

ANNUAL REPORT

2019/2020



CapeNature

Conserve. Explore. Experience.





Photo: Scott Ramsay



CapeNature

**Annual
Report**

2019/2020



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Photo, flowers: Scott Ramsay



Part 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

AGSA	Auditor-General of South Africa
CAPEX	Capital Expenditure
CEO	Chief Executive Officer
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
CMSi	Conservation Management System
CoAE	Certificates of Adequate Enclosure
COSO	Committee of Sponsoring Organizations
CPUT	Cape Peninsula University of Technology
DCA	Damage Causing Animal
EPWP	Expanded Public Works Programme
FPA	Fire Protection Association
FTE	Full Time Equivalent
GIS	Geographic Information System
GMT	Government Motor Transport
HDI	Historically Disadvantaged Individual
HR	Human Resource
ICT	Information, Communication and Technology
METT	Management Effectiveness Tracking Tool
MTEF	Medium Term Expenditure Framework
NDF	Non Detriment Finding
NEMA	National Environmental Management Act
NR	Nature Reserve
PAMA	Protected Area Management Agreement
PAMP	Protected Area Management Plan
PDO	Predetermined Objective
PFMA	Public Finance Management Act
SAPS	South African Police Service
SCM	Supply Chain Management
SMME	Small Medium and Micro Enterprise
SOP	Standard Operating Procedure
TMF	Table Mountain Fund
UNISA	University of South Africa
WCNCB	Western Cape Nature Conservation Board
WIL	Work Integrated Learning
WoF	Working on Fire
WWF-SA	World Wildlife Fund South Africa
YES	Youth Environmental Services



3.

FOREWORD BY THE CHAIRPERSON



Assoc Prof
Denver Hendricks

The bountiful Western Cape province has deservedly earned prominence throughout the world for its great diversity of plants and animals, geographic features, and its ancient cultural legacy. As one of only six floral kingdoms in the world, the province's incredible biodiversity means that more than half of all the plant species recorded in South Africa are found here. Among its many attributes are remnants of the hunter-gatherers and pastoralists who roamed the mountains and plains many thousands of years ago, and to which ancient cultural and rock art sites bear witness.

CapeNature has adopted a strategic approach that promotes both resilience and the sustainability of our magnificent province. To do so, it protects the freshwater ecosystems that provide life-giving water for the socio-economic development of its people. It also maintains the functionality of ecological infrastructure such as healthy mountain catchments, rivers, wetlands, estuaries, coastal dunes and corridors of natural habitat. This infrastructure reduces the risk of damage caused by floods, droughts, irregular fires and climate change. Estuaries in the coastal protected areas play a critical role in the preservation of fish species for the well-being of the natural environment and the sustainability of income from fishing. CapeNature's biodiversity spatial plans, drawn up in consultation with multiple stakeholders,

informs the best possible decision making and land usage by all levels of government, civil society stakeholders and the private sector. We pay great attention and have contributed significantly to job creation, especially for women, youth and persons with disabilities, Small Medium and Micro Enterprises (SMMEs) support, and community involvement through our various programmes. Training and environmental awareness for schools and youth groups situated around the reserves generates goodwill towards CapeNature and the environment. In our reserve planning, we always engage stakeholders so that we can include their needs and concerns. This is another aspect of our community engagement. Eco-tourism has become a key revenue generator for CapeNature as well as helping the development of local economies.

The year under review saw the province emerge from a debilitating drought. Although we have recovered from a perilous situation, only certain parts of the province have managed to restore or stabilise their water resources, while the water supply of others remains in dire straits. Our attention to the quality of water sources will need to continue apace, and the people in our constituencies will have to persevere in their careful usage of this precious resource. There is no room for complacency!

Another threat to our biodiversity in the form of the Polyphagous Shot Hole Borer continued to attract attention and resources. This 2mm long beetle is native to Southeast Asia. It bores through the bark of trees into the sapwood, carrying with it several fungal species which then infect the living wood, resulting in the death of the tree. Our plans to mitigate the risk of this beetle include early identification and eradication. One of the steps we have taken is to prevent the movement of wood from one area to another. For this reason, we do not allow visitors to bring their own braai wood into the reserves, but rather make wood available for this purpose at the reserve entrances.

A pleasing development during 2019/20 was our success in fighting environmental crime. The Western Cape's unique biodiversity means that particular species are targeted, for example, certain succulents and lizards whose only global occurrence is in our reserves. This makes them

sought after by collectors who pay handsomely for their possession, which in turn fuels the illegal removal of these species from our landscapes. Through hard work and multi-sectoral co-operation, we have made some significant breakthroughs this year in apprehending and charging environmental criminals and we are grateful to everyone who has contributed to this success.

Work opportunities in the form of clearing alien vegetation in the reserves serves two important and complementary objectives: it creates jobs for local communities and their SMMEs on the one hand and, on the other, reduces the risk of uncontrolled fires, increases the amount of water that can be generated, and improves water quality. The infographic below demonstrates CapeNature's achievements in job creation and work opportunities.



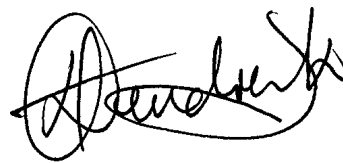
In respect of tourism, we continue to see satisfactory increases in the number of visitors to our reserves, with increased income an obvious spin-off. This is a reflection of the excellent service and product offerings of CapeNature, in particular the upgrades to accommodation and development of new products. Eco-tourism is a niche offering that meets the demand for natural and pristine environments. This is an increasingly popular product attracting both local and international visitors.

Looking to the future, COVID-19 is expected to have a negative impact on the entity, with tourism revenue already reduced in the final month of this financial year as the country identified its first case and then went into alert level 5 lockdown on 26 March 2020. We also expect shifts in national budget priorities in the next financial year, in order to free up resources for fighting COVID-19.

Having said that, CapeNature is in the position of having already gone through a comprehensive redesign of the entity, which has resulted in greater efficiencies and a more streamlined operation. In addition, our investment in technology, particularly the Conservation Management System (CMSi), means that we have cut down on cumbersome and time-consuming manual processes. This places us in a good position to withstand the country's current economic woes as well as those of COVID-19.

In conclusion, I pay tribute to the partners with whom we have worked through the year and express our huge gratitude to them. We readily recognise that we can only make progress when we all work together towards common objectives. 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 have been exemplary in their support for the entity.

My thanks also to the members of our Board who invest much energy and skill into the entity. Our CEO, Dr Razeena Omar, is a tower of strength in her leadership of CapeNature. She is ably supported by our excellent executive team, who in turn engage their management skills in leading the wonderful staff of CapeNature. My deep gratitude goes to every one of them for their hard work and dedication.



Assoc Prof Denver Hendricks
Chairperson of the Western Cape Nature
Conservation Board
CapeNature
October 2020



4.

CHIEF EXECUTIVE
OFFICER'S
OVERVIEW

Dr Razeena Omar

The year on which we are reporting, 2019/20, marks the final one in the five-year strategic cycle of 2015-2020. I am delighted to report that CapeNature has achieved all the targets that were set in the five-year strategic plan. It is with great pride that we look back over these five years at what has been achieved. Our achievements include expanding the area of land under protected area management to more than one million hectares. Visitors to our nature reserves can now choose from a bouquet of sustainable activities, including mountain biking, horse riding, hiking, canoeing, birdwatching and swimming. Refurbishments to accommodation have introduced green technology, including low maintenance materials, solar technology and water saving mechanisms.

The infographic below demonstrates some of CapeNature's achievements over the five-year strategic cycle.



5
year

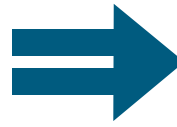
ACHIEVEMENTS

WC Biodiversity
loss reduced

protect and expand

66 

STEWARDSHIP
AGREEMENTS



CONSERVATION
ESTATES

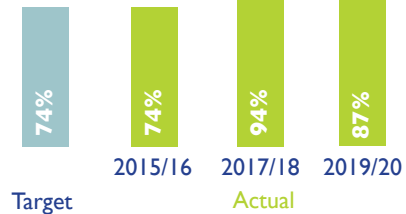


improve ecosystem health

STATE
MANAGED
PROTECTED
AREAS



METT
score >67%



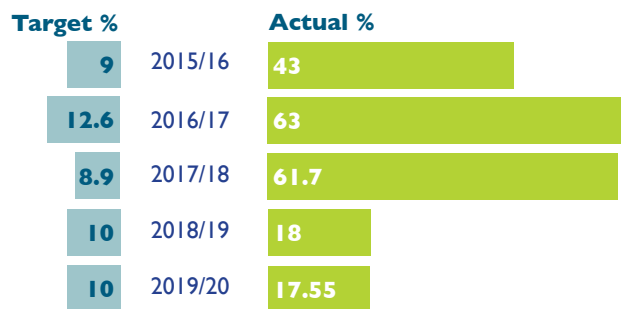
promote compliance with environmental legislation

595 CRIMINAL
ENFORCEMENT ACTIONS
non-compliance with environmental management legislation



Access to natural and
cultural heritage

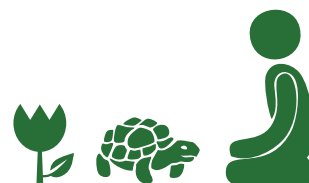
tourism revenue increases



stakeholder capacity building

943 ENVIRONMENTAL
AWARENESS ACTIVITIES

promoted access for sustainable utilisation, research, recreational, cultural, spiritual and traditional purposes as well as for environmental awareness



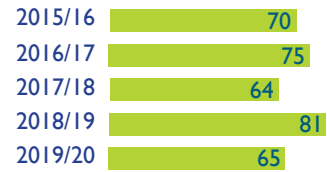
Economic development



socio-economic opportunities

NEIGHBOURING COMMUNITIES

engaged to derive socio-economic benefit



sound financial management

5 UNQUALIFIED AUDITS



CapeNature has continued to communicate the importance of biodiversity conservation to communities, educators and learners from across the Western Cape. The Youth Environmental Services (YES) Programme has provided a R20 million injection into the regional economy during the 2018/2019 and 2019/2020 financial years, which allowed for 231 youth to participate in the capacity building and job creation programme. Job creation remains an ongoing priority for the entity, with the targets overachieved for the five-

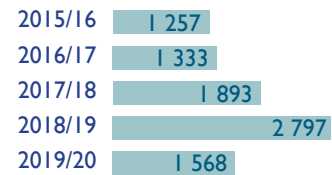
year strategic cycle. Targets have been achieved through Expanded Public Works Programme (EPWP) related work opportunities, the provision of work opportunities around our protected areas and local economic development has been enhanced through the appointment of SMMEs. The infographic below demonstrates CapeNature's achievements in job creation and work opportunities over the five-year strategic cycle.

Job creation



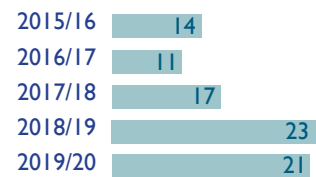
WORK OPPORTUNITIES

8 848 created through environmental programmes



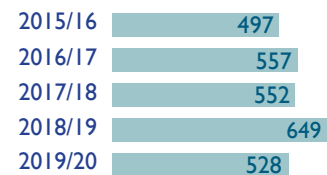
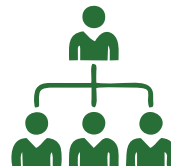
INTERNS/ LEARNERSHIPS

86 mentored through various initiatives in the sector (including learnerships)



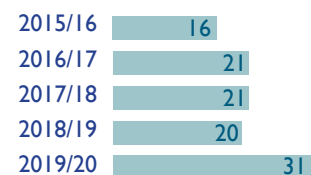
EMPLOYMENT

2 783 Full Time Equivalents (FTEs) appointed



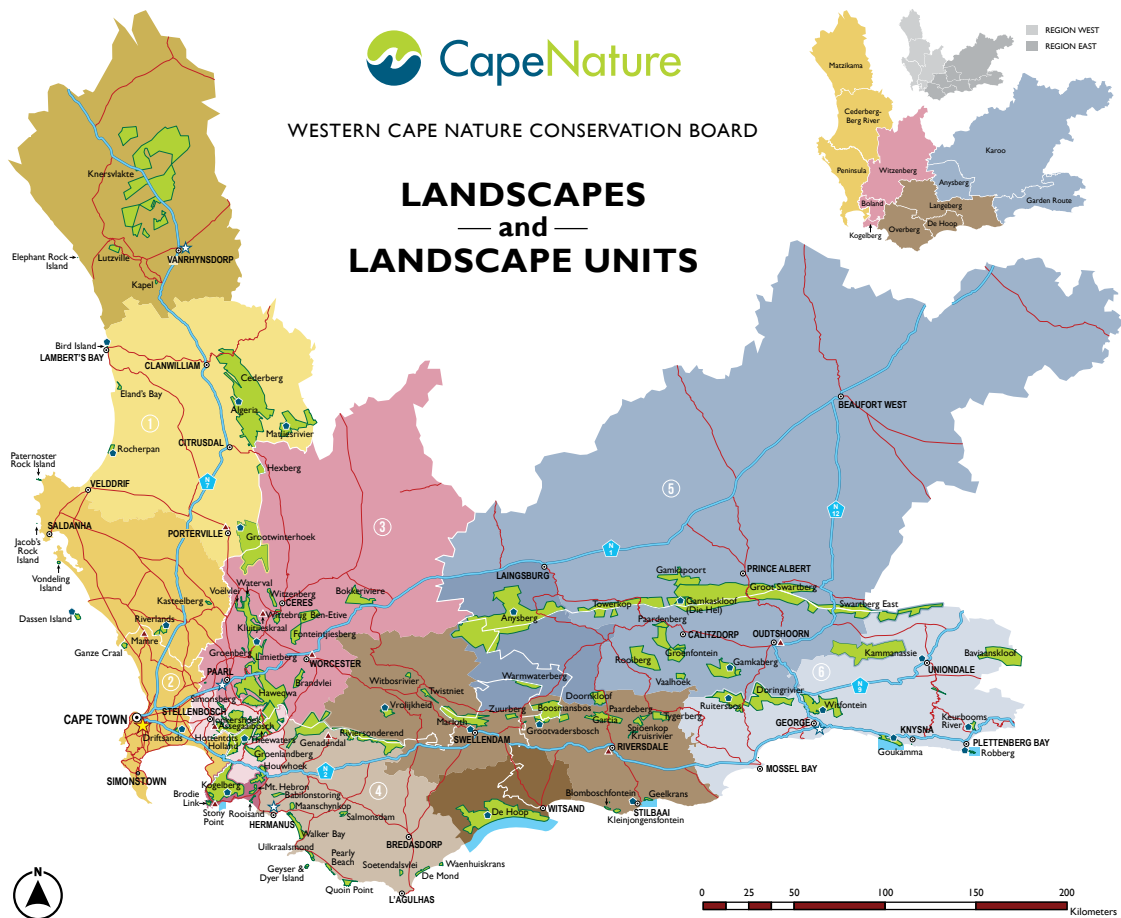
BUSINESS OPPORTUNITIES

109 SMMEs supported



Our successes have continued in 2019/20. Once again, we are pleased to report that the entity has met all the performance targets set out at the commencement of the financial year, and in some cases exceeded them. One of the most pleasing aspects of the year has been the finalisation of the organisational redesign and the associated staff movements, which entailed a long, thorough and

consultative process that took place over two and a half years. While it has been challenging at times, the redesign has made CapeNature more efficient and responsive to execute our mandate. We have streamlined our jurisdiction into four decentralised landscapes – East, West, Central and South, depicted in the map below.



The focus on landscape conservation entailed streamlining the entity from a protected area-centric approach within a purely regulatory framework, to one in which divisions between geographic areas, jurisdictions, and sectors are bridged to safeguard ecological, cultural, and economic benefits for all. Furthermore, the redesign included incorporating the strengths of some staff in the new structure and providing training and upskilling where needed. The changes have provided an opportunity to establish entry level positions to create opportunities for a

younger generation to be drawn into the field of biodiversity and conservation.

During this period, 120 criminal enforcement actions were executed. In our situational analysis, we report on two of the cases involving illegal possession of armadillo lizards and succulent plants, respectively. We welcome the sentences imposed in these two cases and congratulate all the parties involved for their work in protecting the biodiversity of the Western Cape.

Great strides were also made in the area of biodiversity, with 9 361 hectares added to protected areas under our management. New information on the distribution of endemic fish species was generated. CapeNature staff participated in the recording of at least three new sites in the Tradouw Mountains with intact populations of Cape kurper (*Sandelia capensis*) and Cape galaxias (*Galaxias zebratus*), two freshwater fish species indigenous to the Western Cape Province. In addition to discovering these populations, their status was assessed with the aim of including the data in the next Red List Assessment for freshwater fish.

CapeNature places great importance on job creation and on creating employment opportunities for communities that surround our nature reserves. During 2019/20, the entity created 1 568 work opportunities (target: 1 000) and used 31 SMMEs to implement certain aspects of the environmental plans (target: 15), while 65 communities (target: 60) benefited from the job creation initiatives. Currently, job creation is provided through its EPWP and is geared towards empowering women, youth and people with disabilities. In addition to formal job creation programmes, the investment in eco-tourism provides employment and economic opportunities for surrounding communities by marketing the unique eco-tourism product offerings that contribute to the financial sustainability of CapeNature. Initiatives include the appointment of local contractors for maintenance and upgrade projects. These initiatives are further complemented by the focus on local economic development through the empowerment of and provision of work opportunities for local contractors.

CapeNature's revenue generation for the year performed well at R4.2 million above target, with tourism revenue growing steadily year-on-year. Tourism income amounted to R42 151 371 which is above the annual target of R37 975 944. This was largely attributed to a sustained focus on marketing strategies. In recent years, the entity has significantly expanded its focus into social media, but continued a presence on radio and TV to a limited extent. This has enabled the entity to focus on market segments, thereby broadening its audiences. It should be noted that income from eco-tourism is invested directly into biodiversity conservation.

Contributions to taxonomic revision

Genetic samples and specimens of two freshwater indigenous fish Cape kurper and Cape galaxias populations were collected in the Tradouw Mountains. These were sent to the national fish museum in Grahamstown and will form part of the ongoing taxonomic revision of these two species.

This highlights the crucial role played by CapeNature in providing biological materials to taxonomic studies, since correct and updated taxonomy is the basis of conservation efforts.

SPENDING TRENDS OF THE PUBLIC ENTITY

CapeNature spent 99% of its budget on the accrual basis, and 98% on the cash basis. Year-on-year spending patterns continued to improve, with operating expenditure increasing from R330 million in 2017/18 to R369 million in 2018/19 and R378 million in 2019/20. COVID-19 impacted spending towards the end of the financial year in that contractors could not be allowed on site and were unable to complete projects. As a result the entity's financial statements reflect commitments of R22 million at the end of the financial year.

CAPACITY CONSTRAINTS AND CHALLENGES FACING THE PUBLIC ENTITY

CapeNature's operations and growth in personnel is curtailed as the levels of operations can no longer be sustained due to the reduction in available resources over the Medium-Term Expenditure Framework (MTEF). 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, provincial and national objectives.

COVID-19 impacted on operations and income generation towards the end of the financial year. While limited for the period under review, it is expected that the pandemic will have a far greater impact on resources and priorities during the ensuing financial years.

DISCONTINUED ACTIVITIES/ ACTIVITIES TO BE DISCONTINUED

No new programmes were implemented and none were discontinued since all programmes are largely relevant and interrelated, as well as aligned to 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

There were no requests for roll over of funds.

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 reasonably functioning Supply Chain Management systems, which will be monitored vigilantly going forward.

Challenges experienced and how they will be resolved

Compliance with the various laws and regulations within the SCM space remains a challenge, however the entity is in communication with the Provincial Treasury Supply Chain Management Unit and 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

To ensure sound financial management practices, CapeNature will continue to implement stringent control measures, which includes 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. The entity further strives to redress the imbalance between personnel and operational funding.

Events after the reporting date

COVID-19 has impacted business operations due to the nationwide lockdown that came into effect on 27 March 2020.

ECONOMIC VIABILITY

CapeNature continues to be affected by the pressure on the fiscus, which is expected to be exacerbated by the COVID-19 pandemic in 2020/21. The entity continued to implement austerity measures prescribed by National Treasury, while remaining committed to sustainable growth and job creation. CapeNature practices acceptable financial and administrative principles that are in line with all relevant legislation.

ACKNOWLEDGEMENT/S OR APPRECIATION

I am grateful for the guidance provided by the Minister of Local Government, Environmental Affairs and Development Planning and the Board, and in particular for the assistance of our Chairperson, Professor Denver Hendricks.

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 valued support.

My final thank you goes out to all CapeNature staff for their hard work and dedication during the period under review.



Dr Razeena Omar
Chief Executive Officer, CapeNature
October 2020



5.

STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

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

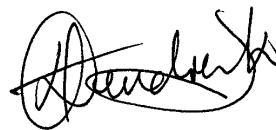
- All information and amounts disclosed in the Annual Report are consistent with the Annual Financial Statements audited by the Auditor-General.
- The Annual Report is complete, accurate and free from any omissions.
- The Annual Report has been prepared in accordance with the guidelines on the Annual 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 as to the integrity and reliability of the performance information, the human resources information, and the annual financial statements.
- The external auditors are engaged to express an independent opinion on the annual financial statements.

In our opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the public entity for the financial year ended 31 March 2020.

Yours faithfully



Chief Executive Officer
Dr Razeena Omar
October 2020



Chairperson of the Board
Assoc Prof Denver Hendricks
October 2020

6. STRATEGIC OVERVIEW

6.1. Vision

Conserving nature for a sustainable future.

6.2. Mission

To manage, conserve and promote our human, natural and heritage assets through best practice, access, benefit sharing and sustainable use.

6.3. Values

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

VALUES	BEHAVIOUR
Customer Service	We endeavour to take care of the needs of our internal and external customers by providing professional, high quality service and assistance.
Accountability	We encourage staff to take responsibility for their actions and outcomes.
Respect	We strive to treat people with care and courtesy, having a high regard for their wellbeing.
Ethics	We embrace environmental ethics in all we do and conduct ourselves in a moral and ethical manner.



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.

The following are the key international conventions, and national and provincial statutes that are 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.

International Conventions, Protocols and Policies

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

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.

- 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 Monuments Act, 1969 (Act 28 of 1969)
- 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)
- 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)
- 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

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, 2014 – 2019
- 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.

Provincial strategic frameworks

- OneCape 2040, 2013
- Western Cape Government: Provincial Strategic Plan, 2014 – 2019
- 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, 2017.
- Western Cape Biodiversity Spatial Framework, 2017
- Western Cape Protected Area Expansion Strategy, 2016

Relevant court rulings

None

Planned legislative and policy initiatives

The following policies were reviewed during the 2019/20 year:

- Financial Policies
- Biodiversity Policy review

8.

ORGANISATIONAL STRUCTURE



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

WESTERN CAPE NATURE CONSERVATION BOARD



CHAIRPERSON
Assoc Prof Denver Hendricks



VICE CHAIRPERSON
Prof Gavin Maneveldt



MEMBER
Ms Marguerite Loubser



MEMBER
Mr Mervyn Burton



MEMBER
Dr Colin Johnson



MEMBER
Prof Aubrey Redlinghuis



MEMBER
Mr Paul Slack



CEO
Dr Razeena Omar

CHIEF FINANCIAL
OFFICER
Mr Mohamed Bhayat

EXECUTIVE DIRECTOR:
BIODIVERSITY
CAPABILITIES
Ms Coral Birss

EXECUTIVE DIRECTOR:
BIODIVERSITY
OPERATIONS
Dr Ernst Baard

EXECUTIVE DIRECTOR:
ECOTOURISM
AND ACCESS
Mr Sheraaz Ismail

EXECUTIVE DIRECTOR:
CORPORATE SERVICES
Vacant



Photos: Scott Ramsay



Part B

Performance
Information



AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

The 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 pre-determined 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 88 of the Annual Report, which sets out the Report of the Auditor-General, published as Part E: Financial Information.



SITUATIONAL ANALYSIS

2.1. Service Delivery Environment

During the year under review, CapeNature forged ahead with its biodiversity and conservation initiatives, and met all the performance targets set in the Annual Performance Plan of 2019/20.

As the final year of the 2015-2020 Strategic Plan, the 2019/20's outcomes have contributed significantly to achieving the strategic goals set for the five-year period, namely:

- Strategic goal 1: Biodiversity loss is reduced in the Western Cape;
- Strategic goal 2: Access is provided to our unique natural and cultural heritage;
- Strategic goal 3: Contribute to local economic development through the biodiversity economy; and
- Strategic goal 4: Effective governance and organisational wellbeing is improved.

A situational analysis of the year provides detail of CapeNature's service delivery environment. Although this information is provided according to the four programmes, the landscape approach enabled many aspects of the work completed to be interweaved with each other to create a tapestry of biodiversity, conservation, and economic development that will nurture and sustain life for many years to come.

Biodiversity capabilities

In 2019/20, CapeNature added 9 361 hectares to the Western Cape Protected Areas Estate through the signing of six stewardship agreements. The agreements include Wolwegat Nature Reserve (NR), Diosma NR, Heron's Roost Biodiversity Agreement, Kenilworth Protected Area Management Agreement (PAMA), Honey Bush PAMA, and Twee Rivieren PAMA. This is a significant portion of private land that has now been committed to conservation.

Partnerships and Collaboration

The entity enjoyed excellent co-operation and collaboration with partners, stakeholders and other conservation agencies, including The Nature Conservancy, South African National Biodiversity Institute, Ezemvelo KZN Wildlife, City of Cape Town, Endangered Wildlife Trust, World Wildlife Fund South Africa (WWF-SA), Leslie Hill Succulent Karoo Trust, Wilderness Foundation, the Cape Leopard Trust and South African Institute for Aquatic Biodiversity.

In collaboration with the National Department of Environment, Forestry and Fisheries, good progress was made towards the development of Estuary Management Plans and the rezoning of Marine Protected Areas (Robberg, Goukamma and Betty's Bay).

CapeNature participated in and contributed to the review of and reporting on the Provincial Biodiversity Strategy and Action Plan, as well as the Provincial Biodiversity Economy Strategy. This provided the entity with an opportunity to align the strategic and new landscape model approach to that of the two strategies.

A partnership with WWF-SA paid local fishermen to deploy Baited Remote Underwater Video Stations in the Betty's Bay Marine Protected Area. Their efforts identified several endemic small shark species, and engendered a spirit of conservation in fishing communities." below this point, ensuring a space between.

A partnership with the Table Mountain Fund (TMF) is exploring the use of drone technology for specific conservation applications.

Technological developments

A noteworthy development has been the integration of new technology, particularly the web-based CMSi. CMSi will provide CapeNature with an enormous amount of quality and real-time data that can be integrated across 94 spatial layers and applied to virtually all aspects of its work. As a web-based tool, it is also accessible to staff in the field and will be extremely valuable in making well-informed recommendations. CMSi covers aspects such as site planning and management, habitat and species recording, and surveying and monitoring.

New data and information

During the year, CapeNature has continued to conduct extensive conservation assessments, generating new data. This includes new information on the distribution of endemic fish species in the Western Cape and facilitating genetic analyses to inform species conservation action. An example of the latter is the Cape mountain zebra for which CapeNature has gathered genetic information that will enable informed decisions to be made about their long-term survival.

The publication of articles in peer-reviewed scientific journals is an indication of the stature with which CapeNature is held. During this period, CapeNature co-authored nine papers, of which four were published in international journals. The latter were:

- A framework to measure the wildness of managed large vertebrate populations;
- Lessons for conservation management: monitoring temporal changes in genetic diversity of Cape mountain zebra (*Equus zebra zebra*);
- Food web properties vary with climate and land use in South African streams; and
- Reconstruction of the historical distribution ranges of imperilled stream fishes from a global endemic hotspot based on molecular data: implications for conservation of threatened taxa (in press).

In addition, four technical field reports on freshwater aquatic biodiversity were produced as reference material for the relevant protected areas of Langeberg, Rivieronderend, Hexrivier, and the Grootvadersbosch Conservancy. Furthermore, contributions were made to a technical report funded by the Water Research Commission on Rotenone, a piscicide used to eradicate invasive fish, and to a book on biological invasions in South Africa. These highlight the importance of fish species in maintaining river health in water-scarce areas of the country.

Permits

During the year, 5 468 biodiversity permits were issued. CapeNature also undertook a review of research permit applications to remove unnecessary red-tape. A significant number (1 078) of Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) permits were issued. CapeNature contributed input into five

CITES Non-Detriment Findings (NDFs) on the black rhino, white rhino, *Aloe ferox*, serval and hippopotamus. The NDFs provided the entity the opportunity to investigate the impact of international trade on the status of these species to ensure their long-term survival. In addition, 17 draft CITES listing proposals, submitted by other countries to the CITES Secretariat, were reviewed.

Efforts to bring biodiversity into the mainstream of public knowledge continued through engagements with municipalities on biodiversity spatial planning. The uptake of biodiversity spatial planning data into the Cape Farm Mapper has resulted in information being widely accessible to all relevant stakeholders. A flyer for farmers and an overview brochure were also produced and disseminated, while a user guide for Certificates of Adequate Enclosure (CoAE) was developed and disseminated. The guide enables game farmers to take greater responsibility in becoming compliant with regulations for the enclosure of wild animals.

Marine and Coastal

Estuary management plans are being developed (17 in progress) for all estuaries in the Western Cape. Data and information on each estuary are collated and shared with relevant members of the public, government departments, and advisory committees. This includes data on the impact on biodiversity by the opening or closing of an estuary mouth.

Groenvlei, Goukamma NR feasibility assessment for carp control methods

Groenvlei, the fresh water lake near the Western Cape town of Sedgefield, have turned murky, to the extent that local residents now refer to the lake as “Bruinvlei”. CapeNature’s Goukamma Nature Reserve have been active in efforts to combat the problem, which are largely due to an explosion of carp, one of the world’s 100 worst alien species. Introduced prior to the 1960s, the carp has overrun two small species of indigenous fish – estuarine round herring and the Cape silverside. A local team of volunteers are fighting the carp problem and has removed 13 tonnes since 2018. Groenvlei is one of only eight unique freshwater lakes in SA. The lake covers an area of 359ha, of which 245ha comprise open water with the remaining 124ha made up of a reed collar around the lake.

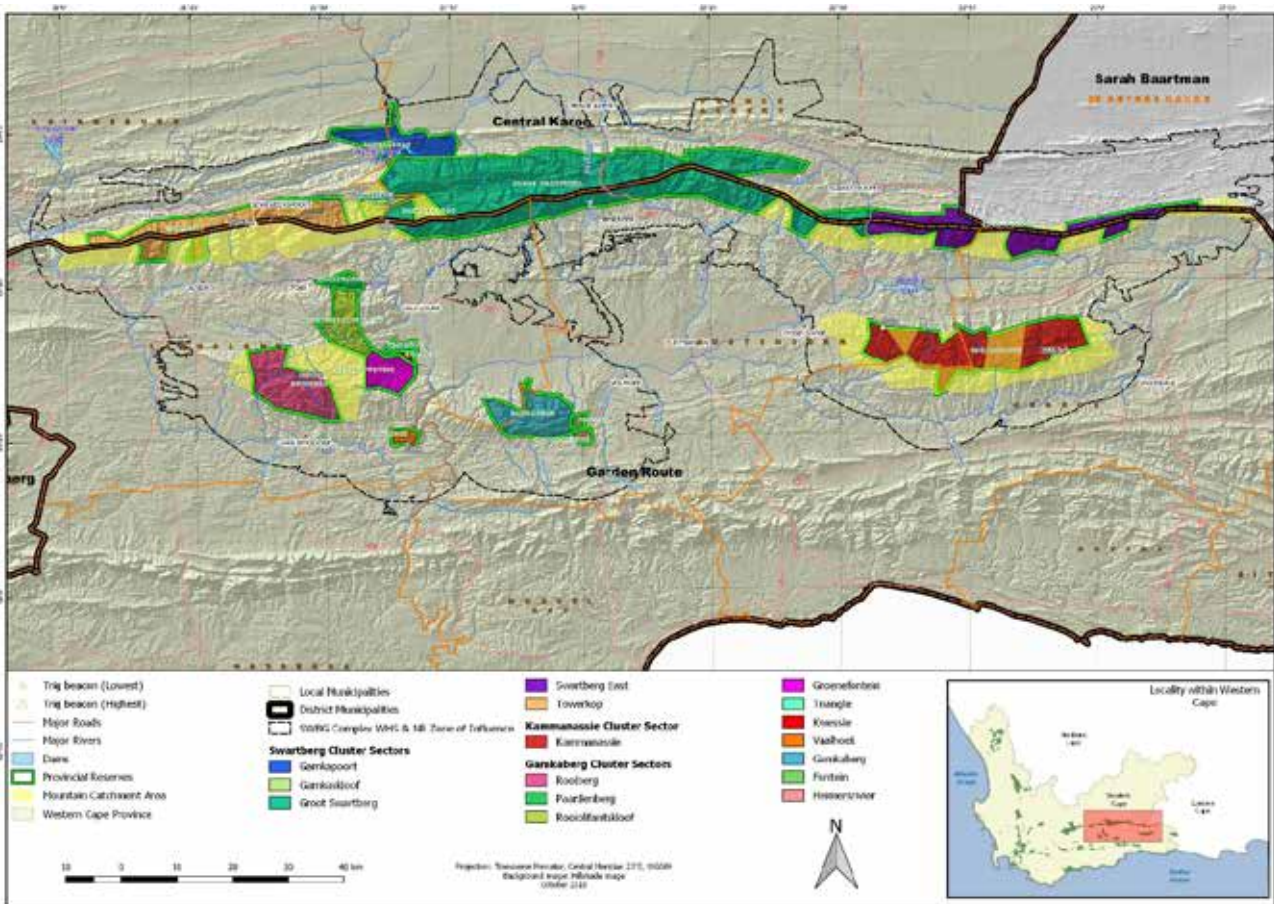
Conservation Operations

The Western Cape has justifiably earned international fame for its extremely rich diversity of fauna, flora and landscapes, attracting thousands of visitors to its varied nature reserves. As its name implies, Conservation Operations is responsible for the management, protection and sustainable use of this diversity. Simultaneously, programmes implemented by the directorate, provides socio-economic benefits and equitable access through a biodiversity economy.

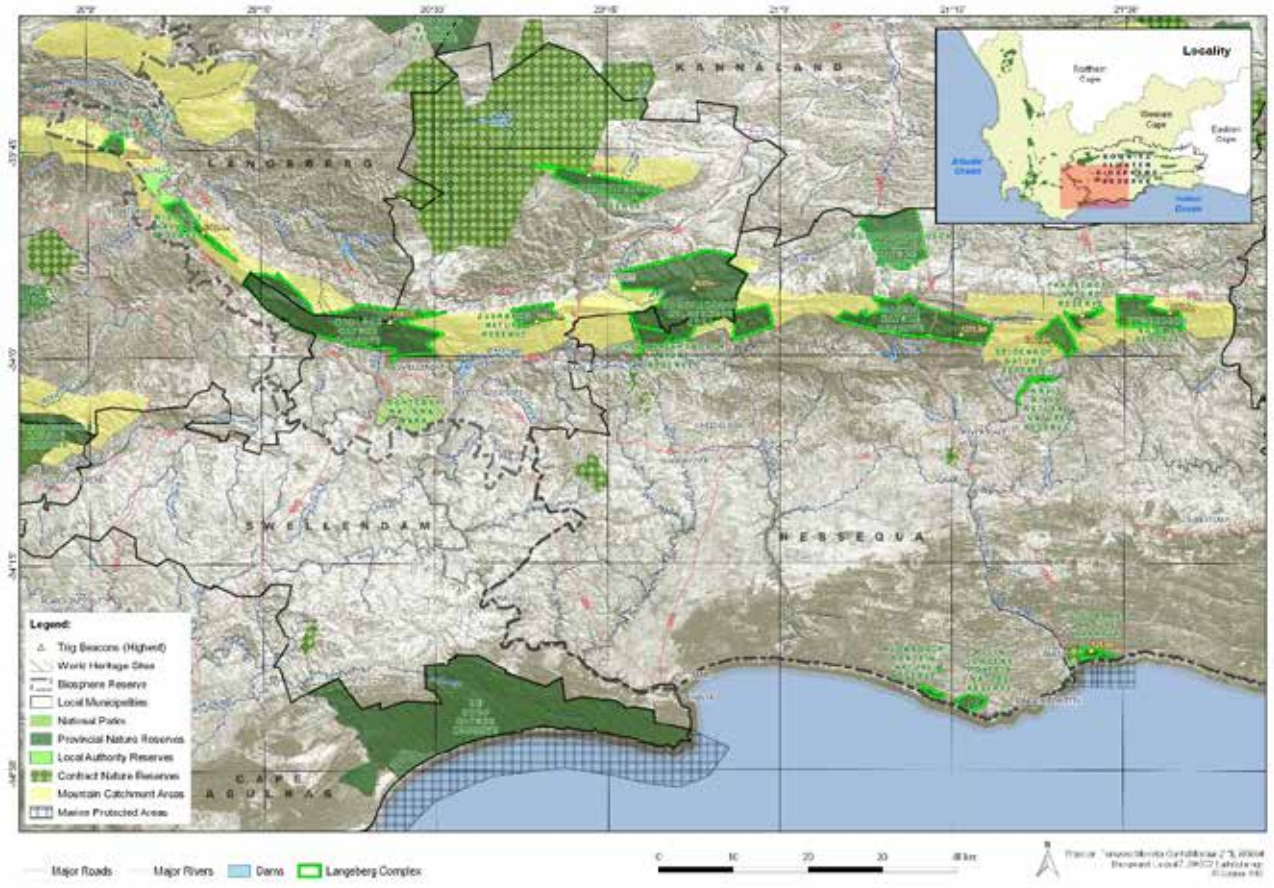
Protected area management plans

During the year under review, three Protected Area Management Plans (PAMPs) for the Swartberg, Langeberg, and Knersvlakte Nature Reserves were completed. All three areas represent outstanding examples of significant and ongoing ecological and biological processes in the evolution of terrestrial ecosystems and plant communities. Examples of the latter would be a natural fire regime, and natural flow of water through the area supporting unique indigenous freshwater fish assemblages and agricultural sectors, as well as connectivity for species migration, gene flow, dispersal, etc. Additionally, the complexes contain important and significant natural habitats for *in-situ* conservation of biological diversity, including threatened species of outstanding universal value:

- The Swartberg Complex World Heritage Site and Nature Reserve (SCWHS&NR) is located on the east-west axis of the Cape Fold Mountains along the border between the Cape Floral Region and the semi-arid Karoo in the Western Cape Province of South Africa. This protected area network falls within the Klein Karoo area north of the Langeberg-Outeniqua Mountain ranges and consists largely of the Swartberg Mountain range along the northern boundary and the Rooiberg, Gamkaberg and Kammanassie as inselbergs in the centre. The total size of the SCWHS&NR is 198 516.3 ha. The SCWHS&NR is depicted in the map below.

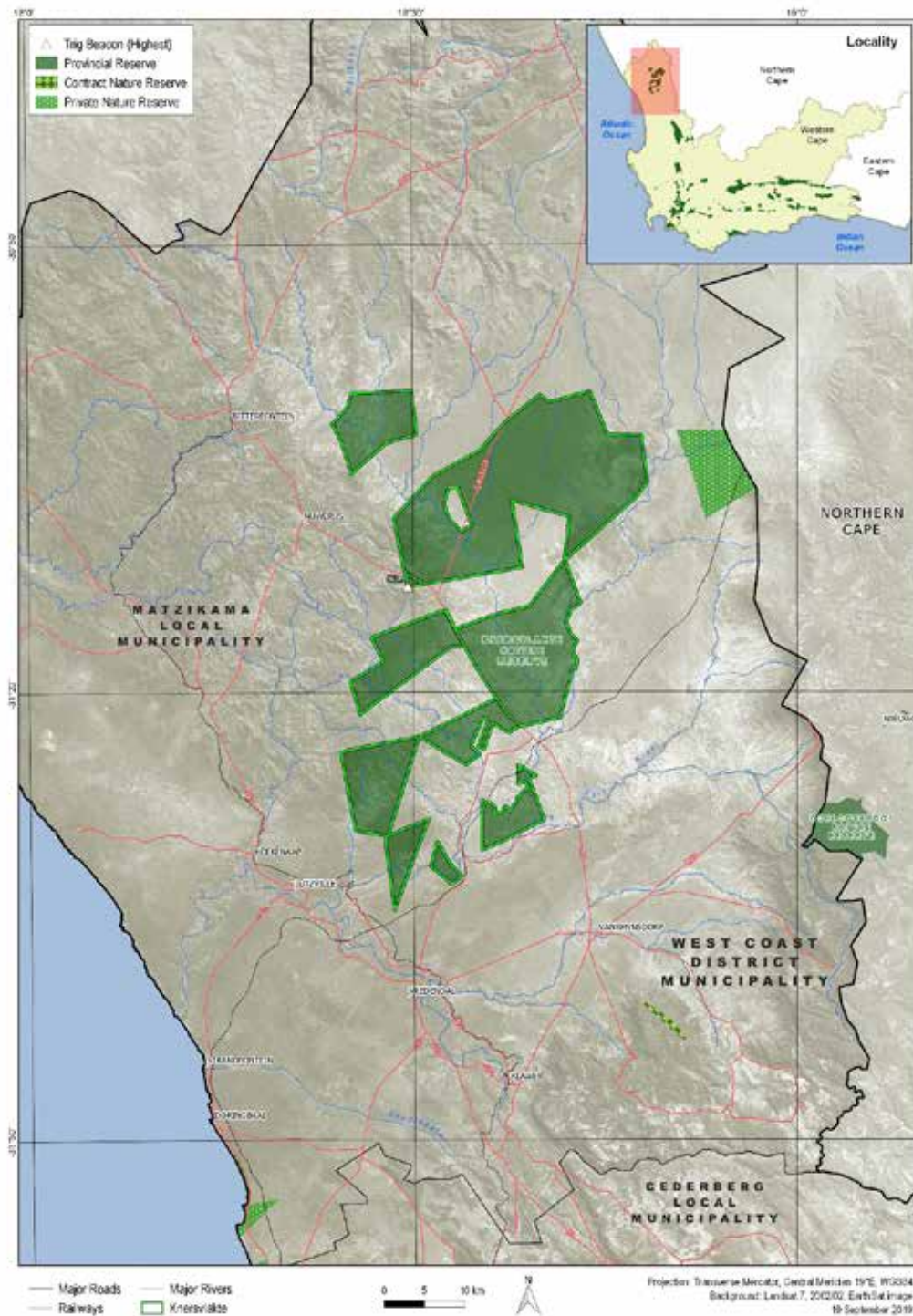


- The Langeberg Complex is a World Heritage Site as part of the Cape Floral Region Protected Areas World Heritage Site. The complex covers an area of approximately 55 298 ha, and includes a buffer zone of 1 315 000 ha designed to facilitate functional connectivity and mitigate the effects of global climate change and other anthropogenic influences. The Langeberg Complex is depicted in the map below.



PERFORMANCE INFORMATION

- The Knersvlakte Nature Reserve is 20 km north of Vanrhynsdorp, approximately 320 km north of Cape Town. It falls within the winter-rainfall zone of South Africa, with hot, dry summers and mild wet winters. It is likely that the Knersvlakte will become hotter and drier as a result of climate change. The Succulent Karoo Biome is one of 25 internationally recognised biodiversity hotspots and is the world's only arid hotspot. Within the Succulent Karoo Biome there are four centres of endemism, of which the Knersvlakte Bioregion is one. The reserve harbours 10 vegetation units with a rich diversity of plants, notably miniature succulents; most of which are highly endemic and many of conservation concern. Apart from the plant and associated animal diversity, the area is also rich in cultural historical heritage. The Knersvlakte Nature Reserve is depicted in the map below.



Fire and alien vegetation management

A crucial part of Conservation Operations is fire management. Sixty-six (66) fires were responded to in 2019/20, as opposed to 103 fires reported in the previous year. Over the past few years, CapeNature's response to fires has improved significantly, with pre-fire season audits covering aspects such as training, availability of protective clothing, servicing of vehicles, procuring aerial support, and maintenance of fire-fighting equipment. Partnerships with district municipalities and fire protection agencies also play a big role in ensuring that fires are responded to effectively. During the year, disaster management partnerships were formed with Working on Fire (WoF) and Fire Protection Associations (FPAs). Another important aspect is to ensure that land owners have fire breaks in place, especially in vulnerable areas.

Invasive alien vegetation contributes to the fuel load for fires. Therefore, the addition of Geographic Information System (GIS) data layers through the CMSi tool has contributed to effective planning for invasive alien clearing.

METT assessments

The Management Effectiveness Tracking Tool (METT), has been designed to track and monitor progress towards worldwide protected area management effectiveness. The primary aim of the tracking tool is to supply consistent data about the progress with protected area management over time. During the reporting period, the 2018-2020 biennial METT assessment was completed for all CapeNature-managed protected areas. With 87% of state managed protected areas achieving a METT score above 67%, the annual target (of 74%) was exceeded, an indication of the entity's effectiveness in managing the areas under its protection.

Criminal enforcement

In 2019/20, CapeNature was successful in executing 120 criminal enforcement actions for non-compliance with environmental management legislation. Of these, the following stand out:

- **Nuwerus CAS 10/09/2019 - Japanese lizard case.**

Shintaro Okada and Yusuke Imanishi were convicted on 12 September 2019 in the Cape Town Regional Court for the illegal possession and collection of six armadillo girdled lizards without the necessary permits or documentation. They were charged with four counts under the Ordinance. Mr Imanishi was apprehended on 29 May 2018 at Soekarno Hatta Airport in Indonesia with 46 CITES II listed pythons and nine CITES II listed monitor lizards in his possession. He was sentenced to eight months' imprisonment on 31 October 2018 and deported from Indonesia on 16 May

The cultural history of the Knersvlakte

The Knersvlakte has a rich history and culture dating back centuries. The Sonqua (San) were likely the first inhabitants in the Trutro region (Namaqualand and more specifically Vanrhynsdorp region), and their Late Stone Age implements and typical rock drawings can still be seen. They led a nomadic existence, living from the resources of the environment and moving over the plains to the more mountainous areas. It is estimated that the ancestors of the San moved into the region around 100 000 years ago. Based on stone tools and clay pots found in the area, indicating stock-farming and shepherding activities, are indications that the Namaqua tribes (Khoikhoi stock-farmers and herdsman) subsequently co-inhabited the area from around 2 000 years ago. Another small Khoikhoi tribe, the Grigriqua, were found along the Olifants River in the second half of the seventeenth century. They were peaceful livestock farmers who travelled around in small groups within the greater area. The Early and Middle Stone Age implements and other archaeological evidence found in the greater Knersvlakte region confirm the existence of many early (ancient) inhabitants of the area (Thackeray et al. 1990; Boonzaier et al. 1996).¹

1. References: Boonzaier E., Malherbe C., Berens P. & Smith A. 1996. *The Cape Herders: A History of the Khoikhoi of Southern Africa*. David Phillip Publishers, Cape Town. ISBN: 0-86486-311-X.

Thackeray A.I., Deacon J., Hall S., Humphreys A.J.B., Morris A.G. & Malherbe V.C. (editor). 1990. *The Early History of Southern Africa to A.D. 1500: Handbook for wall chart*. College Tutorial Press, Cape Town. ISBN: 0798507306.

2019. A mere 20 days later, Mr Imanishi was arrested at Perth Airport in Australia on 5 June 2019 with 13 illegally collected bobtail lizards (*Tiliqua rugosa*) in his luggage. He was sentenced to five months' imprisonment and was deported on 5 August 2019 after serving two months of his sentence. Mr Imanishi entered South Africa on 19 August 2019 and was apprehended on 9 September 2019 with six armadillo lizards in his possession. He was sentenced to eight years' direct imprisonment, of which two years were suspended. In summary he must serve six years in prison. Mr Okada was sentenced to eight years' direct imprisonment of which four years were suspended, meaning that he must serve four years in prison. Both have also been declared undesirable persons and will be deported after serving their sentences.

- **Ashton CAS 33/10/2019 - Korean succulent case.**

Byungsu Kim and Young Il Sunwoo were convicted on 28 January 2020 in the Cape Town Regional Court for the illegal possession and picking of 2018 succulent plants without the necessary permits and/or documentation. They were charged with three counts under the Ordinance, and sentenced to six years' imprisonment, suspended for five years, and a further fine of R2,5 million each, which they both paid.

- **Ravensmead CAS 251/03/2020 – Sect 42(1)**

On 18 March 2020, CapeNature responded to the alleged illegal export of flora by a Ukrainian national. A total of 26 parcels of indigenous flora were found in his possession. The man was arrested and taken into custody by the South African Police Service (SAPS). The flora was taken to Kirstenbosch Botanical Garden for identification and processing for cultivation.

In terms of the entity's involvement in anti-poaching, CapeNature has established itself as integral to the national Phakisa anti-poaching operations along the Western Cape coastline, through visual policing and reactive enforcement, resulting in a significant decline in poaching of especially abalone and West Coast rock lobster, in the Overberg region. In February 2020, two field rangers (fishery control officers) apprehended two suspects with 648 abalone at Koppie Alleen, De Hoop Nature Reserve. The suspects were arrested, appeared in court and were released on bail. The case is pending and no date has been set.

Water conservation

Ecological resilience was strengthened during the year through groundwater management. CapeNature engaged with various stakeholders and regulators to review exemptions and guide operations to drill for groundwater abstraction in terms of Section 30A of the National Environmental Management Act (1998) (NEMA).

Marketing and Eco-tourism: Access

Income generated by tourism during 2019/20 exceeded the target set. This is largely due to the success of marketing campaigns. In addition, CapeNature has adopted a highly proactive approach to social media, making use of Twitter, Instagram and Facebook. CapeNature has a long history of utilising traditional media but has made a concerted effort to tap into the social media platforms over the last few years. These platforms provide a faster means of dealing with customer queries as well as facilitating two-way communication. Considerable effort has been made to include products onto an online platform which has been rewarded with an increasing number of customers making bookings through the online portal as well as a growth in unique, or new users.

During the year, CapeNature exceeded the target of upgrading six tourism products with the achievement of 10 upgrades. Of these, the partnership with the Cape Craft and Design Institute, is noteworthy. This has enabled the entity to source locally-manufactured furniture and fittings, thereby supporting local business and showcasing their craft to visitors. In this way, CapeNature practices responsible and sustainable tourism development, as well as creating opportunities for local communities with these infrastructure developments.

The promotional activities listed below, undertaken during the year, met the set target of 11.

- Winter Promotion Campaign
- Nature Talks
- Tourism Month and Access Week
- 20-year Mall Road Show
- Black Friday
- Tourism Marketing Conference
- 12 Days of Christmas
- Gauteng Getaway
- Summer Drive Campaign
- Jimmy Nevis Camp-Out
- Caravan and Camp Destination

The Winter campaign and the Black Friday campaign were deemed to be highly successful. The former has been running for several years and has become well-known for its special offers during the Western Cape's rainy winter season. Revenue generation increased by 31% and online bookings increased by 38% when compared to the 2018/19 financial year. The Black Friday campaign saw a significant 225% increase in the number of website visits and a 71.5% increase in revenue compared to the previous year.

2.2. Organisational Environment

The Human Resource (HR) component of CapeNature strives to deliver effective and efficient services to the entity. It does so through training and development, recruitment and selection, fair and transparent employee relations, and consistent performance management.

The year under review saw two main highlights for this component: the finalisation of the organisational redesign and the implementation of an online recruitment system. HR was instrumental in driving the organisational redesign process, which aimed to achieve the following:

- Ensure efficiency;
- Implement a landscape conservation approach; and
- Capacitate each landscape to operate effectively.

The online recruitment system has streamlined the recruitment process significantly. This has facilitated more efficient appointments of staff. This system's tracking mechanism enables management to identify and resolve bottlenecks efficiently.

A total of 62 terminations took place from 1 April 2019 to 31 March 2020, compared to 63 in the previous financial year. The terminations relate to Board staff.

During the year, 528 EPWP related work opportunities were created, thus overachieving the target set of 450.



The target of 10 learners appointed through various initiatives in the sector, was exceeded. Of the 21 reported, 12 were Work Integrated Learning (WIL) students and were placed at the following reserves:

- 2 x Hottentots Holland Nature Reserve (Region West)
- 2 x Jonkershoek Nature Reserve (Region West)
- 2 x Walker Bay Nature Reserve (Region East)
- 1 x Anysberg Nature Reserve (Region East)
- 3 x Outeniqua Nature Reserve (Region East)
- 2 x Gamkaberg Nature Reserve (Region East).

Bursaries

The entity provided opportunities for 24 bursars during the period under review, 11 of whom completed their studies. The studies ranged from conservation management, tourism, public administration as well as business management. These studies were completed through Cape Peninsula University of Technology (CPUT), University of South Africa (UNISA) and Nelson Mandela University (NMU), amongst others.

2.3. Key policy developments and legislative changes

None.



2.4. Strategic Outcome Oriented Goals

Strategic Goal 1	BIODIVERSITY LOSS IS REDUCED IN THE WESTERN CAPE
Goal statement	<i>Biodiversity loss will be minimised, the conservation estate will be expanded and climate change responses will be implemented.</i>
Justification	A well-maintained and expanding conservation estate ² with the protection and restoration of degraded biodiversity and ecosystems, both on and off reserves, will reduce and limit biodiversity loss and thereby respond to climate change to ensure an increased yield of fresh, potable water from catchments.
Links	<p>Western Cape Government Strategic Goal 3 Increasing wellness, safety and tackle social ills.</p> <p>Western Cape Government Strategic Goal 4 Enable a resilient, sustainable, quality and inclusive living environment.</p> <p>Department of Environmental Affairs and Development Planning Strategic Objective Goal 1 Sustaining the ecological and agricultural resource-base. Sustainable and integrated urban and rural settlements.</p>
Strategic Goal 2	ACCESS IS PROVIDED TO OUR UNIQUE NATURAL AND CULTURAL HERITAGE
Goal statement	<i>The benefits of our natural resources are shared by facilitating access to our protected areas for sustainable utilisation, research and recreational purposes, environmental awareness as well as for cultural, spiritual and traditional purposes.</i>
Justification	CapeNature has a legal mandate to render services and provide facilities for research, education and awareness in connection with biodiversity and related matters in the Province.
Links	<p>Western Cape Government Strategic Goal 2 Improving education outcomes and opportunity for youth development.</p> <p>Western Cape Government Strategic Goal 3 Increasing wellness, safety and tackle social ills.</p>
Links	<p>Western Cape Government Strategic Goal 4 Enable a resilient, sustainable, quality and inclusive living environment.</p> <p>Department of Environmental Affairs and Development Planning Strategic Objective Goal 2 Increased economic opportunity through low-carbon development, the biodiversity economy and resource efficiency economy.</p>

2. Conservation estate refers to the approximate 7% of the 12 943 558 hectares of the Western Cape Province managed by CapeNature.

<p>Strategic Goal 3</p>	<p>CONTRIBUTE TO LOCAL ECONOMIC DEVELOPMENT THROUGH THE BIODIVERSITY ECONOMY</p>
<p>Goal statement</p>	<p><i>Communities derive socio-economic benefits aligned to the National Development Plan imperatives.</i></p>
<p>Justification</p>	<p>CapeNature is committed to enabling social benefits through increased opportunities for local economic development by implementing strategies that will encourage the participation of historically disadvantaged groups.</p>
<p>Links</p>	<p>Western Cape Government Strategic Goal 1 Creating opportunities for growth and jobs.</p> <p>Western Cape Government Strategic Goal 3 Increasing wellness, safety and tackle social ills.</p> <p>Western Cape Government Strategic Goal 4 Enable a resilient, sustainable, quality and inclusive living environment.</p> <p>Department of Environmental Affairs and Development Planning Strategic Objective Goal 4 Increased economic opportunity through low-carbon development, the biodiversity economy and resource efficiency economy.</p>
<p>Strategic Goal 4</p>	<p>EFFECTIVE GOVERNANCE AND ORGANISATIONAL WELLBEING IS IMPROVED</p>
<p>Goal statement</p>	<p><i>An efficient, transformed and progressive working environment where sound governance principles are applied.</i></p>
<p>Justification</p>	<p>CapeNature is committed to good governance, sound financial management, organisational wellbeing, sustainable funding streams, strategic partnerships, efficient administrative and decision support and systems.</p>
<p>Links</p>	<p>Western Cape Government Strategic Goal 5 Embed good governance and integrated service delivery through partnerships and spatial alignment.</p> <p>Department of Environmental Affairs and Development Planning Strategic Objective Goal 5 Good governance and integrated management.</p>

Progress made towards achievement of goals is as follows:

Strategic Goals	Strategic Objectives	Measure	5 Year Target	Achievement
BIODIVERSITY LOSS IS REDUCED IN THE WESTERN CAPE	1.1 Protect and expand the conservation estate	Number of ha in the CapeNature conservation estate	891 854 ha in 15/16 903 346 ha in 16/17 971 684 ha in 17/18 981 867 ha in 18/19 1 000 408 ha in 19/20	894 346 ha in 15/16 963 684 ha in 16/17 974 867 ha in 17/18 994 408 ha in 18/19 1 003 768 ha in 19/20
	1.2 ³ Improve ecosystem health	Percentage of area of state managed protected areas assessed with a METT score above 67%	87% in 15/16 74% in 17/18 74% in 19/20	74% in 15/16 94% in 17/18 87% in 19/20
	1.3 Promote compliance with environmental legislation	Number of criminal enforcement actions undertaken for non-compliance with environmental management legislation	60 in 15/16 60 in 16/17 60 in 17/18 80 in 18/19 80 in 19/20	89 in 15/16 105 in 16/17 143 in 17/18 138 in 18/19 120 in 19/20
ACCESS IS PROVIDED TO OUR UNIQUE NATURAL AND CULTURAL HERITAGE	2.1 Increase tourism revenue	Percentage increase in tourism income generated	9% in 15/16 12,6% in 16/17 8,9% in 17/18 10% in 18/19 10% in 19/20	43% in 15/16 63% in 16/17 61.7% in 17/18 18% in 18/19 21% in 19/20
	2.2 Foster an organisational approach which promotes inclusivity and access for communities to our protected areas	Number of communities engaged to derive socio-economic benefit	70 in 15/16 70 in 16/17 60 in 17/18 60 in 18/19 60 in 19/20	75 in 15/16 70 in 16/17 64 in 17/18 81 in 18/19 65 in 19/20
	2.3 ⁴ Promote access for sustainable utilisation, research and recreational purposes, environmental awareness as well as for cultural, spiritual and traditional purposes	Number of environmental awareness activities conducted	150 in 15/16 150 in 16/17 150 in 17/18 150 in 18/19 150 in 19/20	162 in 15/16 201 in 16/17 161 in 17/18 189 in 18/19 230 in 19/20
CONTRIBUTE TO LOCAL ECONOMIC DEVELOPMENT THROUGH THE BIODIVERSITY ECONOMY	3.1 Provide employment opportunities to communities	Number of Full Time Equivalents (FTEs) appointed	430 in 15/16 450 in 16/17 450 in 17/18 450 in 18/19 450 in 19/20	497 in 15/16 557 in 16/17 552 in 17/18 649 in 18/19 528 in 19/20
	3.2 Provide business opportunities	Number of SMMEs ⁵ supported	10 in 15/16 15 in 16/17 15 in 17/18 15 in 18/19 15 in 19/20	16 in 15/16 21 in 16/17 21 in 17/18 20 in 18/19 31 in 19/20

3. The measure for this objective was adjusted. During the 2015/16 financial period, then National Department of Environmental Affairs introduced METT version 3 and amended the wording of the indicator.

4. The measure for this objective was adjusted. During the 2015/16 Audit period, concerns were raised about the risk of compliance to measure "Number of people accessing CapeNature Protected Areas."

5. SMMEs are defined as per Department of Trade and Industry prescripts – a separate and distinct business entity managed by one owner or more individuals with different numbers of employees depending on its category as indicated in the National Small Business Act.

Strategic Goals	Strategic Objectives	Measure	5 Year Target	Achievement
EFFECTIVE GOVERNANCE AND ORGANISATIONAL WELLBEING IS IMPROVED	4.1 Provide an enabling working environment	% progress against implementation of Human Capital Development Strategy ⁶	100% (APP target was 80%)	94%
	4.2 Promote efficient, effective and responsive governance	Audit Opinion obtained in respect of previous financial statement	5 unqualified audit opinions	This being Year 5 of 5, 5 out of 5 unqualified audit opinions have been obtained
	4.3 Promote sound financial management	Audit Opinion obtained in respect of previous financial statement	5 unqualified audit opinions	This being Year 5 of 5, 5 out of 5 unqualified audit opinions have been obtained

The above table sets out the strategic objectives documented in the 5-year strategic plan, the associated performance indicators and the achievement for each indicator over the 5-year strategic cycle. Overall the entity has achieved all its indicators, having overachieved on 9 of the 12.

The growth of the conservation estate is fundamental in conserving biodiversity and in this regard the entity has exceeded its target of 921 854 ha by 8.9% (rounded), which equates to 81 914 ha. Equally critical to conservation efforts is ensuring ecosystem health. The entity measures management effectiveness on CapeNature managed protected areas through the biennial application of the Management Effectiveness Tracking Tool (METT). The entity has consistently scored above the target percentage and effect areas of improvement during the intervening years. The overachievement of 295 criminal enforcement actions has contributed to reducing the loss of biodiversity and ensuring the sustainability of biodiversity.

Tourism revenue has grown steadily year on year, with the entity achieving notable increases during the 5-year cycle. Income generation is fundamental in the sustainability of the entity with a significant percentage of income diverted to support conservation operations.

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 related employment opportunities and the development of SMMEs. These opportunities are taken up by individuals and businesses within communities located in and around protected areas. Significantly, these indicators have consistently been overachieved.

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 overachievement in the number of environmental awareness activities and stakeholder capacity building interventions, the entity strives to work towards achieving the mission of conserving nature for a sustainable future.

The goals and objectives of the entity cannot be achieved without the effort and dedication of its staff. In this regard the human capital development strategy was developed and contributed to efforts to facilitate institutional efficiency and effectiveness. 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 five unqualified audit opinions for the 5-year strategic cycle.

6. Target already achieved.

3.

PERFORMANCE INFORMATION BY PROGRAMME

3.1. Programme 1: Administration and Governance

Purpose: To provide efficient corporate governance through effective leadership and resource management.

The Programme consists of the following sub-programmes:

Sub-Programme 1.1: Office of the CEO

Purpose: To ensure compliance with legislative requirements, governance frameworks and overall management within CapeNature.

Sub-Programme 1.2: Finance Services

Purpose: To ensure effective preparation and implementation of a financial plan and budget for the entity and the judicious application and control of public funds in line with the Public Finance Management Act, 1999 (Act No. 1 of 1999) and relevant legislation.

Sub-Programme 1.3: Strategy, Governance and Risk

Purpose: To ensure the effective management of organisational risk, internal control, corporate legal services, strategic support and occupational health and safety

Strategic Objective 4.1	Provide an enabling working environment
Objective Statement	Organisational wellbeing is promoted through human capital development initiatives and the promotion of a safe and healthy working environment.
Baseline (2015/16)	Establish a baseline

Strategic Objective 4.2	Promote efficient, effective and responsive governance
Objective Statement	Efficient, effective and responsive governance through an integrated management approach with a focus on accountability
Baseline	Auditor-General's report

Strategic Objective 4.3	Promote sound financial management
Objective Statement	Compilation of financial statements, budget preparation and development of procurement plans
Baseline (2014/15)	Unqualified Audit opinion

Strategic objectives, performance indicators planned targets and actual achievements

During the period under review, CapeNature achieved a clean audit for the 2019/20 financial period. This means that the Auditor General acknowledged that the Annual Financial Statements contained no material misstatements, it was compliant with legislation and that there were no material findings on predetermined objectives. In terms of the number of FTEs created, the target of 450 have been exceeded in that 528 EPWP related work opportunities have been created. Similarly, 21 Graduate Interns have been appointed, exceeding the target by 11. Some of these interns have been offered contract appointments with the entity, thus ensuring that they gain further valuable experience and skills in their respective study field.

Table 1: Strategic Objectives

Programme 1 – Administration and Governance								
Strategic Objectives	Actual Achievement 2015/16	Actual Achievement 2016/17	Actual Achievement 2017/18	Actual Achievement 2018/19	Planned Target 2019/20	Actual Achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on deviations
Audit Opinion obtained in respect of previous financial statement	Unqualified Auditor-General's Report with one material finding on Pre-determined Objectives	Unqualified Auditor-General's opinion	Unqualified Auditor-General's opinion	Unqualified Auditor-General's opinion	Unqualified Auditor-General's opinion	Unqualified Auditor-General's opinion	None	None



Table 2: Performance Indicators

Programme I – Administration and Governance								
Performance Indicators	Actual Achievement 2015/16	Actual Achievement 2016/17	Actual Achievement 2017/18	Actual Achievement 2018/19	Planned Target 2019/20	Actual Achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on deviations
Number of learners mentored through various initiatives in the sector (including learnerships)	14	11	17	23	10	21	+11	More learners were appointed to address austerity measures, with candidates being afforded the opportunity to obtain meaningful work experience.
Audit Opinion obtained in respect of previous financial statement	Unqualified Auditor-General's Report with one material finding on PDO	An unqualified audit opinion	An unqualified audit opinion	An unqualified audit opinion	An unqualified audit opinion	An unqualified audit opinion	None	None
Number of FTEs created	497	557	552	649	450	528	+78	Additional FTE contracts were generated due to high turnover.

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 3: Administration and Governance

Programme/ activity/ objective	2019/20			2018/19		
	Budget	Expenditure	(Over)/ Under Expenditure	Budget	Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Office of the CEO	5 530	7 609	(2 079)	5 527	5 690	(163)
Finance Services	36 025	59 087	(23 062)	51 171	63 720	(12 549)
Strategy, Governance and Risk	30 371	24 153	6 218	22 922	20 135	2 787
People and Conservation	38 290	43 826	(5 536)	45 624	43 445	2 179
Total	110 216	134 675	(24 459)	125 244	132 990	(7 746)

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



3.2. Programme 2: Biodiversity Capabilities

Purpose: The purpose of the programme is to support the conservation of the unique natural and cultural heritage of the Western Cape by developing and applying decision support and knowledge management systems and focus on reducing the loss of biodiversity.

Strategic Objective 1.1	Protect and expand the conservation estate
Objective Statement	To effectively manage both the terrestrial and marine components of the entity's conservation estate and the further expansion thereof as aligned to the National Protected Areas Expansion Strategy.
Baseline (2013/14)	The numerical value of protected area under conservation was 881 854 ha.

Strategic Objective 1.2	Improve ecosystem health
Objective Statement	To support and restore ecosystems which provide goods and serves to improve quality of life.
Baseline (2014/15)	32 Protected Area Management Plans Implemented ⁷

Strategic Objective 2.3	Promote access for sustainable utilisation, research and recreational purposes, environmental awareness as well as for cultural, spiritual and traditional purposes
Objective Statement	To facilitate research conducted within the Western Cape, excluding National Parks, and educate stakeholders about our natural and cultural heritage by raising their environmental awareness through focussed interventions.
Baseline (2012/13)	122 permits issued ⁸

Strategic objectives, performance indicators planned targets and actual achievements

CapeNature aimed to improve effective management of both the terrestrial and marine components of the entity's conservation estate by a further expansion of the 994 407.89 hectares, by 5 000 hectares, during the reporting period. The Western Cape Protected Areas Expansion Strategy informs the identification and pursuance of areas to include in the conservation estate and success depends on engagements with willing partners. The conclusion of a significant number of agreements during the reporting period, resulted in adding 9 360.997 hectares to the conservation estate, thus exceeding the target by 4 360.997 hectares. The total conservation estate at the end of the reporting period, stands at 1 003 768.89 hectares.

7. During the 2015/16 financial year, the measure changed from individual areas to reserve complexes. In the revised definition there are 13 Protected Area Management Plans in 2014/15.

8. Permits to conduct research in protected areas were issued to researchers to conduct restricted activities, for which permits are required.

The Berg Estuary, at Velddrif, along the West Coast, ranked as one of the most important estuarine ecosystems in South Africa and recognised as an Important Bird Area, meets the qualifying criteria for recognition as a wetland of international importance under the Ramsar Convention⁹, established by UNESCO. CapeNature successfully pursued the application for the Berg Estuary as a Ramsar site, as a legislative tool to ensure the protection of species and ecosystems.

CapeNature as the regulatory authority for nature conservation in the Western Cape, issues permits in terms of relevant legislation, to enable compliance with legislative requirements. The number of permits issued annually, is driven by public demand for access to and use of natural biological resources and annual targets are based on trends, the previous year's applications received, and considers potential changes to legislative requirements. CapeNature anticipated to issue 4 800 permits during the reporting period, however issued a total of 5 468 permits, exceeding the target by 668.

Table 4: Strategic Objectives

Programme 2: Biodiversity Capabilities								
Strategic Objectives	Actual Achievement 2015/16	Actual Achievement 2016/17	Actual Achievement 2017/18	Actual Achievement 2018/19	Planned Target 2019/20	Actual Achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on deviations
Number of hectares in the conservation estate	894 346 ha	963 684 ha	974 866.8 ha (988 425 less 13 558.2 SG boundary adjustments)	994 407.89 ha	Previous Year + 6 000 ha	1 003 768.89 ha	+3 360,997 ha	The extent of the agreements concluded. Time-frames for concluding agreements cannot be pre-determined.

Table 5: Performance Indicators

Programme 2: Biodiversity Capabilities								
Performance Indicators	Actual Achievement 2015/16	Actual Achievement 2016/17	Actual Achievement 2017/18	Actual Achievement 2018/19	Planned Target 2019/20	Actual Achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on deviations
Number of hectares in the conservation estate	894 346 ha	963 684 ha	974 866.8 ha (988 425 less 13 558.2 SG boundary adjustments)	994 407.89 ha	Previous Year + 5 000 ha	1 003 768.89 ha	+4 360,997 ha	The extent of the agreements concluded. Time-frames for concluding agreements cannot be pre-determined.

9. The Convention on Wetlands of International Importance especially as Waterfowl Habitat, is an international treaty that provides the framework for national action and international co-operation for the conservation and wise use of wetlands and their resources.

Programme 2: Biodiversity Capabilities								
Performance Indicators	Actual Achievement 2015/16	Actual Achievement 2016/17	Actual Achievement 2017/18	Actual Achievement 2018/19	Planned Target 2019/20	Actual Achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on deviations
Number of legislative tools to ensure the protection of species and ecosystems developed							None	None
Number of permits issued within legislated timeframes (n)	4 864	4 716	4 914	5 084	4 800	5 468	+668	This indicator is demand-driven and is influenced by a variety of external factors.

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 6: Biodiversity Capabilities

Programme/ activity/ objective	2019/20			2018/19		
	Budget	Expenditure	(Over)/ Under Expenditure	Budget	Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Biodiversity Capabilities	31 063	37 187	(6 124)	26 266	28 633	(2 367)
Total	31 063	37 187	(6 124)	26 266	28 633	(2 367)

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

3.3. Programme 3: Conservation Operations

Purpose: To conserve the unique natural and cultural heritage of the Western Cape, to provide socio-economic benefits, and to promote equitable access to and sustainable use of natural resources through the biodiversity economy.

Strategic Objective 1.1	Protect and expand the conservation estate
Objective Statement	To effectively manage both the terrestrial and marine components of the entity's conservation estate and the further expansion thereof as aligned to the National Protected Areas Expansion Strategy.
Baseline (2014/15)	Management Effectiveness Tracking Tool score = 84% (METT version 2) ¹⁰

Strategic Objective 1.2	Improve ecosystem health
Objective Statement	To support and restore ecosystems which provide goods and serves to improve quality of life.
Baseline (2014/15)	32 Protected Area Management Plans implemented ¹¹

Strategic Objective 1.3	Promote compliance with environmental legislation
Objective Statement	To promote compliance with environmental legislation through implementing various legislative enforcement mechanisms
Baseline (2013/14)	Number of compliance enforcement actions (J534) was 64

Strategic objectives, performance indicators planned targets and actual achievements

CapeNature completed three Protected Area Management Plans which contributes not only to improved overall management effectiveness, but enhances the international status of these protected areas as part of the internationally-inscribed and recognised Cape Floral Region Protected Area World Heritage Site. Strategically, this achievement contributed significantly to achieving a METT score of 87% of the area in hectares of CapeNature-managed protected areas with a score above 67%. In addition, CapeNature participated in and assisted with the successful prosecution of a number of biodiversity crimes during the reporting period.

10. During the 2015/16 financial year, METT version 3 was introduced and a decrease in results was observed.

11. During the 2015/16 financial year, the measure changed from individual areas to reserve complexes. In the revised definition there are 13 Protected Area Management Plans in 2014/15.

Table 7: Strategic Objectives

Programme 3: Conservation Operations								
Strategic Objectives	Actual Achievement 2015/16	Actual Achievement 2016/17	Actual Achievement 2017/18	Actual Achievement 2018/19	Planned Target 2019/20	Actual Achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on deviations
Percentage of area of state managed protected areas assessed with a METT score above 67% Numerator = 621 796.69 ha Denominator = 834 981.97 ha	74%	N/A	94%	N/A	74%	87%	13%	The completion and approval of six Protected Area Management Plans during 2018-20 improved the 2019-20 METT-SA score significantly.



Table 8: Performance Indicators

Programme 3: Conservation Operations								
Performance Indicators	Actual Achievement 2015/16	Actual Achievement 2016/17	Actual Achievement 2017/18	Actual Achievement 2018/19	Planned Target 2019/20	Actual Achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on deviations
Number of criminal enforcement actions undertaken for non-compliance with environmental management legislation	89	105	143	138	80	120	+40	Target is demand-driven. More criminal events were encountered than anticipated.
Percentage of area of state managed protected areas assessed with a METT score above 67% Numerator = 621 796.69 ha Denominator = 834 981.97 ha	74%	N/A	94%	N/A	74%	87%	13%	The completion and approval of six Protected Area Management Plans during 2018-20 improved the 2019-20 METT-SA score significantly.
Number of protected area management plans approved in financial period	15	17	N/A	3	3	3	None	None

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: Conservation Operations

Programme/ activity/ objective	2019/20			2018/19		
	Budget	Expenditure	(Over)/ Under Expenditure	Budget	Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Conservation Operations	184 250	167 252	16 998	156 309	176 084	(19 775)
Total	184 250	167 252	16 998	156 309	176 084	(19 775)

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



3.4. Programme 4: Marketing and Eco-tourism: Access

Purpose: To develop and promote access to a diverse range of tourism products and contribute to revenue generation through a credible brand.

The programme consists of the following sub-programmes:

Sub-Programme 4.1: Marketing and Communication

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

Sub-Programme 4.2: Infrastructure Projects: Eco-tourism

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: People and Conservation

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

Strategic Objective 2.1	Increase tourism revenue
Objective Statement	Increase revenue generated by tourism to improve organisational sustainability.
Baseline (2014/15)	R19 733 502

Strategic Objective 2.2	Foster an organisational approach which promotes inclusivity and access for communities to our protected areas
Objective Statement	Communities derive benefits from the management of our unique natural and cultural heritage
Baseline (2014/15)	35

Strategic Objective 2.3	Promote access for sustainable utilisation, research and recreational purposes, environmental awareness as well as for cultural, spiritual and traditional purposes
Objective Statement	Communities access mandated areas to perform spiritual, traditional or cultural rituals or for recreational or educational purposes.
Baseline (2014/15)	159 064 visitors

Strategic Objective 3.1	Provide employment opportunities to communities
Objective Statement	Communities derive socio-economic benefits through employment opportunities
Baseline (2013/14)	Job opportunities created were 1 241 and 391 Full Time Equivalent

Strategic Objective 3.2	Provide business opportunities
Objective Statement	Communities derive socio-economic benefits through business opportunities
Baseline (2013/14)	54 Expanded Public Works Programme projects

Strategic objectives, performance indicators planned targets and actual achievements

CapeNature generated R42 151 371 through tourism revenue and surpassed its target of R37 975 943 by 11%. This achievement can be attributed to the successful implementation of the entity's marketing and promotional campaigns as well as the expansion of online product offerings that included camping and hiking. Additional upgrade projects were embarked upon that focussed on water-saving initiatives and drought mitigating measures during the period under review.

Table 10: Strategic Objectives

Programme 4: Marketing and Eco-tourism: Access								
Strategic Objectives	Actual Achievement 2015/16	Actual Achievement 2016/17	Actual Achievement 2017/18	Actual Achievement 2018/19	Planned Target 2019/20	Actual Achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on deviations
Percentage increase in tourism income generated (%). Denominator = R37 975 943.98	43%	63%	61.7%	18%	10%	17.55%	+7.55%	Pro-active marketing partnerships and promotional campaigns targeted at new and niche audiences.
Sub Programme 4.3 – People and Conservation								
Number of communities engaged to derive socio-economic benefit	75	70	64	81	60	65	+5	More work opportunities created, in conjunction with FTEs appointed, facilitated an increase in the number of communities engaged.

Table 11: Performance Indicators

Programme 4: Marketing and Eco-tourism: Access								
Performance Indicators	Actual Achievement 2015/16	Actual Achievement 2016/17	Actual Achievement 2017/18	Actual Achievement 2018/19	Planned Target 2019/20	Actual Achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on deviations
Percentage increase in tourism income generated (%). Denominator = R37 975 943.98	43%	63%	61.7%	18%	10%	21%	11%	Pro-active marketing partnerships and promotional campaigns targeted at new and niche audiences.
Number of new tourism products established (n)	1	1	N/A	N/A	1	1	None	None
Number of upgrades on existing tourism products (n)	8	6	8	8	6	10	+4	The over-achievement is due to required drought mitigation and visitor safety projects, amongst others.
The number of tourism promotional activities to promote access	N/A	N/A	N/A	12	11	11	None	None
Number of work opportunities created through environmental programmes	1 257	1 333	1 893	2 797	1 000	1 568	+568	The delivery against the Greater Cape Town Water Fund collaboration contributed to this over-achievement.
Number of SMMEs used in environmental programmes implemented	16	21	21	20	15	31	+16	The delivery against the Greater Cape Town Water Fund collaboration contributed to this over-achievement.

Programme 4: Marketing and Eco-tourism: Access								
Performance Indicators	Actual Achievement 2015/16	Actual Achievement 2016/17	Actual Achievement 2017/18	Actual Achievement 2018/19	Planned Target 2019/20	Actual Achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on deviations
Number of environmental awareness activities conducted	162	201	161	189	150	230	+80	Ad hoc requests received contributed to this over-achievement.
Number of environmental stakeholder capacity building interventions	100	91	80	93	80	98	+18	Ad hoc requests received contributed to this 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 12: Marketing and Eco-tourism: Access

Programme/ activity/ objective	2019/20			2018/19		
	Budget	Expenditure	(Over)/ Under Expenditure	Budget	Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Marketing and Communication	16 152	13 695	2 457	22 140	13 510	8 630
Infrastructure Projects: Eco-tourism	15 937	25 120	(9 183)	9 426	18 718	(9 292)
Total	32 089	38 815	(6 726)	31 566	32 228	662

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

4. REVENUE COLLECTION

Table 13: Revenue Collection

Programme/ activity/ objective	2019/20			2018/19		
	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	396 679	396 639	40	384 480	370 827	13 653
Total	396 679	396 639	40	384 480	370 827	13 653

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

4.1 Capital investment

- Anysberg Nature Reserve: Upgrade and refurbishment of existing swimming pool at Grand Canyon.
- Cederberg Wilderness: Algeria Camp – Installation of a rainwater harvesting system at the office precinct, accommodation units and the installation of an aqua-dam which can be used to assist with fire-fighting if required. Upgrading Garskraal and Rietdak accommodation facilities.
- Cederberg (Kliphuis): Upgrade of the existing solar system at staff accommodation units on the reserve.
- Cederberg Wilderness: Upgrade of the recreational area at the Algeria campsite and the accommodation units at the Boshberge.
- Installation of WiFi to 16 nature reserves to enhance visitor experiences – Head Office, De Mond, Stony Point, Kogelberg, Rocherpan, Lambert's Bay, Vrolijkheid, Grootvadersbosch, Anysberg, Goukamma, Tweede Tol, Marloth, Cederberg, Gamkaberg, De Hoop and Keurbooms River.
- Kogelberg Nature Reserve: The conversion of Palmiet Meeting venue into a 2-sleeper overnight accommodation facility. Completion of Phase 2 of the Kogelberg Development that included the development of eight new accommodation units and an eco-pool.
- Rocherpan Nature Reserve: Upgrading of internal road network that provides ease of access to the beach and lookout point to enhance visitor experiences.
- Various Nature Reserves – Upgrading and improvements to eight hiking trail upgrades across multiple nature reserves (Kogelberg, Hottentots Holland, Jonkershoek and Limietberg).
- Vrolijkheid Nature Reserve: Expansion of the recreational offering to include child friendly play area and an outdoor gym.



Photo: Scott Ramsay



Photo: Scott Ramsay



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, 1999 (Act No. 1 of 1999) as amended by Act No. 29 of 1999 (PFMA), 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

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	07 May 2019
Monthly Highlights for inclusion into report to Minister Bredell: May	10 June 2019
Monthly Highlights for inclusion into report to Minister Bredell: June	08 July 2019
Monthly Highlights for inclusion into report to Minister Bredell: July	07 August 2019
Monthly Highlights for inclusion into report to Minister Bredell: August	06 September 2019
Monthly Highlights for inclusion into report to Minister Bredell: September	04 October 2019
Monthly Highlights for inclusion into report to Minister Bredell: October	07 November 2019
Monthly Highlights for inclusion into report to Minister Bredell: November	06 December 2019
Monthly Highlights for inclusion into report to Minister Bredell: December	Included as part of January submission
Monthly Highlights for inclusion into report to Minister Bredell: January	03 February 2020
Monthly Highlights for inclusion into report to Minister Bredell: February	06 March 2020
Monthly Highlights for inclusion into report to Minister Bredell: March	07 April 2020

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:

- Risk Committee
- Audit Finance and ICT Committee
- HR and Remuneration Committee
- Conservation Committee
- Marketing and Eco-tourism 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

1. 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, Finance and ICT – 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. 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.
 - 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.
 - Marketing and Eco-Tourism – The Committee fulfils an oversight role with respect to matters pertaining to tourism and infrastructure development, marketing, communication, fundraising and partnerships.
 - Risk – 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.
- 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 14: Composition of the Board

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	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
Associate Professor Denver Hendricks	Chairperson	11 April 2016	10 April 2021	BSc; MSc; PhD	Medical Biochemistry; Natural Sciences; Conservation Management		Audit, Finance and ICT (Ex-Office); Marketing & Eco Tourism; Conservation	27
Professor Gavin Maneveldt	Vice Chairperson	1 March 2018	28 February 2023	BSc; BSc (Hons); MSc; PhD Botany; Field Guide Association of South Africa; FGASA Honorary SKS	Marine Biology		Conservation; Human Resource & Remuneration; Risk	19
Dr Colin Johnson	Member	11 April 2016	10 April 2021	MSc; PhD	Conservation Management; Natural Sciences		Conservation; Human Resource & Remuneration	14
Mervyn Burton	Member	15 June 2015	14 June 2020	CA (SA); BCompt (Hons)	Financial Management; Corporate		Audit, Finance and ICT; Marketing & Eco Tourism	18
Professor Aubrey Redlinghuis	Member	15 June 2015	14 June 2020	BA (Hons); MA; Doctorate in Geography	Education		Human Resource & Remuneration; Conservation	14
Paul Slack	Member	15 June 2015	14 June 2020	BCom (Hons) in Financial Management; CA (SA)	Corporate Governance and Risk		Audit, Finance & ICT; Risk	17
Marguerite Loubser	Member	1 March 2018	28 February 2023	BCom; Postgraduate Diploma in Tax; CA (SA) LLB; LLM	Tax and Environmental Law		Audit, Finance & ICT; Marketing & Eco Tourism; Risk	20

Table 15: Independent Audit, Finance and ICT Committee Members

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Director- ships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of meetings attended
Nirvani Dhevcharran	Independent member	1 January 2018	31 May 2021	BSc (Hons) Computer Science; MSc; MCSE	Technology		Audit, Finance & ICT	5
Burton Van Staaden	Independent member	1 January 2018	31 May 2021	BCom; BCompt; Postgraduate Certificate in Auditing; CA (SA)	Auditing		Audit, Finance & ICT	5
Zakariya Hoosain	Independent member	04 February 2020	11 February 2023	BCompt - Accounting Science; CA (SA)	Governance and Auditing		Audit, Finance & ICT	*0

* For the period under review, no Audit, Finance and ICT Committee meetings took place after the appointment of Mr Zakariya Hoosain in February 2020.

Table 16: Committees

Committee	No. of meetings held	No. of members	Name of members
Board	4	7	Associate Prof Hendricks Prof Maneveldt Dr Johnson Mr Burton Prof Redlinghuis Mr Slack Ms Loubser
Board Exco	4	7	Associate Prof Hendricks Prof Maneveldt Dr Johnson Mr Burton Mr Slack Ms Loubser
Conservation	4	4	Prof Maneveldt Prof Redlinghuis Dr Johnson Associate Prof Hendricks
Marketing & Eco-Tourism	4	3	Mr Burton Associate Prof Hendricks Ms Loubser
HR & Remuneration	4	3	Dr Johnson Prof Maneveldt Associate Prof Redlinghuis
Audit, Finance & ICT	4 plus 1 special meeting	4	Mr Slack Mr Burton Ms Loubser Associate Prof Hendricks (Ex-Officio)
Risk	4	4	Ms Loubser Mr Slack Mr Burton Prof Maneveldt

Table 17: Remuneration of board members

Name	Remuneration (Rands)	Other Allowances (Rands)	Other Re-imbursments (Rands)	Total (Rands)
Associate Professor Denver Hendricks	76 416.00	0	0	76 416.00
Professor Gavin Maneveldt	43 470.00	0	0	43 470.00
Dr Colin Johnson	33 735.00	14 006.80	623.00	48 364.80
Professor Aubrey Redlinghuis	32 013.00	1 234.62	0	33 247.62
Mervyn Burton	42 384.00	0	0	42 384.00
Marguerite Loubser	46 278.00	0	0	46 278.00
Paul Slack	41 298.00	0	0	41 298.00
TOTAL	315 594.00	15 241.42	623.00	331 458.42



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 where the setting and achievement of organisational strategic objectives are supported. This requirement is supported by assessing the effectiveness of risk management and internal control, the alignment of Information and Communication Technology (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 goals and objectives are being achieved. The risk management function is structurally placed in the Strategy Governance and Risk component and reports to the CEO. This ensures that the activities of the function is strategically driven and focused, and decision-making support are risk based.

Risk Management assurance is provided by the implementation of the approved Risk Management Policy. Board oversight of the risk management function is provided by the Risk Committee. Notwithstanding the role of the Risk Committee, the Audit Finance and ICT Committee continues 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 Committees' 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 is aligned to the organisational structure and incorporates all directorates. During the period under review, the entity continued to implement and support interventions contributing to water conservation in the Province. This was achieved through both direct and indirect means. Indirectly, through performing facilitatory and participatory roles with key stakeholders and directly, through implementing initiatives to reduce water consumption, demand and management, such as rainwater harvesting, waterless toilets and the installation of water management devices.

The risk of fire and alien infestation is mitigated through the implementation of the Integrated Catchment Management programme, which is fundamental to not only managing the alien infestation and fire risk but has a dual benefit in that if done effectively, it would improve the yield and quality of water into the 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.

The entity continues to manage and mitigate risk within the limitations of the available resources. In this regard, significant investment in technology infrastructure and innovation was made and is expected to realise efficiencies in order to reduce current budgetary pressures. This has placed additional focus on the need for greater strategic management of financial resources and the prudent spending thereof, ongoing strengthening of strategic partnerships, the identification of additional revenue streams and the diversification of these streams.

With the outbreak of the COVID-19 pandemic globally and the declaration of the National State of Disaster towards the end of the reporting period, the entity recognised the potential impact of the pandemic on its operations and had proactively planned towards the commencement of the National lockdown on 26 March 2020. It is anticipated that the pandemic will have a negative impact on the entity's operations and consequently its risk portfolio.

6. INTERNAL CONTROL UNIT

The work of the Internal Control Unit (ICU) is focused on further strengthening the internal control environment. This approach is aligned to the updated Committee of Sponsoring Organizations (COSO) Framework.

The Unit reported on a quarterly basis to both the Risk and Audit-Finance-and-ICT Board Committees. The matters reported on included the monitoring of audit findings and the action plans implemented by Management. The review and audit of key business areas is shared between ICU and Internal Audit in such a way to avoid duplication of effort and to ensure all audit areas are covered. By applying a combined assurance approach the entity is able to ensure adequate assurance is given to processes that effect the implementation of its biodiversity conservation mandate without reducing the focus on financial and compliance disciplines and non-financial areas such as predetermined objectives.

The ICU focused on areas of control activities, monitoring and compliance. This further ensured that the Unit was able to support Executive Management and the Board with their corporate governance responsibilities in ensuring an effective system of internal control and complying with the relevant laws and regulations.

Under control activities, the Unit continued to assist Management by reviewing or developing Standard Operating Procedures (SOPs) that were efficient and effective. These SOPs were designed to detect or prevent inconsistencies, ensuring that risks were mitigated and that the entity achieved its objectives. The Unit was able to draft or update the following SOPs:

- SMME Indicator Reporting
- PDO Reporting Infographic for Logistic Officers and Assistants
- Website Bookings Terms and Conditions
- Events and Filming
- Filming Infographics
- Contact Centre Business Rules
- Curio Shop; and
- ASANA Service Desk.

As part of monitoring key controls, the Unit performed reviews and verifications to ensure that the entity continued to maintain a sound system of internal control.

The following work was done in this regard:

- Review of assets, petty cash and use of GMT vehicles
- Review of PDO processes
- Review quarterly SCM Deviations
- Review of tenders at the request of the Bid Evaluation Committee
- Review of ICT Projects compliance to project methodology
- Verification of allowances in payroll and manual leave capturing
- Verification of PDO Quarter I Report
- Verification on the accuracy of the Annual Report
- Ad-hoc requests from Executive Management and the Board

In the area of compliance, the Unit was able to finalise phase one of compliance testing by reviewing the legislation listed in section 7.2 “Legislative Mandate” in Part A of the Annual Report. In line with the entity’s drive towards automating manual processes, Governance, Risk and Compliance (GRC) software was procured to enable the Unit to function more effectively and efficiently and to improve productivity.

7. INTERNAL AUDIT AND AUDIT COMMITTEES

Table 18: Composition of the Audit, Finance and ICT 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		1 March 2018	28 February 2023	5
Paul Slack	BCom (Hons) in Financial Management; CA (SA)	Board Member		15 June 2015	14 June 2020	5
Mervyn Burton	CA (SA); BCompt (Hons)	Board Member		15 June 2015	14 June 2020	5
Nirvani Dhevcharran	BSc (Hons) Computer Science; MSc; MCSE	Independent Member		1 January 2018	31 May 2021	5
Burton Van Staaden	BCom; BCompt; Postgraduate Certificate in Auditing; CA (SA)	Independent Member		1 January 2018	31 May 2021	5
Zakariya Hoosain	BCompt - Accounting Science; CA (SA)	Independent Member		04 February 2020	11 February 2023	0

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 (King IV), and has endeavoured to comply as far as practically possible with the principles and practices contained in King IV.

9. FRAUD AND CORRUPTION

CapeNature has developed a Fraud Prevention Policy, approved by the Board. CapeNature's approach to fraud prevention confirms its stance and support for a culture of zero tolerance in all of its forms and manifestations. The Policy recognises basic fraud prevention initiatives that are in place within CapeNature. Where concerns with the implementation of relevant processes are observed, Management communicated with staff to ensure staff are aware and advised on ways to mitigate these concerns.

Through the Fraud Prevention Policy, a mechanism is created through which employees are able to raise concerns responsibly and 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 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 for all investigative processes. 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 regarding 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. During the period under review, a training intervention on Fraud Prevention and Anti-Corruption were presented across the landscapes. The intervention was well received and the positive feedback from staff was noted.

During the reporting period no new fraud incidents were identified by or reported to the entity.

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 to 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:

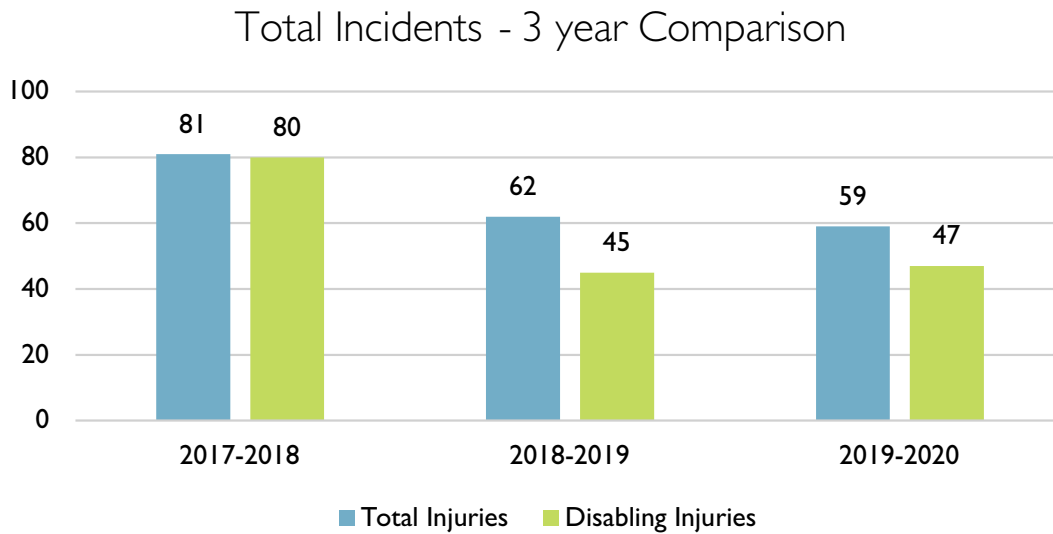
1. The Occupational Health and Safety Act, 1993 (Act No. 85 of 1993), as amended, achieved by providing a safe working environment for employees, contractors, volunteers, students and visitors to CapeNature worksites;
2. The Consumer Protection Act, 2008 (Act No. 68 of 2008) achieved by providing a safe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

An important measurement of the effectiveness of the health and safety initiatives is the occurrence of injuries and incidents in the workplace and the days lost as a result thereof.

During the period under review, 59 injuries occurred resulting in 47 disabling injuries (Figure 1). These injuries resulted in an average of 6.1 working days lost per injury. While there is a slight decrease in the total number of injuries from the previous year, there has been a significant decrease in the total number of working days lost from 299 in 2018/19 to 113 in 2019/20, because of a serious hand injury during 2018/19. All injuries are investigated to determine root causes and in order to identify remedial and improvement actions to prevent its re-occurrence.

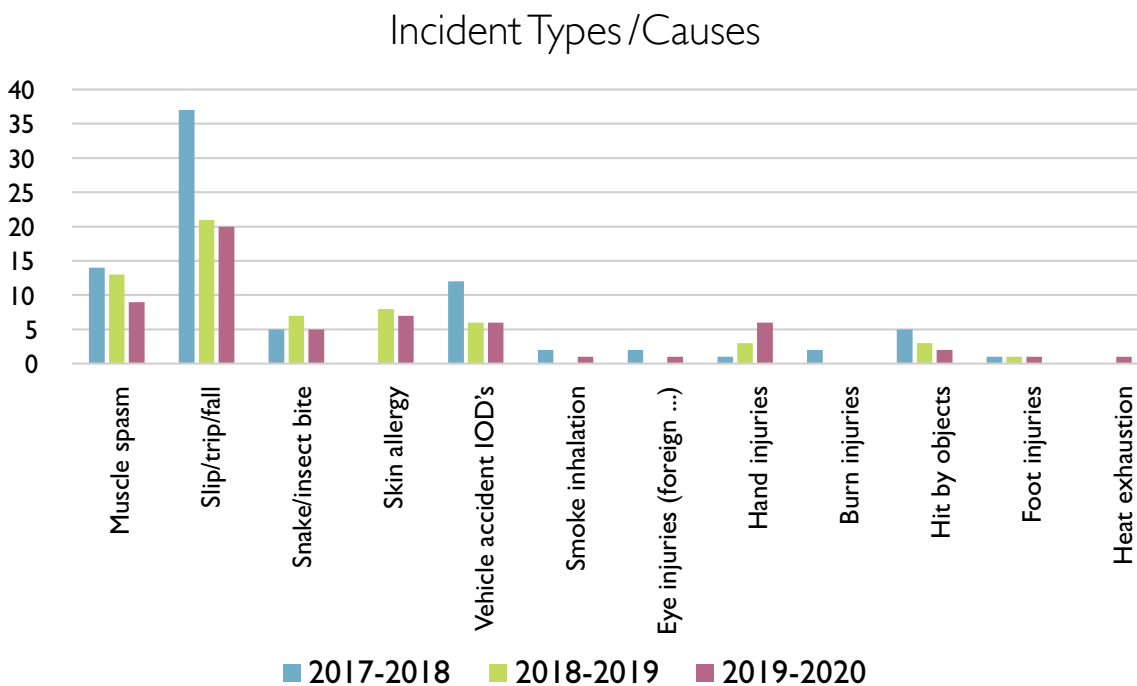


Figure 1: Total incidents reported during 2017-18, 2018-19 and 2019-20



With regard to types and causes of incidents during the reporting period, Figure 2 indicates that slip/trip and fall incidents happen most frequently. These incidents are primarily related to fire line operations, that is, they happen mostly whilst staff are either busy fighting fires, mopping up or walking to or from the fire-line. These incidents were mostly caused by stepping on loose rocks, into unseen holes and slipping on wet surfaces. Muscle spasm incidents are related to the manual handling or lifting of objects, and include back, leg and shoulder muscle injuries. The number of Motor Vehicle Accident (MVA) related Injuries on Duty (IODs) relates to the number of employees who were passengers in the vehicle at the time of the accident and not the number of accidents.

Figure 2: Types and causes of incidents during 2017-18, 2018-19 and 2019-20



During the reporting period, CapeNature continued with ongoing review and development of instructions and guidelines, regional support through dedicated capacity, incident investigation and monitoring, induction of new employees and ongoing awareness and training, implementation of best practice measures through the tracking and monitoring of the Disabling Injury Frequency Rate (DIFR), interventions in terms of contractor appointment, and Management support and advice related to compliance to occupational health and safety legislation.

During the reporting period, training was provided on Safety Representation, First Aid, Fire Marshalling, Incident Investigation, Risk Assessment and Emergency Coordination.

13. COMPANY /BOARD SECRETARY

N/A

14. SOCIAL RESPONSIBILITY

The entity promotes social responsibility among staff as a way to engage with communities in which they function. Some of the initiatives for the period under review are listed below:

- Matric Wild Nights Out – Rim of Africa Trust, a non-profit organisation that manages a funded programme for matric students in partnership with CapeNature, provides school leavers, at a pivotal and transitional time in their lives, with space for deep questioning and time to experience the wonder of nature. Matrics start the application process for this wilderness immersion programme by writing a motivational letter. Sixteen scholarships to the value of R126 528 were made available and allowed these young people to go to the Cederberg Mountains after their final exams were written - walking into the unknown of the mountains for a week, an apt metaphor for this next stage of their lives - and go through a journey where they connect to themselves, to others, and to nature in a transformative and inspiring way. Wild Nights Out, as a programme, builds confidence and self-reliance, forges an environmental relationship and social relationships that re-inform participants' environmental values, their sense of self, personal direction in life, and their views of the wider world they are about to enter as emerging young adults. These constructive values are taken out into society and ripple out to create positive change.
- In early 2019, the small town of Wupperthal, was ravaged by a devastating fire. Residents suffered terrible personal losses with more than 50 homes completely destroyed, leaving 200 people destitute. Cultural assets and businesses, left in ruins after the fire, sustained more than R20 million in damages.

The immense loss suffered by the Wupperthal community laid heavy on the heart of experienced trail runner, Pieter Holtzhausen. He embarked on a mission to raise funds and public awareness for the rebuild of this historic town. Pieter ran from Stellenbosch to Wupperthal over eight days with a target to raise R50 000.

CapeNature came on board as a partner and zero-rated all the access permits required for the journey and also provided media and social media support. Members of the public were able to follow his journey, with tracking and real-time GPS updates and they responded generously, contributing just over R100 000 in total, more than double the original target. The final breakdown was as follows: R100 439.86 raised in total, of which R92 479.44 was from local sources and R7 960.42 from international sources.

GOVERNANCE

- During Mandela Month 2019, in a collaboration between CapeNature and The Big Issue, the CapeNature Executive Management team, along with Board Members, participated in the inaugural The Big Issue Fundraising Gala Dinner. The Big Issue is a non-profit organisation that enables willing, unemployed and marginalised adults to take responsibility through developmental employment and social upliftment programmes. CapeNature sponsored a two-night getaway for a family of four. This offer was one of the items auctioned at the event, which was aimed at raising funds for charity.



15. AUDIT, FINANCE AND ICT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2020.

Audit Committee Responsibility

The Audit Finance and ICT Committee reports that it has complied with its responsibilities arising from the Public Finance Management Act 1999 (Act 1 of 1999) and Treasury Regulation 3.1.13. The Audit Finance and ICT Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except that 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, 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:

- Alternative revenue streams
- Follow up of the prior year reviews and audit matrix
- Predetermined objectives review
- Supply chain management review

The following was an area of concern:

- Inadequate user rights access

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:

- 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 item raised by internal and external auditors as well as the Internal Control Unit, no matter how small. These matters stay on the audit matrix until management resolves them. Removal of an item 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, Finance and ICT Committee
CapeNature
October 2020



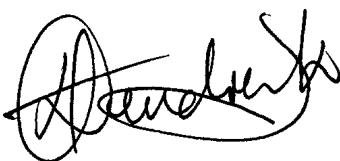
16. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

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

Name of Sphere of Government / Public Entity / Organ of State:	Western Cape Nature Conservation Board trading as CapeNature
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

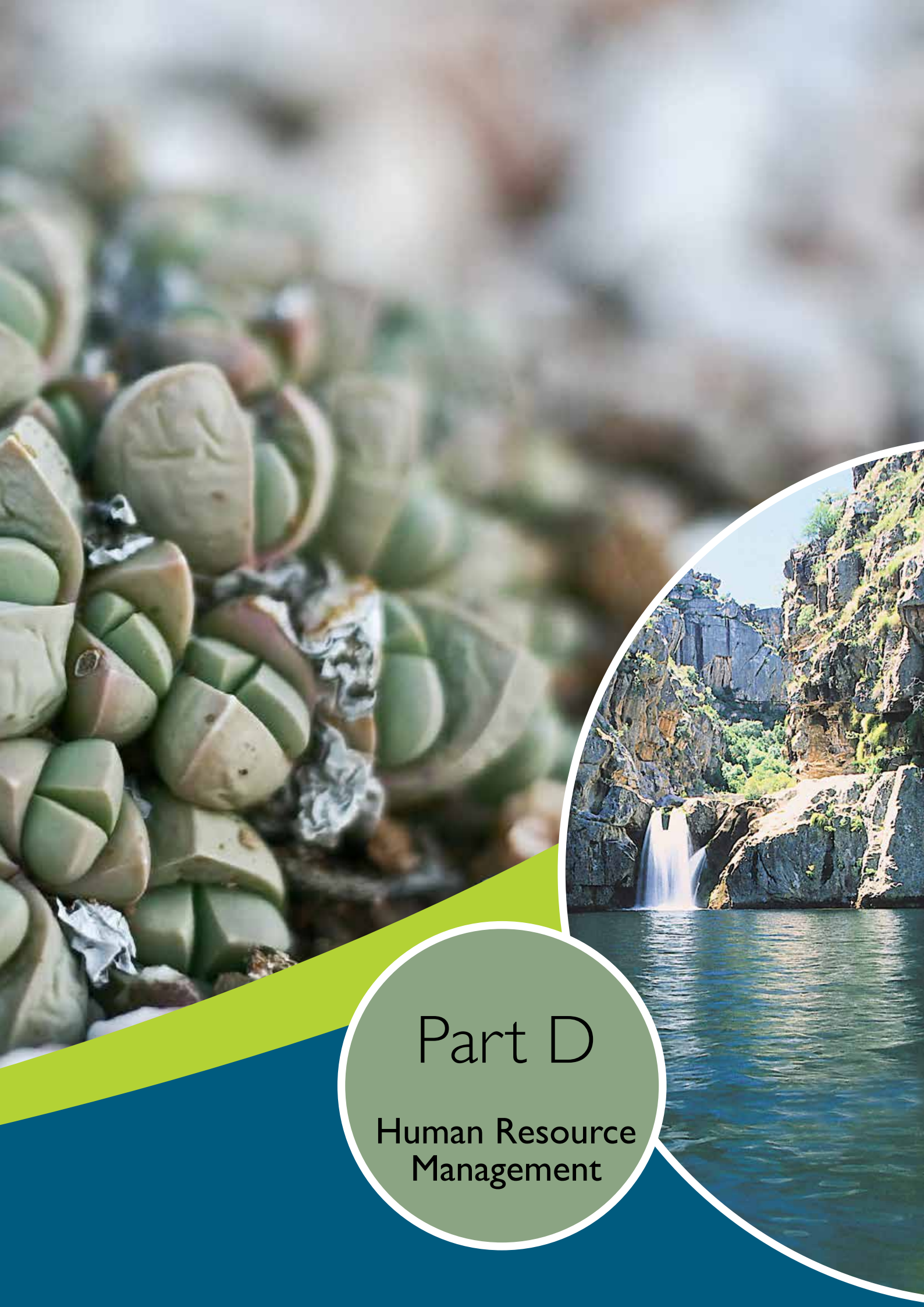
Application of Code of Good Practice (B-BBEE Certificate Levels 1 – 8):		
Criteria		Attachment
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law	No	If Yes, please attach Qualification Criteria as well 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 (For the purposes of the Annual Report the afore-mentioned documents have not been included)
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
October 2020





Part D

Human Resource
Management

I. INTRODUCTION

A critical part of any entity is its personnel. Without their contribution of skills, action and commitment, the entity cannot achieve its aims and objectives. Thus, the component responsible for managing these human resources – including training and development, recruitment and selection, fair and transparent employee relations, and consistent performance management - plays a crucial role in the entity. This is no less the case for CapeNature.

During the year under review, the Human Resource component continued to engage in the myriad of activities for which it is responsible. A significant achievement was the implementation of an online recruitment system. This has streamlined the process of recruitment, making the appointment of staff speedier and more efficient.

The other major highlight of the year was the finalisation of the redesign of CapeNature.

This was the culmination of a lengthy process to shift the focus of CapeNature to a landscape approach in which each identified landscape is able to operate effectively on all levels. A commitment to retaining as many of our existing staff as possible, by providing them with the tools needed to adapt to the new approach, was achieved through training and support.

Of the 59 appointments made during the year, 92% were Historically Disadvantaged Individuals (HDIs). EPWP related work opportunities amounted to 528, while 12 Work Integrated Learning (WIL) students were placed. In addition, nine Graduate Interns were appointed. The entity provided opportunities for 24 bursars during the period under review, 11 of whom completed their studies. The studies ranged from conservation management, tourism, public administration as well as business management. These studies were completed through Cape Peninsula University of Technology (CPUT), University of South Africa (UNISA) and Nelson Mandela University (NMU), amongst others.



2. HUMAN RESOURCE OVERSIGHT STATISTICS

Table 19: Personnel Cost by programme

Programme	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel exp. as a % of total exp. (R'000)	No. of employees	Average personnel cost per employee (R'000)
Administration and Governance	134 675	101 055	75%	114	886
Biodiversity Capabilities	37 187	23 356	63%	40	584
Conservation Operations	167 252	84 152	50%	800	105
Marketing and Eco-Tourism: Access	38 815	13 059	34%	49	267
Total	377 929	221 622	59%	*1003	**221

- * The number of employees reflected in the Annual Financial Statements differ from the number reported above. The number of employees reported in the Annual Financial Statements include amounts received by members of the CapeNature Board, previous employees who were transferred from the Western Cape Department of Environmental Affairs and Development Planning entitled to post-retirement medical aid benefits and terminations during the March 2020.
- ** This figure calculates the average personnel cost per employee and is determined by dividing the personnel cost (221 622) with the number of employees (1003).

Table 20: Personnel Fixed 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	7 819	4%	6	1 303
Senior Management 11 – 12	30 605	14%	35	874
Professional qualified 9 – 10	52 880	24%	74	715
Skilled 6 – 8	52 396	24%	121	433
Semi-skilled 3 – 5	45 993	20%	206	223
Unskilled 1 – 2	31 930	13%	561	57
Total	221 622	100%	1003	*221

* This figure calculates the average personnel cost per employee and is determined by dividing the personnel cost (221 622) with the number of employees (1003).

Performance Rewards

N/A

Table 21: Training Costs

Programme	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost	No. of employees trained	Average training cost per employee (R'000)
Programme 1: Administration and Governance	101 055	3 119	3%	48	65
Programme 2: Biodiversity Capabilities	23 356	713	3%	27	26
Programme 3: Conservation Operations	84 152	1 508	2%	590	3
Programme 4: Marketing and Eco-Tourism: Access	13 059	683	5%	46	15
Total	221 622	6 023	3%	711	8

Table 22: Employment and vacancies per programme

Programme	2018/2019 No. of Employees	2019/2020 Approved Posts	2019/2020 No. of Employees	2019/2020 Vacancies	% of Vacancies
Programme 1: Administration and Governance	605	24	114	24	21%
Programme 2: Biodiversity Capabilities	39	9	40	25	63%
Programme 3: Conservation Operations	310	612	800	11	1%
Programme 4: Marketing and Eco-Tourism: Access	36	5	49	11	22%
Total	990	*650	1003	71	7%

* The figure reflected under Approved Posts is the total number of posts approved and filled during the financial year.

Table 23: Employment and vacancies per salary band

Salary Band	2018/2019 No. of Employees	2019/2020 Approved Posts	2019/2020 No. of Employees	2019/2020 Vacancies	% of Vacancies
Top Management 13 +	4	1	5	2	40%
Senior Management 11 – 12	32	4	35	3	9%
Professional qualified 9 – 10	89	5	74	28	38%
Skilled 6 – 8	126	11	121	22	18%
Semi-skilled 3 – 5	209	20	206	16	8%
Unskilled 1 – 2	530	609	562	0	0%
Total	990	*650	1003	71	7%

* The figure reflected under Approved Posts is the total number of posts approved and filled during the financial year.

Table 24: Employment changes

Salary Band	Employment at beginning of period 01/04/2019	Appointments	Terminations	Employment at end of the period
Top Management 13 +	4	1	0	5
Senior Management 11 – 12	32	4	4	35
Professional qualified 9 – 10	89	5	14	74
Skilled 6 – 8	126	11	20	121
Semi-skilled 3 – 5	209	20	21	206
Unskilled 1 – 2	530	609	154	562
Total	990	650	213	1 003

Table 25: Reasons for staff leaving

Reason	Number	% of total No. of staff leaving
Death	2	0,9%
Resignation	90	42,3%
Dismissal	6	2,8%
Retirement	5	2,3%
Ill health	2	0,9%
Expiry of contract	84	39,4%
Other (Absconded)	20	9,4%
Retrenchment	4	1,9%
Total	213	100%

Table 26: Labour Relations: Disciplinary actions taken

Nature of disciplinary action	Number
Verbal Warning	45
Written Warning	39
Final Written warning	15
Dismissal	11

Table 27: 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	0	1	2	1	0	1	1
Senior Management	5	5	7	10	1	0	13	13
Professional qualified	5	8	9	15	0	0	21	31
Skilled	14	18	30	31	2	2	6	8
Semi-skilled	20	17	101	97	2	1	4	7
Unskilled	81	66	170	213	1	0	2	5
Total	125	114	318	368	7	3	47	65

Salary Band	Female							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	1	1	1	0	0	1	1
Senior Management	0	5	2	4	2	1	5	4
Professional qualified	5	6	14	13	2	2	18	24
Skilled	19	20	31	13	2	2	17	24
Semi-skilled	20	17	47	47	1	0	11	17
Unskilled	134	72	174	115	0	0	0	4
Total	178	121	269	193	7	5	52	74

Salary Band	Disabled staff			
	Male		Female	
	Current	Target	Current	Target
Top Management	0	1	1	1
Senior Management	0	5	2	4
Professional qualified	5	6	14	13
Skilled	19	20	31	13
Semi-skilled	20	17	47	47
Unskilled	134	72	174	115
Total	178	121	269	193



Photos: Scott Ramsay



Part E
Financial
Information

I. REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL PARLIAMENT ON THE 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 96 to 135, which comprise the statement of financial position as at 31 March 2020, statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget information with actual information for the year then ended, as well as the 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 2020, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 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 this auditor's report.
4. I am independent of the entity in accordance with sections 290 and 291 of the Code of ethics for professional accountants and parts 1 and 3 of the International code of ethics for professional accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA codes) as well as the 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 codes.
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 28 to the financial statements, the corresponding figures for 31 March 2019 have been restated as a result of errors discovered during the 2019-20 financial year in the financial statements of the entity at, and for the year ended, 31 March 2020.

Significant uncertainties

8. With reference to note 25 to the financial statements, the entity is the defendant in fire-damage claims and also have other potential claims in progress. The ultimate outcome of these matters cannot presently be 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 board, which constitutes the accounting authority, is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of 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 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 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 of South Africa, 2004 (Act No. 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 selected programmes 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 approved performance planning documents of the entity. I have not evaluated the completeness and appropriateness of the performance indicators / measures included in the planning documents. My procedures do not examine whether the actions taken by the entity enabled service delivery. My procedures also do not extend to any disclosures or assertions relating to 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 programmes presented in the annual performance report of the entity for the year ended 31 March 2020:

Programmes	Pages in the annual performance report
Programme 2: biodiversity capabilities	42 - 44
Programme 3: conservation operations	45 - 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 these programmes:
- Programme 2: biodiversity capabilities
 - Programme 3: conservation operations

Other matter

18. I draw attention to the matter below.

Achievement of planned targets

19. Refer to the annual performance report on pages 43 - 44 and 46 - 47 for information on the achievement of planned targets for the year.

Report on the audit of compliance with legislation

Introduction and scope

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

22. 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, the 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 those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.
23. 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 thereon.
24. 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 programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
25. I have nothing to report in this regard.

Internal control deficiencies

26. 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. I did not identify any significant deficiencies in internal control.

Auditor General

Cape Town
30 September 2020



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 selected programmes and on the 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 entity’s internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors, which constitutes the accounting authority
 - conclude on the appropriateness of the use of the going concern basis of accounting by the board, which constitutes the accounting authority, 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 entity 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 an 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 confirm to the accounting authority that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Western Cape Nature Conservation Board
Trading as CapeNature
Annual Financial Statements for the year ended 31 March 2020

Accounting Authority's Responsibilities and Approval

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

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

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

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

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

The Board has reviewed the entity's budget forecast for the year from 01 April 2020 to 31 March 2021 and, in the light of this review, the current financial position and considering the impact of COVID-19 on our own revenue generation, it is satisfied that the entity has access to adequate resources to continue in operational existence for the foreseeable future.

The annual financial statements are prepared on the basis that the entity is a going concern.



Associate Professor Denver Hendricks
Chairperson of the Western Cape Nature
Conservation Board
CapeNature
October 2020

Western Cape Nature Conservation Board
Trading as CapeNature
Annual Financial Statements for the year ended 31 March 2020

Statement of Financial Position as at 31 March 2020

Figures in Rand	Note(s)	2020	2019 Restated*
Assets			
Current Assets			
Cash and cash equivalents	4	168 835 776	169 294 458
Inventories	5	1 644 806	1 535 121
Trade and other receivables from exchange transactions	6	5 218 475	5 627 292
Trade and other receivables from non-exchange transactions	6	1 629 871	1 583 648
		177 328 928	178 040 519
Non-Current Assets			
Intangible assets	7	4 997 899	4 475 726
Property, plant and equipment	8	170 873 277	152 618 527
		175 871 176	157 094 253
Total Assets		353 200 104	335 134 772
Liabilities			
Current Liabilities			
Finance lease obligations	9	5 063 363	8 497 293
Short term employee benefits	10.1	12 786 337	13 580 745
Trade and other payables from exchange transactions	10.2	33 859 902	35 265 522
Trade and other payables from non-exchange transactions	10.3	969 644	353 769
Unspent conditional grants and receipts	11	7 141 193	3 338 203
		59 820 439	61 035 532
Non-Current Liabilities			
Employee benefit obligation	12	4 387 000	5 299 365
Finance lease obligations	9	29 582 395	29 821 670
Trade and other payables from non-exchange transactions	10.3	524 873	1 495 168
Unspent conditional grants and receipts	11	35 881 254	34 012 075
		70 375 522	70 628 278
Total Liabilities		130 195 961	131 663 810
Net Assets		223 004 143	203 470 962
Accumulated surplus			
Accumulated surplus		152 924 643	119 169 571
Project reserve	13	54 356 709	68 578 600
Revaluation reserve	14	15 722 791	15 722 791
Total Net Assets		223 004 143	203 470 962

Western Cape Nature Conservation Board
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Annual Financial Statements for the year ended 31 March 2020

Statement of Financial Performance

Figures in Rand	Note(s)	2020	2019 Restated*
Revenue			
Revenue from exchange transactions			
Interest received	15	10 541 141	11 343 163
Licences and permits		3 584 451	3 706 592
Other income	16	4 379 159	3 682 804
Eco-tourism	17	42 151 371	43 758 713
Total revenue from exchange transactions		60 656 122	62 491 272
Revenue from non-exchange transactions			
Transfer revenue			
Fines		2 742 550	720 423
Grants, donations and project funds	18	16 089 231	14 553 252
Monetary government grants received	19	314 474 000	290 531 000
Services in kind - office accommodation		2 676 608	2 531 458
Total revenue from non-exchange transactions		335 982 389	308 336 133
Total revenue		396 638 511	370 827 405
Expenditure			
Administrative expenses		(19 070 072)	(18 565 430)
Debt impairment movement		(1 276 918)	(301 386)
Depreciation and amortisation		(20 330 142)	(18 274 624)
Employee related costs	20	(221 622 012)	(217 307 275)
Finance costs	21	(12 108 967)	(11 999 614)
Firefighting aircraft hire		(5 335 364)	(6 808 017)
Information, communication and technology (ICT) costs		(16 963 164)	(14 897 648)
Impairment on property, plant and equipment		(292 959)	(194 628)
Professional and other services		(30 365 928)	(35 243 896)
Repairs and maintenance	8	(5 552 631)	(3 609 568)
Stores	5.1	(17 128 957)	(13 358 062)
Training		(6 021 661)	(5 549 556)
Transport and travel		(21 859 793)	(23 826 203)
Total expenditure		(377 928 568)	(369 935 907)
Operating surplus		18 709 943	891 498
(Loss)/Gain on disposal of property, plant and equipment		823 238	589 259
Gain on foreign exchange		-	77
		823 238	589 336
Surplus for the year		19 533 181	1 480 834

Western Cape Nature Conservation Board
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Annual Financial Statements for the year ended 31 March 2020

Statement of Changes in Net Assets

Figures in Rand	Revaluation reserve	Project reserve	Total reserves	Accumulated surplus	Total net assets
Opening balance as previously reported	15 834 068	46 685 884	62 519 952	140 180 414	202 700 366
Adjustments					
Prior year adjustments	-	-	-	598 961	598 961
Restated* Balance at 01 April 2018	15 834 068	46 685 884	62 519 952	140 779 375	203 299 327
Changes in net assets					
Revaluation of Land and Buildings	(111 277)	-	(111 277)	-	(111 277)
Transfers in	-	30 740 387	30 740 387	(30 740 387)	-
Transfers out	-	(8 847 671)	(8 847 671)	8 847 671	-
Net income (losses) recognised directly in net assets	(111 277)	21 892 716	21 781 439	(21 892 716)	(111 277)
Surplus for the year	-	-	-	1 480 834	1 480 834
Total recognised revenue and expenditure for the year	(111 277)	21 892 716	21 781 439	(20 411 882)	1 369 557
Total changes	(111 277)	21 892 716	21 781 439	(20 411 882)	1 369 557
Opening balance as previously reported	15 722 791	68 578 600	84 301 391	118 903 058	203 204 449
Adjustments					
Prior year adjustments	-	-	-	266 513	266 513
Restated* Balance at 01 April 2019	15 722 791	68 578 600	84 301 391	119 169 571	203 470 962
Changes in net assets					
Surplus for the year	-	-	-	19 533 181	19 533 181
Transfers out	-	(14 221 891)	(14 221 891)	14 221 891	-
Total changes	-	(14 221 891)	(14 221 891)	33 755 072	19 533 181
Balance at 31 March 2020	15 722 791	54 356 709	70 079 500	152 924 643	223 004 143
Note(s)	14	13			

Western Cape Nature Conservation Board
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Cash Flow Statement

Figures in Rand	Note(s)	2020	2019 Restated*
Cash flows from operating activities			
Receipts			
Grants, project funds and tourism revenue		389 455 522	359 495 740
Interest income		10 541 141	11 343 163
		399 996 663	370 838 903
Payments			
Employee costs		(223 328 786)	(215 309 398)
Suppliers		(125 444 208)	(118 948 440)
Finance costs		(12 108 967)	(11 999 614)
		(360 881 961)	(346 257 452)
Net cash flows from operating activities	22	39 114 702	24 581 451
Cash flows from investing activities			
Purchase of property, plant and equipment	8	(34 691 111)	(28 325 434)
Proceeds from sale of property, plant and equipment	8	1 357 719	2 539 032
Transfers property, plant and equipment		(331 359)	-
Purchase of other intangible assets	7	(2 235 428)	(103 224)
Proceeds from sale of other intangible assets	7	-	4
Net cash flows from investing activities		(35 900 179)	(25 889 622)
Cash flows from financing activities			
Finance lease (payments)/receipts		(3 673 205)	(559 593)
Net increase/ (decrease) in cash and cash equivalents		(458 682)	(1 867 764)
Cash and cash equivalents at the beginning of the year		169 294 458	171 162 222
Cash and cash equivalents at the end of the year	4	168 835 776	169 294 458

Western Cape Nature Conservation Board
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Annual Financial Statements for the year ended 31 March 2020

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Performance						
Revenue						
Non-tax Revenue						
Sale of goods and services other than capital assets	46 484 000	-	46 484 000	43 678 075	(2 805 925)	
Entity revenue other than sales	2 006 000	-	2 006 000	17 662 850	15 656 850	34
Departmental transfers	314 474 000	-	314 474 000	314 474 000	-	
Other transfers	33 715 000	-	33 715 000	21 505 130	(12 209 870)	34
Total revenue	396 679 000	-	396 679 000	397 320 055	641 055	
Expenses						
Compensation of employees	(231 766 000)	-	(231 766 000)	(223 328 786)	8 437 214	34
Use of goods and services	(125 851 000)	-	(125 851 000)	(133 813 733)	(7 962 733)	34
Payment for capital assets	(39 062 000)	-	(39 062 000)	(33 223 571)	5 838 429	34
Total expenditure	(396 679 000)	-	(396 679 000)	(390 366 090)	6 312 910	
Surplus for the year	-	-	-	6 953 965	6 953 965	
Reconciliation						
Basis difference						
Depreciation and amortisation				(20 330 142)		
Services in kind				2 676 608		
Capital assets				36 430 460		
Working capital changes				(6 197 710)		
Actual amount in the Statement of Financial Performance				19 533 181		

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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, except for the changes set out in note 29 Prior-year adjustments: Changes in accounting policy.

I.1 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.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 includes the following:

Impairment of trade receivables

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

Post-retirement benefits

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

I.3 Biological assets

The entity shall recognise biological assets as an asset if, and only if:

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

I.4 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.

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Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses except for land which is carried at revalued amount being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated 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.

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.

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

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in surplus or deficit in the current period.

The decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

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

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

Property, plant and equipment in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees, direct materials, labour and overhead expenses. Interest costs on borrowings to finance the construction of infrastructure are capitalised during the period of time that is required to complete and prepare the infrastructure for its intended use, and form part of the cost of the asset.

Included in buildings and infrastructure are accommodation units. This is classified as buildings as it is used in the supply of services to customers.

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

Item	Average useful life
Land	Indefinite
Buildings	50 years
Plant and machinery	2-6 years
Furniture and fixtures	2-15 years
Motor vehicles and boats	4-6 years
IT equipment	2-5 years
Leasehold improvements	6-50 years
Motor vehicles under finance leases	4-10 years
Infrastructure development	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

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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.

1.5 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance.

An intangible asset is identifiable if it is either:

- 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.

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	Average useful life
Computer software, other	2-10 years
Services in kind - office accommodation	1 year

1.6 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.

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

Recognition

The entity recognises a heritage asset as an asset if, and only 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.

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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).

1.7 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.

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:

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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 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:

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- 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.

1.8 Taxation

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).

1.9 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 on the remaining balance of the liability.

1.10 Inventories

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

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

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

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

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

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

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

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

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

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

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

Confiscated ivory stock is safeguarded by the Board.

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1.11 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.

1.12 Provisions, 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 25.

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.

1.13 Revenue from exchange transactions

Revenue is the gross inflow 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.

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

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

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

1.14 Revenue from non-exchange transactions

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

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

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

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.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset, when, and only when:

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

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.

Services in-kind

Except for financial guarantee contracts, the entity recognise services in-kind that are significant to its operations and/or service delivery objectives as assets and recognise the related 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.

Where services in-kind are not significant to the entity's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the entity disclose the nature and type of services in-kind received during the reporting period.

1.15 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.

1.16 Comparative figures

Where necessary, comparative figures have been restated to conform to changes in presentation in the current year and as a result of corrections made.

1.17 Fruitless and wasteful expenditure

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

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

1.18 Irregular, Fruitless and wasteful 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.

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

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

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subsequently accounted for as revenue in the statement of financial performance.

1.19 Budget information

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

The annual financial statements and the budget are not on the same basis of accounting therefore a reconciliation between the statement of financial performance and the budget have been included in the annual financial statements.

The approved budget covers the fiscal period from 01 April 2019 to 31 March 2020.

Comparative information is not required.

1.20 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 considered to be those family members who may be expected to influence, or be influenced by, management in their dealings with the entity.

The entity has already applied the principles of GRAP 20.

1.21 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.

1.22 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 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.

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Notes to the Annual Financial Statements

2. NEW STANDARDS AND INTERPRETATIONS

2.1 Standards and interpretations issued, but not yet effective

GRAP 34 Separate Financial Statements

The objective of this Standard is to prescribe the accounting and disclosure requirements for investments in controlled entities, joint ventures and associates when an entity prepares separate financial statements.

GRAP 35 Consolidated Financial Statements

The objective of this Standard is to establish principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities.

GRAP 36 Investments in Associates and Joint Ventures

The objective of this Standard is to prescribe the accounting for investments in associates and joint ventures and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.

GRAP 37 Joint Arrangements

The objective of this Standard is to establish principles for financial reporting by entities that have an interest in arrangements that are controlled jointly (i.e. joint arrangements).

GRAP 38 Disclosure of Interests in Other Entities

The objective of this Standard is to require an entity to disclose information that enables users of its financial statements to evaluate:

- (a) The nature of, and risks associated with, its interests in controlled entities, unconsolidated controlled entities, joint arrangements and associates, and structured entities that are not consolidated; and
- (b) The effects of those interests on its financial position, financial performance and cash flows.

GRAP 110 Living and Non-living Resources

The objective of this Standard is to prescribe the:

- Recognition, measurement, presentation and disclosure requirements for living resources; and
- Disclosure requirements for non-living resources.

3. BIOLOGICAL ASSETS

Non-financial information

CapeNature's biological assets include wildlife, fauna and flora and are not recognised in the statement of financial position.

Fair value cannot be attached to these assets as they constantly change as dictated by natural processes like climate, fire, disease, predation, etc. which impacts directly on the rate of population growth and mortality. Some animal species also migrate from and to nature reserves (insects, birds, reptiles and even game species which escape) and therefore the entity does not have any control over these biological assets.

CapeNature's statutory responsibility is the conservation of the Western Cape's biodiversity, hence the holding of such assets. The biological assets are not recognised in the statement of financial position, as the value or cost of the assets cannot be measured reliably and the entity does not have control over these assets.

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4. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents consist of:		
Cash on hand	211 010	211 010
Bank balances	168 624 766	169 083 448
	168 835 776	169 294 458
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-	168 624 766	169 083 448
5. INVENTORIES		
Uniforms, rations and other consumables	693 718	909 902
Fuel	270 596	193 153
Chemical Stores	680 492	432 066
	1 644 806	1 535 121
5.1 Additional Information		
Inventories recognised as an expense during the year	9 421 681	7 597 204
Other stores	7 707 276	5 760 858
	17 128 957	13 358 062
Other stores consists mainly of IT consumables, accommodation and cleaning equipment and small machinery tools.		
5.2 Non-financial information		
Ivory and other confiscated stocks are not capitalised as there is no legal trading market.		

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6. TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS		
Trade debtors from exchange transactions	1 490 300	2 963 890
Other receivables from exchange transactions	3 728 175	2 663 402
Trade and other receivables from exchange transactions	5 218 475	5 627 292
Trade debtors from non-exchange transactions	1 629 871	1 583 648
	1 629 871	1 583 648
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	3 865 692	4 346 620
30 days	654 079	89 838
60 days	45 428	543 986
90 days plus	3 143 579	1 860 232
Subtotal	7 708 777	6 840 676
Allowance for impairment of trade and other receivables	(2 490 302)	(1 213 384)
Trade and other receivables from exchange transactions	5 218 475	5 627 292
Current	1 629 871	1 583 648
Trade and other receivables from non-exchange transactions	1 629 871	1 583 648
Subtotal from exchange transactions	7 708 777	6 840 676
Trade and other receivables from non-exchange transactions	1 629 871	1 583 648
Allowance for impairment of trade and other receivables	(2 490 302)	(1 213 384)
	6 848 346	7 210 940
Reconciliation of allowance for impairment of trade and other receivables		
Opening Balance	(1 213 384)	(952 574)
(Increase) in allowance recognised in surplus for impairment	(1 276 918)	(301 386)
Amount written off as uncollectible	-	40 576
Closing Balance	(2 490 302)	(1 213 384)

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7. INTANGIBLE ASSETS

	2020			2019		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	16 659 863	(11 661 964)	4 997 899	14 424 435	(9 948 709)	4 475 726
Services in kind – office accommodation	2 676 608	(2 676 608)	-	2 531 458	(2 531 458)	-
Total	19 336 471	(14 338 572)	4 997 899	16 955 893	(12 480 167)	4 475 726

Reconciliation of intangible assets - 2020

	Opening balance	Additions	Amortisation	Total
Computer software	4 475 726	2 235 428	(1 713 255)	4 997 899
Services in kind - office accommodation	-	2 676 608	(2 676 608)	-
	4 475 726	4 912 036	(4 389 863)	4 997 899

Reconciliation of intangible assets - 2019

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software	5 926 367	103 224	(4)	(1 553 861)	4 475 726
Services in kind - office accommodation	-	2 531 458	-	(2 531 458)	-
	5 926 367	2 634 682	(4)	(4 085 319)	4 475 726

Services 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 1 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 from 01 April 2019 to 30 November 2019 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.

CapeNature has the right to use the property from 01 December 2019 at 42 Courtenay Street, Bo Dorp, George, 6529(Erf 8685 George) for regional operations, which is leased by The Department of Transport and Public Works.

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8. PROPERTY, PLANT AND EQUIPMENT

	2020		2019		Carrying value	
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation		Accumulated depreciation and accumulated impairment
Land	5 800 000	-	5 800 000	5 800 000	5 800 000	
Buildings	13 604 120	(2 590 887)	11 013 233	13 481 235	(2 303 231)	11 178 004
Plant and machinery	10 648 042	(4 938 289)	5 709 753	8 642 215	(3 728 697)	4 913 518
Furniture and fixtures	74 759 807	(38 456 178)	36 303 629	70 393 268	(32 470 185)	37 923 083
Motor vehicles	9 418 910	(7 231 365)	2 187 545	8 443 733	(6 322 520)	2 121 213
IT equipment	25 179 268	(18 041 671)	7 137 597	20 432 950	(15 080 654)	5 352 296
Leasehold improvements	27 365 039	(3 406 375)	23 958 664	26 795 927	(2 534 220)	24 261 707
Capital assets under construction	29 326 354	-	29 326 354	8 357 825	-	8 357 825
Motor vehicles under finance leases	43 035 811	(13 059 882)	29 975 929	44 282 253	(11 497 711)	32 784 542
Infrastructure development	23 601 523	(4 140 950)	19 460 573	22 940 248	(3 013 909)	19 926 339
Total	262 738 874	(91 865 597)	170 873 277	229 569 654	(76 951 127)	152 618 527

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8. PROPERTY, PLANT AND EQUIPMENT (continued)
Reconciliation of property, plant and equipment - 2020

	Opening Balance	Additions	Disposals	Transfers	Depreciation	Impairment loss	Total
Land	5 800 000	-	-	-	-	-	5 800 000
Buildings	11 178 004	122 885	-	-	(287 656)	-	11 013 233
Plant and machinery	4 913 518	2 005 827	-	-	(1 209 592)	-	5 709 753
Furniture and fixtures	37 923 083	4 439 481	(70 997)	-	(5 987 938)	-	36 303 629
Motor vehicles	2 121 213	975 176	-	-	(908 844)	-	2 187 545
IT equipment	5 352 296	4 746 318	-	-	(2 961 017)	-	7 137 597
Leasehold improvements	24 261 707	569 112	-	-	(872 155)	-	23 958 664
Capital assets under construction	8 357 825	20 968 529	-	-	-	-	29 326 354
Motor vehicles under finance leases	32 784 542	202 509	(463 485)	331 359	(2 586 037)	(292 959)	29 975 929
Infrastructure development	19 926 339	661 274	-	-	(1 127 040)	-	19 460 573
	152 618 527	34 691 111	(534 482)	331 359	(15 940 279)	(292 959)	170 873 277

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8. PROPERTY, PLANT AND EQUIPMENT (continued)

Reconciliation of property, plant and equipment - 2019

	Opening Balance	Additions	Disposals	Transfers	Revaluations	Depreciation	Impairment Loss	Total
Land	7 250 000	-	-	-	(1 450 000)	-	-	5 800 000
Buildings	10 088 170	-	-	-	1 338 723	(248 889)	-	11 178 004
Plant and machinery	1 801 285	3 939 930	(84 069)	-	-	(743 628)	-	4 913 518
Furniture and fixtures	36 768 145	5 444 923	(119 628)	1 352 323	-	(5 522 680)	-	37 923 083
Motor vehicles and boats	1 708 216	1 088 105	(52)	-	-	(675 056)	-	2 121 213
IT equipment	4 050 450	3 367 978	(1 130)	-	-	(2 065 002)	-	5 352 296
Leasehold improvements	19 061 901	2 289 592	(44 550)	3 720 638	-	(765 874)	-	24 261 707
Capital assets under construction	9 749 542	5 018 735	(6 448)	(6 404 004)	-	-	-	8 357 825
Motor vehicles under finance leases	33 267 994	4 552 347	(1 693 896)	-	-	(3 147 275)	(194 628)	32 784 542
Infrastructure development	16 992 372	2 623 824	-	1 331 043	-	(1 020 900)	-	19 926 339
	140 738 075	28 325 434	(1 949 773)	-	(111 277)	(14 189 304)	(194 628)	152 618 527

Proceeds from the sale of property, plant and equipment amounted to R1 357 719 (2019: R2 539 032).

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Figures in Rand	2020	2019
8. PROPERTY, PLANT AND EQUIPMENT (continued)		
Compensation received for losses on property, plant and equipment – included in operating profit.		
Furniture and fixtures	-	5 926
IT equipment	-	25 796
	-	31 722
Capital assets under construction		
Cumulative expenditure recognised in the carrying value of property, plant and equipment		
Furniture and fixtures	21 664 134	8 357 825
Intangible asset - Computer Software	364 949	-
Infrastructure development	7 297 271	-
	29 326 354	8 357 825

Furniture and fittings consists of the Goukamma development project to the value of R228 476, the Kogelberg Development project to the value of R20 651 111 and the De Hoop fencing development to the value of R784 547.

Intangible asset - Computer software consists of the E-Procurement project.

Infrastructure development consists of various projects across Rocherpan (R959 100), Cederberg (R1 738 575), De Mond (R254 815), Grootvadersbosch (R3 395 981), Stony Point (R450 710) and Anysberg (R498 090) nature reserves.

Expenditure incurred to repair and maintain property, plant and equipment

The repairs and maintenance for the year on property, plant and equipment is R5 552 631 (March 2019: R3 609 568), however this includes repairs and maintenance spent on property, plant and equipment that is not owned by the entity and excludes the purchase of materials and internal labour costs.

Motor vehicles under finance leases

CapeNature leases a range of vehicles from the Government Motor Transport Department. At 31 March 2020, CapeNature rented 141 (March 2019: 146) vehicles. This arrangement is disclosed in note 9 Finance lease obligations and note 26 Related parties.

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Figures in Rand	2020	2019
9. FINANCE LEASE OBLIGATIONS		
Finance lease obligations		
Finance Lease Liabilities	34 645 758	38 318 963
Less: Current Portion transferred to Current Liabilities:	(5 063 363)	(8 497 293)
Total long-term liabilities	29 582 395	29 821 670

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.

CapeNature as Lessee:

Finance Leases relate to permanently allocated vehicles with lease terms between 5 to 10 years. The effective annual interest rate on new vehicles purchased and permanently allocated to Cape Nature during the period under review is between 33% and 35%.

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 2020	March 2019	March 2020	March 2019
Amounts payable under finance leases				
Within one year	15 632 819	19 113 030	5 063 362	8 497 292
In the second to fifth years	38 798 630	45 689 482	29 582 396	29 821 671
Less: Future finance obligations	(19 785 691)	(26 483 549)	-	-
Present value of minimum lease obligations	34 645 758	38 318 963	34 645 758	38 318 963

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10. SHORT TERM EMPLOYEE BENEFITS AND TRADE AND OTHER PAYABLES FROM EXCHANGE AND NON-EXCHANGE TRANSACTIONS		
10.1 Short term employee benefits		
Employment leave entitlement	8 339 321	9 486 315
13th cheque cash portion	1 842 224	1 192 370
Salary accruals	2 604 793	2 902 060
	12 786 337	13 580 745
10.2 Trade and other payables from exchange transactions		
Trade and other payables from exchange transactions	19 895 577	22 266 286
Income received in advance from exchange transactions	13 964 325	12 999 236
	33 859 902	35 265 522
10.3 Trade and other payables from non-exchange transactions		
Other payables - current	969 644	353 769
Other payables - non-current	524 873	1 495 168
	1 494 517	1 848 937

CapeNature has financial risk management policies in place to ensure that all payables are paid within the credit time frame. Income received in advance mainly consists of tourism deposits.

Other payables from non-exchange transactions arose due to an out of court settlement agreement previously disclosed as a contingent liability and is included at fair value.

11. UNSPENT CONDITIONAL GRANTS AND RECEIPTS

Year to date movement

Balance at the beginning of the year	37 350 278	36 126 534
Additions and adjustments during the year	21 505 131	15 736 050
Income recognition during the year	(15 832 962)	(14 512 306)
	43 022 447	37 350 278
Non-current liabilities		
	35 881 254	34 012 075
Current liabilities		
	7 141 193	3 338 203
	43 022 447	37 350 278

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.

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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	5 299 365	5 264 483
Net (income) expense recognised in the statement of financial performance	(912 365)	34 882
	4 387 000	5 299 365

Net expense recognised in the statement of financial performance

Current service cost	53 000	63 000
Interest cost	459 635	465 000
Actuarial (gains) losses	(1 023 000)	(104 118)
Actual benefits paid by CapeNature	(402 000)	(389 000)
Total included in employee related costs (Note 20)	(912 365)	34 882

Key assumptions used

Assumptions used in the last valuation 31 March 2020:

Retirement age	60	60
Discount rates used	11,57 %	8,96 %

The discount rate reflects the estimated timing of benefit payments. The average nominal yield curve for South African government bonds with duration of between 7 and 13 years were used. The resultant discount rate was 11.57%.

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 is 65, however the assumed 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	24	28
Number of members included as pensioners	33	32
	57	60

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Figures in Rand	2020	2019
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12. EMPLOYEE BENEFIT OBLIGATIONS (continued)

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

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	34 000	42 000
Projected interest costs	494 000	479 000
Post-employment benefit obligation	4 107 000	4 704 000

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

	2020 R	2019 R	2018 R	2017 R	2016 R
Defined benefit obligation	4 387 000	5 299 365	5 264 483	5 213 718	4 627 000

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 2020 the entity employed 1015 staff of which 500 are permanent employees. There are 99 members belonging to the GEPF and 219 members belonging to the OMSPF.

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

The amount recognised as an expense for defined contribution plans is

15 220 793	13 747 702
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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	68 578 600	46 685 884
Transfer in	-	30 740 387
Transfer out	(14 221 891)	(8 847 671)
	54 356 709	68 578 600

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14. REVALUATION RESERVE		
Opening balance	15 722 791	15 834 068
Change during the year	-	(111 277)
	15 722 791	15 722 791
<p>The revaluation reserve relates primarily to revaluation surpluses or deficits on the revaluation of land and buildings to their fair values.</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>		
15. INTEREST RECEIVED		
Interest revenue		
Bank interest	10 541 141	11 343 163
16. OTHER INCOME		
Staff and private accommodation	673 988	635 457
Services rendered	-	450 000
Sundry income	3 705 171	2 565 205
Insurance recoveries	-	32 142
	4 379 159	3 682 804
<p>Sundry income consists of water, electricity and utility recoveries across various reserve accommodation facilities used privately and within community dwellings.</p>		
17. ECO-TOURISM		
Accommodation	15 029 472	14 262 787
Entrance fees, hiking and activities	20 853 358	23 072 172
Wild card sales	2 377 658	2 208 369
Filming fees	822 311	1 084 591
Public Private Partnership Business income	3 068 572	3 130 794
	42 151 371	43 758 713
<p>Entrance fees, hiking and activities includes income generated from events and concession fees.</p>		
18. GRANTS, DONATIONS AND PROJECT FUNDS		
Donations	256 269	40 946
Project grants	15 832 962	14 512 306
	16 089 231	14 553 252

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19. MONETARY GOVERNMENT GRANTS RECEIVED		
Provincial allocation	314 474 000	290 531 000
20. EMPLOYEE RELATED COSTS		
Leave pay accrual movement	(1 146 994)	2 228 856
Overtime payments	4 667 695	7 614 961
Post-employment pension benefits (note 12)	15 220 793	13 747 702
Post-retirement medical benefit movement (note 12)	(912 365)	34 882
Salaries and wages	203 792 883	193 680 874
	221 622 012	217 307 275
Remuneration of board members		
Included in the salaries and wages above are the fees paid to the board members (non-executive management) of R315 594 (March 2019: R342 741). Refer to note 27.		
21. FINANCE COSTS		
Finance costs on leases	12 092 417	11 981 342
Interest charged	16 550	18 272
	12 108 967	11 999 614
22. CASH GENERATED FROM OPERATIONS		
Surplus	19 533 181	1 480 834
Adjustments for:		
Depreciation and amortisation	20 330 142	18 274 624
Loss/(Gain) on sale of assets	(823 238)	(589 259)
Services in kind - office accommodation	(2 676 608)	(2 531 458)
Impairment on property, plant and equipment	292 959	194 628
Movements in retirement benefit assets and liabilities	(912 365)	34 882
Salary accruals	(794 412)	-
Changes in working capital:		
Inventories	(109 685)	501 822
Trade and other receivables from exchange transactions	362 594	1 319 136
Trade and other payables from exchange and non-exchange transactions	(1 760 035)	4 672 498
Unspent conditional grants and receipts	5 672 169	1 223 744
	39 114 702	24 581 451

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23. CATEGORIES OF FINANCIAL INSTRUMENTS		
Financial assets	At amortised cost	At amortised cost
Trade and other receivables from exchange transactions (Note 6)	4 191 297	4 905 224
Trade and other receivables from non-exchange transactions (Note 6)	1 629 871	1 583 648
Cash and cash equivalents (Note 4)	168 835 776	169 294 458
	174 656 944	175 783 330
Financial liabilities	At amortised cost	At amortised cost
Trade and other payables from exchange transactions (Note 10.2)	19 895 579	22 266 282
Trade and other payables from non-exchange transactions (Note 10.3)	1 494 517	1 848 937
Finance Lease obligations (Note 9)	34 645 758	38 318 963
	56 035 854	62 434 182
24. COMMITMENTS		
24.1 Authorised capital expenditure		
Approved and contracted		
• Anysberg pool	-	500 000
• Bird Island entrance gate	184 367	-
• Cederberg infrastructure upgrades	1 131 980	-
• Computer hardware	1 423 654	-
• Computer software	3 432 475	-
• De Hoop fence	-	835 133
• Furniture for reserves	1 499 993	-
• Grootvadersbosch infrastructure upgrades	7 345 229	-
• Kogelberg development	896 282	13 592 601
• Rocherpan tourism facility upgrades	500 155	-
• Vrolijkheid infrastructure upgrades	5 231 734	-
• Wolwekloof picnic area upgrade	168 581	-
	21 814 450	14 927 734
Total capital commitments		
Approved and contracted	21 814 450	14 927 734
24.2 Operating leases - as lessee (expense)		
Minimum lease payments due		
- within one year	1 139 771	252 462
- in second to fifth year inclusive	2 236 443	-
	3 376 214	252 462

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.

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24.3 Operating lease arrangement

Motor vehicles

Operating leases relate to 3 vehicles with anticipated remaining lease terms of 13 and 14 months as at 31 March 2020.

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:

- no later than one year
- later than one year and not later than five years
- later than five years

25. CONTINGENCIES

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

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

Contingent liabilities

MTO and Cape Sawmills vs CapeNature	33 616 497	33 616 497
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	4 147 741
	43 510 363	44 407 354

The potential extent and outcome of the liability in respect of the legal claims listed above cannot be determined, since it is subject to litigation. A provisional estimate based on the value of the claims have been included above.

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 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. Particulars were amended during the current financial year.

Section 3 notices were served on Cape Nature of possible future fire claims in Riversdale, Outeniqua, Betty's Bay, Cederberg and Mossel Bay areas. These notices of intended legal proceedings are still in the early stages and therefore no reliable estimates of potential losses can be disclosed.

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25. CONTINGENCIES (continued)

Contingent liabilities due to disputes

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.

Contingent assets

CapeNature vs Groendal/Stellenbosch Municipality

706 557

706 557

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

Legal fees

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

26. RELATED PARTIES

Relationships

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 - 2019 R2 531 458

Services in kind - office accommodation received - 2020 R2 676 608

World Wildlife Fund South Africa

CapeNature has five (5) land management agreements and one (1) protected area management agreement with World Wildlife Fund South Africa for purpose of conservation. CapeNature is exempted from paying lease payments for all of these agreements.

Funding received - 2019 R2 084 854

Funding received - 2020 R1 058 592

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.

Department of Environmental Affairs (DEA)

CapeNature receives funding from National Department of Environmental Affairs for various initiatives related to the mandate of the entity such as Alien Clearing, Marine Protected Area Management and Youth in Environmental Services.

Funding received - 2019 R2 489 184

Funding received - 2020 R9 778 336

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26. RELATED PARTIES (continued)

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

In the year under review, CapeNature received R314 474 000 (March 2019: R290 531 000) as a provincial grant from the Department of Environmental Affairs and Planning.

South African National Parks

South African National Parks and CapeNature are Project Partners of the GEF 5 Project which aims to fulfil the objective of the GEF 5 Project which is to: "Improving Management Effectiveness of the Protected Area Network and in funded by the United Nations Development Programme (UNDP).

The total funding that CapeNature received for the year under review is R2 931 443 (March 2019: R1 697 495).

A related party relationship also exists between CapeNature and SanParks with regards to wildcards. CapeNature receives 2% revenue on all wildcard sold - refer to note 17.

South African National Biodiversity Institute

The South African National Biodiversity Institute (SANBI) has agreed to collaborate with CapeNature based on their respective skills and expertise in order to bring the GEF Funded Biodiversity and Land Use Project to fruition.

The South African National Biodiversity Institute (SANBI) has been awarded funding from the Global Environmental Facility (GEF) through the United Nations Development Programme (UNDP) for a collaborative project entitled (GEF Funded Biodiversity and Land Use Project).

Funding received - March 2019 R931 426

Funding received - March 2020 R206 408

27. 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

Omar R - Chief Executive Officer	1 733 718	1 587 653
Bhayat M - Chief Financial Officer	1 242 620	1 162 130
Birss C*-Biodiversity Capabilities	978 195	-
Baard E - Conservation Operations	1 153 659	1 078 754
Ismail S - Marketing and Eco Tourism	1 306 077	1 220 773
Cleaver-Christie G- Conservation Management*	-	988 525
	6 414 269	6 037 835

* Birss C was appointed 1 April 2019

* Cleaver-Christie G contract expired at 28 February 2019

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27 KEY MANAGEMENT INFORMATION - EXECUTIVE MANAGEMENT AND BOARD MEMBERS' EMOLUMENTS (continued)

Board Members' Emoluments

	March 2020		
	Remuneration	Reimbursive expenses	Total
Hendricks D - Chairperson	76 416	-	76 416
Maneveldt G - Vice Chairperson	43 470	-	43 470
Loubser M	46 278	-	46 278
Johnson C	33 735	14 630	48 365
Burton M	42 384	-	42 384
Redlinghuis A	3 2 013	1 235	33 248
Slack P	41 298	-	41 298
	315 594	15 865	331 459

	March 2019		
	Remuneration	Reimbursive expenses	Total
Hendricks D - Chairperson	89 082	-	89 082
Maneveldt G - Vice Chairperson	50 172	-	50 172
Loubser M	53 196	-	53 196
Johnson C	38 490	21 145	59 635
Burton M	42 384	3 108	45 492
Redlinghuis A	35 046	1 914	36 960
Slack P	34 371	-	34 371
	342 741	26 167	368 908

Independent Committee Members

	March 2020		
	Remuneration	Reimbursive expenses	Total
Devcharran N (Audit, Finance and ICT)	14 416	491	14 907
Van Staaden B (Audit, Finance and ICT)	16 147	-	16 147
	30 563	491	31 054

	March 2019		
	Remuneration	Reimbursive expenses	Total
Devcharran N (Audit, Finance and ICT)	12 552	487	13 039
Van Staaden B (Audit, Finance and ICT)	21 299	-	21 299
	33 851	487	34 338

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28. PRIOR PERIOD ERRORS AND RECLASSIFICATIONS

Correction of prior period errors

Eco-tourism

Public Private Partnership Business Income was understated by R1 491 965. This income is based on the annual turnover of our PPP partners with whom CapeNature has an agreement with and the information was only vetted by Provincial Treasury after finalisation of the Annual Financial Statements.

Concession fees was understated by R111 090 due to the commission on the concession fees in relation to the Cape Canopy Tours concession agreement not being accounted for.

Unspent Conditional Grants

Other income was understated by R173 449 due to funding from an external donors

Prior year payments adjustment

Payments to the value of R1 275 026 were unaccounted for in the prior year due to the invoices in relation to fire expenses not being received from the supplier. Various categories of expenditure were affected by these late invoices.

Administrative expense

Included in administrative fees is municipal utilities which was overstated by R59 616 due to an invoicing error. ICT costs was reclassified from Administrative expenses to ICT costs. The value of the ICT costs reclassified out of Administrative expenses was R10 082 659 (March 2019: R8 084 839)

Professional and other services

Software license fees and tourism reservations costs were reclassified from professional fees to ICT costs. The value of the reclassified amount was R6 880 505 (March 2019: R6 812 809). Software licence fees to the value of R196 450 were incurred during the 2018/2019 financial year but the invoices were only received in the 2019/2020 financial year

Transport and travel

GMT overcharged CapeNature in relation to kilometres travelled to the value of R137 194.

Statement of Financial Position

	As previously reported 2018-19	Correction of error	Change in accounting policy	Restated 2018-19
Trade and other receivables from exchange transactions	4 024 237	1 603 055	-	5 627 292
Trade and other payables from exchange transactions	(33 921 889)	(1 343 633)	-	(35 265 522)
Current liabilities - Trade and other payables from non-exchange transactions	979 869	-	(626 100)	353 769
Current liabilities - Unspent conditional grants and receipts	(3 511 652)	173 449	-	(3 338 203)
Non-current liabilities - Trade and other payables from non-exchange transactions	702 701	-	792 467	1 495 168
Accumulated surplus (Prior year opening balance)	140 180 414	598 970	-	140 779 384
	108 453 680	1 031 841	166 367	109 651 888

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28. PRIOR PERIOD ERRORS AND RECLASSIFICATIONS (continued)

Statement of Financial Performance	As previously reported 2018-19	Correction of error	Change in accounting policy	Reclassification	Restated 2018-19
Eco-tourism	42 155 658	1 603 055	-	-	43 758 713
Grants, donations and project funds	14 379 803	173 449	-	-	14 553 252
Administrative expenses	(26 590 653)	(59 616)	-	8 084 839	(18 565 430)
Finance costs	(12 155 965)	-	156 351	-	(11 999 614)
ICT costs	-	-	-	(14 897 648)	(14 897 648)
Professional and other services	(41 198 833)	(535 154)	(322 718)	6 812 809	(35 243 896)
Repairs and maintenance	(3 530 450)	(79 118)	-	-	(3 609 568)
Training	(5 439 760)	(109 796)	-	-	(5 549 556)
Transport and travel	(23 865 224)	39 021	-	-	(23 826 203)
	(56 245 424)	1 031 841	(166 367)	-	(55 379 950)

Cash Flow Statement

	As previously reported	Correction of error	Restated 2018-19
Grants, project funds and tourism revenue	359 222 743	4 307 962	363 530 705
Suppliers	(118 519 092)	(1 932 855)	(120 451 947)
Finance costs	(12 155 965)	156 351	(11 999 614)
	228 547 686	2 531 458	231 079 144

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29. PRIOR-YEAR ADJUSTMENTS

Change in accounting policy

The following change in accounting policies occurred:

Payables from non-exchange transactions

Trade and other payables from non-exchange transactions was changed from initially being measured at fair value and subsequently measured as amortised cost using the effective interest rate method to being measured at fair value through profit or loss.

This accounting policy provides reliable and more relevant information due to CapeNature's nature of non-exchange payables. The non-exchange payables relates to the transfer of goods and services to settle the obligation, not cash or any other financial asset therefore it does not meet the definition of a financial instrument.

Financial instruments that are not financial liabilities should be accounted for in terms of GRAP 19: Provisions, contingent liabilities and contingent assets. However, CapeNature's non-exchange payables do not meet the definition of a provision or accrual and therefore the payable needs to be measured at fair value.

The subsequent measurement cannot be amortised using the effective interest rate as the services provided to settle the obligation are already at market value and no cash repayments are expected to be paid. Every year the liability therefore needs to be fairly valued based on the market value of the services transferred to settle this obligation in order to provide the most accurate representation of this liability.

The change in accounting policy has been applied retrospectively.

The amount of interest reversed in the prior year is R156 351 and the fair value of the fire fighting services that should have been set off to reduce the liability amounted to R322 718.

30. RISK MANAGEMENT

Financial risk management

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

Liquidity risk

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

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

At 31 March 2020

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	19 895 579	-	-	-
Other payables	969 644	-	524 873	-
Finance lease obligations	15 632 819	-	38 798 630	-

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30. RISK MANAGEMENT (continued)

At 31 March 2019

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	22 266 286	-	-	-
Other payables	353 769	-	1 495 168	-
Finance lease obligations	19 113 030	-	45 689 482	-

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 2020, 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 688 541 (March 2019: R1 700 173) 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 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:

	2020	2019
Financial instrument		
Trade and other receivables	5 821 168	6 467 814
Cash and cash equivalents	168 835 776	169 294 458

31. EVENTS AFTER THE REPORTING DATE

COVID-19 has impacted business operations due to the nationwide lockdown that took effect from 27 March 2020.

The entity witnessed lower than estimated Tourism revenue for March 2020 which may be attributed to the onset of COVID-19

32. FRUITLESS AND WASTEFUL EXPENDITURE

Opening balance	5 400	22 080
Fruitless and wasteful expenditure condoned	(5 400)	(16 680)
	-	5 400

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33. IRREGULAR EXPENDITURE

Opening balance	-	2 657 546
Less: Irregular expenditure condoned	-	(2 657 546)
	-	-

34. MATERIAL VARIANCES FOR THE STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

34.1 Revenue

Entity revenue other than sales

Entity revenue other than sales consists of interest and fines. The entity surpassed interest projections owing to the receipt of upfront funding from various projects with differing delivery time frames and good cash balances.

Other Transfers

Other transfers saw a reduction in NRM related funding for the 2019 - 2020 financial years. Delays in concluding the funding contracts resulted in less funds being received during the 2019-2020 financial year than originally anticipated.

34.2 Expenditure

Compensation of employees

There were cost savings due to the improved management of employee costs and vacancy management as a result of CapeNature's restructure.

Payment for capital assets

Due to operational challenges the procurement for capital projects were finalised later than planned and hence these projects could not be completed by the end of the financial year. These projects are however included in commitments. Refer to note 24.

Use of Goods and Services

As a result of the delayed receipt of NRM funding the entity utilised own funds to cover the costs of NRM related activities to ensure service delivery activities continued. Additional funds were also utilised in respect of ICT expenditure.

35. HERITAGE ASSETS

Heritage assets for which fair values cannot be reliably measured

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:

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35. HERITAGE ASSETS (continued)

Name of nature reserve complex	Size in hectares
Anysberg	79 629
Babilonstoring	1 569
Bird Island	394
Cederberg	79 689
Dassen Island	212
De Hoop	62 977
De Mond	1 593
Driftsands	507
Dyer Island	23
Gamkaberg	39 318
Geelkrans	4 600
Goukamma	6 063
Grootvadersbosch	33 526
Grootwinterhoek	27 330
Hottentots Holland	48 223
Islands and Rocks	30
Kammanassie	27 056
Keurbooms River	1 009
Knersvlakte	85 213
Kogelberg	26 560
Limietberg	45 192
Marloth	14 227
Outeniqua	39 296
Riverlands	1 715
Robberg	2 809
Rocherpan	1 076
Salmonsdam	712
Swartberg	131 457
Vrolijkheid	28 580
Walker Bay	6 225
Waterval	27 359
	824 169

36. 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.



