



ANNUAL REPORT 2022/23



CapeNature



Photo: *Oryx gazella*, Anysberg Nature Reserve - Scott Ramsay



ANNUAL REPORT

for
2022/23
Financial Year

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Photo: *Arctocephalus pusillus pusillus*, Robberg Nature Reserve - Scott Ramsay



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
EMAIL ADDRESS:	info@capenature.co.za
WEBSITE ADDRESS:	www.capenature.co.za
EXTERNAL AUDITORS:	Auditor-General of South Africa
BANKERS:	Nedbank, Mutual Park, 91 Jan Smuts Drive, Pinelands, 7405
COMPANY/ BOARD SECRETARY:	Not applicable

2. LIST OF ABBREVIATIONS/ ACRONYMS

APP	Annual Performance Plan
CAPEX	Capital Expenditure
CEO	Chief Executive Officer
CFR	Cape Floristic Region
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
DEA&DP	Department of Environmental Affairs and Development Planning
EPWP	Expanded Public Works Programme
FTEs	Full-Time Equivalents
GCFR	Greater Cape Floristic Region
GCTWF	Greater Cape Town Water Fund
Ha	Hectares
HR	Human Resources
ICT	Information and Communication Technology
ICU	Internal Control Unit
MPA(s)	Marine Protected Area(s)
METT	Management Effectiveness Tracking Tool
MTEF	Medium-Term Expenditure Framework
NPA	National Prosecuting Authority
PBSAP	Provincial Biodiversity Strategy and Action Plan
PFMA	Public Finance Management Act
SAPS	South African Police Service
SCM	Supply Chain Management
SMMEs	Small, Medium and Micro Enterprises
WCG	Western Cape Government

3. FOREWORD BY THE CHAIRPERSON

Whenever I visit one of CapeNature's reserves I am struck afresh at the natural beauty of the province I call home. Our region, with its fynbos-clad and diverse succulent plants, is renowned for its exceptional biodiversity and ecological significance. Astonishingly, more than half of the country's plant species can be found within the borders of the Western Cape. It is no wonder that our reserves win points for being "Instagrammable".

The tourism revenue target of R47 819 205 was exceeded by 31% for the year under review. All funds from CapeNature's tourism revenue are ploughed directly back into conservation, but sadly, these gains have proven insufficient to counter the ever-declining budgetary allocations required to shoulder the immense responsibility of conserving the biodiversity of the province. Investment in nature conservation has contracted considerably and without concomitant financial resources, we risk an ever-increasing deterioration of our biodiversity, with potentially disastrous effects.

Climate change projections paint a concerning picture in which more frequent heat waves and reduced rainfall will drive an increase in wildfires, which could, if not carefully managed, have severe consequences for biodiversity. The Western Cape is also not only a sanctuary for nature, but also home to a rapidly growing population of people who, failing a rapid increase in employment opportunities, will struggle to overcome high endemic levels of poverty and unemployment.

To combat threats to biodiversity like climate change, habitat loss and overconsumption, CapeNature identified several biodiversity corridors which allow for both fauna and flora species to find safe refuge and improve resilience against these threats. Protected Area Management Plans address concerns in terms of threatened species and water management. Currently 16% of indigenous fauna and flora in the Western Cape are threatened, ranging from Vulnerable to Endangered and Critically Endangered.

CapeNature has made a significant contribution to protected area expansion in South Africa and has managed to exceed not only its targets in terms of number of hectares conserved, but also in terms of number of stewardship sites. Currently the entity is responsible for managing a conservation estate totalling 1 054 182.94 hectares.

As much as we must expand our conservation estate, protect our water source areas, fight fires and raise awareness about environmental issues, we need to develop skills and create economic opportunities to combat poverty and unemployment among the province's most vulnerable groups.

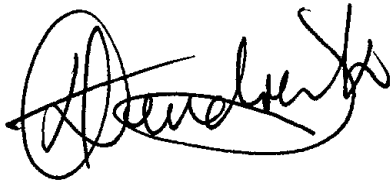


Prof Denver Hendricks

The entity employed 608 full-time equivalents and provided 1105 work opportunities to communities surrounding protected areas we manage, as well as procuring the services of 19 Small, Medium and Micro Enterprises (SMMEs).

As the conservation authority in the Western Cape, CapeNature has done commendable work to ensure that our natural environment and provincial nature reserves are conserved for generations to come. I want to thank Dr Razeena Omar, Chief Executive Officer (CEO) and her executive team for their sterling work. My sincere gratitude also to all CapeNature staff for their unwavering dedication and hard work.

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



Professor Denver Hendricks
Chairperson of the CapeNature Board
CapeNature
August 2023



4. CHIEF EXECUTIVE OFFICER'S OVERVIEW

Nature – with its vast array of ecosystems, species, and intricate interconnections – thrives on diversity. It is a tapestry woven together by a myriad of interacting elements, each bringing their unique strengths to the collective whole. In the natural world, diversity is not only celebrated, but it is also the driving force behind its resilience and sustainability.

The same is true for CapeNature. Whilst responsible for biodiversity conservation in the Western Cape, the entity provides employment opportunities and contributes to the economy in geographic areas where prospects are few and challenges are many. The revenue generated through eco-tourism and nature-based experiences contribute towards the sustainability of the entity to perform its mandate. In this regard the entity increased tourism income by increasing the number of day and overnight visitors to our nature reserves.

The year under review marks the third year of the five-year strategic cycle. Like the previous two years, the entity achieved all the targets outlined in the Annual Performance Plan that include activities relevant to the biodiversity conservation mandate and our deeper purpose that creates opportunities for people. Some of these are discussed below.



Dr Razeena Omar

The proclamation to give effect to certain sections of the Western Cape Biodiversity Act, which was assented during the 2021/22 reporting period, was published, and took effect on 15 November 2022. The Act's implementation will be undertaken in a phased approach, with the sections giving effect to governance and administrative requirements being in effect during the period under review. The proclamation has repealed the Western Cape Nature Conservation Board Act.

CapeNature published the third State of Conservation report, which provides a useful snapshot of the health of terrestrial, marine, freshwater, and estuarine ecosystems across the province. The Protected Areas managed by CapeNature are important for conserving ecosystems and species. CapeNature added 10 749 hectares to the protected area estate during the reporting period, however the protected area estate expanded by 9 905 hectares due to the abolishment of Driftsands Nature Reserve.

The entity noted a year-on-year decline in land burned by wildfire since a peak in 2015/16, with fewer than 50 000 hectares affected each year for the past three years despite the number of ignitions remaining steady. This can be attributed to a relentless focus on fire preparedness before the fire season and an intensification in our fire-fighting strategy. Partnerships, however, are key to the achievements and successes of CapeNature.

REGULATORY FRAMEWORK AND CONSERVATION ESTATE

9 905

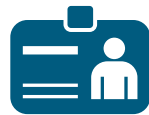
HECTARES UNDER THE CONSERVATION ESTATE



CONSERVATION TOOLS AND ACTIONS

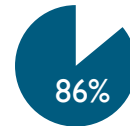


State of Conservation report completed



Permits issued

4 001



within legislated timeframes

REGULATORY FRAMEWORK

Western Cape Nature Conservation Board Act



Repealed by



Western Cape Biodiversity Act

CapeNature employed 608 Full Time Equivalent (FTEs), benefitting 60 communities, with most of the employment opportunities situated in rural towns and communities close to or surrounding the entity's protected areas. From a learnership and internship perspective, the entity provided experiential learning and job market readiness opportunities for 16 Work Integrated Learners (WILs) and graduate interns. Furthermore, 1 105 work opportunities were created by procuring the services of 19 small, medium, and micro-sized (SMMEs) enterprises. These SMMEs provided services including invasive alien plant clearing, the making and maintenance of fire breaks, hiking trail, and reserve road maintenance, to CapeNature.

JOB CREATION

WORK OPPORTUNITIES

created through environmental public employment programmes



LEARNERS

appointed through various initiatives in the sector (including learnerships)



EMPLOYMENT

opportunities provided through EPWP programmes



The above achievements work together to strengthen the biodiversity in the Western Cape Province in ways that cannot instantly or directly be observed or measured. These include securing fresh water, healthy ecosystems, and well-managed protected areas in which people can reconnect with nature. However, threats like climate change and ongoing biodiversity crime require urgent attention, but staff and financial resources do not match the capacity to effectively mitigate it. In this regard, strategic partnerships are crucial and have been helping accomplish biodiversity conservation in the Western Cape Province.

GENERAL FINANCIAL REVIEW OF THE PUBLIC ENTITY

CapeNature's total revenue generated amounted to R381 million for the period under review. In this regard, R292 million was received from the Department of Environmental Affairs and Development Planning and the remaining funds (23% rounded) were generated from other funders and own revenue streams.

Revenue generated from eco-tourism activities continued to see a significant rebound with the entity generating R61 511 791, which is higher than the previous fiscal year.

SPENDING TRENDS OF THE PUBLIC ENTITY

The entity managed to spend 99% of its total budget on the accrual basis and 99% on the cash basis. The slow growth of the economy and the resultant reductions to the Medium-Term Expenditure Framework (MTEF) allocations resulted in the entity having to utilise savings from income generated to ensure that service delivery was not impacted.

CAPACITY CONSTRAINTS AND CHALLENGES FACING THE PUBLIC ENTITY

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

DISCONTINUED ACTIVITIES/ ACTIVITIES TO BE DISCONTINUED

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

NEW OR PROPOSED ACTIVITIES

No new activities were implemented.

REQUESTS FOR ROLL OVER OF FUNDS

Not applicable.

SUPPLY CHAIN MANAGEMENT

All concluded unsolicited bid proposals for the year under review

No unsolicited bids were received for the year under review.

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

The entity maintained effective Supply Chain Management systems.

Challenges experienced and how they will be resolved

Compliance with the various laws and regulations within the SCM environment remains a challenge. The entity is in communication with the Provincial Treasury's Supply Chain Management Unit and is working with internal and external auditors to ensure that controls are implemented and monitored to ensure compliance.

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

There were no audit report matters in the previous year.

Outlook/Plans for the future to address financial challenges

To ensure sound financial management practices, CapeNature will continue to implement stringent austerity measures and control mechanisms, which include conducting monthly financial reviews to monitor financial performance.

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

Events after the reporting date

Due to the intense rain and flooding in June 2023, there has been damage to infrastructure and access roads at some of the reserves managed by CapeNature, particularly in the West landscape. The entity is still in the process of assessing the financial impact of the potential repairs that need to be undertaken.

ECONOMIC VIABILITY

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

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



ACKNOWLEDGEMENT/S OR APPRECIATION

I acknowledge, with gratitude, the guidance received from the Minister of Local Government, Environmental Affairs and Development Planning, Minister Bredell, and the CapeNature Board, under the chairpersonship of 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 and valued support.

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



Dr Razeena Omar
CHIEF EXECUTIVE OFFICER
CapeNature
August 2023



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

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

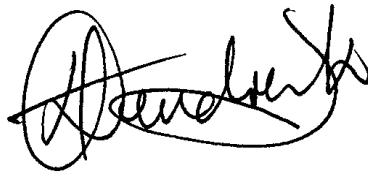
- All information and amounts disclosed in the Annual Report is consistent with the Annual Financial Statements audited by the Auditor-General.
- The Annual Report is complete, accurate and free from any omissions.
- The Annual Report has been prepared in accordance with the guidelines on the Annual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

In our opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the public entity for the financial year ended 31 March 2023.

Yours faithfully



Chief Executive Officer
Dr Razeena Omar
August 2023



Chairperson of the CapeNature Board
Professor Denver Hendricks
August 2023

6. STRATEGIC OVERVIEW

Vision, Mission and Values

	Vision Conserving nature for resilience and sustainability.
	Mission To conserve, protect and restore our natural environment by inspiring and influencing positive change.
	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:

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

7. LEGISLATIVE AND OTHER MANDATES

7.1. Constitutional mandates

CapeNature is a Schedule 3C public entity responsible for the conservation of biodiversity 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 CapeNature Board, established in terms of the Western Cape Biodiversity Act, 2021 (Act 6 of 2021).

During the 2015-20 strategic planning cycle, CapeNature, together with the Department of Environmental Affairs and Development Planning, commenced a process to review the existing legal frameworks for conservation and biodiversity in the province. This process resulted in the assenting of the Western Cape Biodiversity Act, 2021 (Act 6 of 2021) in December 2021. The objectives of the Act are to:

- a) Give effect to the obligation of the state in terms of national legislation to act as trustee in relation to the environment;
- b) Give effect to section 81(m) of the Western Cape Constitution to protect and conserve the environment in the Province, including its unique biodiversity, for the benefit of present and future generations;
- c) Ensure the long-term ecological sustainability and resilience of biodiversity, ecosystems, ecosystem services and ecological infrastructure through implementation of the principles of ecological sustainability contemplated in section 6 and the protection of priority biodiversity and ecological infrastructure;
- d) Ensure human well-being and the long-term resilience of society and the economy through the conservation of protected areas, biodiversity, ecosystems, ecosystem services and ecological infrastructure;
- e) Enable reasonable and sustainable access to benefits and opportunities emanating from the conservation of protected areas, biodiversity, ecosystems, ecosystem services and ecological infrastructure;
- f) Establish institutional structures and organisational capacity for the effective discharging of the conservation and management of biodiversity and nature in the Province;
- g) Promote consultation, cooperation, integrated planning, decision-making and management in support of the conservation and sustainable use of biodiversity and ecosystem services in the Province;
- h) Promote systematic biodiversity planning and the attainment of the biodiversity targets for conservation set in the Biodiversity Spatial Plan and the Provincial Protected Areas Expansion Strategy;
- i) Regulate certain activities to be undertaken in a manner that enhances and protects the integrity and health of the environment;
- j) Subject to section 231 of the Constitution, implement and give effect to international agreements and best practices pertaining to the environment and conservation of biodiversity;
- k) Enable the financial and economic sustainability of the relevant institutions responsible for the conservation and management of biodiversity and nature in the Province; and
- l) Enable and develop an equitable and sustainable biodiversity economy in the Province, including the promotion and development of eco-tourism in areas under the control of CapeNature.

The proclamation to give effect to certain sections of the Western Cape Biodiversity Act was published and took effect on 15 November 2022. The implementation of the Act will be undertaken in a phased approach, with the sections of the Act giving effect to governance and administrative requirements taking precedent. The proclamation has repealed the Western Cape Nature Conservation Board Act.

Prior to 15 November 2022, the entity was governed by the Western Cape Nature Conservation Board Act (WCNCBA). Due to certain requirements of the Western Cape Biodiversity Act not being implemented, the Nature Conservation Ordinance, 1974 (Ordinance 19 of 1974), as amended, which was derived from the WCNCBA, is still in effect. The Ordinance will only be repealed when the relevant regulations in terms of the Western Cape Biodiversity Act has been gazetted for implementation.

International Conventions, Protocols and Policies:

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

- Convention on Biological Diversity (CBD)
- Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)
- Convention on the Conservation of Migratory Species of Wild Animals (CMS)
- Convention on Wetlands of International Importance especially as Waterfowl Habitat (Ramsar Convention)
- United Nations Framework Convention on Climate Change (UNFCCC) and the Kyoto Protocol
- Agreement on the Conservation of African-Eurasian Migratory Waterbirds (AEWA)
- The Convention for Cooperation in the Protection, Management and Development of the Marine and Coastal Environment of the Atlantic Coast of the West, Central and Southern Africa Region (Abidjan Convention)
- Nairobi Convention and the implementation of the Strategic Action Programme for the protection of the Western Indian Ocean from land-based sources and activities (WIOSAP)
- Convention concerning the Protection of the World Cultural and Natural Heritage (WHC)
- World Tourism Organisation (WTO)
- United Nations Educational, Scientific and Cultural Organisation (UNESCO) Man and Biosphere (MAB) Programme
- United Nations Paris Agreement on Climate Change

National Legislation:

- Carbon Tax Act, 2019 (Act 15 of 2019)
- Civil Aviation Act, 2009 (Act 13 of 2009)
- Compensation for Occupational Injuries and Diseases Act, 1993 (No 130 of 1993)
- 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 4 of 2008)
- National Environmental Management: Protected Areas Act, 2003 (Act 57 of 2003)
- National Environmental Management: Waste Act, 2008 (Act 59 of 2008)
- National Forests Act, 1998 (Act 84 of 1998)
- National Heritage Resources Act, 1999 (Act 25 of 1999)
- National Prosecuting Authority Act (Act 32 of 1998)
- 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)
- Protection of Personal Information, 2013 (Act 4 of 2013)
- 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:

- Constitution of the Western Cape, 1998 (Act 1 of 1998)
- 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 Planning and Development Act, 1999 (Act 7 of 1999)
- Western Cape 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 legalisation will impact on CapeNature:

- Climate Change Bill
- National Environmental Management Laws Amendment Bill
- Western Cape Biodiversity Act, 2021 (Act 6 of 2021)



Policy mandates

The following are key national and provincial environmental and biodiversity strategic policy frameworks that guide CapeNature's strategic response during the current strategic plan cycle. These lists are not an exhaustive list and exclude frameworks or policies or legislation currently in draft format:

National strategic frameworks:

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

Provincial strategic frameworks:

- OneCape 2040
- Western Cape Government: Provincial Strategic Plan, 2019-2024
- Western Cape Government: Western Cape Delivery Plan, 2015-2030
- Western Cape Provincial Spatial Development Framework, 2014
- Western Cape Green Economy Strategic Framework, 2013
- Western Cape Climate Change Response Strategy and Implementation Framework, 2014
- Provincial Biodiversity Strategy and Action Plan, 2015
- Provincial Coastal Management Programme, 2016
- Western Cape Provincial Spatial Framework, 2017
- Western Cape Protected Areas Expansion Strategy, 2021
- Western Cape Growth for Jobs Strategy
- Western Cape Climate Change Response Strategy
- Western Cape Integrated Drought and Water Resilience Plan

Institutional policies and strategies over the five-year planning period

CapeNature's strategic planning is aligned with the vision inspired priorities of the WCG Provincial Strategic Plan (2019-2024) and informed by its legislative mandates and assigned functions. As the mandated biodiversity conservation agency for the province, the entity's strategic planning is integrated with the Provincial Biodiversity Strategy and Action Plan (PBSAP) 2015-2025, and incorporates responses to the Growth for Jobs Strategy, the Western Cape Climate Change Response Strategy and the Western Cape Integrated Drought and Water Resilience Plan

The PBSAP integrates CapeNature's mandate to develop, implement and mainstream the Western Cape Biodiversity Spatial Plan, the Western Cape Protected Area Expansion Strategy, the Western Cape State of Biodiversity Report, Protected Area Management, Estuary Management, regulations for compliance and enforcement, and to unlock socio-economic opportunities, provide access to nature and natural resources, nature-based tourism and support for a biodiversity economy sector. The entity supports integrated spatial

planning to ensure long-term ecological sustainability and resilience of biodiversity and ecosystems for the promotion and development of eco-tourism.

The WCG has recognised investment into ecological infrastructure as a mechanism to grow the economy and create work opportunities through associated value chains while simultaneously addressing key climate and water risks and future-proofing critical ecosystem services for the province. The investment into ecological infrastructure is strategically aligned to provincial priorities as expressed in the developing Growth for Jobs Strategy, the Western Cape Climate Change Response Strategy and the Western Cape Integrated Drought and Water Resilience Plan.

Relevant court rulings

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

Planned legislative and policy initiatives

The following policies and charters were reviewed during the 2022/23 financial year:

- Board Audit and Finance Committee Charter
- Accounts Receivable
- Bank and Cash
- Asset Management
- Subsistence and Travel Allowance
- Integrated Veldfire Management
- Supply Chain Management



8. ORGANISATIONAL STRUCTURE





B

GENERAL INFORMATION

I. AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

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

Refer to page 92 of the Annual Report, which sets out the Report of the Auditor-General, published as Part F: Financial Information.

2. OVERVIEW OF PERFORMANCE

2.1. Service Delivery Environment

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

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

The 2022/23 financial year marked the third year of the current 5-year strategic cycle and during the year under review, CapeNature achieved all the performance targets set in the 2022/23 Annual Performance Plan (APP).

Conserving Nature for Resilience and Sustainability

The Western Cape has outstanding natural beauty and the unique plants, animals and ecosystems found here are characterised by high levels of diversity and endemism, that is, they are found nowhere else on the planet; a characteristic of global importance in the landscape known as the Cape Floristic Region (CFR). The CFR is globally recognised as one of the six¹ floral kingdoms of the world and the most diverse, yet it is the smallest and the only one occurring in one country. The Western Cape is also characterised by a rich cultural heritage. Extensive ancient cultural and rock-art sites throughout the Cape Fold Mountains and the associated coastal zone attest to this rich history.

¹ Prof Ronald Good identified six floristic kingdoms (Holarctic, Neotropical, Paleotropical, South Africa, Australian, and Antarctic), the largest natural units determined for flowering plants.

This rich endowment of cultural and natural history linked to the potentially significant negative impact of climate change brings great responsibility to the current generation to safeguard and conserve it for future generations. CapeNature, as the custodian of biodiversity, takes responsibility for this with a vision of conserving nature for resilience and sustainability with an outward-looking, landscape conservation² approach.

Programme 2: Biodiversity Capabilities

Protected Area Expansion and Stewardship

The effective management and conservation of lands, inland waters, coastal areas, and oceans, with emphasis on areas of importance for biodiversity and ecosystem functioning and services, through the establishment of protected areas, and other effective area-based conservation measures, remains the cornerstone of biodiversity conservation, globally. The global conservation estate is estimated to cover 17% of the world's terrestrial and 10% of marine areas.

CapeNature contributes to South Africa's national target and pursues the expansion of the Western Cape conservation estate through the declaration of additional protected areas in compliance with the National Environmental Protected Areas Act (Act 10 of 2003) and the signing of Biodiversity Stewardship Agreements. CapeNature added 10 749 hectares to the protected area estate during the reporting period, however the protected area estate expanded by 9 905 hectares due to the abolishment of Driftsands Nature Reserve, which equated to the loss of 843.8952 hectares. The properties that contributed to the achievement included the following:

Properties	Hectares
Lower Potteberg Nature Reserve	1 314.4
Walker Bay Protected Environment	4 823.7382
Bloutoring Nature Reserve	4 610.8996
Abolishment: Driftsands Nature Reserve	- 843.8952
Total	9 905.1426

Five biodiversity stewardship site agreements were signed by the entity in 2022/23, including:

- Lower Potteberg Nature Reserve Protected Area Management Agreement
- Walker Bay Protected Environment Protected Area Management Agreement
- Bloutoring Nature Reserve Protected Area Management Agreement
- Twenty Acres Biodiversity Agreement
- New World Foundation Conservation Area Biodiversity Agreement

² Adapted from Curtin & Tabor: Large landscape conservation is the paradigm that aims to scale-up action to address the realities of a dramatically changing world. From habitat fragmentation to climate change, large-scale approaches that transcend ecological and social boundaries are essential for addressing complex, challenges. Healthy, connected natural landscapes are essential—for clean water, healthy ecosystems, cultural heritage, vibrant communities and economies, climate resilience, climate mitigation, flood and fire control, outdoor recreation, and local sense of place.

The State of Biodiversity in the Western Cape

CapeNature released the third annual State of Conservation Report. This report provides an annual snapshot of the conservation status of species and ecosystems, highlighting outcomes in response to the global biodiversity concerns in the context of its mandate.

Highlights in the report, amongst others, include progress made in the following areas:

- Biodiversity crime responses indicate the extent of biodiversity crime response by CapeNature staff.
- The status of fire of CapeNature reserves indicate a decrease in the number of hectares burned, demonstrating a good response rate to fires.
- The status of the Western Cape Conservation Estate demonstrates the expansion of the protected area estate, exceeding annual target for hectares added to the conservation estate and the number of stewardship agreements concluded.

Administration and Enforcement of Biodiversity and Nature Conservation Legislation

As the provincial public entity responsible for the conservation of biodiversity in the Western Cape, CapeNature issues biodiversity authorisations to members of the public to comply with legislation and permit certain restricted activities.

A total of 4 001 permit applications were processed during the reporting period (Ordinance Permits = 3 380 and CITES Permits = 621) of which 86% were processed within established timeframes.

Integrated Catchments

The CapeNature Catchment to Coast Strategy for 2022-2026 aims to guide CapeNature's actions on improving, maintaining, and restoring ecological infrastructure in priority areas to ensure ecological resilience and ecosystem functioning and to provide benefits to people.

The strategy identifies four key goals, underpinned by key actions, and enabled through an implementation framework that facilitates effective reporting.

- Goal 1:** Conserve and restore biodiversity and ecological infrastructure to deliver ecosystem services that improve the quality of life for all people of the Western Cape Province.
- Goal 2:** Leveraging a collaborative investment into conservation and improved ecosystem functioning.
- Goal 3:** Enhance biodiversity capability through the implementation of strategic adaptive management to increase ecosystem resilience.
- Goal 4:** Enable reasonable and sustainable access to benefits and opportunities emanating from biodiversity, ecosystems, ecosystem services and ecological infrastructure.

Some key implementation foci during the reporting period were the restoration of ecological infrastructure through the control of invasive alien species and ecosystem health through the monitoring of water quality in rivers within the protected area.

Programme 3: Conservation Operations

The purpose of Programme 3 is to conserve, protect and restore our natural environment for resilience and sustainability in alignment with the CapeNature vision and mission.

Protected Area Management

CapeNature conducts biennial METT-SA assessments for Protected Area Management Effectiveness. The assessment was conducted for 2021/22 and will be undertaken in 2023/24. Based on the outcome of the 2021/22 METT Assessment, action plans containing shortcomings for all nature reserves, identified during the previous assessment, were drafted and actioned during the reporting period. The implementation of these action plans is aimed at maintaining and improving the 2021/22 METT-SA rating (94%) for CapeNature-managed protected areas in the ensuing year.

Work Opportunities

During the reporting period, a total of 1 105 work opportunities were created by procuring the services of 19 Small Medium and Micro Enterprises (SMMEs). These SMMEs provided key services to the entity, which included invasive alien plant clearing, the making and maintenance of important fire breaks, hiking trail maintenance and reserve road maintenance.

Compliance and Enforcement

Administrative enforcement notices are issued to recipients for non-compliance to the conditions set in environmental legislation. During the reporting period, no administrative enforcement notices were issued for non-compliance which is in line with the target set for the indicator.

Authorisations (permits), in terms of the Nature Conservation Ordinance No. 19 of 1974 and its Regulations, are issued to facilities to, among other, keep wild animals in captivity for display, educational, show and rehabilitation purposes, grow and or sell protected plants, or keep wild animals within adequate enclosure. Subject to the conditions of their permits, regular compliance inspections are conducted by CapeNature, and upon expiry of any permit, inspections are required for permit renewals. The entity conducted 223 compliance inspections (target = 40) of facilities during the reporting period.

The illegal collection of succulent plants in the Succulent Karoo landscapes and the rate at which illegally harvested plants have been confiscated reached new heights. Upon detecting alleged contraventions of the Nature Conservation Ordinance No. 19 of 1974 or the Marine Living Resources Act No. 18 of 1998, or regulations proclaimed thereunder, enforcement actions are undertaken by CapeNature staff, who contribute to the drafting of completed criminal investigation dockets handed to the National Prosecuting Authority (NPA) by the investigating authority (SAPS) for consideration of formal prosecution. During the reporting period, a total of 60 (target = 20) completed criminal investigations were handed to the NPA for prosecution. The continued escalation of the illegal collection of succulent plants from the wild and resultant successful compliance and enforcement action resulted in the over-achievement of the target.

Invasive Alien Species Management

CapeNature relies on partnerships to attain success in the battle against invasive alien species. During the reporting period, CapeNature had agreements with The Nature Conservancy of South Africa (TNC) and Working on Fire (WoF) High Altitude Teams (HAT) to manage invasive alien plants on CapeNature-managed land. Both partners are also members of the Greater Cape Town Water Fund (GCTWF) who managed to

clear approximately 18 000 hectares of priority catchments in the Strategic Water Source Areas supplying the Western Cape Water Supply System. The total value of the GCTWF alien clearing on CapeNature-managed land equated to approximately 12 000 hectares cleared during the reporting period. Most of this clearing took place in intermediate to high altitude areas, requiring highly specialised trained teams and equipment.

Fire Management

During the period under review, 70 fires on CapeNature-managed land were reported, and resulted in a burnt area of 27 181 hectares (Figure 1). These fires were reported from, among other, the Cederberg, Groot Winterhoek, Riverlands, Walker Bay, Kogelberg, Limietberg, Waterval, Hottentots Holland, Anysberg, Swartberg and Gamkaberg Nature Reserves. The largest fire (5 998 ha) occurred in the Gamkaberg/ Rooiberg Nature Reserve Complex in January 2023. In comparison, there were 87 fires responded to during the 2021/22 fire season resulting in 29 916 ha burned. During the reporting period, the Large-Scale Rapid Attack effort by CapeNature and all partners involved proved effective, with most fires being contained quickly before they could extend to multi-day events. The main cause of wildfires during this reporting period remained human-induced ignitions.

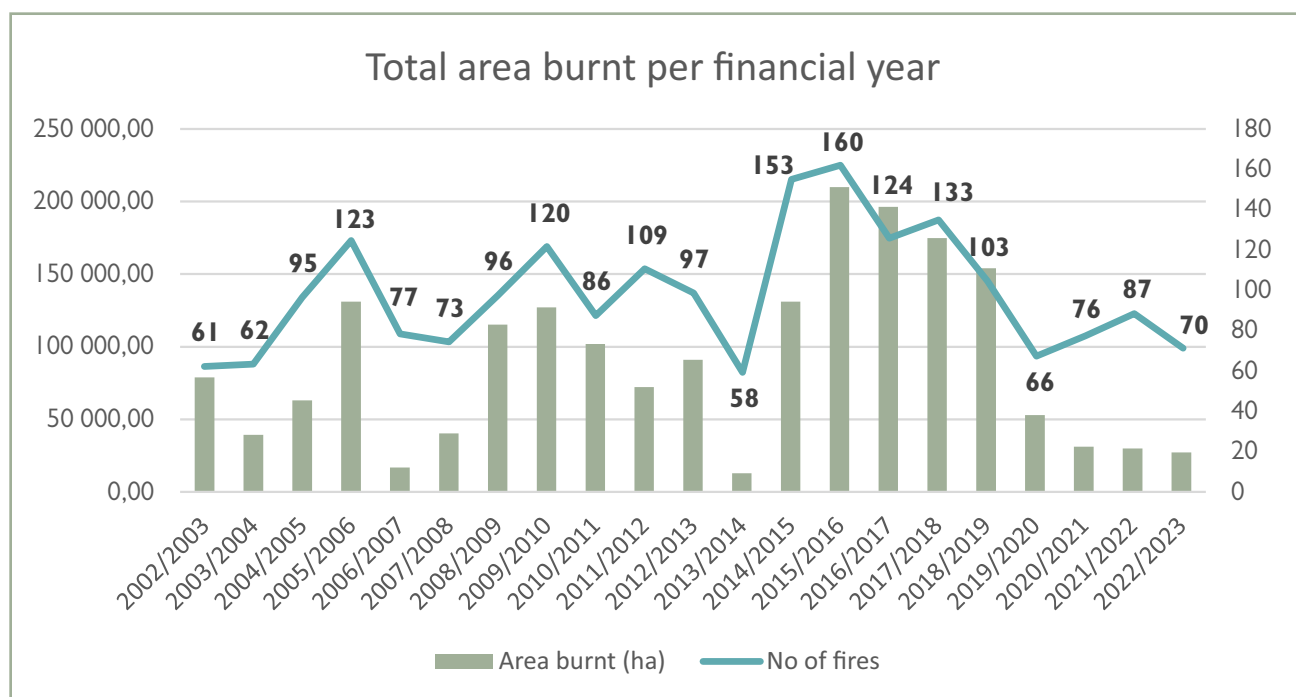


Figure 1: Total area burned and number of fires per financial year.

Marine and Coastal Management

During the reporting period, CapeNature continued managing six Marine Protected Areas (MPAs) i.e., Robberg, Goukamma, Still Bay, De Hoop, Betty's Bay and Rocherpan Marine Protected Areas. In addition, Dyer, Dassen and Bird (Lambert's Bay) Islands are managed by CapeNature. These are globally important sites for the protection of threatened seabirds such as the African Penguin, Cape Gannet, the Bank and Cape Cormorant. CapeNature, BirdLife South Africa, and SANCCOB re-established an African Penguin breeding colony in the De Hoop Nature Reserve. Since 2021, more than 180 juvenile African Penguins were released at the site.

During the reporting period, CapeNature, in partnership with the Department of Environmental Affairs and Development Planning (DEA&DP), concluded the public comment process for and the updating of 13 priority estuary management plans where the entity has been identified as the Responsible Management Authority and submitted the concluded plans³ to the Minister responsible for Local Government, Environmental Affairs and Development Planning in the Province for approval. CapeNature also approved and adopted six Mouth Management Plans for the Verlorenvlei, Bot/Kleinmond, Klein, Uilkraals, Heuningnes and Goukamma Estuaries. These plans will govern the process through which either natural or assisted estuary mouth breaching will be managed.

Programme 4: Eco-tourism and Access

For the second consecutive year the entity achieved unprecedented revenue and visitor number growth. Revenue performance grew by 20% (rounded), from R 51 325 815 in 2021/22 to R61 511 791, with visitor numbers also increasing compared to the previous fiscal year.

The eco-tourism revenue was derived from accommodation (33%); and entrance fees, hiking and activities, collectively (56%). The remaining 11% was derived from diverse sources including Wildcard sales, Public Private Partnerships, concessions agreements, filming and events.

Overall, CapeNature's revenue growth reflects its commitment to provide exceptional nature-based experiences while concurrently promoting biodiversity conservation.

³ Bot/Kleinmond, Goukamma, Goukou, Heuningnes, Jakkalsvlei, Keurbooms, Klein, Klipdriftfontein, Olifants, Palmiet, Rooiels, Uilkraals, Verlorenvlei Estuaries



Eco-tourism and Access Highlights and Awards

1. Stellenbosch University partnership

CapeNature, in partnership with Stellenbosch University, embarked on a pilot impact assessment study to measure the impact of the entity's Fire Awareness programme on children (254) and adults (72). It was found that 89% of children and 87% adults showed an increase in knowledge on the topic of fire after having participated in the programme with CapeNature.

2. International Tourism Film Festival Africa Awards

In March 2023 CapeNature received a nomination as a Finalist at the 5th Edition of the International Tourism Film Festival Africa Awards. The Gamkaberg Nature Reserve Customer Service values - Eco-tourism and biodiversity conservation video production was recognised among 378 entries from 59 countries around the world.

The entity delivered on a number of successful campaigns, surpassing its APP target by one additional campaign. This noteworthy achievement was made possible through a strategic partnership opportunity with the Western Cape Tourism, Trade and Investment Promotion Agency (Wesgro). By leveraging this collaboration, CapeNature maximized its impact during the Easter holiday period by promoting domestic travel.

The 12 campaigns are listed below:

1. Winter Campaign
2. Senior Citizen Campaign
3. Filming Campaign
4. Wild Card Campaign
5. Access Week
6. Summer Campaign
7. Outdoor Photo-frames
8. Black Friday Campaign
9. Online Gift Vouchers Campaign
10. New Product Launch: Bliss on the Bay
11. Camping & Hiking Campaign
12. Wesgro's domestic marketing: Easter Campaign

Following a shift to digital platforms during the height of the pandemic, CapeNature continued to use these platforms for environmental education and capacity building activities when contact events were again possible. For the 2022/23 reporting period, 75% of activities resumed in the form of contact events. In maintaining the hybrid model and to support and complement the contact events, the remainder of the activities were split as follows: 15% social media, 7% broadcast media, 2% print media, 1% online events.

All social media and online platforms experienced commendable growth in followers and subscribers: Facebook (18%), Twitter (47%) and Instagram (64%). Unique visits to the website grew by 102%. Subscribers to the entity's bi-monthly e-newsletter grew by 67%.

The entity continued to include both contact and non-contact activities with external stakeholders such as schools, municipalities, community groupings, partners and an array of other stakeholders. A total of 115 capacity building activities were undertaken, surpassing the target of 80 by 44%. Similarly, a total of 468 awareness activities were embarked upon surpassing the target of 300 by 56%. It is important to note that the awareness target was increased from 150 to 300 for the year under review. The over-achievement for both targets was largely based on unsolicited, opportunistic, additional planned and unplanned activities.

2.2. Organisational Environment

The year proved to be a challenging one from the perspective of increased loadshedding and the impact thereof on operations and productivity. The constant monitoring of staff performance remained a key element in ensuring that the entity's performance was achieved, albeit the challenges posed by load shedding.

Staff must be suitably qualified to perform the tasks and activities required by the post or position being filled. To this end, facilitating various training interventions for all staff was a key part of the entity's approach to ensure that staff met expectations and were able to make a valuable contributions towards the achievement of the entity's goals and their personal development.

Considering the impact that staff continue to endure as a consequence of the pandemic, personal circumstances which may affect productivity and the ever-increasing cost of living, the entity has consistently engaged in promoting the services of its Employee Wellness Programme partner. This service is being increasingly utilised by CapeNature staff and members of their immediate households to address concerns relating to their work, as well as their personal wellbeing.

The entity continued to implement its Gender Mainstreaming Strategy, which is informed by the approved Gender Mainstreaming Policy. The entity reports its achievements in this regard to the relevant Board Committees and the quarterly oversight engagements with the Department of Environmental Affairs and Development Planning.

Job Creation and Empowerment

The entity created 608 Expanded Public Works Opportunities (EPWP) related employment opportunities, benefitting neighbouring communities in around its protected areas. For many families these opportunities present a lifeline to sustain households and actively participate in the local economy. In terms of the vulnerability targets required for the EPWP, the entity achieved 60% for women (target 60%), 76.7% for youth (target 55%) and 2.4% for persons with disability (target 2%).

Furthermore, 16 Work Integrated Learners (WILs) and graduate interns were appointed during the reporting period, exceeding the target of 15.

2.3. Key policy developments and legislative changes

None

2.4. Progress towards achievement of institutional impacts and outcomes

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

Out-come		Outcome Indicator	Measure	5-Year Target	Achievement
ENHANCED BIODIVERSITY CONSERVATION AND LANDSCAPE RESILIENCE	1.1	Percentage of area of state managed protected areas effectively managed	Percentage of area of state managed protected areas assessed with a Management Effectiveness Tracking Tool (METT) score above 67%	80%	94% in 2021/22 This is a biennial indicator.
	1.2	Number of conservation tools and actions developed and implemented to improve the status of priority species and ecosystems ⁵	Number of State of Conservation Reports completed	Updated State of Biodiversity Report	1 in 2020/21 1 in 2021/22 1 in 2022/23
			Number of Western Cape Protected Area Expansion Strategies approved		1 in 2020/21 Reviewed and updated every five years.
			Number of permits issued within legislated timeframes		4 122 in 2020/21 3 277 in 2021/22 4 001 in 2022/23
			Percentage of complete applications for biodiversity permits and authorisations finalised within legislated timeframes		Baseline of 87% established in 2021/22. 86% in 2022/23
			Number of compliance inspections conducted		46 in 2020/21 116 in 2021/22 223 in 2022/23
			Number of administrative enforcement notices issued for non-compliance with environmental legislation		1 in 2020/21 1 in 2021/22 0 in 2022/23
			Number of completed criminal investigations handed to the NPA for prosecution		34 in 2020/21 72 in 2021/22 60 in 2022/23

⁵ As measured against the SOB 2017 recommendations

Out-come		Outcome Indicator	Measure	5-Year Target	Achievement
ENHANCED BIODIVERSITY CONSERVATION AND LANDSCAPE RESILIENCE	1.3	Number of stakeholder interventions to enhance biodiversity conservation and landscape resilience	Number of stakeholder learning activities conducted	1 600 interventions	1 138 in 2020/21
			Number of environmental awareness activities conducted		In 2020/21 this indicator was combined with the indicator, Number of environmental capacity building activities conducted, and its achievement reported against the indicator, Number of stakeholder learning activities conducted. In 2021/22 the indicator, Number of stakeholder learning activities conducted, was split based on the Standardised Sector Indicators issued during 2020/21. 373 in 2021/22 468 in 2022/23
			Number of environmental capacity building activities conducted		In 2020/21, this indicator was combined with the indicator, Number of environmental awareness activities conducted, and its achievement reported against the indicator, Number of stakeholder learning activities conducted. In 2021/22, the indicator, Number of stakeholder learning activities conducted, was split based on the Standardised Sector Indicators issued during 2020/21. 101 in 2021/22 115 in 2022/23
	1.4	Number of hectares under conservation	Number of hectares in the conservation estate	994 407.89 ha + 5 000 ha + 5 000 ha per year for the 5-year strategic planning period	+ 7 156.44 ha in 2020/21 + 33 352.47 ha in 2021/22 + 9 905.14 ha in 2022/23
			Number of additional biodiversity stewardship sites established		7 in 2020/21 7 in 2021/22 5 in 2022/23

Out-come		Outcome Indicator	Measure	5-Year Target	Achievement
ADVANCED ECONOMIC SUSTAINABILITY	1.5	Percentage increase in eco-tourism revenue	Percentage increase in tourism income generated	Re-establishment of a baseline in 2021/22 due to the removal of the indicator during 2020/21.	The target was removed during the 2020/21 financial year due to the impact of COVID-19.
					The indicator was re-introduced for the 2021/22 financial year to set a new baseline.
					For 2022/23, the entity increased tourism income by 38%, which is a an over-achievement of 31% having set a target of 7% for the period under review.
			Number of new and/or upgrades on existing tourism products (n).		11 in 2020/21 12 in 2021/22 18 in 2022/23
	1.6	Number of individuals benefitting from job creation initiatives	Number of employment opportunities provided through EPWP programmes	7 300	662 in 2020/21 789 in 2021/22 608 in 2022/23
			Number of learners appointed through various initiatives in the sector (including learnerships)		17 in 2020/21 18 in 2021/22 16 in 2022/23
			Number of work opportunities created through environmental public employment programmes		1 212 in 2020/21 1 249 in 2021/22 1 105 in 2022/23
	1.7	Audit opinion obtain in respect of previous financial statements	Audit opinion from Auditor-General of South Africa	Unqualified Auditor-General opinion	2022/23 being Year 3 of 5, 3 out of 5 unqualified audit opinions have been obtained.

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

The expansion of the conservation estate is fundamental in conserving biodiversity and in this regard the entity has exceeded its target of 5 000 ha by 98% (rounded), which equates to 9 905.14 ha. The expansion of the conservation estate is largely facilitated through the conclusion of stewardship agreements for priority areas of conservation value. In support of critical conservation efforts, the third annual State of Conservation Report, directs efforts to ensure optimal conservation actions, summarising the state of priority species and ecosystems. This report will inform the five-yearly State of Biodiversity Report.

COVID-19 had a debilitating impact on the tourism and hospitality sector in the country. This necessitated the removal of the indicator, percentage increase in tourism income generated, as part of the in-year APP amendment process during the 2020/21 reporting period. This indicator was reintroduced for the 2021/22

APP. Income generation remains fundamental in the sustainability of the entity with a significant percentage of income diverted to support conservation operations. For the reporting period the entity generated tourism income of R61 511 791.

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

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

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



3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

3.1. Programme 1: Administration and Governance

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

The programme consists of the following sub-programmes:

Sub-Programme 1.1: Office of the CEO

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

Sub-Programme 1.2: Finance and Information and Communication Technology (ICT)

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

Sub-Programme 1.3: Strategy, Governance and Risk

Purpose: To ensure the effective management of organisational risk, internal control, corporate legal services, strategic planning and human resources.

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

During the period under review, CapeNature achieved a clean audit for the 2022/23 financial period. This confirms the Auditor-General's opinion that the Annual Financial Statements contained no material misstatements, it was compliant with legislation and that there were no material findings on predetermined objectives. A total of 608 FTEs were employed against a target of 450, which shows a significant over-achievement. Similarly, 16 Work Integrated Learners and graduate interns have been appointed, exceeding the target by one.

The entity facilitates the employment and empowerment of vulnerable groups through funding received from the EPWP. This Programme makes provision for women, youth and people with disabilities. Through the focus on paid learnerships and intern programmes, the entity provides experiential learning and job market readiness for youth specifically.

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

Table 2: Output Indicators

Programme I – Administration and Governance								
Outcome	Output	Output Indicator	Audited Actual Performance	Audited Actual Performance	Planned Annual Target	Actual Achievement	Deviation from planned target to Actual Achievement	Reasons for deviations
			2020/21	2021/22	2022/23	2022/23	2022/23	
Advanced economic sustainability	Unqualified audit report	Audit opinion from Auditor General of South Africa	An unqualified audit opinion	An unqualified audit opinion	An unqualified audit opinion	An unqualified audit opinion	None	None
	Employment opportunities provided through EPWP programmes	Number of employment opportunities provided through EPWP programmes	662	789	450	608	+158	The over-achievement was attributed to the high turnover rate which created vacant posts to be filled, resulting in additional contracts being generated.
	Learning opportunities provided in the sector	Number of learners appointed through various initiatives in the sector (including learnerships)	17	18	15	16	+1	An additional learner was appointed to address capacity challenges, providing the opportunity for valuable work experience.

Strategy to overcome areas of under-performance

N/A

Linking performance with budgets

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



Table 3: Administration and Governance

Programme/ sub-programme	2022/23			2021/22		
	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	3 443	3 453	(10)	9 577	10 480	(903)
Finance and Information and Communication Technology (ICT)	56 956	57 666	(710)	61 071	62 146	(1 075)
Strategy, Governance and Risk	16 728	17 135	(407)	10 399	9 451	948
Total	77 127	78 253	(1 126)	81 047	82 078	(1 031)

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

3.2. Programme 2: Biodiversity Capabilities

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

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

The conclusion of stewardship agreements during the reporting period, resulted in adding 10 749.0378 hectares to the conservation estate. The abolishment of Driftsands Nature Reserve, represent a loss of 843.8952 hectares, however CapeNature still exceeded the target for this indicator by 4 905.1426 hectares.

CapeNature as the regulatory authority for nature conservation in the Western Cape, processes permit applications in terms of relevant legislation, to enable compliance with legislative requirements. CapeNature measures the percentage of complete applications for biodiversity permits and authorisations finalised within legislated timeframes. The entity achieved 86%, exceeding the target of 80%.

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

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

Table 4: Output Indicators

Programme 2: Biodiversity Capabilities								
Outcome	Output	Output Indicator	Audited Actual Performance	Audited Actual Performance	Planned Annual Target	Actual Achievement	Deviation from planned target to Actual Achievement	Reasons for deviations
			2020/21	2021/22	2022/23	2022/23	2022/23	
Enhanced bio-diversity conservation and landscape resilience	Updated land- and seascape targets for protected area expansion	Number of hectares in the conservation estate	1 010 925.33 ha	1 044 277.80 ha	Previous Year +5 000 ha	1 054 182.94 ha	+4 905.14 ha	Reasons for deviations An adjustment of 843.8952 hectares was required due to the deproclamation of the Driftsands Nature Reserve, in addition to 10 749.0378 hectares added. The signing of stewardship agreements and the proclamation/ declaration of protected areas are achieved after lengthy negotiation and legal processes. The sign-up/ declaration process may stretch over several fiscal years and therefore the timeframe for concluding agreements and the proclamation/ declaration of protected areas cannot be predetermined.
	Updated State of Biodiversity Report	Number of State of Conservation Reports completed	1	1	1	1	None	Not applicable
	Expansion of the conservation estate	Number of additional biodiversity stewardship sites established	7	7	1	5	+4	The signing of stewardship agreements is achieved after lengthy negotiation and legal processes. The sign-up process may stretch over several fiscal years and therefore the timeframe for concluding agreements cannot be predetermined.

Programme 2: Biodiversity Capabilities								
Outcome	Output	Output Indicator	Audited Actual Performance	Audited Actual Performance	Planned Annual Target	Actual Achievement	Deviation from planned target to Actual Achievement	Reasons for deviations
			2020/21	2021/22	2022/23	2022/23	2022/23	
	Permits processed and finalised within legislated timeframes	Percentage of complete applications for biodiversity permits and authorisations finalised within legislated timeframes	Indicator not included in 2020/21 Annual Performance Plan	88	80	86	+6	The issuance of permits is based on the demand of the public to obtain authorisation in respect of regulated activities. The ongoing implementation of mechanisms to reduce unnecessary red tape and facilitate law reform, i.e. the issuance of Section 80 exemptions, have reduced the number of permits being issued, thus increase the efficiency of permits that are issued.

Strategy to overcome areas of under-performance

N/A

Changes to planned targets

N/A

Linking performance with budgets

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



Table 5: Biodiversity Capabilities

Programme/ sub-programme	2022/23			2021/22		
	Budget	Expenditure	(Over)/ Under Expenditure	Budget	Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Biodiversity Capabilities	28 106	30 948	(2 842)	39 008	36 231	2 777
Total	28 106	30 948	(2 842)	39 008	36 231	2 777

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, enhance and restore biodiversity resilience in Western Cape landscapes.

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

CapeNature conducts biennial METT-SA assessments for Protected Area Management Effectiveness. The assessment was conducted for 2021/22 and will be undertaken in 2023/24. The appointment of 19 SMMEs, seven more than the internal annual target, resulted in more work opportunities created through the biodiversity sector economy and the over-achievement reported. During the reporting period, no administrative enforcement notices (primarily relating to the implementation of the National Environmental Management Act and other specific environmental legislation) were issued for non-compliance due to the entity primarily implementing the Nature Conservation Ordinance with limited scope for the issuance of administrative notices. The more than targeted compliance inspections conducted (+183) resulted from counting all inspection reports following inspections of facilities that hold wild animals in captivity for display and other purposes, as well as inspecting facilities trading in protected flora species; with most of the latter issued with annual permits. Whilst demand-driven, the more than targeted investigations handed to the NPA (+40) is the result of an increased number of investigations opened due to continued and rampant illegal harvesting of succulent plants.

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

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

Table 6: Output Indicators

Programme 3: Conservation Operations								
Outcome	Output	Output Indicator	Audited Actual Performance	Audited Actual Performance	Planned Annual Target	Actual Achievement	Deviation from planned target to Actual Achievement	Reasons for deviations
			2020/21	2021/22	2022/23	2022/23	2022/23	
Enhanced bio-diversity conservation and landscape resilience	Manage effectiveness of CapeNature managed protected areas assessed	Percentage of area of state managed protected areas assessed with a METT score above 67%	Not applicable	94%	Not applicable	Not applicable	Not applicable	Not applicable
Advanced economic sustainability	Work opportunities created through the biodiversity sector economy	Number of work opportunities created through environmental public employment programmes	1 212	1 249	700	1 105	+405	The appointment of more Small Medium and Micro Enterprises in environmental programmes as initially planned, resulted in more work opportunities created than targeted.
	Compliance inspections conducted	Number of compliance inspections conducted	46	116	40	223	+183	The more than targeted compliance inspections conducted resulted from counting all inspection reports following inspections of facilities that hold wild animals in captivity for display and other purposes, as well as inspecting facilities trading in protected flora species; with most of the latter issued with annual permits.

Programme 3: Conservation Operations								
Outcome	Output	Output Indicator	Audited Actual Performance	Audited Actual Performance	Planned Annual Target	Actual Achievement	Deviation from planned target to Actual Achievement	Reasons for deviations
			2020/21	2021/22	2022/23	2022/23	2022/23	
	Administrative enforcement notices issued*	Number of administrative enforcement notices issued for non-compliance with environmental legislation	1	1	0 *	0	None	Not applicable
	Criminal investigations handed to the NPA	Number of completed criminal investigations handed to the NPA for prosecution	34	72	20	60	+40	Whilst demand-driven, the more than targeted investigations handed to the NPA is the result of an increased number of investigations opened due to continued and rampant illegal harvesting of succulent plants.

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

Strategy to overcome areas of under-performance

N/A

Changes to planned targets

N/A

Linking performance with budgets

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

Table 7: Conservation Operations

Programme/ sub-programme	2022/23			2021/22		
	Budget	Expenditure	(Over)/ Under Expenditure	Budget	Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Conservation Operations	169 444	171 868	(2 424)	151 077	157 452	(6 375)
Total	169 444	171 868	(2 424)	151 077	157 452	(6 375)

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

3.4. Programme 4: Eco-tourism and Access

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

The programme consists of the following sub-programmes:

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

Purpose: To 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 support to both internal and external stakeholders

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

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

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

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

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

The tourism revenue target of R47 819 205 was exceeded by 31% for the year under review.

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

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

Table 8: Output Indicators

Programme 4: Eco-tourism and Access								
Outcome	Output	Output Indicator	Audited Actual Performance	Audited Actual Performance	Planned Annual Target	Actual Achievement	Deviation from planned target to Actual Achievement	Reasons for deviations
			2020/21	2021/22	2022/23	2022/23	2022/23	
Advanced economic sustainability	Increased eco-tourism income	Percentage increase in tourism income generated	Indicator removed from the 2020/21 Annual Performance Plan due to the impact of COVID-19	Establish a baseline	7%	38%	31%	Significantly faster than anticipated national and provincial tourism recovery, augmented by strong marketing and promotion campaigns.
Advanced economic sustainability	Increased eco-tourism income	Number of new and/or upgrades on existing tourism products (n)	11	12	10	18	+8	Over achievement was based on the completion of rollover projects from the previous financial year which were delayed due to adverse weather conditions and a shortage of construction materials, and the completion of additional projects.
	Marketing and promotional activities to facilitate access	The number of tourism promotional activities to promote access	12	11	11	12	+1	The partnering of the Western Cape Tourism, Trade, and Investment Promotion Agency (Wesgro) and CapeNature on a joint marketing initiative, resulted in the over-achievement.
Enhanced bio-diversity conservation and landscape resilience	Environmental awareness activities conducted	Number of environmental awareness activities conducted	Indicator not included in 2020/21 Annual Performance Plan	373	300	468	+168	Unsolicited, opportunistic, additional planned and unplanned activities resulted in the over-achievement.
	Stakeholder capacity building activities conducted	Number of environmental capacity building activities conducted	Indicator not included in 2020/21 Annual Performance Plan	101	80	115	+35	Unsolicited, opportunistic, additional planned and unplanned activities resulted in the over-achievement.

Strategy to overcome areas of under-performance

N/A

Changes to planned targets

N/A

Linking performance with budgets

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

Table 9: Eco-tourism and Access

Programme/ sub-programme	2022/23			2021/22		
	Budget	Expenditure	(Over)/ Under Expenditure	Budget	Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Advocacy	16 919	17 000	(81)	15 845	16 094	(249)
Tourism Development	25 770	35 181	(9 411)	25 429	33 129	(7 700)
Stakeholder Engagement and Access	33 809	35 994	(2 185)	33 096	31 071	2 025
Total	76 498	88 175	(11 677)	74 370	80 294	(5 924)

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



4. REVENUE COLLECTION

Table 10: Revenue collection

Sources of revenue	2022/23			2021/22		
	Estimate	Actual Amount collected	(Over)/ Under collection	Estimate	Actual Amount collected	(Over)/ Under collection
	R'000	R'000	R'000	R'000	R'000	R'000
Government Grant, own revenue and special projects	383 577	380 731	2 846	375 287	362 784	12 503
Total	383 577	380 731	2 846	375 287	362 784	12 503

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

5. CAPITAL INVESTMENT

- Cederberg Wilderness – Construction of new low water bridge at Algeria Camp.
- De Hoop Nature Reserve – Maintenance, repair and improvements to Whale Trail product.
- De Mond Nature Reserve – Construction of new hiking trail and overnight accommodation.
- Gamkaberg Nature Reserve – Upgrade of solar power, maintenance and repairs of tourism facilities.
- Geelkrans Nature Reserve (Potberg) – Construction of gatehouse, ablution, viewing decks and installation of interpretation.
- Grootvadersbosch Nature Reserve – Upgrade of Scolopia cottage.
- Grootvadersbosch Nature Reserve – Recreational area upgrade at the campsite and extension of the campsite ablutions.
- Grootvadersbosch Nature Reserve – Glamping sites additions and alterations.
- Hottentots Holland Nature Reserve – Construction of 6 new picnic sites and upgrades to overnight hiking huts.
- Lamberts Bay Bir Island – Maintenance and repairs to 3 tourism buildings on the island and new gate house.
- Limietberg Nature Reserve – Maintenance and repair of communal bathrooms.
- Marloth Nature Reserve – Upgrade and repairs to overnight accommodation.
- Selected Nature Reserves – Installation of wood fired hot tubs.
- Swartberg Nature Reserve – Improvement of trail and deck at Meiringspoort.
- Various Nature Reserves – Installation of viewing decks.
- Vrolijkheid Nature Reserve – Maintenance and repairs to selected hiking trails.
- Walker Bay Nature Reserve – Installation of fence to address visitor safety and manage access control.
- Wolwekloof Resort – Upgrading of day visitor facilities, access control and recreational areas.



Photo: *Prinia maculosa*, De Mond Nature Reserve - Scott Ramsay



C | GOVERNANCE

1. INTRODUCTION

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

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

2. PORTFOLIO COMMITTEES

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	5 May 2022
Monthly Highlights for inclusion into report to Minister Bredell: May	8 June 2022
Monthly Highlights for inclusion into report to Minister Bredell: June	6 July 2022
Monthly Highlights for inclusion into report to Minister Bredell: July	4 August 2022
Monthly Highlights for inclusion into report to Minister Bredell: August	7 September 2022
Monthly Highlights for inclusion into report to Minister Bredell: September	6 October 2022
Monthly Highlights for inclusion into report to Minister Bredell: October	8 November 2022
Monthly Highlights for inclusion into report to Minister Bredell: November	8 December 2022
Monthly Highlights for inclusion into report to Minister Bredell: December	8 February 2023
Monthly Highlights for inclusion into report to Minister Bredell: January	8 February 2023
Monthly Highlights for inclusion into report to Minister Bredell: February	7 March 2023
Monthly Highlights for inclusion into report to Minister Bredell: March	11 April 2023

4. THE ACCOUNTING AUTHORITY/ CAPENATURE BOARD

INTRODUCTION

The CapeNature Board, hereafter referred as the 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 Board has a formalised system of Corporate Governance that is applied by the following board committees:

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

THE ROLE OF THE BOARD

The roles, responsibilities and objectives are per the Western Cape Biodiversity Act, 2021 (Act 6 of 2021).

BOARD CHARTER

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.



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.

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.

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.

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.

ROLES AND RESPONSIBILITIES

- 6.1 The Board will, subject to the approval by the Minister, where applicable:
- Align the Board's strategic goals and objectives with that of the Department of Environmental Affairs and Development Planning and Provincial and National Government;
 - Review, evaluate and approve, long-term strategic objectives, plans and projects for the organisation;
 - Review, evaluate and approve the organisation's annual budget, budget projections and Annual Financial Statements;
 - Review the delegations of the Board;
 - Review, evaluate and approve major resource allocations and capital investments;
 - Review the financial and operating results of the organisation;
 - Review and approve the strategic policies of the organisation;
 - Adopt and monitor compliance with the organisation's Code of Conduct, the PFMA and all legislation relevant to the Board;
 - Institute the necessary measures to safeguard the assets of the organisation;
 - Disclose real and potential conflicts of interest in a transparent manner informed by the imperative of ethical leadership and governance, and
 - Guide the organisation in terms of the demands and challenges of the broader societal context of transformation.
- 6.2 Upon authorisation of the strategic plans and projects, Management will provide the Board with regular, accurate and relevant feedback on progress with regard to implementation.
- 6.3 The Board however remains accountable for the oversight of the implementation of the strategies and for the total process of risk management.
- 6.4 The Board has formally established Board Committees to assist in discharging its duties and responsibilities, as follows:
- Human Resources (HR) and Remuneration – The Committee fulfils an oversight role with respect to the human resource management strategy and related strategic policies in the organisation.
 - Audit and Finance – The Committee fulfils an Audit oversight role with respect to the effectiveness of the system of internal control, management of financial and operational risks and the auditing process as it relates to the functions performed by the Auditor-General and Internal Audit. The Committee fulfils a Finance oversight role with respect to reviewing the adequacy of financial management and budgeting processes and procedures, the accuracy of financial reporting, the recommendation of significant financial transactions and compliance with all relevant laws and regulations.
 - Executive (EXCO) – This Committee is constituted of the Chairpersons of the Board Committees and convenes to attend to any urgent matters arising from Board meetings which could not be held over until the next Board or Board Committee meeting.
 - Conservation – The Committee fulfils an oversight role with respect to the biodiversity conservation functions and reviews progress towards meeting biodiversity and conservation targets and objectives of the organisation.
 - Eco-tourism and Access – The Committee fulfils an oversight role with respect to matters pertaining to tourism and infrastructure development, marketing, communication, fundraising and partnerships.

- Risk and ICT – The Committee fulfils an oversight role through independent counsel, guidance and advice with respect to the identification, assessment and management of risks and monitors compliance with corporate governance policies and guidelines. The Committee fulfils an ICT oversight role with respect to the adequacy of the ICT environment, compliance to ICT laws, regulations and best practice, research and the recommendation of significant innovation investments.
- 6.5 Each Committee must be established in terms of an approved Charter, which will set out the roles and responsibilities for that Committee.
 - 6.6 The Chairperson of the Board shall, in consultation with the Board, appoint Board Committee Chairpersons and members to each Committee.
 - 6.7 The Board should review and assess, the required mix of skills and experience of members and its diversity on a regular basis.

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.

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.

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.

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.

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.

REVIEW

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

Table 11: Composition of the Board

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned/ End of term	Qualifications	Area of Expertise	Board Director- ships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of meetings attended
Professor Denver Hendricks	Chairperson	11 April 2021	10 April 2026	BSc; MSc; PhD	Biochemistry; Natural Sciences; Biodiversity	None	Audit and Finance (Ex-Officio); Eco-tourism & Access; Conservation	19
Professor Gavin Maneveldt	Vice Chairperson	01 March 2023	28 February 2026	BSc; BSc (Hons); MSc; PhD Botany; Field Guide Association of South Africa; FGASA Honorary SKS	Marine Biology; Botany	None	Conservation; Human Resource & Remuneration; Risk and ICT	15
Dr Colin Johnson	Member	11 April 2021	10 April 2026	MSc; PhD	Natural Sciences; Botany	None	Conservation; Human Resource & Remuneration	14
Mervyn Burton	Member	14 June 2020	14 June 2025	A (SA); BCompt (Hons)	Financial Manage-ment; Corporate Governance and Risk	None	Audit and Finance; Eco- tourism & Access; Risk and ICT	17
Professor Aubrey Redling- huis	Member	14 June 2020	14 June 2025	BA (Hons); MA; Doctorate in Economic Geography	Education	None	Human Resource & Remuneration; Conservation	13
Paul Slack	Member	14 June 2020	14 June 2025	BCom (Hons) in Financial Management; CA (SA)	Financial Management; Corporate Governance and Risk	None	Audit and Finance; Risk and ICT	13
Marguerite Loubser	Member	01 March 2023	28 February 2026	BCom; Postgraduate Diploma in Tax; CA (SA) LLB; LLM	Tax and Environmental Law	None	Eco-tourism & Access; Risk and ICT	11

Table 12: Independent Committee Members

Name	nation (in terms of the Public Entity Board structure)	Date appointed	Date resigned/ End of term	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task)	No. of meetings attended
Nirvani Dhevcharran	Independent member	01 June 2022	31 May 2025	BSc (Hons) Computer Science; MSc; MCSE	Technology	None	Risk and ICT	3
Burton Van Staaden	Independent member	01 June 2021	31 May 2022	BCom; BCompt; Postgraduate Certificate in Auditing; CA (SA)	Auditing	None	Audit and Finance	2
Leon Moser	Independent member	01 June 2022	31 May 2025	BCom Certificate: Theory of Accountancy	Auditing	None	Audit and Finance	3

Table 13: Committees

Committee	No. of meetings held	No. of members	Name of members
Board	5	7	Prof Hendricks Prof Maneveldt Dr Johnson Mr Burton Prof Redlinghuis Mr Slack Ms Loubser
Board Exco	0	6	Prof Hendricks Prof Maneveldt Dr Johnson Mr Burton Mr Slack Ms Loubser
Conservation	4	4	Prof Maneveldt Prof Redlinghuis Dr Johnson Prof Hendricks
Eco-tourism and Access	4	3	Mr Burton Prof Hendricks Ms Loubser
HR & Remuneration	4	3	Dr Johnson Prof Maneveldt Prof Redlinghuis
Audit and Finance	5	5	Mr Slack Mr Burton Prof Hendricks (Ex-Officio) Mr Van Staaden (Independent member from 1 April 2021 to 31 May 2022) Mr Moser (Independent member from 1 June 2022 onwards)
Risk and ICT	4	5	Ms Loubser Mr Slack Mr Burton Prof Maneveldt Ms Dhevcharan (Independent member)



Table 14: Remuneration of board members

Name	Remuneration (Rands)	Other Allowances (Rands)	Other Re-imbursements (Rands)	Total (Rands)
Professor Denver Hendricks	43 755	-	146	43 901
Professor Gavin Maneveldt	29 841	-	217	30 058
Dr Colin Johnson	28 755	-	1 838	30 593
Professor Aubrey Redlinghuis	21 417	-	-	21 417
Mervyn Burton	35 457	-	-	35 457
Marguerite Loubser	22 914	-	188	23 102
Paul Slack	26 808	-	125	26 933
Burton Van Staaden	6 378	-	-	6 378
Nirvani Dhevcharan	11 688	-	-	11 688
Leon Moser	11 804	-	-	11 804
TOTAL	238 817	-	2 514	241 331

5. RISK MANAGEMENT

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

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

The entity focused on the following transversal and strategic risks of (1) Increased fiscal pressures (2) Climate change resilience (3) Biodiversity loss (4) Reduced socio-economic opportunities and access and (5) Inadequate reputation management.

The risk profile is aligned to the organisational structure and incorporates all directorates. Significant focus had been given to resolving the situation related to the unlawful occupation of Driftsands Nature Reserve. The unlawful occupation at the Reserve posed not only a risk to biodiversity but also to the safety of staff on the reserve as well as the potential for loss of property and the endangerment to the lives of those members of the public that have taken up occupation in areas that are not conducive for occupation. The entity followed due process when the initial attempts to unlawfully occupy the Reserve took place, where a provisional court order was granted, effectively prohibiting the erection of any illegal structures and permitting the removal of illegally erected structures within the boundaries of the Reserve. CapeNature worked in collaboration with the City of Cape Town's Anti-Land Invasion Unit, Law Enforcement, and the South African Police Service to stabilise the invasion and to maintain the integrity of areas not yet overrun by structures. CapeNature also collaborated with the South African Human Rights Commission who played a key role in engaging with the community and overseeing the execution of the court order as independent monitors. A Provincial Task Team, chaired by the Department of Environmental Affairs and Development Planning (DEA&DP), was established and comprised of the then Departments of Human Settlements (now Infrastructure) and Transport and Public Works (now Western Cape Mobility Department), Department of Local Government, City of Cape Town, DEA&DP and CapeNature. Albeit the efforts of all stakeholders to work towards an amicable solution, including a public participation process, the unlawful occupation has resulted in the abolishment of the Reserve. CapeNature formally withdrew from the Driftsands Nature Reserve at 31 March 2023. The Department of Infrastructure will be taking over the management of the Reserve.

In response to the risk resulting from the impact of climate change, the entity is implementing mitigation and strategic adaptation measures. These include disaster risk reduction and response plans, and protecting and restoring ecological infrastructure such as wetlands, riparian corridors and coastal corridors. The expansion of the conservation estate and the implementation of the stewardship model allows the entity to advance protected area expansion in the landscape, and thereby maintain the ecological infrastructure critical to mitigate the impact of climate change. This in turn allows for greater management effectiveness and influence, allowing for the maintenance and integrity of the infrastructure and the ecosystems it supports. The entity further ensures key message management on climate change through environmental awareness and capacity building and collaborating with a broad spectrum of stakeholders.

CapeNature follows an integrated approach to catchment management, which includes biodiversity, freshwater, ecological, fire and invasive alien management through a "catchment-to-coast" approach. This approach is fundamental to only managing alien invasive species and the risk of fire but also contribute to water security. CapeNature has continued to focus on alien eradication in priority and water catchment areas through the investment of own resources and the strategic partnerships. These initiatives not only achieve the objective of reducing fuel loads and mitigating against fire but give effect to the entity's socio-economic mandate of job creation, community upliftment and local economic development and critically, water conservation in the Western Cape Province.

The entity continues to manage and mitigate risk within the limitations of the available resources. The entity continues to invest in innovation, technology, and systems to improve on operational inefficiencies. The focus on ICT has been key in ensuring that the necessary infrastructure is in place and is maintained and is able to support the entity's operational requirements. Critical during the reporting period has been the continued efforts to enhance information security management, aligned to best practice and industry standards.

6. INTERNAL CONTROL UNIT



The Internal Control Unit (ICU) continued to advance within its role in the maintenance, improvement and implementation of an efficient and effective control environment within CapeNature. The Unit focused on areas of control activities, monitoring and compliance as part of the entity's combined assurance approach.

Through its day-to-day activities, the ICU was able to support the Executive Management team and the Board with their corporate governance responsibility in ensuring a system of effective internal controls and compliance with applicable laws and regulations. Reports were presented on a quarterly basis to both the Audit and Finance, and the Risk and ICT Board Committees.

The Unit reported on the status of both internal and external audit action plans, a control dashboard, relevant policies and the continuous implementation of the principles of the King IV Report on corporate governance. The reports presented the status of the control environment within the key business areas indicated below:

- Supply Chain Management
- Contract Management
- Pre-Determined Objectives
- Risk Mitigation
- Payroll
- ICT system migration
- Loss control and applicable investigations
- Internal Financial Controls, including asset management (including government motor transport use) and cash management at reserve level
- Ad hoc requests from Executive Management

Compliance monitoring work was performed for the following legislation and regulations during the 2022-23 period:

- National Environmental Management: Biodiversity Act, 2004 (Act 10 of 2004)
 - CITES Regulations
- Labour Relations, 1995 (Act 66 of 1995)
- Western Cape Nature Conservation Board Act 15 of 1998
- Carbon Tax, 2019 (Act 15 of 2019)
- Civil Aviation Act, 2009 (Act 13 of 2009)
 - Remotely Piloted Aircraft System Regulation
- Disaster Management, 2002 (Act 57 of 2022)
- Environmental Conservation Act, 1989 (Act 73 of 1989)
- Conservation of Agricultural Resources Act, 1983 (Act 43 of 1983)
- National Forests Act, 1998 (Act 84 of 1998)
- National Environmental Management: Protected Areas, 2003 (Act 57 of 2003)

Part of the Unit's control activities are the review of Standard Operating Procedures (SOP) to monitor the documented processes for efficiency and effectiveness. The following SOPs were reviewed and/or updated during the period:

- Curio Shop
- Discount on tourism facilities
- Performance indicators
- Supply Chain Management
- Closure/re-opening of CapeNature Tourism Products
- Staff discount terms and conditions
- Eco-Tourism and Access Marketing Sponsorships
- Marketing in Kind
- Retired employees discount
- New Bursary Application Procedure & Timeframes Review

As change is inevitable in the CapeNature environment, the unit continues to adapt to accommodate this changing environment within the sector, while also promoting fraud awareness and monitoring controls that assist the entity in meeting its objectives and continuing the focus on further strengthening the control environment.

7. INTERNAL AUDIT AND AUDIT COMMITTEES

Table 15: Composition of the Audit and Finance Committee

Name	Qualifications	Internal or external	If internal, position in the public entity	Date appointed	Date Resigned/ End of Term	No. of Meetings attended
Paul Slack	BCom (Hons) in Financial Management; CA (SA)	Board Member	N/A	15 June 2020	14 June 2025	4
Mervyn Burton	CA (SA); BCompt (Hons)	Board Member	N/A	15 June 2020	14 June 2025	5
Professor Denver Hendricks	BSc; MSc; PhD	Board Member (Ex-officio)	N/A	11 April 2021	10 April 2026	3
Burton Van Staaden	BCom; BCompt; Postgraduate Certificate in Auditing; CA (SA)	Independent Member	N/A	01 June 2021	31 May 2022	2
Leon Moser	Certificate in Theory of Accounting; B. Com	Independent Member	N/A	01 June 2022	31 May 2025	3

8. COMPLIANCE WITH LAWS AND REGULATIONS

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

9. FRAUD AND CORRUPTION

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

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

All matters that are reported will be considered and evaluated and may either be investigated internally and/or referred to any other advisory and support service at the entity's disposal, including Internal Audit, Auditor-General, Provincial Forensic Services and/or any other investigative agencies prescribed by law. Any fraud committed by an employee of CapeNature will be thoroughly investigated to the full extent of the law, including consideration of disciplinary proceedings within a reasonable period of time after the incident, instituting recovery of financial losses, including formal civil action, initiating criminal prosecution and/or any other appropriate and legal remedy available. An investigative protocol between CapeNature and the Department of Environmental Affairs and Development Planning, in collaboration with Provincial Forensic Services, is in place and applied to all investigative processes, where applicable. The work of the Internal Control Unit has further allowed for a prompt response to incidents where a breakdown of control has occurred and/or is suspected and to identify remedial actions to strengthen the control environment. These incidents will inform both proactive and reactive processes and functional areas in order to prevent future incidents of fraud and corruption.

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

10. MINIMISING CONFLICT OF INTEREST

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

11. CODE OF CONDUCT

The Code is a directive to all employees of CapeNature and acts as a guideline to employees as to what is expected of them from an ethical point of view, both in the individual conduct and in their relationship with others. Compliance with the Code can be expected to enhance professionalism and build confidence in the entity. Failure to adhere to the spirit and the letter of the Code of Conduct may open an employee to disciplinary proceedings.

12. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

The main purpose of occupational health and safety in the workplace is to ensure compliance with the provisions of:

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

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

During the period under review, 41 injuries on duty occurred resulting in 18 lost time injuries (Figure 2). Note that a lost time injury is defined as an injury where a person was booked off for longer than 1 day. These injuries resulted in an average of 6.05 working days lost per injury. There is a significant decrease from the previous year in the number of lost time injuries (25 cases – 58%). This can be attributed to a +60% drop in both vehicle accident injuries as well as where persons injured their backs due to overextending themselves. The most severe injury occurred when a pole rolled during the loading of poles onto a truck. The pole struck the injured staff members hand, causing him to be booked off for 21 days. All injuries are investigated at worksite level to determine root causes and to identify remedial and improvement actions to prevent its re-occurrence.

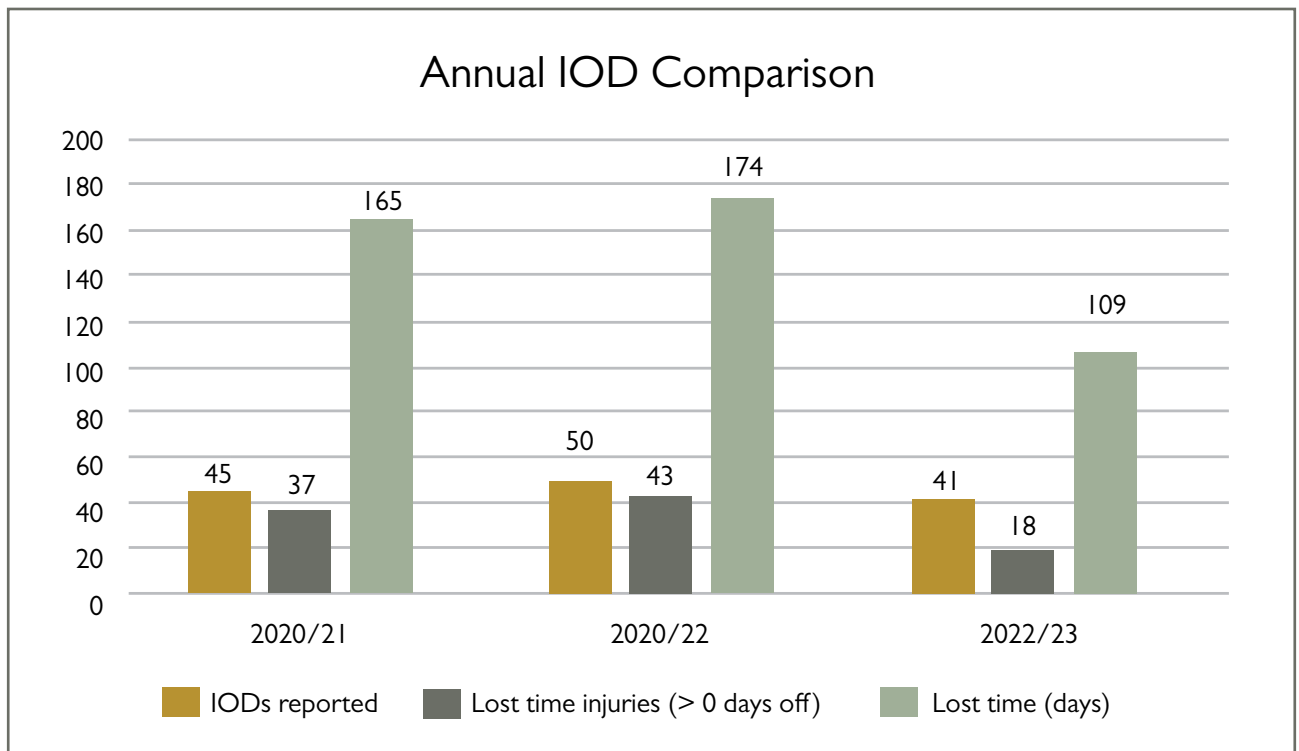


Figure 2: Total incidents reported during 2020/21, 2021/22 and 2022/23

Regarding types and causes of incidents during the reporting period, Figure 3 indicates that slip/trip and fall incidents, foreign objects in eyes or ears and struck by objects had the highest prevalence. With the slip/trip incidents, six of these were attributed to underfoot conditions when walking in the veld. This remains a high-risk area, because of the natural and unpredictable terrain that must be negotiated when infield. Three of the foreign objects in the eyes are of stones or metal as a result of performing a hazardous task (brush-cutting, grinding, hammering tiles of the floor). Two occurred on the fire line (1 branch and 1 soot) and the other single types of incidents. Two of the struck by object incidents involved hand tools and two are attributed to items falling/ moving materials whilst loading. Toolbox talks are provided to raise awareness amongst staff members on the safe procedures to follow.

The number of vehicle accident-related injuries relates to the number of employees (driver and passengers) who were injured in the vehicle at the time of the incident and not the number of accidents. The number of incidents related to transport have been broken down into 4 types of causes. Only two IOD's were related to road accidents whilst two passengers were injured during normal travel. Two accidents occurred when staff climbed into or off a vehicle and one was attributed to the loading of material.

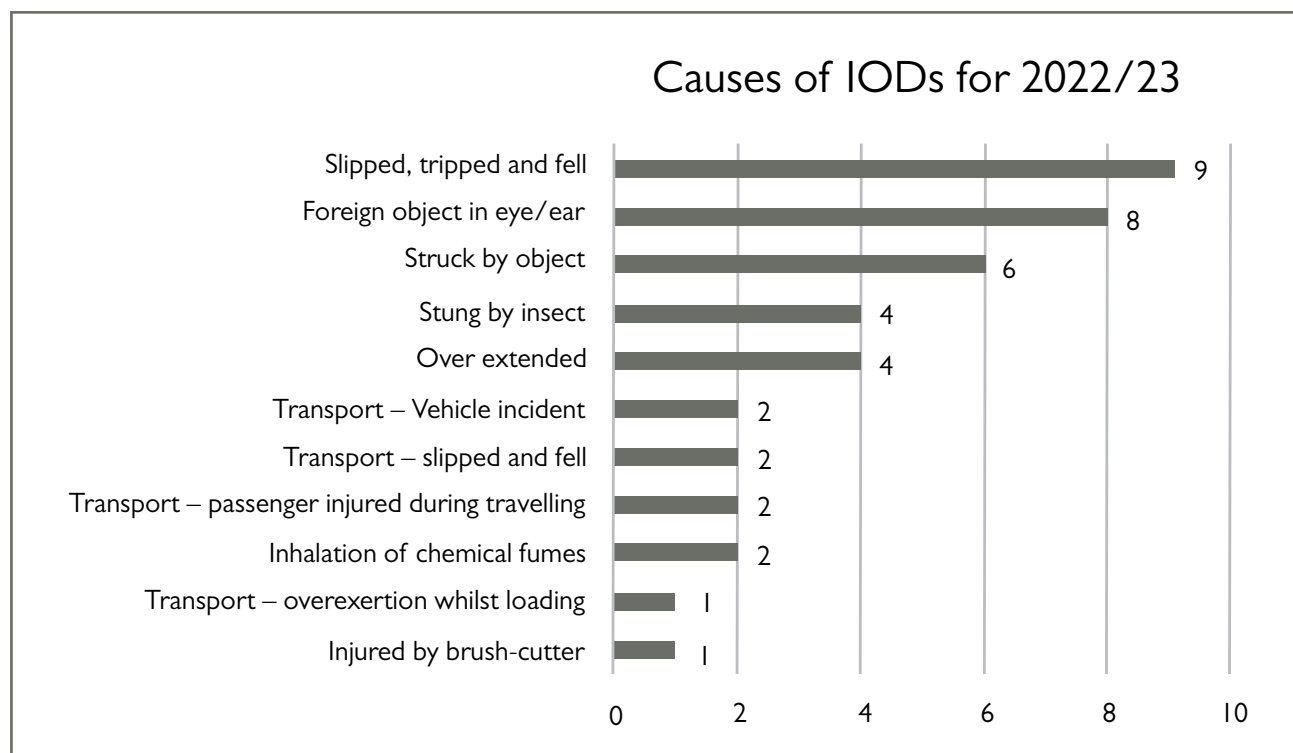


Figure 3: Types and causes of incidents during 2022/23

During the reporting period, CapeNature acquired Personal Protective Equipment (PPE) for both Board staff and staff employed under the EPWP. First aid and Fire Marshal training was provided throughout all four landscapes. Functional training on Veldfire Fire Management, Snake handling, Chainsaw and Brush-cutter use was also provided by the Talent Optimization team.

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

13. COMPANY/BOARD SECRETARY

N/A

14. SOCIAL RESPONSIBILITY



The entity has delivered on several social responsibility projects. The entity also responds to a number of sponsorship requests from charitable organisations throughout the year. Sponsorship requests are based on the criteria of whether the initiative is (1) compatible with CapeNature's strategic goals and objectives (2) Aligns with the core values of the entity and (3) has the ability to raise the profile of the entity within its target audiences.

Some of the initiatives for the period under review are listed below:

Wild Nights Out, together with the Masiyembo Association, both non-profit organisations, mentor and train a group of Grade 12 learners every year and then take them on a trip to the wilderness for a few days to reconnect with nature. The programme is about well-being and speaks to access. CapeNature sponsored 23 people for 7 nights to the value of R 23 340.

The GreenPop Reforest Festival takes place every year and CapeNature has partnered with the non-profit organisation to sponsor 10 youth to attend the event and to be the core waste management principle for the event under the #Don'tBeTrashy Campaign. The sponsorship value equated to R 23 300.

The annual City Nature Challenge is a global community science competition to document biodiversity. The challenge is a bio blitz that engages residents and visitors to find and document plants, animals and other organisms within a specific boundary. Events are used to create awareness and educate participants on the natural fauna, flora and importance of the reserve. CapeNature sponsored accommodation prizes for George Municipality and the City of Cape Town to be awarded to participants that made the most observations to the value of R 4 800.

The Warrior on Wheels Foundation enables differently abled children and youth between the ages of 7 and 21 years to participate in various sporting events. The purpose of the Foundation is to uplift and empower children with disabilities by providing adventure experiences to change perceptions and bridge the gap between able-bodied and differently abled communities. In the period under review CapeNature has sponsored two running buggies to the value of R34 000.

During 2022/23 CapeNature has partnered with the Western Cape Education Department (WCED) to sponsor prizes for the Annual Teaching Awards. Six prizes to the value of R25 000 in total has been awarded to the winner, runner-up and second runner up of two categories recognizing teachers in the Natural and Physical Sciences. CapeNature has produced a number of educational collateral aligned with the curriculum for natural sciences which are used in Western Cape schools on a daily basis. Recognizing the teachers who present this body of work was a natural fit.

CapeNature joined forces with the Jive Comedy Funny Festival, which resulted in valuable brand awareness through advertising and branding opportunities. As part of this sponsorship, CapeNature generously provided 50 complimentary tickets to three different homes for abused women in the Cape Town area, thereby extending support to those in need.

15. AUDIT AND FINANCE COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2023.

Audit Committee Responsibility

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

The Effectiveness of Internal Control

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

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

- Integrated Catchment Management
- Internal and External Audit Follow up
- Network Vulnerability Assessment
- Pre-determined Objectives
- Protection of Personal Information Act
- Risk Management
- Supply Chain Management

The following were areas of concern:

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

In-Year Management and Monthly/ Quarterly Report

The public entity has submitted monthly and quarterly reports to the Treasury as required by the PFMA.

Financial oversight

Financial oversight of the following took place:

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

Evaluation of Financial Statements

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

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

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

Auditor-General's Report

The Committee has implemented a tracking and monitoring document entitled the “Audit Matrix”, which is a standing item at every committee meeting. The matrix includes every 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 and Finance Committee
CapeNature
August 2023



16. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed in accordance with the compliance to the BBBEE requirements of the B-BBEE Act of 2013 and as determined by the Department of Trade, Industry and Competition.

Has the Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Response Yes/ No	Discussion (Include a discussion on your response and indicate what measures have been taken to comply)
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	Not applicable
Developing and implementing a preferential procurement policy?	Yes	The entity reviewed the Supply Chain Management Policy during the period under review. The Policy was updated in alignment with the revised Preferential Procurement Regulations 2022.
Determining qualification criteria for the sale of state-owned enterprises?	No	Not applicable
Developing criteria for entering into partnerships with the private sector?	No	Not applicable
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	No	Not applicable



Photo: *Podalyria* sp. Marloth Nature Reserve - Scott Ramsay



D | HUMAN RESOURCE MANAGEMENT

I. INTRODUCTION

The Human Resources (HR) component continues to play an integral role in enabling the entity to achieve its objectives. Recognising this, HR strived to ensure that the entity maintained adequate staffing levels across the different programmes. In order to remain aligned with funding, regular discussions continue to take place to manage vacancies, and to determine the necessity of filling a post in relation to the impact it would have on operations, funding and other considerations.

HR was also tasked with ensuring that the staff complement was competent and skilled through the provision of various interventions in order for staff to perform as required. This included training newly appointed employees and engaging in further development for existing staff. To this end, the budget allocated towards training and development was fully utilised.

Although COVID-19 regulations were retracted, the work environment had evolved. With this came certain challenges for staff, whether in relation to their work or domestically. The entity assisted staff with managing these challenges through the promotion of the services provided by the entity's employee wellness partner. This initiative has generally been well received across all work sites within the entity and is not limited to work related advice.

Mindful of the unemployment rate, interventions were implemented to assist with addressing and deterring misconduct within the workplace to enable a harmonious working environment for all.



2. HUMAN RESOURCE OVERSIGHT STATISTICS

Table 16: Personnel cost by programme

Programme	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel exp. as a % of total exp.	No. of employees	Average personnel cost per employee (R'000)
Administration and Governance	78 253	36 810	47%	77	478
Biodiversity Capabilities	30 948	17 504	57%	26	673
Conservation Operations	171 868	117 175	68%	754	155
Eco-tourism and Access	88 175	37 908	43%	42	903
Total	369 243	209 398	57%	899	233*

* This figure calculates the average personnel cost per employee and is determined by dividing the personnel expenditure (209 398) with the number of employees (899).

Table 17: Personnel cost by salary band

Salary Band	Personnel Expenditure R'000)	% of personnel exp. to total personnel cost (R'000)	No. of employees	Average personnel cost per employee (R'000)
Top Management 13 – 15	7 382	4%	5	1 476
Senior Management 11 – 12	29 378	14%	32	918
Professional qualified 9 – 10	46 578	22%	61	764
Skilled 6 – 8	53 541	26%	119	450
Semi-skilled 3 – 5	45 467	22%	166	274
Unskilled 1 – 2	27 053	13%	516	52
Total	209 398	100%	899	232*

* This figure calculates the average personnel cost per employee and is determined by dividing the personnel expenditure (209 398) with the number of employees (899).

Performance Rewards

No performance rewards were disbursed during the period under review.

Table 18: Training costs

Programme	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost	Number of employees trained	Average training cost per employee (R'000)
Programme 1: Administration and Governance	36 810	594	2%	83	7
Programme 2: Biodiversity Capabilities	17 504	522	3%	47	11
Programme 3: Conservation Operations	117 175	413	0%	737	1
Programme 4: Eco-tourism and Access	37 908	756	2%	48	16
Total	209 398	2 284	1%	915	2*

* This figure calculates the average training cost per employee and is determined by dividing the training expenditure (2 284) with the number of employees trained (915).

Table 19: Employment and vacancies per programme

Programme	2021/22 No. of Employees	2022/23 Approved Posts	2022/23 No. of Employees	2022/23 Vacancies	% of Vacancies
Programme 1: Administration and Governance	68	96	77	19	20%
Programme 2: Biodiversity Capabilities	31	43	26	17	40%
Programme 3: Conservation Operations	285	338	278	60	18%
Programme 4: Eco-tourism and Access	44	53	42	11	21%
Total	428	530	423	107	20%*

* This figure calculates the percentage of vacancies and is determined by dividing the number of vacancies (107) with the number of approved posts (530).

Table 20: Employment and vacancies per salary band

Salary band	2021/22 No. of Employees	2022/23 Approved Posts	2022/23 No. of Employees	2022/23 Vacancies	% of Vacancies
Top Management 13+	5	5	5	0	0%
Senior Management 11 – 12	33	39	32	7	18%
Professional qualified 9 – 10	68	90	61	29	32%
Skilled 6 – 8	117	144	119	25	17%
Semi-skilled 3 – 5	166	199	166	33	17%
Unskilled 1 – 2	39	53	40	13	25%
Total	428	530	423	107	20%*

* This figure calculates the percentage of vacancies and is determined by dividing the number of vacancies (107) with the number of approved posts (530).

Table 21: Employment changes

Salary Band	Employment at beginning of period 01/04/2022	Appointments	Terminations	Employment at end of the period
Top Management 13+	5	0	0	5
Senior Management 11 – 12	33	3	6	32
Professional qualified 9 – 10	68	3	10	61
Skilled 6 – 8	117	16	11	119
Semi-skilled 3 – 5	166	26	24	166
Unskilled 1 – 2	506	606	159	516
Total	895	654	210	899

The table reflects the appointment of FTEs and Board employees, including employees promoted. Terminations are comprised of Board employees and FTEs and include terminations and contracts ending 31 March 2023. A new intake of FTEs took place during the reporting period, which made up the majority of appointments during the period under review.

Table 22: Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	3	1%
Resignation	117*	56%
Dismissal/ Discharged	6	3%
Retirement/ Pensioned	5	2%
Ill health	0	0%
Expiry of contract	61	29%
Other/ absconded/ retrenched	18	9%
Total	210	100.0%

* This figure is made up of 39 Board employees and 78 FTEs.

Table 23: Labour Relations: Disciplinary actions taken

Nature of disciplinary action	Number
Verbal Warning	19
Written Warning	17
Final Written warning	14
Dismissal	6

Table 24a: Equity Target and Employment Equity (EE) Status

Salary Band	Male							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	1	1	1	1	1	1	0
Senior Management	3	2	8	3	0	1	10	2
Professional qualified	5	5	10	9	0	0	20	27
Skilled	16	16	30	25	3	1	7	4
Semi-skilled	15	19	82	97	0	2	2	6
Unskilled 1 – 2	46	63	172	178	0	1	1	2
Total	85	106	303	313	4	6	41	41

Table 24b: Equity Target and Employment Equity (EE) Status

Salary Band	Female							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	1	1	1	0	0	1	0
Senior Management	0	1	2	1	2	0	7	2
Professional qualified	2	4	10	7	1	2	13	13
Skilled	17	18	33	27	2	3	11	18
Semi-skilled	22	27	35	56	1	2	9	15
Unskilled 1 – 2	116	112	181	162	0	0	0	0
Total	157	163	262	254	6	7	41	48

Table 24c: Equity Target and Employment Equity (EE) Status

Salary Band	Disabled Staff			
	Male		Female	
	Current	Target	Current	Target
Top Management	0	0	0	0
Senior Management	0	0	0	0
Professional qualified	0	0	0	0
Skilled	0	4	0	4
Semi-skilled	0	1	1	2
Unskilled 1 – 2	9	5	6	3
Total	9	10	7	9



Photo: *Eubalaena australis*, De Hoop Nature Reserve - Peter Chadwick



E

PFMA COMPLIANCE REPORT

I. IRREGULAR, FRUITLESS AND WASTEFUL, UNAUTHORISED EXPENDITURE AND MATERIAL LOSSES

I.1 Irregular expenditure

a) Reconciliation of irregular expenditure

Description	2022/23	2021/22
	R'000	R'000
Opening balance	0	0
Add: Irregular expenditure confirmed	0	0
Less: Irregular expenditure condoned	0	0
Less: Irregular expenditure not condoned and removed	0	0
Less: Irregular expenditure recoverable	0	0
Less: Irregular expenditure not recovered and written off	0	0
Closing balance	0	0

Reconciling notes

Description	2022/23	2021/22
	R'000	R'000
Irregular expenditure that was under assessment in 2021/22	0	0
Irregular expenditure that relates to 2021/22 and identified in 2022/23	0	0
Irregular expenditure for the current year	0	0
Closing balance	0	0

b) Details of current and previous year irregular expenditure (under assessment, determination, and investigation)

Description	2022/23	2021/22
	R'000	R'000
Irregular expenditure under assessment	0	0
Irregular expenditure under determination	0	0
Irregular expenditure under investigation	0	0
Closing balance	0	0

c) Details of current and previous year irregular expenditure condoned

Description	2022/23	2021/22
	R'000	R'000
Irregular expenditure condoned	0	0
Closing balance	0	0

d) Details of current and previous year irregular expenditure removed - (not condoned)

Description	2022/23	2021/22
	R'000	R'000
Irregular expenditure NOT condoned and removed	0	0
Closing balance	0	0

e) Details of current and previous year irregular expenditure recovered

Description	2022/23	2021/22
	R'000	R'000
Irregular expenditure recovered	0	0
Closing balance	0	0

f) Details of current and previous year irregular expenditure written off (irrecoverable)

Description	2022/23	2021/22
	R'000	R'000
Irregular expenditure written off	0	0
Closing balance	0	0

Additional disclosure relating to Inter-Institutional Arrangements

g) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution is not responsible for the non-compliance)

Description
None
Total

h) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution is is responsible for the non-compliance)

Description	2022/23	2021/22
	R'000	R'000
None	0	0
Total	0	0

i) Details of current and previous year disciplinary or criminal steps taken as a result of irregular expenditure)

Disciplinary steps taken
No irregular expenditure occurred for the 2021/22 and 2022/23 financial years.

1.2 Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2022/23	2021/22
	R'000	R'000
Opening balance	0	0
Add: Fruitless and wasteful expenditure confirmed	0	0
Less: Fruitless and wasteful expenditure written off	0	0
Less: Fruitless and wasteful expenditure recoverable	0	0
Closing balance	0	0

Reconciling notes

Description	2022/23	2021/22
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment in 2021/22	0	0
Fruitless and wasteful expenditure that relates to 2021/22 and identified in 2022/23	0	0
Fruitless and wasteful expenditure for the current year	0	0
Closing balance	0	0

b) Details of current and previous year fruitless and wasteful expenditure (under assessment, determination, and investigation)

Description	2022/23	2021/22
	R'000	R'000
Fruitless and wasteful expenditure under assessment	0	0
Fruitless and wasteful expenditure under determination	0	0
Fruitless and wasteful expenditure under investigation	0	0
Closing balance	0	0

c) Details of current and previous year fruitless and wasteful expenditure recovered

Description	2022/23	2021/22
	R'000	R'000
Fruitless and wasteful expenditure recovered	0	0
Closing balance	0	0

d) Details of current and previous year fruitless and wasteful expenditure not recovered and written off

Description	2022/23	2021/22
	R'000	R'000
Fruitless and wasteful expenditure written off	0	0
Closing balance	0	0

e) **Details of current and previous year disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure**

Disciplinary steps taken
No fruitless and wasteful expenditure occurred for the 2021/22 and 2022/23 financial years.
Total

1.3 Unauthorised expenditure

Unauthorised expenditure is not applicable to public entities.

1.4 Additional disclosure relating to material losses in terms of PFMA Section 40(3)(b(i) & (iii))

a) **Details of current and previous year material losses through criminal conduct**

Material losses through criminal conduct	2022/23	2021/22
	R'000	R'000
Theft	0	0
Other material losses	0	0
Less: Recovered	0	0
Less: Not recovered and written off	0	0
Closing balance	0	0

b) **Details of other material losses**

Nature of other material losses	2022/23	2021/22
	R'000	R'000
None	0	0
Total	0	0

c) **Other material losses recovered**

Nature of losses	2022/23	2021/22
	R'000	R'000
None	0	0
Total	0	0

d) **Other material losses written off**

Nature of losses	2022/23	2021/22
	R'000	R'000
None	0	0
Total	0	0

2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated Value
	Value	R'000
Valid invoices received	1 049	39 623
Invoices paid within 30 days or agreed period	831	33 926
Invoices paid after 30 days or agreed period	218	5 698
Invoices older than 30 days or agreed period (unpaid and without dispute)	0	0
Invoices older than 30 days or agreed period (unpaid and in dispute)	75	309

Late payments were largely as a result late submission of invoices.

Invoices in dispute was as a result of a dispute with one debtor for services rendered.



3. SUPPLY CHAIN MANAGEMENT

3.1 Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
CMSI System	Idox	Limited Bid: Sole Supplier	CNSW7624	1 473
Total				1 473

3.2 Contract variations and expansions

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
				R'000	R'000	R'000
To provide security services at Jonkershoek Nature Reserve	BC Security Solutions (Pty) Ltd	Variation	CN-Security Services at Jonkershoek Nature Reserve	243	0	35
Total				243	0	35



Photo: De Hoop Nature Reserve - Scott Ramsay



F | FINANCIAL INFORMATION

I. REPORT OF THE EXTERNAL AUDITOR

Report of the auditor-general to the Western Cape Provincial Legislature on: Western Cape Nature Conservation Board

Report on the audit of the separate financial statements

Opinion

1. I have audited the financial statements of the Western Cape Nature Conservation Board set out on pages 101 to 140, which comprise the statement of financial position as at 31 March 2023, statement of financial performance, cash flow statement and statement of comparison of budget and actual information for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Western Cape Nature Conservation Board as at 31 March 2023, and financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for opinion

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

Emphasis of matter

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

Uncertainty relating to future outcomes of claims against the public entity

7. With reference to note 26 to the financial statements, the public entity is the defendant in various ongoing litigation and claims. 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.

Other matter

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

National Treasury Instruction Note No. 4 of 2022-23: PFMA Compliance and Reporting Framework

9. On 23 December 2022 National Treasury issued Instruction Note No. 4: PFMA Compliance and Reporting Framework of 2022-23 in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA which came into effect on 3 January 2023. The PFMA Compliance and Reporting Framework also addresses the disclosure of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure (UIFW expenditure). Among the effects of this framework is that irregular and fruitless and wasteful expenditure incurred in previous financial years and not addressed, is no longer disclosed in either the annual report or the notes of the annual financial statements; only the current year and prior year figures should be disclosed in a note to the financial statements, if UIFW was incurred. Furthermore, the movements in respect of irregular expenditure and fruitless and wasteful expenditure are no longer disclosed in the notes to the annual financial statements of Western Cape Nature Conservation Board. The disclosure of these movements (e.g. condoned, recoverable, removed, written off, under assessment, under determination and under investigation) are now included as part of other information in the annual report of the Western Cape Nature Conservation Board. I do not express an opinion on the disclosure of irregular expenditure and fruitless and wasteful expenditure in the annual report.

Responsibilities of the accounting authority for the financial statements

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

Responsibilities of the auditor-general for the audit of the financial statements

12. 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.
13. 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

14. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for selected programmes presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.
15. I selected the following programmes presented in the annual performance report for the year ended 31 March 2023 for auditing. I selected programmes that measure the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.

Programme	Page numbers	Purpose
Programme 2: Biodiversity Capabilities	40 - 42	To develop and deploy capability centres to support, inform, enable, and advance the practice of conservation and enhance biodiversity resilience.
Programme 3: Conservation Operations	43 - 45	To conserve, enhance and restore biodiversity resilience in Western Cape landscapes.

16. I evaluated the reported performance information for the selected programmes against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.
17. I performed procedures to test whether:
 - the indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives.
 - the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and that I can confirm the methods and processes to be used for measuring achievements.
 - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated.
 - the indicators and targets reported on in the annual performance report are the same as what was committed to in the approved initial or revised planning documents.
 - the reported performance information is presented in the annual performance report in the prescribed manner.
 - there are adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.
18. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion.
19. I did not identify any material findings on the reported performance information for the selected programmes

Report on compliance with legislation

20. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the public entity's compliance with legislation.
21. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

22. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
23. I did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

24. The accounting authority is responsible for the other information included in the annual report, which includes the chairperson of the board and the audit committee's report. The other information referred to 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 on in this auditor's report.
25. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation, do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
26. My responsibility is to read this other information and, in doing so, consider whether it 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.
27. When I do receive and read the information, which includes the chairperson of the board and the audit committee's report, confirmation of accuracy for the annual report, performance information, governance, human resource management and PFMA compliance report. If I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

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

Auditor - General



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

- the auditor-general's responsibility for the audit
- the selected legislative requirements for compliance testing.

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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 on the public entity's compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the public 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 a public entity to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

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.

I also provide the accounting authority with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act No.1 of 1999 (PFMA)	Section 51(1)(a)(iv); 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii) Section 53(4) Section 54(2)(c'); 54(2)(d) Section 55(1)(a); 55(1)(b); 55(1)(c)(i) Section 56(1); 56(2) Section 57(b); Section 66(4)
Treasury Regulations for departments, trading entities, constitutional institutions and public entities (TR) Treasury Regulation 8.2.1; 8.2.2	Treasury Regulation 16A 3.1; 16A 6.1; 16A6.2(a) & (b); 16A6.2(e); 16A 6.3(a); 16A 6.3(b); 16A 6.3(c); 16A 6.3(d); 16A 6.3(e); 16A 6.4; 16A 6.5; 16A 6.6; TR 16A.7.1; 16A.7.3; 16A.7.6; 16A.7.7; 16A 8.2(1); 16A 8.2(2); 16A 8.3; 16A 8.3(d); 16A 8.4; 16A9.1(b)(ii); 16A9.1; 16A9; 16A9.1(c); 16A 9.1(d); 16A 9.1(e); 16A9.1(f); 16A 9.2; 16A 9.2(a)(ii); TR 16A 9.2(a)(iii) Treasury Regulation 30.1.1; 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1 Treasury Regulation 31.1.2(c) Treasury Regulation 31.2.1; 31.2.5; 31.2.7(a) Treasury Regulation 31.3.3 Treasury Regulation 33.1.1; 33.1.3
Public service regulation	Public service regulation 13(c)
Prevention and Combating of Corrupt Activities Act No.12 of 2004 (PRECCA)	Section 34(1)
Construction Industry Development Board Act No.38 of 2000 (CIDB)	Section 18(1)
CIDB Regulations	CIDB regulation 17; 25(7A)
PPPFA	Section 2.1(a); 2.1(b); 2.1(f)

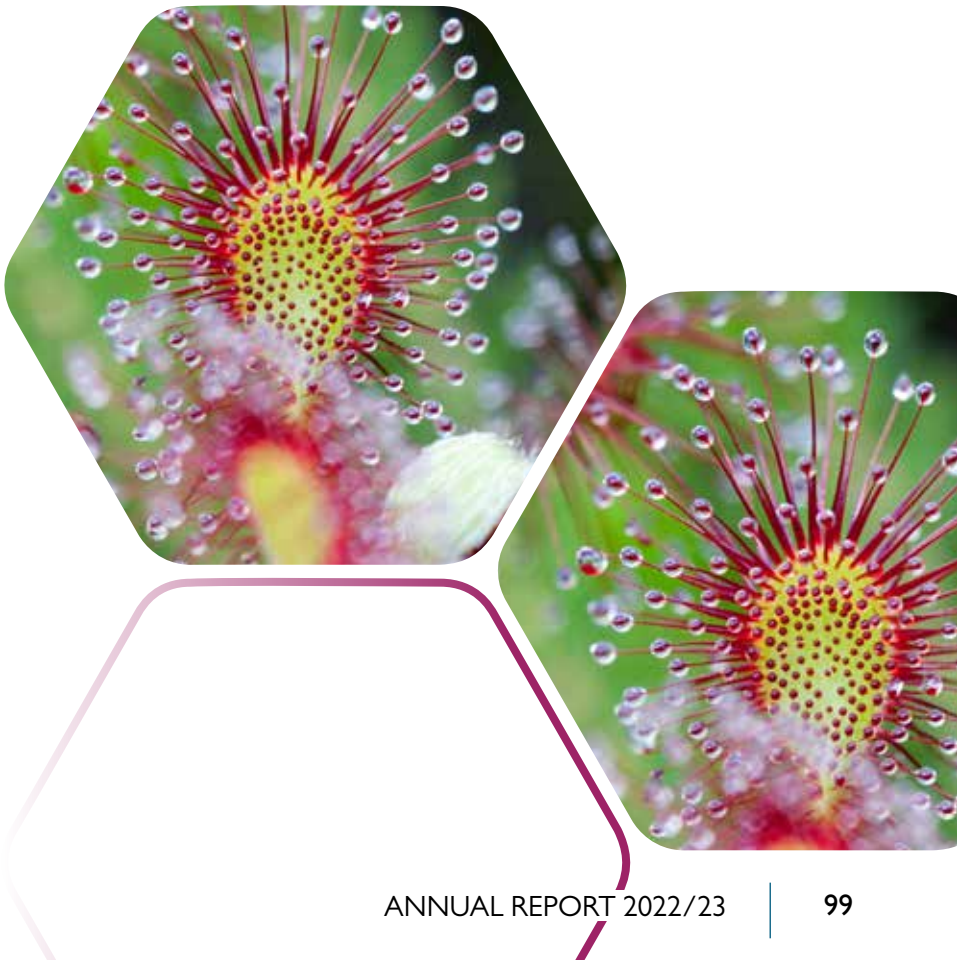
Legislation	Sections or regulations
PPR 2017	Paragraph 4.1; 4.2 Paragraph 5.1; 5.3; 5.6; 5.7 Paragraph 6.1; 6.2; 6.3; 6.5; 6.6 Paragraph 7.1; 7.2; 7.3; 7.5; 7.6 Paragraph 8.2; 8.5 Paragraph 9.1; 9.2 Paragraph 11.2 Paragraph 12.1 and 12.2
PPR 2022	Paragraph 3.1 Paragraph 4.1; 4.2; 4.3; 4.4 Paragraph 5.1; 5.2; 5.3; 5.4
National Treasury Instruction No.1 of 2015/16	Paragraph 3.1; 4.1; 4.2
NT SCM Instruction Note 03 2021/22	Paragraph 4.3; 4.4; 4.4(a); 4.4 (c) -(d); 4.6 Paragraph 5.4 Paragraph 7.2; 7.6
NT SCM Instruction Note 11 2020/21	Paragraph 3.1; 3.4 (b); 3.9
NT SCM Instruction note 2 of 2021/22	Paragraph 3.2.1; 3.2.4(a) 3.3.1
NT instruction note 4 of 2015/16	Paragraph 3.4
Second amendment of NTI 05 of 2020/21	Paragraph 4.8; 4.9 ; 5.1 ; 5.3
Erratum NTI 5 of 202/21	Paragraph 1
Erratum NTI 5 of 202/21	Paragraph 2
Practice note 7 of 2009/10	Paragraph 4.1.2
NT instruction note 1 of 2021/22	Paragraph 4.1

2. ANNUAL FINANCIAL STATEMENTS

Index

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

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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 were given unrestricted access to all financial records and related data.

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

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

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

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

The Board has reviewed the entity's budget forecast for the year from 1 April 2023 to 31 March 2024 and, in the light of this review and the current financial position, it is satisfied that the entity has access to adequate resources to continue in operational existence for the foreseeable future.

The annual financial statements set out on pages 3 to 46, which have been prepared on the going concern basis, were approved by the Board on 31 May 2023 and were signed on its behalf by:



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

Statement of Financial Position as at 31 March 2023

Figures in Rand	Note(s)	2023	2022 Restated*
Assets			
Current Assets			
Cash and cash equivalents	4	134 147 563	138 228 643
Inventories	5	1 749 093	1 611 077
Trade and other receivables from exchange transactions	6	13 011 082	6 681 662
Trade and other receivables from non-exchange transactions	6	3 110 000	3 385 240
		152 017 738	149 906 622
Non-Current Assets			
Intangible assets	7	1 549 719	2 472 992
Property, plant and equipment	8	213 525 415	198 526 940
		215 075 134	200 999 932
Total Assets		367 092 872	350 906 554
Liabilities			
Current Liabilities			
Finance lease obligation	9	4 562 180	3 569 766
Short term employee benefits	10.1	11 577 688	11 397 606
Trade and other payables from exchange transactions	10.2	33 219 186	27 750 480
Trade and other payables from non-exchange transactions	10.3	210 679	499 880
Unspent conditional grants and receipts	11	5 556 000	3 316 006
		55 125 733	46 533 738
Non-Current Liabilities			
Finance lease obligations	9	31 969 481	30 355 453
Unspent conditional grants and receipts	11	27 844 021	32 699 831
Employee benefit obligation	12	4 584 000	4 795 000
		64 397 502	67 850 284
Total Liabilities		119 523 235	114 384 022
Net Assets		247 569 637	236 522 532
Accumulated surplus		179 326 330	177 746 758
Project reserve	13	48 547 358	39 079 825
Revaluation reserve	14	19 695 949	19 695 949
Total Net Assets		247 569 637	236 522 532

Statement of Financial Performance

Figures in Rand	Note(s)	2023	2022 Restated*
Revenue			
Revenue from exchange transactions			
Eco-tourism and access	15	61 511 791	51 325 815
Licences and permits		3 243 294	3 582 960
Interest received	16	8 134 537	4 897 391
Other income	17	7 487 023	5 027 821
Total revenue from exchange transactions		80 376 645	64 833 987
Revenue from non-exchange transactions			
Transfer revenue			
Grants, donations and project funds	18	4 485 012	7 709 084
Fines		317 200	282 400
Monetary government grants received	19	292 090 000	286 757 000
Services in kind - office accommodation	7	3 462 024	3 201 484
Total revenue from non-exchange transactions		300 354 236	297 949 968
Total revenue		380 730 881	362 783 955
Expenditure			
Administrative expenses	20	18 669 106	17 688 778
Bad debts written off	6	1 072 763	998 333
Debt impairment movement	6	(1 057 690)	2 100 144
Depreciation and amortisation	8&7	25 660 917	23 562 515
Employee related costs	21	209 397 983	207 867 910
Finance costs	22	13 639 877	13 040 523
Firefighting aircraft hire		5 843 444	3 996 171
Information, communication and technology (ICT) costs		22 114 065	20 188 193
Professional and other services		22 156 445	20 248 925
Repairs and maintenance	8	10 574 350	11 278 957
Stores	5	17 648 753	15 848 172
Training		2 283 997	2 527 711
Transport and travel		21 239 472	16 708 752
Total expenditure		369 243 482	356 055 084
Operating surplus		11 487 399	6 728 871
(Loss) /Gain on disposal of property, plant and equipment		(439 154)	407 524
Loss on foreign exchange		-	(1 219)
Impairment loss	8	(1 139)	(391 342)
		(440 293)	14 963
Surplus for the year		11 047 106	6 743 834

Statement of Changes in Net Assets

Figures in Rand	Revaluation reserve	Project reserve	Total reserve	Accumulated surplus	Total net assets
Opening balance as previously reported	15 722 791	49 326 825	65 049 616	163 043 344	228 092 960
Adjustments					
Prior year adjustments	-	-	-	1 712 579	1 712 579
Restated* Balance at 01 April 2021	15 722 791	49 326 825	65 049 616	164 755 923	229 805 539
Changes in net assets					
Fair value gains, net of tax: Land and buildings	3 973 158	-	3 973 158	-	3 973 158
Net income recognised directly in net assets	3 973 158	-	3 973 158	-	3 973 158
Surplus for the year	-	-	-	5 972 816	5 972 816
Total recognised revenue and expenditure for the year	3 973 158	-	3 973 158	5 972 816	9 945 974
Transfers out	-	(23 285 000)	(23 285 000)	23 285 000	-
Transfers in	-	13 038 000	13 038 000	(13 038 000)	-
Surrender of surplus to Provincial Revenue Fund	-	-	-	(4 000 000)	(4 000 000)
Total changes	3 973 158	(10 247 000)	(6 273 842)	12 219 816	5 945 974
Opening balance as previously reported	19 695 949	39 079 825	58 775 774	176 975 739	235 751 513
Adjustments					
Prior year adjustments Note 29	-	-	-	771 018	771 018
Restated* Balance at 01 April 2022 as restated*	19 695 949	39 079 825	58 775 774	177 746 757	236 522 531
Changes in net assets					
Surplus for the year	-	-	-	11 047 106	11 047 106
Transfers out	-	(9 040 467)	(9 040 467)	9 040 467	-
Transfers in	-	18 508 000	18 508 000	(18 508 000)	-
Total changes	-	9 467 533	9 467 533	1 579 573	11 047 106
Balance at 31 March 2023	19 695 949	48 547 358	68 243 307	179 326 330	247 569 637
Note(s)	14	13			

Cash Flow Statement

Figures in Rand	Note(s)	2023	2022 Restated*
Cash flows from operating activities			
Receipts			
Grants, project funds and tourism revenue		358 013 409	358 622 116
Interest income	16	8 134 537	4 897 391
		366 147 946	363 519 507
Payments			
Employee costs		(209 428 901)	(209 803 484)
Suppliers		(113 052 302)	(129 684 513)
Finance costs	22	(13 639 877)	(13 040 523)
		(336 121 080)	(352 528 520)
Net cash flows from operating activities	23	30 026 866	10 990 987
Cash flows from investing activities			
Purchase of property, plant and equipment	8	(36 726 602)	(38 764 551)
Proceeds from sale of property, plant and equipment	8	197 648	1 990 264
Purchase of other intangible assets	7	(2 524)	(112 884)
Transfers plant, property and equipment	8	(182 910)	(39 809)
Net cash flows from investing activities		(36 714 388)	(36 926 980)
Cash flows from financing activities			
Movement in finance lease obligations		2 606 442	2 547 785
Surrender of surplus to Provincial Revenue Fund		-	(4 000 000)
Net cash flows from financing activities		2 606 442	(1 452 215)
Net increase/(decrease) in cash and cash equivalents		(4 081 080)	(27 388 208)
Cash and cash equivalents at the beginning of the year		138 228 643	165 616 851
Cash and cash equivalents at the end of the year	4	134 147 563	138 228 643

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Notes
Figures in Rand						
Statement of Financial Performance						
Revenue						
Non-tax Revenue						
Sale of goods and services other than capital assets	47 086 000	19 049 000	66 135 000	68 256 210	2 121 210	
Entity revenue other than sales	3 113 000	2 094 000	5 207 000	7 081 641	1 874 641	
Departmental transfers	292 090 000	-	292 090 000	292 090 000	-	
Other transfers	21 836 000	(1 691 000)	20 145 000	(1 279 906)	(21 424 906)	34
Total revenue	364 125 000	19 452 000	383 577 000	366 147 945	(17 429 055)	
Expenses						
Compensation of employees	(220 234 000)	5 291 000	(214 943 000)	(209 428 900)	5 514 100	34
Use of goods and services	(113 417 000)	(22 815 000)	(136 232 000)	(134 611 799)	1 620 201	
Payment for capital assets	(30 474 000)	(1 928 000)	(32 402 000)	(34 107 946)	(1 705 946)	
Total expenditure	(364 125 000)	(19 452 000)	(383 577 000)	(378 148 645)	5 428 355	
Deficit for the year	-	-	-	(12 000 700)	(12 000 700)	
Reconciliation						
Basis difference						
Depreciation and amortisation				(25 660 917)		
Services in-kind				3 462 024		
Capital assets				33 878 652		
Working capital changes				3 448 427		
Movement in trade creditors				7 919 620		
Actual amount in the Statement of Financial Performance				11 047 106		

Accounting Policies

1. 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 material 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.

1.1 Presentation currency

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

1.2 Significant judgements and sources of estimation uncertainty

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

Impairment of trade and other receivables

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

Impairment testing

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

may then require a material adjustment to the carrying value of tangible assets.

Post-retirement benefits

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

Useful lives of property, plant and equipment

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

1.3 Going concern assumption

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

1.4 Living and non-living resources

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

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

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

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

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

1.5 Property, plant and equipment

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

Accounting Policies

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, its deemed cost is the carrying amount of the asset(s) given up.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Item	Depreciation method	Average useful life
Land	N/A	indefinite
Buildings	Straight-line	50 years
Leasehold improvements	Straight-line	6-50 years
Plant and machinery	Straight-line	2-6 years
Furniture and fixtures	Straight-line	2-15 years
Motor vehicles and boat	Straight-line	4-6 years

Accounting Policies

Item	Depreciation method	Average useful life
IT equipment	Straight-line	2-5 years
Motor vehicles under finance	Straight-line	4-10 years
Infrastructure developments	Straight-line	15-50 years

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

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

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

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

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

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

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

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

The entity separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 8).

The entity discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 8).

1.6 Intangible assets

An asset is identifiable if it either:

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

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

An intangible asset is recognised when:

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

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

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.

Accounting Policies

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

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

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

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

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

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

The entity discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 7).

1.7 Heritage assets

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

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

Recognition

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

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

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

Initial measurement

Heritage assets are measured at cost.

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

Subsequent measurement

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

Impairment

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

Transfers

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

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

Derecognition

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

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

1.8 Financial instruments

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

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial

Accounting Policies

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

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

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

A financial asset is:

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

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

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

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

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

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

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

Classification

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

All financial assets of CapeNature are categorised as financial instruments at amortised cost. The classification depends on the nature and the purpose of the financial assets and is determined at the time of initial recognition. All financial liabilities of CapeNature are classified as financial liabilities at amortised cost. The classification depends on the nature and the purpose of the financial liabilities and is determined at the time of initial recognition. The entity has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

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

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

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

Initial recognition and measurement

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

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

Accounting Policies

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.

Trade and other 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.

Trade and other 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. Derecognition

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

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

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

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

Cash and cash equivalents

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

Accounting Policies

1.9 Tax

Current tax assets and liabilities

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

1.10 Leases

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

Finance leases - lessee

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

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

1.11 Inventories

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

Subsequently inventories are measured at the lower of cost and net realisable value.

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

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

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

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

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

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

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

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

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

1.12 Impairment

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

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

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

Accounting Policies

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

Identification

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

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

1.13 Employee benefits

Short-term employee benefits

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

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

Defined contribution plans

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

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

Defined benefit plans

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

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

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

CapeNature provides post-retirement medical care benefits to some of its employees and their spouses. The entitlement to spouse retirement benefits is based on the

employee remaining in service up to retirement age. The expected costs of these benefits are accrued over the period of employment, using the projected unit credit method. Actuarial gains and losses arising from experience adjustments, and changes in actuarial assumptions, are recognised in profit or loss in the period in which it occurs. Gains or losses on the curtailment or settlement of a defined benefit plan is recognised when the entity is demonstrably committed to curtailment or settlement.

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

1.14 Provisions and contingencies and trade and other payables from non-exchange transactions

Provisions are recognised when:

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

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

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

Provisions are not recognised for future operating deficits. Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 26.

Trade and other 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

Accounting Policies

entity either receives values from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

1.15 Revenue from exchange transactions

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

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

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

Measurement

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

Sale of goods

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

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

Rendering of services

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

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity;

- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Interest

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

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

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

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

1.16 Revenue from non-exchange transactions

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

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

Control of an asset 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.

Accounting Policies

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 is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

Measurement

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

When, as a result of a non-exchange transaction, the entity recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability.

Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue.

Gifts and donations, including goods in-kind

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

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.

1.17 Accounting by principals and agents

Identification

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

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

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

Recognition

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

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

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

1.18 Comparative figures

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

1.19 Fruitless and wasteful expenditure

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

Accounting Policies

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

1.20 Irregular expenditure

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

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

1.21 Budget information

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

The 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 financial statements.

The approved budget covers the fiscal period from 1 April 2022 to 31 March 2023.

1.22 Related parties

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

The objective is to ensure that a reporting entity's financial statements contain disclosures necessary to draw attention to the possibility that its financial position and surplus or deficit may have been affected by the existence of related parties and by transactions and outstanding balances with such parties. Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person in their dealings with the entity.

1.23 Materiality

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

1.24 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.

1.25 Commitments

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

Accounting Policies

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

2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2023 or later periods:

Guideline: Guideline on Accounting for Landfill Sites

The objective of this guideline: The Constitution of South Africa, 1996 (Act No. 108 of 1996) (the constitution), gives local government the executive authority over the functions of cleaning, refuse removal, refuse dumps and solid waste disposal.

Even though waste disposal activities are mainly undertaken by municipalities, other public sector entities may also be involved in these activities from time to time. Concerns were raised about the inconsistent accounting practices for landfill sites and the related rehabilitation provision where entities undertake waste disposal activities. The objective of the Guideline is therefore to provide guidance to entities that manage and operate landfill sites. The guidance will improve comparability and provide the necessary information to the users of the financial statements to hold entities accountable and for decision making. The principles from the relevant Standards of GRAP are applied in accounting for the landfill site and the related rehabilitation provision. Where appropriate, the Guideline also illustrates the accounting for the land in a landfill, the landfill site asset and the related rehabilitation provision.

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

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

GRAP 25 (as revised): Employee Benefits

Background

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

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

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

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

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

Key amendments to GRAP 25

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

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

Accounting Policies

The amendments to GRAP 25 are extensive and mostly affect the accounting for defined benefit plans. A new renumbered Standard of GRAP (e.g. GRAP 39) will not be issued, but rather a new version of the current GRAP 25. It is unlikely that the revisions will have a material impact on the entity's annual financial statements.

Guideline: Guideline on the Application of Materiality to Financial Statements

The objective of this guideline: The objective of this Guideline is to provide guidance that will assist entities to apply the concept of materiality when preparing financial statements in accordance with Standards of GRAP. The Guideline aims to assist entities in achieving the overall financial reporting objective. The Guideline outlines a process that may be considered by entities when applying materiality to the preparation of financial statements. The process was developed based on concepts outlined in Discussion Paper 9 on Materiality – Reducing Complexity and Improving Reporting, while also clarifying existing principles from the Conceptual Framework for General Purpose Financial Reporting and other relevant Standards of GRAP. The Guideline includes examples and case studies to illustrate how an entity may apply the principles in the Guideline, based on specific facts presented.

It covers: Definition and characteristics of materiality, Role of materiality in the financial statements, Identifying the users of financial statements and their information needs, Assessing whether information is material, Applying materiality in preparing the financial statements, and Appendixes with References to the Conceptual Framework for General Purpose Financial Reporting and the Standards of GRAP & References to pronouncements used in the Guideline.

The guideline is encouraged to be used by entities.

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

GRAP 104 (as revised): Financial Instruments

Following the global financial crisis, a number of concerns were raised about the accounting for financial instruments. This included that (a) information on credit losses and defaults on financial assets was received too late to enable

proper decision-making, (b) using fair value in certain instances was inappropriate, and (c) some of the existing accounting requirements were seen as too rules based. As a result, the International Accounting Standards Board® amended its existing Standards to deal with these issues. The IASB issued IFRS® Standard on Financial Instruments (IFRS 9) in 2009 to address many of the concerns raised. Revisions were also made to IAS® on Financial Instruments: Presentation and the IFRS Standard® on Financial Instruments: Disclosures. The IPSASB issued revised International Public Sector Accounting Standards in June 2018 so as to align them with the equivalent IFRS Standards.

The revisions better align the Standards of GRAP with recent international developments. The amendments result in better information available to make decisions about financial assets and their recoverability, and more transparent information on financial liabilities.

The most significant changes to the Standard affect:

- Financial guarantee contracts issued
- Loan commitments issued
- Classification of financial assets
- Amortised cost of financial assets
- Impairment of financial assets
- Disclosures

3. Living and non-living resources

Non-financial information

CapeNature works towards its objectives by implementing its mandated functions. In rendering these objectives, the entity manages 30 (31:2022) nature reserve complexes which include six marine protected areas. The nature reserve complexes and marine protected areas house non-living resources as defined. The details of these reserve complexes and marine protected areas can be found in Note 36.

Living Resources

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

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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4. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	228 010	207 010
Bank balances	133 919 553	138 021 633
	134 147 563	138 228 643

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 bb-	133 919 553	138 021 633
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5. Inventories

Uniforms, rations and other consumables	874 811	746 717
Fuel	279 550	306 219
Chemical Stores	594 732	558 141
	1 749 093	1 611 077

5.1 Additional Information

Inventories recognised as an expense during the year	11 825 119	11 819 917
Other stores	5 823 634	4 028 255
	17 648 753	15 848 172

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

Notes to the Annual Financial Statements

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6. Trade and other receivables from exchange transactions

Trade debtors from exchange transactions	3 998 732	3 145 883
Other receivables from exchange transactions	2 435 224	2 500 235
Prepaid expenses	6 577 126	1 035 544
Trade and other receivables from exchange transactions	13 011 082	6 681 662
Trade debtors from non-exchange transactions	3 110 000	3 385 240

Other receivables includes accrued income and subsistence and travel advances.

Prepaid expenses include software licence fees.

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	12 552 062	4 470 895
30 days	235 973	529 287
60 days	203 760	103 322
90 days plus	5 028 408	7 644 970
Subtotal	18 020 203	12 748 474
Allowance for impairment of trade and other receivables	(5 009 121)	(6 066 812)
Trade and other receivables from exchange transactions	13 011 082	6 681 662
Current	3 110 000	3 385 240
Trade and other receivables from non-exchange transactions	3 110 000	3 385 240

Reconciliation of provision for impairment of trade and other receivables

Opening balance	(6 066 811)	(3 966 667)
(Increase)/decrease in allowance recognised in surplus for impairment	1 057 690	(2 100 144)
	(5 009 121)	(6 066 811)

The actual bad debt written off of R1 072 763 relates to a Public-private partnership operator that was adversely affected by the impact of COVID-19 in prior years and was previously provided for in the provision for impairment of trade and other receivables.

Notes to the Annual Financial Statements

7. Intangible assets

	2023			2022		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	17 525 089	(15 975 370)	1 549 719	17 522 565	(15 049 573)	2 472 992
Services in kind - office accommodation	3 462 024	(3 462 024)	-	3 201 484	(3 201 484)	-
Total	20 987 113	(19 437 394)	1 549 719	20 724 049	(18 251 057)	2 472 992

Reconciliation of intangible assets - 2023

	Opening balance	Additions	Amortisation	Total
Computer software	2 472 992	2 524	(925 797)	1 549 719
Services in kind - office accommodation	-	3 462 024	(3 462 024)	-
	2 472 992	3 464 548	(4 387 821)	1 549 719

Reconciliation of intangible assets - 2022

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

Service in kind

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

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

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

Notes to the Annual Financial Statements

8. Property, plant and equipment

	2023			2022		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Land	7 510 000	-	7 510 000	7 510 000	-	7 510 000
Buildings	13 061 268	(316 763)	12 744 505	16 008 028	(3 170 082)	12 837 946
Plant and machinery	12 247 498	(8 031 095)	4 216 403	12 031 405	(7 017 524)	5 013 881
Furniture and fixtures	98 021 858	(52 899 491)	45 122 367	95 298 227	(47 567 103)	47 731 124
Motor vehicles	12 861 991	(9 660 838)	3 201 153	11 709 641	(8 724 560)	2 985 081
IT equipment	23 066 183	(20 541 535)	2 524 648	25 538 164	(22 757 054)	2 781 110
Leasehold improvements	28 793 860	(5 958 638)	22 835 222	28 788 949	(5 201 547)	23 587 402
Capital assets under construction	16 349 029	-	16 349 029	16 431 917	-	16 431 917
Motor vehicles under finance leases	47 273 481	(15 491 579)	31 781 902	44 529 062	(14 695 563)	29 833 499
Infrastructure development	79 216 799	(11 976 613)	67 240 186	57 310 173	(7 495 193)	49 814 980
Total	338 401 967	(124 876 552)	213 525 415	315 155 566	(116 628 626)	198 526 940

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Transfers	Depreciation	Impairment loss	Total
Land	7 510 000	-	-	-	-	-	7 510 000
Buildings	12 837 946	-	-	-	(93 441)	-	12 744 505
Plant and machinery	5 013 881	888 775	(34 120)	(10 811)	(1 641 322)	-	4 216 403
Furniture and fixtures	47 731 124	4 544 532	(63 714)	1 369 692	(8 459 267)	-	45 122 367
Motor vehicles	2 985 081	578 325	(21)	765 661	(1 127 893)	-	3 201 153
IT equipment	2 781 110	2 105 994	(16 653)	-	(2 345 803)	-	2 524 648
Leasehold improvements	23 587 402	215 077	(82 390)	-	(884 867)	-	22 835 222
Capital assets under construction	16 431 917	22 258 576	-	(22 341 464)	-	-	16 349 029
Motor vehicles under finance leases	29 833 499	4 434 809	(148 850)	(97 334)	(2 239 083)	(1 139)	31 781 902
Infrastructure development	49 814 980	1 700 514	-	20 206 112	(4 481 420)	-	67 240 186
Total	198 526 940	36 726 602	(345 748)	(108 144)	(21 273 096)	(1 139)	213 525 415

Notes to the Annual Financial Statements

8. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2022

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

Notes to the Annual Financial Statements

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8. Property, plant and equipment (continued)

Pledged as security

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

Proceeds from the sale of property, plant and equipment amounted to R197 648 (2022: R1 990 264).

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

Plant and machinery

-

24 322

Revaluations

Land and Buildings was revalued on 31 March 2022 by registered property practitioners and valuers using active market prices. Revaluations are done every 3 years.

Capital assets under construction

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

Furniture and fixtures

-

7 061 707

Motor vehicles

-

382 830

Infrastructure

16 349 029

8 987 380

16 349 029

16 431 917

Capital assets under construction consists of various projects across districts relating to eco tourism and access upgrades and additions, as well as other operational infrastructure.

Expenditure incurred to repair and maintain property, plant and equipment

The repairs and maintenance for the year on property, plant and equipment is R10 574 350 (2022: R11 278 957), however, this includes repairs and maintenance spent on property, plant and equipment that is owned by the Western Cape Department of Transport and Public Work and excludes the purchase of materials and internal labour costs.

Materials to the value of R2 211 007 (2022: R2 030 048) was utilised for repairs and maintenance.

Motor vehicles under finance leases

CapeNature leases a range of vehicles from the Government Motor Transport Department. At 31 March 2022, CapeNature rented 133 (March 2022: 132) vehicles. This arrangement is disclosed in note 9 Finance lease obligations and note 27 Related parties.

Contractual commitments for property, plant and equipment acquisitions

Property, plant and equipment to the value of R5 306 588 is expected to be capitalised once the recognition and measurement criteria are met. Refer to Note 25.

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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9. Finance lease obligations

Finance lease obligations

Long-term portion of finance lease obligation	31 969 481	30 355 453
Current portion of finance lease obligation	4 562 180	3 569 766
Total finance lease obligations	36 531 661	33 925 219

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 14 years. The effective annual interest rate on new vehicles purchased and permanently allocated to CapeNature during the year under review is between 26% and 37%.

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:

Amounts payable under finance leases	Minimum lease payments		Present value of minimum lease payments	
	March 2023	March 2022	March 2023	March 2022
Within one year	18 257 215	15 550 168	4 562 179	3 569 765
In the second to fifth years	52 411 636	42 385 248	31 426 636	29 785 797
Over five years	673 658	763 353	542 846	569 657
Less: Future finance obligations	(34 810 847)	(24 773 550)	-	-
Present value of minimum lease obligations	36 531 661	33 925 219	36 531 661	33 925 219

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	7 565 214	7 049 171
13th cheque cash portion	1 625 431	1 658 492
Salary accruals	2 387 043	2 689 943
	11 577 688	11 397 606

10.2 Trade and other payables from exchange transactions

Trade and other payables from exchange transactions	18 206 059	10 286 437
Income received in advance from exchange transactions	15 013 127	17 464 043
	33 219 186	27 750 480

10.3 Trade and other payables from non-exchange transactions

Other payables-current	210 679	499 880
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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 consist of tourism deposits, these deposits relate to client accommodation and other tourism related bookings.

Other payables from non-exchange transactions arose due to the Lourensford out of court settlement agreement and is included at fair value.

Notes to the Annual Financial Statements

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11. Unspent conditional grants and receipts

Year to date movement

Balance at the beginning of the year	36 015 837	37 677 398
Repayments during the year	(3 760 090)	-
Additions during the year	5 590 183	6 040 835
Income recognition during the year	(4 445 909)	(7 702 396)
	33 400 021	36 015 837
Non-current liabilities	27 844 021	32 699 831
Current liabilities	5 556 000	3 316 006
	33 400 021	36 015 837

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.

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	4 795 000	5 348 000
Net (income) expense recognised in the statement of financial performance (Note 21)	(211 000)	(553 000)
	4 584 000	4 795 000

Net expense recognised in the statement of financial performance

Current service cost	24 000	42 000
Interest cost	458 000	464 000
Actuarial (gains) losses	(449 640)	(852 144)
Curtailment	(243 360)	(206 856)
Total included in employee related costs (Note 21)	(211 000)	(553 000)

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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12. Employee benefit obligations (continued)

Key assumptions used

Assumptions used in the last valuation 31 March 2023:

Retirement age	60	60
Discount rates used	Yield curve	Yield curve

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

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

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

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

The normal retirement age of 60 years was used.

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

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

	2023	2022
Number of members included as active members	13	17
Number of members included as pensioners	40	37
	53	54

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:

	1% point increase	1% point decrease
Projected interest costs	429 000	484 000
Projected service costs	13 000	16 000
Post-employment benefit obligation	4 337 000	4 858 000

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

	2023	2022	2021	2020	2019
Defined benefit obligation	4 584 000	4 795 000	5 348 000	4 387 000	5 299 365

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12. Employee benefit obligations (continued)

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 2023 the entity employed 899 staff of which 423 are permanent employees. There are 68 members belonging to the GEPF and 250 members belonging to the OMSPF.

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

13. Project Reserve

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

Transfers in and out are approved by the CapeNature board.

Opening balance	39 079 825	49 326 825
Transfer out	(9 040 467)	(23 285 000)
Transfer in	18 508 000	13 038 000
	48 547 358	39 079 825

14. Revaluation reserve

Opening balance	19 695 949	15 722 791
Change during the year	-	3 973 158
	19 695 949	19 695 949

The revaluation reserve relates primarily to revaluation surpluses or deficits on the revaluation of land and buildings to their fair values.

Revaluations are performed every three years.

The frequency of revaluations depends upon the changes in the fair values of the items of property, plant and equipment being revalued.

15. Eco-tourism and access

Accommodation	20 012 385	19 775 741
Entrance fees, hiking and activities	34 741 987	26 335 380
Wild card sales	2 619 905	2 056 216
Filming fees	902 350	547 091
Public Private Partnership Business income	3 235 164	2 611 387
	61 511 791	51 325 815

Entrance fees, hiking and activities includes income generated from events and concession fees

Notes to the Annual Financial Statements

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16. Interest Received		
Interest revenue		
Bank interest	8 134 537	4 897 391
17. Other income		
Insurance recoveries	-	24 322
Natural Resource Management income: DFFE	4 123 670	633 362
Staff and private accommodation	392 861	467 317
Recoveries and other	2 970 492	3 902 820
	7 487 023	5 027 821
18. Government grants & subsidies		
Operating grants		
Donations	39 103	6 688
Project grants (Note 11)	4 445 909	7 702 396
	4 485 012	7 709 084
19. Monetary government grants received		
Provincial allocation	292 090 000	286 757 000
20. Administrative expenses		
Commission paid	1 248 365	629 748
Conference and meeting costs	768 241	306 599
Electricity	6 552 063	6 296 654
Insurance	559 939	431 805
Lease: office equipment	1 069 086	1 071 832
Marketing and advertising	3 380 123	4 717 855
Municipal services	1 502 440	1 328 431
Professional membership fees	1 647 956	1 357 357
Other	1 940 893	1 548 497
	18 669 106	17 688 778

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21. Employee related costs

Leave pay accrual movement	516 043	(871 893)
Overtime payments	5 967 490	4 218 441
Post-employment pension benefits	14 092 935	14 301 807
Post-retirement medical benefit movement (note 12)	(211 000)	(553 000)
Salaries and wages	189 032 515	190 772 555
	209 397 983	207 867 910

Remuneration of board members

Included in the salaries and wages above are the fees paid to the board members (non-executive management) of R211 462 (March 2022: R229 348). Refer to note 28.

22. Finance costs

Finance costs on leases	13 602 258	12 833 828
Interest charged	37 619	206 695
	13 639 877	13 040 523

23. Cash generated from operations

Surplus	11 047 106	6 743 834
Adjustments for:		
Depreciation and amortisation	25 660 917	23 562 515
Gain/(loss) on sale of assets	439 154	(407 524)
Services in kind - office accommodation	(3 462 024)	(3 201 484)
Impairment on property, plant and equipment	1 139	391 342
Movements in retirement benefit assets and liabilities	(211 000)	(553 000)
Salary accruals	180 083	(1 382 575)
Income received in advance	(2 450 916)	129 194
Inventories	(138 016)	(282 057)
Trade and other receivables from exchange and non-exchange transactions	(6 054 179)	5 469 403
Trade and other payables from exchange transactions	7 630 418	(17 817 100)
Unspent conditional grants and receipts	(2 615 816)	(1 661 561)
	30 026 866	10 990 987

Notes to the Annual Financial Statements

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24. Categories of financial instruments

Financial assets

Trade and other receivables from exchange transactions (Note 6)	6 433 955	5 646 117
Trade and other receivables from non-exchange transactions (Note 6)	3 110 000	3 385 240
Cash and cash equivalents (Note 4)	134 147 563	138 228 643
	143 691 518	147 260 000

Financial liabilities

Trade and other payables from exchange transactions (Note 10.2)	18 206 059	10 286 437
Finance Lease obligations (Note 9)	36 531 661	33 925 219
	54 737 720	44 211 656

25. Commitments

25.1 Authorised capital expenditure

Already contracted for but not provided for

Anysberg solar PV	630 319	-
Bird Island penguin pool	-	58 559
Cederberg infrastructure upgrades	20 385	909 087
Computer hardware	32 006	581 689
Computer software	-	244 536
De Mond infrastructure upgrades	1 707 565	-
Dyer Island boat	-	191 415
Furniture for reserves	-	272 079
Grootvadersbosch Scolopia upgrades	323 178	-
Grootvadersbosch solar PV	289 409	-
Grootvadersbosch water filtration system	23 213	-
Hottentots Holland: Picnic Area	-	266 852
Riverlands infrastructure upgrades	412 128	-
Rocherpan fencing	581 808	-
Vrolijkheid SOG	34 909	-
Vrolijkheid minor upgrades	364 105	-
Walker Bay fencing	18 826	-
Wolwekloof infrastructure upgrades	868 739	-
	5 306 590	2 524 217

Not yet contracted for and authorised by members

Vodacom SDWAN	-	15 093 100
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25. Commitments (continued)

25.2 Operating leases - as lessee (expense)

Minimum lease payments due

- within one year	-	944 540
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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.

25.3 Operating lease arrangement

Motor vehicles

Operating leases relate to 2 vehicles with anticipated remaining lease terms of 9 to 12 months as at 31 March 2023. The entity does not have an option to purchase the leased assets at the expiry of the leased period.

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

26. Contingencies

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

Contingent liabilities

MTO and Cape Sawmills vs CapeNature	33 616 497	33 616 497
Botha E vs CapeNature	490 000	490 000
Badenhorst vs CapeNature	38 356	38 356
October M and October R vs CapeNature	1 400 000	1 400 000
Fourie CJ vs CapeNature	5 243 116	5 243 116
P Beukes vs CapeNature	3 250 750	3 250 750
Geelhoutvlei Timbers CC vs CapeNature	13 488 244	13 488 244
Gebroeders Niewoudt vs CapeNature	3 135 309	3 135 309
MTO/Garcia Plantation vs CapeNature	3 447 621	16 575 000
Mooiuitsig (the residents of Betty's Bay) vs CapeNature	15 449 432	13 022 632
Knysna Municipality vs CapeNature	56 228	-
Lismore Estates vs CapeNature	27 911 316	-
SANParks/ GHVL/ Oelf vs CapeNature	165 826 856	-
SANParks/ Oelf vs CapeNature	8 757 061	-
Gohl vs CapeNature	36 585	-
	282 147 371	90 259 904

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26. Contingencies (continued)

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

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

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

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

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

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

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

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

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

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

The case of Knysna Municipality vs Cape Nature is in respect of property rates on Farm 205, Ruygte Valley in Goukamma from 2015 to 2023.

The case of Lismore Estates vs Cape Nature is in respect of fire damage at the Greyton Nature Reserve in the Magisterial district of Caledon on 11 December 2019.

The case of SANparks/GHVL/Oelf vs CapeNature is in respect of fire damage in the Herold farming community in 2018.

The case of SANparks/Oelf vs CapeNature is in respect of fire damage in the Herold farming community in 2018.

The case of Gohl vs Cape Nature is in respect of a motor vehicle accident in Plettenberg Bay in 2021.

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

Contingent liabilities due to dispute

Garden Route District Municipality dispute to the value of R3 063 649, is in respect of invoices issued by Garden Route District Municipality to CapeNature for firefighting services over a number of financial years was included in the prior year financial statements. However, the entity has agreed to settle invoices to the value of R1 892 954, a dispute to the value of R780 000 remained, which does not have any legal basis at this point. There has been an indication that this value will be written off pending Council approval.

Legal fees

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

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27. Related parties

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

Western Cape Department of Transport and Public Works (DTPW)

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

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

Services in kind - office accommodation received - 2023 R3 462 024

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

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

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

In the year under review, CapeNature received R292 090 000 (March 2022: R286 757 000) as a provincial grant from the Department of Environmental Affairs and Planning.

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

28. Key management information - Executive Management and Board Members' emoluments

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

The Board operates a remuneration system based on the total cost to company principle. As such, all contributions to medical aid and pension funds are borne by the employee out of this package.

No performance bonuses were paid in this financial year.

Executive Management Emoluments

March 2023

	Total
Omar R - Chief Executive Officer	1 864 698
Bhayat M - Chief Financial Officer	1 347 606
Birss C - Biodiversity Capabilities	1 118 691
Baard E - Conservation Operations	1 245 231
Ismail S - Marketing and Eco Tourism	1 409 157
	6 985 383

March 2022

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

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

Board Members' Emoluments

March 2023

	Remuneration	Reimbursement	Total
Hendricks D - Chairperson	43 755	146	43 901
Maneveldt G - Vice Chairperson	29 841	217	30 058
Loubser M	22 914	188	23 102
Johnson C	28 755	1 838	30 593
Burton M	35 457	-	35 457
Redlinghuis A	21 417	-	21 417
Slack P	26 808	125	26 933
	208 947	2 514	211 461

March 2022

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

Independent Committee Members (Audit, Finance and ICT)

March 2023

	Remuneration
Devcharran N	11 688
Van Staaden B*	6 378
Moser L**	11 804
	29 870

March 2022

	Remuneration
Remuneration	
Devcharran N	16 566
Van Staaden B	13 795
	30 361

*Van Staaden B term ended on 31 May 2022.

**Moser L was appointed on 1 June 2022.

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29. Prior period errors and reclassifications

Eco-Tourism Income

Due to delays in capturing a few batches, the prior year's revenue was understated by R771 018.

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

	As previously reported 2021-22	Correction of error	Restated 2021-22
Statement of financial position			
Accumulated surplus	(176 975 739)	(771 018)	(177 746 757)
Trade and other payables from exchange transactions	(28 521 499)	771 018	(27 750 481)
Statement of financial performance			
Eco-Tourism and access	(50 554 797)	(771 018)	(51 325 815)
Cash flow statement			
Grants, project funds and tourism revenue	357 851 098	771 018	358 622 116
Suppliers	(128 913 495)	(771 018)	(129 684 513)

30. Risk management

Financial risk management

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

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 2023

Finance lease obligations
Trade and other payables

Less than 1 year	Between 2 and 5 years
4 562 180	31 969 481
18 206 059	-

At 31 March 2022

Finance lease obligations
Trade and other payables

Less than 1 year	Between 2 and 5 years
3 569 766	30 355 453
10 286 437	-

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30. Risk management

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 2023, 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 359 706 (March 2022: R1 519 227) higher or lower, mainly as a result of higher or lower expense on floating rate investments.

Credit risk

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

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

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

Financial instrument

Trade and other receivables

Cash and cash equivalents

2023

2022

6 433 955

5 646 117

134 147 563

138 228 643

31. Events after the reporting date

Due to the intense rain and flooding in June, there has been damage to infrastructure and access roads to some of the entity's reserves-particularly in the West Landscape. Management is still in the process of assessing the financial impact of the potential repairs to the damages.

32. Fruitless and wasteful expenditure

None identified for the current year.

33. Irregular expenditure

No irregular expenditure has been identified for the financial year.

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

Revenue

Other Transfers

The entity received funds in the prior year for projects that were not completed yet, and only utilised in the current year. As expenditure needed to be budgeted for to avoid any irregular expenditure, the income had to be included in the budget but the cash was not received. Furthermore, due to changes in the Natural Resource Management Model by the Department of Forestry, Fisheries, and Environment and delays within the department funds budgeted to be received were not received.

Expenditure

Compensation of employees

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

35. Budget differences

Changes from the approved budget to the final budget

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

36. Heritage Assets

The following heritage assets were not recognised due to a reliable measurement not being possible on initial recognition: Nature reserve complexes managed.

The entity manages 30 (2022:31) 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.

It should be noted that Driftsands nature reserve was abolished in accordance with gazette-PG 8685, P/N 131/2022, dated 21 November 2022.

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36. Heritage Assets (continued)

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

Name of nature reserve complex	Size in hectares
Anysberg	87 053
Babilonstoring	1 569
Bird Island	394
Cederberg	79 689
Dassen Island	738
De Hoop	62 977
De Mond	1 593
Dyer Island	290
Gamkaberg	39 997
Geelkrans	4 601
Goukamma	8 331
Grootvadersbosch	26 167
Grootwinterhoek	27 519
Hottentots Holland	48 181
Islands and Rocks	500
Kammanassie	27 056
Keurbooms River	895
Knersvlakte	85 745
Kogelberg	26 560
Limietberg	45 187
Marloth	14 227
Outeniqua	39 296
Riverlands	1 715
Robberg	2 809
Rocherpan	1 076
Salmonsdam	712
Swartberg	131 504
Vrolijkheid	28 580
Walker Bay	6 225
Waterval	27 323
	828 509

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37. Going concern

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





Photo: De Hoop Nature Reserve - Scott Ramsay

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