

ANNUAL REPORT

2020/2021



CapeNature

Conserve. Explore. Experience.



Photo in circle: Scott Ramsay



CapeNature



ANNUAL
REPORT
2020/2021

Contents

A

GENERAL INFORMATION 5

1. PUBLIC ENTITY'S GENERAL INFORMATION 6
2. LIST OF ABBREVIATIONS/ACRONYMS 7
3. FOREWORD BY THE CHAIRPERSON 8
4. CHIEF EXECUTIVE OFFICER'S OVERVIEW 10
5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT 15
6. STRATEGIC OVERVIEW 16
 - 6.1. Vision 16
 - 6.2. Mission 16
 - 6.3. Values 16
7. LEGISLATIVE AND OTHER MANDATES 17
 - 7.1. Constitutional mandates 17
 - 7.2. Legislative mandates 17
8. ORGANISATIONAL STRUCTURE 21

B

PERFORMANCE INFORMATION 23

1. AUDITOR'S REPORT: PREDETERMINED OBJECTIVES 24
2. SITUATIONAL ANALYSIS 24
 - 2.1. Service Delivery Environment 24
 - 2.2. Organisational Environment 31
 - 2.3. Key policy developments and legislative changes 32
 - 2.4. Progress Towards Achievement of Institutional Impacts and Outcomes 32
3. PERFORMANCE INFORMATION BY PROGRAMME 35
 - 3.1. Programme 1: Administration and Governance 35
 - 3.2. Programme 2: Biodiversity Capabilities 38
 - 3.3. Programme 3: Conservation Operations 41
 - 3.4. Programme 4: Marketing and Eco-tourism: Access 45
4. REVENUE COLLECTION 51

C**GOVERNANCE****53**

1. INTRODUCTION 54
2. PORTFOLIO COMMITTEES (IF APPLICABLE) 54
3. EXECUTIVE AUTHORITY 54
4. THE ACCOUNTING AUTHORITY / BOARD 55
5. RISK MANAGEMENT 64
6. INTERNAL CONTROL UNIT 66
7. INTERNAL AUDIT AND AUDIT COMMITTEES 67
8. COMPLIANCE WITH LAWS AND REGULATIONS 68
9. FRAUD AND CORRUPTION 68
10. MINIMISING CONFLICT OF INTEREST 69
11. CODE OF CONDUCT 69
12. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES 69
13. COMPANY/BOARD SECRETARY (IF APPLICABLE) 71
14. SOCIAL RESPONSIBILITY 72
15. AUDIT, FINANCE AND ICT COMMITTEE REPORT 73
16. B-BBEE COMPLIANCE PERFORMANCE INFORMATION 75

D**HUMAN RESOURCE MANAGEMENT****77**

1. INTRODUCTION 78
2. HUMAN RESOURCE OVERSIGHT STATISTICS 79

E**FINANCIAL INFORMATION****85**

1. REPORT OF THE EXTERNAL AUDITOR 86
2. ANNUAL FINANCIAL STATEMENTS 91





Part A
GENERAL
INFORMATION

I. PUBLIC ENTITY'S GENERAL INFORMATION

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

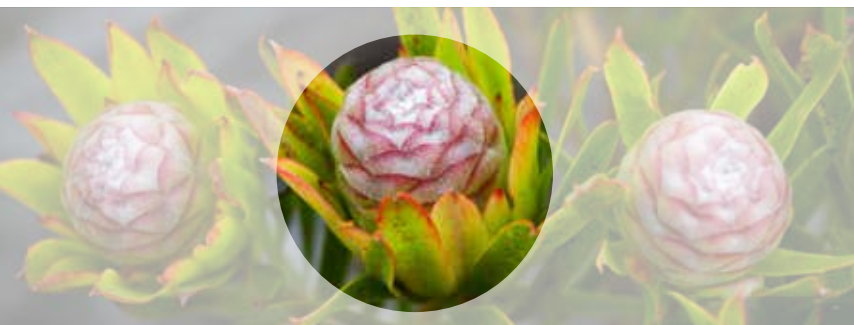


Photo: Scott Ramsay

2. LIST OF ABBREVIATIONS/ ACRONYMS

AGSA	Auditor-General of South Africa
APP	Annual Performance Plan
CAPEX	Capital Expenditure
CEO	Chief Executive Officer
DFFE	Department of Forestry, Fisheries and the Environment
EPWP	Expanded Public Works Programme
FTE	Full Time Equivalent
GCFR	Greater Cape Floristic Region
GCTWF	Greater Cape Town Water Fund
HR	Human Resources
ICT	Information and Communication Technology
METT	Management Effectiveness Tracking Tool
MTEF	Medium-Term Expenditure Framework
PAMP	Protected Area Management Plan
PBSAP	Provincial Biodiversity Strategy and Action Plan
PFMA	Public Finance Management Act
SCM	Supply Chain Management
SMME	Small Medium and Micro Enterprise
WILs	Work Integrated Learners
WWF-SA	World Wildlife Fund South Africa



3. FOREWORD BY THE CHAIRPERSON



Prof Denver Hendricks

In 2019/20, CapeNature undertook a redesign process to be better able to fulfil its mandate across the landscape. Little did we know that 2020/21 would find the entity, and the world at large, reinventing itself again to deal with the COVID-19 pandemic and a new way of working. Despite the unprecedented changes in the world, CapeNature continued to carry out its mandate, this being biodiversity conservation, education and awareness, and income generation.

While our mandate focuses on conservation, we recognise the ability of the conservation estate to provide opportunities for sustainable livelihoods, particularly for marginalised communities. This has become even more important with the COVID-19 pandemic that has negatively affected the economy on a large scale. CapeNature was able to provide 662 full time equivalents with contract employment opportunities. A further 1 212 work opportunities through environmental programmes were created. This has brought much needed financial aid to communities adjacent to protected areas.

The global impact of COVID-19 on the tourism sector certainly registered at CapeNature - this was one of the sectors that was, and continues to be severely hamstrung by the impacts of the pandemic. During this period, it was critical to collaborate with National and Provincial tourism

authorities to ensure that the CapeNature brand continued to be top of mind. The second half of the year saw a resurgence of the domestic tourism market. This, coupled with the relaunch of the iconic Whale Trail that was closed for nearly 18 months after undergoing major upgrades and the launch of the Mbali Collection at Kogelberg Nature Reserve, ensured that the year ended on an emerging positive trend, which was needed to restore hope and confidence in our tourism offering.

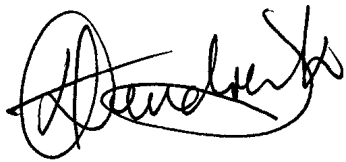
CapeNature made significant progress in the management and expansion of the Western Cape Conservation Estate by securing priority landscapes for the conservation of biodiversity, ecosystems and water security. The completion of three additional Protected Area Management Plans (PAMPs) serve to improve the management of the conservation estate including some of South Africa's Strategic Water Source Areas in the Western Cape. This bodes well for water security and the maintenance and improvement of ecosystem service delivery.

Despite 2020/21 being a challenging year, I am proud that CapeNature managed to achieve and in some cases, over-achieve all the targets in the Annual Performance Plan (APP), barring the target related to tourism income. This is testimony to our Chief Executive Officer, Dr

Razeena Omar, ably supported by her executive team. I am grateful to all the staff at CapeNature for their hard work and dedication in a trying year.

I acknowledge our partners who have worked closely with us as we execute our mandate; in particular the Western Cape Minister of Local Government, Environmental Affairs and Development Planning, Minister Anton Bredell, and the Department of Environmental Affairs and Development Planning.

Lastly, my appreciation goes to the Board for their role in growing the entity while ensuring that the entity's duties are performed as per the Public Finance Management Act.



Prof Denver Hendricks
Chairperson of the Western Cape
Nature Conservation Board
CapeNature
August 2021



Photo: Scott Ramsay

4. CHIEF EXECUTIVE OFFICER'S OVERVIEW



Dr Razeena Omar

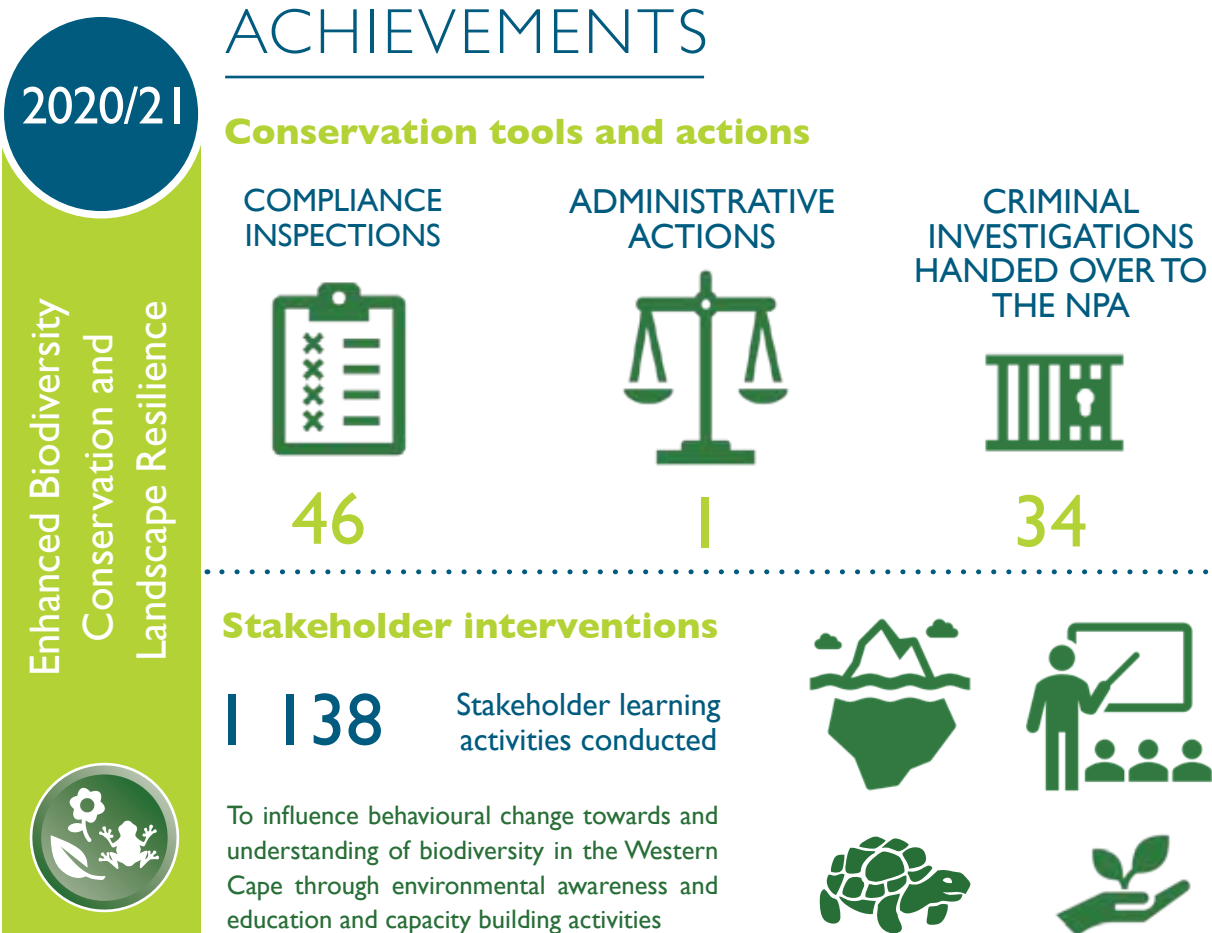
During the reporting year 2020/21, the first of a new five-year strategic cycle of 2020-2025, CapeNature has met all the performance targets set out for the financial year, and in some cases exceeded them, despite the devastating impact of the COVID-19 pandemic. The achievements of the entity, outlined in the infographic below, include exceeding the target set on the expansion of land under protected area management, largely through stewardship agreements. Furthermore, the entity published the first annual State of Conservation Report for the Western Cape, which highlights biodiversity achievements, challenges, impacts and other biodiversity gains.



CapeNature as the biodiversity regulating authority in the Western Cape, conducted 46 compliance inspections of facilities needing to comply with environmental regulations, handed 34 criminal investigations to the National Prosecuting Agency and issued one administrative enforcement notice for non-compliance with environmental legislation.

The entity had to reconceptualise the planned Learning and Awareness contact sessions with external stakeholders (schools, municipalities, community groupings, partners and other stakeholders), during the COVID-19 pandemic. Despite the challenges, the annual target was exceeded significantly by conducting a total of 1 138 stakeholder learning activities. Of the total, 55% of activities were attributed to broadcast media, 23% digital media, 16% contact activities and 6% print media.

The infographic below sets out the regulatory compliance and stakeholder learning achievements during the reporting period.



CapeNature places great importance on job creation and creating employment opportunities for communities that surround our nature reserves. During 2020/21, the entity exceeded the job creation and work opportunity targets by generating 662 Full Time Equivalent (FTE) employment contracts and 17 contracts for Work Integrated Learners (WILs) and graduate interns. The appointment of Small, Micro & Medium Enterprise (SMME) contractors in the security (gate guarding), laundry and cleaning, hiking trail maintenance, fire prevention (fire breaks) and fire suppression sectors, resulted in the entity creating 1 212 work opportunities through environmental programmes. The infographic below sets out the job creation and employment opportunity achievements during the reporting period.

2020/21

Individuals benefitting
from job creation
initiatives

ACHIEVEMENTS

WORK OPPORTUNITIES

created through environmental programmes



1 212

LEARNERS

appointed through various initiatives in the sector (including learnerships)



17

EMPLOYMENT

opportunities provided through EPWP programmes



662

GENERAL FINANCIAL REVIEW OF THE PUBLIC ENTITY

CapeNature's total revenue generated amounted to R357 million for the period under review. In this regard, R297 million was received from the Department of Environmental Affairs and Development Planning (DEADP) and the remaining funds were generated from other funders and own revenue streams.

Revenue generated from eco-tourism activities was negatively impacted by the COVID-19 lockdown regulations. However, the entity recovered during the second half of the financial year to generate almost R28 million once the restrictions were eased.

SPENDING TRENDS OF THE PUBLIC ENTITY

The entity managed to spend 97% of its total budget on the accrual basis and 94% on cash basis. The impact of COVID-19 on the economy resulted in the entity having to reduce its budget. This resulted in the operating expenditure of the entity of R350 million being lower than the R378 million of the previous year. The lockdown restrictions created significant delays on capital infrastructure projects and at the end of the year the entity had R6 million in capital commitments.

CAPACITY CONSTRAINTS AND CHALLENGES FACING THE PUBLIC ENTITY

CapeNature's operations and growth in personnel is curtailed as the levels of operations can no longer be sustained due to the reduction in available resources over the Medium-Term Expenditure Framework (MTEF). This has further been exacerbated with the reduction in allocations and expected loss of own

income caused by the pandemic. As a result, the sustainability of personnel obligations, coupled with impeded growth in required operational funding, remains a concern. Due to limited resources, the entity largely focused on sector indicators and national priorities, reducing targets where applicable.

DISCONTINUED ACTIVITIES/ ACTIVITIES TO BE DISCONTINUED

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

NEW OR PROPOSED ACTIVITIES

No new activities were implemented.

SUPPLY CHAIN MANAGEMENT

All concluded unsolicited bid proposals for the year under review

No unsolicited bids were received for the year under review.

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

The entity maintained effective Supply Chain Management systems.

Challenges experienced and how they will be resolved

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

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

There were no audit report matters in the previous year.

Outlook/ Plans for the future to address financial challenges

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

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

Events after the reporting date

There were no significant events after the reporting date.

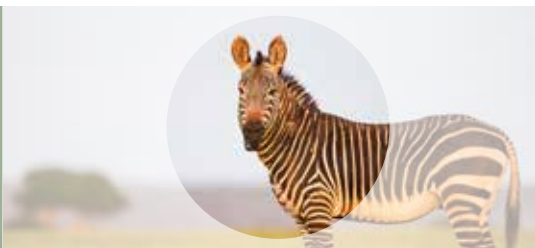


Photo: Scott Ramsay

ECONOMIC VIABILITY

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

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

The impact of COVID-19 on the entity's ability to generate own revenue from eco-tourism was significant and the entity has been working on interventions to mitigate this risk over the MTEF period, which have yielded positive results post the easing of the initial lockdown restrictions.

ACKNOWLEDGEMENT/S OR APPRECIATION

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

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

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



Dr Razeena Omar
CHIEF EXECUTIVE OFFICER
CapeNature
August 2021



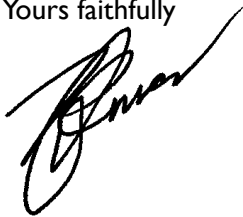
5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

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

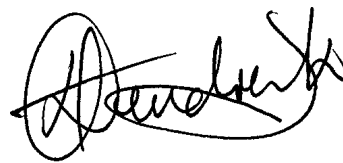
- All information and amounts disclosed in the Annual Report is consistent with the Annual Financial Statements audited by the Auditor-General.
- The Annual Report is complete, accurate and free from any omissions.
- The Annual Report has been prepared in accordance with the guidelines on the Annual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

In our opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the public entity for the financial year ended 31 March 2021.

Yours faithfully



Chief Executive Officer
Dr Razeena Omar
August 2021



Chairperson of the Board
Professor Denver Hendricks
August 2021

6. STRATEGIC OVERVIEW

6.1. Vision

Conserving nature for resilience and sustainability.

6.2. Mission

To conserve, protect and restore our natural environment by inspiring and influencing positive change.

6.3. Values

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

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



7. LEGISLATIVE AND OTHER MANDATES

7.1. Constitutional mandates

CapeNature is a Schedule 3C public entity responsible for nature conservation in the Western Cape. It discharges this mandate in terms of Schedule 4 of the Constitution of the Republic of South Africa, 1996 which sets out functional areas of concurrent national and provincial legislative competence.

7.2. Legislative mandates

CapeNature is the executive arm of the Western Cape Nature Conservation Board (WCNCB), established in terms of the Western Cape Nature Conservation Board Act, 1998 (Act 15 of 1998) as amended. The Act has three general objectives:

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

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

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

INTERNATIONAL CONVENTIONS, PROTOCOLS AND POLICIES:

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

NATIONAL LEGISLATION:

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

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

PROVINCIAL LEGISLATION:

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

- Constitution of the Western Cape, 1998 (Act 1 of 1998)
- Land Use Planning Ordinance, 1985 (Ordinance 15 of 1985)
- Nature Conservation Ordinance, 1974 (Ordinance 19 of 1974)

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

NEW LEGISLATION AND POTENTIAL IMPACTS:

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

- Climate Change Bill, 2018
- National Environmental Management Laws Amendment Bill, 2017
- Threatened or Protected Species Regulations, 2007
- Western Cape Biodiversity Bill, 2019

POLICY MANDATES

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

NATIONAL STRATEGIC FRAMEWORKS:

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

PROVINCIAL STRATEGIC FRAMEWORKS:

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

INSTITUTIONAL POLICIES AND STRATEGIES OVER THE FIVE-YEAR PLANNING PERIOD

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

RELEVANT COURT RULINGS

None

PLANNED LEGISLATIVE AND POLICY INITIATIVES

The following policies and charters were reviewed during the 2020/21 year:

- Board Charter
- Board Eco-tourism and Access Committee Charter
- Board Audit Finance and Information and Communication Technology (ICT) Committee Charter
- COVID-19 Occupational Health and Safety Policy
- Records Management Policy
- Protection of Personal Information Act Policy
- Honeybee Colonies in CapeNature Protected Areas Policy
- Gender Mainstreaming Policy
- Gifts and Hospitality Policy



8. ORGANISATIONAL STRUCTURE







Part B
PERFORMANCE
INFORMATION

I. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs the necessary audit procedures on performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against 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 86 of the Annual Report, which sets out the Report of the Auditor-General, published as Part E: Financial Information.

2. SITUATIONAL ANALYSIS

2.1. Service Delivery Environment

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

- Enhanced biodiversity conservation and landscape resilience; and
- Advanced economic sustainability.

The 2020/21 financial year marked the first year of the current 5-year strategic cycle and during the year under review, CapeNature forged ahead with biodiversity and conservation initiatives, meeting all the performance targets set in the 2020/21 APP. This achievement is noteworthy given the far-reaching impact of the COVID-19 pandemic, not only on the entity but on the broader functioning of government, South Africa in general, and globally. Minimal in-year amendments, influenced by the impact of the COVID-19 pandemic, were effected to the originally tabled APP.

Conserving Nature for Resilience and Sustainability

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

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

Programme 2: Biodiversity Capabilities

Protected Area Expansion and Stewardship

CapeNature endeavours to expand the Western Cape Conservation Estate through either externally funded land acquisition, for example with funding from World Wildlife Fund South Africa (WWF-SA), or through biodiversity stewardship. Biodiversity stewardship facilitates conservation on privately owned and municipal land via formal agreements between landowners and CapeNature.

Following the national imperative, the entity successfully reviewed the 2016-2020 Western Cape Protected Area Expansion Strategy, and finalised the 2021-2025 Strategy during the reporting period, thus achieving the APP target.

CapeNature exceeded the target for the number of hectares in the conservation estate (target = 5 000 ha) by 2 156.44 ha for an annual achievement of 7 156.44 ha. The following properties were added to the conservation estate:

• Diemersdal Conservation Area	16.87 ha
• Fynbosstrand Nature Reserve	425.6964 ha
• Grootbos Nature Reserve	2 440.097 ha
• Fontein Nature Reserve	400.6927 ha
• Jakkalsdans Nature Reserve	924.1438 ha
• Keiserdrift Conservation Area	198.3 ha
• Kogelberg Nature Reserve	776.4542 ha
• Kwessie Nature Reserve	429.6509 ha
• Puntjie Nature Reserve	102.1145 ha
• Riverscape Conservation Area	256.32 ha
• Shaw's Pass Nature Reserve	57.7955 ha
• Triangle Nature Reserve	989.0624 ha
• Zoetighyd Conservation Area	139.24 ha

The entity also exceeded the annual target for the number of biodiversity stewardship sites declared by six for an annual achievement of seven biodiversity stewardship sites that were declared (target = 1). The sites are:

- Fynbosstrand Nature Reserve
- Zoetighyd Conservation Area
- Diemersdal Conservation Area
- Riverscape Conservation Area
- Grootbos Nature Reserve
- Keiserdrift Conservation Area
- Puntjie Nature Reserve



Dealing with illegal collection of succulent plants

The use of drone technology was employed for surveillance of the Critically Endangered Gibbaeum pachypodium in the Little Karoo, through a partner project funded by Table Mountain Fund and WWF-SA. This succulent has an extremely restricted distribution on unprotected private land and is subject to poaching.

A total of nine parcels containing protected flora were mailed in the Table View area on 2 and 3 November 2020 and were intercepted by SARS Customs at the mail sorting depot in Epping on 4 and 13 November 2020. CapeNature investigated and counted 12 879 plants, consisting of 12 831 Conophytum comptonii and 48 Anacampteros sp., identified by a specialist. Rampant poaching of succulent plants, especially in the north-western corner of the Western Cape and the Northern Cape continued during the reporting period.

Photo: Donovan Kirkwood

The State of Conservation in the Western Cape

The first annual State of Conservation Report for the Western Cape was published during the reporting period, achieving the APP target. The report highlights biodiversity achievements, challenges, impacts and significant biodiversity gains, particularly the expansion of the conservation estate. These annual State of Conservation Reports will inform the State of Biodiversity Report produced every five years.

The 2020 State of Conservation Report provided:

- Responses to the recommendations of the 2018 National Biodiversity Assessment;
- Synthesis and prioritisation of recommendations from the 2017 State of Biodiversity Report;
- Status updates on terrestrial, marine, freshwater and wetland ecosystems;
- Identification of threats to biodiversity;
- Status updates on indigenous species, biological invasions and invasive alien plants;
- Biodiversity crime response;
- Climate change response;
- An update on biodiversity monitoring and surveillance; and
- Updated statistics for the Western Cape Conservation Estate.

Administration and Enforcement of Biodiversity and Nature Conservation Legislation

As the biodiversity regulating authority in the Western Cape, CapeNature issues biodiversity permits to members of the public to comply with legislation and authorise certain restricted activities. During the reporting period, the entity overachieved the annual target for number of permits issued within the legislated timeframes by issuing a total of 4 122 permits (target = 4 000).

In order to establish baselines for three new indicators, CapeNature:

- Conducted 46 compliance inspections of facilities needing to comply with environmental regulations;
- Handed 34 criminal investigations to the National Prosecuting Agency; and
- Issued one administrative enforcement notice for non-compliance with environmental legislation (the Nature Conservation Ordinance 19 of 1974 and its associated Regulations), in respect of:
 - The neglect and/or failure to, in terms of Regulation 36(1), keep a proper register of all wild animals held in captivity at a facility; and
 - The neglect and/or failure to comply with CapeNature's requirements for keeping of wild animals in captivity.

During the reporting period, CapeNature officials issued 78 spot fines (J534 fines) and opened 35 criminal case dockets for non-compliance with environmental legislation.

Integrated Catchments

CapeNature established and maintained partnerships with the Western Cape Umbrella Fire Protection Association, Volunteer Wildfire Services, MTO Forestry, Working on Fire and District Municipalities to ensure effective response to fires. In addition, CapeNature maintains 32 other working partnerships with biodiversity and conservation partners (public entities, tertiary institutions, non-profit organisations and non-governmental organisations).

These partnerships play a significant role in ensuring a rapid and effective response to wildfires. Pre-fire season audits were completed covering audits of fire-fighting equipment, personal protective equipment and procurement of aerial support. Fire response plans for the 2020/21 fire season were compiled for each CapeNature Landscape. These plans guide CapeNature's response to wildfire suppression by ensuring uniformity and a consolidated response from a strategic, human resource and fire-fighting equipment, including aircraft, point of view.

Programme 3: Conservation Operations

Protected Area Management

CapeNature manages a protected area network comprising 16 Nature Reserve Complexes, totalling 828 996.92 ha, which includes 42 739.31 ha of Marine Protected Areas. The National Environmental Management: Protected Areas Act (Act 57 of 2003) obligates South African conservation agencies to develop and implement PAMPs to guide management implementation and maintain and improve management effectiveness of protected areas under their management. During the reporting period, CapeNature completed three PAMPs; Hex River, Grootwinterhoek and Rivieronderend Nature Reserves & World Heritage Complexes.

The afore-mentioned three complexes are home to five of South Africa's Strategic Water Source Areas. The freshwater ecosystems within these complexes form part of extensive mountain catchments of water from both surface and groundwater sources. They deliver good quality water to various water users in the agricultural and municipal areas of the Olifants/ Doring, Berg, Breede and the upper Gouritz Water Management Areas. The Grootwinterhoek complex, for example, feeds water into the Voëlvlei Dam, which supplies water to the City of Cape Town. These water source areas are also important for biodiversity and ecosystem conservation. The mountain slopes contain various sensitive seepages, wetlands and headwater streams, and their continued protection is critical for the conservation of the river, wetland and aquifer dependent ecosystems and the species they support.

Strategic Water Source Areas

South Africa identified a total of 22 Strategic Water Source Areas (surface water) and 37 Strategic Water Source Areas (groundwater) as vital for water and economic security for South Africa (Le Maitre, et al., 2018¹). Six of these areas occur in the Western Cape and large portions are found in the Boland, Langeberg, Outeniqua and Swartberg Mountains. Forty eight percent (48%) of CapeNature-managed protected areas falls within South African Strategic Water Source Areas. It is critically important for CapeNature to continue managing these areas (both surface and groundwater), to ensure reliable and good quality water provision to the receiving environment, both built/ developed and natural ecosystems of the Western Cape.

¹ Le Maitre, et al., 2018.

Greater Cape Town Water Fund (GCTWF) Partnership

Additional invasive alien plant clearing through the GCTWF strategic partnership has proven beneficial to CapeNature during the 2020/21 performance year. The partners, The Nature Conservancy (TNC), WWF-SA and Working on Fire High Altitude Teams focussed most of their clearing efforts on the Du Toits (4 442 ha, R8.4 million), Upper Berg (1 508 ha, R1.6 million), Upper Riviersonderend (1 359 ha, R1.1 million) and Wolwekloof (233 ha) sub-catchments, which fall within the Hottentots Holland Nature Reserve Complex. The total hectares cleared on CapeNature-managed land was 7 542 ha valued at R11.1 million. This strategic partnership has unlocked invasive alien plant clearing efforts both on and off CapeNature-managed land totalling 8 342 ha cleared to the value of R12.1 million for the reporting period.

Invasive Alien Species Management

Water consumption by invasive alien plants, such as pine trees, in mountain catchments of the Western Cape, significantly reduces the amount of water that exit these catchments, leaving less water to accumulate in dams which provide water for the people of the Western Cape. During the reporting period, CapeNature, through its Natural Resource Management Programme, implemented 16 clearing projects focused on CapeNature-managed protected areas. Despite the COVID-19 pandemic and other associated challenges preventing full implementation of all projects, CapeNature managed to clear a total of 3 965 hectares. The following communities benefitted economically from the implementation of alien clearing projects primarily through job creation opportunities: Genadendal, Swellendam, Kleinmond, Paarl, Wellington, Grabouw, Mamre, Oudtshoorn, George, and Knysna.

In addition to invasive alien plants, CapeNature partnered with the non-profit company, Invasive Fish Species Management, leading to the removal of 1 258 individual invasive alien carp (freshwater fish) totalling 3 600 kg from the Groenvlei near Sedgefield during the reporting period (2019: 1 483 carp weighing 6 064 kg; total weight: 14 643 kg, 2018: 1 319 carp weighing 5 886 kg). The invasive alien carp were donated primarily to the Smutsville community in Sedgefield as well as to the Sedgefield Meals on Wheels soup kitchen and the Masithandane House for the Sick in partnership with the Knysna Municipality. With one carp feeding approximately four people, it is estimated that an approximate 15 088 people were fed during the last three years. Invasion of the Groenvlei by invasive carp, one of the world's 100 worst invasive alien species, has led to the deterioration of the water quality of Groenvlei. The removal of these invasive alien carp has a three-way benefit, namely; successful invasive alien species management, improvement of water quality (ecosystem restoration) and community beneficiation.

Fire Management

During the reporting period, CapeNature responded to a total of 76 fires in the Western Cape. These fires were reported from, amongst others, the Limietberg, Hottentots Holland, Jonkershoek, Kogelberg, Driftsands and Cederberg Nature Reserves. The area burned totals 31 198.7 ha. In comparison, there were 66 fires responded to during the 2019/20 fire season. The main cause of wildfires during this reporting period remains human-induced ignitions. Below is a graph of the number of fires since 2001/02 with the corresponding number of hectares burnt (Figure 1).

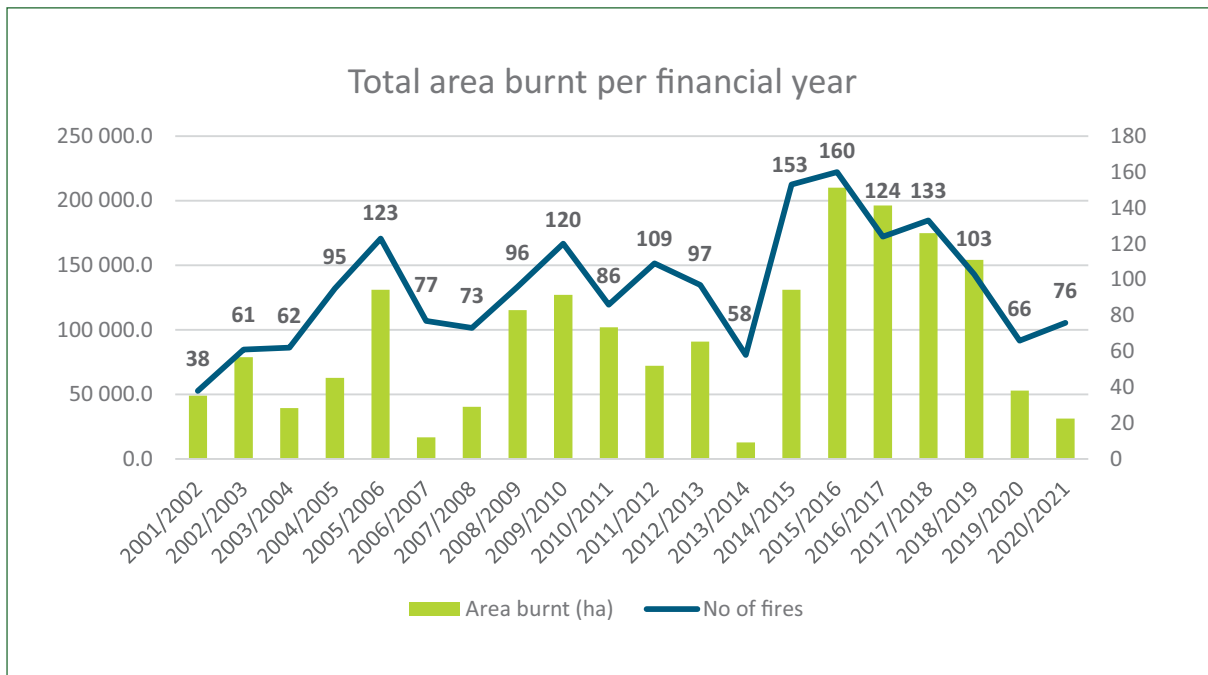


Figure I: Total number of fires and number of hectares burnt

Marine and Coastal Management

During the reporting year CapeNature continued managing six Marine Protected Areas. These are the Robberg, Goukamma, Stilbaai, De Hoop, Betty’s Bay and Rocherpan Marine Protected Areas. In addition, Dyer, Dassen and Bird (Lambert’s Bay) Islands remain under CapeNature’s management as three globally important sites for the protection of threatened seabirds such as the African Penguin, Cape Gannet, Bank and Cape Cormorant. Quarterly progress reports were submitted to the national Department of Forestry, Fisheries and the Environment (DFFE) to track management performance.

CapeNature played an important role in maintaining a continued and effective compliance and enforcement presence in the Overberg abalone and West Coast rock lobster poaching hotspots during the reporting period, primarily between Betty’s Bay in the Central Landscape and Pearly Beach in the South Landscape. Despite the challenges of the COVID-19 pandemic, integrated local compliance and enforcement operations continued jointly between CapeNature and national Phakisa partners, namely the South African National Defence Force, DFFE Fisheries Branch and the South African Police Services. The extended period covered by these operations yielded positive results, achieved through effective strategic planning and the critical presence of committed officials on site.

The implementation of emergency measures and the successful breaching of both the Bot River and the Heuningnes River Estuaries during the reporting period was tested for the first time in the Western Cape. Management plans and processes established to deal with these emergencies were activated in a collective and collaborative way and within a designated stakeholder engagement framework.



Programme 4: Eco-tourism and Access

Due to the global impact of the COVID-19 pandemic on the international and local tourism sectors and the associated uncertainty regarding further lockdowns, changing regulations and restrictions, the entity, in consultation with the Western Cape Department of Environmental Affairs & Development Planning, Provincial Treasury and the Department of the Premier opted to remove the tourism income generation APP indicator from the 2020/21 Annual Performance Plan.

In a concerted effort to promote access after the lifting of COVID-19 restrictions, the revised internal target of R20 508 618 was surpassed by 33% during the reporting period, resulting in the final tourism income of R27 789 639. The top three income generators based on its percentage contribution to income generation are as follows:

- Accommodation 44%
- Entrance fees and hiking 45%
- Wildcard sales 5%

During the reporting period, the entity generated an Advertising Value Equivalent (AVE) of R107 334 940 with a combined positive and neutral public sentiment of 98%. All social media platforms experienced growth in followers, including Facebook (40%), Twitter (25%), Instagram (67%), LinkedIn (227%) and YouTube (647%). The total number of website engagements amounted to 743 808 resulting in a 5% increase compared to the previous year. The client newsletter subscriber list grew by 18%.

There were 12 marketing promotional activities conducted during the reporting period and geared towards stimulating visitor confidence to travel, promoting healthy and outdoor lifestyles, rewarding loyal clients and promoting access. These included the following:

- One Day Campaign (Wesgro collaboration)
- Nature Talks Webinar #1
- Nature Talks Webinar #2
- Hello Nature
- Access Week
- Nature Staycation
- Whale Trail reopening
- Black Friday
- Mbali Collection Launch
- Tourism Marketing Conference
- 12 Days of Christmas
- Summer Campaign

Two promotional activities worth mentioning are Black Friday, resulting in a 31% increase in revenue and the annual Summer Campaign promoting affordable access and a tariff price freeze, resulting in a 12% increase in occupancy compared to the previous year.

The Learning and Awareness Programme was heavily impacted by the COVID-19 pandemic as all stakeholder learning activities were originally planned as contact sessions with external stakeholders such as schools, municipalities, community groupings, partners and an array of other stakeholders (target = 230). All operational plans had to be revised and reworked to include different platforms of communication such as social media, online, print and broadcasts with minimum contact sessions when lockdown regulations permitted it. Despite this challenge, the annual target was exceeded significantly by conducting a total of 1 138 stakeholder learning activities. Of the total, 55% of activities were attributed to broadcast media, 23% digital media, 16% contact activities and 6% print media.

2.2. Organisational Environment

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

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

As part of COVID-19 awareness raising, staff were required to participate in the compulsory COVID-19 training provided by the HR component. Weekly communication was disseminated to all staff keeping them abreast of COVID-19 developments and included tips on health and wellbeing helping staff to cope during these times. Given that the essential service operations (wildlife management, compliance and enforcement and fire management) of the entity needed to continue, and following the period of level five lockdown, staff were advised to report to office on a rotational basis to minimise COVID-19 exposure and maximise social distancing.

Another challenge faced by the entity during the reporting period, was the limitation placed on the Personnel Budget and Total Cost of Employment (TCoE). Having faced significant budget cuts during the reporting period, the entity embarked on a process of improving organisational efficiency, whilst managing the vacancies. As a result of budget cuts, the entity appointed 51 staff during this period compared to 72 in the previous period. A concerted effort was made to recruit and appoint successful candidates from within the entity, as well as appointing more graduate interns to continue and ensure service delivery whilst at the same time providing them with much-needed experience in their field of study.

Job Creation and Empowerment

Notwithstanding the challenges, the entity exceeded the job creation and work opportunity targets by generating 662 FTE employment contracts at the end of the reporting period (target = 450) and 17 WILs and graduate interns (target = 12). Four FTEs were appointed in permanent positions and three of the graduate interns were appointed in different positions on an 18-month to 2-year employment contract.

Due to the impact of the COVID-19 pandemic on service delivery, the entity was afforded the opportunity to review previously approved indicators and targets. In this regard, a change was effected to the indicator target for the number of work opportunities created through environmental programmes. Approval was granted to reduce the annual target from 1 000 to 700 work opportunities. The appointment of more than anticipated Small, Micro & Medium Enterprise (SMME) contractors in the security (gate guarding), laundry and cleaning, hiking trail maintenance and fire prevention (fire breaks) and fire suppression (fire-fighting) sectors, resulted in the overachievement of this target. The entity created 1 212 work opportunities through environmental programmes; an overachievement of both the original and reduced targets.

2.3. Key policy developments and legislative changes

None

2.4. Progress Towards Achievement of Institutional Impacts and Outcomes

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

Outcome	Outcome Indicator	MEASURE	5 YEAR TARGET	ACHIEVEMENT	
ENHANCED BIODIVERSITY CONSERVATION AND LANDSCAPE RESILIENCE	1.1	Percentage of area of state managed protected areas effectively managed	Percentage of area of state managed protected areas assessed with a Management Effectiveness Tracking Tool (METT) score above 67%	80% of area of state managed protected areas assessed with a METT score above 67%	N/A
	1.2	Number of conservation tools and actions developed and implemented to improve the status of priority species and ecosystems ²	Number of State of Conservation Reports completed	Updated State of Biodiversity Report	1
			Number of Western Cape Protected Area Expansion Strategies approved		1
			Number of permits issued within legislated timeframes		4 122
			Number of compliance inspections conducted		46
	1.3	Number of stakeholder interventions to enhance biodiversity conservation and landscape resilience	Number of administrative enforcement notices issued for non-compliance with environmental legislation	1 150 interventions	1
			Number of completed criminal investigations handed to the NPA for prosecution		34
	1.4	Number of hectares under conservation	Number of stakeholder learning activities conducted	(994 407.89 Ha + 5 000 Ha + 5000 Ha per year for the 5 year strategic planning period)	1 138
			Number of hectares in the conservation estate		+ 7 156.44
			Number of biodiversity stewardship sites		7

² As measured against the State of Biodiversity 2017 recommendations.

Outcome	Outcome Indicator	MEASURE	5 YEAR TARGET	ACHIEVE- MENT	
ADVANCED ECONOMIC SUSTAINABILITY	1.5 Percentage increase in eco-tourism revenue	Percentage increase in tourism income generated	Re-establishment of a baseline in 2021/22 due to the removal of the indicator during 2020/21.	N/A (indicator removed 2020/21)	
		Number of new and/or upgrades on existing tourism products (n).		11	
		Number of tourism promotional activities to promote access		12	
	1.6 Number of individuals benefitting from job creation initiatives	Number of employment opportunities provided through Expanded Public Works Programme (EPWP) programmes	7 300	662	
		Number of learners appointed through various initiatives in the sector (including learnerships)			17
		Number of work opportunities created through environmental programmes			1 212
1.7 Audit Opinion obtain in respect of previous financial statements	Audit opinion from Auditor-General of South Africa	Unqualified Auditor-General opinion	An unqualified audit opinion		

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

The growth of the conservation estate is fundamental in conserving biodiversity and in this regard the entity has exceeded its target of 5 000 ha by 43% (rounded), which equates to 2 156.4 ha. The growth of the conservation estate is largely facilitated through the signature of stewardship agreements for priority areas of conservation value. Equally critical to conservation efforts in ensuring ecosystem health and functioning, was the inaugural annual State of Conservation Report, summarising the state of priority species and ecosystems. This report will inform the five-yearly State of Biodiversity Report. Further to the afore-mentioned, the entity completed the Western Cape Protected Areas Expansion Strategy, which is a five-year strategy supporting the implementation of the National Environmental Management: Protected Areas Act, 2003 (Act No. 57 of 2003). The targets set and the strategy will contribute significantly to the achievement of international commitments and the Medium-Term Strategic Framework (MTSF) 2019 – 2024, sub outcome I, which aims to ensure ecosystems are sustained and natural resources are used efficiently. The achievements related to the compliance and enforcements indicators has contributed to reducing the loss of biodiversity and ensuring the sustainability of biodiversity.

The impact of COVID-19 had a debilitating impact on the tourism and hospitality sector in the country. This impact necessitated the removal of the tourism income indicator as part of the in-year APP amendment process. This indicator has been reintroduced for the 2021/22 APP. Income generation remains fundamental in the sustainability of the entity with a significant percentage of income diverted to support conservation operations.

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

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

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



Photo: Donovan Kirkwood

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

3.1. Programme I: Administration and Governance

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

The programme consists of the following sub-programmes:

Sub-Programme 1.1: Office of the CEO

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

Sub-Programme 1.2: Finance, ICT and Shared Services

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

Sub-Programme 1.3: Strategy, Governance and Risk

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

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

During the period under review, CapeNature achieved a clean audit for the 2020/21 financial period. This confirms the Auditor-General's opinion that the Annual Financial Statements contained no material misstatements, were compliant with legislation and that there were no material findings on predetermined objectives. In terms of the number of employment opportunities provided through EPWP programmes, the target of 450 have been exceeded in that 662 EPWP related employment opportunities were created. Similarly, 17 graduate interns have been appointed, exceeding the target by 5. Some of these interns have been offered contract appointments with the entity, thus ensuring that they gain further valuable experience and skills in their respective study field.

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

Table 2: Output Indicators

Programme 1 – Administration and Governance									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	
Advanced economic sustainability	Unqualified audit report	Audit opinion from Auditor General of South Africa	An unqualified audit opinion 649	An unqualified audit opinion 528	An unqualified audit opinion 450	An unqualified audit opinion 662	None	None	
	Employment opportunities provided through EPWP programmes	Number of employment opportunities provided through EPWP programmes	649	528	450	662	+212	Due to high turnover additional FTE contracts were generated.	
	Learning opportunities provided in the sector	Number of learners appointed through various initiatives in the sector (including learnerships)	23	21	12	17	+5	More learners were appointed to address austerity measures, with candidates being afforded the opportunity to obtain meaningful work experience.	

Strategy to overcome areas of under-performance

N/A

Linking performance with budgets

Please refer to note 33 of the Annual Financial Statement which explains the variance.

Table 3: Administration and Governance

Programme/ sub-programme	2020/21			2019/20		
	Budget	Expenditure	(Over)/ Under Expenditure	Budget	Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Office of the CEO	9 849	7 715	2 134	5 530	7 609	(2 079)
Finance Services	62 809	66 410	(3 601)	36 025	58 752	(22 727)
Strategy, Governance and Risk	6 565	12 100	(5 535)	30 371	24 153	6 218
People and Conservation	-	-	-	38 290	43 826	(5 536)
Total	79 223	86 225	(7 002)	110 216	134 340	(24 124)

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





Photo: Donovan Kirkwood

3.2. Programme 2: Biodiversity Capabilities

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

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

CapeNature aimed to improve effective management of both the terrestrial and marine components of the entity's conservation estate by a further expansion of the 1 003 768.89 hectares, by 5 000 hectares, during the reporting period. The Western Cape Protected Areas Expansion Strategy informs the identification and pursuance of areas to include in the conservation estate and success depends on engagements with willing partners. The conclusion of a significant number of agreements during the reporting period, resulted in adding 7 156.44 hectares to the conservation estate, thus exceeding the target by 2 156.44 hectares. The total conservation estate at the end of the reporting period, stands at 1 010 925.33 hectares.

CapeNature as the regulatory authority for nature conservation in the Western Cape, issues permits in terms of relevant legislation, to enable compliance with legislative requirements. The number of permits issued annually, is driven by public demand for access to and use of natural biological resources and annual targets are based on trends, the previous year's applications received, and considers potential changes to legislative requirements. CapeNature anticipated issuing 4 000 permits during the reporting period, however a total of 4 122 permits were issued, exceeding the target by 122.

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

Table 4: Output Indicators

Programme 2: Biodiversity Capabilities								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations
Enhanced biodiversity conservation and landscape resilience	Updated land- and seascape targets for protected area expansion	Number of hectares in the conservation estate	994 407.89 ha	1 003 768.89 ha	Previous Year +5 000 ha	1 010 925.33 ha	+2 156.44 ha	The signing of stewardship agreements and the proclamation/ declaration of protected areas is the result of a lengthy negotiation and legal process. The timeframes for concluding agreements cannot be predetermined.
	Updated State of Biodiversity Report	Number of State of Conservation Reports completed	Indicator not included in 2018/19 Annual Performance Plan	Indicator not included in 2019/20 Annual Performance Plan	1	1	None	None
	Updated land- and seascape targets for protected area expansion	Number of Western Cape Protected Area Expansion Strategies Approved	Indicator not included in 2018/19 Annual Performance Plan	Indicator not included in 2019/20 Annual Performance Plan	1	1	None	None

Programme 2: Biodiversity Capabilities									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	
Expansion of the conservation estate	Number of biodiversity stewardship sites	10	Indicator not included in 2019/20 Annual Performance Plan	7	+6	The signing of stewardship agreements and the proclamation/declaration of protected areas is the result of a lengthy negotiation and legal process. The timeframes for concluding agreements cannot be predetermined.			
Permits processed and finalised within legislated timeframes	Number of permits issued within legislated timeframes	5 084	5 468	4 000	4 122	+122	The issuance of permits is based on the demand of the public to obtain authorisation in respect of regulated activities. It is therefore not easy to pre-empt accurately what will be achieved at the end of the year.		

Strategy to overcome areas of under-performance

N/A

Changes to planned targets

N/A

Linking performance with budgets

Please refer to note 33 of the Annual Financial Statement which explains the variance.

Table 5: Biodiversity Capabilities

Programme/ sub-programme	2020/21			2019/20		
	Budget	Expenditure	(Over)/ Under Expenditure	Budget	Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Biodiversity Capabilities	44 940	48 259	(3 319)	31 063	37 187	(6 124)
Total	44 940	48 259	(3 319)	31 063	37 187	(6 124)

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

3.3. Programme 3: Conservation Operations

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

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

CapeNature completed three Protected Area Management Plans, for the Hex River, Grootwinterhoek and Riviersonderend Nature Reserve & World Heritage Complexes. This enhances the status of these reserve complexes as Strategic Water Source Areas and World Heritage Sites and contribute strategically to improved management effectiveness. CapeNature's collaboration with invasive alien plant clearing partners has unlocked clearing operations to the value of approximately R12 million and the feeding of many members of needy communities. CapeNature also participated in and assisted with continued successful compliance and enforcement efforts in the Overberg marine and coastal and other terrestrial biodiversity crime hotspots, notably the Knersvlakte Nature Reserve, during the reporting period.

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



Table 6: Output Indicators

Programme 3: Conservation Operations									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/ 2019	Audited Actual Performance 2019 /2020	Planned Annual Target 2020/ 2021	Actual Achievement 2020/ 2021 until date of re-tabling	Deviation from planned target to Actual Achievement 2020/ 2021	Reasons for deviations	Reasons for revisions to the Outputs/ Output indicators/ Annual Targets
Enhanced biodiversity conservation and landscape resilience Advanced economic sustainability	Work opportunities created through the biodiversity sector economy	Number of work opportunities created through environmental programmes	2 797	1 568	1 000	-	-	This is an annual indicator and achievement is only reported during quarter 4.	The impact of the COVID-19 pandemic and budget adjustments resulted in the need for the target to be reduced.

Table 7: Output Indicators

Programme 3: Conservation Operations									
Outcome	Output	Output Indicator	Audited Actual Per-formance 2018/2 019	Audited Actual Per-formance 2019/ 2020	Planned Annual Target 2020/ 2021	Actual Achieve-ment 2020/ 2021	Deviation from planned target to Actual Achieve-ment 2020/2021	Reasons for deviations	
Enhanced biodiversity conservation and landscape resilience	Management effectiveness of CapeNature managed protected areas assessed	Percentage of area of state managed protected areas assessed with a METT score above 67%	N/A	87%	N/A	N/A	N/A	N/A	
	Work opportunities created through the biodiversity sector economy	Number of work opportunities created through environmental programmes	2 797	1 568	700	1 212	+512	Despite Covid-19 limitations during Q1-2, planned, additional contract work (fire suppression and prevention) during Q4 added more than anticipated work opportunities.	
Advanced economic sustainability	Compliance inspections conducted	Number of compliance inspections conducted	Indicator not included in 2018/19 Annual Performance Plan	Indicator not included in 2019/20 Annual Performance Plan	Establish baseline	46	None	None, baseline established.	

Programme 3: Conservation Operations									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	
Enhanced biodiversity conservation and landscape resilience Advanced economic sustainability	Administrative enforcement notices issued	Number of administrative enforcement notices issued for non-compliance with environmental legislation	Indicator not included in 2018/19 Annual Performance Plan	Indicator not included in 2019/20 Annual Performance Plan	Establish baseline	1	None	None, baseline established.	
	Criminal investigations handed to the NPA	Number of completed criminal investigations handed to the NPA for prosecution	Indicator not included in 2018/19 Annual Performance Plan	Indicator not included in 2019/20 Annual Performance Plan	Establish baseline	34	None	None, baseline established.	

Strategy to overcome areas of under-performance

N/A

Changes to planned targets

N/A

Linking performance with budgets

Please refer to note 33 of the Annual Financial Statement which explains the variance.

Table 8: Conservation Operations

Programme/ sub-programme	2020/21			2019/20		
	Budget	Expenditure	(Over)/ Under Expenditure	Budget	Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Conservation Operations	154 268	143 729	10 539	184 250	167 252	16 998
Total	154 268	143 729	10 539	184 250	167 252	16 998

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

3.4. Programme 4: Eco-tourism and Access

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

The programme consists of the following sub-programmes:

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

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

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

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

Sub-Programme 4.3: Stakeholder Engagement & Access

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

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

Due to COVID-19 and the impact on the tourism sector, the tourism income indicator was removed from the 2020/21 APP. The revised internal target of R20 508 618.00 was surpassed by 33% resulting in the final tourism income of R27 789 639.

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

Table 9: Output Indicators

Programme 4: Eco-tourism and Access									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/ 2019	Audited Actual Performance 2019 /2020	Planned Annual Target 2020/ 2021	Actual Achievement 2020/ 2021 until date of re-tabling	Deviation from planned target to Actual Achievement 2020/ 2021	Reasons for deviations	Reasons for revisions to the Outputs/ Output indicators/ Annual Targets
Advanced economic sustainability	Increased eco-tourism income	Percentage increase in tourism income generated (%) Denominator – R40 508 617.76	18%	21%	Average tourism revenue of past 3 years + CPI	-	-	This is an annual indicator and achievement is only reported during quarter 4.	The impact of the COVID-19 pandemic resulted in the need for the indicator to be removed and therefore not reported on.

Table 10: Output Indicators

Programme 4: Eco-tourism and Access								
Outcome	Output	Output Indicator	Audited Actual Per-formance 2018/2019	Audited Actual Per-formance 2019/2020	Planned Annual Target 2020/2021	Actual Achieve-ment 2020/2021	Deviation from planned target to Actual Achieve-ment 2020/2021	Reasons for deviations
Advanced economic sustainability	Increased eco-tourism income	Number of new and/ or upgrades on existing tourism products (n)	8	10	6	11	+5	Roll-over projects from the previous fiscal year (2019-2020), which could not be completed as a result of COVID-19 Level 5 restrictions.
	Marketing and promotional activities to facilitate access	The number of tourism promotional activities to promote access	12	12	11	12	+1	Over-achievement due to an unplanned campaign in partnership with Wesgro as a direct result of COVID-19.
Enhanced biodiversity conservation and landscape resilience	Environmental awareness and education facilitated	Number of stakeholder learning activities conducted	N/A	New indicator	230	1 138	+908	Due to COVID-19 planned contact engagements with stakeholders were replaced by virtual engagements such as webinars, digital, print and broadcasts. Through these platforms more activities could be conducted.

Strategy to overcome areas of under-performance

N/A

Changes to planned targets

N/A

Linking performance with budgets

Please refer to note 33 of the Annual Financial Statement which explains the variance.

Table 11: Eco-tourism and Access

Programme/ sub-programme	2020/21			2019/20		
	Budget	Expenditure	(Over)/ Under Expenditure	Budget	Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Eco-tourism & Access: Advocacy	12 436	15 923	(3 487)	16 152	13 695	2 457
Eco-tourism & Access: Tourism Development	6 034	29 466	(23 432)	15 937	25 905	(9 968)
Stakeholder Engagement & Access	35 644	26 469	9 175	-	-	-
Total	54 114	71 858	(17 744)	32 089	39 600	(7 511)

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



Reporting on the Institutional Response to the COVID-19 Pandemic

Table 12: Progress on Institutional Response to the COVID-19 Pandemic

Pro-gramme/ Sub Pro-gramme	Inter-vention	Geographic location (Province/District/local municipality) (Where Possible)	No. of beneficiaries (Where Possible)	Disaggregation of Beneficiaries (Where Possible)	Total budget allocation per intervention (R'000)	Budget spent per intervention	Contribution to the Outputs in the APP (where applicable)	Immediate outcomes
Administration and Governance	Worksite Safety (Slowing the spread of COVID -19)	Western Cape Province	Beneficiaries included all CapeNature staff and visitors to reserves and offices	Beneficiaries included all CapeNature staff and visitors to reserves and offices	R0.00	R3 576 690.42	Contractors and service providers contribute towards the following CapeNature APP indicators namely: - Number of work opportunities created through environmental programmes, - Number of new and/or upgrades on existing tourism products. Visitors coming to reserves result in increased revenue which is linked to the following APP indicator: Percentage increase in tourism income	Through the implementation of the worksite safety intervention and opening of reserves, reserve offerings and the provision of essential services during lockdown, the entity directly responds to the Western Cape Government's three focus areas of Jobs, Safety and Wellbeing, as the pillars of a Recovery Plan to stimulate economic growth and recovery in the Province. The entity contributes in this regard through existing job creation interventions funded through EPWP, opportunities afforded through Natural Resource and Integrated Catchment Management and eco-tourism. From a safety and wellbeing perspective the management of our catchment areas ensures a sustainable supply of clean, fresh and potable water to the citizenry of the Western Cape. The vast landscapes provide areas for pollinators,

Pro-gramme/ Sub Pro-gramme	Inter-vention	Geographic location (Province/District/local municipality) (Where Possible)	No. of beneficiaries (Where Possible)	Dis-aggregation of Beneficiaries (Where Possible)	Total budget allocation per intervention (R'000)	Budget spent per intervention	Contribution to the APP Outputs (where applicable)	Immediate outcomes
Conser-vation Oper-ations	Groenvlei Fish Project	Garden Route District Municipality	Beneficiaries included the community in and around the Goukamma Nature Reserve.	Beneficiaries included the community in and around the Goukamma Nature Reserve.	R0.00	R0.00	generated. Due to the impact of COVID-19 and the anticipated second wave of infections at the time and a potential third and fourth wave, the indicator was removed as part of the in-year APP amendment process.	which are crucial for food security, pristine reserves for cultural, spiritual, traditional and recreation purposes can be accessed. Criminal activity linked to biodiversity crime is prevented while sound land use advise and spatial planning is provided, which contribute to safeguarding community livelihoods against fires floods and other natural disasters.
			Beneficiaries included the community in and around the Goukamma Nature Reserve.	Beneficiaries included the community in and around the Goukamma Nature Reserve.	R0.00	R0.00	This intervention is involved with removal of alien species. It is not directly linked to CapeNature APP deliverables for the current year, however the removal of alien species is core to the sustainability of protected species, which is core to the biodiversity conservation mandate.	CapeNature has contributed towards providing humanitarian relief to the community during a time of financial hardship. Significant goodwill was fostered between CapeNature and the surrounding communities bordering the Goukamma Nature Reserve.

4. REVENUE COLLECTION

Table 13: Revenue collection

Sources of revenue	2020/21			2019/20		
	Estimate	Actual	(Over)/ Under collection	Estimate	Actual	(Over)/ Under collection
		Amount collected			Amount collected	
	R'000	R'000	R'000	R'000	R'000	R'000
Government Grant, Own revenue and special projects	366 574	356 742	9 832	396 679	396 639	40
Total	366 574	356 742	9 832	396 679	396 639	40

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

4.1 Capital investment

- Cederberg Precinct: Upgrading of tourism accommodation fireplaces, installation of new palisade fences and installation of new entrance gate to manage visitor access.
- De Hoop Nature Reserve: Maintenance and upgrades on the Whale Trail hiking trail to improve visitor experience and safety.
- Gamkaberg Nature Reserve: Installation of new waterless toilets and new septic tanks at the accommodation facilities.
- Grootvadersbosch Nature Reserve: Upgrade of existing campsite and construction of new tented campsites and installation of a new outdoor gym to enhance visitor experiences.
- Lamberts Bay Bird Island: Upgrading of the existing penguin pool and the water reticulation system and upgrading of the existing bird hide, completion of new entrance gate and installation of stanchions on the walkway.
- Rocherpan Nature Reserve: Installation of privacy screening between accommodation units, construction of new gas storage facility to ensure statutory compliance and upgrade to the onsite laundry store to improve on reserve service delivery.
- Vrolijkheid Nature Reserve: Expansion of the visitor parking bays at the reception area, construction of undercover braai area at the Environmental Education Centre and installation of a new fence to enhance visitor safety at the overnight accommodation facilities and construction of new wastewater treatment plant in response to the ensuing drought in the Karoo, with up to 90% of all wastewater generated on the reserve is recycled and reused for irrigation and flushing toilets.
- Wolwekloof Resort: Construction of new day visitor picnic facilities.





Part C
GOVERNANCE

1. INTRODUCTION

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

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

2. PORTFOLIO COMMITTEES (if applicable)

Not Applicable

3. EXECUTIVE AUTHORITY

The following reports were submitted to the Executive Authority.

Document Description	Date Submitted
Monthly Highlights for inclusion into report to Minister Bredell: June to October	11 November 2020
Monthly Highlights for inclusion into report to Minister Bredell: November and December	23 December 2020
Monthly Highlights for inclusion into report to Minister Bredell: January	04 February 2021
Monthly Highlights for inclusion into report to Minister Bredell: February	08 March 2021
Monthly Highlights for inclusion into report to Minister Bredell: March	07 April 2021



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 IV Report on Corporate Governance for South Africa. The Board has endeavoured to comply with the principles incorporated in the Code of Corporate Practices and Conduct.

The Western Cape Nature Conservation Board has a formalised system of Corporate Governance that is applied by the following board committees:

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

The role of the Board

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

- To promote and ensure nature conservation and deal pro-actively with related matters in the Province;
- To render services and provide facilities for research and training that would inform and contribute to nature conservation and related matters in the Province; and
- In pursuing the objectives set out in the above two paragraphs, to generate income, within the framework of the applicable policy framework.

Board Charter

1. Introduction

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

2. Purpose

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

3. Authority

- 3.1 The Board is mandated to fulfil its roles and responsibilities as set out in the Western Cape Nature Conservation Act.
- 3.2 In so doing, the Board is authorised to:
- Assess and analyse any risk and/ or governance related matters pertaining to CapeNature;
 - Request any official in the employ of CapeNature to attend meetings and to provide advice and/ or information;
 - Seek any information it requires from external parties and obtain outside legal or other independent professional advice;
 - Secure the attendance of any person with relevant experience and expertise if necessary;
 - Ensure that any appointments for the purposes of requesting information from any external party, obtaining independent professional advice and/ or attendance shall be made subject to normal tender and procurement procedures and the availability of funding resources; and
 - Facilitate investigations into any matter within the scope of its responsibility.

4. Board structure and membership

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

- Non-executive members shall hold office for a period not exceeding five years and shall be eligible for re-appointment for one other period not exceeding five years;
- A member may only be re-appointed to the Board if a period of at least 12 months has passed since having last served as a member of the Board;
- Board members who fail to attend two or more successive quarterly Board meetings and also fail to tender their apologies, will be asked to consider resigning from the Board;
- Should a Board member wish to resign from the Board, a formal written signed request must be sent to the relevant Provincial Minister to request such permission;
- No member may resign from the Board until an official written response has been received from the relevant Provincial Minister to approve such resignation;
- Remuneration of Board members are determined by scales approved by National Treasury; and
- The Chief Executive Officer is a full member of the Board whereas the rest of the Executive Management attend Board meetings by invitation only. The relevant Provincial Minister and representatives of the respective Provincial Department will be standing invitees to all Board meeting proceedings and deliberations.

5. Meetings

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

6. Roles and responsibilities

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

- Eco-tourism and Access – The Committee fulfils an oversight role with respect to matters pertaining to tourism and infrastructure development, marketing, communication, fundraising and partnerships.
 - Risk – The Committee fulfils an oversight role through independent counsel, guidance and advice with respect to the identification, assessment and management of risks and monitors compliance with corporate governance policies and guidelines.
- 6.5 Each Committee must be established in terms of an approved Charter, which will set out the roles and responsibilities for that Committee.
- 6.6 The Chairperson of the Board shall, in consultation with the Board, appoint Board Committee Chairpersons and members to each Committee.
- 6.7 The Board should review and assess, the required mix of skills and experience of members and its diversity on a regular basis.

7. Stakeholder management and communication

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

8. Member orientation and induction

- 8.1 Management will provide new non-executive members with an induction and orientation programme in order to familiarise them with their responsibilities as non-executive members of the organisation in terms of the Western Cape Nature Conservation Board Act, 1998 (Act No. 15 of 1998) as amended and the Public Finance Management Act, 1999 (Act No. 1 of 1999) as amended (PFMA), the Code of Conduct of the organisation and other relevant laws.

9. Conflict of interest

- 9.1 Members are required to declare any conflict of interest that may arise in the course of any CapeNature business and excuse themselves from any deliberations dealing with that business.
- 9.2 All members shall be required to fully disclose all business-related interests for record keeping purposes.
- 9.3 All non-public information that members acquire in the course of performing their duties should be treated as confidential and members must not use or appear to use this information for personal advantage or for the advantage of a third person.
- 9.4 Where the family member of a non-executive member applies and is appointed to a position within Management, such Board member is required to resign from the Board.

10. Board administration

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

11. Performance assessment

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

12. Review

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



Table 14: Composition of the Board

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned/ End of term	Qualifications	Area of Expertise	Board Director- ships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee/ Ministerial task team)	No. of meetings attended
Professor Denver Hendricks	Chairperson	11 April 2016	10 April 2021	BSc; MSc; PhD	Medical Biochemistry; Natural Sciences; Conservation Management	None	Audit Finance and ICT (Ex-Officio); Eco-tourism & Access; Conservation	20
Professor Gavin Maneveldt	Vice Chairperson	01 March 2018	28 February 2023	BSc; BSc (Hons); MSc; PhD Botany; Field Guide Association of South Africa; FGASA Honorary SKS	Marine Biology	None	Conservation; Human Resource & Remuneration; Risk	19
Dr Colin Johnson	Member	11 April 2016	10 April 2021	MSc; PhD	Conservation Management; Natural Sciences	None	Conservation; Human Resource & Remuneration	15
Mervyn Burton	Member	14 June 2020	14 June 2025	A (SA); BCompt (Hons)	Financial Management; Corporate	None	Audit Finance and ICT; Eco-tourism & Access;	19
Professor Aubrey Redlinghuis	Member	14 June 2020	14 June 2025	BA (Hons); MA; Doctorate in Geography	Education	None	Human Resource & Remuneration; Conservation	14
Paul Slack	Member	14 June 2020	14 June 2025	BCom (Hons) in Financial Management; CA (SA)	Corporate Governance and Risk	None	Audit Finance and ICT; Risk	17
Marguerite Loubser	Member	01 March 2018	28 February 2023	BCom; Postgraduate Diploma in Tax; CA (SA) LLB; LLM	Tax and Environmental Law	None	Audit Finance and ICT; Eco-tourism & Access; Risk	22

Table 15: Independent Audit Finance and ICT Committee Members

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned/ End of term	Qualifications	Area of Expertise	Board Director- ships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee/ Ministerial task team)	No. of meetings attended
Nirvani Dhevcharan	Independent member	01 January 2018	31 May 2021	BSc (Hons) Computer Science; MSc; MCSE	Technology		Audit Finance and ICT; Risk	8
Burton Van Staadon	Independent member	01 January 2018	31 May 2021	BCom; BCompt; Postgraduate Certificate in Auditing; CA (SA)	Auditing		Audit Finance and ICT	6
Zakariya Hoosain	Independent member	04 February 2020	11 February 2023 (Resignation effective from 10 November 2020)	BCompt - Accounting Science; CA (SA)	Governance and Auditing		Audit Finance and ICT	5

Table 16: Committees

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

Table 17: Remuneration of board and independent members

Name	Remuneration (Rands)	Other Allowances (Rands)	Other Re-imbursments (Rands)	Total (Rands)
Professor Denver Hendricks	48 048	-	-	48 048
Professor Gavin Maneveldt	41 298	-	-	41 298
Dr Colin Johnson	30 927	1 444	81	32 452
Professor Aubrey Redlinghuis	29 117	-	-	29 117
Mervyn Burton	47 139	-	-	47 139
Marguerite Loubser	50 172	-	-	50 172
Paul Slack	43 020	-	-	43 020
Burton Van Staaden	22 915	-	-	22 915
Nirvani Dhevcharran	27 215	-	-	27 215
Zakariya Hoosain	19 452	-	-	19 452
TOTAL	359 303	1 444	81	360 828

*The last three members in the table are the independent members.

5. RISK MANAGEMENT

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

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

The risk profile is aligned to the organisational structure and incorporates all directorates. During the period under review, significant risk management focus was directed at responding to the impact of the COVID-19 pandemic. This necessitated not only adherence to the regulatory requirements, such as the appointment of a Compliance Officer, COVID-19 specific risk assessments, re-engineering of office spaces and procurement of personal protective equipment, but further the introduction of working from home arrangements and the establishment of ICT systems and platforms to facilitate this requirement.

The entity embarked on an intensive and ongoing communication campaign to sensitise staff on preventative measures, advising on responsible behaviour in the workplace, employee wellbeing and coping initiatives, information on developments regarding the pandemic and relevant Government directives. The entity further reviewed and updated the Business Continuity Plan and developed and updated a number of standard procedures and processes to mitigate the spread of the pandemic in the workplace. This included fast tracking initiatives geared to staff being able to work and engage remotely, such as migration to Microsoft Office 365, which include platforms such SharePoint, OneDrive and Microsoft Teams.

Indirectly, the pandemic impacted the achievement of performance indicators in the APP. Due to the broad impact on service delivery, Government introduced a process for in-year amendments to indicators and targets captured in the APP. The entity requested for the reduction in one indicator target, the number of work opportunities created through environmental programmes, and the removal of one other indicator, percentage increase in tourism income generated. This request was approved by the Western Cape Provincial Parliament.

The risk of fire and alien infestation is mitigated through the implementation of the Integrated Catchment Management programme, which is fundamental to not only managing the alien infestation and fire risk but has a dual benefit in that if done effectively, it would improve the yield and quality of water into the catchments. CapeNature has continued to focus on alien eradication in priority areas and water catchment areas through the investment of own resources and the strategic partnerships. These initiatives not only achieve the objective of reducing fuel loads and mitigating against fire but give effect to the entity's socio-economic mandate of job creation, community upliftment and local economic development and the critically water conservation in the Province. This was achieved through both direct and indirect means. Indirectly, through performing facilitatory and participatory roles with key stakeholders and directly, through implementing initiatives to reduce water consumption, demand and management, such as rainwater harvesting, waterless toilets and the installation of water management devices.

The entity continues to manage and mitigate risk within the limitations of the available resources. The impact on resources has further been affected by the pandemic and the overall reduction in the fiscus resulting from Government's response and support provided to households and industries. This will further reduce allocations received for the MTEF period and will impact service delivery. This is in addition to the need to reduce Total Cost of Employment, as directed by Government, to mitigate the growing public sector wage bill. The entity is applying a number of options to respond to this directive. This could further reduce service delivery impacts. Significant investment in technology infrastructure and innovation is being made and is expected to realise efficiencies in order to reduce current budgetary pressures. This has placed additional focus on the need for greater strategic management of financial resources and the prudent spending thereof, ongoing strengthening of strategic partnerships, the identification of additional revenue streams and the diversification of these streams.



6. INTERNAL CONTROL UNIT

The Internal Control Unit continued providing assurance on the effectiveness of the system of internal control within the entity's control environment. Despite the challenges of COVID-19, the Unit pursued the Combined Assurance Plan in performing the required monitoring and control activities, compliance testing and governance work.

In terms of governance, the Unit reported quarterly to the Audit Finance and ICT Committee and the Risk Committee on control, monitoring and compliance activities. A key focus area was reporting on the status of audit action plans that Management implemented. A new initiative was monitoring the entity's efforts in implementing the principles of the King IV Report on Corporate Conduct and Good Governance. We were pleased to report that CapeNature is implementing practices which are aligned with the King IV principles. Another assignment was serving on the Policy Review Committee, which links in with work performed within the entity's control environment. The Unit assisted in drafting the Policy Review Committee Charter as well as the Policies Register.

As part of the work performed in terms of control activities, now linked to the activities of the Policy Review Committee, the following Standard Operating Procedures were updated:

- Advocacy: Communications Service Desk;
- Marketing: Sponsorship;
- Infographics – Events and Filming;
- Consolidation of Business rules for the CapeNature website;
- Discounts for Tourism Facilities;
- CRS Refunds;
- Irregular Expenditure;
- Business Rules for Eco-tourism;
- Working on Fire;
- Curio Shop;
- Client Complaints Management;
- Payroll Management;
- SCM Checklist for under R200 000; and
- Content Assets.

With regards to monitoring activities, the focus was on procurement, performance information, financial transactions and ICT. The following reviews were completed and reported for the financial year:

- SCM Deviations;
- Contract Management;
- Predetermined Objectives; and
- SCM Personal Protective Equipment Procurement.

As part of the monitoring activities, increased focus was placed on loss control management by monitoring Fruitless and Wasteful Expenditure monthly and performing investigations where alleged financial misconduct had been reported.



For Compliance testing the focus was on new legislation listed in the 2020/21 APP. The following legislation and regulations were tested and for which CapeNature met the applicable requirements:

- Stilbaai Marine Protected Area Regulations;
- National Prosecuting Authority Act;
- Carbon Tax Act;
- Spatial Planning and Land Use Management Act;
- Construction Industry Development Board Act;
- Promotion of Administrative Justice Act;
- World Heritage Convention Act;
- Criminal Procedure Act; and
- Threatened or Protected Marine Species Regulations.

7. INTERNAL AUDIT AND AUDIT COMMITTEES

Table 18: Composition of the Audit Finance and ICT Committee

Name	Qualifications	Internal or external	If internal, position in the public entity	Date appointed	Date Resigned/ End of Term	No. of Meetings attended
Marguerite Loubser	BCom; Postgraduate Diploma in Tax; CA (SA) LLB; LLM	Board Member	N/A	01 March 2018	28 February 2023	5
Paul Slack	BCom (Hons) in Financial Management; CA (SA)	Board Member	N/A	14 June 2020	14 June 2025	6
Mervyn Burton	CA (SA); BCompt (Hons)	Board Member	N/A	14 June 2020	14 June 2025	6
Professor Denver Hendricks	BSc; MSc; PhD	Board Member (Ex-officio)	N/A	11 April 2016	10 April 2021	5
Nirvani Dhevcharran	BSc (Hons) Computer Science; MSc; MCSE	Independent Member	N/A	01 January 2018	31 May 2021	4
Burton Van Staaden	BCom; BCompt; Postgraduate Certificate in Auditing; CA (SA)	Independent Member	N/A	1 January 2018	31 May 2021	6
Zakariya Hoosain	BCompt - Accounting Science; CA (SA)	Independent Member	N/A	04 February 2020	11 February 2023 (Resignation effective from 10 November 2020)	5

8. COMPLIANCE WITH LAWS AND REGULATIONS

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

9. FRAUD AND CORRUPTION

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

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

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

On-going awareness initiatives and interventions are critical to ensure that staff are continually sensitised regarding issues of fraud and corruption. This can take the form of communication with staff through policies, induction and orientation, and other formal and informal meeting forums. Due to the impact of COVID-19 no formal training interventions took place. Instances where deficiencies had been identified in the implementation of business processes as it relates to the prevention of fraud and corruption, Management communicated concerns with staff and advised on ways to mitigate these deficiencies.

10. MINIMISING CONFLICT OF INTEREST

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

11. CODE OF CONDUCT

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

12. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

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

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

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

During the period under review, 45 injuries occurred resulting in 37 disabling injuries (Figure 2). These injuries resulted in an average of 4.5 working days lost per injury. While there is a decrease in the total number of injuries from the previous year (no injuries reported during Quarter 1 of 2020/21 due to COVID-19 lockdown), there is an increase in the total number of working days lost due to two serious burn injuries and two serious ankle injuries (91 combined working days lost). All injuries are investigated to determine causes and to identify remedial and improvement actions to prevent its re-occurrence.



Photo: Donovan Kirkwood

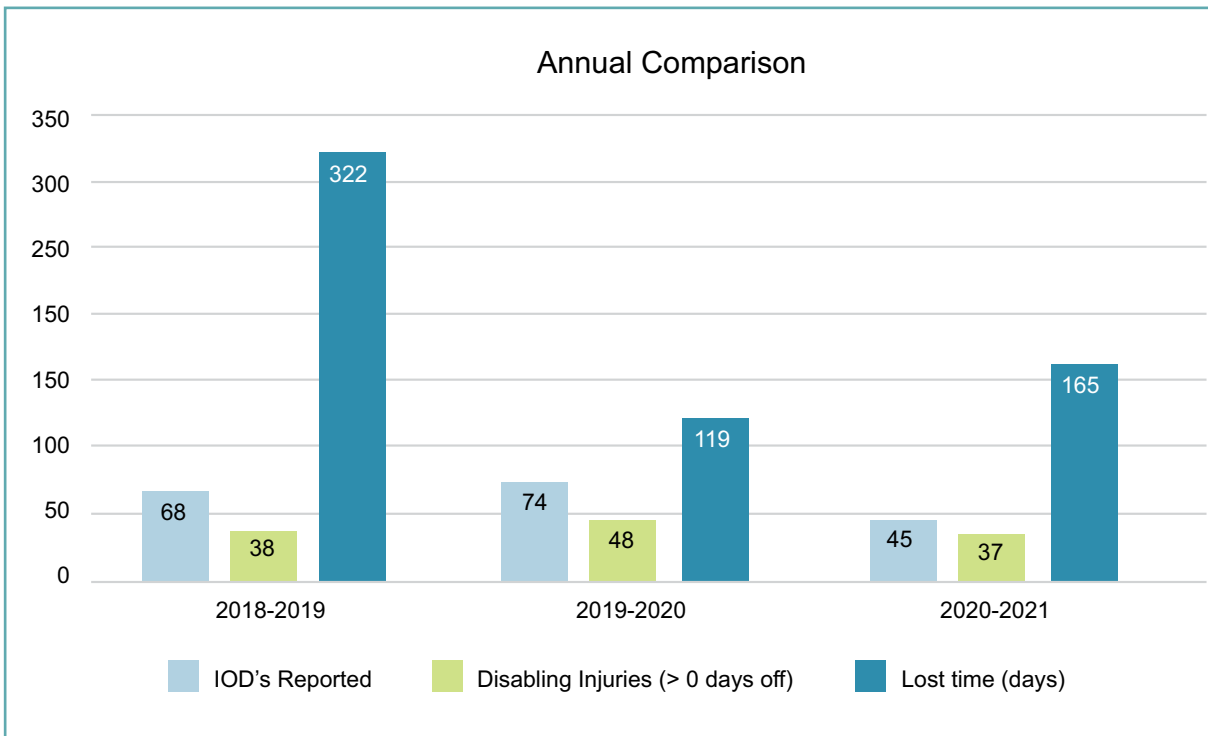


Figure 2: Total incidents reported during 2018/19, 2019/20 and 2020/21

Regarding types and causes of incidents during the reporting period, Figure 3 indicates that slip/trip and fall incidents and related injuries happen most frequently. These incidents are primarily related to fire line operations, that is, they happen mostly whilst staff are either busy fighting fires, mopping up or walking to or from the fire-line. These incidents were mostly caused by stepping on loose rocks, into unseen holes and slipping on wet surfaces. Staff members being struck by a falling object and over-extension rate as the second and third highest types of injury. The number of vehicle accident related injuries relates to the number of employees who were passengers in the vehicle at the time of the accident and not the number of accidents.



Photo: J. Ward

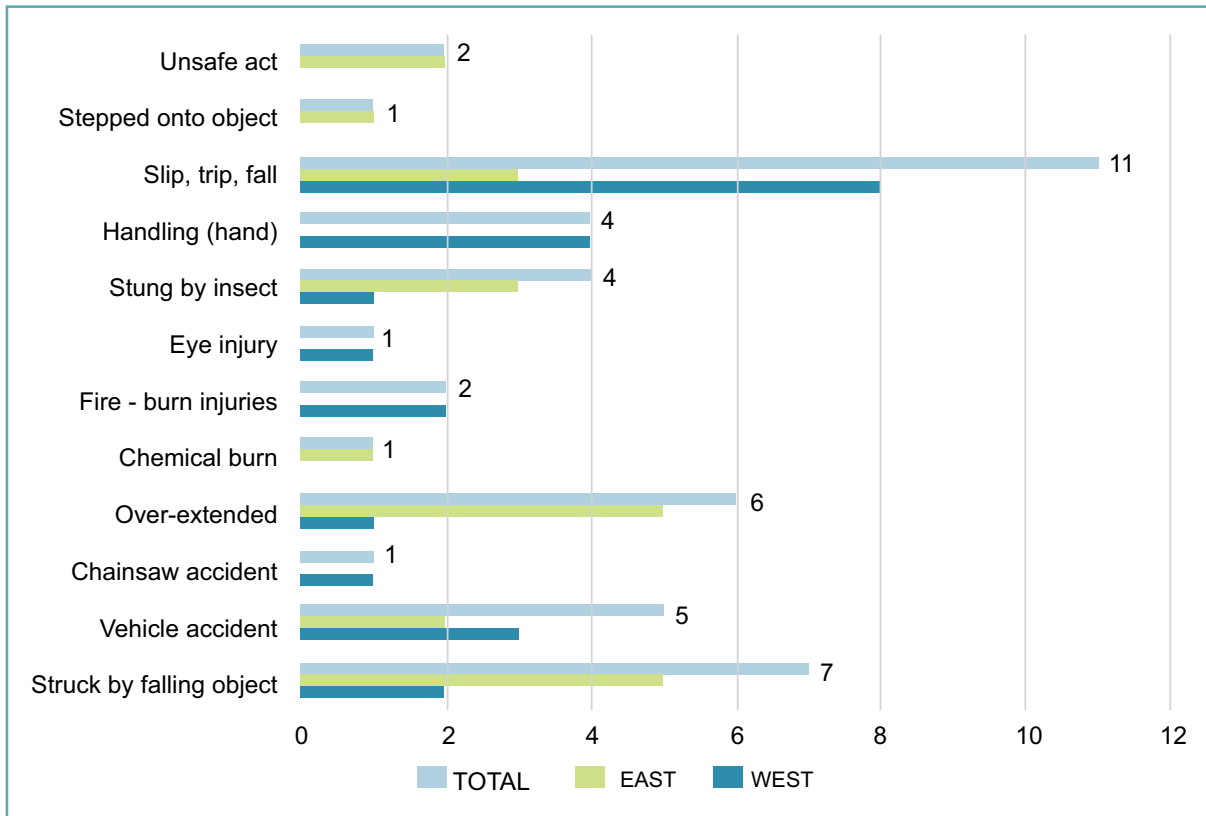


Figure 3: Types and causes of incidents during 2020/21

During the reporting period, CapeNature continued with the purchase of Personal Protective Equipment, ongoing review and development of instructions and guidelines, regional support through dedicated capacity, incident investigation and monitoring, training and induction of new employees, ongoing awareness raising and Management support and advice related to compliance to occupational health and safety legislation.

During the reporting period, training was provided on First Aid, Health and Safety Representation, Injury on Duty Process Awareness and Vehicle Safety. A service provider was appointed to conduct medical surveillance testing on all permanently employed staff and staff employed under the EPWP programme. A total of 736 staff members were assessed and follow-up assessments are planned, including advising staff identified for further medical treatment.

13. COMPANY/ BOARD SECRETARY (IF APPLICABLE)

Not applicable

14. SOCIAL RESPONSIBILITY

Social responsibility amongst staff is continuously promoted by the entity throughout the financial year, as a way to engage with communities in which they function. Being a socially responsible organisation can bolster the entity's image and subsequently add positively to building its brand. Corporate social responsibility also empowers employees to leverage the corporate resources at their disposal to do good. Some of the initiatives for the period under review are listed below:

- **Tygerberg Hospital Wellness Garden** – The healing power of nature can never be underestimated. CapeNature transformed a dilapidated courtyard into a wellness garden by planting indigenous plants and scrubs as well as establishing a herb garden for the local restaurant. This was complimented by interpretive signage that educates visitors on the different uses of indigenous flora. In addition, the courtyard also received upgraded seating areas, picnic benches, outdoor umbrellas and reconstructed pergolas. This was a team effort between staff from Head Office, De Hoop and Driftsands Nature Reserves. On Friday, 20 November, the joint venture of CapeNature and Tygerberg Hospital came to fruition and the garden was officially opened for use.
- **Matric Wild Nights Out** – Masiyembo Association, a non-profit organisation that manages a funded programme for matric students in partnership with CapeNature. The initiative provides school leavers, at a pivotal and transitional time in their lives, with space for deep questioning and time to experience the wonder of nature. Eighteen scholarships (16 new scholars, 2 scholars previously attending) are made available. Wild Nights Out, as a programme, builds confidence and self-reliance, forges an environmental relationship and social relationships that re-inform participants' environmental values, their sense of self, personal direction in life, and their views of the wider world they are about to enter as emerging young adults. These constructive values are taken out into society and ripple out to create positive change.
- **Matrics in Antarctica Project** – During February 2021, five 2020 Matric learners were hosted by CapeNature and world-renowned adventurer Riaan Manser at the De Hoop Nature Reserve. These matriculants were the runners up in a campaign that saw five other students join Manser on a once in a lifetime educational adventure in the "Matrics in Antarctica Project" (see www.matricsinantarctica.co.za for more details) in which CapeNature is a proud collaborator. The students were able to discover and explore one of South Africa's most unique biodiversity reserves first hand, guided by a CapeNature official and facilitators from the University of the Western Cape, Stellenbosch University, Windermere High School and Zirildapark Primary School. The De Hoop Nature Reserve educational adventure was made possible through a collective partnership between Riaan Manser, CapeNature, Wesgro and De Hoop Collection.
- CapeNature provided free access to the public during its 6th annual Access Week from 16-22 September 2020. Access Week supports CapeNature's commitment in providing opportunities to communities with access to the natural environment in their vicinity, while enjoying and exploring their natural heritage. CapeNature reserves hosted various groups during this period which included individuals from the Elim Home for the disabled, youths from the Ubuntu Bethu skills development centre, learners from Ouplaas Primary School and from various other schools in the Zwelihle and Hawston communities. All groups were welcomed by CapeNature staff who prepared and presented on awareness programmes and informed groups of the uniqueness of the area, conservation value, and the mission and vision of the entity.

15. AUDIT FINANCE AND ICT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2021.

Audit Committee Responsibility

The Audit Finance and ICT Committee reports that it has complied with its responsibilities arising from the Public Finance Management Act 1999 (Act 1 of 1999) and Treasury Regulation 3.1.13. The Audit Finance and ICT Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except that we have not reviewed changes in accounting policies and practices.

The Effectiveness of Internal Control

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

- Supply Chain Management;
- Predetermined Objectives;
- HR Management;
- Integrated Catchment Management;
- Follow up matrix; and
- SCM deviations.

The following were areas of concern:

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

In-Year Management and Monthly/Quarterly Report

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

Financial oversight

Financial oversight of the following took place:

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

Evaluation of Financial Statements

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

The entity obtained a clean report in the 4 major areas of Auditor General review viz.:

- Financial statements;
- Predetermined Objectives;
- Compliance with laws and regulations; and
- Internal controls.

Auditor-General's Report

The committee has implemented a tracking and monitoring document entitled the "Audit Matrix", which is a standing item at every committee meeting. The matrix includes every item raised by internal and external auditors as well as the Internal Control Unit, no matter how small. These matters stay on the audit matrix until management resolves them. Removal of an item from the audit matrix is only upon confirmation by the internal auditors that the matter has been fully resolved. In this way the committee satisfies itself that prompt and correct action is taken to resolve audit findings.

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

The Committee concurs and accepts the conclusions of the external auditor on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the auditor.



Mr Paul Slack
Chairperson of the Audit Finance and ICT Committee
CapeNature
August 2021



Photo: Donovan Kirkwood

16. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

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

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

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

APPROVED BY:

Accounting Authority:
CapeNature
August 2021



Photo: Scott Ramsay
Photo in circle: Donovan Kirkwood



Part D
HUMAN
RESOURCE
MANAGEMENT



Photo: Donovan Kirkwood

I. INTRODUCTION

Human resources are a critical part of any entity, without their contribution of skills, action and commitment, the entity cannot achieve its aims and objectives. The Human Resources (HR) component is responsible for managing these critical resources through the functional disciplines of training and development, recruitment and selection, fair and transparent employee relations, and consistent performance management – all of which plays a crucial role in the entity.

The year under review was challenging for everyone and no different for the HR component. The COVID-19 pandemic required a different way of working and ensuring staff wellbeing, whilst at the same time ensuring optimal performance, was the key focus during this year. A further challenge experienced during this period was the directive from National Treasury to reduce personnel costs. This involved an in-depth exercise to determine workplace/organisational efficiency and tighter control and monitoring of vacancies.

There was upsurge in training and development initiatives and creativity in the deliverance of training interventions, for example, an increase in webinar training programmes such as COVID-19 awareness and computer-based training. A further notable achievement in terms of training was the design of the Unit Standard Alignment Process, which resulted in CapeNature legislative training programmes aligned to South African Qualifications Authority (SAQA) standards, ensuring that staff training is legislatively compliant.

The component over-achieved in the delivery of its annual performance targets. The entity generated 662 FTE employment contracts, exceeding the target of 450. Of the FTEs appointed, four were appointed to permanent positions of Maintenance Assistant, Conservation Assistant and two Field Rangers. One FTE was appointed as a graduate intern, which enabled the staff member to gain more experience in their field of interest. Another target that was exceeded was that of the number of learners appointed through various initiatives. The achievement resulted in 17 learners being appointed, 11 WILs from Cape Peninsula University of Technology (CPUT) and Nelson Mandela University (NMU) and six graduate interns from various institutions, which translates into an over-achievement of five.

2. HUMAN RESOURCE OVERSIGHT STATISTICS

Table 19: Personnel Cost by programme

Programme	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel exp. as a % of total exp.	No. of employees	Average personnel cost per employee (R'000)
Administration and Governance	86 225	43 247	51%	75	577
Biodiversity Capabilities	48 259	32 401	67%	29	1 117
Conservation Operations	143 729	98 179	68%	803	122
Eco-tourism and Access	71 858	36 492	51%	41	890
Total	350 071	210 319	60%	* 948	** 222

* 948 includes 504 FTEs

** This figure calculates the average personnel cost per employee and is determined by dividing the personnel cost (R210 319) with the number of employees (948).

Table 20: Personnel cost by salary band

Salary Band	Personnel Expenditure (R'000)	% of personnel exp. to total personnel cost (R'000)	No. of employees	Average personnel cost per employee (R'000)
Top Management 13 – 15	6 741	3,2%	5	1348
Senior Management 11 – 12	30 042	14,3%	30	1 001
Professional qualified 9 – 10	46 868	22,3%	74	633
Skilled 6 – 8	53 146	25,3%	113	470
Semi-skilled 3 – 5	46 707	22,2%	180	259
Unskilled 1 – 2	26 815	12,7%	546	49
Total	210 319	100%	* 948	** 222

* 948 includes 504 FTEs

** This figure calculates the average personnel cost per employee and is determined by dividing the personnel cost (R210 319) with the number of employees (948).

Performance Rewards

N/A

Table 21: Training Costs

Programme	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost.	Number of employees trained	Average training cost per employee (R'000)
Programme 1: Administration and Governance	43 247	425	1%	78	5
Programme 2: Biodiversity Capabilities	32 401	439	1%	30	15
Programme 3: Conservation Operations	98 179	760	1%	547	1
Programme 4: Eco-tourism and Access	36 492	448	1%	47	10
Total	210 319	2 072	1%	702	* 3

* This figure calculates the average training cost per employee and is determined by dividing the personnel cost (R2 072) with the number of employees trained (702).

Table 22: Employment and vacancies

Programme	2019/2020 No. of Employees	2020/2021 Approved Posts	2020/2021 No. of Employees	2020/2021 Vacancies	% of Vacancies
Programme 1: Administration and Governance	114	101	75	26	26%
Programme 2: Biodiversity Capabilities	40	44	29	15	34%
Programme 3: Conservation Operations	800	348	299	49	14%
Programme 4: Eco-tourism and Access	49	53	41	12	23%
Total	1 003	546	* 444	102	** 19%

* 444 Board employees as at 31 March 2021 - this figure excludes 504 FTEs in Programme 3

** This figure calculates the percentage of vacancies and is determined by dividing the number of vacancies (102) with the number of approved posts (546).

Table 23: Employment and vacancies

Programme	2019/2020 No. of Employees	2020/2021 Approved Posts	2020/2021 No. of Employees	2020/2021 Vacancies	% of Vacancies
Top Management 13+	5	6	5	1	17%
Senior Management 11 – 12	35	36	30	6	17%
Professional qualified 9 – 10	74	102	74	28	27%
Skilled 6 – 8	121	146	113	33	23%
Semi-skilled 3 – 5	206	210	180	30	14%
Unskilled 1 – 2	562	46	42	4	9%
Total	1 003	546	* 444	102	** 19%

* 444 Board employees as at 31 March 2021 - this figure excludes 504 FTEs at Unskilled 1-2 level

** This figure calculates the percentage of vacancies and is determined by dividing the number of vacancies (102) with the number of approved posts (546).

Table 24: Employment changes

Salary Band	Employment at beginning of period 01/04/2020	Appointments	Terminations	Employment at end of the period
Top Management 13+	5	0	0	5
Senior Management 11 – 12	35	1	2	30
Professional qualified 9 – 10	74	4	5	74
Skilled 6 – 8	121	11	15	113
Semi-skilled 3 – 5	206	22	29	180
Unskilled 1 – 2	562	147	104	546
Total	1 003	185	155	* 948

* 948 includes 504 FTEs

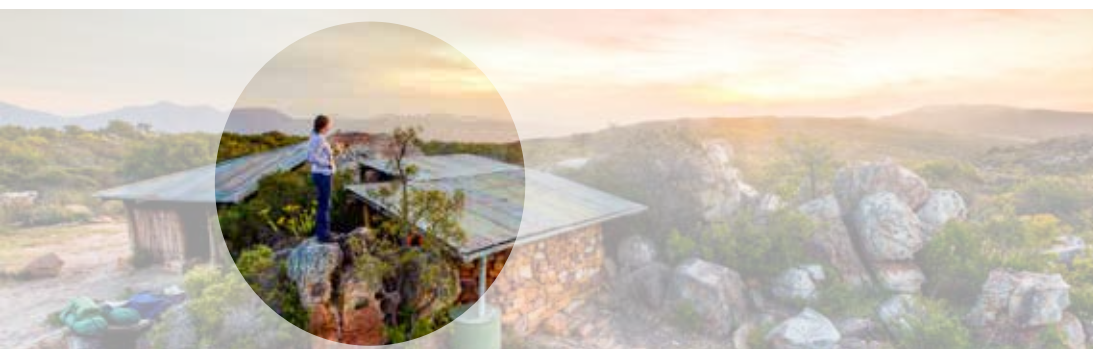


Table 25: Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	1	0.6%
Resignation	95	61.3%
Dismissal	8	5.2%
Retirement	4	2.6%
Ill health	0	0.0%
Expiry of contract	39	25.2%
Other (Absconded)	3	1.9%
Retrenchment	5	3.2%
Total	155	100.0%

Table 26: Labour Relations: Disciplinary actions taken

Nature of disciplinary action	Number
Verbal Warning	53
Written Warning	26
Final Written warning	32
Dismissal	8

Table 27: Equity Target and Employment Equity (EE) Status

SALARY BAND	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	0	1	1	1	1	1	1
Senior Management	4	2	7	4	0	1	11	2
Professional qualified	6	6	9	9	0	0	21	29
Skilled	14	15	28	26	1	1	6	5
Semi-skilled	19	19	95	97	1	2	3	6
Unskilled 1 – 2	68	63	167	178	0	1	1	2
Total	111	105	307	315	3	6	43	45

Table 27: Equity Target and Employment Equity (EE) Status (continued)

SALARY BAND	FEMALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	0	1	1	0	0	1	1
Senior Management	0	0	2	1	1	0	5	2
Professional qualified	4	0	14	6	2	2	18	15
Skilled	14	16	30	27	2	3	18	19
Semi-skilled	16	27	38	56	0	2	8	15
Unskilled 1 – 2	125	112	185	162	0	0	0	0
Total	159	155	270	253	5	7	50	52

SALARY BAND	DISABLED STAFF			
	MALE		FEMALE	
	Current	Target	Current	Target
Top Management	0	0	0	0
Senior Management	0	0	0	0
Professional qualified	0	0	2	0
Skilled	1	4	0	4
Semi-skilled	1	1	1	2
Unskilled 1 – 2	6	5	4	3
Total	8	10	7	9



Photo: Karin Schermbrucker



Photo: Donovan Kirkwood



Part E

FINANCIAL
INFORMATION

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

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Western Cape Nature Conservation Board, set out on pages 93 to 128, which comprise the statement of financial position as at 31 March 2021, the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget information with actual information for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Western Cape Nature Conservation Board as at 31 March 2021, and its financial performance and cash flows for the year then ended, in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for opinion

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

Emphasis of matters

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

Restatement of corresponding figures

7. As disclosed in note 28 to the financial statements, the corresponding figures for 31 March 2020 have been restated as a result of errors discovered during the 2020-21 financial year in the financial statements of the public entity at, and for the year ended, 31 March 2021.

Significant uncertainties

8. With reference to note 25 to the financial statements, the public entity is the defendant in fire damage claims. The ultimate outcome of the matters cannot be presently determined and no provision for any liability that may result has been made in the financial statements.

Responsibilities of the accounting authority for the financial statements

9. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the PFMA, and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Report on the audit of the annual performance report

Introduction and scope

13. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
14. My procedures address the usefulness and reliability of the reported performance information, which must be based on the public entity's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the public entity enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
15. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the public entity's annual performance report for the year 31 March 2021:

Programmes	Pages in the annual performance report
Programme 2 – biodiversity capabilities	38 - 41

16. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

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

17. I did not identify any material findings on the usefulness and reliability of the reported performance information for this programme:
- Programme 2 – biodiversity capabilities.

Other matters

18. I draw attention to the matters below.

Achievement of planned targets

19. Refer to the annual performance report on pages 39 and 40 for information on the achievement of planned targets for the year and management's explanations provided for the overachievement of targets.

Report on the audit of compliance with legislation

Introduction and scope

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

Other information

22. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report, which includes the chairperson's report, the chief executive officer's report and the audit committee's report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.
23. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
24. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
25. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.



Internal control deficiencies

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

Auditor General

Cape Town
31 July 2021



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

ANNEXURE – AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

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

Financial statements

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

Communication with those charged with governance

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

Index

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

	Page
Accounting Authority's Responsibilities and Approval	92
Statement of Financial Position	93
Statement of Financial Performance	94
Statement of Changes in Net Assets	95
Cash Flow Statement	96
Statement of Comparison of Budget and Actual Amounts	97
Accounting Policies	98 - 107
Notes to the Annual Financial Statements	108 - 128

ACCOUNTING AUTHORITY'S RESPONSIBILITIES AND APPROVAL

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

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

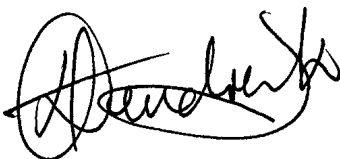
The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

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

The Board has reviewed the entity's budget forecast for the year from 01 April 2021 to 31 March 2022 and, in the light of this review, the current financial position and considering the impact of COVID-19 on our own revenue generation, it is satisfied that the entity has access to adequate resources to continue in operational existence for the foreseeable future.

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



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

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

Figures in Rand	Note(s)	2021	2020 Restated*
Assets			
Current Assets			
Cash and cash equivalents	4	165 616 851	168 835 776
Inventories	5	1 329 020	1 644 806
Receivables from exchange transactions	6	6 350 229	5 218 475
Trade receivables from non-exchange transactions	6	5 396 059	1 629 871
		178 692 159	177 328 928
Non-Current Assets			
Intangible assets	7	3 845 582	5 151 815
Property, plant and equipment	8	176 597 451	170 150 830
		180 443 033	175 302 645
Total Assets		359 135 192	352 631 573
Liabilities			
Current Liabilities			
Finance lease obligations	9	3 715 939	5 063 363
Short term employee benefits	10.1	12 780 180	12 786 337
Trade and other payables from exchange transactions	10.2	44 793 635	35 823 561
Trade and other payables from non-exchange transactions	10.3	544 345	969 644
Unspent conditional grants and receipts	11	1 526 648	7 141 193
		63 360 747	61 784 098
Non-Current Liabilities			
Employee benefit obligation	12	5 348 000	4 387 000
Finance lease obligations	9	27 661 495	29 582 395
Trade and other payables from non-exchange transactions	10.3	-	524 873
Unspent conditional grants and receipts	11	34 671 990	35 881 254
		67 681 485	70 375 522
Total Liabilities		131 042 232	132 159 620
Net Assets		228 092 960	220 471 953
Accumulated surplus		163 043 344	150 392 453
Project reserve	13	49 326 825	54 356 709
Revaluation reserve	14	15 722 791	15 722 791
Total Net Assets		228 092 960	220 471 953

STATEMENT OF FINANCIAL PERFORMANCE

Figures in Rand	Note(s)	2021	2020 Restated*
Revenue			
Revenue from exchange transactions			
Eco-tourism and access	15	27 789 639	42 151 371
Interest received	16	5 474 526	10 541 141
Licences and permits		3 954 647	3 584 451
Other income	17	3 927 596	4 379 159
Total revenue from exchange transactions		41 146 408	60 656 122
Revenue from non-exchange transactions			
Transfer revenue			
Fines		310 700	2 742 550
Grants, donations and project funds	18	15 387 527	16 089 231
Monetary government grants received	19	297 087 000	314 474 000
Services in kind - office accommodation		2 809 911	2 676 608
Total revenue from non-exchange transactions		315 595 138	335 982 389
Total revenue		356 741 546	396 638 511
Expenditure			
Administrative expenses		(15 771 456)	(19 070 072)
Debt impairment movement	6	(1 476 366)	(1 276 918)
Depreciation and amortisation	7, 8	(22 090 196)	(20 330 142)
Employee related costs	20	(210 318 849)	(221 622 012)
Finance costs	21	(12 080 383)	(12 108 967)
Firefighting aircraft hire		(2 594 122)	(5 335 364)
Impairment on property, plant and equipment		(466 073)	(292 959)
Information, communication and technology (ICT) costs		(17 989 808)	(16 809 248)
Professional and other services		(29 643 337)	(30 184 128)
Repairs and maintenance	8	(6 681 941)	(5 552 631)
Stores	5.1	(15 474 899)	(17 913 504)
Training		(2 071 770)	(6 021 661)
Transport and travel		(13 411 369)	(21 859 793)
Total expenditure		(350 070 569)	(378 377 399)
Operating surplus		6 670 977	18 261 112
Gain on disposal of property, plant and equipment		567 273	823 238
Loss on foreign exchange		(9 515)	-
Re-measurement gain on trade payables from non-exchange transactions		392 272	-
		950 030	823 238
Surplus for the year		7 621 007	19 084 350

STATEMENT OF CHANGES IN NET ASSETS

Figures in Rand	Revaluation reserve	Project reserve	Total reserves	Accumulated surplus	Total net assets
Opening balance as previously reported	15 722 791	68 578 600	84 301 391	119 169 571	203 470 962
Adjustments					
Prior year adjustments	-	-	-	(2 083 359)	(2 083 359)
Restated* Balance at 01 April 2019	15 722 791	68 578 600	84 301 391	117 086 212	201 387 603
Changes in net assets					
Surplus for the year	-	-	-	19 084 350	19 084 350
Transfers out	-	(14 221 891)	(14 221 891)	14 221 891	-
Total changes	-	(14 221 891)	(14 221 891)	33 306 241	19 084 350
Opening balance as previously reported	15 722 791	54 356 709	70 079 500	152 924 647	223 004 147
Adjustments					
Prior year adjustments	-	-	-	(2 532 194)	(2 532 194)
Restated* Balance at 01 April 2020	15 722 791	54 356 709	70 079 500	150 392 453	220 471 953
Changes in net assets					
Surplus for the year	-	-	-	7 621 007	7 621 007
Transfers out	-	(5 029 884)	(5 029 884)	5 029 884	-
Total changes	-	(5 029 884)	(5 029 884)	12 650 891	7 621 007
Balance at 31 March 2021	15 722 791	49 326 825	65 049 616	163 043 344	228 092 960
Note(s)	14	13			

CASH FLOW STATEMENT

Figures in Rand	Note(s)	2021	2020 Restated*
Cash flows from operating activities			
Receipts			
Grants, project funds and tourism revenue		336 145 575	389 455 522
Interest income		5 474 526	10 541 141
		341 620 101	399 996 663
Payments			
Employee costs		(209 364 005)	(223 328 786)
Suppliers		(95 806 842)	(126 012 740)
Finance costs		(12 080 383)	(12 108 967)
		(317 251 230)	(361 450 493)
Net cash flows from operating activities	22	24 368 871	38 546 170
Cash flows from investing activities			
Purchase of property, plant and equipment	8	(28 363 836)	(33 968 664)
Proceeds from sale of property, plant and equipment	8	743 423	1 357 720
Transfers property, plant and equipment		4 146 598	(331 359)
Purchase of other intangible assets	7	(845 678)	(2 389 344)
Proceeds from sale of other intangible assets	7	21	-
Net cash flows used in investing activities		(24 319 472)	(35 331 647)
Cash flows from financing activities			
Finance lease (payments)/receipts		(3 268 324)	(3 673 205)
Net increase/ (decrease) in cash and cash equivalents		(3 218 925)	(458 682)
Cash and cash equivalents at the beginning of the year		168 835 776	169 294 458
Cash and cash equivalents at the end of the year	4	165 616 851	168 835 776

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Performance						
Revenue						
Non-tax Revenue						
Sale of goods and services other than capital assets	47 789 000	(20 000 000)	27 789 000	34 554 197	6 765 197	33
Entity revenue other than sales	768 000	3 000 000	3 768 000	3 136 724	(631 276)	
Departmental transfers	302 187 000	(5 100 000)	297 087 000	297 087 000	-	
Other transfers	16 903 000	21 027 000	37 930 000	7 431 965	(30 498 035)	33
Total revenue	367 647 000	(1 073 000)	366 574 000	342 209 886	(24 364 114)	
Expenses						
Compensation of employees	(228 127 000)	6 133 000	(221 994 000)	(209 364 005)	12 629 995	33
Use of goods and services	(103 991 000)	(6 560 000)	(110 551 000)	(108 477 010)	2 073 990	33
Payment for capital assets	(35 529 000)	1 500 000	(34 029 000)	(27 587 796)	6 441 204	33
Total expenditure	(367 647 000)	1 073 000	(366 574 000)	(345 428 811)	21 145 189	
Deficit for the year	-	-	-	(3 218 925)	(3 218 925)	
Reconciliation						
Basis difference						
Depreciation and amortisation				(22 090 196)		
Services in kind				2 809 911		
Capital assets				26 727 996		
Working capital changes				3 392 221		
Actual amount in the Statement of Financial Performance				7 621 007		

ACCOUNTING POLICIES

I. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

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

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

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

The accounting policies and comparatives are consistent with the previous period except for those standards that have been adopted in the current year.

I.1 Presentation currency

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

I.2 Significant judgements and sources of estimation uncertainty

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

Impairment of Trade receivables

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

Impairment testing

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

Useful lives of property, plant and equipment

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

Post-retirement benefits

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

I.3 Going concern assumption

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

I.4 Living and non-living resources

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

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

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

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

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

I.5 Property, plant and equipment

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

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

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

ACCOUNTING POLICIES

Property, plant and equipment is initially measured at cost.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the entity. The depreciation method applied to an asset is reviewed at least at each

ACCOUNTING POLICIES

reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

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

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

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

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

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

1.6 Intangible assets

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

An intangible asset is identifiable if it is either:

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

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

An intangible asset is recognised when:

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

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

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

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

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

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

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

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

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

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

ACCOUNTING POLICIES

1.7 Heritage assets

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

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

Recognition

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

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

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

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

Initial measurement

Heritage assets are measured at cost.

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

Subsequent measurement

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

Impairment

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

Transfers

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

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

Derecognition

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

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

1.8 Financial instruments

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

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

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

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

A financial asset is:

- Cash;
- A residual interest of another entity; or
- A contractual right to:
 - Receive cash or another financial asset from another entity; or
 - Exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

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

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

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

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

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

ACCOUNTING POLICIES

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

Classification

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

All financial assets of CapeNature are categorised as financial instruments at amortised cost. The classification depends on the nature and the purpose of the financial assets and is determined at the time of initial recognition

All financial liabilities of CapeNature are classified as financial liabilities at amortised cost. The classification depends on the nature and the purpose of the financial liabilities and is determined at the time of initial recognition.

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

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

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

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

Initial recognition and measurement

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

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'financial assets at amortised costs'. Financial assets are measured at amortised cost using

the effective interest method less any impairment. Interest income is recognised by applying the effective interest rate.

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

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

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

Subsequent measurement

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

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

Receivables from exchange transactions

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

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

ACCOUNTING POLICIES

Payables from exchange transactions

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

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

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

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

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

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

Cash and cash equivalents

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

1.9 Taxation

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

1.10 Leases

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

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair

value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

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

1.11 Inventories

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

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

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

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

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

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

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

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

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

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

ACCOUNTING POLICIES

loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

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

1.12 Impairment

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

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

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

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

Identification

When the carrying amount of a 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.

1.13 Employee benefits

Short-term employee benefits

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

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

Defined contribution plans

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

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

Defined benefit plans

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

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

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

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

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

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

1.14 Provisions, contingencies and payables from non-exchange transactions

Provisions are recognised when:

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

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

ACCOUNTING POLICIES

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

Provisions are not recognised for future operating deficits.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 25.

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

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

1.15 Revenue from exchange transactions

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

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

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

Measurement

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

Sale of goods

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

- The entity has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- The entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;

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

Rendering of services

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

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

Interest

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

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

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

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

1.16 Revenue from non-exchange transactions

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

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

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

ACCOUNTING POLICIES

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

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

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

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

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset, when, and only when:
it is probable that future economic benefits or service potential associated with the asset will flow to the entity; and the fair value of the asset can be measured reliably.

Measurement

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

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

Gifts and donations, including goods in-kind

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

Services in-kind

Except for financial guarantee contracts, the entity recognise services in-kind that are significant to its operations and/

or service delivery objectives as assets and recognise the related revenue when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

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

1.17 Accounting by principals and agents

Identification

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

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

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

Recognition

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

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

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

1.18 Comparative figures

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

1.19 Fruitless and wasteful expenditure

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

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial

ACCOUNTING POLICIES

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

1.20 Irregular expenditure

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

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

1.21 Budget information

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

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

The approved budget covers the fiscal period from 01 April 2020 to 31 March 2021.

Comparative information is not required.

1.22 Related parties

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

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

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

The entity has already applied the principles of GRAP 20.

1.23 Events after reporting date

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

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

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

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

1.24 Commitments

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

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

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

2021

2020
Restated***2. New standards and interpretations****2.1 Standards and interpretations issued, but not yet effective****Guideline on Accounting for Landfill Sites**

The Guidelines objective is to illustrate the accounting for land in a landfill, the landfill site asset and the related rehabilitation provision which will assist entities in formulating an accounting policy.

3. Living and non-living resources**Non-financial information**

CapeNature works towards its objectives by implementing its mandated functions. In rendering these objectives the entity manages 31 nature reserve complexes which include six marine protected areas. The nature reserve complexes and marine protected areas house non-living resources as defined. The details of these reserve complexes and marine protected areas can be found in Note 34.

Living Resources

Although living resources exist within the nature reserve complexes and marine protected areas managed by CapeNature, they do not meet the asset definition and recognition criteria and are therefore not recognised in the financial statements.

4. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	203 970	211 010
Bank balances	165 412 881	168 624 766
	165 616 851	168 835 776

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

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

Credit rating

Nedbank Limited Standard & Poors bbb-	165 412 881	168 624 766
---------------------------------------	-------------	-------------

5. Inventories

Uniforms, rations and other consumables	438 475	693 718
Fuel	278 855	270 596
Chemical Stores	611 690	680 492
	1 329 020	1 644 806

5.1 Additional Information

Inventories recognised as an expense during the year	6 222 568	9 421 681
Other stores	9 252 331	8 491 823
	15 474 899	17 913 504

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

5.2 Non-financial information

Ivory and other confiscated stocks are not capitalised as there is no legal trading market.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2021	2020 Restated*
6. Receivables from exchange transactions		
Trade debtors from exchange transactions	1 337 876	1 490 300
Other receivables from exchange transactions	5 012 353	3 728 175
Trade and other receivables from exchange transactions	6 350 229	5 218 475
Trade debtors from non-exchange transactions	5 396 059	1 629 871
	5 396 059	1 629 871
Other receivables includes accrued income and prepaid expenses such as licence fees and insurance.		
Analysis of total trade and other receivables' ageing in days		
Trade and other receivables which are less than 3 months past due are not considered to be impaired.		
The ageing of the amounts is as follows:		
Current	5 219 576	3 865 692
30 days	688 485	654 079
60 days	311 786	45 428
90 days plus	4 097 049	3 143 579
Subtotal	10 316 896	7 708 777
Allowance for impairment of trade and other receivables	(3 966 667)	(2 490 302)
Trade and other receivables from exchange transactions	6 350 229	5 218 475
Current	5 396 059	1 629 871
Trade and other receivables from non-exchange transactions	5 396 059	1 629 871
Subtotal from exchange transactions	10 316 896	7 708 777
Trade and other receivables from non-exchange transactions	5 396 059	1 629 871
Allowance for impairment of trade and other receivables	(3 966 667)	(2 490 302)
	11 746 288	6 848 346
Reconciliation of allowance for impairment of trade and other receivables		
Opening balance	(2 490 302)	(1 213 384)
(Increase) in allowance recognised in surplus for impairment	(1 476 365)	(1 276 918)
Closing Balance	(3 966 667)	(2 490 302)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

2021

2020

7. Intangible assets	2021			2020		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	17 519 443	(13 673 861)	3 845 582	16 813 779	(11 661 964)	5 151 815
Services in kind – office accommodation	2 809 911	(2 809 911)	-	2 676 608	(2 676 608)	-
Total	20 329 354	(16 483 772)	3 845 582	19 490 387	(14 338 572)	5 151 815

Reconciliation of intangible assets - 2021

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software	5 151 815	845 678	(21)	(2 151 890)	3 845 582
Services in kind - office accommodation	-	2 809 911	-	(2 809 911)	-
	5 151 815 3	655 589	(21)	(4 961 801)	3 845 582

Reconciliation of intangible assets - 2020

	Opening balance	Additions	Amortisation	Total
Computer software	4 475 726	2 389 344	(1 713 255)	5 151 815
Services in kind - office accommodation	-	2 676 608	(2 676 608)	-
	4 475 726	5 065 952	(4 389 863)	5 151 815

Services in kind

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

CapeNature has the right to use the property at 1 Volstruis Road, Bridgetown (Erf 32654 Cape Town) as its head office base, which is owned by The Department of Transport and Public Works.

CapeNature has the right to use the property from 01 April 2020 to 31 December 2020 at 42 Courtenay Street, Bo Dorp, George, 6529(Erf 8685 George) for regional operations, which is leased by The Department of Transport and Public Works. CapeNature had the right to use the property from 01 January 2021 at Progress Street, bounded by York and St John's Streets, George (Erf 1351 George) for regional operations, which is owned by The Department of Transport and Public Works.

Contractual commitments for intangible asset acquisitions

Computer software to the value of R428 723 is expected to be capitalised once the recognition and measurement criteria for intangible assets are met. Refer to Note 24.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

8. Property, plant and equipment

	2021			2020		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Land	5 800 000	-	5 800 000	5 800 000	-	5 800 000
Buildings	13 744 870	(2 882 688)	10 862 182	13 604 120	(2 590 887)	11 013 233
Plant and machinery	10 777 495	(5 643 795)	5 133 700	10 648 042	(4 938 289)	5 709 753
Furniture and fixtures	91 243 156	(42 582 536)	48 660 620	74 759 807	(38 456 178)	36 303 629
Motor vehicles	11 021 159	(7 632 880)	3 388 279	9 418 910	(7 231 365)	2 187 545
IT equipment	25 783 374	(20 678 033)	5 105 341	25 179 268	(18 041 671)	7 137 597
Leasehold improvements	28 033 820	(4 268 157)	23 765 663	27 365 039	(3 406 375)	23 958 664
Capital assets under construction	4 021 541	-	4 021 541	28 541 807	-	28 541 807
Motor vehicles under finance leases	41 871 445	(14 725 246)	27 146 199	43 035 811	(13 059 882)	29 975 929
Infrastructure development	48 153 458	(5 439 532)	42 713 926	23 663 623	(4 140 950)	19 522 673
Total	280 450 318	(103 852 867)	176 597 451	262 016 427	(91 865 597)	170 150 830

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Transfers	Depreciation	Impairment loss	Total
Land	5 800 000	-	-	-	-	-	5 800 000
Buildings	11 013 233	140 750	-	-	(291 801)	-	10 862 182
Plant and machinery	5 709 753	999 756	(85 537)	-	(1 490 272)	-	5 133 700
Furniture and fixtures	36 303 629	3 887 756	(62 657)	15 020 694	(6 488 802)	-	48 660 620
Motor vehicles	2 187 545	1 964 776	(33)	-	(764 009)	-	3 388 279
IT equipment	7 137 597	1 411 873	(6 585)	-	(3 437 544)	-	5 105 341
Leasehold improvements	23 958 664	700 007	(21 338)	-	(871 670)	-	23 765 663
Capital assets under construction	28 541 807	5 299 104	-	(29 819 370)	-	-	4 021 541
Motor vehicles under finance leases	29 975 929	1 019 008	-	(896 951)	(2 485 714)	(466 073)	27 146 199
Infrastructure development	19 522 673	12 940 806	-	11 549 029	(1 298 582)	-	42 713 926
Total	170 150 830	28 363 836	(176 150)	(4 146 598)	(17 128 394)	(466 073)	176 597 451

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

8. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Transfers	Depreciation	Impairment loss	Total
Land	5 800 000	-	-	-	-	-	5 800 000
Buildings	11 178 004	122 885	-	-	(287 656)	-	11 013 233
Plant and machinery	4 913 518	2 005 827	-	-	(1 209 592)	-	5 709 753
Furniture and fixtures	37 923 083	4 439 481	(70 997)	-	(5 987 938)	-	36 303 629
Motor vehicles and boats	2 121 213	975 176	-	-	(908 844)	-	2 187 545
IT equipment	5 352 296	4 746 318	-	-	(2 961 017)	-	7 137 597
Leasehold improvements	24 261 707	569 112	-	-	(872 155)	-	23 958 664
Capital assets under construction	8 357 825	20 183 982	-	-	-	-	28 541 807
Motor vehicles under finance leases	32 784 542	202 509	(463 485)	331 359	(2 586 037)	(292 959)	29 975 929
Infrastructure development	19 926 339	723 374	-	-	(1 127 040)	-	19 522 673
Total	152 618 527	33 968 664	(534 482)	331 359	(15 940 279)	(292 959)	170 150 830

Proceeds from the sale of property, plant and equipment amounted to R743 423(2020: R1 357 720).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

2021	2020 Restated*
------	-------------------

8. Property, plant and equipment (continued)

Pledged as security

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

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

Furniture and fixtures	10 700	-
------------------------	--------	---

Capital assets under construction

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

Furniture and fixtures	549 499	21 664 134
Intangible asset - Computer software	262 849	364 949
Infrastructure development	3 209 193	6 512 723
	4 021 541	28 541 806

Furniture and fittings consists of the Goukamma upgrades.

Intangible asset - Computer software consist of the service desk project.

Infrastructure development consists of various projects across Rocherpan (R874 637), Cederberg (R1 171 378), Limietberg (R145 174) De Mond (R432 886), Grootvadersbosch (R134 409) and Stony Point (R450 709) nature reserves.

Expenditure incurred to repair and maintain property, plant and equipment

The repairs and maintenance for the year on property, plant and equipment is R6 681 941 (March 2020: R5 552 631), however this includes repairs and maintenance spent on property, plant and equipment that is not owned by the entity and excludes the purchase of materials and internal labour costs.

Motor vehicles under finance leases

CapeNature leases a range of vehicles from the Government Motor Transport Department. At 31 March 2021, CapeNature rented 143 (March 2020: 141) vehicles. This arrangement is disclosed in note 9 Finance lease obligations and note 26 Related parties.

Contractual commitments for property, plant and equipment acquisitions

Infrastructure to the value of R4 966 176 is expected to be capitalised once the recognition and measurement criteria are met. Refer to Note 24.

9. Finance lease obligations

Finance lease obligations

Long-term portion of finance lease obligation	27 661 495	29 582 395
Current portion of finance lease obligation	3 715 939	5 063 363
Total finance lease obligations	31 377 434	34 645 758

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

2021

2020
Restated***9. Finance lease obligations (continued)**

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

CapeNature as Lessee:

Finance Leases relate to permanently allocated vehicles with lease terms between 5 to 11 years. The effective annual interest rate on new vehicles purchased and permanently allocated to Cape Nature during the year under review is between 34% and 35%.

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

The obligations under finance leases liabilities are as follows:

	Minimum lease payments		Present value of minimum	
	March 2021	March 2020	March 2021	March 2020
Amounts payable under finance leases				
Within one year	14 523 852	15 632 819	3 715 939	5 063 363
In the second to fifth years	35 068 235	38 798 630	27 661 495	29 582 395
Less: Future finance obligations	(18 214 653)	(19 785 691)	-	-
Present value of minimum lease obligations	31 377 434	34 645 758	31 377 434	34 645 758

10. Short term employee benefits and trade and other payables from exchange and non-exchange transactions**10.1 Short term employee benefits**

Employment leave entitlement	7 921 064	8 339 320
13th cheque cash portion	1 771 339	1 842 224
Salary accruals	3 087 777	2 604 793
	12 780 180	12 786 337

10.2 Trade and other payables from exchange transactions

Trade and other payables from exchange transactions	26 687 768	21 859 236
Income received in advance from exchange transactions	18 105 867	13 964 325
	44 793 635	35 823 561

10.3 Trade and other payables from non-exchange transactions

Other payables - current	544 345	969 644
Other payables - non-current	-	524 873
	544 345	1 494 517

CapeNature has financial risk management policies in place to ensure that all payables are paid within the credit time frame.

Income received in advance mainly consists of tourism deposits.

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2021	2020 Restated*
11. Unspent conditional grants and receipts		
Year to date movement		
Balance at the beginning of the year	43 022 447	37 350 278
Additions during the year	8 543 872	21 505 131
Income recognition during the year	(15 367 681)	(15 832 962)
	36 198 638	43 022 447
Non-current liabilities	34 671 990	35 881 254
Current liabilities	1 526 648	7 141 193
	36 198 638	43 022 447

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

12. Employee benefit obligations

Defined benefit plan

Post-retirement medical aid plan

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

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

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

Opening balance	4 387 000	5 299 365
Net (income) expense recognised in the statement of financial performance	961 000	(912 365)
	5 348 000	4 387 000

Net expense recognised in the statement of financial performance

Current service cost	38 000	53 000
Past service cost	487 000	459 635
Actuarial (gains) losses	838 000	(1 023 000)
Curtailement	(402 000)	(402 000)
Total included in employee related costs (Note 20)	961 000	(912 365)

Key assumptions used

Assumptions used in the last valuation 31 March 2021

Retirement age	60	60
Discount rates used	8,98 %	11,57 %

The discount rate reflects the estimated timing of benefit payments. The average nominal yield curve for South African government bonds with duration of between 6 and 9 years were used. The resultant discount rate was 8.98%.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

2021

2020
Restated***12. Employee benefit obligations (continued)**

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

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

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

The normal retirement age is 65, however the assumed retirement age of 60 years was used.

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

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

Number of members included as active members	22	24
Number of members included as pensioners	33	33
	55	57

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

Sensitivity Analysis

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

	One percentage point increase	One percentage point decrease
Projected service costs	37 000	47 000
Projected interest costs	478 000	448 000
Post-employment benefit obligation	4 969 000	5 783 000

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

	2021 R	2020 R	2019 R	2018 R	2017 R
Defined benefit obligation	5 348 000	4 387 000	5 299 365	5 264 483	5 213 718

Defined contribution plan

Pension benefits

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

As at March 2021 the entity employed 948 staff of which 444 are permanent employees. There are 92 members belonging to the GEPF and 221 members belonging to the OMSPF.

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

The amount recognised as an expense for defined contribution plans is	14 790 728	15 220 793
---	------------	------------

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2021	2020 Restated*
13. Project Reserve		
The project reserve is maintained to protect CapeNature's operating capacity by funding non-recurring needs and unexpected obligations after the budget process. The reserve is cash-backed and funded by own revenue.		
Transfers in and out are approved by the CapeNature board.		
Opening balance	54 356 709	68 578 600
Transfer out	(5 029 884)	(14 221 891)
	49 326 825	54 356 709
14. Revaluation reserve		
Opening balance	15 722 791	15 722 791
The revaluation reserve relates primarily to revaluation surpluses or deficits on the revaluation of land and buildings to their fair values.		
Revaluations are performed every three years.		
The frequency of revaluations depends upon the changes in the fair values of the items of property, plant and equipment being revalued.		
15. Eco-tourism and access		
Accommodation	12 114 353	15 029 472
Entrance fees, hiking and activities	12 429 258	20 853 358
Wild card sales	1 402 561	2 377 658
Filming fees	344 060	822 311
Public Private Partnership Business income	1 499 407	3 068 572
	27 789 639	42 151 371
Entrance fees, hiking and activities includes income generated from events and concession fees.		
16. Interest Received		
Interest revenue		
Bank interest	5 474 526	10 541 141
17. Other income		
Insurance recoveries	10 700	-
Services rendered	194 257	-
Staff and private accommodation	480 892	673 988
Sundry income	3 241 747	3 705 171
	3 927 596	4 379 159

Sundry income consists of water, electricity and utility recoveries across various reserve accommodation facilities used privately and within community dwellings.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2021	2020 Restated*
18. Grants, donations and project funds		
Donations	19 846	256 269
Project grants	15 367 681	15 832 962
	15 387 527	16 089 231
19. Monetary government grants received		
Provincial allocation	297 087 000	314 474 000
20. Employee related costs		
Leave pay accrual movement	(418 257)	(1 146 994)
Overtime payments	3 920 819	4 667 695
Post-employment pension benefits (note 12)	14 790 728	15 220 793
Post-retirement medical benefit movement (note 12)	961 000	(912 365)
Salaries and wages	191 064 559	203 792 883
	210 318 849	221 622 012
Remuneration of board members		
Included in the salaries and wages above are the fees paid to the board members (non-executive management) of R291 246 (March 2020: R315 459). Refer to note 27.		
21. Finance costs		
Finance costs on leases	11 975 786	12 092 417
Interest charged	104 597	16 550
	12 080 383	12 108 967
22. Cash generated from operations		
Surplus	7 621 007	19 084 350
Adjustments for:		
Depreciation and amortisation	22 090 196	20 330 142
Gain on sale of assets	(567 273)	(823 238)
Services in kind - office accommodation	(2 809 911)	(2 676 608)
Impairment on property, plant and equipment	466 073	292 959
Movements in retirement benefit assets and liabilities	961 000	(912 365)
Salary accruals	(6 157)	(794 412)
Changes in working capital:		
Inventories	315 786	(109 685)
Receivables from exchange and non-exchange transactions	(4 897 942)	362 594
Trade and other payables from exchange transactions	8 019 901	(1 879 736)
Unspent conditional grants and receipts	(6 823 809)	5 672 169
	24 368 871	38 546 170

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

23. Categories of financial instruments

Financial assets

Trade and other receivables from exchange transactions (Note 6)
Trade and other receivables from non-exchange transactions (Note 6)
Cash and cash equivalents (Note 4)

	2021	2020 Restated*
	2021	2020
	At	At
	amortised	amortised
	cost	cost
Trade and other receivables from exchange transactions (Note 6)	4 233 128	4 191 297
Trade and other receivables from non-exchange transactions (Note 6)	5 396 067	1 629 871
Cash and cash equivalents (Note 4)	165 616 851	168 835 776
	175 246 046	174 656 944

Financial liabilities

Trade and other payables from exchange transactions (Note 10.2)
Finance Lease obligations (Note 9)

	2021	2020
	At	At
	amortised	amortised
	cost	cost
Trade and other payables from exchange transactions (Note 10.2)	26 687 768	21 859 236
Finance Lease obligations (Note 9)	31 377 434	34 645 758
	58 065 202	56 504 994

24. Commitments

24.1 Authorised capital expenditure

Already contracted for but not provided for

- Bird Island entrance gate
- Bird Island penguin pool
- Cederberg infrastructure upgrades
- Computer hardware
- Computer software
- De Hoop steel cage
- Furniture for reserves
- Gamkaberg upgrades
- Grootvadersbosch infrastructure upgrades
- Kogelberg development
- Kogelberg upgrades
- Rocherpan tourism facility upgrades
- Rocherpan green conference centre
- Rocherpan solar power
- Vrolijkheid infrastructure upgrades
- Waste water treatment
- Wolwekloof picnic area

	2021	2020
Bird Island entrance gate	-	184 367
Bird Island penguin pool	524 787	-
Cederberg infrastructure upgrades	708 321	1 131 980
Computer hardware	-	1 423 654
Computer software	429 723	3 432 475
De Hoop steel cage	198 088	-
Furniture for reserves	-	1 499 993
Gamkaberg upgrades	119 600	-
Grootvadersbosch infrastructure upgrades	925 369	7 345 229
Kogelberg development	-	896 282
Kogelberg upgrades	540 869	-
Rocherpan tourism facility upgrades	-	500 155
Rocherpan green conference centre	133 197	-
Rocherpan solar power	1 288 143	-
Vrolijkheid infrastructure upgrades	-	5 231 734
Waste water treatment	640 205	-
Wolwekloof picnic area	-	168 581
	5 508 302	21 814 450

Total capital commitments

Approved and contracted

	2021	2020
Approved and contracted	5 508 302	21 814 450

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

2021

2020
Restated***24.2 Operating leases - as lessee (expense)****Minimum lease payments due**

- within one year	1 164 501	1 139 771
- in second to fifth year inclusive	944 540	2 236 443
	2 109 041	3 376 214

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

24.3 Operating lease arrangement

Motor vehicles

Operating leases relate to 3 vehicles with anticipated remaining lease terms of 14 to 15 months as at 31 March 2021. The entity does not have an option to purchase the leased assets at the expiry of the leased period.

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

25. Contingencies

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

Contingent liabilities

MTO and Cape Sawmills vs CapeNature	33 616 497	33 616 497
Botha E vs CapeNature	490 000	-
Badenhorst vs CapeNature	38 556	-
October M and October R vs CapeNature	1 400 000	1 400 000
Fourie CJ vs CapeNature	5 243 116	5 243 116
P Beukes vs CapeNature	3 250 750	3 250 750
Geelhoutvlei Timbers CC vs CapeNature	13 488 244	-
Gebroeders Niewoudt vs CapeNature	3 135 309	-
	60 662 472	43 510 363

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2021	2020 Restated*
25. Contingencies (continued)		
The case of Mountain to Ocean (MTO) and Cape Sawmills vs CapeNature is in respect of fire damage in Jonkershoek – 23 and 28 February 2009.		
The case of Botha E vs CapeNature is in respect of a civil claim relating to an employee relations matter.		
The case of Badenhorst vs CapeNature is in respect of a motor vehicle accident.		
The case of October M and October R vs CapeNature is in respect of various civil claims relating to a fire incident in Rooisand area - 16 to 30 March 2011.		
The case of Fourie CJ vs CapeNature is in respect of fire damage in the Ruitersbosch area - 7 February 2015.		
The case of B Beukes vs CapeNature is in respect of various civil claims relating to motor vehicle accident involving a wild animal in the Theewaterskloof area- 14 October 2016.		
The case of Geelhoutvlei Timbers CC vs CapeNature is in respect of a summons issued due to a wildfire in Outeniqua in 2018 whereby the entity is one of 3 defendants.		
The case of Gebroeders Niewoudt vs CapeNature is in respect of a fire claim in the Clanwilliam area.		
Section 3 notices were served on Cape Nature of possible future fire claims in Riversdale, Outeniqua, Betty's Bay, Cederberg and Mossel Bay areas. These notices of intended legal proceedings are still in the early stages and therefore no reliable estimates of potential losses can be disclosed.		
Contingent liabilities due to disputes		
Garden Route District Municipality dispute to the value of R3 063 649, is in respect of invoices issued by Garden Route District Municipality to CapeNature for firefighting services over a number of financial years which is in dispute, however does not have any legal basis at this point.		
Employees of the entity had previously received yearly cost of living increases in accordance with the DPSA's authorised compensation levels; however, owing to an ongoing legal disagreement between the National Treasury and labour unions, the pay increases for the 2020-21 fiscal year were not implemented. If the decision is against the employer, the entity may be obliged to pay back-pay to employees. The total amount cannot be established because the case is still being heard.		
Contingent assets	-	706 557
The case of CapeNature vs Stellenbosch Municipality is in respect of damages arising from a fire which started in an informal settlement in Franschoek - 25 December 2005, however this case is in the process of being withdrawn due to intergovernmental co-operation.		
Legal fees		
Legal fees associated with these claims have not been provided for.		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

2021

2020
Restated***26. Related parties**

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

Western Cape Department of Transport and Public Works (DTPW)

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

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

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

World Wildlife Fund South Africa

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

Funding received - 2020 R1 058 592

Funding received - 2021 R0

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

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

Department of Forestry, Fisheries and the Environment (DFFE)

CapeNature receives funding from DFFE for various initiatives related to the mandate of the entity such as Alien Clearing and Marine Protected Area Management.

Funding received - 2020 R9 778 336

Funding received - 2021 R3 545 677

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

In the year under review, CapeNature received R297 087 000 (March 2020: R314 474 000) as a provincial grant from the Department of Environmental Affairs and Planning.

South African National Parks

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

The total funding that CapeNature received for the year under review is R1 165 716 (March 2020: R2 931 443).

A related party relationship also exists between CapeNature and SanParks with regards to wildcards. CapeNature receives 2% revenue on all wildcard sold - refer to note 15.

South African National Biodiversity Institute

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

The South African National Biodiversity Institute (SANBI) has been awarded funding from the Global Environmental Facility

(GEF) through the United Nations Development Programme (UNDP) for a collaborative project entitled (GEF Funded Biodiversity and Land Use Project).

Funding received - March 2020 R206 408

Funding received - March 2021 R0

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

2021

2020
Restated*

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

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

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

No performance bonuses were paid in this financial year.

Executive Management Emoluments

Omar R - Chief Executive Officer	1 757 394	1 733 718
Bhayat M - Chief Financial Officer	1 269 960	1 242 620
Birss C-Biodiversity Capabilities	1 057 342	978 195
Baard E - Conservation Operations	1 173 483	1 153 659
Ismail S - Marketing and Eco Tourism	1 327 974	1 306 077
	6 586 153	6 414 269

Board Members' Emoluments

March 2021

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

March 2020

	Remuneration	Reimbursive expenses	Total
Hendricks D - Chairperson	76 416	-	76 416
Maneveldt G - Vice Chairperson	43 470	-	43 470
Loubser M	46 278	-	46 278
Johnson C	33 735	14 630	48 365
Burton M	42 384	-	42 384
Redlinghuis A	32 013	1 235	33 248
Slack P	41 298	-	41 298
	315 594	15 865	331 459

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

**27. Key management information - Executive Management and Board Members' emoluments (continued)
Independent Committee Members (Audit, Finance and ICT)****March 2021**

	Remuneration	Total
Devcharran N	27 215	27 215
Van Staaden B	22 915	22 915
Z Hoosain	19 452	19 452
	69 582	69 582

March 2020

	Remuneration	Reimbursive expenses	Total
Devcharran N	14 416	491	14 907
Van Staaden B	16 147	-	16 147
	30 563	491	31 054

28. Prior period errors and reclassifications**Correction of prior period errors****Administrative expenses and Finance costs**

Prior to 31 March 2020, VAT was not charged by a foreign service provider and SARS indicated that CapeNature was liable to pay this VAT which amounted to R1 433 860. Interest to the value of R649 499 was incurred on this transaction, however CapeNature has requested to waive this finance cost.

Professional fees

Included in professional fees is internal audit fees. A credit note for internal audit fees to the value of R279 449 was received during the year in relation to the prior year which was partially set off against the final invoice received.

Infrastructure development and Computer software

During the prior year, Infrastructure development costs to the value of R62 100 and Computer software costs to the value of R153 916 was incorrectly expensed and has subsequently been capitalised to Property, plant and Equipment and Intangible assets respectively.

Capital assets under construction

The De Hoop Fence project (R784 548) was cancelled due to the contract being cancelled with the supplier. As this did not meet the definition of an asset, it couldn't be transferred from Capital assets under construction to Furniture and fixtures within Property, plant and Equipment and had to be expensed to the Stores account.

Statement of Financial Position

	As previously reported 2019-20	Correction of error	Restated 2019-20
Property, plant and equipment	170 873 277	(722 448)	170 150 829
Current liabilities - Trade and other payables from exchange transactions	(33 859 902)	(1 963 662)	(35 823 564)
Intangible assets	4 997 899	153 916	5 151 815
Accumulated surplus (Prior year opening balance)	(152 924 643)	2 532 194	(150 392 449)
	(10 913 369)	-	(10 913 369)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

28. Prior period errors and reclassifications (continued)

Statement of Financial Performance

	As previously reported 2019-20	Correction of error	Restated 2019-20
ICT costs	16 963 164	(153 916)	16 809 248
Professional and other services	30 365 928	(181 800)	30 184 128
Stores	17 128 957	784 547	17 913 504
	64 458 049	448 831	64 906 880

Cash Flow Statement

	As previously reported 2019-20	Correction of error	Restated 2019-20
Suppliers	(125 444 208)	(568 532)	(126 012 740)
Purchase of property, plant and equipment	(34 691 112)	722 448	(33 968 664)
Purchase of other intangible assets	(2 235 428)	(153 916)	(2 389 344)
	(162 370 748)	-	(162 370 748)

29. Risk management

Financial risk management

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

Liquidity risk

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

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

At 31 March 2021

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	26 687 768	-	-	-
Finance lease obligations	3 715 939	-	27 661 495	-

At 31 March 2020

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	21 859 236	-	-	-
Finance lease obligations	5 063 363	-	29 582 395	-

Interest rate risk

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

Interest rate sensitivity analysis

At 31 March 2021, if the interest rates on currency-denominated investments had been 1% higher or lower with all other variables held constant, the surplus for the year would have been R 1 670 188 (March 2020: R1 688 541) higher or lower, mainly as a result of higher or lower expense on floating rate investments.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

2021

2020
Restated***29. Risk management (continued)****Credit risk**

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

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

Credit guarantee insurance is purchased when deemed appropriate.

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

Financial instrument

Trade and other receivables	4 233 128	4 191 297
Cash and cash equivalents	165 616 851	168 835 776

30. Events after the reporting date

No events to report to date.

31. Fruitless and wasteful expenditure

Opening balance	-	5 400
Fruitless and wasteful expenditure for the year	169	-
Fruitless and wasteful expenditure recovered	(169)	-
Fruitless and wasteful expenditure condoned	-	(5 400)
	-	-

R169 interest was incurred due to the late payment of printing related expenses.

The expenditure was recovered from the respective employee.

32. Irregular expenditure

There's been no irregular expenditure for the financial year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

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

Revenue

Sale of goods and services other than capital assets

CapeNature surpassed the reduced target set during the lockdown as a result of COVID-19. This is largely attributable to the slight easing of restrictions and increase in local travel.

Other Transfers

Other transfers saw a reduction in NRM related funding for the 2020-21 financial years. Delays in concluding the funding contracts as a result of COVID-19 resulted in less funds being received during the 2020-21 financial year than originally anticipated. Furthermore, the entity received funds in the prior year that weren't completed and only utilised in the current year. As expenditure needed to be budgeted for to avoid any irregular expenditure, the income had to be included in the budget but the cash was received in prior years.

Expenditure

Compensation of employees

There were cost savings due to the improved management of employee costs and vacancy management as a result of CapeNature's restructure. Furthermore, the annual salary increases were not implemented due to the wage freeze implemented by National Treasury as a result of COVID-19.

Payment for capital assets

Due to COVID-19 the procurement for capital projects were finalised later than planned and hence these projects could not be completed by the end of the financial year. These projects are however included in commitments. Refer to note 24.

Use of Goods and Services

Due to COVID-19 the planned operational requirements during the 2020-21 financial year were impacted by the various levels of lockdown's resulting in this variance.

34. Budget disclosure

Changes from the approved budget to the final budget

The changes between the approved and final budget are a consequence of changes in the overall budget parameters as a result of COVID-19 and reallocations within the parameters set out by Provincial Treasury.

35. Heritage Assets

Heritage assets for which fair values cannot be reliably measured

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

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

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

35. Heritage Assets (continued)**Name of nature reserve complex****Size in hectares**

Anysberg	79 629
Babilonstoring	1 569
Bird Island	394
Cederberg	79 689
Dassen Island	738
De Hoop	62 977
De Mond	1 593
Driftsands	507
Dyer Island	290
Gamkaberg	39 997
Geelkrans	4 600
Goukamma	8 331
Grootvadersbosch	33 586
Grootwinterhoek	27 330
Hottentots Holland	48 181
Islands and Rocks	500
Kammanassie	27 056
Keurbooms River	895
Knersvlakte	85 745
Kogelberg	26 560
Limietberg	45 187
Marloth	14 227
Outeniqua	39 296
Riverlands	1 715
Robberg	2 809
Rocherpan	1 076
Salmonsdam	712
Swartberg	131 504
Vrolijkheid	28 580
Walker Bay	6 225
Waterval	27 355
	828 853

36. Going concern

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





PHYSICAL ADDRESS

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

PR: PR272/2021

ISBN: 978-0-621-49741-0

POSTAL ADDRESS

CapeNature
Private Bag X29
Gatesville
7766

TELEPHONE

+27 087 087 9262

WEBSITE

www.capenature.co.za