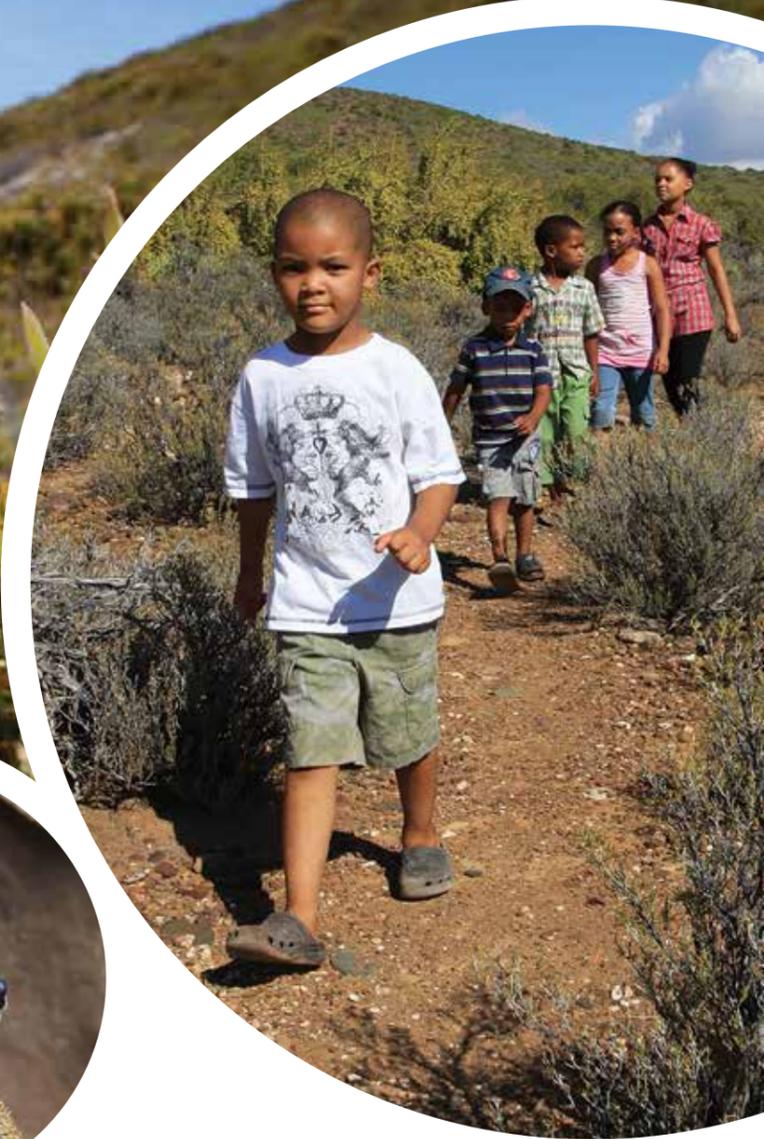




ANNUAL REPORT

2018/2019

CAPENATURE | ANNUAL REPORT 2018/2019



RP223/2019
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CapeNature

20
YEARS 1999-2019

Twenty years of nurturing nature for you



**ANNUAL
REPORT**
—
2018/2019

GOUKAMMA NATURE RESERVE

COVER PHOTOS:
Main photo: De Hoop Nature Reserve - Scott Ramsay | Flower - Scott Ramsay | Grysbok - Jake Heckley

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Main photo:
KOGELBERG NATURE RESERVE
Small photo:
GAMKABERG NATURE RESERVE

PART
A
GENERAL
INFORMATION

1 PUBLIC ENTITY'S GENERAL INFORMATION

REGISTERED NAME	Western Cape Nature Conservation Board
REGISTRATION NUMBER (if applicable)	N/A
PHYSICAL ADDRESS	PGWC Shared Services Centre Cnr Bosduif and Volstruis Streets Bridgetown 7764
POSTAL ADDRESS	Private Bag X29 Gatesville 7766
TELEPHONE NUMBER/S	+27 87 087 3200
FAX NUMBER	Not applicable
E-MAIL ADDRESS	info@capenature.co.za
WEBSITE ADDRESS	www.capenature.co.za
EXTERNAL AUDITORS	Auditor-General of South Africa
BANKERS	Nedbank Mutual Park 91 Jan Smuts Drive Pinelands 7405
COMPANY/BOARD SECRETARY	Not applicable

2 LIST OF ABBREVIATIONS/ACRONYMS

CAPEX	Capital Expenditure
CEO	Chief Executive Officer
DCA	Damage Causing Animal
DEA&DP	Department of Environmental Affairs and Development Planning
EPWP	Expanded Public Works Programme
FTE	Full Time Equivalent
GMT	Government Motor Transport
HR	Human Resource
ICT	Information, Communication and Technology
METT	Management Effectiveness Tracking Tool
PFMA	Public Finance Management Act
SCM	Supply Chain Management
SMME	Small Medium and Micro Enterprise
SWSA	Strategic Water Source Area
WIL	Work Integrated Learner

3 FOREWORD by the Chairperson



In the Western Cape we are blessed with a landscape characterised by lifeforms which display high levels of diversity and endemism. The reason for this is the Cape Floral Kingdom which is largely confined to the Western Cape. It is one of six floral kingdoms in the world, and is literally found nowhere else on the planet. This magnifies our enormous responsibility to ensure the conservation of this unique floral kingdom, other associated lifeforms and the cultural heritage associated with this unique landscape.

A large part of the remaining Cape Floral Kingdom stretches across the Cape Folded Mountains, reaching toward the coastline. In addition, other vegetation types from the Karoo penetrate into the Western Cape from further north, and montane forests cover some of our mountain regions in the east, creating a unique landscape mosaic. It is against this rich natural tapestry that everyday life unfolds across the Western Cape.

Cape Nature has been mandated with an important responsibility - to manage, conserve and promote our natural and heritage assets through best practice, access, benefit sharing and sustainable use. Because the Cape Folded Mountains constitute critical watershed areas for most of the urban and peri-urban settlements in the region, most people living here are highly dependent on these natural environments for the water which sustains life and properly functioning communities. This is one example of our dependence on the natural environment to survive, starkly highlighted by the severe drought which we experienced in the last three financial years. If we consider that the

population of the Western Cape will increase from 6.6 million¹ in 2018 to a projected 7.3 million² in 2040, we will recognise the demands placed on our environment and critical resources. Rapid urbanisation exacerbates the already strained water capacity. Behavioural change proved to be a critical factor in mitigating the impact of the drought, underscoring the continued need to reduce water consumption by facilitating this change.

The persistent drought is compounded by climate change, which also affects both the frequency and magnitude of hazards such as fires. Unplanned and uncontrolled fires not only wreak havoc with the ecosystem, but endangers life and destroys property. To this end CapeNature supports long term research into, and monitoring of climate change resilience, adaptation and innovation, and to manage sound environmental practices. One of these practices is the ongoing clearing of invasive plant species from our reserves and critical watershed areas in the Western Cape. These invasive alien plants out-compete and replace our indigenous plant species, use much more water than indigenous plants, clog waterways, and also fuels the fires in the landscape. CapeNature has successfully cleared thousands of hectares already and will continue to prioritise the fighting of alien vegetation.

CapeNature aspires to provide an enabling environment for the creation of jobs in order to grow our economy. Redressing the inequalities requires continued effort and the encouragement of historically disadvantaged communities to participate in local economic development. Although

our mandate is to preserve and conserve, we also recognise that the environment offers opportunity for sustainable livelihoods. One of the success stories is the good relationship the entity fosters with communities adjacent to its protected areas. The entity has developed mechanisms where local communities can harvest plant material for their benefit in a sustainable manner.

CapeNature has maintained and accumulated an astounding 994 407 hectares of protected estate. The entity has excelled in guarding the Western Cape's unique biodiversity, in providing the public with pristine nature escapes, significantly impacting on the socio-economic status of many families through job creation and through awareness drives ensured that many more advocate conservation.

I thank the board members for their contribution towards the growth of CapeNature. I am convinced that the stability of the board in the 2018/19 financial year added to the good governance required for CapeNature to perform its duties as required by the PFMA.

I would also like to extend my appreciation to the Chief Executive Officer for her role in providing leadership to the entity, and managing CapeNature

effectively. The support she receives from her Executive Directors and staff at large do not go by unseen. CapeNature's employees are passionate about the environment, are driven to effect change and to ultimately ensure that we have a sustainable legacy to leave to future generations despite challenges.

Political will is critical in delivering the mandate of CapeNature. I hereby acknowledge Minister Bredell for the important role he has played, and will continue to play in driving conservation in the Western Cape in a sustainable manner. Similarly, I thank our collaborators in conservation, the Department of Environmental Affairs and Development Planning, appreciating the close working relationship which has developed.

Assoc Prof Denver Hendricks
CHAIRPERSON OF THE WESTERN CAPE
NATURE CONSERVATION BOARD
CapeNature
August 2019



Photo: Delyth Williams

¹Mid-year population estimates, 2018 (Statssa)

²Western Cape Department of Social Development Population projections, July 2017

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Chief Executive Officer's OVERVIEW



The year under review marks a special commemoration – CapeNature celebrates 20 years in existence. The two decades were abounding with exceptional successes, but also some challenges. I would like to believe that through both our achievements and lessons learnt, we built a trusted brand which has become a household name when conversations turn to conservation.

CapeNature has been entrusted to conserve the unique natural heritage resources of the Western Cape for the benefit of all and we will continue to strive to be a leader in conservation and to make a significant impact.

For a fourth consecutive year, the tourism revenue generated by the entity exceeded its target. It grew by 18% year on year from a planned target of R35 655 070 to actual revenue generated of R42 155 657. This achievement can be attributed to an increasing number of clients utilising the online platform to secure their bookings, which now also include hiking and camping. Furthermore, efforts with marketing and promotional campaigns contributed to this overachievement.

During the reporting period, CapeNature set a target of adding 7 000 hectares to the previous year's figure of 974 867 Ha, which contributes to national targets set for expanding the national protected area estate and consequently the international protected area estate. CapeNature also aimed to add 5 biodiversity stewardship sites to the previous year's total. By March 2019, CapeNature exceeded both these annual targets by adding 10 stewardship sites and 19 541 Ha of land under protection.

In celebration of the history and heritage of Gamkaberg Nature Reserve, visitors' access to a piece of

protected land was unveiled for the very first time. Gamkaberg Nature Reserve, a UNESCO World Heritage site, lies between the Swartberg and Outeniqua mountains. The area is steeped in Khoi and San culture with rock art between 1 500 to 2 000 years old. The careful management of these sites by dedicated Gamkaberg staff is important to limit deterioration with exposure to the elements or because of vandalism. We trust that the knowledge gained through the Heritage trails will assist visitors to develop a deep respect and appreciation for these precious sites and in so doing, help with their preservation for future generations.

In the management of the Protected Area Estate, CapeNature applies the Management Effectiveness Tracking Tool (METT) to monitor and assess how well nature reserves are managed in conserving biodiversity. Although the entity achieved above average scores over the past years with, a staggering 94% in the previous year, the year under review was focussed on addressing shortcomings identified at five reserves which had achieved below average scores previously.

The entity created socio-economic opportunities for neighbouring communities by using 20 SMMEs and creating 2 797 work opportunities during the period under review. As part of our dedication to community conservation activities, CapeNature has provided access to Natural Resources User Groups (NRUGs) specifically for sustainable harvesting of plants in some of our nature reserves.

During the year under review 23 interns were employed and provided the opportunity to develop experience in their respective fields of study. Of the 649 Full Time Equivalents (FTEs) employed, 13 were provided with permanent employment at CapeNature.

A total of 103 fires were responded to in the period under review, the lowest number of fires since the 2013/14 fire season. These fires occurred across the Western Cape Province and were ignited either on CapeNature managed land or on private land, but posed a threat to CapeNature Nature Reserves.

Despite the lower number of wildfires, this fire season was one of the costliest in terms of financial resources spent on fire suppression, with costs for the year amounting to R32 million, the highest ever recorded in CapeNature. This is largely attributed to the extreme risk to lives and property related to the Herold/George (Outeniqua R5.47 million), Betty's Bay (Kogelberg R4.88 million) and Franschoek (Hottentots Holland R4.18 million) fires. Fire suppression resources included aerial resources, contract fire teams, overtime and rations.

With drought conditions persisting in some areas of the Western Cape, CapeNature continued to ensure readiness to manage wildfires, assisted Municipalities with drought and water security planning, cleared invasive alien vegetation and prioritised investment to address provincial risks through the Ecological Infrastructure Investment Framework.

The Polyphagous Shot Hole Borer, an invasive alien beetle and a recent invader of South Africa from the East, has been recorded in the Western Cape during the reporting period. This beetle, although only 2 mm in size, attacks numerous species of indigenous and non-indigenous trees by boring into the trunk and releasing a fungus which attacks the wood and eventually kills the tree. Whilst the beetle has been confirmed at a few sites in the Western Cape, CapeNature placed an alert on its website for observations of the beetle to be reported from both in and around its protected areas. CapeNature participates in the Western Cape Disaster Management Centre's effort to coordinate a focused and decisive approach to deal with this significant threat.

Behavioural change made massive strides among the people of the Western Cape's efforts to save water when #DayZero was looming. CapeNature endeavoured to bring about the same behavioural change in addressing waste management, and in particular plastic waste.

Currently, large amounts of plastic waste are inevitable in the world we live in. CapeNature focused on changing littering behaviour through its #DontBeTrashy campaign. With digital, broadcast and clean-up activations, the campaign included participation by business, Non-Governmental Organisations (NGO's), government, schools and community groups to change the behaviour within communities.

The restructuring of the entity's macro and micro-structure brought about key strategic shifts within the past financial year. This was to ensure greater efficiencies and future fit for purpose. The implementation hereof will be reported on in the next financial year.

GENERAL FINANCIAL REVIEW OF THE PUBLIC ENTITY

CapeNature's total revenue generated amounted to R369 million for the period under review. In this regard, R291 million was received from the Department of Environmental Affairs and Development Planning (DEA&DP) and the remaining funds were generated from other funders and own revenue streams.

Revenue generated from eco-tourism activities exceeded projections by R6.5 million. The above budget performance attained through tourism activities is attributed to upgrading of facilities and reserves, and the hosting of outdoor adventure events within reserves, various marketing and promotional campaigns and increased online booking capability.

SPENDING TRENDS OF THE PUBLIC ENTITY

The entity spent 99% of its total budget on the accrual basis and 94% on the cash basis. Year on year the entity's spending patterns are improving with operating expenditure increasing from R313 million in 2016/17 (93%) to R330 million in 2017/18 (95%) and to R369 million in the 2018/19 financial year. The increase in performance for the 2018/19 financial year is mainly due to costs incurred on wildfire fighting.

For the 2018/19 financial year there was an underspending of R5 million on the accrual basis and this was mainly due to the extent of the wildfires which delayed the implementation of projects during the period.

CAPACITY CONSTRAINTS AND CHALLENGES FACING THE PUBLIC ENTITY

Notwithstanding the slowdown in economic growth in South Africa as a whole, the levels of operations in the entity has been sustained over the Medium Term Expenditure Framework (MTEF) period.

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. The Supply Chain Management Policy was reviewed and approved.

Challenges experienced and how they will be resolved

Compliance with the various laws and regulations within the SCM environment remains a challenge, however, the entity liaises closely with the Provincial Treasury Supply Chain Management unit and with internal and external audit to ensure that instructions and prescripts are implemented and controls are in place and monitored in order to ensure compliance.

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

There were no audit report matters in the previous year.

Outlook/ Plans for the future to address financial challenges

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

In light of a resource-constrained environment, the entity endeavoured to improve the performance of own revenue streams. Adherence to cost containment measures, reprioritisation and identifying trade-offs are additional on-going considerations. The entity further strives to redress the imbalance between personnel and operational funding, through vacancy management. Any savings that are realised from personnel expenditure are utilised for operational requirements.

Events after the reporting date

A Section 3 Notice was served on CapeNature of a possible future fire claim in the Garden Route area. The Section 3 Notice was served by MTO Forestry (Pty) Ltd and relates to a fire that started on 29 October 2018. The damages suffered by the claimant, as contained in the Notice, is estimated at approximately R16 million. It is alleged that the fire spread from land owned and managed by the entity and spread to a property managed by the claimant, causing damage to the commercial plantation. The entity has acknowledged receipt of the Notice and is reviewing the allegations contained therein.

ECONOMIC VIABILITY

CapeNature is affected by pressures on the fiscus, and several measures were implemented to mitigate against these pressures. The entity continued to implement austerity measures prescribed by National Treasury, while remaining committed to contributing to sustainable growth and job creation. The entity endeavours to practice acceptable financial and administrative principles that are in line with all the relevant legislative prescripts.

ACKNOWLEDGEMENT/S OR APPRECIATION

I acknowledge, with gratitude, the guidance received from the Minister of Environmental Affairs and Development Planning, the Western Cape Nature Conservation Board, the Chairperson and from the various Board Committees.

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

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



Dr Razeena Omar
CHIEF EXECUTIVE OFFICER
CapeNature
August 2019

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STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

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

- All information and amounts disclosed in the Annual Report are consistent with the annual financial statements audited by the Auditor-General of South Africa.
- 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 2019.

Yours faithfully



CHIEF EXECUTIVE OFFICER
Dr Razeena Omar
CapeNature
August 2019



CHAIRPERSON OF THE BOARD
Assoc Prof Denver Hendricks
CapeNature
August 2019



6 STRATEGIC OVERVIEW

6.1. Vision

Conserving nature for a sustainable future.

6.2. Mission

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

6.3. Values

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

Values behaviour

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

7 LEGISLATIVE AND OTHER MANDATES

7.1. Constitutional mandates

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

7.2. Legislative mandates

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

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

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

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

International Conventions, Protocols and Policies:

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

National Legislation:

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

- Conservation of Agricultural Resources Act, 1983 (Act 43 of 1983)
- Constitution of the Republic of South Africa, 1996 (Act 108 of 1996)
- 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 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)
- Protection of Personal Information Act, 2013 (Act 4 of 2013)
- Promotion of Access to Information Act, 2000 (Act 2 of 2000)
- Promotion of Administrative Justice Act, 2000 (Act 3 of 2000)
- Sea Birds and Seals Protection Act, 1973 (Act 46 of 1973)
- Seashore Act, 1935 (Act 21 of 1935)
- Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013)
- World Heritage Convention Act, 1999 (Act 49 of 1999)

Provincial Legislation:

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

- Constitution of the Western Cape, 1998 (Act 1 of 1998)
- 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 legalisation will impact on CapeNature:

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

Policy mandates

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

National strategic frameworks:

- National Development Plan, 2030
- Medium Term Strategic Framework, 2014 – 2019
- National Framework Strategy for Sustainable Development, 2009
- National Strategy for Sustainable Development and Action Plan, 2011
- South Africa’s National Biodiversity Strategy and Action Plan, 2015
- National Biodiversity Framework, 2009
- National Climate Change Policy, 2011

Provincial strategic frameworks:

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

Relevant court rulings

None.

Planned legislative and policy initiatives

The following policies were reviewed during the 2018/19 year:

- Aspects of Human Resource Policies
- Subsistence and Travel Allowances Policy
- Risk Management Policy
- Fraud Prevention Policy
- Occupational Health & Safety Policy
- Organisational Performance Information Management Policy
- Supply Chain Management Policy

8 ORGANISATIONAL STRUCTURE





Main photo:
ANYSBERG NATURE RESERVE
Small photo:
GAMKABERG NATURE RESERVE



PART
B
PERFORMANCE
INFORMATION

1 AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

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

Refer to page 65 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

Nurturing nature for the past 20 years is an accomplishment achieved by CapeNature through hard work, dedication and a passion for the environment and all its inhabitants.

CapeNature has been mandated to conserve the unique natural heritage resources of the Western Cape for the benefit of all. In doing this CapeNature has developed and managed nature-based recreational and tourism products as well as empowered communities through job creation and supporting Small Medium Micro Enterprises (SMMEs). CapeNature continues to deliver scientific research and empowers people in the facilitation of training and development of both its own staff as well as community members. The entity fosters environment education and awareness as well as facilitating the transport of fauna and flora species. CapeNature continues to enforce legislation that falls within its mandate, protecting and conserving local fauna and flora species.

In the 2018/19 Annual Performance Plan, CapeNature set 18 performance targets to deliver against. The entity achieved 100% delivery against these targets, of which 13 were over-achieved.

With the drought, which persisted in some areas during the period under review, CapeNature endeavoured to implement measures to contribute to securing additional water in the Western Cape. This was achieved, both by allocating funding for the removal of invasive aliens as well as introducing available technology to the tourism product offering, where it was feasible to do so. The entity continued to promote responsible water usage amongst both visitors and staff.

In October 2018, 12 fires were burning simultaneously in the Southern Cape, predominately ignited by lightning. There were four separate ignitions on the Outeniqua Mountains which eventually merged into one fire. This resulted in resources from across the province being deployed to assist, with extreme winds hampering suppression efforts at all fires. The Betty's Bay fire was ignited by fireworks, despite the existing ban on fireworks in the Overstrand. The Franschhoek fire spread through the Hottentots Holland Nature Reserve and resources were deployed to restrict damage after the fire exited CapeNature-managed land. Although the 2018/19 fire season had the lowest number of fires recorded since 2013/14, this was by far the most expensive.

CapeNature celebrated World Ranger Day, once again paying tribute to rangers for their invaluable and tireless service to the entity and the broader community. Their work is aimed at the protection and conservation of natural and cultural treasures, which includes but is not limited to conserving the landscape, protecting species from poachers, removal of alien vegetation and fire management. Additionally, rangers participate in tourism-related activities such as guiding visitors who explore the Western Cape's nature reserves.

In the period under review three Protected Area Management plans were completed. These were the Boland Mountain Complex, Cederberg Complex and the Dassen Coastal Complex plans. Both the Boland Mountain and Cederberg Complexes form part of the Cape Floral Region Protected Area World Heritage Site. The plans were completed with the assistance from specialists as well as extensive stakeholder engagement.

Local Economic Development and Job Creation

CapeNature strives to fulfil its mission by promoting access to the natural and heritage assets of the Western Cape. This is achieved through the management of nature reserves where benefit sharing opportunities are created in the promotion of the biodiversity economy.

CapeNature's footprint in the Western Cape extends from Van Rhynsdorp in the north, Uniondale in the Karoo to Plettenberg Bay in the east. This footprint in the rural landscape has provided socio-economic opportunities in the form of Expanded Public Works Programme (EPWP) jobs and SMME opportunities to vulnerable communities neighbouring nature reserves, towards improving the quality of life within these communities. During the period under review, 81 communities derived socio-economic benefits which included creating jobs for 649 Full Time Equivalent (FTEs).

Jobs are predominantly offered to the designated groups as per the Department of Labour, being females, youth and people with disabilities, displaying growth in all respective groups as outlined in Table I below.

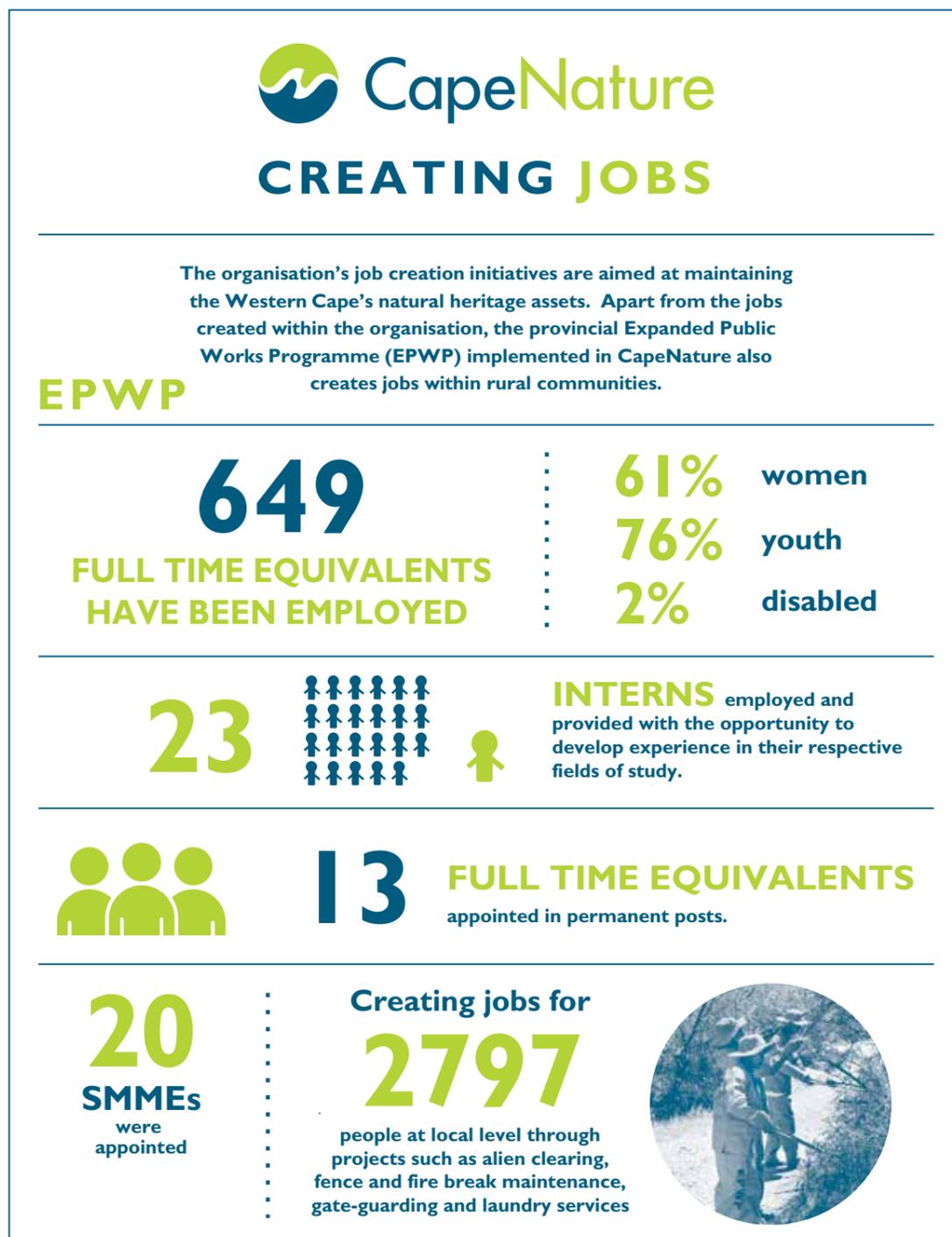
Table I: Number of EPWP participants and performance on vulnerability targets

2018/19 CapeNature Vulnerability Ratio's	Planned APO FTE Targets	Actual number of FTEs	Female	Females in %	Youth	Youth in %	People with Disability	People with Disability in %
TOTAL	450	649	394	61%	490	76%	15	2%



Photo: Scott Ramsay

The implementation of strategies to address natural resource management as well as integrated catchment management has facilitated the appointment of 20 SMMEs. This stimulated the economy at the local level, through 2 797 job opportunities which were created. These opportunities relate to the removal of invasive alien plants, fence maintenance, firebreak maintenance as well as the delivery of services such as gate-guard and laundry services, amongst others. The infographic below demonstrates CapeNature's achievements in terms of creating employment and job opportunities.



Environmental Education and Awareness Interventions

Due to increased interest from schools and other groups, more environmental awareness activities were conducted than the planned 150, as 189 environmental education and awareness interventions were facilitated. Learners from 158 schools across the Western Cape were engaged on a variety of topics, including, water, waste, fire and species conservation. CapeNature embarked on a review of the Environmental Education Programme which resulted in the development of tools and standards for implementation, including curriculum-aligned programmes for schools, as well as holiday programmes. Additionally, CapeNature promoted access by inviting the public to environment-related celebrations, such as Access Week in September, as well as implementing campaigns which encouraged the public to participate. CapeNature facilitated 93 stakeholder capacity-building interventions to capacitate stakeholders to improve their environmental knowledge. Furthermore, CapeNature capacitated local authorities and other stakeholders with respect to the interpretation, use and implementation of the Western Cape Biodiversity Spatial Plan Handbook. This Handbook remains the biodiversity spatial informant, central to provincial and local authority integrated development planning and decision-making as well as protected area expansion.

Youth and Skills Development

CapeNature recruited Grade 12 learners to benefit from accredited educational courses and development opportunities with the implementation of the Youth Environmental Services (YES) programme. These learners received mentorship, skills development in various disciplines, a monthly stipend and a platform for development. During the period under review, 110 learners graduated from the programme, of which 64 were women, affirming CapeNature's commitment to promote the education of women. The funding of the programme by the Department of Environmental Affairs will empower 272 youth over a 2-year period, recruited from vulnerable communities. Additionally, CapeNature entered into a partnership with the Swiss Embassy as part of the "Youth at Sea" initiative. This partnership exposed four learners to research activities, geared towards measuring the impact of humans on the ocean.

Landscape Conservation

During the reporting period, 10 stewardship agreements were concluded and 19 541 Ha of land were added to the conservation estate.

CapeNature authored and co-authored 15 peer-reviewed scientific publications, three scientific reports and the presentation of eight oral papers at national, and one paper at international conferences, respectively.

The entity participated in a national project aimed at improving water delivery and ecological infrastructure in South Africa's strategic water catchment areas. The project "Securing our Strategic Water Source Areas" aims to provide key government and other decision-makers with specific science-based information. Our active involvement in this project demonstrates the entity's commitment to using scientifically supported planning to secure water delivery in the Western Cape Province.

During the period under review, CapeNature co-authored the Bontebok Biodiversity Management Plan. Additionally, the entity collaborated with both the national Department of Agriculture, Forestry & Fisheries and the Boland State Veterinarian to implement actions to regulate translocations of all zebra species in the Western Cape. This was done in mitigation of the potential risk of African Horse Sickness transfer as equids (horses, donkeys and zebras) are either susceptible to, or may be vectors of, African Horse Sickness. Furthermore, CapeNature also collaborated with Birdlife South Africa to design and implement a predator-proof fence in the De Hoop Nature Reserve, supporting the establishment of an additional land-based African Penguin colony along the South Coast. The predator-proof fence serves to mitigate the general decline of the African Penguin in South Africa.

The unique fauna and flora of the Western Cape are a big attraction for illegal biodiversity crime. Both national and international individuals and syndicates target our unique succulent plants, dwarf adders, girdled lizards and tortoises, amongst others. CapeNature's alliance with provincial and national prosecuting authorities have produced significant results in the prosecution of perpetrators.

During the period under review, CapeNature compliance personnel conducted 138 enforcement actions. These enforcement actions involved the registration of 25 case dockets and the issuance of 113 534 admission of guilt fines.

CapeNature plays an important role in creating awareness on human-wildlife conflict among landowners in the Western Cape, whose livelihoods are threatened by the damage-causing animals. Human-wildlife conflict threatens food security as species such as the black-backed jackal, caracal, baboons and leopards prey on sheep. CapeNature participated in the national scientific assessment for Damage-causing Animals (DCAs). The Nelson Mandela University conducted this assessment, which informs DCA management, thereby contributing to ensuring food security. Furthermore, CapeNature intervened with the management of damage-causing seals preying on endangered seabirds on both Dyer Island and Bird Island. The interventions occurred with authorisation from national Department of Environmental Affairs Branch: Oceans & Coast. These interventions are critical to mitigate risk to breeding colonies of threatened species, such as the African Penguin and Cape Gannets.

Marketing and Eco-Tourism

CapeNature continuously strives to provide access to the unique natural and cultural heritage of the Western Cape. The entity works towards achieving this goal by facilitating access to the nature reserves, through tourism products on offer.

Tourism revenue grew by 18% compared to the previous year with an actual income of R42 155 657.19 exceeding the projected income of R35 655 070. Key tourism revenue contributions to this achievement included the following:

- Accommodation grew by 9%;
- Entrance fees and hiking by 26%;
- Wildcard sales by 14%; and
- Filming permit fees by 83%.

A noteworthy achievement was the online booking portal which made a positive contribution to CapeNature's revenue generation. During the period under review, the online booking portal contributed an additional 22% to revenue generated, in comparison to the previous financial year. The increased revenue generated through the online booking portal is not only attributed to accommodation but included activities such as hiking and camping, which were added during the period under review.

During September 2018 CapeNature held its annual Access Week campaign which coincides with National Heritage Day and Tourism Month and provides free access to citizens to all CapeNature reserves and World Heritage Sites.

Digital media growth was experienced with an increase in website traffic where 23 804 additional users accessed the website and an overall increase of 24,9% Facebook followers. By increasing brand awareness through digital media, CapeNature is able to reach and engage with more members of the public, as well as market its services actively, to attract visitors to its website and online booking platform.

2.2. Organisational environment

During the period under review, CapeNature conducted an organisational culture assessment. This was done to better understand the perceptions, concerns and recommendations regarding the organisational culture, climate and levels of employee engagement. The response to the survey indicated a clear alignment of people to the strategic objectives of the entity. The entity embarked on the implementation of a change management plan to address issues raised by respondents in the assessment.

The administration of the survey coincided with the review and restructuring of CapeNature. A few key strategic shifts that occurred included the review of the organisation's macro- and microstructure to ensure greater efficiencies and future fit for purpose. Greater focus has been placed on developing and maintaining capabilities, innovation, and access and stakeholder engagement going forward.

The Human Resource Management component strived to deliver effective and efficient services to the entity through co-ordinated training and development initiatives, well-structured recruitment and selection processes, fair and transparent employee relations management and consistent performance management practices.

A total number of 23 interns were employed and provided the opportunity to obtain experience in various fields of study. Of the 649 FTEs employed, 13 were appointed permanently in the entity.

2.3. Key policy developments and legislative changes

None



Photo: Kevin Shaw

2.4. Strategic Outcome Oriented Goals

STRATEGIC GOAL 1	BIODIVERSITY LOSS IS REDUCED IN THE WESTERN CAPE
GOAL STATEMENT	<i>Biodiversity loss will be minimised, the conservation estate will be expanded and climate change responses will be implemented.</i>
JUSTIFICATION	A well-maintained and expanding conservation estate ³ with the protection and restoration of degraded biodiversity and ecosystems, both on and off reserves, will reduce and limit biodiversity loss and thereby respond to climate change to ensure an increased yield of fresh, potable water from catchments.
LINKS	<p>Western Cape Government Strategic Goal 3 Increasing wellness, safety and tackle social ills.</p> <p>Western Cape Government Strategic Goal 4 Enable a resilient, sustainable, quality and inclusive living environment.</p> <p>Department of Environmental Affairs and Development Planning Strategic Objective Goal 1 Sustaining the ecological and agricultural resource-base. Sustainable and integrated urban and rural settlements.</p>

STRATEGIC GOAL 2	ACCESS IS PROVIDED TO OUR UNIQUE NATURAL AND CULTURAL HERITAGE
GOAL STATEMENT	<i>The benefits of our natural resources are shared by facilitating access to our protected areas for sustainable utilisation, research and recreational purposes, environmental awareness as well as for cultural, spiritual and traditional purposes.</i>
JUSTIFICATION	CapeNature has a legal mandate to render services and provide facilities for research, education and awareness in connection with biodiversity and related matters in the Province.
LINKS	<p>Western Cape Government Strategic Goal 2 Improving education outcomes and opportunity for youth development.</p> <p>Western Cape Government Strategic Goal 3 Increasing wellness, safety and tackle social ills.</p> <p>Western Cape Government Strategic Goal 4 Enable a resilient, sustainable, quality and inclusive living environment.</p> <p>Department of Environmental Affairs and Development Planning Strategic Objective Goal 2 Increased economic opportunity through low-carbon development, the biodiversity economy and resource efficiency economy</p>

STRATEGIC GOAL 3	CONTRIBUTE TO LOCAL ECONOMIC DEVELOPMENT THROUGH THE BIODIVERSITY ECONOMY
GOAL STATEMENT	<i>Communities derive socio-economic benefits aligned to the National Development Plan imperatives.</i>
JUSTIFICATION	CapeNature is committed to enabling social benefits through increased opportunities for local economic development by implementing strategies that will encourage the participation of historically disadvantaged groups.
LINKS	<p>Western Cape Government Strategic Goal 1 Creating opportunities for growth and jobs.</p> <p>Western Cape Government Strategic Goal 3 Increasing wellness, safety and tackle social ills.</p> <p>Western Cape Government Strategic Goal 4 Enable a resilient, sustainable, quality and inclusive living environment.</p> <p>Department of Environmental Affairs and Development Planning Strategic Objective Goal 4 Increased economic opportunity through low-carbon development, the biodiversity economy and resource efficiency economy.</p>

STRATEGIC GOAL 4	EFFECTIVE GOVERNANCE AND ORGANISATIONAL WELLBEING IS IMPROVED
GOAL STATEMENT	<i>An efficient, transformed and progressive working environment where sound governance principles are applied.</i>
JUSTIFICATION	CapeNature is committed to good governance, sound financial management, organisational wellbeing, sustainable funding streams, strategic partnerships, efficient administrative and decision support and systems.
LINKS	<p>Western Cape Government Strategic Goal 5 Embed good governance and integrated service delivery through partnerships and spatial alignment.</p> <p>Department of Environmental Affairs and Development Planning Strategic Objective Goal 5 Good governance and integrated management.</p>

³ Conservation estate refers to the approximate 7% of the 12 943 558 hectares of the Western Cape Province managed by CapeNature.

Progress made towards achievement of goals is as follows:

STRATEGIC GOALS	STRATEGIC OBJECTIVES	MEASURE	5 YEAR TARGET	ACHIEVEMENT
BIODIVERSITY LOSS IS REDUCED IN THE WESTERN CAPE	1.1 Protect and expand the conservation estate	Number of ha in the CapeNature conservation estate	921 854 Ha	994 407
	1.2 ⁴ Improve ecosystem health	Percentage of area of state managed protected areas assessed with a METT score above 67%	74%	74% in 15/16 94% in 17/18
	1.3 Promote compliance with environmental legislation	Number of criminal enforcement actions undertaken for non-compliance with environmental management legislation	300	475
ACCESS IS PROVIDED TO OUR UNIQUE NATURAL AND CULTURAL HERITAGE	2.1 Increase tourism revenue	Percentage increase in tourism income generated	9% in 15/16 12.6% in 16/17 8.9% in 17/18 10% in 18/19	43% in 15/16 63% in 16/17 61.7% in 17/18 18% in 18/19
	2.2 Foster an organisational approach which promotes inclusivity and access for communities to our protected areas	Number of communities engaged to derive socio-economic benefit	330	75 in 15/16 70 in 16/17 64 in 17/18 81 in 18/19
	2.3 ⁵ Promote access for sustainable utilisation, research and recreational purposes, environmental awareness as well as for cultural, spiritual and traditional purposes	Number of environmental awareness activities conducted	750	713
CONTRIBUTE TO LOCAL ECONOMIC DEVELOPMENT THROUGH THE BIODIVERSITY ECONOMY	3.1 Provide employment opportunities to communities	Number of Full Time Equivalents (FTEs) appointed	2 230	2 255
	3.2 Provide business opportunities	Number of SMMEs ⁶ supported	50	78
EFFECTIVE GOVERNANCE AND ORGANISATIONAL WELLBEING IS IMPROVED	4.1 Provide an enabling working environment	% ⁷ progress against implementation of Human Capital Development Strategy	100% (80% was target in APP)	94%
	4.2 Promote efficient, effective and responsive governance	Audit Opinion obtained in respect of previous financial statement	5 unqualified audit opinions	This being Year 4 of 5, 4 out of 5 unqualified audit opinions have been obtained to date
	4.3 Promote sound financial management	Audit Opinion obtained in respect of previous financial statement	5 unqualified audit opinions	This being Year 4 of 5, 4 out of 5 unqualified audit opinions have been obtained to date

⁴ The measure for this objective was adjusted. During the 2015/16 financial period, National Department of Environmental Affairs introduced METT version 3 and amended the wording of the indicator.

⁵ The measure for this objective was adjusted. During the 2015/16 Audit period, concerns was raised about the risk of compliance to measure "Number of people accessing CapeNature Protected Areas"

⁶ SMMEs are defined as per Department of Trade and Industry prescripts – a separate and distinct business entity managed by one owner or more individuals with different numbers of employees depending on its category as indicated in the National Small Business Act

⁷ Target already achieved

3

PERFORMANCE INFORMATION BY PROGRAMME

3.1. PROGRAMME I: Administration and Governance

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

The programme consists of the following sub-programmes:

SUB-PROGRAMME 1.1: OFFICE OF THE CEO

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

SUB-PROGRAMME 1.2: FINANCE SERVICES

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

SUB-PROGRAMME 1.3: CORPORATE SUPPORT SERVICES

PURPOSE: To ensure the effective management of human resources, administration, corporate legal services and strategic support.

SUB-PROGRAMME 1.4: PEOPLE AND CONSERVATION

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

Strategic Objective 4.1	Provide an enabling working environment
Objective Statement	Organisational wellbeing is promoted through human capital development initiatives and the promotion of a safe and healthy working environment.
Baseline (2015/16)	Establish a baseline
Strategic Objective 4.2	Promote efficient, effective and responsive governance
Objective Statement	Efficient, effective and responsive governance through an integrated management approach with a focus on accountability
Baseline	Audit General's Audit report
Strategic Objective 4.3	Promote sound financial management
Objective Statement	Compilation of financial statements, budget preparation and development of procurement plans
Baseline (2014/15)	Unqualified Audit opinion

Strategic objectives, performance indicators, planned targets and actual achievements

During the period under review, CapeNature achieved a clean audit for the 2018/19 financial period. This means that the Auditor General acknowledged that the Annual Financial Statements contained no material misstatements, it was compliant with legislation and that there were no material findings on predetermined objectives. CapeNature has thus received continuous clean audits over the past five years with the only exception being in 2015/16, where there was only one material finding on predetermined objectives. CapeNature achieved 100% of targets set to mentor learners as well as to created opportunities for Full Time Equivalents.

Strategic objectives

Table 1: Strategic Objectives

PROGRAMME I – ADMINISTRATION AND GOVERNANCE							
Strategic Objectives	Actual Achievement 2015/16	Actual Achievement 2016/17	Actual Achievement 2017/18	Planned Target 2018/19	Actual Achievement 2018/19	Deviation from planned target to actual achievement for 2018/19	Comment on deviations
Sub Programme 1.2: Finance and Administration Services							
Audit Opinion obtained in respect of previous financial year	Unqualified Auditor-General's Report with one material finding on Pre-determined Objectives	Unqualified Auditor-General's opinion	Unqualified Auditor-General's opinion	Unqualified Auditor-General's opinion	Unqualified Auditor-General's opinion	None	None

Key performance indicators, planned targets and actual achievements

Table 2: Key performance indicators, planned targets and actual achievements

PROGRAMME I – ADMINISTRATION AND GOVERNANCE							
Performance Indicator	Actual Achievement 2015/16	Actual Achievement 2016/17	Actual Achievement 2017/18	Planned Target 2018/19	Actual Achievement 2018/19	Deviation from planned target to actual achievement for 2018/19	Comment on deviations
Number of learners mentored through various initiatives in the sector (including learnerships)	14	11	17	10	23	+13	Additional capacity was required to deliver on key projects due to organisational re-design.
Audit Opinion obtained in respect of previous financial statement	Unqualified Auditor-General's Report with one material finding on PDO	An unqualified audit opinion	None	None			
Number of Full Time Equivalents (FTEs) created	497	557	552	450	649	+199	A high number of existing contracts for 2017/18 persisted into the new financial year.
Conclude an Organisational Culture Assessment	N/A	N/A	N/A	1	1	None	None

Strategy to overcome areas of under-performance

N/A

Changes to planned targets

N/A

Linking performance with budgets

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

Table 3: Administration and Governance

PROGRAMME / ACTIVITY / OBJECTIVE	2018/19			2017/18		
	Budget	Expenditure	(Over) / Under Expenditure	Budget	Expenditure	(Over) / Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Office of the CEO	5 527	5 740	(213)	5 437	4 517	919
Finance Services	61 390	69 081	(7 691)	40 860	44 500	(3 640)
Corporate Services	22 281	21 532	749	21 654	21 616	38
People and Conservation	41 086	38 758	2 328	35 661	35 453	208
TOTAL	130 283	135 111	(4 827)	103 612	106 087	(2 475)

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



Photo: Scott Ramsay

3.2. PROGRAMME 2: Biodiversity Support

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

Strategic Objective 1.1	Protect and expand the conservation estate
Objective Statement	To effectively manage both the terrestrial and marine components of the Entity's conservation estate and the further expansion thereof as aligned to the National Protected Areas Expansion Strategy.
Baseline (2014/15)	The numerical value of protected area under conservation was 881 854 ha.
Strategic Objective 1.2	Improve ecosystem health
Objective Statement	To support and restore ecosystems which provide goods and serves to improve quality of life.
Baseline	32 Protected Area Management Plans Implemented ⁸
Strategic Objective 2.3	Promote access for sustainable utilisation, research and recreational purposes, environmental awareness as well as for cultural, spiritual and traditional purposes
Objective Statement	To facilitate research conducted within the Western Cape, excluding National Parks, and educate stakeholders about our natural and cultural heritage by raising their environmental awareness through focussed interventions.
Baseline (2012/13)	122 permits issued ⁹

⁸ During the 2015/16 financial year, the measure changed from individual areas to reserve complexes. In the revised definition there are 13 Protected Area Management Plans in 2014/15.

⁹ Permits to conduct research in protected areas were issued to researchers to conduct restricted activities, for which permits are required.

Strategic objectives, performance indicators, planned targets and actual achievements

CapeNature set a target to increase the conservation estate of 2017/18, being 974 866.8ha, by 7000 Ha for the period under review. This target was significantly exceeded, resulting from the over-achievement of the number of stewardship sites added, in conjunction with the unpredictability of the extent or hectares in agreements concluded.

Strategic objectives

Table 4: Strategic Objectives

PROGRAMME 2 – BIODIVERSITY SUPPORT							
Strategic Objectives	Actual Achievement 2015/16	Actual Achievement 2016/17	Actual Achievement 2017/18	Planned Target 2018/19	Actual Achievement 2018/19	Deviation from planned target to actual achievement for 2018/19	Comment on deviations
Number of hectares in the conservation estate	894 346 Ha	963 684 Ha	974 866.8 Ha (988 425 less 13 558.2 SG boundary adjustments)	Previous Year + 7000 Ha	994 407.89 Ha	+12 541.09	An adjustment of 3881,71 hectares was required, in addition to 15 659.38 hectares added. The extent of the agreements concluded resulted in an over-achievement.



Photo: Jaco van Deventer

Key performance indicators, planned targets and actual achievements

Table 5: Key performance indicators, planned targets and actual achievements

PROGRAMME 2 – BIODIVERSITY SUPPORT							
Performance Indicator	Actual Achievement 2015/16	Actual Achievement 2016/17	Actual Achievement 2017/18	Planned Target 2018/19	Actual Achievement 2018/19	Deviation from planned target to actual achievement for 2018/19	Comment on deviations
Number of hectares in the conservation estate	894 346 Ha	963 684 Ha	974 866.8 Ha (988 425 less 13 558.2 SG boundary adjustments)	Previous Year +7 000 Ha	994 407.89 Ha	+12 541.09	An adjustment of 3 881.71 hectares was required, in addition to 15 659.38 hectares added. The extent of the agreements concluded resulted in an over-achievement
Number of new biodiversity stewardship sites	10	16	24	5	10	+5	This indicator is demand-driven and an over-achievement is desirable.
Number of legislative tools to ensure the protection of species and ecosystems developed	1	1	1	1	1	None	None
Number of permits issued within legislated timeframes (n)	4 864	4 716	4 914	4 800	5 084	+284	This indicator is demand-driven and therefore unpredictable.

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 6: Biodiversity Support

PROGRAMME / ACTIVITY / OBJECTIVE	2018/19			2017/18		
	Budget	Expenditure	(Over) / Under Expenditure	Budget	Expenditure	(Over) / Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Biodiversity Support	26 649	28 072	(1 423)	25 914	25 716	198
TOTAL	26 649	28 072	(1 423)	25 914	25 716	198

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

3.3. PROGRAMME 3: Conservation Management

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

Strategic Objective 1.1	Protect and expand the conservation estate
Objective Statement	To effectively manage both the terrestrial and marine components of the Entity's conservation estate and the further expansion thereof as aligned to the National Protected Areas Expansion Strategy.
Baseline (2014/15)	Management Effectiveness Tracking Tool score = 74% (METT version 2) ¹⁰
Strategic Objective 1.2	Improve ecosystem health
Objective Statement	To support and restore ecosystems which provide goods and serves to improve quality of life.
Baseline (2014/15)	32 Protected Area Management Plans implemented ¹¹
Strategic Objective 1.3	Promote compliance with environmental legislation
Objective Statement	To promote compliance with environmental legislation through implementing various legislative enforcement mechanisms
Baseline (2013/14)	Number of compliance enforcement actions (J534) was 64
Strategic Objective 2.2	Foster an organisational approach which promotes inclusivity and access for communities to our protected areas
Objective Statement	Communities derive benefits from the management of our unique natural and cultural heritage
Baseline (2012/13)	35
Strategic Objective 3.1	Provide employment opportunities to communities
Objective Statement	Communities derive socio-economic benefits through employment opportunities
Baseline (2014/15)	Job opportunities created were 1 241 and 391 Full Time Equivalent
Strategic Objective 3.2	Provide business opportunities
Objective Statement	Communities derive socio-economic benefits through business opportunities
Baseline (2014/15)	54 Expanded Public Works Programme projects

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

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

Strategic objectives, performance indicators, planned targets and actual achievements

CapeNature is strategically committed to conducting biennial METT assessments to facilitate the conclusion of action plans to address shortcomings identified during preceding METT assessments. CapeNature achieved 100% of the targets set for action plans, the result of which would be seen in the ensuing METT assessment. The entity created socio-economic opportunities for neighbouring communities by using 20 SMMEs and creating 2 797 work opportunities during the period under review.

Strategic objectives

Table 7: Strategic Objectives

PROGRAMME 3 – CONSERVATION MANAGEMENT							
Performance Indicator	Actual Achievement 2015/16	Actual Achievement 2016/17	Actual Achievement 2017/18	Planned Target 2018/19	Actual Achievement 2018/19	Deviation from planned target to actual achievement for 2018/19	Comment on deviations
Percentage of area of state managed protected areas assessed with a METT score above 67% Numerator = 621 796.69 Ha Denominator = 834 981.97 Ha	74%	N/A	94%	N/A	N/A	N/A	N/A
Sub Programme I.4: People and Conservation							
Number of communities engaged to derive socio-economic benefit	75	70	64	60	81	+21	Over-achievement on FTEs created, resulted in more communities engaged.

Key performance indicators, planned targets and actual achievements

Table 8: Key performance indicators, planned targets and actual achievements

PROGRAMME 3 – CONSERVATION MANAGEMENT							
Performance Indicator	Actual Achievement 2015/16	Actual Achievement 2016/17	Actual Achievement 2017/18	Planned Target 2018/19	Actual Achievement 2018/19	Deviation from planned target to actual achievement for 2018/19	Comment on deviations
Number of criminal enforcement actions undertaken for non-compliance with environmental management legislation	89	105	143	80	138	+58	This indicator is demand driven. More criminal enforcement actions were encountered than anticipated.
Percentage achievement against Management Effectiveness Tracking Tool (METT) action plans for Complexes with a score below 67%. Denominator = 5	N/A	97%	N/A	100%	100%	None	None
Number of work opportunities created through environmental programmes	1 257	1 333	1 893	1 000	2 797	+1 797	The over-achievement was due to additional funding which was injected into the programme.
Number of SMMEs used in environmental programmes implemented	16	21	21	15	20	+5	Additional funding injected into the programme resulted in additional SMMEs appointed.
Number of environmental awareness activities conducted	162	201	161	150	189	+39	Increased interest from schools and adhoc requests to participate in environmental days.
Number of environmental stakeholder capacity building interventions	100	91	80	80	93	+13	Groups interacted with CapeNature on a wide range of issues, which necessitated additional capacity building sessions.
Number of protected area management plans approved in financial period	15	17	N/A	3	3	None	None

Strategy to overcome areas of under-performance

N/A

Changes to planned targets

N/A

Linking performance with budgets

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

Table 9: Conservation Management

PROGRAMME / ACTIVITY / OBJECTIVE	2018/19			2017/18		
	Budget	Expenditure	(Over) / Under Expenditure	Budget	Expenditure	(Over) / Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Conservation Management	160 127	174 710	(14 583)	169 711	166 855	2 856
TOTAL	160 127	174 710	(14 583)	169 711	166 855	2 856

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

3.4. PROGRAMME 4: Marketing and Eco-Tourism

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

The programme consists of the following sub-programmes:

SUB-PROGRAMME 4.1: TOURISM, MARKETING AND COMMUNICATION

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

SUB-PROGRAMME 4.2: SPECIAL PROJECTS: MARKETING AND ECO-TOURISM

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

Strategic Objective 2.1	Increase tourism revenue
Objective Statement	Increase revenue generated by tourism to improve organisational sustainability.
Baseline (2016/17)	R21 169 799

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

Strategic objectives, performance indicators planned targets and actual achievements

CapeNature exceeded the target set for generating income by 8%. This achievement can be attributed to an increasing number of clients utilising the online platform to secure their bookings. Furthermore, efforts with marketing and promotional campaigns contributed to this overachievement. CapeNature also contributed to drought-mitigating efforts in the Western Cape, with water-saving initiatives and drought mitigating measures included in upgrades effected during the period under review.

Strategic objectives

Table 10: Strategic Objectives

PROGRAMME 4 – MARKETING AND ECO-TOURISM							
Strategic Objectives	Actual Achievement 2015/16	Actual Achievement 2016/17	Actual Achievement 2017/18	Planned Target 2018/19	Actual Achievement 2018/19	Deviation from planned target to actual achievement for 2018/19	Comment on deviations
Percentage increase in tourism income generated (%). Denominator = R35 655 070	43%	63%	61.7%	10%	18%	+8%	Increased online booking capability and various marketing and promotional campaigns resulted in an over-achievement.



Key performance indicators, planned targets and actual achievements

Table 11: Key performance indicators, planned targets and actual achievements

PROGRAMME 4 – MARKETING AND ECO-TOURISM							
Performance Indicator	Actual Achievement 2015/16	Actual Achievement 2016/17	Actual Achievement 2017/18	Planned Target 2018/19	Actual Achievement 2018/19	Deviation from planned target to actual achievement for 2018/19	Comment on deviations
Percentage increase in tourism income generated (%). Denominator = R35 655 070	43%	63%	61.7%	10%	18%	+8%	Increased online booking capability and various marketing and promotional campaigns resulted in an over-achievement.
Number of upgrades on existing tourism products (n)	9	6	8	6	8	+2	The need to implement drought mitigation measures, address the safety of visitors and improvements to existing products resulted in an over-achievement.
The number of tourism promotional activities to promote access	N/A	N/A	N/A	11	12	+1	A partnership opportunity with Outdoor Warehouse resulted in the over-achievement.

Strategy to overcome areas of under-performance

N/A

Changes to planned targets

N/A

Linking performance with budgets

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

Table 12: Marketing and Eco-tourism

PROGRAMME / ACTIVITY / OBJECTIVE	2018/19			2017/18		
	Budget	Expenditure	(Over) / Under Expenditure	Budget	Expenditure	(Over) / Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Tourism Marketing and Communication	13 048	12 821	227	14 092	13 675	416
Special Projects: Marketing and Eco-tourism	25 824	18 303	7 521	13 190	14 375	(1 184)
TOTAL	38 872	31 124	7 748	27 282	28 050	(768)

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

4 REVENUE COLLECTION

Table 13

SOURCES OF REVENUE	2018/19			2017/18		
	Estimate	Actual Amount collected	(Over) / Under collection	Estimate	Actual Amount collected	(Over) / Under collection
	R'000	R'000	R'000	R'000	R'000	R'000
Government Grant, Own revenue and special projects	384 480	369 051	15 429	354 417	364 104	(9 687)
TOTAL	384 480	369 051	15 429	354 417	364 104	(9 687)

Budget is on cash basis and revenue is on accrual basis

The under-collection of revenue is due to the accrual basis of recognising revenue. Revenue from projects grants is only recognised when work has been performed. Furthermore we used reserves to cover for specific projects such as Natural Resource Management and Information and Communication Technology.

This resulted in a budget increase of R8 million without a corresponding actual increase in revenue collection, as the revenue was collected in the previous financial years.

Own revenue, from tourism income and interest income has been over-collected by R6.5 million.

4.1. Capital investment

- De Hoop Nature Reserve – Upgrading of the Whale Trail to implement the recommendations of the professional team to mitigate health and safety issues, address erosion control and install water diversion channels to improve on visitor experiences on the trail;
- Kogelberg Nature Reserve – Upgrading an existing building as part of the property acquired by WWF for conservation to make it conducive for tourism accommodation as an additional income generator for CapeNature;
- Marloth Nature Reserve – Construction and implementation of a new hut and eco-loo at the Boskloof site as part of the reinstatement of the Swellendam Hiking trail;
- Grootvadersbosch Nature Reserve – Conversion of an old community forestry hall into a 40-seater green conferencing facility at Grootvadersbosch Nature Reserve. The upgrade also included new decks and ablutions to accommodate universal access to the facility;
- Anysberg Nature Reserve and Cederberg Wilderness Area – Upgrading and construction of two new mountain biking trails to be included into the activity portfolio of CapeNature;
- Various Reserves – Implementation of water harvesting tanks at Marloth, Hottentots Holland, Keurbooms, Robberg and Limietberg Nature Reserve to harvest water for use in the toilets, irrigation and provision for firefighting if required, as well as the installation of water management devices. Installations of water management devices for Grootvadersbosch, Goukamma, Kogelberg and Algeria have been completed with training being provided to reserve staff to manage the implementation of the system;
- Rocherpan Nature Reserve – Installation of an atmospheric water generator with a solar plant to mitigate the drought being experienced in the West Coast to provide potable water supply to staff and guests at Rocherpan Nature Reserve; and
- Limietberg Nature Reserve - Completed installation of a 804 meter perimeter fence around the Tweede Tol campsite to provide additional security measures to overnight campers.



Photo: Liesel Kershoff

Photos:
GROOVADERSBOSCH NATURE RESERVE



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's Report on Corporate Governance.

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

2 PORTFOLIO COMMITTEES (IF APPLICABLE)

Not Applicable

3 EXECUTIVE AUTHORITY

The following reports were submitted to the Executive Authority.

Document Description	Date Submitted
Monthly Highlights for inclusion into report to Minister Bredell: April	8 May 2018
Monthly Highlights for inclusion into report to Minister Bredell: May	7 June 2018
Monthly Highlights for inclusion into report to Minister Bredell: June	6 July 2019
Monthly Highlights for inclusion into report to Minister Bredell: July	6 August 2018
Monthly Highlights for inclusion into report to Minister Bredell: August	7 September 2018
Monthly Highlights for inclusion into report to Minister Bredell: September	12 October 2018
Monthly Highlights for inclusion into report to Minister Bredell: October	8 November 2018
Monthly Highlights for inclusion into report to Minister Bredell: November	7 December 2018
Monthly Highlights for inclusion into report to Minister Bredell: December	18 January 2019
Monthly Highlights for inclusion into report to Minister Bredell: January	7 February 2019
Monthly Highlights for inclusion into report to Minister Bredell: February	7 March 2019
Monthly Highlights for inclusion into report to Minister Bredell: March	8 April 2019

4 THE ACCOUNTING AUTHORITY / BOARD

Introduction

The Western Cape Nature Conservation Board endorses the principles as set out in the Protocol on Corporate Governance and, where applicable, the King Report on Corporate Governance for South Africa. The Board has endeavoured to comply with the principles incorporated in the Code of Corporate Practices and Conduct.

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

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

The role of the Board

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

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

Board Charter

1. INTRODUCTION

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

2. PURPOSE

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

3. AUTHORITY

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

4. BOARD STRUCTURE AND MEMBERSHIP

- 4.1 The Board shall consist of no more than twelve (12) members, of which at least four (4) shall have expertise in nature conservation. The majority of the members shall be non-executive.
- 4.2 The following conditions apply to the appointment of the members:
 - The relevant Provincial Minister shall, in consultation with the Board, appoint or re-appoint one member of the Board as a Chairperson and one as Vice-Chairperson;
 - The Chairperson of the Board shall, in consultation with the Board, appoint Board Committee Chairpersons and members to each Committee;
 - The Chairperson and Vice-Chairperson shall hold office for a period not exceeding three years where after they shall be eligible for re-appointment subject to membership on the Board;
 - Non-executive members shall hold office for a period not exceeding five years and shall be eligible for re-appointment for one other period not exceeding five years;
 - A member may only be re-appointed to the Board if a period of at least 12 months has passed since having last served as a member of the Board;
 - Board members who fail to attend two or more successive quarterly Board meetings and also fail to tender their apologies, will be asked to consider resigning from the Board;
 - Should a Board member wish to resign from the Board, a formal written signed request must be sent to the relevant Provincial Minister to request such permission;

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

5. MEETINGS

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

6. ROLES AND RESPONSIBILITIES

- 6.1 The Board will, subject to the approval by the Minister, where applicable:
 - Align the Board's strategic goals and objectives with that of the Department of Environmental Affairs and Development Planning and Provincial and National Government;
 - Review, evaluate and approve, long-term strategic objectives, plans and projects for the organisation;
 - Review, evaluate and approve the organisation's annual budget, budget projections and Annual Financial Statements;
 - Review the delegations of the Board;
 - Review, evaluate and approve major resource allocations and capital investments;
 - Review the financial and operating results of the organisation;
 - Review and approve the strategic policies of the organisation;
 - Adopt and monitor compliance with the organisation's Code of Conduct, the PFMA and all legislation relevant to the Board;
 - Institute the necessary measures to safeguard the assets of the organisation;
 - Disclose real and potential conflicts of interest in a transparent manner informed by the imperative of ethical leadership and governance; and
 - Guide the organisation in terms of the demands and challenges of the broader societal context of transformation.
- 6.2 Upon authorisation of the strategic plans and projects, Management will provide the Board with regular, accurate and relevant feedback on progress with regard to implementation.

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

7. STAKEHOLDER MANAGEMENT AND COMMUNICATION

- 7.1 The Board shall promote mutual goodwill, understanding and co-operation between the relevant Provincial Minister and other key role players.
- 7.2 With respect to the relationship with the respective Provincial Department, the Board shall further promote regular meetings between:
- The Provincial Minister and the Chairperson of the Board;
 - The Chief Executive Officer of the Board and the Head of Department; and
 - The Management of both organisations.
- 7.3 The Board shall further:
- Actively assist the Department in matters related to the Biodiversity management in the Province and provide the Department with specialist environmental management service and nature conservation scientific advice;
 - Actively co-operate in the development, establishment and maintenance of an environmental information management system;
 - Collaborate in the promotion of environmental awareness, education and relevant capacity building and job-creation initiatives in the Western Cape;
- 7.4 Media statements in respect of non-delegated matters shall be dealt with by the Chairperson of the Board or his/ her delegated authority.

- 7.5 Media statements in respect of delegated matters shall be dealt with by the Chief Executive Officer or his/ her delegated authority.
- 7.6 Media statements with political implications and/or that may reflect poorly on sound financial and human resource management, and/or that does not promote sound intergovernmental relations, must be cleared with the Head of Department and the Minister prior to its release.
- 7.7 Matters that are of material, strategic or reputational importance and that are either catastrophic (i.e. death, severe reputational loss, detrimental financial loss, total systems loss) or critical (i.e. severe injury with partial disability, reputational loss, partial systems loss or significant financial loss) in nature should be referred to the Board for consideration, discussion and appropriate interventions. All other matters should be dealt with by Management, but the Board must retain oversight of other issues in order to determine the performance and ability of Management.

8. MEMBER ORIENTATION AND INDUCTION

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

9. CONFLICT OF INTEREST

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

10. BOARD ADMINISTRATION

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

11. PERFORMANCE ASSESSMENT

- 11.1 The Board has formally identified, clarified and documented its collective roles and responsibilities and the key roles, responsibilities and performance standards for each member.
- 11.2 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 Directorships (List the entities)	Other Committees or Task Teams (e.g. Audit committee / Ministerial task team)	No. of meetings attended
Associate Professor Denver Hendricks	Chairperson	11 April 2016	10 April 2021	BSc; MSc; PhD	Medical Biochemistry; Natural Sciences; Conservation Management		Audit Finance and ICT (Ex-Officio), Marketing and Eco-tourism and Conservation	18
Professor Gavin Maneveldt	Vice Chairperson	1 March 2018	28 February 2023	BSc; BSc (Hons); MSc; PhD Botany; Field Guide Association of South Africa; FGASA Honorary SKS	Marine Biology		Conservation, Human Resource and Remuneration and Risk	12
Dr Colin Johnson	Member	11 April 2016	10 April 2021	MSc; PhD	Conservation Management; Natural Sciences		Conservation and Human Resource and Remuneration	13
Mervyn Burton	Member	15 June 2015	14 June 2020	CA (SA); BCompt (Hons)	Financial Management; Corporate Governance		Audit Finance and ICT and Marketing and Eco-tourism	14
Professor Aubrey Redlinghuis	Member	15 June 2015	14 June 2020	BA (Hons); MA; Doctorate in Geography	Education		Human Resource and Remuneration and Conservation	13
Paul Slack	Member	15 June 2015	14 June 2020	BComm (Hons) in Financial Management; CA (SA)	Corporate Governance & Risk		Audit Finance and ICT and Risk	12
Marguerite Loubser	Member	1 March 2018	28 February 2023	BCom; Postgraduate Diploma in Tax; CA (SA) LLB; LLM	Tax; Environmental Law		Audit Finance and ICT, Marketing and Eco-tourism and Risk	17

Table 15: Independent Audit, Finance and ICT Committee Members

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g. Audit committee / Ministerial task team)	No. of meetings attended
Nirvani Dhevcharan	Independent member	1 January 2018	31 May 2021	BSc (Hons) Computer Science; MSc; MCSE	Technology		Audit Finance and ICT	4
Burton Van Staaden	Independent member	1 January 2018	31 May 2021	BCom; BCompt; Postgraduate Certificate in Auditing; CA (SA)	Auditing		Audit Finance and ICT	5



Table 16: Committees

Committee	No. of meetings held	No. of members	Name of members
BOARD	4 plus 1 special meeting	7	Associate Prof Hendricks Prof Maneveldt Dr Johnson Mr Burton Prof Redlinghuis Mr Slack Ms Loubser
BOARD EXCO	0	7	Associate Prof Hendricks Prof Maneveldt Dr Johnson Mr Burton Mr Slack Ms Loubser
BOARD INDUCTION AND TRAINING	1	7	Associate Prof Hendricks Prof Maneveldt Dr Johnson Mr Burton Prof Redlinghuis Mr Slack Ms Loubser
CONSERVATION	4	4	Prof Maneveldt Prof Redlinghuis Dr Johnson Associate Prof Hendricks
MARKETING & ECO-TOURISM	4	3	Mr Burton Associate Prof Hendricks Ms Loubser
HR & REMUNERATION	4	3	Dr Johnson Prof Maneveldt Associate Prof Redlinghuis
AUDIT, FINANCE AND ICT	4 plus 1 special meeting	4	Mr Slack Mr Burton Ms Loubser Associate Prof Hendricks (Ex-Officio)
RISK	4	4	Ms Loubser Mr Slack Mr Burton Prof Maneveldt

Table 17: Remuneration of board members

Name	Remuneration (Rands)	Other Allowances (Rands)	Other Re-imbursements (Rands)	Total (Rands)
Associate Professor Denver Hendricks	89 082.00	0	0	89 082.00
Professor Gavin Maneveldt	50 172.00	0	0	50 172.00
Dr Colin Johnson	38 490.00	0	21 145.20	59 635.20
Professor Aubrey Redlinghuis	35 046.00	0	1 913.68	36 959.68
Mervyn Burton	42 384.00	0	3 108.40	45 492.40
Marguerite Loubser	53 195.82	0	0	53 195.82
Paul Slack	34 371.00	0	0	34 371.00
TOTAL	342 740.82	0	26 167.28	368 908.10

5 RISK MANAGEMENT

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

Risk Management assurance is provided by the implementation of the Risk Management Policy. The Policy was reviewed during the reporting period and was approved by the Board. Oversight of the risk management function is provided by the Board Risk Committee. Notwithstanding the role of the Risk Committee, the Audit Finance and ICT Committee continue to perform its oversight role with respect to governance and related matters. The Risk Profile is tabled and discussed quarterly with both the Risk and Audit Finance and ICT Committees' and progress is provided regarding the management of risk and implementation of risk mitigation measures. In addition to these structures the Risk Profile is tabled at all other Board Committees' to ensure that it considers and incorporates all relevant aspects of risk, risk identification and mitigation, the identification of emerging risks and cross functional priorities. Progress reporting on risk takes place in consultation with relevant risk owners and ensures commitment and regular consideration from Management.

The CapeNature Risk Profile informs the risk management activities and operational focus areas for the entity. The Profile is aligned to the organisational structure and incorporates all directorates and functional areas. During the previous reporting period the risk of reduced water resources and availability in the Western Cape was identified as a strategic risk. Notwithstanding that CapeNature is not responsible for the provision of water resources to the Province, the water catchments providing water to the Province is strategically located in areas managed by CapeNature. At the strategic level CapeNature performed a co-ordinating, facilitating and participatory role with key stakeholders in order to identify and mitigate the environmental risks posed by the drought situation in the Province. CapeNature continued to implement initiatives to reduce water consumption, demand and management. Initiatives included rain water harvesting, the installation of

atmospheric water generating machines at water stressed locations and the installation of water management devices.

Integrated Catchment Management 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 water yield and quality into the catchments. This has however come at significant cost during the period under review, where fire management and suppression cost increased considerably. CapeNature has continued to focus on alien eradication in the priority areas and in the water catchment areas through the investment of its own resources and the strategic partnerships. These initiatives not only achieves the objective of reducing fuel loads and mitigating against fire, but gives effect to the organisation's socio economic mandate of job creation, community upliftment and local economic development. A further extension in terms of risk mitigation is reducing ecosystem health and functioning.

The organisation continues to manage and mitigate risk within the limitations of the provincial allocations resulting from the current fiscal constraints and the impact of global economic conditions. In this regard CapeNature is investing significantly in technology infrastructure and innovation, including the advent of technologies in the advancement of conservation, and is expected to realise efficiencies in order to reduce some of the current cost 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 (ICU) has continued to facilitate the maintenance, improvement and implementation of an efficient, effective and economical control environment within CapeNature. The Internal Control Unit undertook to provide the normal advisory services in drafting standard operating procedures and assurance services in the form of reviews as well as compliance monitoring and verifications in key areas as assigned by executive management.

To ensure an efficient and effective control environment a number of areas were identified and in some cases requests were made to draft or update standard operating procedures and policies namely: Cash and Banking, Refunds, Sponsorships, Filming, Inventory Management, Government Motor Transport (GMT) usage, Confiscated Goods, Appointment of Full Time Equivalents (FTEs) and Small Medium and Micro Enterprise (SMME) development.

As part of the Finance Manual process the unit supported the relevant finance teams in reviewing or updating the following policies: Inventory Management and Accounts Receivables.

The following reviews were conducted to maintain a good control environment:

- Review of Assets, Petty Cash and use of Government Motor Transport (GMT) vehicles
- Review of Pre-Determined Objectives
- Review of Supply Chain Management
- Review of Contracts Management, and
- Follow-Up on past reviews

In addition to the reviews, the unit continued the compliance monitoring work on the following legislations:

- Western Cape Nature Conservation Board Act
- Employment Equity Act
- Labour Relations Act
- National Environmental Management: Biodiversity Act
- Western Cape Nature Conservation Laws Amendment Act
- Minerals Act
- Environmental Conservation Act
- National Environmental Management: Integrated Coastal Management Act
- National Environmental Management: Marine Living Resources Act
- National Environmental Management: Waste Act

To ensure that there is continuous adherence to controls the Unit has been performing verifications in the payroll department as well as supply chain management. The unit has also done work on ensuring that action plans from audit findings are implemented by following up with senior management and reporting quarterly to the board committee via the external and internal audit matrixes.

As the world around us is continuously changing, especially in light of the fourth industrial revolution, the Unit needed to adapt to this changing environment, while maintaining a sound control environment that ensures the entity meets its objectives and that the controls are adjusted to meet the needs of the changing business environment.

7 INTERNAL AUDIT AND AUDIT, FINANCE AND ICT COMMITTEES

Table 18: Composition of the Audit Finance and ICT Committee

Name	Qualifications	Internal or external	If internal, position in the public entity	Date appointed	Date Resigned/ End of Term	No. of Meetings attended
Marguerite Loubser	BCom; Postgraduate Diploma in Tax; CA (SA) LLB; LLM	Board Member		1 March 2018	28 February 2023	5
Paul Slack	BComm (Hons) in Financial Management; CA (SA)	Board Member		15 June 2015	14 June 2020	5
Mervyn Burton	CA (SA); BCompt (Hons)	Board Member		15 June 2015	14 June 2020	4
Nirvani Dhevcharran	BSc (Hons) Computer Science; MSc; MCSE	Independent Member		1 January 2018	31 May 2021	4
Burton Van Staaden	BCom; BCompt; Postgraduate Certificate in Auditing; CA (SA)	Independent Member		1 January 2018	31 May 2021	5
Associate Professor Denver Hendricks	BSc; MSc; PhD	Ex Officio		11 April 2016	10 April 2021	5

8 COMPLIANCE WITH LAWS AND REGULATIONS

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

9 FRAUD AND CORRUPTION

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

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

All matters that are reported will be considered and evaluated and may either be investigated internally and/or referred to any other advisory and support service at the organisation's disposal, including Internal Audit, Auditor-General, Provincial Forensic Services and/or any other investigative agencies prescribed by law. Any fraud committed by an employee of CapeNature will be thoroughly investigated to the full extent of the law, including consideration of disciplinary proceedings within a reasonable period of time after the incident, instituting recovery of financial losses, including formal civil action, initiating criminal prosecution and/or any other appropriate and legal remedy available. An investigative protocol between CapeNature and the Department of Environmental Affairs and Development Planning, in collaboration with Provincial Forensic Services, is in place and applied for all investigative processes. The establishment of the Internal Control component 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.

During the reporting period no new matters were identified and one matter reported during the 2017/18 period was concluded. This matter related to fuel syphoning in the Central Region. This matter was investigated by Provincial Forensic Services and the outcomes of the investigation concluded through the finalisation of the forensic report. The report informed the disciplinary proceedings. Two (2) employees were charged, with one (1) being dismissed and the other being found not guilty.

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

12 HEALTH SAFETY AND ENVIRONMENTAL ISSUES

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

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

An important measurement of the effectiveness of the health and safety initiatives is the occurrence of injuries and incidents in the workplace and the days lost as a result thereof. During the period under review, 63 injuries occurred which resulted in an average of 4,6 working days lost per injury. While this is a decrease in the number of injuries from the 82 which occurred in 2017/18, it is an increase in the average working days lost per injury from 2017/18. This was as caused by a limited number injuries having resulted in a significant number of days lost. All injuries are investigated to determine root causes and in order to identify remedial and improvement actions to prevent its re-occurrence.

CapeNature continued to give effect to the implementation of the occupational health and safety management system. This focused on the ongoing review and development of instructions and guidelines, regional support through the dedicated capacity, incident investigation and monitoring, induction of new employees and ongoing awareness and training, implementation of best practice measures through the tracking and monitoring of the Disabling Injury Frequency Rate (DIFR), interventions in terms of contractor appointment and management and support and advise to Management related to compliance to occupational health and safety laws and regulations.

13 COMPANY /BOARD SECRETARY (IF APPLICABLE)

Not Applicable

14 SOCIAL RESPONSIBILITY

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

- Tygerberg Hospital in Cape Town serves the communities living close by or adjacent to CapeNature's reserves. Recognising this critical service being rendered, CapeNature partnered with local organisations in June 2018 to collect sanitary towels for female patients in the gynaecological oncology ward of the Tygerberg Hospital. The motivation behind this project was to support patients receiving treatment for cervical, ovarian, uterine, vaginal and vulva cancer at the Hospital, by providing them with the practical means to manage their recovery with dignity. Staff members were encouraged to donate sanitary towels and the entity committed to match every donation made by staff members. The CapeNature team at Bird Island Nature Reserve went one step further by appealing to the Lamberts Bay community and local businesses like the potato factory, supermarkets, the tourism information office, local municipality, primary schools and local churches for support. In total, 18 external entities participated and a total number of 396 packs were handed over at an event at Bird Island. The success of the campaign surpassed any expectations and was a compelling illustration of compassion and empathy by CapeNature staff.

- CapeNature has partnered with the Warrior on Wheels Foundation to facilitate universal access at our nature reserves. This collaborative partnership, formalised through a Memorandum of Understanding (MOU), provided an opportunity for reserves to be assessed on the basis of how children and visitors with special needs are being accommodated. CapeNature subsequently sponsored customised differently-abled buggies for the Cape Town Cycle Tour. During the reporting period the entity sponsored two customised buggies for differently-abled children aged between eight and twenty years old. As a warm up to the Cape Argus Cycle Tour, an event at the Rocherpan Nature Reserve provided riders with an opportunity to recharge ahead of race day. CapeNature is honoured and proud to be part of this initiative. Providing universal access is at the core of what the entity promotes, as seen at the Rocherpan Nature Reserve where the buggies competed in their first ever off-road race.

Additionally, both temporary and permanent employees supported communities in need by providing assistance to:

- Dorothy Broster Child Orphanage and the Rosemoor Home for the Aged in the form of time, in honour of Nelson Mandela month.
- Youth Care Centre in Knysna in the form of sanitary towel donations, contributing to Women's Month efforts.
- The Wupperthal community where a devastating fire left many people, including CapeNature staff, homeless, with those affected having lost virtually everything. CapeNature staff responded by donating much needed items in support of the fire victims.

15 AUDIT, FINANCE AND ICT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2019.

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
- Follow up of the prior year reviews
- Governance policies and procedures
- Delegation of authority review
- SAP Basis review
- Grants and deferred revenue review
- Web Application vulnerability assessment

The following were areas of concern:

- Possible risk to public personal information access

In-Year Management and Monthly/Quarterly Report

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

Financial oversight

Financial oversight of the following took place:

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

Evaluation of Financial Statements

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

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

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

Auditor-General's Report

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

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

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



Paul Slack
CHAIRPERSON OF THE AUDIT, FINANCE AND ICT COMMITTEE
CapeNature
August 2019



Photo: Scott Ramsay



PART
D
HUMAN RESOURCE
MANAGEMENT

Photo: Liesel Kersthoff

Main photo:
WALKER BAY NATURE RESERVE

Small photo:
DE HOOP NATURE RESERVE

I INTRODUCTION

During the year under review, the Human Resource (HR) Management component strived to deliver effective and efficient services to the entity through co-ordinated training and development initiatives, well-structured recruitment and selection processes, fair and transparent employee relations management and consistent performance management practices.

The 2018/19 Annual Performance Plan (APP) deliverables of 10 Graduate Interns and/or Work Integrated Learners (WIL) and the appointment of 450 Full Time Equivalents (FTEs) have been exceeded. In total 649 FTEs and 23 Graduate Interns/WILs were appointed in the last financial year. In so far as the FTEs are concerned, a more concerted effort has been made to absorb them into the permanent structure of the entity. This has been achieved by earmarking certain positions for FTE placements to facilitate the inclusion of FTE employees into the permanent structure of the entity. To this end we are pleased to report that 13 FTEs were appointed to permanent positions within the entity. These positions include that of Conservation Assistant, Field Ranger and Finance and Administration Officer.

During the past year HR policies, processes and procedures were reviewed and amended in line with audit recommendations. HR systems were updated and more efficient processes and systems were implemented to ensure better quality of data and effective service delivery. These systems and services are monitored for continuous improvement and enhanced service delivery.

The entity has dealt with a number of disciplinary matters over the past year. These matters have predominantly been in relation to misconduct, which included insubordination, failure to follow policies and/or procedures and dishonesty. The absence of a dedicated Employee Relations (ER) Manager meant an increased workload on members in the HR component and a slower turn-around time in managing disciplinary matters. With the appointment of the ER Manager in August 2018, there has been a significant decrease in disciplinary incidents particularly amongst the FTEs, due to awareness sessions on key HR Policies and Procedures and the management of disciplinary processes. The entity also conducted a survey with regards to employee happiness and organisational culture.



Photo: Pam Abrey

2 HUMAN RESOURCE OVERSIGHT STATISTICS

Table 19: Personnel Cost by programme

Programme	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel exp. as a % of total exp. (R'000)	No. of employees	Average personnel cost per employee (R'000)
Administration and Governance	139 512	79 877	57%	605	132
Biodiversity Support	26 170	22 338	85%	39	573
Conservation Management	170 282	96 936	57%	310	313
Marketing and Eco-Tourism	32 512	12 699	39%	36	353
TOTAL	R368 476	*211 850	57%	**990	214

* Differences can be observed between the information reflected in the above tables as compared to the information reflected in the annual financial statements due to employee information being reflected on the cash basis of accounting whilst the financial reporting information is reflected on an accrual basis of accounting.

** The number of employees reflected in the Annual Financial Statements differ from the number reported above. The number of employees reported in the Annual Financial Statements include amounts received by members of the CapeNature Board, previous employees who were transferred from the Western Cape Department of Environmental Affairs and Development Planning entitled to post-retirement medical aid benefits and terminations during March 2019.

Table 20: Personnel Fixed cost by salary band

Salary Band	Personnel Expenditure (R'000)	% of personnel exp. to total personnel cost (R'000)	No. of employees	Average personnel cost per employee (R'000)
Executive Management 13-15	6 037	2,8%	4	1 509
Senior Management 11-12	26 085	12,3%	32	815
Professional qualified 9-10	57 047	27,0%	89	641
Skilled 6-8	51 332	24,2%	126	407
Semi-skilled 3-5	44 970	21,2%	209	215
Unskilled 1-2	26 379	12,5%	530	50
TOTAL	211 850	100%	990	214

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)
Programme 1: Administration and Governance	79 877	4 146	5.2%	202	21
Programme 2: Biodiversity Support	22 338	5	0.0%	8	1
Programme 3: Conservation Management	96 936	1 246	1.3%	266	5
Programme 4: Marketing and Eco-Tourism	12 699	43	0.3%	11	4
TOTAL	211 850	5 440	2.6%	487	11

Table 22: Employment and vacancies

Programme	2017/2018 No. of Employees	2018/2019 Approved Posts	2018/2019 No. of Employees	2018/2019 Vacancies	% of Vacancies
Programme 1: Administration and Governance	618	144	605	11	7.6%
Programme 2: Biodiversity Support	43	53	39	10	18.9%
Programme 3: Conservation Management	330	322	310	27	8.3%
Programme 4: Marketing and Eco-Tourism	31	29	36	1	3.4%
TOTAL	1022	548	990	49	8.9%

Table 23: Employment and vacancies

Salary Band	2017/2018 No. of Employees	2018/2019 Approved Posts	2018/2019 No. of Employees	2018/2019 Vacancies	% of Vacancies
Top Management 13+	5	6	4	*2	33.3%
Senior Management 11 – 12	29	38	32	4	10.5%
Professional qualified 9 – 10	91	96	89	8	8.3%
Skilled 6 – 8	125	129	126	10	7.8%
Semi-skilled 3 – 5	207	225	209	20	8.9%
Unskilled 1 – 2	565	54	530	5	9.3%
TOTAL	1022	548	990	49	8.9%

* At year end, there were two vacancies at Top Management level. One vacancy existed for the full reporting period. The second vacancy occurred in the month of March 2019. Due to the organisational restructuring process, the Executive Director: Corporate Services post was not filled.

Table 24: Employment changes

Salary Band	Employment at beginning of period 1/4/2018	Appointments	Terminations	Employment at end of the period
Top Management 13+	5	0	1	4
Senior Management 11 – 12	29	5	2	32
Professional qualified 9 – 10	91	3	5	89
Skilled 6 – 8	125	16	19	126
Semi-skilled 3 – 5	207	27	20	209
Unskilled 1 – 2	565	126	99	530
TOTAL	1022	177	146	990



Photo: Ramesh Machevs



Table 25: Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	2	1.4%
Resignation	87	59.6%
Dismissal	12	8.2%
Retirement	6	4.1%
Ill health	1	0.7%
Expiry of contract	21	14.4%
Other (Absconded)	16	11.0%
Retrenchment	1	0.7%
TOTAL	146	100%

Table 26: Labour Relations: Disciplinary actions taken

Nature of disciplinary Action	Number
Verbal Warning	31
Written Warning	50
Final Written warning	28
Dismissal	12



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

SALARY BAND	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	0	1	2	1	0	1	0
Senior Management	4	5	8	10	2	0	10	13
Professional qualified	9	8	12	15	0	0	26	31
Skilled	17	17	32	31	2	2	6	8
Semi-skilled	21	17	105	97	1	1	4	7
Unskilled	71	66	160	213	0	0	1	5
Total	122	113	318	368	6	3	48	64

SALARY BAND	FEMALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	1	1	1	0	0	0	1
Senior Management	0	4	3	4	1	1	4	4
Professional qualified	7	6	12	13	3	2	20	24
Skilled	16	19	32	13	2	2	19	24
Semi-skilled	19	16	47	47	1	0	11	17
Unskilled	129	71	169	115	0	0	0	3
TOTAL	171	117	264	193	7	5	54	73

SALARY BAND	DISABLED STAFF			
	Male		FEMALE	
	Current	Target	Current	Target
Top Management	0	0	0	0
Senior Management	0	0	1	2
Professional qualified	0	1	0	1
Skilled	1	1	2	2
Semi-skilled	1	4	3	3
Unskilled	14	2	10	3
TOTAL	16	8	16	11



Main photo:
SWARTBERG NATURE RESERVE

Small photo:
CEDERBERG WILDERNESS

PART
E
FINANCIAL
INFORMATION

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

Report on the Audit of the Financial Statements

OPINION

1. I have audited the financial statements of the Western Cape Nature Conservation Board set out on pages 71 to 106, which comprise the statement of financial position as at 31 March 2019, the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget information with actual information for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Western Cape Nature Conservation Board as at 31 March 2019, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

BASIS FOR OPINION

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the entity in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* and parts 1 and 3 of the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA codes) as well as the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

EMPHASIS OF MATTERS

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

Restatement of corresponding figures

7. As disclosed in note 28 to the financial statements, the corresponding figures for 31 March 2018 have been restated as a result of errors discovered by the entity during the 2018-19 financial year in the financial statements of the entity at, and for the year ended, 31 March 2019.

Significant uncertainties

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

Material underspending

9. As disclosed in the statement of comparison of budget and actual amounts, the entity has materially underspent the budget by approximately R12,6 million. The underspending is mainly due to delays in implementing infrastructure development largely due to fires on site and contractor delays at the Kogelberg development project.

RESPONSIBILITIES OF THE ACCOUNTING AUTHORITY FOR THE FINANCIAL STATEMENTS

10. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards on GRAP and the requirements of the PFMA, and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
11. In preparing the financial statements, the accounting authority is responsible for assessing the Western Cape Nature Conservation Board's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

AUDITOR-GENERAL'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

Report on the audit of the annual performance report

INTRODUCTION AND SCOPE

14. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
15. My procedures address the reported performance information, which must be based on the approved performance planning documents of the entity. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

16. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the entity for the year ended 31 March 2019:

Programmes	Pages in the annual performance report
Programme 2 – Biodiversity Support	27 to 29
Programme 3 – Conservation Management	30 to 32

17. 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.
18. I did not raise any material findings on the usefulness and reliability of the reported performance information for the following programmes:
 Programme 2 – Biodiversity Support
 Programme 3 – Conservation Management

OTHER MATTER

19. I draw attention to the matter below.

Achievement of planned targets

20. Refer to the annual performance report on pages 28 to 29 and 31 to 32 for information on the achievement of planned targets for the year and explanations provided for the under- or overachievement of a number of targets.

Report on the audit of compliance with legislation

INTRODUCTION AND SCOPE

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

Other information

23. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report, which includes the accounting authority’s report and the audit committee’s report. The other information does not include the financial statements, the auditor’s report thereon and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor’s report.

24. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
25. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
26. If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact.
27. I have nothing to report in this regard.

Internal control deficiencies

28. 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 2019



AUDITOR - GENERAL
 SOUTH AFRICA

Auditing to build public confidence

ANNEXURE – AUDITOR-GENERAL’S RESPONSIBILITY FOR THE AUDIT

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

FINANCIAL STATEMENTS

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

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

- I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
- I also confirm to the accounting authority that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

2

ANNUAL FINANCIAL STATEMENTS

Western Cape Nature Conservation Board
Trading as CapeNature
Annual Financial Statements for the year ended 31 March 2019

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 pre-determined 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 12 months from 01 April 2019 to 31 March 2020 and, in the light of this review and the current financial position, it is satisfied that the entity has access to adequate resources to continue in operational existence for the foreseeable future.

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



Assoc Prof Denver Hendricks
CHAIRPERSON OF THE WESTERN CAPE NATURE CONSERVATION BOARD
CapeNature
August 2019

Western Cape Nature Conservation Board
Trading as CapeNature
Annual Financial Statements for the year ended 31 March 2019

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019

Figures in Rand	Note(s)	2019	2018 Restated*
Assets			
Current Assets			
Cash and cash equivalents	4	169 294 458	171 162 222
Inventories	5	1 535 121	2 036 943
Trade and other receivables from exchange transactions	6	4 024 237	4 497 505
Trade and other receivables from non-exchange transactions	6	1 583 648	4 032 571
		176 437 464	181 729 241
Non-Current Assets			
Intangible assets	7	4 475 726	5 926 367
Property, plant and equipment	8	152 618 527	140 738 075
		157 094 253	146 664 442
Total Assets		333 531 717	328 393 683
Liabilities			
Current liabilities			
Finance lease obligations	9	8 497 293	4 848 927
Short term employee benefits	10.1	13 580 745	11 617 750
Trade and other payables from exchange transactions	10.2	33 921 898	31 870 808
Trade and other payables from non-exchange transactions	10.3	979 869	939 740
Unspent conditional grants and receipts	11	3 511 652	443 607
		60 491 457	49 720 832
Non-Current liabilities			
Employee benefit obligation	12	5 299 365	5 264 483
Finance lease obligations	9	29 821 670	34 029 629
Trade and other payables from non-exchange transactions	10.3	702 701	995 445
Unspent conditional grants and receipts	11	34 012 075	35 682 927
		69 835 811	75 972 484
Total Liabilities		130 327 268	125 693 316
Net Assets		203 204 449	202 700 367
Accumulated surplus		118 903 058	140 180 415
Project reserve	13	68 578 600	46 685 884
Revaluation reserve	14	15 722 791	15 834 068
Total Net Assets		203 204 449	202 700 367

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STATEMENT OF FINANCIAL PERFORMANCE

Figures in Rand	Note(s)	2019	2018 Restated*
Revenue			
Revenue from exchange transactions			
Interest received	15	11 343 163	9 609 771
Licences and permits		3 706 592	3 409 532
Other income	16	3 682 804	3 776 874
Tourism	17	42 155 658	40 283 036
Total revenue from exchange transactions		60 888 217	57 079 213
Revenue from non-exchange transactions			
Transfer revenue			
Fines		720 423	199 600
Grants, donations and project funds	18	14 379 803	33 152 603
Monetary government grants received	19	290 531 000	274 050 000
Services in kind - office accommodation		2 531 458	2 342 016
Total revenue from non-exchange transactions		308 162 684	309 744 219
Total revenue		369 050 901	366 823 432
Expenditure			
Administrative expenses		(26 590 653)	(19 326 804)
Debt impairment movement		(301 386)	58 078
Depreciation and amortisation		(18 274 624)	(17 282 461)
Employee related costs	20	(217 307 275)	(198 518 525)
Finance costs	21	(12 155 965)	(10 363 900)
Fire fighting aircraft hire		(6 808 017)	(3 662 288)
Impairment on property, plant and equipment		(194 628)	(61 374)
Professional and other services		(41 198 833)	(38 414 865)
Repairs and maintenance	8	(3 530 450)	(2 999 190)
Stores	5.1	(13 358 062)	(15 084 263)
Training		(5 439 760)	(4 817 722)
Transport and travel		(23 865 224)	(19 983 113)
Total expenditure		(369 024 877)	(330 456 427)
Operating surplus		26 024	36 367 005
Gain on disposal of property, plant and equipment		589 259	1 406 613
Gain/(loss) on foreign exchange		77	(115)
		589 336	1 406 498
Surplus for the year		615 360	37 773 503

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STATEMENT OF CHANGES IN NET ASSETS

Figures in Rand	Revaluation reserve	Project reserve	Total reserves	Accumulated surplus	Total net assets
Restated* Balance at 01 April 2017	15 834 068	29 100 000	44 934 068	1 19 992 794	164 926 862
Changes in net assets					
Transfers in	-	25 000 000	25 000 000	(25 000 000)	-
Transfers out	-	(7 414 116)	(7 414 116)	7 414 116	-
Net income (losses) recognised directly in net assets	-	17 585 884	17 585 884	(17 585 884)	-
Surplus for the year	-	-	-	37 773 503	37 773 503
Total recognised revenue and expenditure for the year	-	17 585 884	17 585 884	20 187 619	37 773 503
Total changes	-	17 585 884	17 585 884	20 187 619	37 773 503
Opening balance as previously reported	15 834 068	46 685 884	62 519 952	139 802 958	202 322 910
Adjustments					
Prior year adjustments	-	-	-	377 456	377 456
Restated* Balance at 01 April 2018	15 834 068	46 685 884	62 519 952	140 180 414	202 700 366
Changes in net assets					
Revaluation of Land and Buildings	(111 277)	-	(111 277)	-	(111 277)
Transfers in	-	30 740 387	30 740 387	(30 740 387)	-
Transfers out	-	(8 847 671)	(8 847 671)	8 847 671	-
Net income (losses) recognised directly in net assets	(111 277)	21 892 716	21 781 439	(21 892 716)	(111 277)
Surplus for the year	-	-	-	615 360	615 360
Total recognised income and expenses for the year	(111 277)	21 892 716	21 781 439	(21 277 356)	504 083
Total changes	(111 277)	21 892 716	21 781 439	(21 277 356)	504 083
Balance at 31 March 2019	15 722 791	68 578 600	84 301 391	118 903 058	203 204 449
Note(s)	14	13			

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CASH FLOW STATEMENT

Figures in Rand	Note(s)	2019	2018 Restated*
Cash flows from operating activities			
Receipts			
Grants, project funds and tourism revenue		359 222 743	368 594 627
Interest income		11 343 163	9 609 771
		370 565 906	378 204 398
Payments			
Employee costs		(215 309 398)	(198 225 537)
Suppliers		(118 519 092)	(99 194 370)
Finance costs		(12 155 965)	(10 363 900)
		(345 984 455)	(307 783 807)
Net cash flows from operating activities	22	24 581 451	70 420 591
Cash flows from investing activities			
Purchase of property, plant and equipment	8	(28 325 434)	(35 175 983)
Proceeds from sale of property, plant and equipment	8	2 539 032	6 219 266
Purchase of other intangible assets	7	(103 224)	(1 088 391)
Proceeds from sale of other intangible assets	7	4	62
Net cash flows from investing activities		(25 889 622)	(30 045 046)
Cash flows from financing activities			
Finance lease (payments)/receipts		(559 593)	6 085 578
Net increase/(decrease) in cash and cash equivalents		(1 867 764)	46 461 123
Cash and cash equivalents at the beginning of the year		171 162 222	124 701 099
Cash and cash equivalents at the end of the year	4	169 294 458	171 162 222

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STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019

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	96 389 000	(13 040 023)	83 348 977	70 502 778	(12 846 199)	33
Fines, penalties and forfeits	500 000	-	500 000	720 423	220 423	
Interest, dividends and rent on land	1 400 000	8 700 000	10 100 000	11 343 163	1 243 163	33
Transfers received	302 531 000	(12 000 000)	290 531 000	290 531 000	-	
Total revenue	400 820 000	(16 340 023)	384 479 977	373 097 364	(11 382 613)	
Expenses						
Compensation of employees	(214 408 000)	(936 079)	(215 344 079)	(215 309 397)	34 682	
Use of goods and services	(139 956 000)	(631 751)	(140 587 751)	(130 618 039)	9 969 712	33
Payment for capital assets	(46 456 000)	17 907 853	(28 548 147)	(25 960 116)	2 588 031	33
Total expenditure	(400 820 000)	16 340 023	(384 479 977)	(371 887 552)	12 592 425	
Surplus for the year	-	-	-	1 209 812	1 209 812	
Reconciliation						
Basis difference						
Depreciation and amortisation				(18 274 624)		
Gain on sale of asset				589 259		
Capital assets				25 903 100		
Working capital changes				(7 185 484)		
Post-retirement medical aid				(34 882)		
Unspent conditional grants				(1 397 193)		
Impairment on property, plant and equipment				(194 628)		
Actual amount in the Statement of Financial Performance				615 360		

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I. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

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

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

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

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 Going concern assumption

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

I.2 Significant judgements and sources of estimation uncertainty

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

Impairment of Trade receivables

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

Post retirement benefits

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

I.3 Biological assets

The entity shall recognise biological assets that form part of an agricultural activity or agricultural produce when, and only when:

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

I.4 Property, plant and equipment

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

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

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

Property, plant and equipment is initially measured at cost.

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

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

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

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

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

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carrying amount of the replaced part is derecognised. Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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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.

1.5 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance. An intangible asset is identifiable if it is either:

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

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

An intangible asset is recognised when:

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

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

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

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

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

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

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

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

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

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

1.6 Heritage assets

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

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

Recognition

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

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

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

The entity does not recognise heritage assets which on initial recognition, do not meet the recognition criteria of a heritage asset because they cannot be reliably measured.

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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).

1.7 Financial instruments

Classification

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

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

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

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

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at the effective interest rate computed at initial recognition.

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

Payables from exchange transactions

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

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

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

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

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

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

Payables from non-exchange transactions

Payables from non-exchange are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

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.

Cash and cash equivalents

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

1.8 Taxation

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

1.9 Leases

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

Finance leases - lessee

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

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

Operating leases - lessee

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

1.10 Inventories

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

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

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

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

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

Current replacement cost is the cost the entity incurs to acquire the asset on the reporting date. The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

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

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

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

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

1.11 Impairment of cash-generating assets

Cash-generating assets are assets managed with the objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by profit orientated entity.

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 de-

ducting any accumulated depreciation and accumulated impairment losses thereon.

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

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

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

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

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

Useful life is either:

- the period of time over which an asset is expected to be used by the entity; or
- the number of production or similar units expected to be obtained from the asset by the entity.

Identification

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

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

1.12 Impairment of non-cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-orientated entity.

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

Identification

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

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

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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.

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

Defined contribution plans

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

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

Defined benefit plans

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

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

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

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

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

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

1.14 Provisions and contingencies

Provisions are recognised when:

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

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

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

Provisions are not recognised for future operating deficits.

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

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.

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ACCOUNTING POLICIES

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

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

Expenses paid through the tax system are amounts that are available to beneficiaries regardless of whether or not they pay taxes.

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

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recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

1.17 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the period in which they are incurred.

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 Irregular, Fruitless and wasteful expenditure

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including -
(a) the Public Finance Management Act 1999 (Act no 29 of 1999); or
(b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
(c) any provincial legislation providing for procurement procedures in that provincial government.

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

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

1.20 Budget information

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

The approved budget covers the fiscal period from 01/04/2018 to 31/03/2019.

1.21 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 which is approved, but not yet effective.

1.22 Segment Reporting

There is no separately available financial information that is regularly reviewed by management for decision making on the different activities of the entity and therefore the entity does not have any reportable segments as defined in the GRAP standards.

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

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2. NEW STANDARDS AND INTERPRETATIONS

2.1 Standards and interpretations issued, but not yet effective

GRAP 110: Living and Non-living resources

The objective of this standard is to prescribe the:

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

GRAP 32: Service Concession Arrangements: Grantor

The objective of this standard is to prescribe the accounting for service concession arrangements by the grantor, a public sector entity.

GRAP 108: Statutory receivables

The objective of this standard is to prescribe the accounting for the recognition, measurement, presentation and disclosure of statutory receivables.

GRAP 109: Accounting by Principals and Agents

The objective of this standard is to outline principles to be used by an entity to assess whether it is party to a principle-agent arrangement, and whether it is a principle or an agent in undertaking transactions in terms of such an arrangement. The standard does not introduce new recognition or measurement requirements for revenue, expenses, assets and/or liabilities that result from principle-agent arrangements. The standard does however provide guidance on whether revenue, expenses, assets and/or liabilities should be recognised by an agent or a principle, as well as prescribe what information should be disclosed when an entity is a principle or agent.

IGRAP 17: Service Concession Arrangements where a Grantor Controls a Significant Residual Interest in an Asset

This interpretation of the standards of GRAP provides guidance to the grantor where it has entered into a service concession arrangement, but only controls, through ownership, beneficial entitlement or otherwise, a significant residual interest in a service concession asset at the end of the arrangement, where the arrangement does not constitute a lease

IGRAP 18: Recognition and de-recognition of land

This interpretation applies to the initial recognition and derecognition of land in an entity's financial statements. It also considers joint control of land by more than one entity.

IGRAP 19: Liabilities to pay levies

This interpretation provides guidance on the accounting for levies in the financial statements of the entity that is paying the levy. It clarifies when entities need to recognise a liability to pay a levy that is accounted for in accordance with GRAP 19.

IGRAP 1: Applying the probability test on initial recognition revenue (amendments)

This interpretation provides guidance on how an entity applies the probability test on initial recognition of revenue where credit is extended for the settlement of an exchange or non-exchange revenue transaction and uncertainty exists about the entity's ability to collect such revenue based on past history or because discretion about collectability is exercised subsequently.

IGRAP 20: Accounting for adjustments to revenue

This interpretation clarifies the accounting for adjustments to revenue, including refunds charged in terms of legislation or similar means and interest and penalties that arise from the recognised revenue.

3. BIOLOGICAL ASSETS

Non-financial information

CapeNature's biological assets include wildlife, fauna and flora and are not recognised in the statement of financial position. Fair value cannot be attached to these assets as they constantly change as dictated by natural processes like climate, fire, disease, predation, etc. which impacts directly on the rate of population growth and mortality. Some animal species also migrate from

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	2019	2018
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and to nature reserves (insects, birds, reptiles and even game species which escape) and therefore the entity does not have any control over these biological assets.

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

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

Cash on hand	211 010	211 010
Bank balances	169 083 448	170 951 212
	169 294 458	171 162 222

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 B	169 083 448	170 951 212
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5. INVENTORIES

Uniforms, rations and other consumables	909 902	1 430 998
Fuel	193 153	199 586
Chemical Stores	432 066	406 359
	1 535 121	2 036 943

5.1 Additional Information

Inventories recognised as an expense during the year	7 597 204	7 761 107
Other stores	5 760 858	7 323 156
	13 358 062	15 084 263

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.

6. TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS

Trade debtors from exchange transactions	1 360 835	1 080 337
Other receivables from exchange transactions	2 663 402	3 417 168
	4 024 237	4 497 505

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Trade debtors from non-exchange transactions	1 583 648	4 032 571
	1 583 648	4 032 571
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	2 743 565	3 536 470
30 days	89 838	21 699
60 days	543 986	531 164
90 days plus	1 860 232	1 360 747
Subtotal	5 237 621	5 450 080
Allowance for impairment of trade and other receivables	(1 213 384)	(952 575)
Trade and other receivables from exchange transactions	4 024 237	4 497 505
Current	1 583 648	3 724 987
30 days	-	162 289
90 days plus	-	145 295
Trade and other receivables from non-exchange transactions	1 583 648	4 032 571
Subtotal from exchange transactions	5 237 621	5 450 080
Trade and other receivables from non-exchange transactions	1 583 648	4 032 571
Allowance for impairment of trade and other receivables	(1 213 384)	(952 575)
	5 607 885	8 530 076
Reconciliation of allowance for impairment of trade and other receivables		
Opening balance	(952 574)	(1 354 919)
(Increase)/Decrease in allowance recognised in surplus for impairment	(301 386)	58 078
Amount written off as uncollectible	40 576	344 267
Closing Balance	(1 213 384)	(952 574)

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	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	14 424 435	(9 948 709)	4 475 726	14 343 196	(8 416 829)	5 926 367
Services in kind - office accommodation	2 531 458	(2 531 458)	-	2 342 016	(2 342 016)	-
Total	16 955 893	(12 480 167)	4 475 726	16 685 212	(10 758 845)	5 926 367
Reconciliation of intangible assets - 2019						
	Opening balance	Additions	Disposals	Amortisation	Total	
Computer software	5 926 367	103 224	(4)	(1 553 861)	4 475 726	
Services in kind - office accommodation	-	2 531 458	-	(2 531 458)	-	
	5 926 367	2 634 682	(4)	(4 085 319)	4 475 726	
Reconciliation of intangible assets - 2018						
	Opening balance	Additions	Disposals	Amortisation	Total	
Computer software	6 406 775	1 088 389	(62)	(1 568 735)	5 926 367	
Services in kind - office accommodation	-	2 342 016	-	(2 342 016)	-	
	6 406 775	3 430 405	(62)	(3 910 751)	5 926 367	

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 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.

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8. PROPERTY, PLANT AND EQUIPMENT

	2019			2018		
	Cost /Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	5 800 000	-	5 800 000	7 250 000	-	7 250 000
Buildings	13 481 235	(2 303 231)	11 178 004	12 142 512	(2 054 342)	10 088 170
Plant and machinery	8 642 215	(3 728 697)	4 913 518	5 345 427	(3 544 142)	1 801 285
Furniture and fixtures	70 393 268	(32 470 185)	37 923 083	66 626 367	(29 858 222)	36 768 145
Motor vehicles	8 443 733	(6 322 520)	2 121 213	8 014 584	(6 306 368)	1 708 216
IT equipment	20 432 950	(15 080 654)	5 352 296	18 552 394	(14 501 944)	4 050 450
Leasehold improvements	26 795 927	(2 534 220)	24 261 707	20 840 697	(1 778 796)	19 061 901
Capital assets under construction	8 357 825	-	8 357 825	9 749 542	-	9 749 542
Motor vehicles under finance leases	44 282 253	(11 497 711)	32 784 542	42 944 560	(9 676 566)	33 267 994
Infrastructure development	22 940 248	(3 013 909)	19 926 339	18 985 381	(1 993 009)	16 992 372
Total	229 569 654	(76 951 127)	152 618 527	210 451 464	(69 713 389)	140 738 075

Reconciliation of property, plant and equipment - 2019

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

Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Disposals	Transfers	Depreciation	Impairment loss	Total
Land	7 250 000	-	-	-	-	-	7 250 000
Buildings	10 337 058	-	-	-	(248 888)	-	10 088 170
Plant and machinery	1 668 928	614 960	(4 417)	-	(478 186)	-	1 801 285
Furniture and fixtures	33 973 592	7 325 775	(47 464)	-	(4 483 758)	-	36 768 145
Motor vehicles and boats	2 293 072	293 342	(2)	-	(878 196)	-	1 708 216
IT equipment	3 925 288	2 789 556	(1 076)	-	(2 663 318)	-	4 050 450
Leasehold improvements	18 641 994	917 659	-	3 001	(500 753)	-	19 061 901
Capital assets under construction	2 073 189	7 679 354	-	(3 001)	-	-	9 749 542
Motor vehicles under finance leases	26 280 242	15 015 448	(4 759 694)	-	(3 206 628)	(61 374)	33 267 994
Infrastructure development	17 364 465	539 889	-	-	(911 982)	-	16 992 372
Total	123 807 828	35 175 983	(4 812 653)	-	(13 371 709)	(61 374)	140 738 075

Proceeds from the sale of property, plant and equipment amounted to R2 539 032 (2018: R6 219 266)

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

Furniture and fixtures	5 926	16 254
IT equipment	25 796	16 177
	31 722	32 431

Revaluations

The effective date of the revaluations was 31 March 2019.

Multiple revaluations were performed by independent valuers, attorneys and a property company.

Andries Kleinhans [registered as a Professional Associated Valuer in terms of the Property Valuers Profession act 47 of 2000]; C M (Neels) Muller [registered as a Professional Associated Valuer in terms of the Property Valuers Profession act 47 of 2000]; Richard van Reenen Barry (Attorney and partner in the firm Barry & Mouton Attorneys, appraiser for the Master of the High Court of Calitzdorp).

These individuals and/or firms are not connected to the entity.

Land and buildings are re-valued independently every 3 years to reflect the fair values. Surpluses or deficits that arise from revaluations will be reflected in the revaluation reserve.

The valuation was performed using comparative market analysis and costs of improvements based on current market conditions.

Capital assets under construction

Furniture and fixtures	8 357 825	4 697 862
Leasehold improvements	-	3 720 638
Infrastructure	-	1 331 042
	8 357 825	9 749 542

The De Hoop Fencing project to the value of R535 913 which is included under Furniture and fixtures has been cancelled due to delays caused by landowner disputes. A new contract will be signed once all land owners have concluded binding agreements with CapeNature.

The Kogelberg Development project to the value of R7 010 494 which is included under Furniture and fixtures has proceeded after it was cancelled in the prior year due to contractor delays. The project was further delayed due to fires in the region. A new contractor was appointed to continue with the construction of tourist accommodation units at Kogelberg Nature Reserve.

Work in progress, to the value of R811 416 is included under Furniture and Fixtures. The amount is made up of R248 634 which relates to the De Hoop Fencing Project. The balance of R562 781, relates to the upgrading of the Green Conference Centre at Vrolijkheid Nature Reserve

Expenditure incurred to repair and maintain property, plant and equipment

The repairs and maintenance for the year on property, plant and equipment is R3 530 450 (March 2018: R2 999 190), 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 2019, CapeNature rented 146 (March 2018: 149) vehicles. This arrangement is disclosed in note 9 Finance lease obligations and note 26 Related parties.

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9. FINANCE LEASE OBLIGATIONS

Finance leases liabilities	38 318 963	38 878 557
Less: Current portion transferred to current finance lease liabilities	(8 497 292)	(4 848 927)
Total long-term liabilities	29 821 671	34 029 630

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 five to ten years. The effective annual interest rate on new vehicles purchased and permanently allocated to CapeNature during the period under review is between 28% and 34%.

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

The obligations under finance leases liabilities are as follows:

	Minimum lease payments		Present value of minimum lease payments	
	March 2019	March 2018	March 2019	March 2018
Amounts payable under finance leases				
Within one year	19 113 030	15 458 794	8 497 292	4 848 927
In the second to fifth years	45 689 482	54 172 115	29 821 671	34 029 630
Less: Future finance obligations	(26 483 549)	(30 752 352)	-	-
Present value of minimum lease obligations	38 318 963	38 878 557	38 318 963	38 878 557

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	9 486 315	7 257 459
Income received in advance from exchange transactions	1 192 370	1 661 310
Salary accruals	2 902 060	2 698 981
	13 580 745	11 617 750

10.2 Trade and other payables from exchange transactions

Trade payables from exchange transactions	20 922 662	19 425 417
Income received in advance from exchange transactions	12 999 236	12 445 392
	33 921 898	31 870 809

10.3 Trade and other payables from non-exchange transactions

Other payables - current	979 869	939 740
Other payables - non-current	702 701	995 445
	1 682 570	1 935 185

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CapeNature has financial risk management policies in place to ensure that all payables are paid within the credit time frame.
Income received in advance mainly consists of tourism deposits.
Other payables arose due to an out of court settlement agreement previously disclosed as a contingent liability and is included at amortised cost using the prime rate of interest.

11. UNSPENT CONDITIONAL GRANTS AND RECEIPTS

Year to date movement

Balance at the beginning of the year	36 126 534	20 929 408
Additions during the year	15 736 050	47 078 159
Income recognition during the year	(14 338 857)	(31 881 033)
	37 523 727	36 126 534

Non-current liabilities	34 012 075	35 682 927
Current liabilities	3 511 652	443 607
	37 523 727	36 126 534

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	5 264 483	5 213 718
Net (income) expense recognised in the statement of financial performance	34 882	50 765
	5 299 365	5 264 483

Net expense recognised in the statement of financial performance

Current service cost	63 000	57 736
Interest cost	465 000	462 821
Actuarial (gains) losses	(104 118)	(336 958)
Actual benefits paid by CapeNature	(389 000)	(132 834)
Total included in employee related costs (Note 20)	34 882	50 765

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Key assumptions used

Assumptions used in the last valuation 31 March 2019:

Retirement age	60	60
Discount rates used	8.96 %	9.12 %

The discount rate reflects the estimated timing of benefit payments. The average nominal yield curve for South African government bonds with duration of between 10 and 15 years were used. The resultant discount rate was 8.96%.

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 dependant 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	28	33
Number of members included as pensioners	32	29
	60	62

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

Sensitivity Analysis

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

	1% decrease	1% increase
Projected Service Costs	72 000	57 000
Projected Interest Costs	454 000	474 000
Post-employment benefit obligation	5 762 000	4 898 000

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

	2019 R	2018 R	2017 R	2016 R	2015 R
Defined benefit obligation	5 299 365	5 264 483	5 213 718	4 627 000	5 350 000

Defined contribution plan

Pension benefits

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

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As at March 2019 the entity employed 1023 staff of which 478 are permanent employees. There are 105 members belonging to the GEPP and 215 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	13 747 702	11 482 460
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.		
Opening Balance	46 685 884	29 100 000
Transfer in	30 740 387	25 000 000
Transfer out	(8 847 671)	(7 414 116)
	68 578 600	46 685 884
14. REVALUATION RESERVE		
Opening balance	15 834 068	15 834 068
Revaluation of Land and Buildings	(111 277)	-
	15 722 791	15 834 068
The revaluation reserve relates primarily to revaluation surpluses or deficits on the revaluation of land and buildings to their fair values.		
The frequency of revaluations depends upon the changes in the fair values of the items of property, plant and equipment being revalued.		
15. INTEREST RECEIVED		
Interest revenue		
Bank interest	11 343 163	9 609 771
16. OTHER INCOME		
Staff and private accommodation	635 457	762 007
Services rendered	450 000	970
Sundry income	2 565 205	2 981 226
Insurance recoveries	32 142	32 671
	3 682 804	3 776 874

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17. TOURISM		
Accommodation	14 262 787	5 573 111
Entrance fees, hiking and activities	23 759 378	21 199 150
Wild card sales	2 208 369	2 053 038
Filming fees	1 084 591	662 109
PPP Business income	840 533	795 628
	42 155 658	40 283 036
Entrance fees, hiking and activities includes income generated from events and concession fees.		
18. GRANTS, DONATIONS AND PROJECT FUNDS		
Donations	40 946	65 691
Project grants	14 338 857	33 086 912
	14 379 803	33 152 603
19. MONETARY GOVERNMENT GRANTS RECEIVED		
Provincial allocation	290 531 000	274 050 000
20. EMPLOYEE RELATED COSTS		
Leave pay accrual movement	2 228 856	660 080
Overtime payments	7 614 961	5 506 784
Post-employment pension benefits (note 12)	13 747 702	11 482 460
Post-retirement medical benefit movement (note 12)	34 882	50 765
Salaries and wages	193 680 874	180 818 436
	217 307 275	198 518 525
Remuneration of board members		
Included in the salaries and wages above are the fees paid to the board members (non-executive management) of R342 741 (March 2018: R245 652). Refer to note 27.		
21. FINANCE COSTS		
Finance costs on leases	11 981 342	10 266 162
Interest charged	174 623	97 738
	12 155 965	10 363 900

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22. CASH GENERATED FROM OPERATIONS		
Surplus	615 360	37 773 503
Adjustments for:		
Depreciation and amortisation	15 743 166	14 940 447
(Gain)/Loss on sale of assets	(589 259)	(1 406 613)
Impairment	194 628	61 374
Movements in retirement benefit assets and liabilities	34 882	50 765
Changes in working capital:		
Inventories	501 822	560 335
Trade and other receivables	2 922 192	(2 515 418)
Trade and other payables from exchange and non-exchange transactions	3 761 467	5 759 070
Unspent conditional grants and receipts	1 397 193	15 197 128
	24 581 451	70 420 591

23. CATEGORIES OF FINANCIAL INSTRUMENTS

Financial assets	At amortised cost	At amortised cost
Receivables from exchange transactions	3 280 661	2 927 613
Receivables from non-exchange transactions	1 583 648	4 032 571
Cash and cash equivalents	169 294 458	171 162 222
	174 158 767	178 122 406

Financial liabilities	At amortised cost	At amortised cost
Trade and other payables from exchange transactions	20 922 662	19 425 417
Other payables from non-exchange transactions	1 682 570	1 935 185
Finance Lease obligations	38 318 963	38 878 557
	60 924 195	60 239 159

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24. COMMITMENTS		
24.1 Authorised capital expenditure		
Approved and contracted		
Central reservation system upgrades	-	666 646
Implementation of permit system	-	34 588
Landroskop road upgrade	-	2 631 760
Recreational area at Cederberg and Grootvadersbosch	-	323 534
De Hoop fence	835 133	1 304 389
Accommodation at Gamkaberg	-	117 593
Kogelberg Development	13 592 601	-
Anysberg eco-pool	500 000	-
	14 927 734	5 078 510

Approved and not yet contracted

Shopfitting service at Algeria curio shop	-	138 000
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Total commitments

Approved and contracted	14 927 734	5 078 510
Approved and not yet contracted	-	138 000
	14 927 734	5 216 510

24.2 Operating leases - as lessee (expense)

Minimum lease payments due

- within one year	252 462	1 245 411
- in second to fifth year inclusive	-	252 462
	252 462	1 497 873

From June 2016 photocopy machine lease agreements were in place 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 2 vehicles with anticipated remaining lease terms of 12 and 22 months as at 31 March 2019. The department does not have an option to purchase the leased assets at the expiry of the leased period.

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

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

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25. CONTINGENCIES

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

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

Contingent liabilities

MTO and Cape Sawmills Vs CapeNature	33 616 497	33 616 497
October M and October R vs CapeNature	1 400 000	1 400 000
Fourie CJ vs CapeNature	5 243 116	5 243 116
P Beukes vs CapeNature	4 147 741	-
	44 407 354	40 259 613

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

- The case of Mountain to Ocean (MTO) and Cape Sawmills vs CapeNature is in respect of fire damage in Jonkershoek - 23 and 28 February 2009.
- The case of October M and October R vs CapeNature is in respect of various civil claims relating to a fire incident in Rooisand area - 16 to 30 March 2011.
- The case of Fourie CJ vs CapeNature is in respect of fire damage in the Ruitersbosch area - 7 February 2015.
- The case of B Beukes vs CapeNature is in respect of various civil claims relating to motor vehicle accident involving a wild animal in the Theewaterskloof area- 14 October 2016.
- Section 3 notices were served on Cape Nature of possible future fire claims in Hawequas, Outeniqua 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 assets

CapeNature Vs Groendal/Stellenbosch Municipality	706 557	706 557
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The case of CapeNature vs Stellenbosch Municipality is in respect of damages arising from a fire which started in an informal settlement in Franschhoek - 25 December 2005.

Legal fees

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

26. RELATED PARTIES

Relationships

Members of key management Refer to note 27

CapeNature is a Schedule 3C state controlled public entity 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 - 2018	R2 342 016
Services in kind - office accommodation received - 2019	R2 531 458

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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 - 2018	R1 026 262
Funding received - 2019	R2 084 854

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

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

Department of Environmental Affairs (DEA)

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

Funding received - 2018	R20 791 909
Funding received - 2019	R 2 489 184

The Western Cape Tourism Trade and Investment Promotion Agency (WESGRO)

The Western Cape Tourism Trade and Investment Promotion Agency contributed an amount of R450 000 towards the promotion and marketing of the the Siyaya TV show project which took place at a selection of CapeNature reserves. This amount is reflected in Sundry Income.

National Department of Tourism

CapeNature received funding for the development of tourism accommodation at Goukamma Nature Reserve.

Funding received - 2018	R16 000 000
Funding received - 2019	R0

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

In the year under review, CapeNature received R290 531 000 (March 2018: R274 050 000) as a provincial grant from the Department of Environmental Affairs and Planning.

South African National Parks

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

The total funding that CapeNature received for the year under review is R1 697 495 (March 2018: R3 102 102).

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

South African National Biodiversity Institute

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

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

Funding received - March 2018	R439 903
Funding received - March 2019	R931 426

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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

	2019	2018
Baard E - Biodiversity	1 078 754	1 002 656
Bhayat M - Chief Financial Officer	1 162 130	1 052 337
Cleaver-Christie G* - Conservation Management	988 525	973 232
Ismail S - Marketing and Eco Tourism	1 220 773	1 116 918
Jacobs M* - Corporate Services	-	958 850
Omar R - Chief Executive Officer	1 587 653	1 471 483
Total	6 037 835	6 575 476

* Cleaver-Christie G contract expired at 28 February 2019
* Jacobs M left the service 31 March 2018.

Board Members' Emoluments

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

* Appointed Board Members from 1 April 2018

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Figures in Rand	March 2018		
	Remuneration	Reimbursive expenses	Total

Burton M	28 755	-	28 755
Hendricks D - Chairperson	22 278	-	22 278
Johnson C	21 417	19 558	40 975
McKenzie B*	24 861	-	24 861
McOmbring-Hodges M*	56 871	-	56 871
Mdludlu M*	15 576	1 466	17 042
Nel D*	19 020	9 214	28 234
Redlinghuis A	23 364	1 592	24 956
Slack P	33 510	-	33 510
Total	245 652	31 830	277 482

* McOmbring-Hodges M was the outgoing Chairperson. McKenzie B, Mdludlu M, Nel D resigned 31 March 2018.

Independent Committee Members

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

	March 2018		
	Remuneration	Reimbursive Expenses	Total
Loubser M (Audit, Finance and ICT)*	51 392	-	51 392
Dhevcharran N (Audit, Finance and ICT)	3 030	120	3 150
Jaftha R (Audit, Finance and ICT)*	16 277	1 562	17 839
Van Staaden B (Audit, Finance and ICT)	3 030	-	3 030
Total	73 729	1 682	75 411

* Jaftha R contract expired 31 March 2018, Loubser M appointed to the board from 01 April 2018.

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28. PRIOR PERIOD ERRORS AND RECLASSIFICATIONS

Correction of prior period errors

Unspent Conditional Grants

Other income was understated by R377 456 due to a prior year management fee adjustment.

Services in kind

CapeNature has been granted the right to use office accommodation in the York Park Building in George and ERF 32654 in Cape Town, Western Cape in a non-exchange transaction.

A valuation was performed to estimate the asset and revenue to be raised, as well as the corresponding accumulated amortisation and depreciation.

This amounted to R2 342 016, however the net effect is nil as the asset and revenue is immediately consumed and used in a transaction of equal value.

Transport costs

Fire fighting aircraft hire was reclassified from Transport costs to Fire fighting aircraft hire. The value of the reclassification was R6 808 017 (2018: R3 662 288)

Statement of Financial Position	As previously reported 2017-18	Correction of error	Restated 2017-18
Services in kind - Intangible asset	-	2 342 016	2 342 016
Services in kind - Accumulated amortisation	-	(2 342 016)	(2 342 016)
Unspent conditional grants and receipts	(821 063)	377 456	(443 607)
	(821 063)	377 456	(443 607)

Statement of Financial Performance	As previously reported 2017-18	Correction of error	Re-classification	Restated 2017-18
Grants, donations and project funds	(32 775 147)	(377 456)	-	(33 152 603)
Services in kind - Depreciation	-	2 342 016	-	2 342 016
Services in kind - Revenue	-	(2 342 016)	-	(2 342 016)
Fire fighting aircraft hire	-	-	(3 662 288)	(3 662 288)
Transport and travel	(23 645 401)	-	3 662 288	(19 983 113)
	(56 420 548)	(377 456)	-	(56 798 004)

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.

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At 31 March 2019

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	20 922 653	-	-	-
Other payables	979 869	-	702 701	-
Finance lease obligations	19 113 030	-	45 689 482	-

At 31 March 2018

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	19 425 416	-	-	-
Other payables	939 740	-	995 445	-
Finance lease obligations	15 458 794	-	54 172 115	-

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 2019, if the interest rates on currency-denominated investments had been 1% higher or lower with all other variables held constant, the surplus for the year would have been R1 700 173 (March 2018: R1 477 232) higher or lower, mainly as a result of higher or lower expense on floating rate investments.

Credit risk

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

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

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

Financial instrument	2019	2018
Trade and other receivables	4 864 759	6 960 184
Cash and cash equivalents	169 294 458	171 162 222

30. EVENTS AFTER THE REPORTING DATE

A section 3 notice was served on CapeNature of a possible future fire claim along the Garden Route area. Investigations are ongoing.

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31. FRUITLESS AND WASTEFUL EXPENDITURE		
Opening balance	22 080	-
Double booking at De Hoop Nature Reserve	-	22 080
Fruitless and wasteful expenditure condoned	(16 680)	-
	5 400	22 080

R22 080 expenditure incurred was as a result of a double booking of which R16 680 was approved for condonation on 16 May 2018.

R5 400 was approved after year end for condonation on 30 May 2019.

Controls have been implemented to prevent the recurrence of double bookings within the central reservation system and the necessary disciplinary steps were taken.

32. IRREGULAR EXPENDITURE

Opening balance	2 657 546	29 988
Non-compliance to Construction Industry Development Board (CIDB) Act	-	2 600 970
Cleaning services provided without a valid contract in place	-	56 576
Less: Irregular expenditure condoned	(2 657 546)	(29 988)
	-	2 657 546

Non-compliance to Construction Industry Development Board (CIDB) Act

Irregular expenditure of R2 600 970 was approved for condonation on 29 August 2018.

Services provided without a valid contract in place.

Irregular expenditure of R56 576 was approved for condonation on 16 May 2018.

Details of irregular expenditure condoned

Non-compliance to Construction Industry Development Board (CIDB) Act	Executive Authority	29 August 2018	R 2 600 970
Services provided without a valid contract in place	Executive Authority	16 May 2018	R 56 576

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

33.1 Revenue

Sales of goods and services other than capital assets

The entity prepares a budget on the cash basis and is not allowed to budget for a deficit. Therefore if expenditure is going to be incurred in the financial year there has to be an income that is budgeted to ensure that the budget is in balance.

In the prior year the entity had received funding for projects that were not completed resulting in funds being utilised in the current year. As a result the expenditure needed to be budgeted for to avoid any irregular expenditure and the related income had to be included in the budget despite the cash not being received in the 2018/2019 financial period. The actual revenue and expenditure is recorded on the accrual basis and has therefore been adjusted to cash basis to be comparable to the budget.

Interest, dividend and rent on land

The entity surpassed interest projections owing to the receipt of upfront funding from various projects with differing delivery time frames and good cash balances.

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33.2 Expenditure

Use of goods and services

There were delays in implementing infrastructure development largely due to fires on site, however these costs are expected to be incurred in the next financial year and included in commitments.

Payment for capital assets

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

34. 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:

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

