 839 524
Services in kind - office accommodation	-	2 809 911	-	(2 809 911)	-
	<b>5 151 815</b>	<b>3 655 589</b>	<b>(21)</b>	<b>(4 967 859)</b>	<b>3 839 524</b>

#### Contractual commitments for intangible asset acquisitions

Computer software to the value of R581 689 is expected to be capitalised once the recognition and measurement criteria for intangible assets are met. Refer to Note 25.

#### Service in kind

As per GRAP 23 (para 99), an entity shall recognise services-in-kind that are significant to its operations as assets and recognise the related revenue when it is probable that the future economic benefits will flow to the entity and the fair value can be estimated reliably. Services-in-kind include services provided by individuals to entities and the right to use assets in non-exchange transactions. The assets are revenue in nature and are immediately used, therefore a transaction of equal value is also recognised to reflect the consumption of usage.

CapeNature has the right to use the property at I Volstruis Road, Bridgetown (Erf 32654 Cape Town) as its head office base, which is owned by The Department of Transport and Public Works.

CapeNature had the right to use the property at Progress Street, bounded by York and St John's Streets, George (Erf 1351 George) for regional operations, which is owned by The Department of Transport and Public Works.

**Notes to the Annual Financial Statements**

8. Property, plant and equipment

	2022		2021	
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation
Land	7 510 000	-	7 510 000	5 800 000
Buildings	16 008 028	(3 170 082)	12 837 946	13 744 870
Plant and machinery	12 031 405	(7 017 524)	5 013 881	10 777 495
Furniture and fixtures	95 298 227	(47 567 103)	47 731 124	91 245 249
Motor vehicles	11 709 641	(8 724 560)	2 985 081	11 021 159
IT equipment	25 538 164	(22 757 054)	2 781 110	25 783 374
Leasehold improvements	28 788 949	(5 201 547)	23 587 402	28 033 820
Capital assets under construction	16 431 917	-	16 431 917	4 019 448
Motor vehicles under finance leases	44 529 062	(14 695 563)	29 833 499	41 871 445
Infrastructure development	57 310 173	(7 495 193)	49 814 980	48 153 458
<b>Total</b>	<b>315 155 566</b>	<b>(116 628 626)</b>	<b>198 526 940</b>	<b>280 450 318</b>
				<b>(103 845 202)</b>
				<b>5 800 000</b>
				<b>10 862 182</b>
				<b>5 133 700</b>
				<b>48 668 731</b>
				<b>3 388 279</b>
				<b>5 105 341</b>
				<b>23 765 663</b>
				<b>4 019 448</b>
				<b>27 146 199</b>
				<b>42 715 573</b>

## Notes to the Annual Financial Statements

### 8. Property, plant and equipment (continued)

#### Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Disposals	Transfers	Revaluations	Depreciation	Impairment loss	Total
Land	5 800 000	-	-	-	1 710 000	-	-	7 510 000
Buildings	10 862	182 213 604	-	(213 604)	2 263 158	(287 394)	-	12 837 946
Plant and machinery	5 133 700	1 517 504	(63 523)	-	-	(1 573 800)	-	5 013 881
Furniture and fixtures	48 668 731	5 424 079	(268 718)	1 147 031	-	(7 239 999)	-	47 731 124
Motor vehicles	3 388 279	750 095	(8)	-	-	(1 153 285)	-	2 985 081
IT equipment	5 105 341	949 875	(61 322)	-	-	(3 212 784)	-	2 781 110
Leasehold improvements	23 765 663	810 129	(55 000)	-	-	(933 390)	-	23 587 402
Capital assets under construction	4 019 448	19 152 587	-	(6 740 118)	-	-	-	16 431 917
Motor vehicles under finance leases	27 146 199	5 906 053	(1 123 825)	640 246	-	(2 344 820)	(390 354)	29 833 499
Infrastructure development	42 715 573	4 040 625	-	5 206 254	-	(2 147 472)	-	49 814 980
	<b>176 605 116</b>	<b>38 764 551</b>	<b>(1 572 396)</b>	<b>39 809</b>	<b>3 973 158</b>	<b>(18 892 944)</b>	<b>(390 354)</b>	<b>198 526 940</b>



**Notes to the Annual Financial Statements**

8. Property, plant and equipment (continued)

**Reconciliation of property, plant and equipment - 2021**

	Opening balance	Additions	Disposals	Transfers	Depreciation	Impairment loss	Total
Land	5 800 000	-	-	-	-	-	5 800 000
Buildings	11 013 233	140 750	-	-	(291 801)	-	10 862 182
Plant and machinery	5 709 753	999 756	(85 537)	-	(1 490 272)	-	5 133 700
Furniture and fixtures	36 303 629	3 887 756	(62 657)	15 022 788	(6 482 785)	-	48 668 731
Motor vehicles and boats	2 187 545	1 964 776	(33)	-	(764 009)	-	3 388 279
IT equipment	7 137 597	1 411 873	(6 585)	-	(3 437 544)	-	5 105 341
Leasehold improvements	23 958 664	700 007	(21 338)	-	(871 670)	-	23 765 663
Capital assets under construction	28 541 806	5 299 104	-	(29 821 462)	-	-	4 019 448
Motor vehicles under finance leases	29 975 929	1 019 008	-	(896 951)	(2 485 714)	(466 073)	27 146 199
Infrastructure development	19 522 673	12 940 806	-	11 549 029	(1 296 935)	-	42 715 573
	<b>170 150 829</b>	<b>28 363 836</b>	<b>(176 150)</b>	<b>(4 146 596)</b>	<b>(17 120 730)</b>	<b>(466 073)</b>	<b>176 605 116</b>

## Notes to the Annual Financial Statements

Figures in Rand

2022

2021

### 8. Property, plant and equipment (continued)

#### Pledged as security

No items of property, plant and equipment are pledged as security.

Proceeds from the sale of property, plant and equipment amounted to R1 990 264 (2021: R743 423).

#### Compensation received for losses on property, plant and equipment – included in operating profit.

Plant and machinery	24 322	-
Furniture and fixtures	-	10 700
	<b>24 322</b>	<b>10 700</b>

#### Revaluations

Land and Buildings was revalued on 31 March 2022 by registered property practitioners and valuers using active market prices.

#### Capital assets under construction

#### Cumulative expenditure recognised in the carrying value of property, plant and equipment

Furniture and fixtures	7 061 707	549 499
Vehicles and boats	382 830	-
Intangible asset - Computer software	-	262 849
Infrastructure development	8 987 380	3 209 193
	<b>16 431 917</b>	<b>4 021 541</b>

Furniture and fittings consists of the Goukamma upgrades, Hangklip house upgrades, Instagram photo frames, and Wolwerkloof upgrades.

Vehicles and boats consists of Falcon Rigid inflatable boats.

Infrastructure development consists of various projects across districts namely: Algeria low water bridge, De Hoop Whale Trail foot bridge, De Mond Accommodation Units, Goukamma Accommodation units, Grootvadersbosch campsite upgrades, Grootvadersbosch skywalk and, Stony Point boardwalk.

#### Expenditure incurred to repair and maintain property, plant and equipment

The repairs and maintenance for the year on property, plant and equipment is R11 278 956.93 (2021: R6 681 941), however this includes repairs and maintenance spent on property, plant and equipment that is owned by the Western Cape Department of Transport and Public Work and excludes the purchase of materials and internal labour costs.

It should be noted that ,the significant increase in expenditure is due to CapeNature funding being utilised to cover repairs and maintenance work no longer covered by the Western Cape Department of Transport and Public Works.

#### Motor vehicles under finance leases

CapeNature leases a range of vehicles from the Government Motor Transport Department. At 31 March 2022, CapeNature rented 132 (March 2021: 143) vehicles. This arrangement is disclosed in note 9 Finance lease obligations and note 27 Related parties.

#### Contractual commitments for property, plant and equipment acquisitions

Property, plant and equipment to the value of R2 279 681 is expected to be capitalised once the recognition and measurement criteria are met. Refer to Note 25.

## Notes to the Annual Financial Statements

Figures in Rand	2022	2021
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### 9. Finance lease obligations

#### Finance lease obligations

Long-term portion of finance lease obligation	30 355 453	27 661 495
Current portion of finance lease obligation	3 569 766	3 715 939
<b>Total finance lease obligations</b>	<b>33 925 219</b>	<b>31 377 434</b>

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.

amortised cost in the Annual Financial Statements approximate their fair values.

CapeNature as Lessee:

Finance Leases relate to permanently allocated vehicles with lease terms between 5 to 13 years. The effective annual interest rate on new vehicles purchased and permanently allocated to CapeNature during the year under review is between 29% and 34%.

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

The obligations under finance leases liabilities are as follows:

	Minimum lease payments		Present value of minimum lease payments	
	March 2022	March 2021	March 2022	March 2021
Amounts payable under finance leases				
Within one year	15 550 168	14 523 851	3 569 765	3 715 939
In the second to fifth years	42 385 248	35 068 236	29 785 797	27 661 496
Over five years	763 353		569 657	
Less: Future finance obligations	(24 773 550)	(18 214 653)	-	-
<b>Present value of minimum lease obligations</b>	<b>33 925 219</b>	<b>31 377 434</b>	<b>33 925 219</b>	<b>31 377 435</b>

## Notes to the Annual Financial Statements

Figures in Rand	2022	2021
10. Short term employee benefits and trade and other payables from exchange and non-exchange transactions		
<b>10.1 Short term employee benefits</b>		
Employment leave entitlement	7 049 171	7 921 064
13th cheque cash portion	1 658 492	1 771 339
Salary accruals	2 689 943	3 087 777
	<b>11 397 606</b>	<b>12 780 180</b>
<b>10.2 Trade and other payables from exchange transactions</b>		
Trade and other payables from exchange transactions	10 286 439	27 288 054
Income received in advance from exchange transactions	18 235 060	18 105 867
	<b>28 521 499</b>	<b>45 393 921</b>
<b>10.3 Trade and other payables from non-exchange transactions</b>		
Other payables-current	<b>499 880</b>	<b>544 345</b>
<p>CapeNature has financial risk management policies in place to ensure that all payables are paid within the credit time frame.</p> <p>Income received in advance mainly consist of tourism deposits, these deposits relate to client accommodation and other tourism related bookings.</p> <p>Other payables from non-exchange transactions arose due to the Lourensford out of court settlement agreement and is included at fair value.</p>		
11. Unspent conditional grants and receipts		
<b>Year to date movement</b>		
Balance at the beginning of the year	37 677 398	43 022 447
Additions during the year	6 040 835	11 733 603
Income recognition during the year (Note 18)	(7 702 396)	(17 078 652)
	<b>36 015 837</b>	<b>37 677 398</b>
Non-current liabilities	32 699 831	34 671 990
Current liabilities	3 316 006	3 005 408
	<b>36 015 837</b>	<b>37 677 398</b>

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

## Notes to the Annual Financial Statements

### Figures in Rand

2022

2021

## 12. Employee benefit obligations

### Defined benefit plan

#### Post-retirement medical aid plan

Some employees who were transferred over from the former Western Cape Department of Environmental Affairs and Development Planning are entitled to a post-retirement medical aid benefit as they opted to continue with their benefits that they were previously entitled to.

The value of the accrued liabilities has been determined by using the Projected Unit Credit Method (the “funding method”) and a set of actuarial assumptions.

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

Opening balance	5 348 000	4 387 000
Net (income) expense recognised in the statement of financial performance (Note 21)	(553 000)	961 000
	<b>4 795 000</b>	<b>5 348 000</b>

#### Net expense recognised in the statement of financial performance

Current service cost	42 000	38 000
Past service cost	-	487 000
Interest cost	464 000	-
Actuarial (gains) losses	(852 144)	838 000
Curtailement	(206 856)	(402 000)
<b>Total included in employee related costs (Note 21)</b>	<b>(553 000)</b>	<b>961 000</b>

### Key assumptions used

Assumptions used in the last valuation 31 March 2022:

Retirement age	60	60
Discount rates used	Yield curve	8.98 %

The discount rate reflects the estimated timing of benefit payments. The average nominal yield curve for South African government bonds were used. The resultant discount rate was the yield curve.

The basis used to determine the overall expected rate of return on assets is as follows:

An expected long-term increase in the medical subsidy payments of 0% per annum has been used as the benefit payable in terms of the agreement has been capped and the assumption is made that the maximum subsidy payment of R1 014 per month will remain.

The assumption is that 95% of in-service members entitled to a subsidy at retirement will be married and no dependent children after retirement.

The normal retirement age of 60 years was used.

It is assumed that male spouses will be four years older than the female spouse.

It is assumed that 100% of in-service members will remain on the healthcare arrangement should they stay until retirement.

Number of members included as active members	17	22
Number of members included as pensioners	37	33
	<b>54</b>	<b>55</b>

It is assumed that the level of benefits receivable, and the contributions payable in respect of such, would remain unchanged.

## Notes to the Annual Financial Statements

Figures in Rand

2022

2021

### 12. Employee benefit obligations (continued)

#### Sensitivity Analysis

The effect of an increase of one percentage point and the effect of a decrease of one percentage point for medical costs trends are as follows:

	One percentage point increase	One percentage point decrease
Projected service costs	429 000	490 000
Projected interest costs	22 000	26 000
Post-employment benefit obligation	4 510 000	5 116 000

Amounts for the current and previous five years are as follows:

	2022	2021	2020	2019	2018
Defined benefit obligation	4 795 000	5 348 000	4 387 000	5 299 365	5 264 483

#### Defined contribution plan

##### Pension benefits:

The Government Pension Fund (GEPF) is a defined benefit plan, but the organisation classifies the contributions as a defined contribution plan as it is under no obligation to cover any unfunded benefits. From August 2014, the Old Mutual Super Pension Fund (OMSPF) was established for all new employees and existing permanent employees were given the option to join before July 2015.

As at March 2022 the entity employed 895 staff of which 428 are permanent employees. There are 76 members belonging to the GEPF and 228 members belonging to the OMSPF.

The entity is under no obligation to cover any unfunded benefits.

### 13. Project Reserve

The project reserve is maintained to protect CapeNature's operating capacity by funding non-recurring needs and unexpected obligations after the budget process. The reserve is cash-backed and funded by own revenue.

Transfers in and out are approved by the CapeNature board.

Opening balance	49 326 825	54 356 709
Transfer out	(23 285 000)	(5 029 884)
Transfer in	13 038 000	-
	<b>39 079 825</b>	<b>49 326 825</b>

## Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>14. Revaluation reserve</b>		
Opening balance	15 722 791	15 722 791
Change during the year	3 973 158	-
	<b>19 695 949</b>	<b>15 722 791</b>
<p>The revaluation reserve relates primarily to revaluation surpluses or deficits on the revaluation of land and buildings to their fair values.</p> <p>Revaluations are performed every three years.</p> <p>The frequency of revaluations depends upon the changes in the fair values of the items of property, plant and equipment being revalued.</p>		
<b>15. Eco-tourism and access</b>		
Accommodation	22 436 141	12 114 353
Entrance fees, hiking and activities	22 903 963	12 429 258
Wild card sales	2 056 216	1 402 561
Filming fees	547 091	344 060
Public Private Partnership Business income	2 611 387	1 499 407
	<b>50 554 798</b>	<b>27 789 639</b>
<p>Entrance fees, hiking and activities includes income generated from events and concession fees.</p>		
<b>16. Interest Received</b>		
<b>Interest revenue</b>		
Bank interest	4 897 391	5 474 526
<b>17. Other income</b>		
Insurance recoveries	24 322	10 700
Services rendered	-	194 257
Staff and private accommodation	467 317	480 892
Recoveries and other	4 536 182	3 241 747
	<b>5 027 821</b>	<b>3 927 596</b>
<b>18. Government grants &amp; subsidies</b>		
Donations	6 688	19 846
Project grants (Note 11)	7 702 396	17 078 652
	<b>7 709 084</b>	<b>17 098 498</b>
<b>19. Monetary government grants received</b>		
Provincial allocation	286 757 000	297 087 000

## Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>20. Administrative expenses</b>		
Electricity	6 296 654	5 788 649
Lease: office equipment	1 071 832	1 387 612
Marketing and advertising	4 717 855	3 213 997
Municipal services	1 328 431	1 297 700
Professional and other subscription services	1 357 357	983 540
Other	2 916 649	3 099 958
	<b>17 688 778</b>	<b>15 771 456</b>
<b>21. Employee related costs</b>		
Leave pay accrual movement	(871 893)	(418 257)
Overtime payments	4 218 441	3 920 819
Post-employment pension benefits (note 12)	14 301 807	14 790 728
Post-retirement medical benefit movement (note 12)	(553 000)	961 000
Salaries and wages	190 772 555	191 064 559
	<b>207 867 910</b>	<b>210 318 849</b>
<b>Remuneration of board members</b>		
Included in the salaries and wages above are the fees paid to the board members (non-executive management) of R229 348 (March 2021: R291 246). Refer to note 27.		
<b>22. Finance costs</b>		
Finance costs on leases	12 833 828	11 975 786
Interest charged	206 695	104 597
	<b>13 040 523</b>	<b>12 080 383</b>
<b>23. Cash generated from operations</b>		
Surplus	5 972 816	9 333 586
<b>Adjustments for:</b>		
Depreciation and amortisation	23 562 515	22 088 588
Gain on sale of assets	(407 524)	(567 273)
Services in kind - office accommodation	(3 201 484)	(2 809 911)
Impairment on property, plant and equipment	391 342	466 073
Movements in retirement benefit assets and liabilities	(553 000)	961 000
Salary accruals	(1 382 575)	(6 157)
Income received in advance	129 194	-
Inventories	(282 057)	315 786
Receivables from exchange and non-exchange transactions	5 469 403	(8 687 960)
Trade and other payables from exchange transactions	(17 046 082)	8 620 188
Unspent conditional grants and receipts	(1 661 561)	(5 345 049)
	<b>10 990 987</b>	<b>24 368 871</b>



## Notes to the Annual Financial Statements

### Figures in Rand

	2022	2021
<b>24. Categories of financial instruments</b>		
<b>Financial assets</b>	-	-
Trade and other receivables from exchange transactions (Note 6)	5 646 117	4 233 128
Trade and other receivables from non-exchange transactions (Note 6)	3 385 240	9 186 077
Cash and cash equivalents (Note 4)	138 228 643	165 412 881
	<b>147 260 000</b>	<b>178 832 086</b>
<b>Financial liabilities</b>	-	-
Trade and other payables from exchange transactions (Note 10.2)	10 286 439	27 288 054
Finance Lease obligations (Note 9)	33 925 219	31 377 434
	<b>44 211 658</b>	<b>58 665 488</b>

## 25. Commitments

### 25.1 Authorised capital expenditure

#### Already contracted

• Bird Island penguin pool	58 559	524 787
• Cederberg infrastructure upgrades	909 087	708 321
• Computer hardware	581 689	-
• Computer software	244 536	429 723
• De Hoop steel cage	-	198 088
• Dyer Island boat	191 415	-
• Furniture for reserves	272 079	-
• Gamkaberg upgrades	-	119 600
• Grootvadersbosch infrastructure upgrades	-	925 369
• Hottentots Holland: Picnic Area	266 852	-
• Kogelberg upgrades	-	540 869
• Rocherpan green conference centre	-	133 197
• Rocherpan solar power	-	1 288 143
• Vrolijkheid waste water treatment	-	640 205
	<b>2 524 217</b>	<b>5 508 302</b>

#### Not yet contracted for and authorised by board

• Vodacom SDWAN	15 093 100	-
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### 25.2 Operating leases - as lessee (expense)

#### Minimum lease payments due

- within one year	944 540	1 164 501
- in second to fifth year inclusive	-	944 540
	<b>944 540</b>	<b>2 109 041</b>

Photocopy machine lease agreements have been put in place from January 2020 for a period of 3 years and the rentals are fixed for the duration of the lease term.

## Notes to the Annual Financial Statements

Figures in Rand

2022

2021

### 25. Commitments

#### 25.3 Operating lease arrangement

##### Motor vehicles

Operating leases relate to 4 vehicles with anticipated remaining lease terms of 14 to 24 months as at 31 March 2022. The entity does not have an option to purchase the leased assets at the expiry of the leased period.

This rental is classified as contingent rentals due to uncertain lease periods and fluctuating tariff increases. The operating lease payments are therefore not subject to straight-lining. It is therefore impracticable to disclose the future minimum lease payments expected to be received for each of the following periods as required by GRAP 13.

### 26. Contingencies

The amounts listed below represent claim amounts and as legal processes are still ongoing or in its early stages and the liability of the entity has not been established, they do not represent the potential liability to the entity. These amounts are not considered reliable estimates by management and is included for information purposes only.

##### Contingent liabilities

MTO and Cape Sawmills vs CapeNature	33 616 497	33 616 497
Botha E vs CapeNature	490 000	490 000
Badenhorst vs CapeNature	38 356	38 356
October M and October R vs CapeNature	1 400 000	1 400 000
Fourie CJ vs CapeNature	5 243 116	5 243 116
P Beukes vs CapeNature	3 250 750	3 250 750
Geelhoutvlei Timbers CC vs CapeNature	13 488 244	13 488 244
Gebroeders Niewoudt vs CapeNature	3 135 309	3 135 309
MTO/Garcia Plantation vs CapeNature	16 575 000	-
Mooiuitsig (the residents of Betty's Bay) vs CapeNature	13 022 632	-
	<b>90 259 904</b>	<b>60 662 272</b>

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

The case of Botha E vs CapeNature is in respect of a civil claim relating to an employee relations matter.

The case of Badenhorst vs CapeNature is in respect of a motor vehicle accident.

The case of October M and October R vs CapeNature is in respect of various civil claims relating to a fire incident in Rooisand area - 16 to 30 March 2011.

The case of Fourie CJ vs CapeNature is in respect of fire damage in the Ruitersbosch area - 7 February 2015.

The case of B Beukes vs CapeNature is in respect of various civil claims relating to motor vehicle accident involving a wild animal in the Theewaterskloof area- 14 October 2016.

The case of Geelhoutvlei Timbers CC vs CapeNature is in respect of a summons issued due to a wildfire in Outeniqua in 2018 whereby the entity is one of 3 defendants.

The case of Gebroeders Niewoudt vs CapeNature is in respect of a fire claim in the Clanwilliam area.

The case of MTO/Garcia Plantation vs CapeNature is in respect of fire damage in the Riverdale area.

Mooiuitsig (the residents of Betty's Bay) vs CapeNature is in respect of fire damages in the Betty's Bay area.

## Notes to the Annual Financial Statements

### Figures in Rand

#### 26. Contingencies (continued)

Section 3 notices were served on CapeNature of possible future fire claims in the Hottentots Holland area. These notices of intended legal proceedings are still in the early stages and therefore no reliable estimates of potential losses can be disclosed.

##### **Contingent liabilities due to dispute**

Garden Route District Municipality dispute to the value of R3 063 649, is in respect of invoices issued by Garden Route District Municipality to CapeNature for firefighting services over a number of financial years which is in dispute, however does not have any legal basis at this point.

##### **Legal fees**

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

#### 27. Related parties

CapeNature is a Schedule 3C state controlled public entity according to the PFMA, under the responsibility of the Western Cape Department of Environmental Affairs and Development Planning.

##### **Western Cape Department of Transport and Public Works (DTPW)**

CapeNature occupies space in buildings fully owned by DTPW and CapeNature has no obligation towards office rental expenses as the responsibility lies with the DTPW for the settlement of these payments.

Services in kind - office accommodation received - 2021 R2 809 911

Services in kind - office accommodation received - 2022 R3 201 484

##### **Government Motor Transport (GMT) - also refer to note 9**

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

##### **Western Cape Department of Environmental Affairs and Development Planning (DEA & DP)**

In the year under review, CapeNature received R286 757 000 (March 2021: R297 087 000) as a provincial grant from the Department of Environmental Affairs and Planning.

Given that the Western Cape Department of Environmental Affairs and Development Planning (DEA & DP) is defined as the same economic entity as per GRAP 20, MEC Anton Bredell therefore has control over the entity as the executive authority.

## Notes to the Annual Financial Statements

### Figures in Rand

#### 28. 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.

No performance bonuses were paid in this financial year.

#### Executive Management Emoluments

##### March 2022

Omar R - Chief Executive Officer	1 783 632
Bhayat M - Chief Financial Officer	1 289 019
Birss C-Biodiversity Capabilities	1 072 444
Baard E - Conservation Operations	1 191 096
Ismail S - Marketing and Eco Tourism	1 347 897
	<b>6 684 088</b>

##### March 2021

Omar R - Chief Executive Officer	1 757 394
Bhayat M - Chief Financial Officer	1 269 960
Birss C -Biodiversity capabilities	1 057 342
Baard E - Biodiversity	1 173 483
Ismail S - Marketing and Eco Tourism	1 327 974
	<b>6 586 153</b>

#### Board Members' Emoluments

##### March 2022

	Remuneration	Reimbursement	Total
Hendricks D - Chairperson	39 000	-	39 000
Maneveldt G - Vice Chairperson	37 404	-	37 404
Loubser M	32 649	-	32 649
Johnson C	29 841	931	30 772
Burton M	34 596	-	34 596
Redlinghuis A	23 364	-	23 364
Slack P	31 563	-	31 563
	<b>228 417</b>	<b>931</b>	<b>229 348</b>

## Notes to the Annual Financial Statements

### Figures in Rand

#### 28. Key management information - Executive Management and Board Members' emoluments (continued)

##### March 2021

	Remuneration	Reimbursement	Total
Hendricks D - Chairperson	48 048	-	48 048
Maneveldt G - Vice Chairperson	41 298	-	41 298
Loubser M	50 172	-	50 172
Johnson C	30 927	1 525	32 452
Burton M	47 139	-	47 139
Redlinghuis A	29 117	-	29 117
Slack P	43 020	-	43 020
	<b>289 721</b>	<b>1 525</b>	<b>291 246</b>

##### Independent Committee Members (Audit, Finance and ICT)

##### March 2022

	Remuneration
Devcharran N	16 566
Van Staaden B	13 795
	<b>30 361</b>

##### March 2021

	Remuneration
Devcharran N	27 215
Van Staaden B	22 915
Z Hoosain*	<b>19 452</b>

\* Z Hoosain resigned on 10 November 2020.

## Notes to the Annual Financial Statements

### Figures in Rand

### 29. Prior period errors and reclassifications

#### Conditional grants

Amendments were made to the Natural Resource Management service provider invoices issued for the 20-21 financial year post year end and after the conclusion of the audit. It was identified that invoices for income due to the entity for the 2021 financial year were understated by R3 790 017 and expenditure incurred on the project was understated by R600 287.

Subsequent to the above the prepayment invoicing system used for Natural Resource Management was changed to the order number system from 1 April 2021. Therefore from this date Natural Resource Management funding no longer met the definition of conditional grant funding. This resulted in project closure and additional revenue of R1 709 657 raised as conditional grant conditions were met.

#### Expanded Whale trail project closure

The expanded whale trail project was closed in the 20-21 financial year, however a remainder of R1 314 remained in the deferred revenue balance, this was closed retrospectively.

#### Net Asset value differences

Differences were identified in the net asset value when the opening balance reconciliation was prepared-even though they were immaterial, a prior year journal was posted to reconcile the fixed asset reconciliation trivial difference of R7 665 depreciation and, amortisation of R6 057 was identified and corrected.

The correction of the error(s) results in adjustments as follows:

	As previously reported 2020-21	Correction of error	Restated 2020-21
<b>Statement of financial position</b>			
Accumulated surplus	(163 043 344)	(1 712 579)	(164 755 923)
Property, plant and equipment	176 597 451	7 665	176 605 116
Intangible assets	3 845 582	(6 058)	3 839 524
Trade and other receivables from non-exchange transactions	5 396 059	3 790 018	9 186 077
Trade and other payables from exchange transactions	(44 793 635)	(600 286)	(45 393 921)
Unspent conditional grants and receipts: Current	(1 526 648)	(1 478 760)	(3 005 408)
<b>Statement of financial performance</b>			
Depreciation and amortisation expense	22 090 196	(1 608)	22 088 588
Grants, donations and project funds	(15 387 527)	(1 710 971)	(17 098 498)
<b>Cash flow statement</b>			
Grants ,project funds and tourism revenue	336 145 575	600 287	335 545 288
Suppliers	(95 806 842)	(600 287)	(95 206 556)

### 30. Risk management

#### Financial risk management

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

## Notes to the Annual Financial Statements

### Figures in Rand

### 30. Risk management (continued)

#### 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 funder's money when requested.

#### At 31 March 2022

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Finance lease obligations	3 569 766	-	30 355 453	-
Trade and other payables	10 286 439	-	-	-

#### At 31 March 2021

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Finance lease obligations	3 715 939	-	27 661 495	-
Trade and other payables	27 288 054	-	-	-

#### Interest rate risk

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

#### Interest rate sensitivity analysis

At 31 March 2022, if the interest rates on currency-denominated investments had been 1% higher or lower with all other variables held constant, the surplus for the year would have been R1 519 227 (March 2021: R1 670 188) higher or lower, mainly as a result of higher or lower 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 instrument	2022	2021
Trade and other receivables	5 646 117	4 233 128
Cash and cash equivalents	138 228 643	165 616 851

### 31. Events after the reporting date

No events identified to date.

## Notes to the Annual Financial Statements

### Figures in Rand

	2022	2021
32. Fruitless and wasteful expenditure		
Add: Fruitless and wasteful expenditure identified – current	-	169
Less: Amount recovered - current	-	(169)
<b>Closing balance</b>	<b>-</b>	<b>-</b>

R169 interest was incurred due to the late payment of printing related expenses. The expenditure was recovered from the respective employees.

None identified for the current year

### 33. Irregular expenditure

No irregular expenditure has been identified for the financial year.

### 34. Material variances for the statement of comparison of budget and actual amounts

#### Revenue

##### Sale of goods and services other than capital assets

Tourism income exceeded expectations for the current financial year substantially. A conservative approach was taken given the impact of COVID-19 when establishing the tourism baseline budget.

##### Entity revenue other than sales

Upfront funding from various projects resulted in the entity surpassing interest projections

##### Other Transfers

Donor funded income can only be recognised as expenditure is incurred. As noted above, expenditure in relation to donor funded projects were delayed resulting in a similar delay in income. Furthermore, the entity received funds in the prior year for projects that were not completed yet, and only utilised in the current year. As expenditure needed to be budgeted for to avoid any irregular expenditure, the income had to be included in the budget but the cash was not received

#### Expenditure

##### Compensation of employees

Cost Saving due to freezing of vacancies and effective vacancy management.

##### Use of goods and services

There was an underspend due to the donor funding projects which were delayed as a result of the late finalisation of the DFFE contracts.

##### Payment for capital assets

A large part of this overspend relates to infrastructure. There were multiple delays due to the impact of COVID on businesses and construction in the prior year, the over-expenditure therefore related to prior year commitments (Refer to note 25).

##### Surrender to Provincial Revenue Fund

R4million was surrendered to the Provincial Revenue Fund to fund the proposed security and relocation of illegal land invaders at the Driftsands nature reserve.

### 35. Budget differences

#### Changes from the approved budget to the final budget

The changes between the approved and final budget are as a consequence of changes in the overall budget parameters as a result of mid-year adjustments on allocations, grant funding and project expenditure funded from reserves within the parameters set out by Provincial Treasury.



## Notes to the Annual Financial Statements

### Figures in Rand

### 36. Heritage Assets

The following heritage assets were not recognised due to a reliable measurement not being possible on initial recognition:

Nature reserve complexes managed.

The entity manages 31 nature reserve complexes which include six marine protected areas in terms of its mandate. A significant portion of the land is owned by state institutions and other non-governmental organisations. Due to the nature of the entity's activities, the entity could not establish either a fair value/deemed cost nor a replacement cost for these heritage assets.

The entity is not the legal owner of the land and only the management authority. For the reasons the heritage assets under management of the entity could not be recognised in the annual financial statements. However information pertaining to these nature reserves has been disclosed below:

#### **Name of nature reserve complex Size in hectares**

Anysberg	87 049
Babilonstoring	1 569
Bird Island	394
Cederberg	79 689
Dassen Island	738
De Hoop	62 977
De Mond	1 593
Driftsands	507
Dyer Island	290
Gamkaberg	39 997
Geelkrans	4 601
Goukamma	8 331
Grootvadersbosch	26 167
Grootwinterhoek	27 519
Hottentots Holland	48 181
Islands and Rocks	500
Kammanassie	27 056
Keurbooms River	895
Knersvlakte	85 745
Kogelberg	26 560
Limietberg	45 187
Marloth	14 227
Outeniqua	39 296
Riverlands	1 715
Robberg	2 809
Rocherpan	1 076
Salmonsdam	712
Swartberg	131 504
Vrolijkheid	28 580
Walker Bay	6 225
Waterval	27 323
	<b>829 012</b>

## Notes to the Annual Financial Statements

### Figures in Rand

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#### 37. 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.

