

ANNUAL REPORT

2012/13



CapeNature

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PART A
GENERAL
INFORMATION

I. PUBLIC ENTITY'S GENERAL INFORMATION

REGISTERED NAME:	Western Cape Nature Conservation Board
REGISTRATION NUMBER (if applicable):	N/A
PHYSICAL ADDRESS:	PGWC Shared Services Centre Cnr Bosduif and Volstruis Streets Bridgetown 7764
POSTAL ADDRESS:	Private Bag X29 Gatesville 7766
TELEPHONE NUMBER/S:	+27 21 483 0000
WEBSITE ADDRESS:	www.capenature.co.za
EXTERNAL AUDITORS:	Auditor-General South Africa
BANKERS:	Nedbank
BOARD SECRETARY	Ms L Wallace-Malyon

2. LIST OF ABBREVIATIONS/ ACRONYMS

AGSA	Auditor-General of South Africa
APO	Annual Plan of Operations
AVE	Average Value Estimate
BBBEE	Broad Based Black Economic Empowerment
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CEPF	Critical Ecosystem Partnership Fund
CFR	Cape Floristic Region
CFRPA	Cape Floral Region Protected Area
CIC	Cape Implementation Committee
CSA	Conservation South Africa
DBSA	Development Bank of South Africa
DCA	Damage Causing Animals
DEA	Department of Environmental Affairs
DEA&DP	Department of Environmental Affairs and Development Planning
EPWP	Expanded Public Works Programme
ERP	Enterprise Resource Planning
FTE	Full Time Equivalent
GMT	Government Motor Transport
GTUP	Game Translocation and Utilization Policy
HCD	Human Capital Development
ICM	Integrated Catchment Management
ICT	Information & Communication Technology
IS	Information Systems
IT	Information Technology
MAB	Man and Biosphere Programme
MEC	Member of Executive Council
METT	Management Effective Tracking Tool
MIS	Management Info System
MPA	Marine Protected Areas
MSP	Master Systems Plan
MTEF	Medium Term Expenditure Framework
NEMPA	National Environmental Management Protected Areas
NO10	National Outcome 10
PDO	Predetermined Objectives
PFMA	Public Finance Management Act
PPP	Public Private Partnership
PPPPFA	Preferential Procurement Policy Framework Act
PSO7	Provincial Strategic Objective 7
SANBI	South African National Biodiversity Institute
SCM	Supply Chain Management
SMME	Small Medium and Micro Enterprises
SMS	Strategic Management Support
TMF	Table Mountain fund
TR	Treasury Regulations
UAMP	User Asset Management Plan
VPN	Virtual Private Networks
WCNCB	Western Cape Nature Conservation Board
WCPAES	Western Cape Protected Area Expansion Strategy
WfW	Working for Water
WHS	World Heritage Site

3. STRATEGIC OVERVIEW

3.1 Vision

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

3.2 Mission

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

3.3 Values

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

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

3.4 Strategic outcome orientated goals

Strategic Goal 1	Integrated biodiversity management
Goal statement	Securing priority biodiversity and ecosystem services through integrated biodiversity planning and management enabling appropriate climate change response.
Strategic Goal 2	Development of social capital
Goal statement	Contributing to the reconstruction and development of social capital.
Strategic Goal 3	Growing the conservation economy
Goal statement	Sustaining and growing the conservation economy.
Strategic Goal 4	Institutional effectiveness and efficiency
Goal statement	Ensuring an efficient and effective institution through cutting edge leadership.

4. LEGISLATIVE AND OTHER MANDATES

CapeNature is the public entity responsible for “nature conservation” in the Western Cape. It discharges this mandate in terms of Schedule 4 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) which sets out functional areas of concurrent national and provincial legislative competence. CapeNature is the executive arm of the Western Cape Nature Conservation Board (WCNCB), established in terms of the Western Cape Nature Conservation Board Act, 1998 (Act No. 15 of 1998) as amended Western Cape Nature Conservation Laws Act, 2000 (Act No. 3 of 2000). The mandate and functions of CapeNature are derived from the Western Cape Nature Conservation Board Act. The Act has three general objectives:

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

The following are the key 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 under it. Note that the list below excludes all other relevant legislation to which public entities as employers, implementers of government mandate and managers of public finance are subject.

International Conventions, Protocols and Policies:

- Bonn Convention on the Conservation of Migratory Species of Wild Animals, 1979
- Convention Concerning the Protection of the World Cultural and Natural Heritage (The), 1972
- Convention on Biological Diversity (The), 1992
- Convention on International Trade in Endangered Species of Wild Fauna and Flora (The) (CITES), 1975
- Convention on Wetlands of International Importance especially as Waterfowl Habitat (The) (Ramsar), 1972
- International Union for the Conservation of Nature (The) (IUCN), 1956
- United Nations Framework Convention on Climate Change, 1995 and the Kyoto Protocol
- Southern African Development Community Protocol on Wildlife Conservation and Law Enforcement in the Southern African Development Community, 1999
- United Nations Convention on the Law of the Sea, 1982

National and Provincial Legislation:

- Conservation of Agricultural Resources Act, 1983 (Act No. 43 of 1983)
- Constitution of the Republic of South Africa, 1996
- Constitution of the Western Cape, 1998
- Criminal Procedure Act, 1977 (Act No. 51 of 1977)
- Disaster Management Act, 2002 (Act No. 57 of 2002)
- Environmental Conservation Act, 1989 (Act No. 73 of 1989)
- Forest Act, 1984 (Act No. 122 of 1984)
- Land Use Planning Ordinance, 1985 (Ordinance 15 of 1985)
- Marine Living Resources Act, 1998 (Act No. 18 of 1998)
- Minerals Act, 1991 (Act No. 50 of 1991)
- Mountain Catchment Areas Act, 1970 (Act No. 63 of 1970)
- National Environmental Management Act, 1998 (Act No. 107 of 1998)

- National Environmental Management: Biodiversity Act, 2004 (Act No. 10 of 2004)
- National Environmental Management: Integrated Coastal Management Act, 2008 (Act No. 24 of 2008)
- National Environmental Management: Protected Areas Act, 2003 (Act No. 57 of 2003)
- National Forest Act, 1998 (Act No. 84 of 1998)
- National Heritage Resources Act, 1999 (Act No. 25 of 1999)
- National Monuments Act, 1969 (Act No. 28 of 1969)
- National Veld and Forest Fire Act, 1998 (Act No. 101 of 1998)
- National Water Act, 1998 (Act No. 36 of 1998)
- Nature and Environmental Conservation Ordinance, 1974 (Ordinance 19 of 1974)
- Occupational Health and Safety Act, 1993 (Act No. 85 of 1993)
- Problem Animal Control Ordinance, 1957 (Ordinance 26 of 1957)
- Promotion of Access to Information Act, 2000 (Act No. 2 of 2000)
- Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000)
- Sea Birds and Seals Protection Act, 1973 (Act No. 46 of 1973)
- Seashore Act, 1935 (Act No. 21 of 1935)
- Western Cape Land Administration Act, 1998 (Act No. 6 of 1998)
- Western Cape Nature Conservation Board Act, 1998 (Act No. 15 of 1998)
- Western Cape Nature Conservation Laws Act, 2000 (Act No. 3 of 2000)
- Western Cape Planning and Development Act, 1999 (Act No. 7 of 1999)
- World Heritage Convention Act, 1999 (Act No. 49 of 1999)

New legislation and potential impacts:

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

- CITES Regulations 2009
- National Environmental Management: Biodiversity Act 2004 (Act No. 10 of 2004): Alien and Invasive Species Regulations 2009 (still in draft form)
- National Environmental Management: Biodiversity Act 2004 (Act No. 10 of 2004): Norms and standards for the marking of rhinoceros and rhinoceros horn, and for the hunting of rhinoceros for trophy hunting purposes
- National Environmental Management: Protected Areas Act 2003 (Act No. 57 of 2003): Regulations for the Proper Administration of Nature Reserves 2012
- National Environmental Management: Biodiversity Act 2004 (Act No. 10 of 2004): Threatened or Protected Species Regulations 2007
- National Norms and Standards for Hunting Methods in South Africa, 2011, as published in Government Notice No. 456 of 27 May 2011

5. ORGANISATIONAL STRUCTURE



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

Western Cape Nature Conservation Board



CHIEF EXECUTIVE
OFFICER
Kas Hamman -
Acting



CHIEF FINANCIAL
OFFICER
Allan Preston



BIODIVERSITY
SUPPORT
Ernst Baard
- Acting



MARKETING and
ECO-TOURISM
Sheraaz
Ismail



CONSERVATION
MANAGEMENT
Quentin
Espey



HUMAN
RESOURCE
MANAGEMENT
Rowena
Vaughan -
Acting

6. FOREWORD BY THE CHAIRPERSON



Comparing images of the Western Cape of years long gone by and today it is immediately evident that the physical environment is rapidly changing. Biodiversity continues to be under threat globally. We recognise the importance of conserving and responsibly managing biodiversity, both as an issue for business and for society. Our biodiversity strategy, which includes our goal of achieving a “net positive impact” on biodiversity, addresses issues related to access to resources

During this financial year I once again realised that it is imperative and critical for CapeNature to protect our water resources as it is now more critical than ever and the growing need for water will only increase in the coming years. Our Fynbos is one of the world’s most impressive botanical kingdoms, and plays an important part in the ecosystem services we conserve; due to this we need to ensure that we continue to wage a war against the alarming rate of colonisation of invasive alien plants in our ecosystems.

The natural environment is interconnected and complex and this is particularly so in the Western Cape. Integration in conservation management has to extend from the mountain catchment areas all the way to our estuaries where fish and other marine organisms breed. It is therefore essential to manage fire, invasive alien plants, freshwater ecosystems and indigenous biodiversity in an integrated way, and ensure that good land management planning and decision-making happen across the entire landscape. During the financial year CapeNature has proven that integration yields results.

Because of this complexity and so many factors influencing what we do, the Western Cape will have to continue to respond to six major challenges over the next 5 – 10 years:

- Land-use change and development pressure
- Biodiversity loss and the associated loss of ecosystem service delivery
- A change in fire management
- Increased invasion by invasive alien species, both plants and animals
- Less fresh water from catchments, and all of this against a backdrop of
- A changing climate

Our prioritized response to these challenges during the financial year and for the future will be:

- Landscape-level interventions through biodiversity corridors and stewardship to respond to a changing climate
- Land-use advice, mainstreaming of conservation plans and focused, pro-active protected area expansion
- Integrated fire and invasive alien plant management, as well as freshwater ecosystem rehabilitation and priority responses in protected areas, catchments, Critical Biodiversity Areas and Ecological Support Areas, and the
- Maintenance and development of a scientific knowledge base to support conservation management through adequate staff, processes, systems and equipment

Because environmental challenges and pressures are significant and increasing, priority responses must therefore be focused in key areas for best return on investment of public funds and where significant changes to the livelihoods of the people of the region can be achieved.

CapeNature cannot manage all of this essential work alone and we are reliant on the support of our many partners in conservation to keep the biodiversity, ecosystems and ecosystem services in the Western Cape functioning, clean, healthy and beautiful. During the financial year partnerships contributed a great deal in achieving our targets that was set.

The past period has also been a critical one for both the organisation and the Board with suspensions within the Executive and the resignation of Prof. Aubrey Redlinghuis as Chairperson of the Board. The Board and CapeNature would like to thank Prof Redlinghuis for his leadership and wish him and his family a prosperous future. Through the entire period, words of conviction, dedication, knowledge, awareness and steadfastness were seen, which enabled the Board to carry on and provide the necessary leadership to the Executive and the organisation. When leadership is challenged through changing atmospheres, this is when true leadership is experienced and seen, through the enhancing and advancing the core mandate of the organisation. I must express my appreciation to the dedicated, passionate and highly competent Executive team and staff that serves this organisation. However, we must continue to instil an ethics and value system that that will make CapeNature the number one employer in South Africa.

I am pleased to welcome the following new members to the Western Cape Nature Conservation Board with effect from 1 March 2013 for a period of five years until February 2018.

The New Board members are:

Dr Bruce McKenzie, currently a lecturer in Nature Conservation at the Cape Peninsula University of Technology (CPUT) brings a wealth of governance, development and transformation experience to CapeNature. Whilst serving as the Executive Director of the Botanical Society of South Africa (1997-2008).

Ms Merle McOmbring-Hodges is at the forefront of environmental education and sustainable community development. Her success was demonstrated with the Service Learning Project winning 2nd prize in the International McJanet Talloires Project in 2009. Ms McOmbring-Hodges is currently employed at CPUT as Director: International Affairs and is able to contribute significantly on matters relating to conservation, financial, governance and partnership policies.

Advocate Mandla Mdlulu is well known to CapeNature as he has served as a Board member from 2005 to 2010. His re-appointment confirms his ability to add value to the legal requirements and compliance in the conservation arena, coupled with his drive to 'green' poor communities.

Mr Danie Nel has since 1996, worked extensively across municipalities in the Western Cape in the fields of strategic planning, transformation and development, after serving in the Department of Justice as Public Prosecutor and Magistrate for 14 years.

The Board is proud to have some of the most experienced and diverse talent in the conservation and governance arena to help us take CapeNature to new heights. The Board is now a full complement of 12 for the first time since 2007.

Dr CT Johnson



Dr CT Johnson
CapeNature
(31 May 2013)

7. CEO OVERVIEW



The Western Cape Province experiences one of the most significant biodiversity conservation challenges in the country. The Province is home to three of the 34 biodiversity hotspots identified world-wide, eight inscribed World Heritage Sites and one of the six Plant Kingdoms of the World, comprising 3% of the world's plant species on just 0.05% of the world's land area. Most of the biodiversity found here is unique and is found nowhere else on earth. Within the Province there is a prevalence of 9 600 species of Fynbos plants, 11 000 species of marine animals and 800 species of seaweeds.

It is a privilege and great responsibility for CapeNature to conserve this precious biodiversity. Despite the organisation experiencing challenges within the period under review, which included instability in top management, the need for intervention to improve financial controls, review of policies and procedures and the improvement of monitoring performance, we managed to greatly contribute to the biodiversity conservation within the Western Cape Province. A few of the challenges experienced were outside the immediate control of management and lessons learnt have been taken into consideration when addressing the need to improve on performance, monitoring of performance and greater financial controls within the organisation.

The execution of CapeNature's mandate stretches far beyond the fences of its protected areas and even beyond the landscape-level of stewardship initiatives which this organisation has championed. CapeNature is mandated to manage mountain catchment areas which provide up to 60% of all the water resources in the Province through protected area and integrated catchment management conservation interventions such as invasive alien and fire management, as well as wetland rehabilitation. The organisation further proactively cater for the mitigation of impacts from climate change on ecosystem composition, provides a risk management strategy for the economy of the Western Cape. It is this inextricable asset which CapeNature is protecting and conserving.

Biodiversity within the Western Cape Province is under increasing threat from the spread of uncontrolled veld fires, the proliferation of invasive alien plants (using an estimated 5% of available water), coastal property development and urban sprawl, pollution, cultivation of virgin land, increased demand for water and changing climatic conditions and overexploitation of natural resources (including illegal trade of fauna and flora). As a result, the Province harbours the highest number of critically endangered ecosystems in the country. More than 80% of the surface area of the Western Cape Province is considered to be "sensitive" at varying degrees of vulnerability. These areas include wetlands, estuaries, rare-plant habitats, forest patches, threatened vegetation, corridors, mountain catchments and rivers. The challenge of juggling the protection of biodiversity while maintaining a balance with industry needs is one which CapeNature will continuously face and endeavour to successfully overcome.

CapeNature received qualified audit opinions on performance information and conditional grants. The risk posed to the organisation as a result of this type of outcome is acknowledged and mitigation measures are already in the process of implementation to address it. Management has engaged with the internal auditors to facilitate the drafting of standard operation procedures for finance. Additionally, management, in consultation with the Finance Committee, has compiled a strategic plan to address the audit findings. The Finance Committee is provisionally scheduled to meet monthly, initially for six months, to monitor progress on addressing the audit findings. A framework on the standard operating procedures has been drafted to address the performance information findings. The speed with which corrective measures have been implemented provides me with the necessary confidence in CapeNature's ability to overcome this additional obstacle.

I would like to thank the Minister, the Board, the Executive team and the CapeNature staff for their unwavering support during the year and wish to acknowledge the staff of CapeNature for the continued conservation and protection of the precious biodiversity of the Western Cape Province, regardless of any challenges and for the benefit of all. A special word of thank also to the Head of Department of Environmental Affairs and Development Planning and staff for their continues support and interest in advancing CapeNature's Biodiversity and Ecosystem mandate on behalf of the Government of the western Cape.

A handwritten signature in black ink, appearing to read 'Kas Hamman'.

Dr Kas Hamman
Acting CEO
(27 August 2013)





PART B **PERFORMANCE INFORMATION**

I. STATEMENT OF RESPONSIBILITY FOR PERFORMANCE INFORMATION

Statement of Responsibility for Performance Information for the year ended 31 March 2013

The Chief Executive Officer is responsible for the preparation of the public entity's performance information and for the judgements made in this information.

The Chief Executive Officer is responsible for establishing, and implementing a system of internal control designed to provide reasonable assurance as to the integrity and reliability of performance information.

In my opinion, the performance information fairly reflects the actual achievements against planned objectives, indicators and targets as per the strategic and annual performance plan of the public entity for the financial year ended 31 March 2013.

CapeNature's performance information for the year ended 31 March 2013 has been examined by the external auditors and their report is presented on page 98.

The performance information of the entity set out on page 34 to page 60 was approved by the board.



Dr. Kas Hamman
Acting: Chief Executive Officer
Date: July 2013

2. AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

The AGSA/auditor currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against 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 98 of the Auditor's Report, published as Part E: Financial Information.

3. OVERVIEW OF PUBLIC ENTITY'S PERFORMANCE

3.1 Service Delivery Environment

Office of the CEO

During the period under review the Audit and Risk Committees were amalgamated; this allowed for greater alignment and reduces duplication of functions. This change is reflected in the 2013/14 Annual Performance Plan.

The organisation's ability to source funding from external stakeholders in line with the establishment of the Western Cape Nature Conservation Board was again deemed to be successful. It should be noted that as an organisation and in the absence of the Foundation Manager, CapeNature was able to generate income through various partnership agreements, to the value of R70, 2 million for which the bulk have multi-year implementation periods.

During the period under review the strategic risk profile was reviewed. This process included the identification of mitigations and planning to prioritise the management of these risks. The mitigations identified for the management of risks could not be effectively implemented due to capacity and resource constraints.

Finance and Administration services

The insourcing of the accounting function and the implementation of the financial management system were successfully achieved.

As a result of this achievement, all internal and external reports will be automated and customised to comply with prescribed provincial timelines in the new financial year. While the system is operating effectively, access to information in real time remains a challenge within the organisation. In order to address this, a Portal will be implemented within the 2013/14 financial year to assist budget holders to view their expenditure reports, asset register and to prepare their purchase requisitions. The integration of the Permit and Reservation system into SAP is envisaged for completion by the end of the 2013/14 financial year.

The changes to Preferential Procurement Policy Framework Act (PPPFA) in December 2011 and receipt of Western Cape Provincial Instructions required that all service providers be registered on the Western Cape Supplier Database. This resulted in an organisation-wide delay in procurement in the first two quarters of the financial year. This impacted on spending and service delivery negatively, resulting in the entity reporting a surplus of R9.2 million for the year under review.

Human Resource Management

Recruitment & Selection

The financial year under review presented a challenge in terms of recruitment and selection in that austerity measures were enforced which resulted in 78 of the vacancies not being filled. An exercise of the reprioritisation of the budgets and critical posts was undertaken and agreement was reached to fill 14 of the 38 critical vacancies, which was completed by November. This process enabled the organisation to fill at least 2 scarce skills posts in the Scientific Services component.

The organisation managed to source funding for 135 Full Time Equivalent (FTEs) appointments. These employees form part of the Expanded Public Works Programme (EPWP) job creation initiative and are appointed according to a Ministerial Determinations. During the course of the year under review a total 146 FTEs were appointed on 12 month contracts and at the end of the contract period 129 FTEs was still in employment. Further funding was sourced to extend the employment period to 3 years for the incumbents in the programme and 128 FTEs extend their contract periods. The FTEs are employed across the institution to assist with a number of tasks related to delivery on CapeNature's core mandate.

The early retirement of the Fire Programme Manager during fire season greatly increased the risk profile of the Fire Programme. To mitigate this risk, an acting appointment was made to ensure continuity and efficient and effective implementation of functions.

Employee Relations

During the period under review both the CEO and the Executive Director Human Resource Management resigned. The abovementioned matters have been resolved between the parties. In order to mitigate the risk associated with these posts being vacant, acting appointments were made to ensure continuity within the organisation until permanent appointments are made.

Disciplinary hearings have decreased over this reporting period which can be attributed to corrective measures implemented in response to historical trends. Managers have been encouraged to take responsibility for ensuring that an environment is created which enhances employee relations. The organisation's Disciplinary Code is currently under review with workshops and training planned to facilitate a greater understanding of line management's role with respect to employee relations matters.

Training and Development

Training and development remains a key challenge for the organisation. The lack of resources to facilitate training and development resulted in a decrease in the number of interventions conducted during the period under review. As this remains an important priority for the organisation; the recruitment process has been activated to ensure the appointment of competent persons to this component as well as the implementation of the approved Human Capital Development Strategy.

Biodiversity Support and Conservation Management

Protected Area Management

CapeNature currently manages five Marine Protected Areas (MPAs) on behalf of Department of Environmental Affairs: Oceans and Coast, namely Robberg, Goukamma, Stillbaai, De Hoop and Betty's Bay. A total of R2.2 million was received from this Department for the management of the five MPAs during the period under review. Additional contracts were entered into with DEA: Oceans and Coasts for the management of Islands with funding specifically allocated for the management of Dyer, Dassen and Bird Islands. The increased funding has resulted in increased MPA management capacity which has improved MPA management effectiveness within the five MPAs.

The completion of protected area management plans remains part of the Delivery Agreement for National Outcome 10 (NO10). In response CapeNature was able to complete nine management plans which were approved by the WCNCB on 7 December 2012. These include the following plans: Keurbooms River Nature Reserve Complex, Robberg Nature Reserve Complex, Dyer Island Nature Reserve Complex, Dassen Island Nature Reserve, Vrolijkheid Nature Reserve Complex, Cederberg Nature Reserve Complex, Kammanassie Nature Reserve, Kogelberg Nature Reserve Complex and Limietberg Nature Reserve Complex. The plans will be submitted to the Provincial Minister of the Department of Environmental Affairs and Development Planning. Three additional management plans are in various stages of completion, including Driftsands Nature Reserve, De Mond Nature Reserve Complex and Rocherpan Nature Reserve. The number of management plans which can be finalised in a year is dependent on the appropriately skilled capacity available to complete the sensitivity and zonation mapping that is required in terms of National Environmental Management: Protected Areas Act. CapeNature has identified this as a challenge and will investigate options of developing a Conservation Planning Unit within the organisation to be able to address the remaining 20 management plans.

Monitoring and evaluation of the management effectiveness of protected areas using the Management Effectiveness Tracking Tool adapted for South Africa (METT-SA) is conducted annually by all conservation authorities in South Africa. These results are submitted to DEA. Sixty per cent of all protected areas need to achieve a score of 68% management effectiveness as outlined in the Delivery Agreement for NO10. In 2012 METT audits were conducted for 43 CapeNature reserves. Of these, 51% (22 of 43) of the protected areas achieved a score of 68%, compared to the audits of 2011 where only 28% (11 of 32) achieved a score of 68%. CapeNature improved its overall audit score from 63% in the previous reporting period to 68% in the reporting period under review. Action plans have been developed to respond to recommendations identified in the METT audit reports.

Landscape Conservation

Conservation at the landscape level is facilitated by the Biodiversity Stewardship and Corridor, Biosphere and World Heritage Site Programmes within CapeNature. CapeNature contributed 9 709 hectares to Protected Area Expansion during the reporting period under review thus bringing the current percentage of land under conservation in the Western Cape to 6.4% which responds to the requirement in the Delivery Agreement for NO10.

The Biodiversity Stewardship Programme facilitates conservation on privately-owned land by concluding agreements between the landowners and CapeNature. In these agreements, the landowners commit to protect and manage their properties, or parts thereof, based on sound conservation management principles. CapeNature, in turn, commits to supporting these management principles by providing advice, management plans and assistance in planning invasive alien species clearing and fire management schedules. These agreements provide the foundation for the private landowner to benefit more from the biodiversity by adopting ecologically sensitive income-generating avenues such as eco-tourism or green labelling of agricultural produce (e.g. Biodiversity Based Business and Biodiversity Initiatives).

The main challenge experienced with the management of Protected Area expansion in CapeNature is the lack of human resources capacity. This has been partially mitigated by funding sourced from the Lesley Hill Succulent Karoo Trust, through WWF-South Africa. The funding will allow for the appointment of a Stewardship Negotiator in the Breedeberg Area and the Karoo Area, as well as a Stewardship Facilitator in the Karoo to maintain the agreements once they are concluded. CapeNature has shown commitment to the expansion of Protected Areas by committing to absorb both the Negotiators posts into the organisational structure after the conclusion of the three year agreement with the Lesley Hill Succulent Karoo Trust.

The Table Mountain Fund (TMF) continues to support Biodiversity Stewardship by annually funding technical assistance to incentivise landowners to participate in the Biodiversity Stewardship Programme. The TMF is also currently funding a Stewardship Legal Advisor for the administration of CapeNature contracts and legalities required for the contracting and declaration of Protected Areas.

The Programme for Corridors, Biosphere Reserves and World Heritage Sites strives to support effective implementation of landscape-scale conservation. Key priorities of work include effective governance, partnership development, policy development, fundraising, mainstreaming of biodiversity and capacity building.

CapeNature has been a leader in the conservation arena with the planning, implementation and support of landscape-scale conservation initiatives. These initiatives, inclusive of biodiversity corridors and biosphere reserves, are largely partnership-driven and require broad collaboration between governmental, non-governmental organisations and civil society partners for implementation.

The National Man and the Biosphere Reserve Committee, coordinated by the National Department of Environmental Affairs, provides a platform on which to share lessons learnt and for knowledge exchange amongst the Biosphere Reserves. CapeNature is also responsible for the management of six of the eight properties which encompass the Cape Floral Region Protected Area World Heritage Site (CFRPA WHS). CapeNature has been the driving force behind the extension nomination of the CFRPA WHS.

Capacity building is a key priority for this programme and CapeNature participated in the Business Skills Training for World Heritage Site managers and staff hosted by Earthwatch and held in Kenya. The implementation of a Landscape Education Programme, a joint initiative with the Youth Development and Environmental Awareness Programme in CapeNature, strives to build capacity, and raise awareness about natural and cultural heritage within schools and local communities.

The Corridors, Biosphere Reserves and World Heritage Sites programme manager has been appointed as the Chairperson for the Cape Implementation Committee which is a governance structure for partners working in the Cape Floristic Region (CFR). The partner membership includes more than 30 partners from government, non-governmental and private entities. This structure plays a key role in facilitation networking and collaboration across the CFR.

Integrated Catchment Management

CapeNature plays a pivotal role in conserving biodiversity to ensure the sustained supply of clean, fresh and potable water to the people and economic sectors of the province.

The availability of high quality freshwater is a key limiting factor to development and growth in the Western Cape. It is estimated that 13% of water availability in the Western Cape is consumed by invasive vegetation. CapeNature manages mountain catchment areas which provide up to 60% of all the water resources in the province and has successfully demonstrated the value of an Integrated Catchment Management (ICM) approach. The application of the ICM approach has provided the platform to further strengthen and establish partnerships with various stakeholders

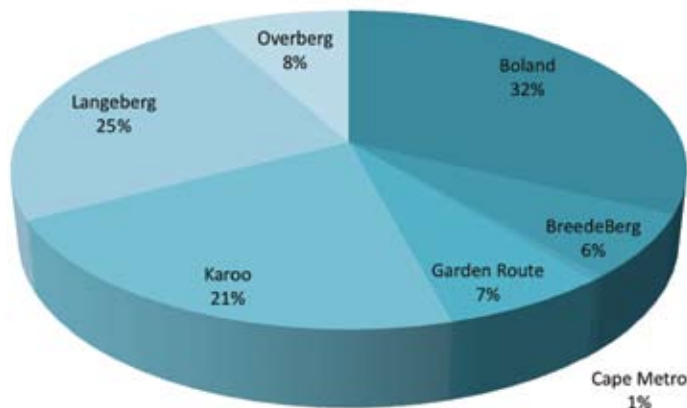
The management plan for the De Hoop Ramsar site is in draft and forms part of the De Hoop Integrated Management Plan (Nature Reserve/Ramsar site and Marine Protected Area) which has resulted in the initially proposed planning process being extended. However the integration of the management of this Ramsar site into the CapeNature holistic management process is of a more stable and sustainable nature and is supported by DEA Ramsar.

During the period under review, the Western Cape Province has experienced one of the worst fire seasons over the December/January period. CapeNature assisted in suppression operations of 43 fires. Due to the large number of fires throughout the province it was decided to utilise the Provincial Disaster Management Center, in Parow, to establish a Province-wide Incident Command post. In a coordinated effort from all agencies, fires were brought under control and 15 additional Working on Fire teams from the northern provinces were deployed to the Western Cape Province to assist with fire suppression. The extensive fire which occurred in and around the Cederberg Nature Reserve during January 2013, burnt 15 265 hectares of predominantly fynbos. The Cederberg fire resulted in one fatality and the loss of structures. Additionally, the fire in the Limietberg Nature Reserve resulted in the loss of 9 208 hectares which included both fynbos and agricultural land. Of particular concern with the latter fire is the potential negative impact of the fire on young fynbos vegetation. The majority of fires ignited over this period have been as a result of human negligence and it is envisaged that this aspect will be addressed by conducting awareness interventions in communities where high incidents of fires occur.

CapeNature received a funding allocation, from the DEA National Natural Resource Management Programme, previously known as Working for Water, of R43 558 676, which funded the work completed as per Figure 1 below. These funds are specifically applied to invasive alien plant clearing, invasive fauna management and wetland restoration projects. CapeNature is focused on achieving strategic goals which have been outlined in the Implementing Agents agreement, for a three year period (2011-2014).

Figure I

Hectares Cleared of Invasive Alien Plants



Within the context of the integrated catchment management approach, CapeNature is responsible for the rehabilitation and restoration of wetlands as identified in the Wetland Strategy on Critical Ecosystems and Habitats. The Duiwenhoks River Wetland Rehabilitation Project was awarded the First Prize in the Design, Implementation and Execution of Funds category for Wetlands during the period under review.

CapeNature has expanded its agreements with the DEA to include invasive fish, as well as invasive mammal management projects. The draft CapeNature Invasive Fauna Strategy was finalised during December 2012 and distributed to external partners for comment. This strategy will provide clear guidelines on future invasive mammal and fish management approaches.

The Rondegat River rehabilitation project is an alien and invasive species pilot project in South Africa. The aim of the project was to determine whether an approved piscicide could be used to eradicate invasive small-mouth bass from a Freshwater Ecosystem Priority Area in the Cederberg. A positive outcome for this project will contribute to the conservation of highly threatened indigenous fish from extinction. Predation by invasive fish is the prime threat to these highly threatened indigenous fish. Following the treatment of the Rondegat River in February 2012, a key component of this project has been the independent biological monitoring taking place which will quantify the importance or intended purpose of this project *i.e.* the eradication of bass and ecological recovery of the treated part of the river through the re-colonisation of the treated part by indigenous fish and other fauna. The biological monitoring is funded by the Water Research Commission and is led by the South African Institute of Aquatic Biodiversity, who are responsible for the compilation of the report. Based on the preliminary monitoring results, a second treatment of the same stretch of river was executed in March 2013, in order to ensure a 100% success rate; if this success cannot be achieved, the project cannot be deemed a success.

The management of feral pigs has proven to be more challenging. Feral pigs originated in the 1950s when animals of European boar origin were introduced to pine plantations in the Wolseley area to control pine needle moth damage to pine plantations at the Kluitjieskraal and other plantations. The interbreeding with stray feral pigs in the landscape produced a significant invader in the catchments and lowlands of the Elandsloof and Kasteelberg Mountains. The feral pig populations in the Kasteelberg area have, over the years, attracted recreational and economic interest. This has provided management efforts with a few challenges. The movements of feral pig sounders were monitored via aerial surveillance. A total of 436 pigs were culled in the focus area. Support for this process was achieved by conducting landowner surveys which consequently created awareness. As a result of landowner involvement in this project, CapeNature was also alerted to the existence of a new population of feral pigs around Moorreesburg. In order to conduct research, trapping equipment was purchased which will assist with the identification of the potential sites where the construction of coral traps for capturing sounders should take place.

Socio-economic development

The New Growth Path adopted by the South African Government offers the opportunity to build new green economic sectors, create decent jobs, grow our economy and develop international competitiveness. In this context, CapeNature has placed the emphasis on building the conservation economy to contribute to the growth of emerging and developing contractors as an initiative in fulfilling CapeNature's commitment to sustainable job creation and social responsibility. National Government has recognised the role of CapeNature through the significant contribution to the job creation and the socio-economic conditions within the Western Cape. During the reporting period under review CapeNature received R6 million for the Integrated Expanded Public Works Programme which has further contributed to the conservation economy. Through the successful implementation of this grant funding, CapeNature has secured an increased allocation of R17.6 million for the next financial year.

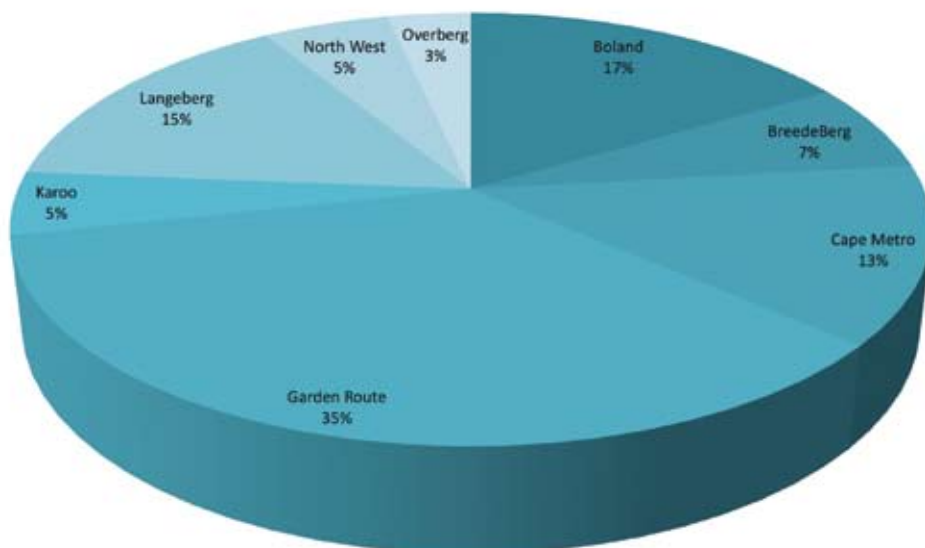
CapeNature contributed to NO 10 targets through various job creation projects a total of 185 325 person days resulting in 1 853 work opportunities. According to Provincial figures extracted from the Management Info System report, CapeNature created employment opportunities for 285 FTE's, for which the number of warm bodies equates to 351 were women, 778 youths and 5 people with disabilities, as these numbers include contract workers at reserve level.

Biodiversity Awareness and Education

As per the latest census data the youth of the Western Cape (South Africans between the ages of 0-34 years), make up 3,6 million of a total Provincial population of 5,8 million people in the Western Cape, in a region where poverty, substance abuse and unemployment are unfortunate realities. They represent 80% of unemployed individuals in the province but few consider the conservation sector as a viable source of employment.

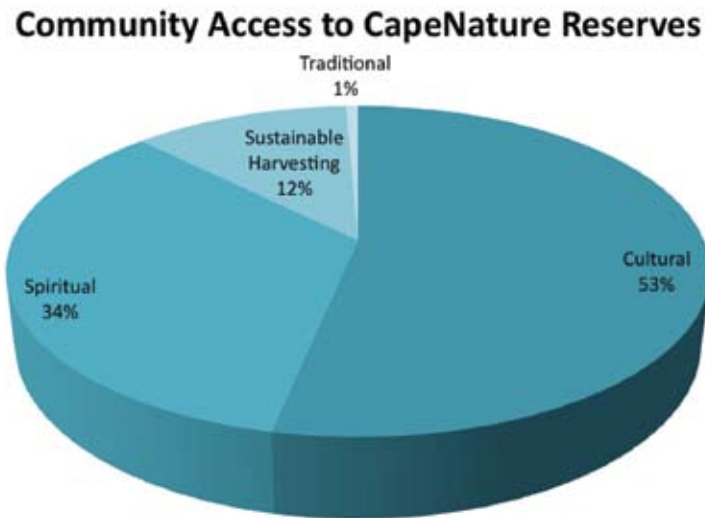
Figure 2

Learners Provided with Environmental Education Across the Western Cape Province



As a key component of CapeNature's strategic approach, the Youth Development and Environmental Awareness Programme aim to create a keen appreciation and respect for biodiversity and social conservation. The Programme contributes to the development of knowledge and skills that will enable the youth to successfully fulfil the leadership challenges of the 21st century, and to become more environmentally sensitive individuals. Figure 2 above shows the reach of this initiative.

Figure 3



As shown in figure 3 above, during the reporting period under review, CapeNature provided access to its resources and nature reserves for government and non-governmental groups. This transpired during 181 events and to at least 37 475 learners to facilitate environmental education excursions, and provided accommodation at, amongst other, four youth centres at Potberg (De Hoop Nature Reserve), Grootvadersbosch, Vrolijkheid and Grootwinterhoek Nature Reserves. All environmental education programmes is aligned to the Department of Education curriculum outcomes, while outreach services are provided to schools which may not be able to travel to the reserves. Two hundred and ninety schools participated in an environmental programme during the reporting period under review.

Biodiversity Sciences and Scientific Decision Support

At national level, CapeNature employees provided input and comments into the finalisation of regulations, norms and standards and guidelines for threatened and protected species, alien and invasive species, damage-causing animals, translocation of game animals, bioregional planning, mining and biodiversity. The production of CapeNature's Western Cape State of Biodiversity 2012 Report which provides updates on the knowledge base of protected areas, freshwater and estuarine ecosystems, freshwater fish, amphibians, reptiles, avifauna, mammals, arthropods, plants and vegetation was a noteworthy achievement.

At provincial level, the Scientific Services Unit provided extensive input into and comments on the drafting of a draft Western Cape Biodiversity Policy, the draft Western Cape Biodiversity Bill, local government forward-planning initiatives and development applications. CapeNature is represented on Provincial Strategic Objectives 7 Steering Committees by employees of this unit.

The Scientific Services Unit also acts as a hub of biodiversity information and interacts regularly with the public as a result of requests for comments, information and advice on a range of scientific topics, including threatened species, wildlife issues, etc. All requests are either addressed or diverted to external specialists or departments, as required.

Throughout the reporting period, CapeNature continued supplying specialist biodiversity comments on at least 717 development applications.

Members of the Scientific Services Unit continued with several long term biodiversity monitoring projects on priority threatened species such as the Tweerivier redbfin minnow and Barrydale redbfin minnow, the micro frog and Cape platanna, the geometric tortoise, the Cape vulture and the Cape mountain zebra. A major achievement has been the leadership by CapeNature in the production of the Biodiversity Management Plan for the African Penguin which was published for public comment. CapeNature further participated in the development of Biodiversity Management Plans for the Barrydale redbfin minnow and the Clanwilliam sandfish. The CapeNature Frog monitoring project has entered its 10th year – the longest project of its kind in South Africa, and the monitoring and counting of waterbirds at selected wetland ecosystems continued as part of the overall long term monitoring of avifauna in the country. Reserve managers and field staff contribute significantly to the Birds in Reserves Projects, one of several long term avifauna monitoring projects run by the Animal Demography Unit of the University of Cape Town. Scientific research partnerships continued with the Universities of the Western Cape (Department for Biodiversity and Conservation Biology) and Stellenbosch (Centre for Invasion Biology).

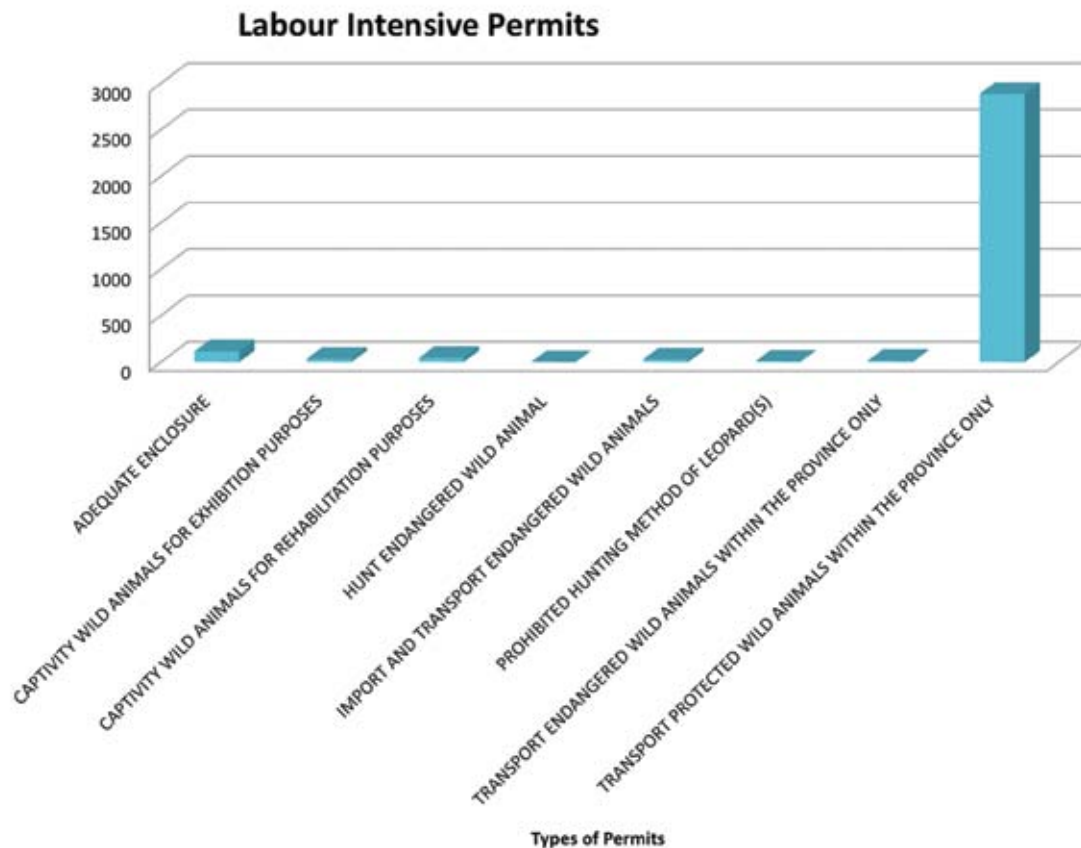
Scientific decision support to conservation management is also maintained through the maintenance of at least four biodiversity information management systems, such as the Biodiversity Database, the CapeNature Geographical Information System, the CapeNature Fire Database and the CapeNature Alien Vegetation Database. These information management systems play a crucial role in the capturing, curation and dissemination of biodiversity and spatial data and information to support effective and efficient conservation management.

Biodiversity Compliance

Figure 4 below depicts the 8 most labour intensive permits to issue. Upon receipt of an application for a permit for either Captivity Wild Animals For Rehabilitation Purposes, Captivity Wild Animals For Exhibition Purposes Or Adequate Enclosure, the minimum number of CapeNature employees required to issue any one of these permits is four. For a permit application received for either Import And Transport Protected Wild Animals, Import And Transport Endangered Wild Animals, Transport Endangered Wild Animals Within The Province Only, Transport Protected Wild Animals Within The Province Only, Prohibited Hunting Method Of Leopard(S) or Hunt Endangered Wild Animal, at least six CapeNature employees are required at various stages to facilitate the issue of these permits.

During the year under review, CapeNature has issued one permit to hunt an endangered wild animal. In a worst case scenario, up to 15 CapeNature employees may be required to facilitate the issue of this permit. The highest number of permits issued for the year under review was 2 888 permits issued for the transportation of protected wild animals within the Western Cape Province.

Figure 4



Law Support Services provided specialist administrative skills, legal advice and support services which contributed towards sound environmental management in the Western Cape and South Africa. The contribution took the form of process management and development, as well as delivering inputs into national and provincial environmental management policy and legislation, administering and commenting on the formulation of management plans. Additionally, the component participated in administrative biodiversity monitoring and compliance maintenance of biodiversity information systems and managing a variety of claims, both for and against CapeNature. On behalf of CapeNature, this component contributed to service delivery to the public on a daily basis through the administration of various legislative processes. These processes involve, but are not limited to, licenses, leases, permits and contracts. Examples of services rendered would be the facilitation of translocation of animals, rehabilitation of injured animals or hunting.

CapeNature provides a service to the public by providing advice and information on various issues related to biodiversity crime. CapeNature also responds to reports of alleged illegal activities through the Conservation Services component and the Biodiversity Crime Unit. This unit provides specialist advice and training to other law enforcement agencies and plays an active role in the investigation of biodiversity crime, in partnership with the South African Police Services. CapeNature, as the statutory nature conservation authority in the Western Cape, shoulders the responsibility for the conservation of the unique biota that is indigenous and endemic to the province. CapeNature's Biodiversity Crime Unit also contributes to national biodiversity crime prevention platforms such as the National Biodiversity Investigators' Forum and the National Wildlife Crime Reaction Unit.

The Biodiversity Crime Unit has played a highly significant role in the successful prosecution of several cases as it relates to illegal elephant ivory and rhinoceros horn. The following two cases are of significance during the year under review:

Case 1: Table View CAS 514/12/2010

Khayelitsha Regional court case no RCD 02/2010

Suspect : Changsen Xiong

Possession of 211.021 kg of ivory

Sentenced on 7 December 2012 in Khayelitsha Regional Court D. Accused Changsen Xiong (42) was sentenced to 10 years imprisonment (4 years suspended for 5 years) and a fine of R50 000.

Case 2: Philadelphia CAS 113/09/2012

Khayelitsha Regional court case no RCD 201/2012

Suspect: Musambayi Tambwe

Possession of 312.72kg of ivory (21 Tusks)

Sentenced on 14 December 2012 in Khayelitsha Regional Court D. Accused was sentenced to 10 years' imprisonment (3 years suspended for 5 years)

There are currently 22 appointed Environmental Management Inspectors in CapeNature who are authorised to act under the suite of relevant National Environmental Management Acts and Specific Environmental Management Acts, as designated. The extensive nature of the work of Conservation Services and Biodiversity Crime Unit staff members and the limited resources available to this unit, one challenge which remains is CapeNature's ability to respond effectively to transgressions of the Ordinance and Regulations through effective law enforcement.

Wildlife Management

CapeNature provides general advice to the game farming industry on the implementation of the Game Translocation and Utilisation Policy (GTUP) for the Western Cape and evaluates game management plans and habitat assessments with regard to the introduction of game to properties (especially extralimital species, that is, to translocate game species to areas outside of their natural distribution ranges). Qualified CapeNature employees attend game auctions to ensure that the principles of the GTUP for the Western Cape are adhered to and provide assistance with permit applications, at these auctions. The presence of CapeNature at these auctions facilitates the permitting process and all money generated at these auctions is an economic injection into the Western Cape Province. During the reporting period a total of 42 game management plans were evaluated by CapeNature's Wildlife Advisory Committee. The approval of these management plans contributes to the sustainable management of game on private properties in the Western Cape, thereby contributing to the regional economy and additionally promotes the responsible management of both the potential negative impact on the receiving environment as well as the risk of invasion by extra-limital species.

CapeNature determines, by notice in the Provincial Gazette, the annual hunting season for the Western Cape Province. The Annual Hunting Notice for sport hunting governs all hunting activities in the Western Cape and contributes significantly to the economy of the Western Cape. In determining the following year's hunting season, CapeNature is responsible for the public comment and participation process by acquiring input from both internal and external stakeholders, evaluation of the input received by CapeNature's Wildlife Advisory Committee and ultimately the publishing of the final notice in the Provincial Gazette. Following the gazetting and publication of the Annual Hunting Notice, the sale of hunting licences, and consequently hunting itself, is directly linked to this activity.

CapeNature also provides general advice on Damage-causing Animals (DCAs) and their management to farmers. Training is provided to communities and farmers unions on DCAs across the Western Cape. During the reporting period under review, CapeNature assisted organised agriculture in the Western Cape to finalise a DCA protocol for implementation. This protocol will further contribute to a more holistic approach to DCA management in the province.

During the year under review a new national protocol on the management of bontebok (a threatened Western Cape endemic subspecies) involves the collection of genetic material for DNA testing to determine whether or not bontebok herds are pure and uncontaminated by the closely-related blesbok (these two subspecies can interbreed). No bontebok is allowed to be moved or transported without genetic tests being conducted to confirm the genetic purity of the animals. The biggest threat to bontebok is the hybridization with blesbok. CapeNature personnel must be present during the collection of genetic samples.

Tourism, Marketing and Communication

Tourism

CapeNature's tourism products continued to show a positive trend in revenue generation.

CapeNature achieved an 11% growth in tourism revenue and as opposed to the 8% target resulting in a 3% over achievement. The introduction of new products such as Rocherpan and the sustained popularity of reserves and products such as Kogelberg, Algeria (Cederberg), Robberg and the Whale Trail (De Hoop) as well as integration of all marketing mediums played a critical role in this target being exceeded.

Growth trends are mainly attributed to the rollout and implementation of the Strategic Tourism Plan and the Integrated Marketing and Communications Strategy. Noticeable areas of improvement in revenue were seen in overnight accommodation which grew by 30%, Public Private Partnership income by 25%, events by 67%, merchandise sales by 12% compared to the previous financial year.

Marketing and Communications

During the reporting year, greater brand exposure occurred as a result of the diversification of marketing mediums used which included online distribution mediums such as monthly newsletters, direct e-mail promotions, Facebook, YouTube and website interventions. This orchestrated the increase in geographic reach and online users.

The outcome of the implementation of the Integrated Marketing and Communication Strategy was increased media exposure with an Average Value Estimate (AVE) R50 734 208.55. Print media accounted for 73% of the media exposure, online 17% and broadcast 10%. Maintaining strategic partnerships were imperative to increase brand awareness and reach of the Marketing and Communication messages of the organisation. These partnerships assisted with financial and sponsorship contributions from key conservation and retail partners, resulting in a significant impact on the service delivery of Marketing and Communication.

The keen interest from media houses on environmental issues regarding specific fauna and flora species, estuaries and wetlands, fire prevention and environmental projects was a reflection of an increase in anticipated uptake of important and relevant environmental issues within mainstream media.

The Communications unit focused on the marketing of communication resources to improve environmental awareness as an outcome of the Integrated Marketing and Communication Strategy and exceeded the indicated targets for the financial year under review. The reach of the environmental awareness media increased as a result of extensive interventions with community media. This was achieved through community radio stations, inclusion of the Conservation News supplement in community newspapers, as well as an increased environmental approach to social media which provided the opportunity for more activities than initially planned. Exceeding the target set for the number environmental awareness resources developed to support interventions with schools and communities was achieved as a result of the need for more fire awareness during the busy fire season.

Information Technology and Systems

A management decision was taken at the start of the financial year under review to strategically shift Information and Communication Systems to Corporate Services, aligning CapeNature's management structure to that of the Province. As this decision was taken after the approval of the APP for the year under review, the strategic shift is reflected in the APP for 2013/14 and is not reflected in this Annual Report.

Since the inception of the Master Systems Plan in the previous financial year, recommendations from this plan have been implemented in the reporting period under review.

One of the recommendations which arose from the Plan was the establishment of a Service Desk at Head Office. This facility has enabled the team to provide a more effective and efficient support service to its clients both internally and externally.

The implementation of the Information Technology virtualised data centre has aligned CapeNature to the requirements as prescribed in the Master Systems Plan.

Benefits of the implemented aspects of the Master Systems Plan include catering to the organisation's future needs and resilient infrastructure. Additionally this provides for a secure, stable and highly reliable IT platform. These aspects facilitate a higher capacity for potential growth and the hardware platform is now supported within the industry.

The entity now has access to a fast and reliable network, increased network security and improved operational efficiency.

With the resignation of the Senior ICT Manager in the third quarter of the period under review, the implementation of the Virtual Private Network (VPN) to link the various reserves with the regional office and head office was suspended pending the appointment of a champion to drive the process. The servers for the regional offices and scientific services were acquired and the implementation will be undertaken in the first quarter of the new financial year. This negatively impacted on the development of the Disaster Recovery and Business Continuity processes and systems.

In compliance with Microsoft / Windows licensing terms, CapeNature made suitable application but was erroneously issued an Academic Volume License Program, which resulted in a cheaper software license. At the end of February 2013 CapeNature requested that Microsoft investigate which Volume License Program will meet the entity's requirement. The preliminary finding is that the entity would need a Government Open License Program which will result in increased license fees of approximately 380%.

Special Projects: Marketing and Eco-tourism

The development of new products and the refurbishment of existing facilities have resulted in 12 product offerings receiving accredited certification for having "Quality Tourism Products" based on internationally accepted minimum standards. The Quality Assurance Evaluation Assessments were independently conducted by the Provincial Department of Economic Development and Tourism. It is envisaged that additional assessments will be conducted during the 2013/14 financial year. The Gamkaberg Nature Reserve was acknowledged as one of Africa's Finest Top 50 sustainable and responsible safari destinations in sub-Saharan Africa and the Indian Ocean Islands. It was one of seven nature reserves in South Africa that received this acknowledgement.

Natural disasters such as fires and adverse weather continue to negatively impact optimum utilisation of the organisation's tourism facilities. An example of the latter would be severe flooding at the De Hoop Nature Reserve which resulted in the forced closure of the Whale Trail for several weeks. This closure equated to loss of income to the value of approximately R500 000.

3.2 Organisational environment

CapeNature has met 73% of its predetermined objectives as prescribed by the approved Annual Report Plan for the period under review.

The resignation of two key executive members; i.e. the CEO and Executive Director Human Resources resulted in disruption during the reporting period. The matters related to both these executives have been resolved and the recruitment process initiated. This led to the appointment of acting personnel to ensure continuity within the organisation until permanent appointments are made.

During the period under review the Strategic Management Support (SMS) unit was created and is situated within the Office of the CEO. With the function that this unit brings the CEO will now have a greater oversight ability to ensure organisational compliance of all its statutory required reporting to all relevant reporting bodies as well as future planning needs. The SMS unit has replaced the Programme: Quality Management within CapeNature, which previously resided within the Conservation Management Directorate.

The termination of CapeNature's contract with the Foundation Manager negatively impacted on the capacity within the Office of the CEO. This position has remained vacant and the decision has been taken by the WCNCB to establish a fundraising committee in the Office of the CEO to facilitate all future external funding agreements.

The appointment of the Executive Director Conservation Management; was a key strategic appointment; in that this directorate is largely responsible for the implementation of CapeNature's operational mandate.

The retirement of the Fire Programme Manager in November 2012, which was within the fire season, necessitated the appointment of an Acting Programme Manager to ensure continuity and efficient management during the fire season.

The resignation of the Area Manager: Cape Metro in November 2012 necessitated the appointment of an Acting Area Manager to ensure continuity and efficiency within this area.

The resignation of the ICT Manager; hampered the progress of the implementation of the Master Systems Plan. An Acting IT Manager has been appointed until this vacancy has been filled.

The recruitment process has been initiated to facilitate critical appointments.

A Grant Agreement between South African National Biodiversity Institute and Development Bank of South Africa was signed in November 2012. This agreement facilitates the appointment of graduates and post graduates over a 30 month period. The appointments will enhance the capacity and resources throughout the organisation for delivery on CapeNature's core mandate.

The Tourism Ambassadors Programme is the result of a partnership forged between National Department of Tourism and the Provincial Department of Economic Development and Tourism. Proserv has been appointed as the implementing agent for this Programme in the Western Cape. CapeNature is one of the recipients of these Ambassadors and through this Programme, has enhanced the organisation's capacity to respond to visitor needs at its destinations.

CapeNature needs to acknowledge key donor partnerships such as Conservation South Africa (CSA), the Table Mountain Fund (TMF), WWF-SA and the Critical Ecosystem Partnership Fund (CEPF); partners who have been invaluable in their contribution towards biodiversity stewardship, corridor development and implementation and the broader landscape conservation body of work.

3.3 Key policy developments and legislative changes

There were no policy developments. The following new legislation is applicable:

- National Environmental Management Laws First Amendment Bill, B13 – 2012
- National Environmental Management: Biodiversity Act, 2004 (Act No. 10 of 2004): Amendment to the Threatened or Protected Species Regulations, 2007: Government Notice R. 614 of 2 August 2012

3.4 Strategic Outcome Oriented Goals

Strategic Goal 1	Integrated biodiversity management
Goal statement	Securing priority biodiversity and ecosystem services through integrated biodiversity planning and management enabling appropriate climate change response.
Strategic Goal 2	Development of social capital
Goal statement	Contributing to the reconstruction and development of social capital.
Strategic Goal 3	Growing the conservation economy
Goal statement	Sustaining and growing the conservation economy.
Strategic Goal 4	Institutional effectiveness and efficiency
Goal statement	Ensuring an efficient and effective institution through cutting edge leadership.

4. PERFORMANCE INFORMATION BY PROGRAMME

4.1 Programme I: Corporate Services

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

Sub-Programme Name	2011/12			2012/13		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
1.1 Office of the CEO	3 652	2 270	1 382	5 010	4 159	852
1.2 Finance and Administration Services	40 175	26 063	14 112	29 525	28 920	605
1.3 Human Resource Management	7 895	9 225	(1 330)	12 911	10 521	2 391
Total	51 723	37 558	14 164	47 446	43 599	3 847

i. Sub-Programme 1.1: Office of the CEO

Purpose: The Office of the CEO is primarily responsible for the execution of the core mandate, responsibility and function of the Western Cape Nature Conservation Board, on behalf of the Accounting Authority.

This is accomplished through the provision of strategic leadership, focus and direction in support of realising its vision, mission, strategic goals and objectives and ensuring adequate support to the Accounting Authority to enable it to fulfil its mandate.

Strategic objectives, key performance indicators, planned targets and actual achievements

Sub-programme 1: Office of the CEO							
Strategic objectives	Planned Target 2012/13	Performance Indicator	Actual Achievement 2011/12	Planned Target 2012/13	Actual Achievement 2012/13	Deviation from planned target to actual achievement for 2012/13	Comment on deviations
Develop effective policies, systems and processes to support the core business and enhance service delivery.	Ensuring the highest standards of corporate governance, responsibility and risk management in directing and controlling the business of the organisation.	Number of Board meetings held (n).	4	4	4	0	N/A
	To ensure the proper and efficient performance of CapeNature's functions within an environment of sound corporate governance.	Number of Board Committee meetings held (n).	23	24	20	-4	Due to the amalgamation of the Audit and Risk committees, only five meetings were scheduled for each quarter. This circumstance is applicable to the 2012/13 financial year and has been rectified in the submission of the 2013/14 Annual Performance Plan.
		Conduct an annual review of the Co-operation Agreement between DEA&DP and CapeNature.	Target not met.	1	Target not met.	Target not met.	The necessary meetings could not be scheduled. An agreement has been reached to re-institute the co-operation.
	CapeNature secure differentiated revenue streams.	Amount of income generated from sponsorship / donation agreements (R).	N/A	R2 500 000	0	-R2 500 000	In the absence of an appropriate fundraising champion, this indicator could not be addressed. It was decided that a fundraising committee will be established in the 2013/14 financial year which will attend to future fundraising opportunities.
	Ensure effective and integrated risk management within a framework of sound corporate governance.	Percentage of functional risks mitigated in a cost effective manner and to an acceptable level (%). Baseline = 13.	N/A	60%	54%	-6%	Mitigations identified for the management of risks could not be effectively implemented due to capacity and resource constraints. The strategic risk profile was reviewed during February 2013. This process will include the identification of mitigations and planning to prioritise the management of these risks.

Please note: All Programme Performance Indicators were also Strategic Objective Performance Indicators in 2012/13.



During the period under review there were deviations against the Performance indicators as outlined in the approved Annual Performance Plan. The Risk and Audit committee's amalgamated during the period, which resulted in an underperformance to the targets set. This was rectified in the 2013/14 Annual Performance Plan.

Department of Environmental Affairs and Development Planning conducted reviews on CapeNature's quarterly reports. A reassessment of the review process is currently underway.

Linking performance with budgets

The under expenditure during the period under review is salary related.

2011/12				2012/13		
Sub-Programme Name	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
1.1 Office of the CEO	3 652	2 270	1 382	5 010	4 159	852

ii. Sub-Programme 1.2: Finance and Administration Services

Purpose: The Finance and Administration Services sub-programme is responsible for effective preparation and implementation of a financial plan and budget for the organisation and the judicious application and control of public funds. These include ensuring that accurate financial records are kept and that financial procedures and controls are being adhered to for proper, effective and efficient use and accountability of resources as required by the Public Finance Management Act, 1999 (Act No.1 of 1999).

Strategic objectives, key performance indicators, planned targets and actual achievements

Sub-programme 1.2: Finance and Administration							
Strategic objectives	Planned Target 2012/13	Performance Indicator	Actual Achievement 2011/12	Planned Target 2012/13	Actual Achievement 2012/13	Deviation from planned target to actual achievement for 2012/13	Comment on deviations
Develop effective policies, systems and processes to support the core business and enhance service delivery.	To achieve service excellence in the provisioning and maintenance of sound financial management	Unqualified Auditor-General's Report.	Unqualified audit report attained with a 73% reduction in audit queries.	Unqualified Auditor-General's Report.	An unqualified audit has been attained	None	N/A

Sub-programme 1.2: Finance and Administration							
Strategic objectives	Planned Target 2012/13	Performance Indicator	Actual Achievement 2011/12	Planned Target 2012/13	Actual Achievement 2012/13	Deviation from planned target to actual achievement for 2012/13	Comment on deviations
Develop effective policies, systems and processes to support the core business and enhance service delivery.	Implement a plan for improving audit outcomes and reducing the audit findings raised by the Auditor-General and Internal Auditor.	Financial Management Improvement Plan implemented.	Progress reports submitted. Two of the findings which are on-going are being addressed and the other five findings have been successfully concluded.	Financial Management Improvement Plan implemented.	Financial Management Improvement Plan implemented.	None	N/A

Please note: All Programme Performance Indicators were also Strategic Objective Performance Indicators in 2012/13.

During the review of the 2011/12 financial year there were 22 findings by the Auditor General, of which 19 (86%) have been resolved. The remaining three have been partially resolved and relate to ICT.

Linking performance with budgets

Sub-Programme Name	2011/12			2012/13		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
1.2 Finance and Administration Services	40 175	26 063	14 112	29 525	28 920	605

iii. Sub-Programme 1.3: Human Resource Management (HRM)

Purpose: Human Resource Management is responsible for developing a culture that unleashes human potential by creating an enabling environment for people development through strategic corporate initiatives that focus on coaching and mentoring, on-going performance management and proactive workforce practices such as succession planning, recruitment and selection, and sound employee relations.

Strategic objectives, key performance indicators, planned targets and actual achievements

Sub-programme 1.3: Human Resource Management							
Strategic objectives	Planned Target 2012/13	Performance Indicator	Actual Achievement 2011/12	Planned Target 2012/13	Actual Achievement 2012/13	Deviation from planned target to actual achievement for 2012/13	Comment on deviations
Institution building enables a supportive working environment.	A 5-year Human Capital Development Strategy adopted.	A 5-year Human Capital Development Strategy adopted.	N/A	1	1	0	N/A
Institution building enables a supportive working environment.	Improve efficiency and effectiveness of strategic human resource management.	Develop a generic internal Human Resource Management Service Level Agreement.	N/A	1	1	0	N/A
Institution building enables a supportive working environment.	Improve efficiency and effectiveness of strategic human resource management.	Number of assessment tools developed to assess effectiveness of Human Resource Management Service Level Agreements (n).	N/A	1	1	0	N/A
Institution building enables a supportive working environment.	Improved organisational performance.	Percentage of underperformers improving in performance appraisal score (%). Baseline = 33	N/A	30%	21%	-9%	As a result of not receiving all performance appraisals, this target could not be met. Corrective measures to be implemented in the new year.
Institution building enables a supportive working environment.	68 employees benefitting from bursaries to improve qualifications.	Number of people benefitting from skills development interventions (n).	N/A	102	112	10	The extent of the success of the coaching programme to assist junior protected area managers was significant. CapeNature will strive to maintain this level of success.

Please note: All Programme Performance Indicators were also Strategic Objective Performance Indicators in 2012/13.

The approval of the Human Capital Development Strategy has facilitated the entity's ability to fast track institutional efficiency and effectiveness. The milestones contained within the Strategy clearly identify resources required to obtain institutional efficiency.

The assessment tools which are being developed by the entity will evaluate the effectiveness of the proposed Service Level Agreements between Directorates. This measurement will contribute to the levels of efficiency within the entity.

CapeNature has invested in its human capital in order to elevate the level of knowledge and skills with which to both improve performance within the institution and provide a higher level of service to the public.

For the new financial year, capacity building interventions will include training that will focus on how to improve performance. Additionally, it is envisaged that recognition of above-average performance as well as performance rewards will be implemented.

Linking performance with budgets

This under expenditure was a result of austerity measure and directly relates to salary savings.

2011/12				2012/13		
Sub-Programme Name	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
1.3 Human Resource Management	7 895	9 225	(1 330)	12 911	10 521	2 391

4.2 Programme 2: Biodiversity Support and Conservation Management

Purpose: The aim of this programme is to realise strategic biodiversity management and planning objectives on and off protected areas in pursuance of expanding the conservation economy of the Western Cape.

Programme 2 2013/14				2012/13		
Sub- Programme Name	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
2.1 Management and Biodiversity Support	120 579	8 626	111 953	113 517	112 526	992
2.2 Special Projects: Planning and Operations	84 170	3 114	81 056	107 300	86 142	21 158
Total	204 750	11 741	193 009	220 817	198 668	22 149

i. Sub-Programme 2.1: Biodiversity Support and Conservation Management

Purpose: To develop and apply effective knowledge management systems to identify and inform sustainable conservation management and priorities, to expand the protected area network, to facilitate effective wildlife management and crime prevention, youth and community development including environmental awareness and equitable access linked to enhanced participation in the environmental economy

Strategic objectives, key performance indicators, planned targets and actual achievements

Sub-programme 2.1: Biodiversity Support and Conservation Management							
Strategic objectives	Planned Target 2012/13	Performance Indicator	Actual Achievement 2011/12	Planned Target 2012/13	Actual Achievement 2012/13	Deviation from planned target to actual achievement for 2012/13	Comment on deviations
Implementation of the Western Cape Biodiversity Plan and Protected Area Expansion Strategy to secure priority biodiversity.	3 500 comments submitted on Environmental Impact Assessments, other land-use applications and land-use forward planning requests for 2010-2014.	Number of comments submitted on Environmental Impact Assessments, other land-use applications and land-use forward planning requests (n).	741	700	717	17	N/A
	Increasing number of species under formal protection effectively and efficiency managed to contribute to the security of these populations in the future.	Number of Draft Biodiversity Management Plans - Species produced (n).	0	1	0	-1	N/A
	Improve biodiversity knowledge to inform management decision-making.	Number of research projects initiated as per environmental legislation (n).	N/A	100	71	-29	The number of projects initiated is dependent on the applications received, which cannot be predicted.
		Number of research projects finalised as per environmental legislation (n).	N/A	10	16	+6	CapeNature is unable to predict when scientific research projects will end as ad hoc renewal occurs
		Number of functional environmental information management databases maintained (n).	N/A	4	5	+1	N/A

Sub-programme 2.1: Biodiversity Support and Conservation Management							
Strategic objectives	Planned Target 2012/13	Performance Indicator	Actual Achievement 2011/12	Planned Target 2012/13	Actual Achievement 2012/13	Deviation from planned target to actual achievement for 2012/13	Comment on deviations
		Produce a report of findings on the impact of management intervention on the Rondegat River.	0	1	1	0	N/A
	A Provincial fine-scale systematic Biodiversity Conservation Plan produced and gazetted.	An updated Provincial Biodiversity Conservation Plan completed for the Western Cape.	The draft compiled in 2010/11 is available from the developer. No updates took place in 2011/12.	1	0	-1	Target could not be met as a result of an appropriate candidate being available during the course of the year. A Conservation planner has now been appointed.
	Increasing awareness of climate change, both mitigation and adaptation, within the landscape initiatives.	Number of awareness campaigns concerning climate change (n).	4	5	5	0	N/A
	7.11% of land under conservation (both private and public).	Percentage of all land under conservation (both private and public) (%). Baseline = 5.6%	N/A	6.2%	6.47%	0.27%	N/A
		Number of hectares under conservation (including biodiversity stewardship). Baseline = 728 950	N/A	812 332	837 325	24 993	N/A
	Formally conserving 1,477.4 km ² of highest priority habitat in the Province (subject to funding as per the CapeNature Protected Area Expansion Strategy).	Number of new hectares under conservation through biodiversity stewardship (n).	4 077	5 748	9 709	3961	CapeNature concluded agreements where properties had larger areas than the anticipated hectares.

Sub-programme 2.1: Biodiversity Support and Conservation Management							
Strategic objectives	Planned Target 2012/13	Performance Indicator	Actual Achievement 2011/12	Planned Target 2012/13	Actual Achievement 2012/13	Deviation from planned target to actual achievement for 2012/13	Comment on deviations
	The maintenance of 100% of conservation stewardship sites.	Percentage of Stewardship sites audited (%). Baseline = 77 sites	1	100	95%	-5%	Two Biodiversity Agreements have expired; another two Biodiversity Agreements lapsed when the properties were sold. These four properties could not be audited. These four properties will be removed off the APP for the coming year.
	Improvement in management effectiveness for protected areas.	Percentage of protected areas with 68% management effectiveness (%). Baseline = 11	0	40%	51%	11%	The implementation of METT improvement plans resulted in greater improvement than predicted.
		Number of provincial protected areas with approved integrated management plans (n).	0.00	11	9	-2	Lack of specialist capacity required to compile the complex sensitivity and zonation required in terms of National Environmental Management: Protected Areas Act. This has resulted in delays in the completion of management plans. Three draft management plans to be tabled for internal and external review.

Sub-programme 2.1: Biodiversity Support and Conservation Management							
Strategic objectives	Planned Target 2012/13	Performance Indicator	Actual Achievement 2011/12	Planned Target 2012/13	Actual Achievement 2012/13	Deviation from planned target to actual achievement for 2012/13	Comment on deviations
	Improved integrated management of marine and terrestrial protected areas.	Marine Protected Areas and Islands managed according to the contractual agreement with Department of Environmental Affairs (Oceans and Coast).	All reports as required for managing five Marine Protected Area's submitted to Department of Environmental Affairs (Oceans and Coast) in line with contractual agreement.	Marine Protected Areas and Islands managed according to the contractual agreements with Oceans and Coast	Marine Protected Areas and Islands managed according to the contractual agreements with Oceans and Coast.	0	N/A
Sustained conservation management in priority catchments maintains ecosystem services.	Four new wetlands of national and international importance with management plans in place for 2010-2014.	Number of management plans for Ramsar site in accordance with the Ramsar convention guidelines developed (n).	2	1	1	0	N/A
	15 estuaries with estuary management plans and forums implementing priority management objectives in place for 2010-2014.	Number of estuary management plans developed in line with contractual agreements with Oceans and Coast and partners. (n).	0	5	0	5	CapeNature planned to complete five EMPs, however, DEA O&C identified for which estuaries EMPs would be developed. Within the identified Municipalities resources is available, including co-funding required to complete these plans. Pending the constraints, the CapeNature O&C partnership has committed to complete at least one in the new financial year.

Sub-programme 2.1: Biodiversity Support and Conservation Management							
Strategic objectives	Planned Target 2012/13	Performance Indicator	Actual Achievement 2011/12	Planned Target 2012/13	Actual Achievement 2012/13	Deviation from planned target to actual achievement for 2012/13	Comment on deviations
Legal and wildlife support services and biodiversity crime prevention result in the protection and sustainable use of biodiversity.	The Western Cape Biodiversity Act promulgated in Provincial Parliament by 2014.	The Western Cape Biodiversity Bill completed and submitted for legislature approval.	Target not met.	Development of Western Cape Nature Conservation Bill	Target not met.	Target not met.	Work on draft was well advanced, but a strategic decision was taken to undertake a broader investigation into the overall function of the WCG in terms of Biodiversity and Eco System Management. Work on draft Bill has been held in abeyance.
	60 of criminal enforcement actions undertaken for non-compliance with environmental management legislation for 2010-2014.	Number of criminal enforcement actions undertaken for non-compliance with environmental management legislation (n).	N/A	30	111	81	Heightened operational presence resulted in more regular compliance actions. Management interventions enabled an increase in compliance actions.
	100% Conservation Services staff are registered Environmental management Inspectors.	Number of registered Environmental Management Inspectors in CapeNature (n).	20	10	0	-10	CapeNature was unable to send any candidates for training. Candidates will be sent for training in the new financial year.
	Monitoring system for implementation of the Game Translocation and Utilisation Policy for the Western Cape developed.	Percentage of game management plans received is evaluated in terms of the Game Translocation and Utilisation Policy for the Western Cape (%). Baseline= 12	N/A	100%	100%	0	N/A
	20 000 biodiversity permits issued for 2010-2014.	Number of biodiversity permits issued (n).	4 633	4 000	4 277	+277	N/A

Sub-programme 2.1: Biodiversity Support and Conservation Management							
Strategic objectives	Planned Target 2012/13	Performance Indicator	Actual Achievement 2011/12	Planned Target 2012/13	Actual Achievement 2012/13	Deviation from planned target to actual achievement for 2012/13	Comment on deviations
Facilitate youth and community development through environmental awareness and assist in developing the knowledge, skills, values and commitment necessary to achieve sustainable development.	People participating in reserve programmes have enhanced their awareness of the need to protect our biodiversity.	Number of environmental stakeholders attending capacity building workshops (n).	354	100	109	9	N/A
		Number of environmental awareness activities conducted (n).	N/A	100	181	81	The mid-year management decision to increase environmental awareness activities continued to provide positive results. The adaptive management implemented has resulted in an improvement of outcomes.
		Number of learners that attended environmental awareness activities (n).	26 144	14 000	37 475	23 475	The mid-year management decision to increase Environmental Awareness activities continued to provide positive results. The adaptive management implemented has resulted in an improvement of outcomes.

Sub-programme 2.1: Biodiversity Support and Conservation Management							
Strategic objectives	Planned Target 2012/13	Performance Indicator	Actual Achievement 2011/12	Planned Target 2012/13	Actual Achievement 2012/13	Deviation from planned target to actual achievement for 2012/13	Comment on deviations
	People participating in reserve programmes have enhanced their awareness of the need to protect our biodiversity.	Number of Stakeholders who attended environmental awareness activities (n).	3 521	1 000	3 403	2 443	The mid-year management decision to increase the number of stakeholders attending environmental awareness activities continued to provide positive results. The adaptive management implemented have resulted in an improvement of outcomes.
		Number of Schools registered for participation in an environmental programme (n).	286	140	290	150	The management decision to increase environmental awareness efforts, continued to produce positive results. Adaptive management continued to be applied to achieve better outcomes.
		Number of youth groups registered in environmental programmes (n).	N/A	6	2	-4	Targets were set based on historical data but indicator is demand driven.
		Number of Outreach Programmes Conducted (n).	N/A	40	41	8	Partnerships with other stakeholders who fund awareness raising programmes.

Sub-programme 2.1: Biodiversity Support and Conservation Management							
Strategic objectives	Planned Target 2012/13	Performance Indicator	Actual Achievement 2011/12	Planned Target 2012/13	Actual Achievement 2012/13	Deviation from planned target to actual achievement for 2012/13	Comment on deviations
		Number of contracts signed to promote environmental awareness in the outdoors on CapeNature managed nature reserves (n).	1	3	0	-3	Three agreements are pending. The Landscape Education MOU is scheduled to be signed off in May 2013. An implementation plan for Chrysalis EE is being developed. Approval for the SLA with Social Development is pending subject to the approval of the new Provincial Youth Development Strategic Plan in 2013. Continue engaging partners at strategic level. Proposed agreements should be responsive to external factors which are of mutual benefit for all stakeholders.
Develop and Implement strategies to facilitate equitable access to and participation in the conservation economy through a People and Parks Programme.	CapeNature is having a positive impact on the creation of job opportunities showing a positive trend of 5% per annum.	Number of EPWP job opportunities – National Projects (n).	N/A	818	1 084	266	Exceeded target due to additional funding received during the year.
		Number of EPWP job opportunities – Provincial Projects (n).	N/A	631	770	139	Additional job opportunities were able to be created due to savings in salaries due to high turnover of staff in this programme.

Sub-programme 2.1: Biodiversity Support and Conservation Management							
Strategic objectives	Planned Target 2012/13	Performance Indicator	Actual Achievement 2011/12	Planned Target 2012/13	Actual Achievement 2012/13	Deviation from planned target to actual achievement for 2012/13	Comment on deviations
		Number of EPWP full time equivalents –Provincial Projects (n).	N/A	120	285	165	Additional FTE's were able to be appointed due to savings in salaries due to high turnover of staff in this programme.
		Number of person days employment created – National Projects (n).	N/A	81 789	108 375	26 586	Exceeded target due to additional funding received during the year.
	CapeNature is having a positive impact on the creation of job opportunities showing a positive trend of 5% per annum.	Number of person days employment created – Provincial Projects (n).	N/A	90 700	76 950	-13 750	As a result of delays experienced by the registration of the contractors on the WCSD, the subsequent number of person days employment created has been impacted on.
		Number of people directly benefitting from Sustainable Livelihood Programmes (n).	N/A	78	154	76	Targets were set based on historical data but indicator is demand driven.
	Strengthening governance, participation, access to and benefit sharing from Protected Areas.	Number of Provincial People and Parks Steering Committee meetings facilitated (n).	4	4	4	0	N/A
		Number of Provincial People and Parks Natural Resource User Group meetings held (n).	2	3	3	0	N/A

Sub-programme 2.1: Biodiversity Support and Conservation Management							
Strategic objectives	Planned Target 2012/13	Performance Indicator	Actual Achievement 2011/12	Planned Target 2012/13	Actual Achievement 2012/13	Deviation from planned target to actual achievement for 2012/13	Comment on deviations
	Positive trend in the number of persons accessing protected areas for cultural, traditional, spiritual and sustainable harvesting activities.	Number of persons accessing CapeNature protected areas for cultural, traditional, spiritual, and sustainable harvesting activities (n).	1 696	900	3362	2 462	Targets were set based on historical data but indicator is demand driven.
	CapeNature is growing volunteer capacity showing a positive trend of 5% per annum.	Number of volunteer hours worked (n).	7 310	6 000	9 080	6 072	Targets were set based on historical data but indicator is demand driven. 2478 hours during Q4 was those of the Volunteer Wildfire Services based at Jonkershoek and their involvement is directly linked to Wildfires especially in the Boland.
Develop effective policies, systems and processes to support the core business and enhance service delivery.	No disabling injuries.	Disabling Frequency Incident Rate (n). Baseline: 14.5	N/A	Less than 10	2.58	0	N/A

Please note: All Programme Performance Indicators were also Strategic Objective Performance Indicators in 2012/13.

The programme's performance has significantly contributed towards achieving not only CapeNature's conservation related goals and outcomes but have also contributed towards Outcome 10 deliverables. CapeNature's commitment to project job opportunities through conservation management services provides many people, often in rural and remote areas with employment. The employment of the FTEs through EPWP funding has assisted hugely in improving CapeNature's management effectiveness on nature reserves to address various conservation management needs.

The wildfires in January 2013 significantly drained operational and personnel resources and also impacted on delivery of targets in some cases where it was not safe for contractors to be deployed to the field to work.

In partnership with various organisations CapeNature was able to contribute towards hectares of land under conservation in the province.

Strategy to overcome areas of under performance

CapeNature is committed to respond to the customised sector Performance Indicators, where applicable, at a Provincial level. The indicators which are applicable to research projects initiated or finalised are examples of these. The number of research projects initiated or finalised applicable to CapeNature are determined by research projects as required by academic institutions. These indicators are not exclusive to CapeNature employees and therefore targets cannot be accurately determined by CapeNature. One aspect which negatively affects results achieved with the development of Protected Area Management Plans is the lack of the dedicated specialised skill required to complete zonation and sensitivity analysis. This remains a challenge within the entity and it is envisaged that with the establishment of a proposed Conservation Planning Unit that this challenge may be addressed.

For the submission for approval of the Western Cape Biodiversity Bill, a meticulous process needs to be followed to ensure compliance to legislative requirements. The timeframe in which this submission was planned for has been amended to accommodate more robust stakeholder participation than anticipated.

CapeNature endeavours to source alternative avenues through which additional Environmental Management Inspectors can be trained and appointed to overcome the challenge of funding.

One of the biggest challenges, currently facing the entity when engaging stakeholders to agree to the utilisation of reserves for educational purposes, is the carrying capacity at the applicable destinations. CapeNature has investigated alternative mechanisms such as at Grootvadersbosch Nature Reserve, for example, obtaining funding from the Public Works Maintenance Budget, to fund the upgrade of infrastructure required.

CapeNature provides support to communities in the form of stakeholder engagements at various levels. The establishment of youth groups is driven within these communities and CapeNature can only respond when required to address these groups in collaboration with the communities.

Linking performance with budgets

The under-expenditure was largely due to austerity measures in place. However it is also due to the difficulty in filling scarce skills positions within Scientific Services. The turn-around time to fill vacant positions is challenging and impacts on service delivery within this Programme. This delay in filling vacancies has a knock on effect on the budgetary expenditure within the programme.

Sub-Programme Name	2011/12			2012/13		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
2.1 Biodiversity Support and Conservation Management	107 131	106 177	954	113 517	109 313	4 204
Total	107 131	106 177	954	113 517	109 313	4 204

ii. Sub-Programme 2.2: Special Projects: Biodiversity Support and Conservation Management

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

Strategic objectives, key performance indicators, planned targets and actual achievements

Sub-programme 2.2: Special Projects: Biodiversity Support and Conservation Management							
Strategic objectives	Planned Target 2012/13	Performance Indicator	Actual Achievement 2011/12	Planned Target 2012/13	Actual Achievement 2012/13	Deviation from planned target to actual achievement for 2012/13	Comment on deviations
Sustained conservation management in priority catchments maintains ecosystem services.	200 000 hectares of land that was cleared of invasive alien species (initial) for 2010-2014.	The number of hectares of land that was cleared of invasive alien species (initial) (Ha).	23 029	30937	29 655	-1282	N/A
	490 000 hectares of land that was cleared of invasive alien species (follow-up) for 2010-2014.	The number of hectares of land that was cleared of invasive alien species (follow-up) (Ha).	91 483	73363	95 496	22 133	Increased production produced an over achievement as a result of the catch-up plan implemented to counteract the challenges of the first quarters. Annual target was exceeded due to re-alignment of APO's to mitigate for the impact of fires.
	By 2014, on formally conserved land managed by CapeNature, 20% of the area burned in any year is due to prescribed burns and only 80% of the area is due to wildfires.	Percentage of nature reserves with a minimum pre-fire season audit score of 85%. Baseline: 13	N/A	80%	91%	11%	The appointment of two Catchment Managers where the posts were previously vacant proved to be effective.
		CapeNature 2011/12 post-fire season report compiled.	N/A	1	1	0	N/A

Please note: All Programme Performance Indicators were also Strategic Objective Performance Indicators in 2012/13.

A total of 29 655 hectares initial and 95 496 hectares follow-up of land was cleared of invasive alien vegetation, with funding provided by DEA Natural Resource Management Programme.

Strategy to overcome areas of under performance

The management of fires within CapeNature managed areas forms part of the integrated catchment management approach. The impact of fires on invasive alien plants can be both negative from the perspective that fires promote the spread of these invasive or positive as it reduces fuel load in the affected areas. As a result, when a fire burns an area where clearing had been planned, this will require that new areas need to be identified where clearing can take place.

Linking performance with budgets

The under-expenditure within this sub-programme relates to the under expenditure in the Natural Resource Management Programme for the invasive alien species management.

There was an underspent for the Department of Environmental Affairs Driftsands Project. These funds have now been rolled over to the 13/14 year to appoint FTEs at Driftsands Nature Reserve.

Under expenditure on Tourism Hiking Trails and other Special Project funding is not limited to CapeNature's financial year and can "roll-over" for most projects that are taking place over the period of the agreement between the funder and CapeNature.

Sub-Programme Name	2011/12			2012/13		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
2.2 Special Projects: Biodiversity Support and Conservation management	75 260	65 898	9 362	107 300	90 266	17 034
Total	75 260	65 898	9 362	107 300	90 266	17 034

4.3 Programme 3: Marketing and Eco-tourism

Purpose: The purpose of the programme is to increase the revenue of CapeNature through marketing and managing the organisation's tourism products

Programme 3		2011/12			2012/13		
Sub- Programme Name	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	
3.1 Tourism, Marketing and Communication	7 027	7 258	(231)	9 669	7 501	2 168	
3.2 Information Technology and Systems	6 472	5 253	1 219	4 427	4 985	(558)	
3.3 Special Projects: Business Development	25 940	10 888	15 052	20 395	13 819	6 576	
Total	39 439	23 399	16 040	34 491	26 305	8 186	

i. Sub-Programme 3.1: Tourism, Marketing and Communication

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

Strategic objectives, key performance indicators, planned targets and actual achievements

Sub-programme 3.1: Tourism, Marketing and Communication							
Strategic objectives	Planned Target 2012/13	Performance Indicator	Actual Achievement 2011/12	Planned Target 2012/13	Actual Achievement 2012/13	Deviation from planned target to actual achievement for 2012/13	Comment on deviations
Increased sustainable revenue is attained through enhanced tourism product development and the development of a system for payment of ecosystem services.	Increase tourism generated income by 5% in the first three years and by 8% in the last two years.	Percentage increase in tourism income generated (%).	0	8%	11%	3%	Introduction of new Tourism products into the market as well as Marketing efforts resulted in an overachievement of this target.

Sub-programme 3.1: Tourism, Marketing and Communication

Strategic objectives	Planned Target 2012/13	Performance Indicator	Actual Achievement 2011/12	Planned Target 2012/13	Actual Achievement 2012/13	Deviation from planned target to actual achievement for 2012/13	Comment on deviations
Develop effective policies, systems and processes to support the core business and enhance service delivery.	20 Environmental education resources developed.	Number of environmental education resources developed (n).	12	5	6	1	Due to a high demand during the 2012/13 fire season for additional fire awareness resources, the fire awareness brochure was developed to be used at picnic sites and in high risk areas.
	52 Environmental media awareness conducted.	Number of environmental media awareness conducted (n).	16	360	944	584	Improved media stakeholder engagements provided the platform for CapeNature to receive more media exposure than planned for. Additionally the appointment of the Portal Editor has impacted on delivery on electronic media awareness raising. This provincial sector indicator was previously segmented into environmental awareness, electronic and print media campaigns conducted.
	Eight environmental exhibitions conducted.	Number of environmental exhibitions conducted (n).	2	8	15	7	Opportunities to conduct exhibitions that were unplanned presented themselves and therefore the target was over-achieved.

Please note: All Programme Performance Indicators were also Strategic Objective Performance Indicators in 2012/13.

Linking performance with budgets

Two of the 15 position that were deferred to be filled in the start of the 2013/14 financial resided within the component.

The termination of the Fundraiser during the first quarter of the year under review and the decision by the CapeNature Board not to fill the position resulted to further savings.

Procuring a Service provider for the development of the new corporate website was delayed and this resulted in under expenditure for the period under review.

Programme 3		2013/14			2012/13	
Sub-Programme Name	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
3.1 Tourism, Marketing and Communication	7 027	7 258	(231)	9 669	7 501	2 168
Total	7 027	7 258	(231)	9 669	7 501	2 168

ii. Sub-Programme 3.2: Information Technology and Systems

Purpose: To provide an integrated support service with regards to Information Technology and Systems, IT infrastructure and architectural development which enables the organisation to deliver on its organisational objectives.

Strategic objectives, key performance indicators, planned targets and actual achievements

Sub-programme 3.2: Information Technology and Systems							
Strategic objectives	Planned Target 2012/13	Performance Indicator	Actual Achievement 2011/12	Planned Target 2012/13	Actual Achievement 2012/13	Deviation from planned target to actual achievement for 2012/13	Comment on deviations
Develop effective policies, systems and processes to support the core business and enhance service delivery.	Information Technology and systems in line with corporate governance, compliance and business needs.	Information Technology virtualized data center implemented.	N/A	Information Technology virtualized data centre implemented.	Information Technology virtualized data centre implemented	0	N/A
	Implement the approved ICT Master Systems Plan.	Number of Virtual Private Networks (VPN) installed (n).	N/A	4	0	-4	The tender process for the procurement of the Virtual Private Network was cancelled due to inadequate specifications provided for the procurement of a converged network. (The target of four Virtual Private Networks installed was a misprint as only one is required). A feasibility study is currently being conducted to determine the extent of upgrade/change to infrastructure/ resources required.
	Information Technology and systems in line with corporate governance and business needs.	Service Desk Implemented at Head Office.	N/A	Establish Service Desk at Head Office	Service Desk established at Head Office.	0	N/A

Please note: All Programme Performance Indicators were also Strategic Objective Performance Indicators in 2012/13.

Strategy to overcome areas of under performance

The postponement of the awarding of the tender for the procurement of the VPN is attributed to the withdrawal of this tender to further refine the specification of this purchase. Additionally, due to a misprint, the target responding to the VPN was incorrectly reflected as four and not the realistic target of one.

Linking performance with budgets

Programme 3		2011/12			2012/13	
Sub-Programme Name	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
3.2 Information Technology and Systems	6 472	5 253	1 219	4 427	4 985	(558)
Total	6 472	5 253	1 219	4 427	4 985	(558)

iii. Sub-Programme 3.3: Special Projects: Marketing and Eco-tourism

Purpose: To develop and maintain unique tourism product offerings which promotes access to protected areas while making a positive contribution to the sustainability of biodiversity management.

Strategic objectives, key performance indicators, planned targets and actual achievements

Sub-programme 3.3: Special Projects: Marketing and Eco-tourism							
Strategic objectives	Planned Target 2012/13	Performance Indicator	Actual Achievement 2011/12	Planned Target 2012/13	Actual Achievement 2012/13	Deviation from planned target to actual achievement for 2012/13	Comment on deviations
Increased sustainable revenue is attained through enhanced tourism product development and the development of a system for payment of ecosystem services.	Increase tourism generated income by 5% in the first three years and by 8% in the last two years.	Number of new tourism products established in-line with the Strategic Tourism Plan (n).	2	2	2	0	N/A
		Number of upgrades on existing tourism products (n).	6	6	7	1	With the appointment of new Tourism staff allowed for improved efficiency in the allocation of resources, which enabled the over-achievement on this target.
		Kilometres of hiking trails maintained (km).	364	648	471	-177	As a result of delays experienced by the registration of the contractors on the WCSD, subsequent areas of work required during the reporting period been negatively impacted on.

Please note: All Programme Performance Indicators were also Strategic Objective Performance Indicators in 2012/13.

Upgrades at Reserves

The following reserves underwent refurbishments:

- Assegaibosch Nature Reserve
- Hottentots Holland
- Vrolijkheid Nature Reserve
- Rocherpan Nature Reserve
- Anysberg Nature Reserve
- Kogelberg Nature Reserve
- Cederberg Wilderness Area
- The changes to PPPFA in December 2011 and receipt of Western Cape Provincial Instructions required that all service providers be registered on the Western Cape Supplier Database which caused the delay in implementation of provincially funded projects at reserve level and impacted on the completion of planned projects within the financial year.

Linking performance with budgets

The funding was earmarked for the implementation of the Salmonsdam Tourism infrastructure project; however the project was delayed due to unresolved landownership issues between the Theewaterskloof Municipality, Overberg District Municipality and CapeNature.

Programme 3		2011/12			2012/13	
Sub-Programme Name	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
3.3 Special Projects: Business Development	25 940	10 888	15 052	20 395	13 819	6 576
Total	25 940	10 888	15 052	20 395	13 819	6 576

5. SUMMARY OF FINANCIAL INFORMATION

5.1 Revenue Collection

Sources of revenue	2011/12			2012/13		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
Tourism	16 371 738	16 473 699	(101 961)	17 888 203	18 512 042	(623 839)
Licence and property rights	3 063 392	2 538 856	524 536	2 866 620	1 750 711	1 115 909
Monetary Government Grants	192 842 000	217 997 078	(25 155 078)	247 124 894	238 860 810	8 264 084
Grants, donations and project funds	55 938 453	15 927 899	40 010 554	28 245 048	9 756 470	18 488 578
Other Income	2 836 951	5 740 302	(2 903 351)	4 130 088	7 122 072	(2 991 984)
Total	271 052 534	258 677 834	12 374 700	300 254 853	276 002 105	24 252 748

Tourism Revenue increased by 10.7% when compared with 2012 despite the R500 000 lost at the Whale trail due to flooding earlier in the year.

Licenses and Property rights - The underperformance directly relates to licenses and permits projections which are attributed to variations in demand for licenses which is mainly influenced by the economic environment.

Grants, Donations and Project funds - The 65% under recovery in special project grants are associated with the accounting treatment regarding the recognition of revenue. Additionally, the change in procurement processes concerning the registration of all suppliers in Western Cape Supplier Data Base impacted on the entity's ability to adhere to operational plans and resulted in slow spending during the first and second quarters of the financial year.

Monitory Government Grants - The entire grant funding was received from the Department; however, the variance is attributed to accounting principles relating to the recognition of revenue for conditional/ restricted funding.

Grants, Donations and Project Funds (Department of Environmental Affairs-Nature Resources)
The delay in the finalisation of the agreement and receipt of DEA funding which represents 39% of special projects budget resulted in the reduction in scope and low expenditure in the period under review

5.2 Programme Expenditure

Programme Name	2011/12			2012/13		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Program 1	51 723	37 558	14 164	47 446	43 599	3 847
Program 2	182 391	172 075	10 316	220 817	199 579	21 238
Program 3	39 439	23 400	16 039	34 491	26 305	8 186
Total	273 553	233 033	40 520	302 755	269 483	33 272

During the year under review Austerity measures was put in place in relation to filling of vacancies. This resulted in under expenditure in all programmes. The vacancy list was ranked based on priority and the higher ranking post was deferred for occupation towards the end of the financial year under review or the following financial year.

The deferred appointments had a further impact on the entities ability to meet the expenditure requirements.

The under-expenditure in Program 2 relates to under expenditure in the Special Programmes, however it should be noted that the funding is not limited to CapeNature's financial year and can "roll-over" for most projects that are taking place over the period of the agreement between the funder and CapeNature.

In Program 3 there was a delay in the implementation phase of a project, due to unresolved landownership issues. This delay resulted in the bulk of the programmes under expenditure.

5.3 Capital investment, maintenance and asset management plan

- The detailed UAMP report highlighted was submitted to Public Works and Provincial treasury. Since these assets belong to Public Works the entity has not received feedback on the implementation of the plan.
- Two new tourism products were planned and completed in-line with the Strategic Tourism Plan.
- There are no plans to close down or down-grade any current facilities.
- Seven infrastructure upgrades on existing tourism products were completed against the planned target of six. The over-achievement directly relates to the appointment of new Tourism staff allowed for improved efficiency in the allocation of resources.
- The aim of the improvements and refurbishments of the various facilities will result in an increase in revenue for the entity. In terms of expenditure, the entity received conditional grants to service these facilities.

- The entity procured assets to the value of R24 million for the period under review of which R11.4 million relates to additions to the replacement of the GMT vehicles. The entity disposed of assets to the value of R2 million, of which R1.9 million relates to the GMT vehicles.
- The entity has an integrated fixed asset register in its ERP system. All asset acquisitions, disposals and transfers are managed via the system. Furthermore formal bi-annual asset verifications are undertaken to review and update the asset register.
- Ninety percent of the assets on the fixed asset register are in a good condition, eight percent in a fair condition and the remaining two percent are in a bad condition which has been identified for disposal.
- Major maintenance projects that have been undertaken during the period under review- No major maintenance projects were undertaken during the period under review
- In terms of the UAMP to Public Works, maintenance on infrastructure commenced and is progressing satisfactorily. The backlog on the maintenance has been reducing despite the rate of progress been slow due to internal processes.

Infrastructure projects	2011/12			2012/13		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Tourism Infrastructure	27 005	29 519	2 514	24 966	21 956	3 010
Total	27 005	29 519	2 514	24 966	21 956	3 010

The under spent on tourism infrastructure is directly related to the Salmonsdam development being postponed due to land ownership challenges which are being addressed between Provincial Transport and Public Works, the Overberg District Municipality and the Theewaterskloof Municipality. It is envisaged that the project will commence in the new financial year.





PART C GOVERNANCE

1. INTRODUCTION

Corporate governance embodies processes and systems by which public entities are directed, controlled and held to account. In addition to legislative requirements based on a public entity's enabling legislation, and the Companies Act, corporate governance with regard to public entity's is applied through the precepts of the Public Finance Management Act (PFMA) and run in tandem with the principles contained in the King's Report on Corporate Governance.

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

2. PORTFOLIO COMMITTEES (if applicable)

Not Applicable

3. EXECUTIVE AUTHORITY

During the period under review CapeNature submitted a monthly report to the Executive Authority timeously and no issues were raised, based on the reports submitted.

4. THE ACCOUNTING AUTHORITY / BOARD

Introduction

The Western Cape Nature Conservation Board endorses the principles as set out in the Protocol on Corporate Governance, and where applicable, the King Report on Corporate Governance for South Africa 2002 (King III) and have endeavoured to comply with the principles incorporated in the Code of Corporate Practices and Conduct. The Western Cape Nature Conservation Board has a formalised system of Corporate Governance which is applied by the following board committees:

- Marketing and Eco Tourism Committee
- Audit and Risk Committee
- Finance and IT Committee
- HR and Remuneration Committee
- Conservation Committee

The role of the Board is as follows:

- Roles, Responsibilities and Objectives are per the Western Cape Nature Conservation Board Act, 1998 (Act 15 of 1998) which includes:
- To promote and ensure nature conservation and related matters in the Province;
- To render services and provide facilities for research and training in connection with nature conservation and related matters in the Province; and
- In pursuing the objectives set out in the above two paragraphs, to generate income, with the framework of any applicable policy determined by the responsible Minister or the Provincial Cabinet.

BOARD CHARTER

1. Preamble

This Charter has been drafted with the following objectives:

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

It is intended that this Charter be read, understood and accepted by all existing and future board members of the Western Cape Nature Conservation Board. This Charter should be read in conjunction with the Western Cape Nature Conservation Board Act 15 of 1998, as amended.

2. Objectives of the Board

The objectives of the Board shall be:

- a. To promote and ensure nature conservation and related matters in the Province
- b. To render services and provide facilities for research and training in connection with nature conservation and related matters in the Province and
- c. To generate income, within the framework of any applicable policy.

3. Board's relationship with key role players

The Board shall promote mutual goodwill, understanding and co-operation between the Minister for Environmental affairs (MEC), the Department of Environmental Affairs and Development Planning (Department), other key Provincial agents, the private sector, relevant NGO's and all other key role players. As regards relations with the host Department, the Board shall further promote regular meetings between:

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

The Board shall further:

- i. actively assist the Department in matters related to the Biodiversity management in the Province, provide the Department with specialist environmental management and nature conservation scientific advice.
- ii. actively co-operate with the development, establishment and maintenance of environmental information management systems
- iii. collaborate in the promotion of environmental awareness, education and capacity building in the Western Cape
- iv. collaborate in mutual training initiatives between the parties
- v. collaborate in implementing an integrated CBNRM and community conservation and EPW programme strategically guided by a joint steering committee.

4. Composition of the Board

The Board shall consist of no less than nine members and no more than 12 members, of which at least four shall have expertise in nature conservation. The majority of the members shall be non-executive. The Board comprises a chairperson, a vice-chairperson and a maximum of ten non-executive members. The executive directors of the Western Cape Nature Conservation Board are collectively referred to as the "Top Management" within this Charter.

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

Non-executive members shall hold office for a period not exceeding five years and shall be eligible for re-appointment for one other period not exceeding five years, provided that 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. The Chairperson and vice-chair shall hold office for a period not exceeding three years and shall be eligible for re-appointment for one other period not exceeding three years.

5. Role and responsibilities of the Board and its Members

The basic responsibility of the members is to exercise their business judgement to act in what they reasonably believe to be in the best interests of the organisation and its stakeholders. The members should be entitled to rely on the honesty and integrity of the organisation's senior management and its outside advisors and auditors.

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

- Align the Board's strategic goals and objectives with that of the Province and the Department.
- Review, evaluate and approve, on a regular basis, long-range plans for the organisation.
- Review, evaluate and approve the organisation's budget and forecasts.
- Review the delegations of the organisation
- Review, evaluate and approve major resource allocations and capital investments.
- Review the financial and operating results of the organisation.
- Review the policies of the organisation.
- Review, evaluate and approve the overall corporate organizational structure, the assignment of top management responsibilities and plans for top management development and succession.
- Review, evaluate and approve compensation strategy as it relates to top management of the organisation, as well as of the performance contracts of top management.
- Adopt and monitor compliance with the organisations' Code of Conduct, the Public Finance Management Act 1 of 1999 as amended by Act 29 of 1999 and all legislation relevant to the Board.
- Review periodically the organisation's corporate objectives and policies relating to social responsibility.
- Take steps to safeguard the assets of the organisation.
- Disclose real and potential conflicts of interest.
- Guide the organisation in terms of transformation.
- Establish a closer working relationship with all stakeholders and the broader community.

Upon authorisation of the plans and strategies, the Board empowers and instructs top management to implement the plans and strategies and to provide the members with timely, accurate and relevant feedback on progress in this regard.

The Board however remains accountable for the overall success of the strategies and for the total process of risk management that includes a related system of internal controls.

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

- A Human Resources and Remuneration Committee - consisting of non-executive members assumes responsibility for the appointment and remuneration of all members of top management, for the remuneration of non-executive members and for oversight of the human resource management strategy and related policies in the organisation
- An Audit and Risk Committee – assumes an 'oversight' role in that it reviews the adequacy and effectiveness of the financial reporting process, the system of internal control and management of financial and operating risks, the audit process and the organisation's process for monitoring compliance with laws and regulations;
- Finance Committee - assumes the oversight of financial risk management strategy, policy and Treasury transactional matters, and reviews major financial transactions on behalf of the Board.

- Executive Committee – meets between Board meetings to attend to those urgent matters arising from board meetings and to assist top management in the execution and making of urgent decisions, which could not be held over until a next Board or Board committee meeting.
- Conservation Committee – meets to guide the scientific and research functions and review progress towards meeting biodiversity targets and objectives of the organisation.
- Marketing and Eco-Tourism Committee meets to discuss and review tourism, commercialization, fund raising and partnership development matters.

The Board is responsible for appointing members and chairpersons to committees.

Legal issues will be dealt with by the committee under whose purview the specific matter falls.

On an annual basis, the Board reviews and assesses the required mix of skills and experience of Board members, its demographics and diversity to determine its ability to effectively achieve the objectives of the organisation and create stakeholder value.

6. Quorum

The quorum for a meeting shall be seven members, provided that at least two members with expertise in nature conservation matters shall be present.

An attendance register that is signed by every person present at Board and Committee meetings should be maintained.

7. Agenda items for Board and Committee meetings

The chairpersons of the board and other committees shall determine the agenda for each meeting, in conjunction with the CEO and other relevant members of top management. Each member of the Board and other committees are free to request items to be placed on the agenda for that meeting. Detailed packs for each meeting will be distributed to the members approximately one week prior to the meeting.

8. Frequency of meetings

The Board shall meet a sufficient number of times each year to carry out its responsibilities however, at least four times per annum. The Audit and Risk committee shall meet no less than twice per annum and the Human Resources and Remuneration committee shall meet no less than twice per annum.

9. Board and Remuneration Principles

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

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

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

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

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

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

11. Member orientation and induction

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

12. Member access to employees

Non-executive members shall have full and free access to employees of the organisation.

13. Independent Advisors

The Board and each committee shall have the authority to engage experts or advisors, including independent legal counsel, at the organisation's expense, deemed appropriate by the Board or committee, without obtaining the approval of any employee of the organisation, but after requesting that sufficient funds are made available for the procurement.

14. Conflicts

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

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

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

15. Materiality of the Board and an approval framework

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

16. Media Statements:

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

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

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

Composition of the Board

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees (e.g: Audit committee)	No. of Meetings attended
Dr Colin Johnson	Chairperson	01-Apr-2009		Botanist and Zoologist (Retired)	Education, Research Evaluation, Human Resources, Botanist and Zoologist (Retired).		Audit & Risk * By invitation Conservation HR & Remuneration Marketing & Eco-Tourism Board	5 3 5 1 5
Ms Francina du Bruyn	Vice Chairperson	01-Apr-2010			Business Consultant and Coach with expertise in Human Resources Development, Strategic Planning and Change Management.		HR & Remuneration Finance & IT Board	6 5 5
Dr Edmund February	Board member	01-Apr-2010		Plant Ecologist	Botany and Plant Ecologist; Mountaineer.		Conservation Marketing & Eco-Tourism Board	4 3 2
Mr Eduard Kok	Board member	20-Sept-2010		Chartered Accountant	Chartered Accountant with 30 years commercial experience.		Audit & Risk Finance & IT Board	6 5 5
Mr Mico Eaton	Board member	20-Sept-2010			Strategic Planning and Marketing Communication. Professional 4x4 Trail & Overland Tour Guide - National. Registered 4x4 driving instructor. CMAS 3-Star diver.		Marketing & Eco-Tourism Finance & IT HR & Remuneration Board	4 0 5 3
Prof Francois Hanekom	Board member	01-Apr -2011			Facilitator: Development, Environment and Tourism.		Marketing & Eco-Tourism Conservation Board	2 3 3
Mr Carl Lotter	Board member	01-Dec-2011					Audit & Risk Finance & IT Marketing & Eco-Tourism Board	1 5 3 5
Prof Gavin Maneveldt	Board member	01-Dec-2011		Marine Biologist	Biodiversity & Conservation Biology.		Conservation Marketing & Eco-Tourism Board	4 0 4

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees (e.g. Audit committee)	No. of Meetings attended
Dr Bruce McKenzie	Board member	01-03-2013			Conservation		Conservation Audit & Risk Board	0 0 1
Ms Merle McOmbring-Hodges	Board member	01-03-2013					Marketing & Eco-Tourism Finance & IT Board	0 0 1
Adv. Mandla Mdludlu	Board member	01-03-2013					Audit & Risk HR & Remuneration Board	0 0 1
Mr Danie Nel	Board member	01-03-2013					Finance & IT HR & Remuneration Board	0 1 0
Mr Paul Slack (Alternate Member)	Chairperson of the Audit & Risk Committee	20-Jan-2009		CFO	Corporate Governance and Risk		Audit & Risk	4
Prof Aubrey Redlinghuis	Chairperson	01-Apr-2009	08-10-2012	Education and Geography (Retired)	Education and Geography (Retired), Corporate Governance and Management / Strategic Planning; Human Resource Management and Community Development Programmes		Audit & Risk - by invitation HR& Remuneration Board	1 3 2
Mr Johan van der Merwe	Board member	14-Apr-2008	28-Feb-2013	B.Comm., BA (Hons), LL.B, LL.M	Practicing Attorney of Law		Marketing & Eco-Tourism Conservation Board	4 3 4
Mr Jeremy Fairbairn (Alternate Member)	Independent Audit & Risk Committee member	Prior to 31- Mar-2008	31-Mar-2013	CFO			Audit & Risk	6
Mr John Jarvis (Alternate Member)	Independent Audit & Risk Committee member	Prior to 31- Mar-2008	31-Mar-2013	Consultant in Accounting			Audit & Risk	5

Committees

Committee	No. of meetings held	No. of members	Name of members
Marketing & Eco Tourism	4	5 - on a basis of how the appointment falls during the financial year	Johan van der Merwe Mico Eaton Carl Lotter Edmund February Francois Hanekom Gavin Maneveldt Merle McOmbring-Hodges
Conservation	4	5 - on a basis of how the appointment falls during the financial year	Colin Johnson Edmund February Johan van der Merwe Gavin Maneveldt Francois Hanekom Bruce McKenzie
HR & Remuneration	4 plus 2 special meetings	4 – on a basis of how the appointment falls during the financial year	Francina du Bruyn Colin Johnson Mico Eaton Danie Nel Aubrey Redlinghuis Mandla Mdludlu
Finance & IT	4 plus 1 special meeting	3 - on a basis of how the appointment falls during the financial year	Eduard Kok Francina du Bruyn Carl Lotter Mico Eaton Danie Nel Merle McOmbring-Hodges
Audit & Risk	3 plus 2 special meetings	5 – on a basis of how the appointment falls during the financial year	Paul Slack Jeremy Fairbairn John Jarvis Colin Johnson * By Invitation Eduard Kok Aubrey Redlinghuis * By Invitation Carl Lotter Mandla Mdludlu Bruce McKenzie
Board	4 plus 1 special meeting	12 – as of 01 March 2013	Colin Johnson Francina du Bruyn Edmund February Eduard Kok Mico Eaton Francois Hanekom Gavin Maneveldt Carl Lotter Bruce McKenzie Merle McOmbring-Hodges Danie Nel Mandla Mdludlu

Remuneration of board members

Name	Remuneration	Other re-imbursements	Total
	R	R	R
Dr Colin Johnson	108 078.00	69 296.33	177 374.33
Ms Francina du Bruyn	69 568.00	11 180.28	80 748.28
Mr Eduard Kok	71 461.00	3 100.40	74 561.40
Dr Edmund February	29 511.00	0	29 511.00
Mr Mico Eaton	32 336.00	7 427.38	39 763.38
Mr Carl Lotter	42 920.00	557.57	43 477.57
Prof Gavin Maneveldt	21 506.00	0	21 506.00
Prof Francois Hanekom	24 251.00	17 687.43	35 872.01
Dr Bruce McKenzie	1 947.00	0	1 947.00
Adv Mandla Mdludlu	1 947.00	0	1 947.00
Mr Danie Nel	0	0	0
Ms Merle McOmbring-Hodges	1 947.00	0	1 947.00
OUTGOING MEMBERS			
Prof Aubrey Redlinghuis	61 693.00	2108.70	63 801.70
Mr Johan van der Merwe	57 319.00	8 288.77	65 607.77
Mr Hoosain Kagee		2 237.00 (Back pay)	2 237.00
ALTERNATE MEMBERS			
Mr Paul Slack	105 957.90	0	105 957.90
Mr John Jarvis	18 115.25	335.40	18 450.65
Mr Jeremy Fairbairn	88 896.97	0	88 896.97

5. RISK MANAGEMENT

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

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

The ongoing assessment and monitoring of the risk profile highlights the impact of resource constraints on the effectiveness of the entity and its inability to adequately capacitate programmes and services to improve operational efficiency. Key to the entity's resilience has been the ability to forge key strategic partnerships and effective stakeholder management, highlighted by the entity leveraging significant external funding as a percentage of the total budget allocation.

While the benefits of being able to generate additional funding cannot be over emphasised, especially in light of the delivery of critical conservation priorities, these priorities are essentially core to the entity's mandate and should be effected through the provincial allocation to ensure operational efficiency, improved service delivery and strategic alignment. Historically CapeNature has not been able to maximise the gains made through externally funded initiatives due to this dependency.

Within the current reality of scarce resources, the entity will require a strategic integrated approach to income generation and resource mobilisation to support and sustain current and future operations. In managing key strategic risks, the development and implementation of risk mitigation strategies to address the expansion of and effective management of protected areas, integrated catchment management, landscape conservation and biodiversity crime, amongst others, cannot be over emphasised. The focus going forward will be to strengthen and further institutionalise risk management principles to ensure decision making is risk based and existing governance structures are enhanced.

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

6. INTERNAL CONTROL UNIT

The following reviews were conducted by the internal auditors and tabled with the Audit & Risk committee within the period under review:

- Reports on Conflicts
- Human Resource Payroll
- Project Expenditure
- Fraud Risk Assessment.

7. INTERNAL AUDIT AND AUDIT COMMITTEES

The internal audit function of CapeNature is outsourced to an auditing service provider, for a 3 year rolling period. The Audit Committee reviews the appointment of the internal audit function and makes recommendation to the Board of Directors, who is responsible for the appointment.

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

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

- Risks are appropriately identified and managed.
- Interaction with the various governance groups occurs as needed.
- Significant financial, managerial, and operating information is accurate, reliable, and timely.
- Employee's actions are in compliance with policies, standards, procedures, and applicable laws and regulations.
- Resources are acquired economically, used efficiently, and adequately protected.
- Programs, plans, and objectives are achieved.
- Quality and continuous improvement are fostered in the organization's control environment
- Significant legislative or regulatory issues impacting the organization are recognized and addressed properly.

Opportunities for improving management control, profitability, and the organization's image may be identified during audits. They will be communicated to the appropriate level of management.

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

- HR Payroll
- HR Administration
- HR Labour Relations
- Marketing & Communication
- Occupational Health and Safety Act (OHASA)
- Programme Management
- Follow up reviews on IT & HR
- PDO
- IT Strategy & Governance

The key activities and objectives of the audit committee are as follows:

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

The table below discloses relevant information on the audit committee members

Name	Qualifications	Internal or external	If internal, position in the public entity	Date appointed	Date Resigned	No. of Meetings attended
Mr Paul Slack	CA (SA) BCom (Hons) (Financial Management)	Internal	Independent Audit Committee member	20 January 2009	-	4
Mr John Jarvis	B Com. CTA CA (Zim) Estate Agents Board exam	Internal	Independent Audit Committee member	01 April 2008	31 March 2013	5
Mr Jeremy Fairbairn	Accredited Associate, IIBI (General Management and Consultancy) HONS B COM (Bus. Management) B COM (Hons.) Higher Diploma in Education B COM (LAW)	Internal	Independent Audit Committee member	01 April 2008	31 March 2013	6
Mr Eduard Kok	CA (SA)	Internal	Board member	20 September 2010	-	6
Dr Colin Johnson	BSc Bsc Hon MSC PhD Postdoctoral	Internal	Board member	01 April 2009	-	5
Mr Carl Lotter		Internal	Board member	01 December 2011	-	1
Aubrey Redlinghuis	BA (Geography and Afrikaans-Nederlands) BA Hons (Geography) MA (Economic Geography) DPhil (Economic Geography)	Internal	Board member	01 April 2009	08 October 2012	1

8. COMPLIANCE WITH LAWS AND REGULATIONS

Compliance is read in conjunction with the charter of the respective board committees and the Western Cape Nature Conservation Board endorses the principles as set out in the Protocol on Corporate Governance, and where applicable, the King Report on Corporate Governance for South Africa 2002 (King III) and have endeavoured to comply with the principles incorporated in the Code of Corporate Practices and Conduct.

9. FRAUD AND CORRUPTION

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

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

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

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

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

All matters that are reported will be screened 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, Forensic Investigative Unit (FIU), Public Protector and/or any other investigative agencies prescribed by law. Any fraud committed by an employee of CapeNature will be pursued by thorough investigation and to the full extent of the law, including consideration of disciplinary proceedings within a reasonable period of time after the incident, instituting recovery of financial losses, including formal civil action, initiating criminal prosecution and/or any other appropriate and legal remedy available.

10. MINIMISING CONFLICT OF INTEREST

All Supply Chain Officials are required to complete an annual Declaration of Interest. This is done for all regions and Head Office. For each Supply Chain Committee meeting held (Evaluation and Adjudication) all members signs a declaration pertaining to agenda items for discussion. Within the period under review no cases have occurred within CapeNature where conflict of interest was identified.

11. CODE OF CONDUCT

The code is a directive to all employees of CapeNature and should act as a guideline to employees as to what is expected of them from an ethical point of view, both in their individual conduct and in their relationship with others. Compliance with the Code can be expected to enhance professionalism and build confidence in the organization. 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 the public entity's OHS Component is to reduce the legal vulnerabilities through ensuring compliance with the provisions of:

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

13. COMPANY /BOARD SECRETARY (IF APPLICABLE)

Not Applicable.

14. SOCIAL RESPONSIBILITY

CapeNature has embarked on a journey to build a bridge between management and the communities which surround the Protected Areas which are managed by CapeNature. This journey aims to engage all stakeholders in an effort to not only change the current culture of mistrust but also to jointly work towards co-creating a win-win experience and outcome for all. The launch of the pilot project was held at the Algeria Nature Reserve on 30 April 2013. The intention is to implement a project in all areas where problems of a similar nature have been identified in communities surrounding the Reserves which are managed by CapeNature.

15. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2013.

Audit Committee Responsibility

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

The Effectiveness of Internal Control

Our review of the findings of the Internal Audit work, 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:

- Report on Conflicts June 2012
- Project Expenditure Review August 2012
- Fraud Risk Assessment October 2012
- Human Resources Payroll Review October 2012

The following were areas of concern:

- An analytical review of the various databases operating at Cape Nature revealed some conflicts between the personnel database and the supplier database. Management is aware of this and will develop a policy regarding personnel contracting with the entity
- An audit of the payroll function and processes revealed a few minor instances relating to the accuracy of the calculation of subsistence and travel claims as well as some shortcomings in the timing of claims. These have since been addressed
- A Fraud Risk Assessment was conducted by the internal auditors. There were a few findings relating to some minor areas of governance. Management is aware of these and are putting measures in place to align these
- A review of project expenditure relating to one large project revealed some gaps in the documentation flow and the GRAP accounting. These are explainable and management has taken measures to tighten the controls over document flow on projects to ensure that these are not repeated in future projects

In-Year Management and Monthly/Quarterly Report

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

Evaluation of Financial Statements

We have reviewed the annual financial statements prepared by the public entity.

Auditor's Report

The audit committee has implemented a procedure which we call the "Audit matrix" which is a standing item at every audit committee. This matrix includes every item raised in the annual external audit, no matter how minor, as well as every item raised by the internal auditors during the course of the year. These audit items stay on the audit matrix until management resolves them. The only way that they can be removed from the matrix is when internal audit verifies that the reported actions have indeed taken place and that the new control is operating efficiently. Only once this is positively reported by internal audit does the audit committee allow the removal of this item from the audit matrix. In this way we are satisfied that prompt and correct action is taken to review matters raised by the auditors

The Audit 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 Committee
CapeNature
8 August 2013





PART D
**HUMAN
RESOURCE
MANAGEMENT**

I. INTRODUCTION

Human capital development still remains a key objective for the organisation and to this end the Directorate has identified the need for a comprehensive strategy the purpose of which is to enable CapeNature, through an integrated Human Capital Developmental approach to achieve sustainable performance excellence.

Human Capital Development Strategy

During November and December 2012 a desktop survey was conducted to determine the capacity, skills and resource constraints in respect of human capital development. The results of this survey were workshopped with key internal stakeholders which resulted in a draft strategy document which was approved by the Board on 08 March 2013.

The strategic goals/objectives of the HCD Strategy is:

1. Strategic Objective 1 (Talent Attraction)

Promote the CapeNature Brand as the Employer of Choice in the biodiversity sector especially amongst black South Africans as part of the transformational agenda.

2. Strategic Objective 2 (Talent Development)

Implement a Comprehensive and Integrated Talent Development Approach at CapeNature to help improve the quality and relevance of the workforce skills in line with the organisational mandate.

3. Strategic Objective 3 (Talent Retention)

Implement comprehensive reward, recognition and talent retention initiatives to enable the effective retention of key skills and latent in line with the organisational requirements.

4. Strategic Objective 4 (Enabling Conditions for Implementation)

Create enabling conditions for successful implementation, monitoring and evaluation of the Human Capital Development Strategy.

This component includes:

- Human Resources operating as a strategic business partner through providing effective technical advice to the Line
- The Human Resources service delivery ethos driving an enabled development culture
- Systems and processes that support successful strategy implementation

Capacity Building

A number of capacity building interventions have been initiated over the reporting period. A significant achievement is that a Grant Agreement between SANBI and DBSA was signed in November 2012 of which CapeNature is a partner. The project is known as Groen Sebenza. This Agreement enables the organisation to appointment graduates and post graduates for a 2 year period to enhance the capacity and resources within the organisation to enable delivery of its core mandate. These incumbents will be widely spread throughout the entity to ensure optimal impact on service delivery and the attainment of organisational goals; whilst at the same time gaining valuable working experience.

Corporate mentorship is being developed as a mechanism for transformation in the sector through a culture of learning. CapeNature has implemented this approach for several years and has during the 2012/2013 reporting year supported a further 26 mentorship agreements.

As an extension of this programme a coaching programme for junior protected area managers has been implemented to enhance the skills levels of the junior management team. The programme is run using internal senior staff to coach and mentor junior managers with regards to conservation management.

The institution was unable to award any new bursaries during this period due to budgetary constraints. However, the current bursary holders received good results.

Performance Management

Performance management was implemented in the 2010/11 financial year using the Infoscape Performance Management System. The system allows electronic capturing of the Annual Plan of Operations after which an automated performance agreement is generated for employees.

The organisation conducts two performance appraisals per year; the mid- term review being conducted in September/October and the final review conducted in April/May of the following year. This year our percentage of underperformers is at 21% compared with the results in the 2010/11 year of 33%.

With the implementation of the Human Capital Development Strategy we would be able to implement key initiatives to address the needs as identified in the Individual Development Plans.

2. HUMAN RESOURCE OVERSIGHT STATISTICS

Personnel Cost by programme

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Personnel exp. As a % of total exp. (R'000)	No. of employees	Average personnel cost per employee (R'000)
1	48 584	30 276	62%	109	278
2	199 579	103 764	52%	582	178
3	21 320	7 509	35%	42	179
Total	269 483	141 549	53%	733	193

Personnel cost by salary band

CapeNature utilizes the VIP system to manage the Human Resources of the organization, while Government departments use Persal. The figures from the VIP system would be different to the figures reflected in the SAP system. The VIP system reports are drawn on a cash basis and CapeNature's financial reports are drawn on an accrual basis in the SAP system. In the case of Government departments, both Persal reports and financials are reporting on a cash basis, enabling them to provide the required reports. Income and expenses for the current financial year but received or paid in the following financial year, still need to be recorded in the current financial year. The rest of the figures are reflected in the detailed statement of the financial performance in the Annual Report. Based on the above, all the relevant information and tables required are not reflected in this Annual Report. This is due to the fact that the system in use is not able to produce these reports.

Performance Rewards

During the period under review the organisation granted no performance rewards to any staff member. There are already processes in place to address this in the next financial year.

Employment and vacancies

Programme	2012/13 No. of Employees	2012/13 Approved Posts	2013/13 No. of Employees	2012/13 Vacancies	% of vacancies
1	111	106	109	21	26.92%
2	531	433	582	55	70.51%
3	34	33	42	2	2.56%
Total	676	572	733	78	100.00%

Salary band	2011/12 Number of employees	2012/13 Approved posts	2012/13 No of Employees	2012/13 Vacancies	% of vacancies
Top Management 13 - 15	6	7	5	4	5
Senior Management 11 - 12	36	35	35	5	6
Professional Qualified 9 - 10	97	107	96	16	21
Skilled 6 - 8	121	139	128	19	24
Semi-Skilled 3 - 5	227	227	224	22	28
Unskilled 1 - 2	189	57	245	12	16
TOTAL	676	572	733	78	100.00%

All posts were advertised in the local newspapers and on conservation as well as other recruitment websites.

The ICT Manager position was advertised on two occasions with the first round producing no suitable candidates and the second round presenting affordability challenge in so far as the salary expectation was concerned. The organisation embarked on a head hunting process and interviewed 2 candidates. This process will be finalised in the very new future.

Internal staff does not always meet the requirements of the position both in terms of qualification and relevant experience. Internal staff has also been appointed to positions which has not impacted on the employment equity stats.

Posts remain vacant for approximately 6 months before filling; this is due to various reasons: e.g. it's a scarce skill, outcome of the verification process, budget availability.

The organisation recently approved the Human Capital Development Strategy which includes addressing aspects pertaining to retention and attraction.

Employment changes

Salary Band	Employment at beginning of period 1/04/2012	Appointments	Terminations	Employment at end of the period
Top Management	6	1	3	4
Senior Management	37	0	3	34
Professional qualified	95	7	10	92
Skilled	123	19	11	131
Semi-skilled	226	36	37	225
Unskilled	270	232	255	247
Total	757	295	319	733

Closing balance in the 2011/12 Annual Report differs to the opening balance in this report due to contract, terminations and appointments.

Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	0	0%
Resignation	26	8%
Resignation (Full Time Equivalents)	36	11%
Dismissal	3	1%
Dismissal (Full Time Equivalents)	2	1%
Retirement	6	2%
Ill health	0	0%
Expiry of contract	118	37%
Expiry of contract (Full Time Equivalents)	128	40%
Other	0	0%
TOTAL	319	100%

38.7% of the resignations are made up of contract staff including Full Time Equivalents- FTEs and specially funded or short term contract workers. 4.7% of resignation were made up of permanent positions. In terms of the payroll process, the FTE's had to be terminated and re-appointed. Of the 38.7% whose contracts were terminated, 30% were re-appointed on a 3 year contract as a result of a new funding cycle. The balance was voluntary resignations.

Labour Relations: Misconduct and disciplinary action

Nature of disciplinary Action	Number
Verbal Warning	1
Written Warning	19
Final Written warning	5
Dismissal	5
Total	30

Equity Target and Employment Equity Status

Level	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	2	3	2	0	0	2	2
Senior Management	4	7	8	5	0	0	15	15
Professional qualified	10	11	13	6	0	0	31	30
Skilled	14	30	34	18	2	2	10	9
Semi-skilled	21	30	125	60	1	2	4	4
Unskilled	38	25	118	74	0	0	2	2
TOTAL	87	105	301	165	3	4	64	62

Levels	FEMALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	1	0	0	0	0	0	0
Senior Management	1	4	3	3	0	0	4	4
Professional qualified	5	8	13	10	0	0	24	23
Skilled	14	31	30	24	0	4	23	22
Semi-skilled	11	17	49	41	1	0	13	11
Unskilled	24	32	61	48	0	0	2	3
TOTAL	55	93	156	126	1	4	66	63

Levels	Disabled Staff			
	Male		Female	
	Current	Target	Current	Target
Top Management	1	0	0	0
Senior Management	0	0	1	0
Professional qualified	1	1	0	0
Skilled	1	1	3	1
Semi-skilled	3	2	3	1
Unskilled	0	2	0	2
TOTAL	6	6	7	4

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







PART E FINANCIAL INFORMATION

I. STATEMENT OF RESPONSIBILITY

Statement of Responsibility for the Annual Financial Statements for the year ended 31 March 2013

The Accounting Authority is responsible for the preparation of the public entity's 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 designed to provide reasonable assurance as to the integrity and reliability of the annual financial statements.

In my opinion, the financial statements fairly reflect the operations of the public entity for the financial year ended 31 March 2013.

The external auditors are engaged to express an independent opinion on the AFS of the public entity.

CapeNature annual financial statements for the year ended 31 March 2013 have been audited by the Auditor-General and the report is presented on page 98.

The Annual Financial Statements of the public entity set out on page 102 to page 143 have been approved.



Dr. Kas Hamman
Acting CHIEF EXECUTIVE OFFICER
CapeNature
July 2013

2. REPORT OF THE CHIEF EXECUTIVE OFFICER

General Overview and Expenditure Trends

The entity reported a surplus of R9.2 million during the year under review. This is primarily the result of expenditure being R32.7 million (10.8%) below the budget. The changes to the SCM policy in December 2011, which required that service providers be registered on the Western Cape Supplier Database resulted in an overall delay in procurement in the first two quarters of the financial year. There was a delay in the confirmation (end of Q1) of the DEA budget which constitutes 39% of the overall special project budgets resulting in low expenditure.

Personnel costs were below budget as a result of a strategic decision to defer the filling of 14 vacant positions until the last quarter of the financial year. Furthermore, the filling of several other critical positions which were budgeted for in the year under review, were deferred indefinitely due to uncertainty in sustaining these positions in the foreseeable future. The impact hereof is the capacity constraints and challenges specifically in the finance department relating to compliance and regulation, and internal control.

There were no discontinued activities for the period under review. There are no new or proposed activities envisaged.

Request for Roll-over of Funds

CapeNature applied for retention of the surplus in terms 53 (3) of the PMFA. The funds were requested to cover the following: training (SAP), uniforms, Microsoft volume courses and to defer the Tourism development of Salmonsdam to the 2013/14 financial year. The under spending relates primarily to staff remuneration, contractors, administrative expenditure, stores & livestock and professional services.

Supply Chain Management

Emanating from the audit findings and risks identified in the audit of 2011/12, SCM implemented the necessary processes and systems. CapeNature has adopted the Provincial Treasury Instructions and incorporated this into the CapeNature Supply Chain Management Policy. The entity's revised Supply Chain Management Policy has been submitted for internal audit.

The following two influential challenges were experienced during the period under review:

a) The Western Cape Supplier Database (WCSD)

CapeNature adopted the Western Cape Provincial Treasury Instructions regarding the WCSD. The challenge around promoting the WCSD and suppliers registering resulted in delays in procurement. Most procurement awards were made subject to registration on the database which has become compulsory as of 01 April 2013.

b) Compliance and Monitoring

Having a decentralised procurement structure has proven challenging in terms of monitoring and compliance. Procurement checklists and updated requisitioning forms have therefore been implemented across the organisation to detect any deviations prior to irregularity. All delegated authorities accordingly need to conform to compliance of procurement matters.

Audit Report Matters for 2011/12

The issues raised in the external audit report are addressed in the Financial Management Improvement Plan (FMIP) on a quarterly basis. There were 22 Findings identified in the 2011/12 audit. 19 (86%) has been resolved. The remaining three findings relate to ICT and it has been partially resolved. Management will ensure that once the ICT Manager is appointed in the new financial year, the matters will be completely resolved. The material misstatements, emanated from the GMT transactions provided in the financial statements were corrected during the audit.

Outlook to address financial challenges 2012/13

CapeNature has received qualified opinions on performance information and conditional grants. Management is implementing measures to address these issues. Management engaged with the internal auditors to assist and facilitate the drafting of standard operating procedures for finance. Management, in consultation with the Finance Committee, compiled a strategic plan to address the 2012/13 audit findings. The finance committee will be meeting on a monthly basis for the next six months to monitor progress on the audit findings. In respect of performance information, a framework on the standard operating procedures has been drafted. The key performance indicators will be aligned for the 2014/15 financial year to the SMART principle.

Economic viability

CapeNature will have to respond to six major challenges over the next 3-5 years these include: Biodiversity loss and the associated loss of ecosystem service delivery; land use change (development pressure); a change in fire management; increased invasion by alien species; less freshwater from catchments and a changing climate.

The Annual Performance Plan 2013/14 has been aligned to Provincial Objective 7, National Outcome 10 and Customised Sector Performance Measures. . The obligation to address these targets in light of CapeNature's capacity and financial resource constraints remains a significant challenge. In the 2013/14 APP we are striving to maintain an approach of prioritisation and high impact, rather than a high frequency intervention strategy. Where the realisation of key national indicators in the 2013/14 planning period was deemed to be incompatible with the resource realities, CapeNature provided for same in the outer years to ensure that the targets remain on the performance dashboard.

The strategic focus of human resources in this period aims to ensure the development and implementation of consistent, aligned practices and leadership interventions to facilitate the achievement of the overall organisational strategic objectives by integrating all interventions with the intention to realize our mission and vision.

The management of knowledge databases is critical to ensure reliable, accurate and up to date information is available to base sound decisions on. The maintenance of the current databases, including: GIS, Fire, Land use, State of Biodiversity is a priority. The development of new systems is a challenge without a database developer.

CapeNature will ensure that the Western Cape Biodiversity Conservation Plan is updated as this informs land use decision making and is used as a tool to guide responsible development.

In order to mitigating climate change risks, CapeNature is implementing two landscape corridors namely Greater Cederberg Biodiversity Corridor and the Gouritz Corridor. Significant investment has been made in these areas and it is critical that CapeNature honours this commitment and protects this investment.

The implementation of the Western Cape Protected Area Expansion Strategy (WCPAES) to secure critical biodiversity for the future will continue to be a focus area in order to contribute to the targets set in National Outcome 10. The maintenance of existing stewardship sites remain a priority to ensure these areas are managed effectively.

Effective conservation of CapeNature's nature reserves remains a priority. The compilation of Integrated Management Plans, boundary verification, the re-proclamation of reserves in terms of National Environmental Management: Protected Areas Act and the transfer of State Forests to CapeNature will be key focus areas. The METT-SA will be used as the tool to measure management effectiveness.

Funding from DEA (Oceans and Coast) for Marine Protected Area and Island management and the development of estuary management plans, including wetlands of international importance has significantly contributed to CapeNature's ability to respond to this mandate.

Integrated Catchment Management continues to ensure integrated alien vegetation and fire management in order to maximise the quantity and quality of water from the Mountain Catchment areas managed by CapeNature. Ecosystem services are highly under-valued in South Africa and huge strides are required to ensure people understand that without a healthy environment economies in the Western Cape will be under threat and the cost to restore ecosystems once they are no longer functioning are far greater than spending resources wisely in order to maintain these systems.

The continued rise in Biodiversity Crime puts pressure on the three Biodiversity Crime Unit staff members. The implementation of the Western Cape Game Translocation Policy and holistic approach to damage-causing animal management remain key focus areas.

CapeNature is committed to sustainable economic growth and job creation with numerous projects being implemented throughout the Western Cape. CapeNature intends expanding its EPWP performance in order to maximise the EPWP incentive grant funding based on CapeNature contribution to Provincial WC EPWP imperatives. The implementation of the Provincial People & Parks Programme, community environmental awareness and the expansion of the volunteer programme remain priorities.

3. REPORT OF THE EXTERNAL AUDITOR

REPORT OF THE AUDITOR-GENERAL TO WESTERN CAPE PROVINCIAL PARLIAMENT ON THE WESTERN CAPE NATURE CONSERVATION BOARD

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the Western Cape Nature Conservation Board (CapeNature) set out on pages 102 to 142, which comprise the statement of financial position as at 31 March 2013, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting authority's responsibility for the financial statements

2. The accounting authority is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Accepted Practices (SA Standard of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and section 11(2)(b) of the Western Cape Conservation Board Act, 1998 (Act No. 15 of 1998) and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-general's responsibility

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

Basis for qualified opinion

Unspent conditional grants and receipts

6. I was unable to obtain sufficient appropriate audit evidence that management has properly accounted for conditional grants, due to supporting documentation not provided for audit purposes. I was unable to confirm unspent conditional grants by alternative means. Consequently, I was unable to determine whether any further adjustments to unspent conditional grants stated at R24 336 886 in the financial statements were necessary.

Qualified opinion

7. In my opinion, except for the possible effects of the matters described in the Basis for qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of CapeNature as at 31 March 2013 and its financial performance, cash flows and the comparison of budget and actual amounts for the year then ended, in accordance with SA Standards of GRAP, the requirements of the PFMA and the Western Cape Conservation Board Act.

Emphasis of matter

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

Significant uncertainties

8. With reference to note 23 to the financial statements, the CapeNature is a defendant in legal claims which are disclosed as contingent liabilities amounting to R62 178 822. The ultimate outcome of these six cases cannot presently be determined and no provision for any liability that may result has been made in the financial statements.

Additional matter

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

Unaudited supplementary schedule

9. The supplementary information set out on page 143 does not form part of the financial statements and is presented as additional information. I have not audited this schedule and, accordingly, I do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

10. In accordance with the PAA and the general notice issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

Predetermined objectives

11. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report as set out on pages 34 to 60 of the annual report.
12. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability for the programme selected for auditing. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury's annual reporting principles and whether the reported performance is consistent with the planned objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the National Treasury *Framework for managing programme performance information*.

The reliability of the information in respect of the selected objectives is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).

13. The material findings are as follows:

Usefulness of information

Presentation

14. A total of 20% of targets not achieved, had no explanations for variances between planned and actual achievements reported in the annual performance report as required per the National Treasury's annual report preparation guide. This was due to a lack of documented and approved internal policies and procedures to address the reporting requirements.

Reliability of information

15. The National Treasury *Framework for managing programme performance information* (FMPPI) requires that institutions should have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets.
16. The reported performance information as a whole of programme 2: Biodiversity support and conservation management is materially misstated due to the cumulative effect of numerous individually immaterial uncorrected misstatements in the targets relevant to the selected programme. This was due to the lack of standard operating procedures for the accurate recording of actual achievements.

Additional matters

17. I draw attention to the matter below. This matter does not have an impact on the predetermined objectives audit findings reported above.

Achievement of planned targets

18. Of the total number of 67 planned targets, 18 were not fully achieved during the year under review. This represents 27% of total planned targets that were not achieved during the year under review. This was mainly due to the fact that indicators and targets were not suitably developed during the strategic planning process.

Compliance with laws and regulations

19. I performed procedures to obtain evidence that the entity had complied with applicable laws and regulations regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key applicable laws and regulations, as set out in the general notice issued in terms of the PAA, are as follows:

Financial statements

20. The financial statements submitted for auditing were not prepared in accordance with the prescribed reporting framework and supported by full and proper records as required by section 55(1)(a) and (b) of the PFMA.
21. Material misstatements identified by the auditors in the submitted financial statements were not adequately corrected and the supporting records could not be provided subsequently, which resulted in the financial statements receiving a qualified audit opinion.

Expenditure management

22. The accounting authority did not take effective steps to prevent irregular expenditure, as required by section 51(1)(b)(ii) of the PFMA.

Procurement and contract management

23. Goods and services with a transaction value of below R500 000 were procured without obtaining the required price quotations, as required by Treasury Regulation 16A6.1.
24. Goods and services of a transaction value of above R500 000 were procured without inviting competitive bids, as required by Treasury Regulation 16A6.1. Deviations were approved by the accounting authority even though it was not impractical to invite competitive bids, which is in contravention of Treasury Regulation 16A6.4.
25. Quotations were awarded to bidders based on points given for criteria that differed from those stipulated in the original invitation for quotations, in contravention of Treasury Regulation 16A6.3(a) and the Preferential Procurement Regulations.

26. The preference point system was not applied in all procurement of goods and services above R30 000, as required by section 2(a) of the Preferential Procurement Policy Framework Act and Treasury Regulation 16A6.3(b).

Internal control

27. I considered internal control relevant to my audit of the financial statements, the annual performance report and compliance with laws and regulations. The matters reported below under the fundamentals of internal control are limited to the significant deficiencies that resulted in the basis for qualified opinion, the findings on the annual performance report and the findings on compliance with laws and regulations included in this report.

Leadership

28. The accounting authority does not exercise adequate oversight of reporting to ensure complete and accurate reporting on predetermined objectives and compliance with the relevant laws and regulations, resulting in various misstatements in the performance information and instances of non-compliance being reported.
29. The accounting authority did not have standard operating procedures in place for performance reporting.
30. The leadership did not adequately develop and monitor the implementation of action plans to address internal control deficiencies, resulting in repeat findings on compliance with laws and regulations.

Financial and performance management

31. Management did not prepare regular, accurate and complete financial and performance reports supported by reliable information.
32. Management did not adequately review the development and implementation of internal controls over financial and performance reporting, since material misstatements were identified in the financial statements and the annual performance report.
33. Management has not adequately reviewed and monitored compliance with applicable laws and regulations to ensure that staff involved in the procurement process adhere to the supply chain management regulations.

Auditor - General

Cape Town
31 July 2013



4. ANNUAL FINANCIAL STATEMENTS

Western Cape Nature Conservation Board
Trading as CapeNature
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STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2013

Figures in Rand	Note(s)	2013	Restated 2012
Assets			
Current Assets			
Inventories	8	2,646,360	2,153,527
Trade and other receivables	9	5,451,891	4,963,414
Non-current asset held for sale		-	131,334
Cash and cash equivalents	10	65,439,396	51,955,114
		73,537,647	59,203,389
Non-Current Assets			
Property, plant and equipment	4	85,831,608	72,743,758
Intangible assets	5	7,670,394	8,780,512
		93,502,002	81,524,270
Total Assets		167,039,649	140,727,659
Liabilities			
Current Liabilities			
Trade and other payables	14	40,104,075	30,750,988
Unspent conditional grants and receipts	12	8,045,284	10,770,369
Finance lease obligations	13	1,007,860	3,683,471
		49,157,219	45,204,828
Non-Current Liabilities			
Retirement benefit obligation	7	5,797,000	4,234,000
Unspent conditional grants and receipts	12	16,291,602	13,450,965
Finance lease obligations	13	28,550,854	19,041,375
		50,639,456	36,726,340
Total Liabilities		99,796,675	81,931,168
Net Assets		67,242,974	58,796,491
Net Assets			
Reserves			
Revaluation reserve	11	20,981,183	21,747,176
Capitalisation reserve		1	1
Accumulated surplus		46,261,790	37,049,314
Total Net Assets		67,242,974	58,796,491

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STATEMENT OF FINANCIAL PERFORMANCE

Figures in Rand	Note(s)	2013	Restated 2012
Revenue	16	276,002,105	258,677,834
Other income		-	23,780
Operating expenses		(120,001,414)	(108,300,789)
Employee Costs	18	(141,548,986)	(121,276,980)
Operating surplus	17	14,451,705	29,123,845
Investment revenue	19	2,693,708	2,174,647
Finance costs	20	(7,932,937)	(4,563,675)
Surplus for the year		9,212,476	26,734,817

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STATEMENT OF CHANGES IN NET ASSETS

Figures in Rand	Revaluation reserve	Capitalisation reserve	Total reserves	Accumulated surplus	Total net assets
Opening balance as previously reported	21,325,319	1	21,325,320	10,826,690	32,152,010
Adjustments					
Prior year adjustments (Note 25)	-	-	-	(512,193)	(512,193)
Balance at 01 April 2011 as restated	21,325,319	1	21,325,320	10,314,497	31,639,817
Changes in net assets					
Revaluations	421,857	-	421,857	-	421,857
Net income recognised directly in net assets	421,857	-	421,857	-	421,857
Surplus for the year	-	-	-	26,734,817	26,734,817
Total recognised income and expenses for the year	421,857	-	421,857	26,734,817	27,156,674
Total changes	421,857	-	421,857	26,734,817	27,156,674
Balance at 01 April 2012	21,747,176	1	21,747,177	37,049,314	58,796,491
Changes in net assets					
Revaluations	(765,993)	-	(765,993)	-	(765,993)
Net losses recognised directly in net assets	(765,993)	-	(765,993)	-	(765,993)
Surplus for the year	-	-	-	9,212,476	9,212,476
Total recognised income and expenses for the year	(765,993)	-	(765,993)	9,212,476	8,446,483
Total changes	(765,993)	-	(765,993)	9,212,476	8,446,483
Balance at 31 March 2013	20,981,183	1	20,981,184	46,261,790	67,242,974

Note

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CASH FLOW STATEMENT

Figures in Rand	Note(s)	2013	Restated 2012
Cash flows from operating activities			
Receipts			
Grants, project funds and tourism revenue		272,637,102	254,397,100
Interest income		2,693,708	2,174,096
		275,330,810	256,571,196
Payments			
Employee costs		(140,015,465)	(121,276,980)
Suppliers		(97,525,930)	(105,340,836)
Finance costs		(43,992)	(70,474)
		(237,585,387)	(226,688,290)
Net cash flows from operating activities	21	37,745,423	29,882,906
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(24,878,817)	(27,423,522)
Proceeds from sale of property, plant and equipment	4	1,649,169	771,253
Purchase of intangible assets	5	(107,766)	(7,079,390)
Proceeds from sale of intangible assets	5	14	1,632
Purchases of heritage assets		-	-
Net cash flows from investing activities		(23,337,400)	(33,730,027)
Cash flows from financing activities			
Additional finance lease		7,090,026	3,136,533
Finance lease payments		(8,013,767)	(4,159,517)
Net cash flows from financing activities		(923,741)	(1,022,984)
Net increase/(decrease) in cash and cash equivalents		13,484,282	(4,870,105)
Cash and cash equivalents at the beginning of the year		51,955,114	56,825,219
Cash and cash equivalents at the end of the year	10	65,439,396	51,955,114

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STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Budget on Accrual Basis						
	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Note
Figures in Rand						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Tourism	17,888,203	-	17,888,203	18,512,042	623,839	30
Licences and permits	2,866,620	-	2,866,620	1,750,711	(1,115,909)	30
Other Income	4,130,088	-	4,130,088	7,122,072	2,991,984	30
Interest received	2,500,000	-	2,500,000	2,693,708	193,708	30
Total revenue from exchange transactions	27,384,911	-	27,384,911	30,078,533	2,693,622	
Revenue from non-exchange transactions						
Grants, donations and project funds	25,395,719	2,849,329	28,245,048	9,756,470	(18,488,578)	30
Monetary government grants received	240,424,894	6,700,000	247,124,894	238,860,810	(8,264,084)	30
Total revenue from non-exchange transactions	265,820,613	9,549,329	275,369,942	248,617,280	(26,752,662)	
Total revenue	293,205,524	9,549,329	302,754,853	278,695,813	(24,059,040)	
Expenditure						
Personnel	(145,909,882)	257,880	(145,652,002)	(141,548,986)	4,103,016	30
Depreciation and amortisation	(17,500)	-	(17,500)	(10,203,835)	(10,186,335)	30
Finance costs	-	(6,500,814)	(6,500,814)	(7,932,937)	(1,432,123)	30
Debt impairment	-	-	-	69,525	69,525	
Repairs and maintenance	(2,031,789)	(25,122)	(2,056,911)	(1,409,000)	647,911	30
Contractors	(38,574,719)	(7,221,520)	(45,796,239)	(31,083,642)	14,712,597	30
Loss on disposal of assets	-	-	-	(389,840)	(389,840)	
Administrative expenses	(20,392,128)	393,182	(19,998,946)	(14,968,948)	5,029,998	30
Stores and Livestock	(13,715,933)	(3,779,183)	(17,495,116)	(9,705,371)	7,789,745	30
Transport and Travel	(28,156,298)	5,417,479	(22,738,819)	(22,636,735)	102,084	30
Professional and Special Services	(43,175,374)	1,295,122	(41,880,252)	(29,673,152)	12,207,100	30
Total expenditure	(291,973,623)	(10,162,976)	(302,136,599)	(269,482,921)	32,653,678	
Operating surplus	1,231,901	(613,647)	618,254	9,212,892	8,594,638	
Loss on foreign exchange	-	-	-	(416)	(416)	
Surplus	1,231,901	(613,647)	618,254	9,212,476	8,594,222	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	1,231,901	(613,647)	618,254	9,212,476	8,594,222	

CapeNature does not budget for a surplus. The R1,231,901 shown as a surplus in the original budget and the R618,254 shown in the final budget was budgeted as capital expenditure.

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ACCOUNTING POLICIES

1. Presentation of Annual Financial Statements

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

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

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

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

1.1 Significant judgements and sources of estimation uncertainty

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

Trade receivables

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

Post retirement benefits

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

1.2 Biological assets that form part of an agricultural activity

Transitional provision

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

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

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ACCOUNTING POLICIES

1.3 Property, plant and equipment

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

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

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

Property, plant and equipment is initially measured at cost.

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

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

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

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

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

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

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

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

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

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

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

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ACCOUNTING POLICIES

1.3 Property, plant and equipment (continued)

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

Infrastructure assets under construction are only depreciated upon completion.

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

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

However, the organization have 13 horses and 3 donkeys that were acquired for no considerations which are utilised in operational activities and the fair value of these assets amounts to R53,000 and are deemed immaterial.

Motor vehicles are originally measured at cost and are depreciated on a basis considered appropriate to reduce the carrying amount over the expected lifespan of the assets. Depreciation is calculated after taking residual values in account and commenced when the motor vehicles are available for use.

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

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

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

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

	Average useful life
Land	indefinite
Buildings	50 years
Plant and machinery	2-6 years
Furniture and equipment	2-6 years
IT equipment	2-3 years
Communication equipment	2 years
Boats and vehicles	4-15 years

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

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

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

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

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

Use of estimates and management judgement

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ACCOUNTING POLICIES

1.3 Property, plant and equipment (continued)

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

1.4 Intangible assets

An asset is identified as an intangible asset when it:

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

An intangible asset is recognised when:

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

Intangible assets are initially recognised at cost.

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

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

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.

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

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

Item	Useful life
Computer software	2 - 10 years

1.5 Financial instruments

Classification

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

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

Western Cape Nature Conservation Board
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ACCOUNTING POLICIES

1.5 Financial instruments (continued)

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 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less any impairment. Interest income is recognised by applying the effective interest rate.

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

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

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

Receivables from exchange transactions

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

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

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

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

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

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

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

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

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ACCOUNTING POLICIES

1.5 Financial instruments (continued)

Cash and cash equivalents

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

1.6 Taxation

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

1.7 Leases

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

Finance leases - lessee

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

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

Operating leases - lessee

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

1.8 Inventories

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

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

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.

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ACCOUNTING POLICIES

1.8 Inventories (continued)

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

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

1.9 Impairment of cash-generating assets

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

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

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

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

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

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

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

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

Identification

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

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

1.10 Impairment of non-cash-generating assets

Identification

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

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

1.11 Western Cape Nature Conservation Fund

In terms of S53 (3) of the Public Finance Management Act (Act 1 of 1999) CapeNature applies annually for the retention of surplus.

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ACCOUNTING POLICIES

1.12 Employee benefits

Short-term employee benefits

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

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

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

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.

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

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

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

1.13 Provisions and contingencies

Provisions are recognised when:

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

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

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

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ACCOUNTING POLICIES

1.13 Provisions and contingencies (continued)

Provisions are not recognised for future operating deficits.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 23.

1.14 Revenue from exchange transactions

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

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

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

Measurement

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

Sale of goods

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

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

Rendering of services

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

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

Interest and royalties

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

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

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

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

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

1.15 Revenue from non-exchange transactions

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

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ACCOUNTING POLICIES

1.15 Revenue from non-exchange transactions (continued)

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

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

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

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

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

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

Recognition

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

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

Measurement

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

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

1.16 Comparative figures

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

1.17 Irregular, Fruitless and wasteful expenditure

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

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

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

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

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ACCOUNTING POLICIES

1.18 Budget information

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

The approved budget covers the fiscal period from 1 April 2012 to 31 March 2013.

1.19 Related parties

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

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

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

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

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the entity has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

GRAP 23: Revenue from Non-exchange Transactions

Revenue from non-exchange transactions arises when an entity receives value from another entity without directly giving approximately equal value in exchange. An asset acquired through a non-exchange transaction shall initially be measured at its fair value as at the date of acquisition.

This revenue will be measured at the amount of increase in net assets recognised by the entity.

An inflow of resources from a non-exchange transaction recognised as an asset shall be recognised as revenue, except to the extent that a liability is recognised for the same inflow. As an entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it will reduce the carrying amount of the liability recognised as recognise an amount equal to that reduction.

The entity has adopted the standard for the first time in the 2011 annual financial statements.

GRAP 24: Presentation of Budget Information in the Financial Statements

Subject to the requirements of paragraph .19, an entity shall present a comparison of the budget amounts for which it is held publicly accountable and actual amounts either as a separate additional financial statement or as additional budget columns in the financial statements currently presented in accordance with Standards of GRAP. The comparison of budget and actual amounts shall present separately for each level of legislative oversight:

- the approved and final budget amounts;
- the actual amounts on a comparable basis; and
- by way of note disclosure, an explanation of material differences between the budget for which the entity is held publicly accountable and actual amounts, unless such explanation is included in other public documents issued in conjunction with the financial statements, and a cross reference to those documents is made in the notes.

Where an entity prepares its budget and annual financial statements on a comparable basis, it includes the comparison as an additional column in the primary annual financial statements. Where the budget and annual financial statements are not prepared on a comparable basis, a separate statement is prepared called the 'Statement of Comparison of Budget and Actual Amounts'. This statement compares the budget amounts with the amounts in the annual financial statements adjusted to be comparable to the budget.

A comparable basis means that the budget and annual financial statements:

- are prepared using the same basis of accounting i.e. either cash or accrual;
- include the same activities and entities;
- use the same classification system; and
- are prepared for the same period.

The adoption of this standard has not had a material impact on the results of the entity, but has resulted in more disclosure than would have previously been provided in the annual financial statements.

GRAP 21: Impairment of non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

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

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

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. New standards and interpretations (continued)

The present value of the remaining service potential of a non-cash-generating asset is determined using one of the following approaches:

- Depreciated replacement cost approach
- Restoration cost approach
- Service units approach

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss. An impairment loss is recognised immediately in surplus or deficit. Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

An entity assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, an entity estimates the recoverable service amount of that asset.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

The impact of the standard is not material.

GRAP 26: Impairment of cash-generating assets

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

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

An entity assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, an entity estimates the recoverable amount of the asset. When estimating the value in use of an asset, an entity estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and an entity applies the appropriate discount rate to those future cash flows.

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss. An impairment loss is recognised immediately in surplus or deficit. Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, an entity determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, an entity shall use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. New standards and interpretations (continued)

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

The impact of the standard is not material.

GRAP 104: Financial Instruments

The standard prescribes recognition, measurement, presentation and disclosure requirements for financial instruments. Financial instruments are defined as those contracts that results in a financial asset in one entity and a financial liability or residual interest in another entity. A key distinguishing factor between financial assets and financial liabilities and other assets and liabilities, is that they are settled in cash or by exchanging financial instruments rather than through the provision of goods or services.

One of the key considerations in initially recognising financial instruments is the distinction, by the issuers of those instruments, between financial assets, financial liabilities and residual interests. Financial assets and financial liabilities are distinguished from residual interests because they involve a contractual right or obligation to receive or pay cash or another financial instrument. Residual interests entitle an entity to a portion of another entity's net assets in the event of liquidation and, to dividends or similar distributions paid at management's discretion.

In determining whether a financial instrument is a financial asset, financial liability or a residual interest, an entity considers the substance of the contract and not just the legal form.

Where a single instrument contains both a liability and a residual interest component, the issuer allocates the instrument into its component parts. The issuer recognises the liability component at its fair value and recognises the residual interest as the difference between the carrying amount of the instrument and the fair value of the liability component. No gain or loss is recognised by separating the instrument into its component parts.

Financial assets and financial liabilities are initially recognised at fair value. Where an entity subsequently measures financial assets and financial liabilities at amortised cost or cost, transactions costs are included in the cost of the asset or liability.

The transaction price usually equals the fair value at initial recognition, except in certain circumstances, for example, where interest free credit is granted or where credit is granted at a below market rate of interest.

Financial assets and financial liabilities are subsequently measured either at fair value or, amortised cost or cost. An entity measures a financial instrument at fair value if it is:

- a derivative;
- a combined instrument designated at fair value, i.e. an instrument that includes a derivative and a non-derivative host contract;
- held-for-trading;
- a non-derivative instrument with fixed or determinable payments that is designated at initial recognition to be measured at fair value;
- an investment in a residual interest for which fair value can be measured reliably; and
- other instruments that do not meet the definition of financial instruments at amortised cost or cost.

Derivatives are measured at fair value. Combined instruments that include a derivative and non-derivative host contract are accounted for as follows:

- Where an embedded derivative is included in a host contract which is a financial instrument within the scope of this Standard, an entity can designate the entire contract to be measured at fair value or, it can account for the host contract and embedded derivative separately using GRAP 104. An entity is however required to measure the entire instrument at fair value if the fair value of the derivative cannot be measured reliably.
- Where the host contract is not a financial instrument within the scope of this Standard, the host contract and embedded derivative are accounted for separately using GRAP 104 and the relevant Standard of GRAP.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. New standards and interpretations (continued)

Financial assets and financial liabilities that are non-derivative instruments with fixed or determinable payments, for example deposits with banks, receivables and payables, are measured at amortised cost. At initial recognition, an entity can however designate such an instrument to be measured at fair value.

An entity can only measure investments in residual interests at cost where the fair value of the interest cannot be determined reliably.

The impact of the amendment is not material.

2.2 Standards and interpretations issued, but not yet effective

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

2. New standards and interpretations (continued)

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

GRAP 18 Segment Reporting

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

GRAP 20 Related Party Disclosure

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

GRAP 25 Employee Benefits

This Standard prescribes similar requirements to those in terms of IAS 19: Employee Benefits. The effective date of this standard is for years beginning on or after 01 April 2013. It is unlikely that the standard will have a material impact on the entity's financial statements.

GRAP 105 Transfer of functions between entities under common control

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

GRAP 106 Transfer of functions between entities not under common control

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

GRAP 107 Mergers

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

Standards not applicable to the entity include:

GRAP 18 Segment Reporting - not required by the Accounting Standards Board

GRAP 103 Heritage Assets - CapeNature does not hold any heritage assets

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

3. Biological assets that form part of an agricultural activity

Non - Financial information

CapeNature's biological assets include wildlife, fauna and flora and are not recognised in the Statement of Financial Position.

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

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

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2013	2012
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4. Property, plant and equipment

	2013			Restated 2012	
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment
Land	11,900,000	-	11,900,000	12,990,000	-
Buildings	10,110,878	(769,628)	9,341,250	9,786,871	(564,371)
Plant and machinery	3,226,177	(1,641,300)	1,584,877	2,884,565	(1,259,863)
Furniture and fixtures	34,913,286	(12,052,956)	22,860,330	23,188,972	(8,267,790)
Motor vehicles	5,053,339	(2,403,430)	2,649,909	3,305,176	(1,564,630)
IT equipment	8,423,569	(5,296,346)	3,127,223	5,819,447	(4,306,929)
Infrastructure	9,750,309	-	9,750,309	13,859,235	-
Motor Vehicles under finance leases	30,877,209	(6,666,991)	24,210,218	26,109,320	(9,768,867)
Communication equipment	837,628	(430,136)	407,492	702,047	(169,425)
Total	115,092,395	(29,260,787)	85,831,608	98,645,633	(25,901,875)
					72,743,758

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - March 2013

	Opening balance	Additions	Disposals	Transfers	Revaluations / Impairments	Depreciation	Total
Land	12,990,000	-	-	-	(1,090,000)	-	11,900,000
Buildings	9,222,500	-	-	-	324,007	(205,257)	9,341,250
Plant and machinery	1,624,702	377,438	(35,194)	45,077	-	(427,146)	1,584,877
Furniture and fixtures	14,921,182	5,454,025	(107,334)	6,601,296	-	(4,008,839)	22,860,330
Boats and vehicles	1,740,546	1,750,417	(987)	-	-	(840,067)	2,649,909
IT equipment	1,512,518	3,010,947	(8,434)	34,606	-	(1,422,414)	3,127,223
Infrastructure	13,859,235	2,562,989	-	(6,671,915)	-	-	9,750,309
Motor Vehicles under finance leases	16,340,453	11,409,292	(1,887,060)	169,064	-	(1,821,531)	24,210,218
Communication equipment	532,622	135,581	-	-	-	(260,711)	407,492
	72,743,758	24,700,689	(2,039,009)	178,128	(765,993)	(8,985,965)	85,831,608

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - March 2012

	Opening balance	Additions	Disposals	Classified as held for sale	Transfers	Revaluations/ Impairments	Depreciation	Total
Land	13,920,000	-	-	-	-	(930,000)	-	12,990,000
Buildings	8,046,250	-	-	-	-	1,351,857	(175,607)	9,222,500
Plant and machinery	1,666,293	388,249	(4,538)	-	-	-	(425,302)	1,624,702
Furniture and fixtures	11,332,637	6,783,117	(329,177)	-	-	-	(2,865,395)	14,921,182
Motor vehicles	1,951,549	464,396	-	-	-	-	(675,399)	1,740,546
IT equipment	2,378,857	735,864	(91,784)	-	-	-	(1,510,419)	1,512,518
Infrastructure	2,141,977	11,717,258	-	-	-	-	-	13,859,235
Motor Vehicles under finance leases	12,431,437	6,880,664	(703,211)	(131,334)	(125,267)	(3,655)	(2,008,181)	16,340,453
Communication equipment	550,249	710,575	(439,688)	-	-	-	(288,514)	532,622
	54,419,249	27,680,123	(1,568,398)	(131,334)	(125,267)	418,202	(7,948,817)	72,743,758

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2013	2012
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4. Property, plant and equipment (continued)

Revaluations

The effective date of the revaluations was 31 March 2013. Revaluations were performed by independent valuers:

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

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

These assumptions were based on current market conditions.

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

Land	5,879,900	5,879,900
Buildings	6,201,365	6,628,511

5. Intangible assets

	2013			Restated 2012	
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment
Computer software	10,314,627	(2,644,233)	7,670,394	10,241,580	(1,461,068)
Reconciliation of intangible assets - March 2013					
	Opening balance	Additions	Disposals	Transfers	Amortisation
Computer software	8,780,512	116,829	(14)	(9,063)	(1,217,870)
Reconciliation of intangible assets - March 2012					
	Opening balance	Additions	Disposals	Transfers	Amortisation
Computer software	329,308	7,079,390	(1,632)	2,534,374	(1,160,928)
Intangible assets under development	2,534,374	-	-	(2,534,374)	-
	2,863,682	7,079,390	(1,632)	-	(1,160,928)

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6. Financial assets by category		
The accounting policies for financial instruments have been applied to the line items below:		
Loans and receivables		
Trade and other receivables	4,904,968	4,679,371
Cash and cash equivalents	65,439,864	51,955,114
	70,344,832	56,634,485
7. Retirement benefits		
Defined benefit plan		
Post retirement medical aid plan		
Changes in the present value of the defined benefit obligation are as follows:		
Opening balance	4,234,000	3,782,000
Net expense recognised in the statement of financial performance	1,563,000	452,000
Closing balance	5,797,000	4,234,000
Net (income)/expense recognised in the statement of financial performance		
Current service cost	66,000	54,000
Interest cost	357,000	341,000
Actuarial (gains) losses	1,383,000	288,000
Less: Contribution plan on behalf of the Board	(213,000)	(184,000)
Actual benefits paid by CapeNature	(30,000)	(47,000)
Total included in employee related costs	1,563,000	452,000

Key assumptions used

Assumptions used in the last valuation 31 March 2013:

A discount rate of 7.55% has been used to place a present value on future subsidy payments. The rate used reflects the yields used on long term government bonds.

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

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

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

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

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

A sensitivity analysis was not done for this valuation.

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7. Retirement benefits (continued)		
Retirement Age	60	65
Discount rates used	7.55 %	8.60 %
Number of members included as active members	48	50
Number of members included as pensioners	22	20
	70	70

Defined contribution plan

Pension Benefits

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

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

It is the policy of the entity to provide retirement benefits to employees who were previously employed by the Department of Environmental Affairs. As at March 2013, the entity employed 733 staff. 158 are members of the Government Employees Pension Fund. The remaining 575 staff members are responsible for their own retirement benefit planning.

The total economic entity contribution to such schemes for the year	3,470,727	3,361,644
8. Inventories		
Uniforms, rations & other merchandise	1,692,589	1,431,135
Fuel	47,488	232,930
Chemical stores	906,283	489,462
	2,646,360	2,153,527

Ivory and other confiscated stocks are not capitalised as there is no legal trading market. As at 31 March 2013, the Board held 10,057 kg (March 2012: 9,883 kg) of confiscated ivory and other stock.

9. Trade and other receivables

Trade debtors	3,198,680	1,460,005
Employee costs in advance from non-exchange transactions	127,318	217,136
Prepaid expenses	419,605	66,907
Trade debtors from non-exchange transactions	1,706,288	3,219,366
	5,451,891	4,963,414

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9. Trade and other receivables (continued)		
The ageing of trade and other receivables at the reporting date		
The ageing of amounts is as follows:		
The ageing of amounts is as follows		
Current	3,517,132	2,247,206
30 days	559,476	1,504,803
60 days	58,598	595,898
90 days plus	1,767,447	1,188,881
	5,902,653	5,536,788

Reconciliation of provision for impairment of trade and other receivables

Opening balance	(573,374)	(207,666)
(Increase)/decrease in allowance recognised in surplus for impairment	69,526	(475,999)
Amounts written off as uncollectible	53,086	110,291
Closing Balance	(450,762)	(573,374)

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

Trade receivables disclosed above include amounts which are past due at the end of the reporting period, but against which CapeNature has not recognised an allowance for doubtful receivables because there has not been a significant change in credit quality and the amounts are still considered recoverable.

10. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	189,010	169,510
Bank balances	65,250,386	51,785,604
	65,439,396	51,955,114

11. Revaluation reserve

Opening balance	21,747,176	21,325,319
Revaluation during the year	(765,993)	421,857
	20,981,183	21,747,176

12. Unspent conditional grants and receipts

Movement during the year

Balance at the beginning of the year	24,221,334	31,383,656
Additional funds received during the year	113,175,288	105,700,846
Income recognition during the year	(114,831,242)	(112,863,168)
Adjustments	1,771,506	-
	24,336,886	24,221,334

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Figures in Rand	2013	2012
12. Unspent conditional grants and receipts (continued)		
Non-current liabilities	16,291,602	13,450,965
Current liabilities	8,045,284	10,770,369
	24,336,886	24,221,334

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

13. Finance Lease Obligations

Long-term Liabilities

Finance lease liabilities	29,558,714	22,724,846
Less: Current Portion transferred to Current Finance Lease Liabilities	(1,007,860)	(3,683,471)
Total Long-term Liabilities	28,550,854	19,041,375

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

Obligations under Finance Lease Liabilities

CapeNature as Lessee:

(a) Finance Leases relate to vehicles with lease terms of between 3 to 36 years. The effective annual interest rate on the Finance Lease payables is between 1.6% and 144.5%. GVX929G and GVX941G, both Mazda Drifters B2600 4x4, were sold in August 2012. The interest rates on these vehicles were 144.5% and 114% respectively. These high percentages were due to the high selling prices achieved and daily tariffs charged over the useful lives of these vehicles compared to the vehicles' cost prices. If these vehicles are excluded, the interest on the Finance Lease payables is between 1.6% and 109.9% which is in line with the prior financial year.

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

(b) The entity leases cellphones on fixed term contracts. The leases were classified as finance leases because all the risks and rewards of ownership have substantially been transferred to the entity. The average term of these cellphone contracts is two years.

The obligations under Finance Leases are as follows:

	Minimum Lease Payments		Present Value of Minimum Lease Payments	
	March 2013	March 2012	March 2013	March 2012
Amounts payable under finance leases				
Within one year	9,382,225	8,231,963	1,007,860	3,683,471
In the second to fifth years	38,916,492	22,726,626	13,807,447	10,248,324
Over five years	18,932,976	11,225,353	14,743,407	8,793,051
Less: Future Finance Obligations	(37,672,979)	(19,459,096)	-	-
Present Value of Minimum Lease Payments	29,558,714	22,724,846	29,558,714	22,724,846

Present Value of Minimum Lease Payments

Less: Amounts due for settlement within 12 months (Current Portion)

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

Present Value of Minimum Lease Payments	
Mar 2013	Mar 2012
29,558,714	22,724,846
(1,007,860)	(3,683,471)
28,550,854	19,041,375

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GMT has finance lease agreements for the following significant classes of assets:

- Motor vehicles

Included in these classes are the following significant leases

-Instalments are payable monthly in arrears

-Average effective interest rate

-Average monthly instalment

-Annual escalation

	GDF330G	GVZ317G
-Average effective interest rate	26.79%	8.41%
-Average monthly instalment	R5,574	R6,699
-Annual escalation	4.93%	4.93%

14. Trade and other payables

Trade payables	24,039,409	19,288,371
Income received in advance	5,599,576	4,616,253
Sundry payables	2,599,743	17,261
Employment leave entitlement from non-exchange transactions	6,296,066	5,348,038
13th cheque cash portion from non-exchange transactions	1,569,281	1,481,065
	40,104,075	30,750,988

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

15. Financial liabilities by category

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

Trade and other payables	34,504,498	26,134,738
Finance lease obligations	29,558,714	22,724,845
	64,063,212	48,859,583

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16. Revenue

Tourism	18,512,042	16,473,699
Property rights and licences	1,750,711	2,538,856
Other Income	7,122,072	5,740,302
Grants, donations and project funds	9,756,470	15,927,899
Monetary government grants received	238,860,810	217,997,078
	276,002,105	258,677,834

The amounts included in revenue arising from exchange of goods or services are as follows:

Tourism	18,512,042	16,473,699
Licences and permits	1,750,711	2,538,856
Other Income	7,122,072	5,740,302
	27,384,825	24,752,857

The amounts included in revenue arising from non-exchange transactions are as follows:

Grants, donations and project funds	9,756,470	15,927,899
Monetary government grants received	238,860,810	217,997,078
	248,617,280	233,924,977

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Figures in Rand	2013	2012
17. Operating surplus		
Operating surplus for the year is stated after accounting for the following:		
(Profit)/Loss on sale of property, plant and equipment	(389,840)	(797,145)
(Gains)/Loss on exchange differences	416	(23,780)
Amortisation on intangible assets	1,217,870	1,160,928
Depreciation on property, plant and equipment	8,985,965	7,948,817
Employee related costs	141,548,986	121,276,980
Audit Fees - External	2,420,389	1,534,826
Consulting and Professional fees	18,780,728	16,783,004
Contractor Costs	31,066,769	29,632,731
18. Employee related costs		
Salaries and wages	135,567,230	117,208,560
Leave pay provision charge	948,029	254,776
Post-retirement medical benefit	1,563,000	452,000
Post-employment pension benefits	3,470,727	3,361,644
	141,548,986	121,276,980
19. Investment revenue		
Interest revenue		
Bank interest	2,693,708	2,174,647
20. Finance costs		
Interest charged	43,992	70,474
Finance costs on leases	7,888,945	4,493,201
	7,932,937	4,563,675
21. Cash generated from operations		
Surplus	9,212,476	26,734,817
Adjustments for:		
Depreciation and amortisation	10,203,835	9,109,745
(Gain)/Loss on sale of assets and liabilities	389,840	797,145
Finance costs - Finance leases	7,888,945	4,493,201
Impairment	-	3,655
Movements in retirement benefit assets and liabilities	1,563,000	452,000
Changes in working capital:		
Inventories	(492,832)	(16,673)
Trade and other receivables	(488,476)	(1,894,161)
Trade & other payables	9,353,083	(2,634,500)
Unspent conditional grants and receipts	115,552	(7,162,323)
	37,745,423	29,882,906

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22. Commitments

22.1. Authorised capital expenditure

Already contracted for but not provided for

• Developments	-	3,670,542
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The following capital commitments will be financed through operating cash flows.

Supply and delivery of Photocopiers	-	910,427
Install rest rooms at Hottentots Holland Nature Reserve	-	292,997
IT Service Management System	-	347,187
Supply, deliver and install fencing at Rocherpan Nature Reserve	-	127,866
Supply, deliver and install virtualisation and storage technology infrastructure	-	1,992,065
IT – Upgrade & Virtualization of Server	490,271	-
Website Design	132,240	-
Subtotal	622,511	3,670,542

22.2. Authorized operational expenditure

a) Approved and contracted

• Reserve Determination Study for the Heuningnes Estuary	609,999	-
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The following operating commitments will be financed through operating cash flows.

The entity has entered into a maintenance contract for the operating leases. Commitments regarding the maintenance are as follows.

b) Operating leases - as lessee (expense)

Minimum lease payments due

- within one year	2,216,701	193,131
- in second to fifth year inclusive	3,329,731	136,618
Subtotal	5,546,432	329,749

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

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

Grand Total	6,778,942	4,000,291
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23. Contingencies

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

Contingent liabilities

Lourensford Estate vs CapeNature	9,000,000	9,000,000
MTO and Cape Sawmills vs CapeNature	33,616,497	33,616,497
Amalienstien vs CapeNature	19,750	19,750
Vickers CJ vs CapeNature	17,575	17,575
Verwey AJ vs CapeNature	-	84,050
MTO and Cape Sawmills vs CapeNature	19,500,000	19,500,000
Heymann JJ vs CapeNature	25,000	-
	62,178,822	62,237,872

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

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

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

The case of Vickers CJ vs CapeNature is in respect of motor vehicle damage at De Hoop Nature Reserve - 7 to 12 March 2010

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

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

Contingent assets

Department of Public Works - Biodiversity Offset Funding	7,500,000	-
CapeNature vs Stellenbosch Municipality	706,557	706,557
CapeNature vs Grootwinterhoek	633,241	633,241
CapeNature vs JB Gerber	291,671	291,671
CapeNature vs Swellendam Municipality	-	663,623
	1,631,469	2,295,092

The Biodiversity offset funding agreement: Upgrading of Main Road 269 between Caledon and Hermanus (Hemel and Aarde). These funds are earmarked solely for the future maintenance of the Shaw Pass offset area - 1 April 2012

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

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

Legal Fees

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

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24. Related parties

Relationships

Members of key management

Refer to note 31

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

Office Rentals

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

Land Rentals

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

GMT Vehicles

Refer to note 13

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

Department of Environmental Affairs (DEA) Natural Resources Management Project

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

25. Prior period errors and reclassifications

Commitments

The disclosure amount of the previous year was incorrectly recorded as R5,491,396. The amount should have been R3,670,542 in line with the detailed disclosure.

Unspent conditional grants and receipts

In the 2012 financial year the project manager's salary and related costs of R304,235 were paid by the Estuary Management: Oceans & Coasts project, but should have been paid from grant funding.

Trade and other receivables

An invoice of R363,543 was incorrectly raised in March 2012; reversed in 2013 financial year.

Trade and other payables

Expenses and trade and other payables were overstated in the previous year amounting to R379,948.

Property, plant and equipment

As a result of the fixed assets verification, it was discovered that project assets acquired between the period April and July 2011 were expensed and should have been capitalised.

Government Motor Vehicles

The Finance lease liability as at March 2012 has been restated due to incomplete daily tariff information used in the present value tables to calculate the finance lease liability in the prior financial year and finance charges of R486,011, operating leases of R475,378, other income of R377,688 and finance leases of R583,701 was affected. This also includes an adjustment against accumulated surplus as at March 2011.

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25. Prior period errors and reclassifications (continued)

Statement of Financial Position

Increase in unspent conditional grants and receipts	-	(304,235)
Decrease in trade and other receivables	-	(363,543)
Decrease in trade and other receivables March 2011	-	(508,993)
Decrease in trade and other receivables	-	(1,021,248)
Increase in property, plant and equipment (cost)	-	503,646
Increase in property, plant and equipment (accumulated depreciation))	-	(61,702)
Decrease in trade and other payables (accrued expenses)	-	352,710
Decrease in trade and other payables (accounts payable)	-	27,238
Increase in finance lease liability	-	(583,701)
Increase in finance lease liability	-	(3,200)
	-	(1,963,028)

Statement of changes in net assets

Decrease in accumulated surplus (correct finance lease liability) March 2011	-	512,193
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Statement of Financial Performance

Decrease in revenue (grants, donations and project funds)	-	304,235
Decrease in revenue (profit on disposal of vehicles)	-	1,021,248
Decrease in operating expenses	-	(520,051)
Increase in depreciation on property, plant and equipment	-	61,702
Increase in other income on vehicles transferred	-	(377,688)
Increase in finance charges	-	486,011
Increase in Operating expenses - operating leases	-	475,378
	-	1,450,835

26. Risk management

Financial risk management

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

Liquidity risk

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

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

At 31 March 2013

Within 1 year Between 2 and Over 5 years
5 years

• Trade and other payables	34,504,498	-	-
• Finance Lease obligations	9,382,225	38,916,492	18,932,976

At 31 March 2012

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

Forward foreign exchange contracts - cash flow hedges			
• Trade and other payables	26,134,738	-	-
• Finance Lease obligations	8,231,963	22,726,626	11,225,353

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26. Risk management (continued)

Interest rate risk

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

Credit risk

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

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

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

Financial instruments	March 2013	March 2012
Trade and other receivables	4,904,968	4,679,371
Cash and cash equivalents	65,439,396	51,955,114

27. 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.

28. Fruitless and wasteful expenditure

During the year under review the board incurred fruitless expenditure amounting to:	43,992	70,474
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March 2013

The amount of R43,992 relates to interest paid on late payments. This is mainly due to timing and billing differences of invoices raised by Government Motor Transport. This matter has been raised and is currently being considered.

March 2012

The amount of R70,474 relates to interest paid on late payments. This is mainly due to interest raised by Government Motor Transport department on outstanding invoices. A penalty of R4,276 was paid to Receiver of Revenue based on a 2008 PAYE assessment.

29. Irregular expenditure

Opening Balance	1,090,939	-
Irregular Expenditure	-	1,090,939
General - procurement process	556,339	-
General - functionality process	195,031	-
Deviation from obtaining less than three(3) quotes	103,233	-
	1,945,542	1,090,939

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29. Irregular expenditure (continued)

Analysis of expenditure awaiting condonation per age classification

Current year	854,603	1,090,939
Prior year	1,090,939	-
	1,945,542	1,090,939

-

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30. Explanation of variances between Actual and Budget

Revenue

Budgeted revenues of R303 million were under-recovered by R24,1 million (7,9%), primarily for the following reasons:

- **Licences and Permits**

Sales of licences and permits were below budget, in line with the on-going economic environment.

- **Grants, Donations and Project funds**

The 65% under-recovery in special project grants was directly associated with the accounting treatment regarding the recognition of revenue.

- **Monetary Government Grants**

Although the entire grant funding was received from the Department of Environmental Affairs (DEA), the adverse variance was attributed to accounting principles relating to the recognition of revenue for conditional/restricted funding.

There were delays in the finalisation of the Natural Resources Management Project agreement with, and consequent receipt of funding from the DEA, which represents 39% of special projects budget. This resulted in a reduction in the scope, and low expenditure on this project, in the period under review.

Expenditure

Budgeted total expenditure of R302 million was underspent by R33,8 million (11,2%), primarily for the following reasons:

- **Personnel**

Personnel costs were below budget as a result of a strategic decision to defer the filling of 14 vacant positions until the last quarter of the financial year. Furthermore, the filling of several other critical positions which were budgeted for in the year under review, were deferred indefinitely due to uncertainty in sustaining these positions in the foreseeable future.

- **Depreciation and amortisation**

The entity did not budget for depreciation despite it being charged and recognised as expenditure to ensure the accuracy of the value of assets maintained by the entity.

- **Finance costs**

As a result of the change in the accounting treatment regarding the recognition of Government Garage arrangement as finance leases, the entity incurred finance costs which were not budgeted for. At the same time, these costs were negated the savings in transport and travel costs, as a result of the daily tariff being deferred to payables.

- **Repairs and maintenance**

A change in Provincial procurement processes required all suppliers to register on a centralised database. This resulted in numerous suppliers to the entity's geographically widespread reserves being unable to comply timeously, resulting in delays in planned maintenance of buildings and other infrastructure.

- **Contractors**

Contractor expenditure was below budget as a result of unavoidable delays in finalising the DEA project funding agreement, and problems experienced by suppliers in registering on the Western Cape Suppliers Data Base. The DEA project constitutes 58% of the contractor budget, which is related to alien vegetation clearing throughout the province.

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Figures in Rand	2013	2012
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30. Explanation of variances between Actual and Budget (continued)

• **Administrative expenses**

Underspend in this area was directly as a result of the deferral in filling vacant positions, and delays in procurement processes. At the same time, the entity realised savings in marketing and communication costs.

• **Stores and livestock**

Procurement processing delays in the first two quarters of the financial year resulted in the postponement of purchases of stores materials, rations and equipment.

• **Transport and Travel**

Because of the decentralised nature of the entity's operations, transport represents significant cost to the entity. However, austerity measures introduced to control this cost, coupled with low activity within the first two quarters of the financial year resulted in spending below the budgeted levels. In line with a change in accounting treatment, the daily tariff charged by the Government Garage for the provision of vehicles is now deferred in order to provide for future acquisition of vehicles. The resultant underspend on the daily tariff negated the finance costs associated with the leased GMT assets.

• **Professional and special services**

Professional and special services costs on special projects were below the levels budgeted as a result of the late finalisation of the DEA agreement, and delays in procurement processes.

Changes from the approved budget to the final budget

The changes between the approved and final budget arose as a result of approved reallocations within the budget parameters, variations within special projects, and the receipt of additional funding of R6.7 million for fire-fighting.

31. Executive Management and Board Member's emoluments

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

Executive Management Emoluments

Moroka TM - Chief Executive Officer* (Resignation date: 31/08/2012)
Hamman KCD - Acting Chief Executive Officer*
Preston A - Chief Financial Officer
Jamie MN - Executive Director: Human Resources (Resignation date: 31/03/2013)
Ismail S - Executive Director: Marketing and Eco Tourism
Meyer LM - Chief Executive Officer *(Resignation date 31/05/2011)
Bekker S - Executive Director: Biodiversity Management *(Resignation date 31/07/2011)
Espey Q - Executive Director: Biodiversity Management* (Appointed date: 01/06/2012)

Other Benefits received

Moroka TM - Chief Executive Officer (Resignation date: 31/08/2012)
Jamie MN - Acting Executive Director: Operations (Resignation date: 31/03/2013)
Pantsi M - Acting Executive Director: Operations
Hamman KCD - Acting Chief Executive Officer
Baard EW - Acting Executive Director: Biodiversity
Vaughan R - Acting Executive Director: Human Resources

448,591	951,239
986,092	828,457
855,052	772,362
822,807	792,270
835,143	792,270
-	186,823
-	335,955
726,845	-
538,310	-
(7,841)	7,841
50,590	194,287
80,937	-
161,711	-
189,383	-
5,687,620	4,861,504

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Figures in Rand	2013	2012
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31. Executive Management and Board Member's emoluments (continued)

*Not for the full year

The above mentioned 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 bonus or incentive scheme is in place and no such payments were made to the above individuals.

Board Members emoluments (Non-executive)

	Remuneration	Reimbursive Expenses	Total March 2013	Total Mar 2012
Prof Redlinghuis A (Resigned: 08/10/2012)	61,693	2,109	63,802	70,931
Dr Johnson C	108,078	69,296	177,374	148,810
Mr Van der Merwe J (End of term: 28/02/2013)	57,319	8,289	65,608	42,337
Dr February E	29,511	-	29,511	14,168
Ms Du Bruyn F	69,568	11,180	80,748	64,541
Mr Kok E	71,461	3,100	74,561	60,209
Mr Eaton M	32,336	7,427	39,763	25,756
Prof Hanekom F	24,251	11,621	35,872	27,200
Mr Lotter C	42,920	558	43,478	-
Prof Maneveldt G	21,506	-	21,506	-
Mr Kagee H (End of term: 30/10/2011)	2,237	-	2,237	57,967
Ms Dilima N (End of term: 30/10/2011)	-	-	-	22,798
Dr McKenzie B (Appointed: 01/03/2013)	1,947	-	1,947	-
Adv Mdludlu M (Appointed: 01/03/2013)	1,947	-	1,947	-
Ms McOmbring-Hodges M (Appointed: 01/03/2013)	1,947	-	1,947	-
	526,721	113,580	640,301	534,717

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Unaudited Unspent Conditional Grants and Receipts

Figures in Rands

Funder	Opening Balance 1 April 2012	Funds Received	Project Expenses incurred	Adjustments	Closing Balance as at 31 March 2013
Earmarked Funds - ICM	1,487,001	31,245,000	31,159,926	(1,487,001)	85,074
Earmarked ICM for Tourism	0	2,000,000	1,417,488		582,512
Earmarked Tourism	0	22,966,000	20,538,573		2,427,427
CBNRM People and Parks	543,557	1,000,000	910,522		633,035
Earmarked Funds - IT Governance	2,115,851	3,137,000	3,224,230		2,028,621
Duiwehok and Goukou Wetland Rehabilitation Project	(85,344)	1,020,793	1,820,545		(885,096)
Wetland Rehabilitation Project	(535,330)	1,421,686	1,374,194	708,953	221,114
Peninsula Wetland Rehabilitation Project	37,258	273,719	975,616		(664,639)
Expanded Whale Trail Poverty Relief	1,538,377	0	1,546		1,536,832
Poverty Relief Driftsands Project	1,768,148	82,004	1,090,498		759,654
Klipgat Cave - Cultural Heritage	(512)	640,935	1,546		638,877
National Youth Service Program	951,477	42,350	1,546		992,281
Runaway Fires Emergency Fund	2,024	0	1,677		347
Albertinia & Surrounds Aloe Project	141,132	11,916	98,753		54,296
Aerial Fire fighting Fund	(384)	0	0		(384)
Other Special Funded Projects	11,503,036	10,888,228	12,767,869	3,834,328	13,457,723
DEDT Bird Island project Lamberts Bay	1,000,000	0	136,135		863,865
Dept of Water Affairs	2,515,878	32,445,657	31,836,589	(2,515,878)	609,068
Walker Bay Conservation Area	(514)	0	0	551	37
Job Creation: DEA&DP Funding	1,237,912	6,000,000	7,473,988	1,234,413	998,337
Cederberg Hiking Trail Maintenance project	709	0	0		709
Gamkaberg Conservation Economy Project	(8,192)	0	0		(8,192)
RiverHealth 2nd Project	9,251	0	0	(3,862)	5,389
	24,221,334	113,175,288	114,831,242	1,771,506	24,336,886
Classification on Unaudited Unspent Conditional Grants and Receipts					
Contracts to be completed within the next financial year	10,770,369				8,045,284
Contracts to be completed more than one year from now	13,450,965				16,291,602
Total Unaudited Unspent Conditional Grants and Receipts	24,221,334				24,336,886



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