



CapeNature

Conserve. Explore. Experience.

ANNUAL REPORT 2023/24



Darkling Beetle (*Tenebrionidae*) - De Hoop Nature Reserve



ANNUAL REPORT

2023/24

A	GENERAL INFORMATION	5
1.	PUBLIC ENTITY'S GENERAL INFORMATION	6
2.	LIST OF ABBREVIATIONS/ ACRONYMS	7
3.	FOREWORD BY THE CHAIRPERSON	8
4.	CHIEF EXECUTIVE OFFICER'S OVERVIEW	10
5.	STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT	15
6.	STRATEGIC OVERVIEW	16
7.	LEGISLATIVE AND OTHER MANDATES	17
	7.1. Constitutional mandates	17
	7.2. Legislative mandates	17
8.	ORGANISATIONAL STRUCTURE	23
B	PERFORMANCE INFORMATION	25
1.	AUDITOR'S REPORT: PREDETERMINED OBJECTIVES	26
2.	OVERVIEW OF PERFORMANCE	26
	2.1. Service Delivery Environment	26
	2.2. Organisational Environment	33
	2.3. Key policy developments and legislative changes	34
	2.4. Progress towards achievement of institutional impacts and outcomes	34
3.	INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION	37
	3.1. Programme 1: Administration and Governance	37
	3.2. Programme 2: Biodiversity Capabilities	39
	3.3. Programme 3: Conservation Operations	43
	3.4. Programme 4: Eco-tourism and Access	46
4.	REVENUE COLLECTION	48
5.	CAPITAL INVESTMENT	49
C	GOVERNANCE	51
1.	INTRODUCTION	52
2.	PORTFOLIO COMMITTEES	52
3.	EXECUTIVE AUTHORITY	52
4.	THE ACCOUNTING AUTHORITY/ CAPENATURE BOARD	52

5.	RISK MANAGEMENT	63
6.	INTERNAL CONTROL UNIT	65
7.	INTERNAL AUDIT AND AUDIT COMMITTEES	66
8.	COMPLIANCE WITH LAWS AND REGULATIONS	67
9.	FRAUD AND CORRUPTION	67
10.	MINIMISING CONFLICT OF INTEREST	68
11.	CODE OF CONDUCT	68
12.	HEALTH, SAFETY AND ENVIRONMENTAL ISSUES	68
13.	COMPANY/BOARD SECRETARY	70
14.	SOCIAL RESPONSIBILITY	71
15.	AUDIT AND FINANCE COMMITTEE REPORT	72
16.	B-BBEE COMPLIANCE PERFORMANCE INFORMATION	73
D	HUMAN RESOURCE MANAGEMENT	75
1.	INTRODUCTION	76
2.	HUMAN RESOURCE OVERSIGHT STATISTICS	77
E	PFMA COMPLIANCE REPORT	83
1.	IRREGULAR, FRUITLESS AND WASTEFUL, UNAUTHORISED EXPENDITURE AND MATERIAL LOSSES	84
2.	LATE AND/OR NON-PAYMENT OF SUPPLIERS	89
3.	SUPPLY CHAIN MANAGEMENT	89
F	FINANCIAL INFORMATION	91
1.	REPORT OF THE EXTERNAL AUDITOR	92
2.	ANNUAL FINANCIAL STATEMENTS	99



Bontebok (*Damaliscus pygargus pygargus*) - De Hoop Nature Reserve

GENERAL
INFORMATION

A





Marsh Pagoda
Mimetes hirtus
Kogelberg Nature Reserve

I. PUBLIC ENTITY'S GENERAL INFORMATION

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

2. LIST OF ABBREVIATIONS/ ACRONYMS

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

3. FOREWORD BY THE CHAIRPERSON



Prof Denver Hendricks

As I reflect on the past year, the stark images of raging wildfires and devastating floods vividly stands out. These events undoubtedly left an indelible mark on our landscapes and the surrounding communities. In the face of these challenges, our commitment to conserving the Western Cape's rich biodiversity and supporting our communities remained unwavering.

During the 2023/24 fire season, 135 000ha of land burned in the Province, of which 22 350ha was on CapeNature-managed land. The Entity provided support to fires on 63 485 hectares of land. Our 240 firefighters played an important role in minimising the impact of these fires, helping to prevent billions of rands worth of damage to property and infrastructure and ensuring damage to sensitive biodiversity was kept to a minimum.

Not only did the Entity have to contend with immense wildfires but also floods during June 2023, which caused significant damage to several of our nature reserves. CapeNature reserves suffered almost R25 million in infrastructure damages, with the bulk of this damage related to internal access roads that were washed away. The Hottentots Holland Nature Reserve alone suffered R15 million in damages, including severe damage to internal roads, which resulted in limited or no access to service hiking trail huts, Cape Canopy Tours, and research and firefighting infrastructure. The highly popular camping site at Algeria in the Cederberg was also hard hit during this time.

These experiences are not unique to us, with many other regions also challenged by extreme weather. According to the 2023 World Economic Forum's Global Risk Report, the top four global risks for the next decade will be (1) The risk of failure to mitigate climate change (2) The risk of failure to adapt to climate change (3) The risks posed by natural disasters and extreme weather and (4) Risks associated with biodiversity loss and ecosystem collapse.

We cannot sit by idly and be content with "the new normal" - climate catastrophes have demonstrated a staying power few other emergencies can match. CapeNature continues to adapt and respond to our

climate crisis through best practices and institutional knowledge that has been integrated across the Entity's operations.

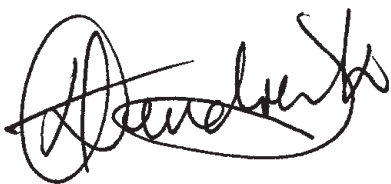
Despite a rising cost of living and the challenges that Nature brings, the Entity's growing eco-tourism offering continues to perform well and provides a means of capital injection to achieve our biodiversity and conservation outcomes. The Entity continued to attract new clients to our reserves as well as retain loyal visitors. Once again, CapeNature over-achieved its annual revenue targets for the 2023/24 financial year. It is a testament to the Entity's continued commitment to invest in the infrastructure at our nature reserves while also contributing to the success of the Western Cape's tourism economy. The refreshed online booking portal has also significantly contributed to streamlining visitors' booking experience with CapeNature. Positive nature experiences at the CapeNature reserves continues to build our numbers of nature and sustainability ambassadors and partners.

The Entity made significant progress in protected area expansion and the establishment of new stewardship sites. Eleven new stewardship sites were established, exceeding the target for the year under review, with an additional 45 817 ha added to the conservation estate.

While the Entity remains committed to expanding our conservation estate, protecting our water source areas, fighting wildfires, and raising awareness of ongoing environmental challenges, it is paramount that we also develop the necessary skills that help contribute to a vibrant economy in the Province. CapeNature continues to play a role in creating diverse economic opportunities and contributing to the fight against poverty and unemployment for all Western Cape's citizens.

In yet another challenging year, I am proud to have witnessed CapeNature's continued commitment and resilience to deliver on its mandate as the conservation authority for the Western Cape. Dr Ashley Naidoo, incoming Chief Executive Officer (CEO) and his executive team are commended for their sterling work. I would like to thank the former CEO, Dr Razeena Omar, for her contribution towards achieving the Entity's performance targets for the period under review. My sincere gratitude also to all CapeNature staff for their unwavering dedication and hard work.

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



Professor Denver Hendricks

Outgoing Chairperson of the CapeNature Board

CapeNature

August 2024

Rock Kestrel
Falco rupicolus
Cederberg Wilderness Area



4. CHIEF EXECUTIVE OFFICER'S OVERVIEW



Dr Ashley Naidoo

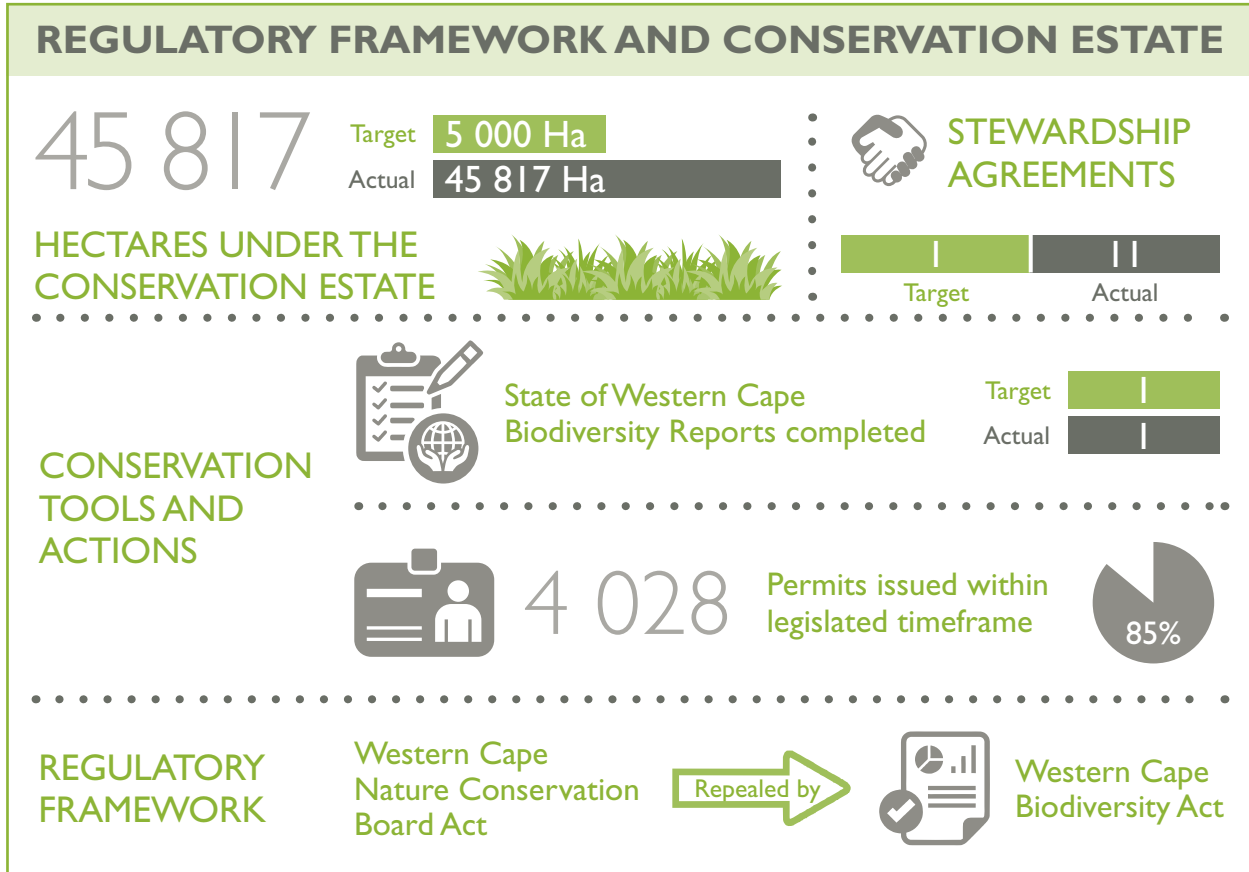
Nature – with its vast array of ecosystems, species, and intricate interconnections – thrives on diversity. Nature is a myriad of interacting elements. Each element adds their unique strengths in ways that are still, in 2024, not fully understood so that the whole is different and more than a collection of its parts. In the natural world, diversity is the driving force behind its resilience and sustainability.

CapeNature is responsible for biodiversity conservation in the Western Cape. The Entity in undertaking its primary conservation responsibilities provides employment opportunities and contributes to the economy often in more remote geographic areas with more limited economic opportunities. The revenue generated through ecotourism and more importantly through nature-based experiences contribute towards the sustainability of the Entity to perform its mandate. In this regard the Entity increased tourism income by 7% year-on-year, driven by an increase in the number of day and overnight visitors to our nature reserves.

The year under review marks the fourth year of the five-year strategic cycle. Like the previous two years, the Entity achieved all the targets outlined in the Annual Performance Plan. The Entity's targets include activities relevant to the biodiversity conservation mandate as well as creating opportunities for people. Some of these are discussed below.

The proclamation to give effect to certain sections of the Western Cape Biodiversity Act took effect at the end of 2022. This Act, like its predecessor, establishes CapeNature with a renewed commitment to biodiversity conservation. The Act responds to the Province's natural endowment of rich biodiversity in particular the fynbos and succulent ecosystems.

CapeNature published the State of Biodiversity Report, which provides a useful snapshot of the health of terrestrial, marine, freshwater, and estuarine ecosystems across the province. The Protected Areas managed by CapeNature are important for conserving ecosystems and species. CapeNature added 45 817 hectares to the protected area estate during the reporting period.



The summer fire season, which is taken to start at the beginning of December, saw a slow December but this quickly accelerated in January to one of the busiest fire seasons. The season realised a total burn area of 52 501 hectares of which 15 587 hectares were on CapeNature reserves. CapeNature and Working on Fire members number some 240 and 220 respectively. The summer season saw a ferocious period of 15 days across the end of January and early February where there were continuous firefighting activities. Successes here are attributed to staff commitment and to the many partners who work with CapeNature to detect and fight fires as early as possible. The continued focus of planning and preparing for the peak fire season in the off-peak winter months will be maintained.

CapeNature employed 589 Full-Time Equivalents (FTEs), benefiting 69 communities, with most of the employment opportunities situated in rural towns and communities close to or surrounding the Entity's protected areas. From a learnership and internship perspective, the Entity provided experiential learning and job market readiness opportunities for 20 Work Integrated Learners (WILs) and graduate interns.



Furthermore, 1 580 work opportunities were created by procuring the services from Small, Micro and Medium Enterprises (SMMEs) enterprises. These SMMEs provided services including invasive alien plant clearing, the making and maintenance of fire breaks, hiking trail, and reserve road maintenance, to CapeNature.

The annual outputs of CapeNature contribute to the ongoing maintenance and in instances, improvement of natural ecosystems. The Province's natural ecosystems must be conserved as they provide natural ecosystems services. While ecosystem services are difficult to quantify, the continued protection of key strategic water resources and some safety against run-away fires are more readily appreciated. In addition to the ecosystem services on which citizens rely, the Province does have a responsibility for its endowment of indigenous plants that are of global significance. The work of CapeNature continues to incrementally deliver impactful outcomes in these areas. In doing this the Entity plays its role in managing greater threats such as climate change, biodiversity crime, slowing economic growth and high unemployment. CapeNature relies on critical partnerships within government, non-government or civil society, private and commercial or industry partners to achieve key outcomes. CapeNature, at its various reserves hosted over 400 000 visitors over the last year. This represents a partnership at the individual level, where the Entity hopes to engage individuals in conservation and sustainability discussions and actions.

GENERAL FINANCIAL REVIEW OF THE PUBLIC ENTITY

CapeNature's total revenue generated amounted to R390 million for the period under review. In this regard, R293 million was received from the Department of Environmental Affairs and Development Planning and the remaining funds were generated from other funders and own revenue streams.

Revenue generated from eco-tourism activities continued to see a significant rebound with the Entity generating approximately R66 million, which is higher than the previous fiscal year despite the impact of closures as a result of extreme weather events.

SPENDING TRENDS OF THE PUBLIC ENTITY

The Entity managed to spend 97% of its total budget on the accrual basis and 97% on the cash basis. The slow growth of the economy and the resultant reductions to the Medium-Term Expenditure Framework (MTEF) allocations resulted in the Entity having to utilise savings from income generated to ensure that service delivery was not impacted.

CAPACITY CONSTRAINTS AND CHALLENGES FACING THE PUBLIC ENTITY

The resources available to the Entity to sustain its operations has plateaued over the MTEF. Concurrently, the cost of goods and services that are required to deliver on the Entity's mandate has increased. This is largely due to the increased cost of living and the challenging macro-economic and fiscal constraints impacting the economy. Consequently, this has constrained CapeNature's operational capacity and inhibited the Entity to reduce the number of vacancies. Filling of vacancies is critical to improve service delivery and to maintain and elevate levels of operation. The sustainability of current cost of employment obligations resulting from the increased cost of living adjustments, remain a concern and will have a negative impact on resources available to the Entity over the MTEF.

DISCONTINUED ACTIVITIES/ ACTIVITIES TO BE DISCONTINUED

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

NEW OR PROPOSED ACTIVITIES

No new activities were implemented.

REQUESTS FOR ROLL OVER OF FUNDS

Not applicable.

SUPPLY CHAIN MANAGEMENT**All concluded unsolicited bid proposals for the year under review**

No unsolicited bids were received for the year under review.

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

The entity maintained effective Supply Chain Management systems.

Challenges experienced and how they will be resolved

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

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

There were no audit report matters in the previous year.

Outlook/Plans for the future to address financial challenges

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

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

Events after the reporting date

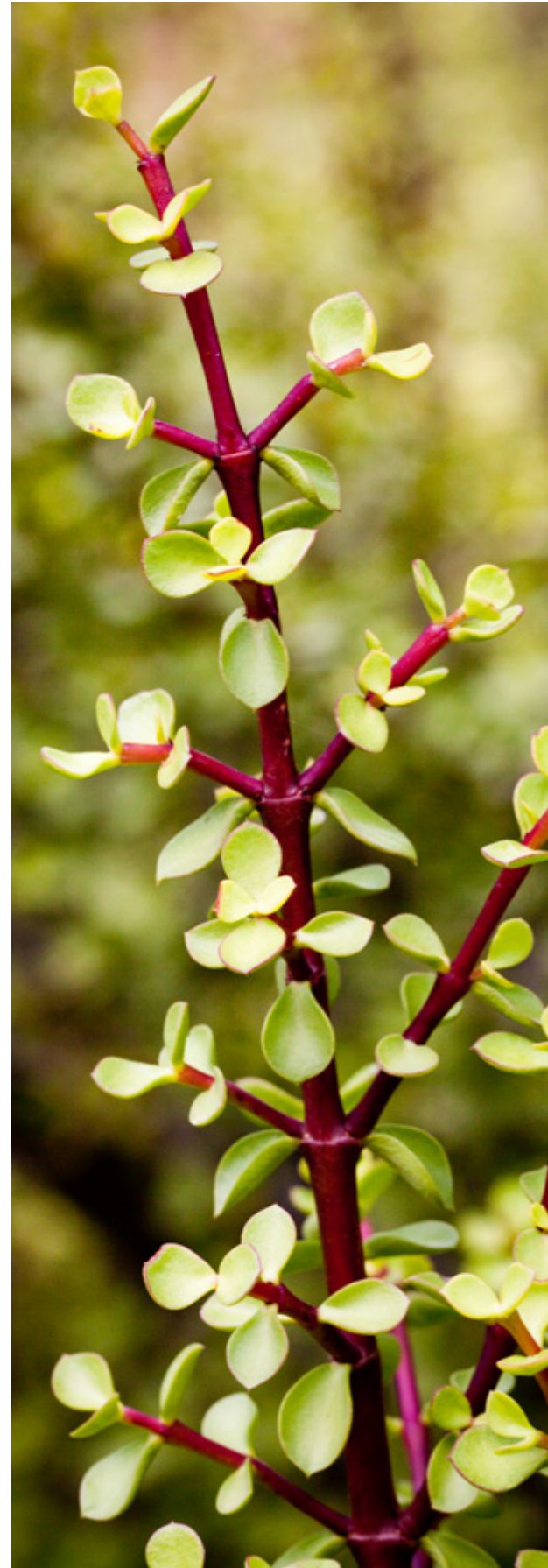
There were no significant events after the reporting date.

ECONOMIC VIABILITY

CapeNature continues to contend with resource constraints and although it is affected by pressures on the fiscus, several measures were implemented to mitigate the impact.

The Entity continued to implement austerity measures, while remaining committed to contributing to sustainable growth and job creation in the province.

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



Spekboom
Portulacaria afra
Gamkaberg Nature Reserve

ACKNOWLEDGEMENT/S OR APPRECIATION

I acknowledge, with gratitude, the guidance received from the Minister of Local Government, Environmental Affairs and Development Planning, Minister Bredell, and the Board of CapeNature, under the chairpersonship of Professor Denver Hendricks. I take this opportunity to thank Professor Hendricks for his valuable contribution and leadership during his term on the CapeNature Board. His leadership assisted with the strengthening and growth of CapeNature as a conservation authority.

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

Staff of CapeNature deliver the outputs illustrated in the Report. All staff across the Strategic Planning and Reporting, Finance and Information and Communications Technology (ICT), Conservation Operations and Capabilities Directorates, whether stationed at the Head Office or at the many reserve sites throughout the province are thanked and appreciated for the Entity fulfilling its obligations.

CapeNature will continue, in the coming year, to deliver on its role in support of the broader government objectives.



Dr Ashley Naidoo
CHIEF EXECUTIVE OFFICER
CapeNature
August 2024



Red Pagoda
Mimetes cucullatus
Kogelberg Nature Reserve

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

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

- All information and amounts disclosed in the annual report is consistent with the Annual Financial Statements audited by the Auditor-General.
- The Annual Report is complete, accurate and is free from any omissions.
- The Annual Report has been prepared in accordance with the guidelines on the Annual Report as issued by National Treasury.
- The Annual Financial Statements (Part F) have been prepared in accordance with the Generally Recognised Accounting Practice standards applicable to the public Entity.
- The Accounting Authority is responsible for the preparation of the Annual Financial Statements and for the judgements made in this information.
- The Accounting Authority is responsible for establishing, and implementing a system of internal control 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 2024.

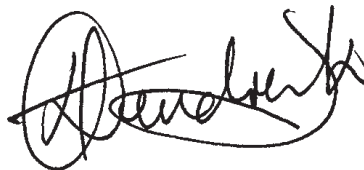
Yours faithfully



Chief Executive Officer

Dr Ashley Naidoo

August 2024






Outgoing Chairperson of the CapeNature Board

Professor Denver Hendricks

August 2024

6. STRATEGIC OVERVIEW

Vision, Mission and Values

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

The following are our core values:

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

7. LEGISLATIVE AND OTHER MANDATES

7.1. Constitutional mandates

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

7.2. Legislative mandates

CapeNature is the executive arm of the Governing Board of CapeNature, established in terms of the Western Cape Biodiversity Act, 2021 (Act 6 of 2021).

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

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

The proclamation to give effect to certain sections of the Western Cape Biodiversity Act has been published and took effect on 15 November 2022. The implementation of the Act will be undertaken in a phased

approach, with the sections of the Act giving effect to governance and administrative requirements taking precedent. The proclamation has repealed the Western Cape Nature Conservation Board Act.

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

In compliance with Section 34(1) of the Western Cape Biodiversity Act (Number 6 of 2021), the 2023 Western Cape Draft Biodiversity Spatial Plan was submitted to the Provincial Minister for adoption in September 2023 and is now entering the required public participation process as contemplated in Section 34 (2)b.

International Conventions, Protocols and Policies

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

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

National Legislation

- Carbon Tax Act, 2019 (Act 15 of 2019)
- Civil Aviation Act, 2009 (Act 13 of 2009)
- Compensation for Occupational Injuries and Diseases Act, 1993 (No 130 of 1993)
- Conservation of Agricultural Resources Act, 1983 (Act 43 of 1983)
- Constitution of the Republic of South Africa, 1996 (Act 108 of 1996)
- Construction Industry Development Board Act, 2000 (Act 38 of 2000)
- Criminal Procedure Act, 1977 (Act 51 of 1977)
- Disaster Management Act, 2002 (Act 57 of 2002)
- Environmental Conservation Act, 1989 (Act 73 of 1989)
- Forest Act, 1984 (Act 122 of 1984)
- Marine Living Resources Act, 1998 (Act 18 of 1998)
- Minerals Act, 1991 (Act 50 of 1991)
- Mountain Catchment Areas Act, 1970 (Act 63 of 1970)
- National Environmental Management Act, 1998 (Act 107 of 1998)
- National Environmental Management: Biodiversity Act, 2004 (Act 10 of 2004)
- National Environmental Management: Integrated Coastal Management Act, 2008 (Act 4 of 2008)
- National Environmental Management: Protected Areas Act, 2003 (Act 57 of 2003)
- National Environmental Management: Waste Act, 2008 (Act 59 of 2008)
- National Forests Act, 1998 (Act 84 of 1998)
- National Heritage Resources Act, 1999 (Act 25 of 1999)
- National Prosecuting Authority Act (Act 32 of 1998)
- National Veld and Forest Fire Act, 1998 (Act 101 of 1998)
- National Water Act, 1998 (Act 36 of 1998)
- Occupational Health and Safety Act, 1993 (Act 85 of 1993)
- Promotion of Access to Information Act, 2000 (Act 2 of 2000)
- Promotion of Administrative Justice Act, 2000 (Act 3 of 2000)
- Protection of Personal Information, 2013 (Act 4 of 2013)



Cederberg Wilderness Area

- Sea Birds and Seals Protection Act, 1973 (Act 46 of 1973)
- Seashore Act, 1935 (Act 21 of 1935)
- Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013)
- World Heritage Convention Act, 1999 (Act 49 of 1999)

Provincial Legislation

- Constitution of the Western Cape, 1998 (Act 1 of 1998)
- Nature Conservation Ordinance, 1974 (Ordinance 19 of 1974)
- Western Cape Biodiversity Act, 2021 (Act 6 of 2021)
- Western Cape Land Administration Act, 1998 (Act 6 of 1998)
- Western Cape Land Use Planning Act, 2014 (Act 3 of 2014)
- Western Cape Planning and Development Act, 1999 (Act 7 of 1999)

New legislation and potential impacts

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

- Climate Change Bill
- National Environmental Management Laws Amendment Bill

Policy mandates

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

National strategic frameworks

- Medium Term Strategic Framework, 2019-2024
- National Development Plan, 2030
- National Biodiversity Economy Strategy, 2015
- National Biodiversity Strategy and Action Plan, 2015-2025
- National Biodiversity Framework, 2019-2024
- National Climate Change Policy, 2011
- National Framework Strategy for Sustainable Development, 2009
- National Protected Areas Expansion Strategy, 2016
- National Strategy for Sustainable Development and Action Plan, 2011
- Strategic Framework and Overarching Implementation Plan for Ecosystem-Based Adaptation (EbA) in South Africa 2016 - 2021

Provincial strategic frameworks

- OneCape 2040
- Provincial Biodiversity Strategy and Action Plan, 2015-25
- Provincial Coastal Management Programme, 2016
- Western Cape Climate Change Response Strategy, 2022
- Western Cape Ecological Infrastructure Investment Framework, 2021
- Western Cape Green Economy Strategic Framework, 2013
- Western Cape Government: Provincial Strategic Plan, 2019-2024
- Western Cape Growth for Jobs Strategy
- Western Cape Integrated Drought and Water Resilience Plan
- Western Cape Protected Areas Expansion Strategy, 2021
- Western Cape Provincial Spatial Development Framework, 2014

Institutional policies and strategies over the five-year planning period

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

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

The Entity supports integrated spatial planning for social, economic, energy, ecological and technological infrastructure to ensure long-term ecological sustainability and resilience of biodiversity, ecosystems, and ecosystem services, to enable and develop an equitable and sustainable biodiversity economy in the province, which include the promotion and development of eco-tourism.

The WCG has recognised investment into ecological infrastructure as a mechanism to grow the economy and create work opportunities through associated value chains while simultaneously addressing key climate and water risks and future-proofing critical ecosystem services for the province. The investment into ecological infrastructure is strategically aligned to provincial priorities.

Relevant court rulings

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

Planned legislative and policy initiatives

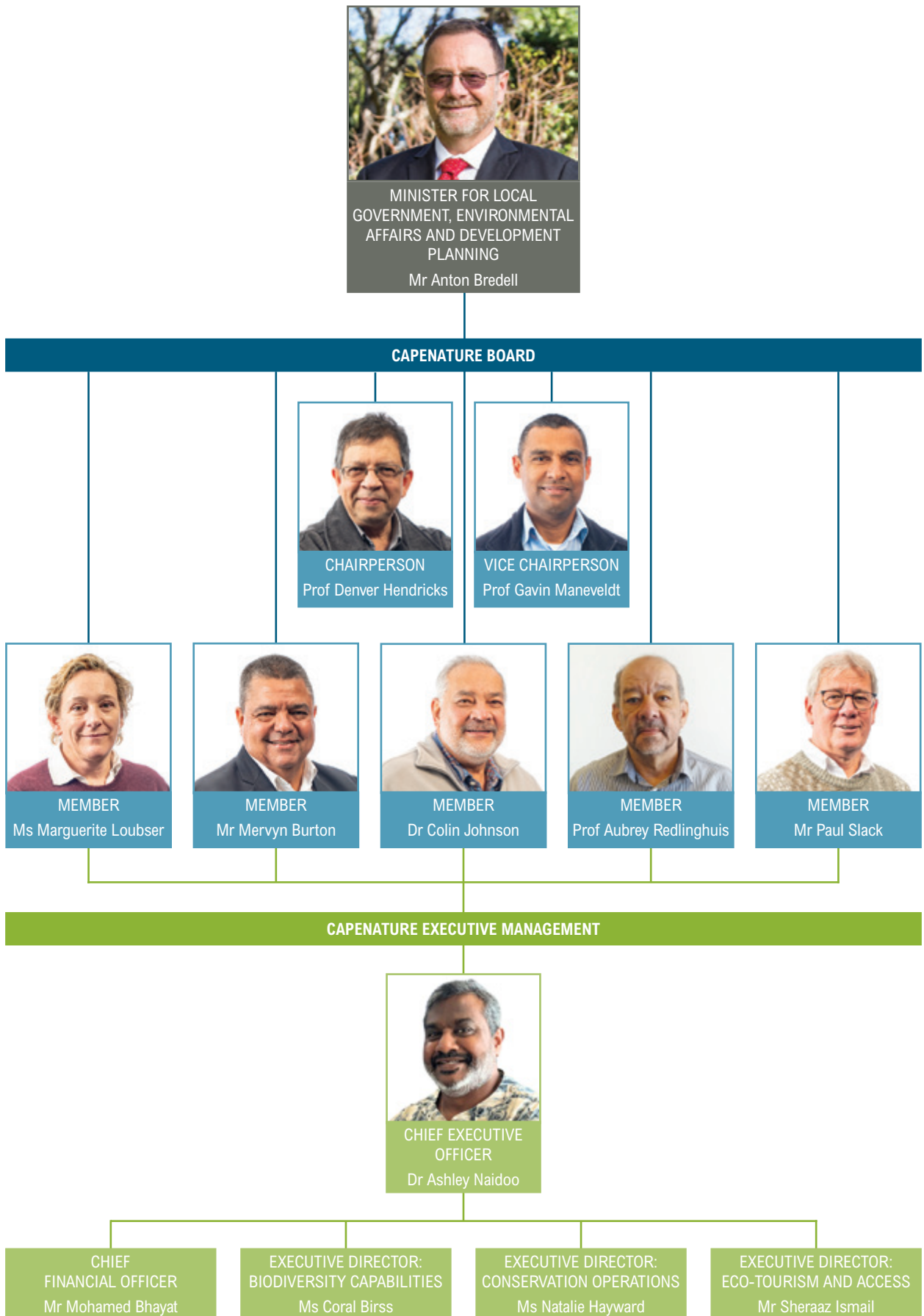
The following policies and charters were reviewed during the 2023/24 financial year:

- Board Charter
- Board Audit and Finance Committee Charter
- Board Conservation Committee Charter
- Board Eco-tourism and Access Committee Charter
- Board Human Resources (HR) and Remuneration Committee Charter
- Board Risk and Information and Communications Technology (ICT) Committee Charter
- Cell Phone and Data Allowance
- Conservation, Translocation and Utilisation of Carnivores in Captivity
- Conservation and Utilisation of Amphibians and Reptiles in the Western Cape Province
- Fraud Prevention
- The Keeping of Pets, Livestock, Poultry and Equids on CapeNature Protected Areas
- Performance Information Management
- Risk Management
- Translocation and Utilisation of Raptors in Sport Hunting, Abatement, Exhibition or Rehabilitation Activities



Rock Hyrax
Procavia capensis
Robberg Nature Reserve

8. ORGANISATIONAL STRUCTURE





Kogelberg Nature Reserve

PERFORMANCE
INFORMATION

B



1. AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

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

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

2. OVERVIEW OF PERFORMANCE

2.1. Service Delivery Environment

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

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

The 2023/24 financial year marked the fourth year of the current 5-year strategic cycle and during the year under review, CapeNature achieved all the performance targets set in the 2023/24 Annual Performance Plan (APP).

Conserving Nature for Resilience and Sustainability

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

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

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

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

PROGRAMME 2: Biodiversity Capabilities

Protected Area Expansion and Stewardship

The effective management and conservation of lands, inland waters, coastal areas, and oceans, with emphasis on areas of importance for biodiversity and ecosystem functioning and services, through the establishment of protected areas, and other effective area-based conservation measures, remains the cornerstone of biodiversity conservation, globally.³ The global conservation estate is estimated to cover 16.1% of the world's terrestrial and 8.01%⁴ marine areas.

CapeNature contributes to the South Africa's national target and pursues the expansion of the Western Cape conservation estate through the declaration of additional protected areas in compliance with the National Environmental Protected Areas Act (Act 10 of 2003) and the signing of Biodiversity Stewardship Agreements.

CapeNature added 45 816.51 hectares to the conservation estate, exceeding the target of 5 000 hectares by 40 816.51, (notwithstanding the loss of 1 314.4 ha due to the withdrawal of the Withdrawal of Lower Potteberg Nature Reserve. The properties that contributed to the achievement included the following:

Properties	Hectares
Doringkloof Karoo Plaas Nature Reserve	209.20
Kruisrivier Nature Reserve	1 997.09
Machaseh Nature Reserve	844.84
Table Bay Nature Reserve	800.56
Manna Karoo Nature Reserve	42 388.84
Wilde Honde Ness Nature Reserve	273.58
Smits Valley Nature Reserve	38.00
Blombos Private Nature Reserve	64.22
Sugarbird Valley Private Nature Reserve	510.28
Otter's Creek Private Nature Reserve	4.30
Withdrawal of Lower Potteberg Nature Reserve	- 1 314.40
Total	45 816.51

³ Target 3 of the Kunming-Montreal Global Biodiversity Framework, adopted at the 15th Conference of Parties to the UN Convention on Biological Diversity, November 2022: Ensure and enable that by 2030 at least 30 per cent of terrestrial, inland water, and of coastal and marine areas, especially areas of particular importance for biodiversity and ecosystem functions and services, are effectively conserved and managed through ecologically representative, well-connected and equitably governed systems of protected areas and other effective area-based conservation measures, recognizing indigenous and traditional territories, where applicable, and integrated into wider landscapes, seascapes and the ocean, while ensuring that any sustainable use, where appropriate in such areas, is fully consistent with conservation outcomes, recognizing and respecting the rights of indigenous peoples and local communities including over their traditional territories.

⁴ <https://www.protectedplanet.net/en>



Bot River Sugarbush
Protea compacta
 Kogelberg Nature Reserve

Eleven biodiversity stewardship site agreements were signed by the Entity in 2023/24, including:

The State of Biodiversity in the Western Cape

CapeNature released the fifth rendition of the 5-year State of Biodiversity Report. This Report provides a detailed synopsis of the changes and trends over the 2019-2023 reporting period as they relate to the conservation status of species and ecosystems, biodiversity crime, fire, invasive alien species and protected area expansion.

Administration and Enforcement of Biodiversity and Nature Conservation Legislation

CapeNature as the regulatory authority for nature conservation in the Western Cape, processes permit applications in terms of relevant legislation, to enable compliance with legislative requirements. CapeNature measures the percentage of complete applications for biodiversity permits and authorisations finalised within legislation timeframes. The Entity achieved 85%, exceeding the target of 80%.

A total of 4 028 permit applications were processed during the reporting period (Ordinance Permits = 3 442 and CITES Permits = 586) of which 85% were processed within established timeframes.

Integrated Catchments

The CapeNature Catchment to Coast Strategy for 2022-2026 aims to guide CapeNature's actions on improving, maintaining, and restoring ecological infrastructure in priority areas to ensure ecological resilience and ecosystem functioning and to provide benefits to people. The actions are attained through a framework that facilitates effective implementation of reporting.

Analysis of the impact of Invasive Alien Plants in CapeNature protected areas has shown a net increase in invasive alien plant density for 2023/24.

Assessment of water quality on 10 rivers (Klein-kliphuis, Eerste, Oudebos, Palmiet, Witte, Drakenstein, Olifants, Sonderend, Du Toits and Elands rivers) using SASS5 (South African Scoring System for river health) indicates that headwaters in protected areas show continued positive stability or improvement, however, there was significant impact (erosion, landslides and sedimentation) to river courses during flooding events of 2023. Wetland delineation took place on five reserves (Limietberg, Hottentots Holland, Kogelberg, Jonkershoek and Waterval Nature Reserves). This data is fed into the National Wetlands Map and the improved spatial layers will allow for better monitoring of the wetlands.

Fire return intervals for 2023/24 shows that, while the fire season was particularly busy, most of the 88 fires that impacted protected areas were in older veld, thereby keeping the fire return intervals below the planned 10% mark.

PROGRAMME 3: Conservation Operations

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

Protected Area Management

The biennial Protected Area Management Effectiveness assessment for CapeNature-managed protected areas was undertaken during the reporting period. The web-based Management Effectiveness Tracking Tool-SA (METT-SA) was used to conduct the CapeNature METT assessment for the period 2022-24. Protected Area Management Effectiveness is measured as the percentage of the area, in hectares, of protected areas managed by CapeNature, with a METT-SA rating or “score” of more than 67% and falling in the “Sound Management” category.

The total area (hectares) for the 2022-24 assessment comprised 828 509.85 ha comprising 111 reserve parcels and including 42 785.44 ha of marine protected areas (six in total), three large marine islands, and several smaller islands and rocks. CapeNature adopts an integrated management approach and thus the assessment was completed for both terrestrial and marine protected areas.

Results for the 2022-24 assessment reflect that 99% of the area of protected areas managed by CapeNature is in the “Sound Management” category, that is, with a METT-SA rating of more than 67%. At protected area site level, 93% (approximately 9 out of 10) of protected areas lie within the “Sound Management” category while 7% (approximately 1 out of 10) of reserves lie within the “Basic Management” category. There are no protected areas in the “Inadequate Management” category while all marine protected areas are categorised as having “Sound Management”.

The improvement in the percentage of hectares previously (2020-22) categorised as “Sound Management” (94%) can be attributed the ongoing drafting and revision of integrated protected area management plans that contribute to effectiveness and helped maintain stability despite decline in other indicators.

Work Opportunities

During the reporting period, a total of 1 580 work opportunities were created by procuring the services of 21 SMMEs. These SMMEs provided key services to the Entity, which included invasive alien plant clearing, the making and maintenance of important fire breaks, hiking trail maintenance and reserve road maintenance.

Compliance and Enforcement

Administrative enforcement notices are issued to recipients for non-compliance to the conditions set in environmental legislation. During the reporting period, one administrative enforcement notice was issued for non-compliance. This is in line with the target set.

Authorisations (permits), under the Nature Conservation Ordinance No. 19 of 1974 and its Regulations, are issued to facilities to, among other, keep wild animals in captivity for display, educational, show and rehabilitation purposes, grow and or sell protected plants, or keep wild animals within adequate enclosure. Subject to the conditions of their permits, regular compliance inspections are conducted by CapeNature, and upon expiry of any permit, inspections are required for permit renewals. The Entity conducted 195 compliance inspections (target = 80) of facilities during the reporting period.

During the reporting period, the increase in the number and scale of biodiversity crime incidents (and resultant arrests) continued. The illegal collection of succulent plants in the Succulent Karoo landscapes and the rate at which illegally harvested plants have been confiscated reached new heights. Upon detecting alleged contraventions of the Nature Conservation Ordinance No. 19 of 1974 or the Marine Living Resources Act No. 18 of 1998, or regulations proclaimed thereunder, enforcement actions are undertaken by CapeNature staff, who contribute to the drafting of completed criminal investigation dockets handed to the National Prosecuting Authority (NPA) by the investigating authority, being the South African Police Service (SAPS), for consideration of formal prosecution. During the reporting period, a total of 42 (target = 30) completed criminal investigations were handed to the NPA for prosecution.

Invasive Alien Species Management

CapeNature relies on partnerships to attain success in the battle against invasive alien species. During the reporting period, CapeNature actively maintained its partnerships with The Nature Conservancy of South Africa (TNC) and the World Wide Fund for Nature South Africa (WWF-SA) to eradicate invasive alien plants on CapeNature-managed land. Both partners are also members of the Greater Cape Town Water Fund (GCTWF). The GCTWF managed to clear approximately 13 500 hectares of priority catchments in the Strategic Water Source Areas supplying the Western Cape Water Supply System to the value of R49.3 million and created approximately 82 000 person days of work.

The total value of the GCTWF alien clearing effort on CapeNature-managed land equated to approximately 7 700 hectares cleared to the value of R36.2 million and created approximately 53 200 person days of work during the reporting period. Most of this clearing took place in intermediate to high altitude areas, requiring highly specialised trained teams and equipment. Further to the above CapeNature cleared approximately 4 300 hectares to the value of R2.6 million and created approximately 18 000 person days of work through its Integrated Catchment Management program.



Spinning Top Conebush
Leucadendron rubrum
Anysberg Nature Reserve

Fire Management

During the period under review, CapeNature responded to 89 fires. These fires resulted in a burnt area of 73 671 ha (Figure 1) of which 22 762 ha were on CapeNature managed land. These fires were reported from, among others, Groot Winterhoek, Walker Bay, Kogelberg, Limietberg, Waterval, Hottentots Holland, and Gamkaberg Nature Reserves. The largest fire (27 544.91) occurred in the Waterval Nature Reserve during January 2024 and burnt a total of 11 495.19 hectares. In comparison, there were 73 fires responded to during the 2022/23 fire season resulting in 27 180 hectares burned. During the reporting period, the Large-Scale Rapid Attack effort by CapeNature and all partners involved proved effective, with most fires being contained quickly before they could extend to multi-day events. The main cause of wildfires during this reporting period remained human-induced ignitions.

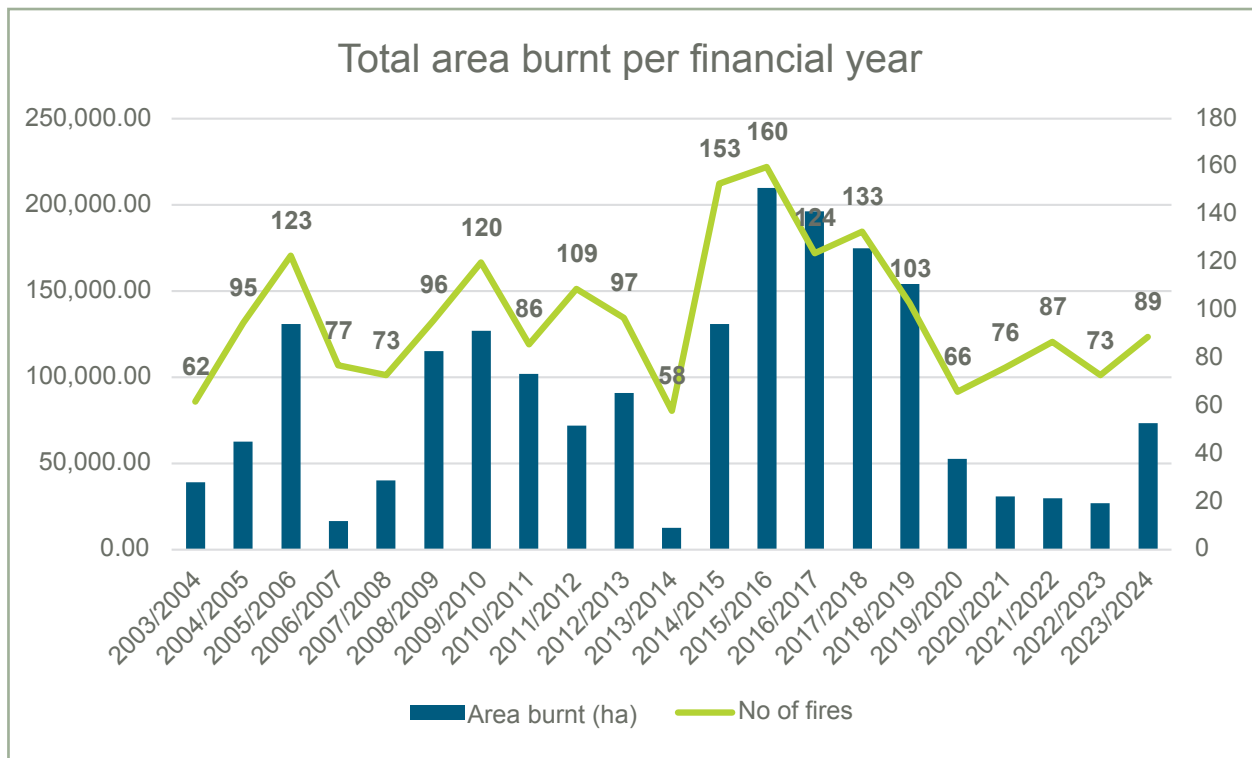


Figure 1: Total area burned and number of fires per financial year.

Marine and Coastal Management

During the reporting period, CapeNature continued managing six Marine Protected Areas (MPAs) i.e., Robberg, Goukamma, Still Bay, De Hoop, Betty’s Bay and Rocherpan Marine Protected Areas, with the addition of the Walker Bay Whale Sanctuary MPA during the reporting period. In addition, Dyer, Dassen and Bird (Lambert’s Bay) Islands remain under CapeNature’s management as three globally important sites for the protection of threatened seabirds such as the African Penguin, Cape Gannet, the Bank and Cape Cormorant. CapeNature continues to work with its partners BirdLife South Africa and SANCCOB in the re-establishment of the De Hoop Nature Reserve African Penguin breeding colony. During the reporting period, four pairs of African penguins (one of which was a returning pair) bred at the colony, raising six chicks. Since 2021 over 200 African penguins have been released at the colony. The extreme weather events of May/June and September played havoc on the Betty’s Bay African penguin colony, with over 280 African penguins rescued. Over 250 birds were released following the extreme weather events.

Following the approval of 13 estuary management plans by the Minister responsible for Local Government, Environmental Affairs and Development Planning in the Province, in February 2023, CapeNature submitted its first annual reports to the Department of Environmental Affairs and Development Planning (DEA&DP) in March 2024.

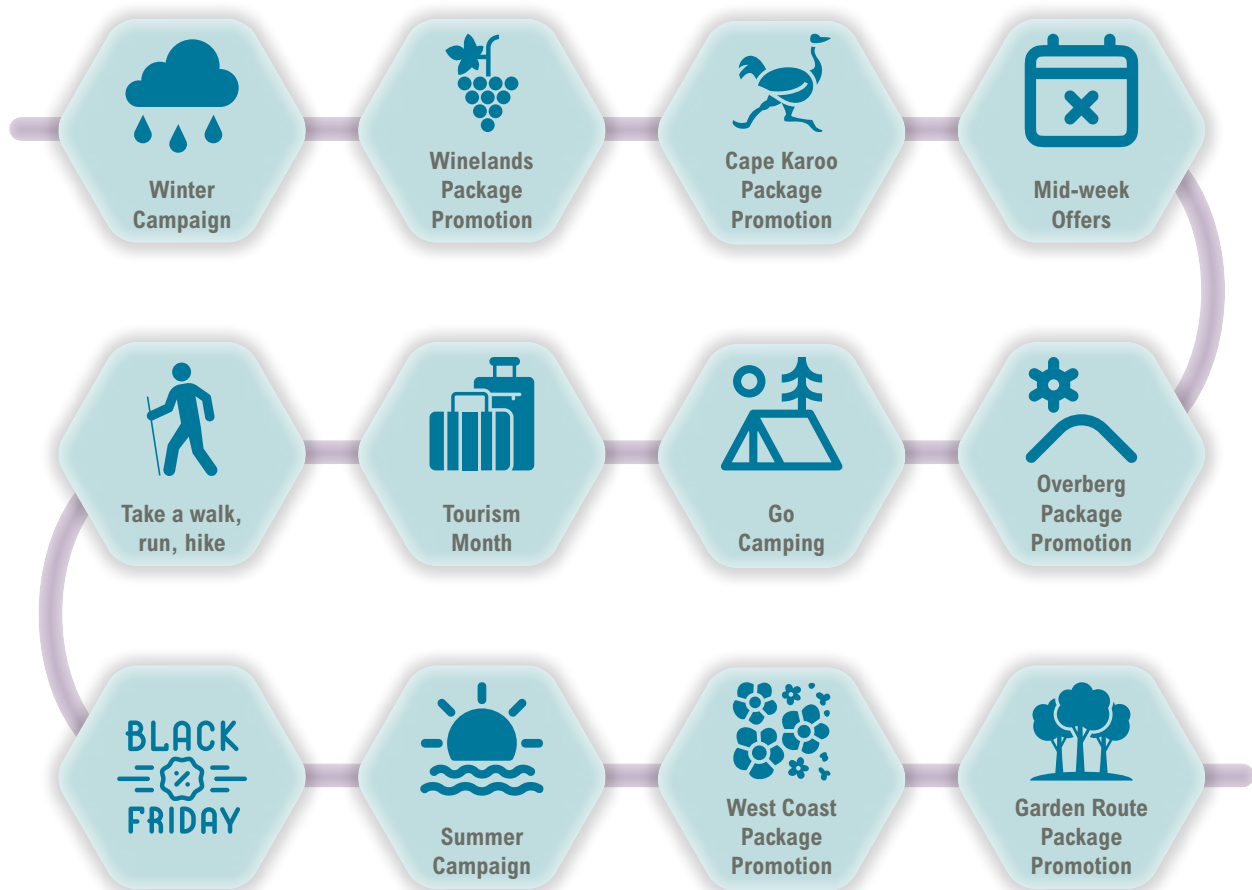
PROGRAMME 4: Eco-tourism and Access

CapeNature's revenue performance exceeded its annual target by 24%, reaching R65 998 513 achieving a new record high for the Entity. Despite unexpected closures due to natural events like flooding and fires causing significant damage to infrastructure across several nature reserves resulting in forced closures. The 2023/24 financial year saw a substantial increase in new clientele. This growth underscores a rising interest in nature-based offerings and an expansion in our customer base.

Notable contributions to revenue growth includes the following: Public Private Partnership income grew by 122%, Wildcard sales grew by 16%, Tourism products grew by 110%, Rocklands Bouldering permit sales grew by 99% and Concession fees increased by 29%.

The Entity successfully executed several campaigns, exceeding its tourism promotional activity's Annual Performance Plan (APP) target by launching an additional campaign. This achievement was primarily due to a strategic shift towards domestic and regional marketing efforts.

The 12 campaigns are listed below:



All social media and online platforms experienced commendable growth in followers and subscribers: Facebook (23.5%), X (formerly known as Twitter) (29%) and Instagram (15%). Subscribers to the Entity's bi-monthly e-newsletter grew by 36%.

Improved figures also show that the Entity's website has cemented its place as a preferred information portal for visitors and nature enthusiasts alike. Unique visitors to the website have grown with 26% to 141 446. This, coupled with an increase of 28% in engaged sessions (142 130) clearly shows that CapeNature's website is a significant communication channel.

The Entity continued to include both contact and non-contact activities with external stakeholders such as schools, municipalities, community groups, and an array of other stakeholders. A total of 123 capacity building activities were undertaken, surpassing the target of 80 by 44%. Similarly, a total of 435 awareness activities were embarked upon surpassing the target of 300 by 45%. The over-achievement for both targets was largely based on unsolicited, opportunistic, additional planned and unplanned activities.

For the 2023/24 reporting period, 73% of activities resumed in the form of contact events. In maintaining the hybrid model to complement contact events, the remainder of the activities were split as follows: 11% social media, 8 % broadcast media, 2% print media, 6% online events.

To appraise the effectiveness of CapeNature's environmental education programmes it has collaborated with the Stellenbosch University in 2022 to assess and evaluate the impact of its fire awareness programme as a start. Following a phased approach, impact assessments continued in 2023-24, with an additional five programmes being evaluated in the year under review. Collectively for all topics, children showed a 33% increase in knowledge, with adults showing a 36% increase in knowledge after having participated in the programme with CapeNature.

2.2. Organisational Environment

The period under review was marked by further reductions to already constrained fiscal resources. Most notably, cost containment measures were implemented towards the end of Quarter 2 and endured for the rest of the financial year. This meant rigorous debates had to occur in formulating a strategy to maintain the achievement of key outputs.

Budget constraints meant that the Entity was not able to fill vacant posts on the same basis that it could previously and this in turn had a knock-on effect for existing staff members who had to absorb additional duties and responsibilities as a result of former colleagues' posts not being filled. If not for the passion, commitment and dedication of CapeNature employees, the Entity could have fallen short in respect of certain areas but was able to maintain a consistent output and staff deserve a special mention in this regard.

The Entity continued to promote the services of its Employee Wellness Programme to assist employees with mechanisms to cope with the pressures of work and/or matters impacting their personal. It appears that this assistance is becoming increasingly well received. Another manner in which staff members are being capacitated continues to be through various training interventions whether offered inhouse, by an external service provider or by way of bursaries for studies undertaken through accredited institutions of choice. This ensures that although workloads may be increasing, employees are also progressing career wise and developing their skills and expertise within their respective fields.

The Entity continued to explore initiatives that focused on topics of gender, human rights and overlapping issues relating to staff morale and wellbeing. To further enhance the Entity's focus, a committee has been established to ensure progression within these areas in the new financial year. The Entity reports its achievements in this regard to the relevant Board Committees and the quarterly oversight engagements with the Department of Environmental Affairs and Development Planning.

Job Creation and Empowerment

Through the Expanded Public Works Programme, the Entity created 589 employment opportunities, benefitting 69 neighbouring communities in around its protected areas. For many families these opportunities present a lifeline to sustain households and actively participate in the local economy. In terms of the vulnerability targets required for the EPWP, the Entity achieved 60% for women (target 60%), 81% for youth (target 55%) and 3% for persons with disability (target 2%).

Furthermore, 20 Work Integrated Learners (WILs) and graduate interns were appointed during the reporting period, exceeding the target of 15.

2.3. Key policy developments and legislative changes

None

2.4. Progress towards achievement of institutional impacts and outcomes

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

Out-come	Outcome Indicator	Measure	5-Year Target	Achievement	
ENHANCED BIODIVERSITY CONSERVATION AND LANDSCAPE RESILIENCE	1.1	Percentage of area of state managed protected areas effectively managed	Percentage of area of state managed protected areas assessed with a Management Effectiveness Tracking Tool (METT) score above 67%	80%	94% in 2021/22 99% in 2023/24 This is a biennial indicator.
	1.2	Number of conservation tools and actions developed and implemented to improve the status of priority species and ecosystems ⁵	Number of State of Conservation Reports completed	Updated State of Biodiversity Report	1 in 2020/21 1 in 2021/22 1 in 2022/23
			Number of Western Cape State of Biodiversity Reports completed		1 in 2023/24
			Number of Western Cape Protected Area Expansion Strategies approved		1 in 2020/21 Reviewed and updated every five years
			Number of permits issued within legislated timeframes		4 122 in 2020/21 3 277 in 2021/22 4 001 in 2022/23 4 576 in 2023/24
			Percentage of complete applications for biodiversity permits and authorisations finalised within legislated timeframes		Baseline of 87% established in 2021/22 86% in 2022/23 85% in 2023/24
			Number of compliance inspections conducted		46 in 2020/21 116 in 2021/22 223 in 2022/23 195 in 2023/24
			Number of administrative enforcement notices issued for non-compliance with environmental legislation		1 in 2020/21 1 in 2021/22 0 in 2022/23 1 in 2023/24
			Number of completed criminal investigations handed to the NPA for prosecution		34 in 2020/21 72 in 2021/22 60 in 2022/23 42 in 2023/24

⁵ As measured against the SOB 2017 recommendations

Out-come	Outcome Indicator	Measure	5-Year Target	Achievement
ENHANCED BIODIVERSITY CONSERVATION AND LANDSCAPE RESILIENCE	1.3 Number of stakeholder interventions to enhance biodiversity conservation and landscape resilience	Number of stakeholder learning activities conducted	1 600 interventions	1 138 in 2020/21
		Number of environmental awareness activities conducted		In 2020/21 this indicator was combined with the indicator, Number of environmental capacity building activities conducted, and its achievement reported against the indicator; Number of stakeholder learning activities conducted. In 2021/22 the indicator, Number of stakeholder learning activities conducted, was split based on the Standardised Sector Indicators issued during 2020/21. 373 in 2021/22 468 in 2022/23 435 in 2023/24
		Number of environmental capacity building activities conducted		In 2020/21, this indicator was combined with the indicator, Number of environmental awareness activities conducted, and its achievement reported against the indicator; Number of stakeholder learning activities conducted. In 2021/22, the indicator, Number of stakeholder learning activities conducted, was split based on the Standardised Sector Indicators issued during 2020/21. 101 in 2021/22 115 in 2022/23 123 in 2023/24
	1.4 Number of hectares under conservation	Number of hectares under the conservation estate	994 407.89 ha + 5 000 ha + 5 000 ha per year for the 5-year strategic planning period	+ 7 156.44 ha in 2020/21 + 33 352.47 ha in 2021/22 + 9 905.14 ha in 2022/23 + 45 816.51 ha in 2023/24
Number of additional biodiversity stewardship sites established	7 in 2020/21 7 in 2021/22 5 in 2022/23 11 in 2023/24			

Khakibutton
Crassula columnaris
 Anysberg Nature Reserve



Out-come	Outcome Indicator	Measure	5-Year Target	Achievement	
ADVANCED ECONOMIC SUSTAINABILITY	1.5	Percentage increase in eco-tourism revenue	Percentage increase in tourism income generated	7% (year-on-year)	The target was removed during the 2020/21 financial year due to the impact of COVID-19.
					The indicator was re-introduced for the 2021/22 financial year to set a new baseline. For 2022/23, the Entity increased tourism income by 38% against a target of 7%.
					For 2023/24, the Entity increased tourism income by 31% against a target of 7%
					11 in 2020/21 12 in 2021/22 18 in 2022/23 18 in 2023/24
	1.6	Number of individuals benefitting from job creation initiatives	Number of employment opportunities provided through EPWP programmes	5 800	12 in 2020/21 12 in 2021/22 12 in 2022/23 12 in 2023/24
					662 in 2020/21 789 in 2021/22 608 in 2022/23 589 in 2023/24
					17 in 2020/21 18 in 2021/22 16 in 2022/23 20 in 2023/24
	1.7	Audit opinion obtain in respect of previous financial statements	Audit opinion from Auditor-General of South Africa	Unqualified Auditor-General opinion	Number of new and/or upgrades on existing tourism products (n).
					Number of tourism promotional activities to promote access
					1 212 in 2020/21 1 249 in 2021/22 1 105 in 2022/23 1 580 in 2023/24
				2023/24 being Year 4 of 5, 4 out of 5 unqualified audit opinions have been obtained.	

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

The expansion of the conservation estate is fundamental in conserving biodiversity and in this regard the Entity has exceeded its target of 5 000 hectares by 916% (rounded), which equates to 45 816.51 hectares. The expansion of the conservation estate is largely facilitated through the conclusion of stewardship agreements for priority areas of conservation value. The 2023 State of Biodiversity Report, informed by annual State of Conservation Reports for 2020, 2021 and 2022) was published during this review period to direct and support of critical conservation efforts, to ensure optimal conservation actions, summarising the state of priority species and ecosystems.

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

diverted to support conservation operations. For the reporting period the Entity generated tourism income of R65 998 513.

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

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

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

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

3.1. Programme 1: Administration and Governance

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

The programme consists of the following sub-programmes:

Sub-Programme 1.1: Office of the CEO

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

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

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

Silver Arrowhead
Phasis thero
Rocherpan Nature Reserve



Sub-Programme 1.3: Strategy, Governance and Risk

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

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

During the period under review, CapeNature achieved a clean audit for the 2023/24 financial period. This confirms the Auditor-General's opinion that the Annual Financial Statements contained no material misstatements, it was compliant with legislation and that there were no material findings on predetermined objectives. A total of 589 FTEs were employed against a target of 450, which shows a significant over-achievement. Similarly, 20 Work Integrated Learners and graduate interns have been appointed, exceeding the target by five.

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

The Entity re-tabled the Annual Performance Plan during the financial year under review.

Table 2: Output Indicators

Programme 1 – Administration and Governance								
Outcome	Output	Output Indicator	Audited Actual Performance	Audited Actual Performance	Planned Annual Target	Actual Achievement	Deviation from planned target to Actual Achievement	Reasons for deviations
			2021/22	2022/23	2023/24	2023/24	2023/24	
Advanced economic sustainability	Unqualified audit report	Audit opinion from Auditor General of South Africa	An unqualified audit opinion	An unqualified audit opinion	An unqualified audit opinion	An unqualified audit opinion	None	None
	Employment opportunities provided through EPWP programmes	Number of employment opportunities provided through EPWP programmes	789	608	450	589	+139	High turnover rate of EPWP staff resulted in more opportunities for employment being created.
	Learning opportunities provided in the sector	Number of learners appointed through various initiatives in the sector (including learnerships)	18	16	15	20	+5	Austerity measures resulted in a greater demand for learners and partnerships with tertiary institutions aided recruitment.

Strategy to overcome areas of under-performance

N/A

Linking performance with budgets

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

Table 3: Administration and Governance

Programme/ sub-programme	2023/24			2022/23		
	Budget	Expenditure	(Over)/ Under Expenditure	Budget	Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Office of the CEO	3 821	5 574	(1 753)	3 443	3 453	(10)
Finance and Information and Communication Technology (ICT)	55 744	70 438	(14 694)	56 956	57 666	(710)
Strategy, Governance and Risk	17 948	17 652	296	16 728	17 135	(407)
Total	77 513	93 664	(16 151)	77 127	78 253	(1 126)

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

3.2. Programme 2: Biodiversity Capabilities

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

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

The conclusion of stewardship agreements during the reporting period resulted in adding 47 130.91 hectares to the conservation estate. Thus, despite the withdrawal of the Lower Potteberg Management Agreement (representing a loss of 1 314.4 hectares), CapeNature still exceeded the target for this indicator by 45 816.51 hectares, CapeNature as the regulatory authority for nature conservation in the Western Cape, processes permit applications in terms of relevant legislation, to enable compliance with legislative requirements. CapeNature measures the percentage of complete applications for biodiversity permits and authorisations finalised within legislated timeframes. The Entity achieved 85% exceeding the target of 80%.

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

The Entity re-tabled the Annual Performance Plan during the financial year under review.

Table 4: Output Indicators

Programme 2: Biodiversity Capabilities								
Outcome	Output	Output Indicator	Audited Actual Performance	Audited Actual Performance	Planned Annual Target	Actual Achievement	Deviation from planned target to Actual Achievement	Reasons for deviations
			2021/22	2022/23	2023/24	2023/24	2023/24	
Enhanced biodiversity conservation and landscape resilience	Updated land- and seascape targets for protected area expansion	Number of hectares under the conservation estate	1 044 277.80 ha	1 054 182.94 ha	Previous Year +5 000 ha	1 099 999.45 ha	+40 816.51 ha	The signing of stewardship agreements and the proclamation/ declaration of protected areas are achieved after lengthy negotiation and legal processes. The sign-up/ declaration process may stretch over several fiscal years and therefore the timeframe for concluding agreements and the proclamation/ declaration of protected areas cannot be predetermined. 1 314.40 hectares were deducted from the achievement as a property withdrew from a Protected Area Management Agreement (Lower Pottberg Nature Reserve).
	Updated State of Biodiversity Report	Number of State of Conservation Reports completed	1	1	Not applicable	Not applicable	None	Not applicable
	Updated State of Biodiversity Report	Number of Western Cape State of Biodiversity Reports completed	-	-	1	1	None	Not applicable
	Expansion of the conservation estate	Number of additional biodiversity stewardship sites established	7	5	1	11	+10	The signing of stewardship agreements is achieved after lengthy negotiation and legal processes. The sign-up process may stretch over several fiscal years and therefore the timeframe for concluding agreements cannot be predetermined.

Programme 2: Biodiversity Capabilities								
Outcome	Output	Output Indicator	Audited Actual Performance	Audited Actual Performance	Planned Annual Target	Actual Achievement	Deviation from planned target to Actual Achievement	Reasons for deviations
			2021/22	2022/23	2023/24	2023/24	2023/24	
	Permits processed and finalised within legislated timeframes	Percentage of complete biodiversity management permits issued within legislated timeframes	88%	86%	80%	85%	+5%	The issuance of permits is based on the demand of the public to obtain authorisation in respect of regulated activities. The ongoing implementation of mechanisms to reduce unnecessary red tape and facilitate law reform, i.e. the issuance of Section 80 exemptions, and extension of permit validity periods, reduces the number of permits being issued, thus increase the efficiency of permits that are issued.

Strategy to overcome areas of under-performance

N/A

Changes to planned targets

N/A

Linking performance with budgets

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

Gemsbok
Oryx gazella
 Anysberg Nature Reserve



Table 5: Biodiversity Capabilities

Programme/ sub-programme	2023/24			2022/23		
	Budget	Expenditure	(Over)/ Under Expenditure	Budget	Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Biodiversity Capabilities	28 856	33 123	(4 267)	28 106	30 948	(2 842)
Total	28 856	33 123	(4 267)	28 106	30 948	(2 842)

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



Grey Rhebuck
Pelea capreolus
Cederberg Wilderness Area

3.3. Programme 3: Conservation Operations

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

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

CapeNature completed the biennial METT-SA protected area management effectiveness assessment for the period 2022-24 and established that 99% of the area, in hectares, managed by the Entity is categorised to fall within the “Sound Management” threshold of 67-100%. The appointment of SMMEs resulted in more work opportunities created through the biodiversity sector economy and the over-achievement reported. During the reporting period, one administrative enforcement notice was issued for non-compliance due to the Entity primarily implementing the Nature Conservation Ordinance with limited scope for the issuance of administrative notices. The more than targeted compliance inspections conducted (+115) resulted from counting all inspection reports following inspections of facilities that hold wild animals in captivity for display and other purposes, as well as inspecting facilities trading in protected flora species; with most of the latter issued with annual permits. Whilst demand driven, the more than targeted investigations handed to the NPA (+12) is the result of an increased number of investigations opened due to continued and rampant illegal harvesting of succulent plants.

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

The Entity re-tabled the Annual Performance Plan during the financial year under review.

Table 6: Output Indicators

Programme 3: Conservation Operations									
Outcome	Output	Output Indicator	Audited Actual Performance	Audited Actual Performance	Planned Annual Target	Actual Achievement until date of re-tabling	Deviation from planned target to Actual Achievement	Reasons for deviations	Reasons for revisions to the Outputs/ Output indicators/ Annual Targets
			2021/22	2022/23	2023/24	2023/24	2023/24		
Enhanced bio-diversity conservation and landscape resilience Advanced economic sustainability	Work opportunities created through the biodiversity sector economy	Number of work opportunities created through environment sector public employment	1 249	1 105	700	-	-	This is an annual indicator and achievement is only reported during quarter 4.	Correction to the indicator title.

Table 7: Output Indicators

Programme 3: Conservation Operations								
Outcome	Output	Output Indicator	Audited Actual Performance	Audited Actual Performance	Planned Annual Target	Actual Achievement	Deviation from planned target to Actual Achievement	Reasons for deviations
			2021/22	2022/23	2023/24	2023/24	2023/24	
Enhanced biodiversity conservation and landscape resilience Advanced economic sustainability	Manage effectiveness of CapeNature managed protected areas assessed	Percentage of area of state managed protected areas assessed with a METT score above 67%	94%	Not applicable	87%	99%	+12%	The drafting and approval of protected area management plans applicable to the nature reserves assessed led to an improvement across several indicators that was assessed, resulting in the achievement reported.
	Work opportunities created through the biodiversity sector economy	Number of work opportunities created through environment sector public employment programmes	1 249	1 105	700	1 580	+880	The appointment of Small Medium and Micro Enterprises resulted in more work opportunities created.
	Compliance inspections conducted	Number of compliance inspections conducted	116	223	80	195	+115	The number of compliance inspections conducted is based on the demand of the public to obtain authorisations and comply with its conditions. The number of compliance inspections to conduct is informed by an assessment of permits issued that are subject to inspection or permits renewed that are subject to inspection. Improved planning has resulted in an increase in the achievement.
	Administrative enforcement notices issued*	Number of administrative enforcement notices issued for non-compliance with environmental management legislation	1	0	1	1	None	Not applicable

Programme 3: Conservation Operations								
Outcome	Output	Output Indicator	Audited Actual Performance	Audited Actual Performance	Planned Annual Target	Actual Achievement	Deviation from planned target to Actual/Achievement	Reasons for deviations
			2021/22	2022/23	2023/24	2023/24	2023/24	
	Criminal investigations handed to the NPA	Number of completed criminal investigations handed to the NPA for prosecution	72	60	30	42	+12	Whilst demand-driven, the more than targeted investigations handed to the NPA is the result of an increased number of investigations opened due to continued and pervasive illegal harvesting of succulent plants.

Strategy to overcome areas of under-performance

N/A

Changes to planned targets

N/A

Linking performance with budgets

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



Table 8: Conservation Operations

Programme/ sub-programme	2023/24			2022/23		
	Budget	Expenditure	(Over)/ Under Expenditure	Budget	Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Conservation Operations	182 279	177 088	5 191	169 444	171 868	(2 424)
Total	182 279	177 088	5 191	169 444	171 868	(2 424)

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

3.4. Programme 4: Eco-tourism and Access

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

The programme consists of the following sub-programmes:

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

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

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

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

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

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

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

The tourism revenue target of R54 062 888 was exceeded by 24% for the year under review.

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

The Entity re-tabled the Annual Performance Plan during the financial year under review.

Table 9: Output Indicators

Programme 4: Eco-tourism and Access								
Outcome	Output	Output Indicator	Audited Actual Performance	Audited Actual Performance	Planned Annual Target	Actual Achievement	Deviation from planned target to Actual Achievement	Reasons for deviations
			2021/22	2022/23	2023/24	2023/24	2023/24	
Advanced economic sustainability	Increased eco-tourism income	Percentage increase in tourism income generated	Establish a baseline	38%	7%	31%	24%	Over-achievement is due to effective marketing campaigns and partnerships.
Advanced economic sustainability	Increased eco-tourism income	Number of new and/or upgrades on existing tourism products	12	18	10	18	+8	Over-achievement is due to additional projects funded by the National Department of Tourism, rollover projects from the previous financial year, and projects undertaken due to the damage caused by the 2023 floods.
	Marketing and promotional activities to facilitate access	Number of tourism promotional activities to promote access	11	12	11	12	+1	Over-achievement was due to a change in the marketing strategy which focused on domestic and regional marketing.
Enhanced biodiversity conservation and landscape resilience	Environmental awareness activities conducted	Number of environmental awareness activities conducted	373	468	300	435	+135	Over-achievement was due to unsolicited, additional planned and opportunistic activities.
	Stakeholder capacity building activities conducted	Number of environmental capacity building activities conducted	101	115	80	123	+43	Over-achievement was due to unsolicited, additional planned and opportunistic activities.

Strategy to overcome areas of under-performance

N/A

Changes to planned targets

N/A

Linking performance with budgets

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

Table 10: Eco-tourism and Access

Sources of revenue	2023/24			2022/23		
	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
Advocacy	22 947	20 831	2 116	16 919	17 000	(81)
Tourism Development	16 305	30 170	(13 864)	25 770	35 181	(9 411)
Stakeholder Engagement and Access	41 185	42 810	(1 625)	33 809	35 994	(2 185)
Total	80 437	93 811	(13 374)	76 498	88 175	(11 677)

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

4. REVENUE COLLECTION

Table 11: Revenue collection

Sources of revenue	2023/24			2022/23		
	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	407 737	389 856	17 881	383 577	362 784	20 793
Total	407 737	389 856	17 881	383 577	362 784	20 793

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

5. CAPITAL INVESTMENT

For the 2023/24 reporting period, the following projects were completed:

- Anysberg Nature Reserve: Installation of Solar to tourism and management facilities
- Cederberg Wilderness Area: (1) Redesign and upgrade of two of the Boshberge cottages and (2) Repair and upgrade to roads and low water bridge due to flood damage at Algeria.
- De Hoop Nature Reserve: (1) Repair and maintenance of Whale Trail cottages and hiking trail and (2) Upgrade of the Potberg Management Office
- Gamkaberg Nature Reserve: construction of new off road trailer campsite
- Goukamma Nature Reserve: (1) General repairs and maintenance to selected accommodation facilities (2) Development of a new visitor welcome centre (3) Installation of new solar infrastructure at the Buffalo Valley tourism accommodation facilities and (4) Re-thatching of roof at Mvubu Cottage
- Kogelberg Complex: (1) Installation of swimming pool at Bliss on the Bay (2) Oudebosch eco-cabin general repairs and maintenance and (3) Solar installation of solar plant for tourism and management energy provision (Phase I)
- Limietberg Nature Reserve: Repair and maintenance at Tweede Tol campsite
- Marloth Nature Reserve: Installation of a new gate house and enlarged parking area for visitors
- Vrolijkheid Nature Reserve: Completion of dam repairs, installation of decking and swimming pool at the Environmental Education Centre
- Wolwekloof Resort: (1) Upgrade of day visitor facilities and swimming pool upgrade and repairs and (2) Construction of private campsites & onsite ablutions

Southern Right Whale
Eubalaena australis
De Hoop Nature Reserve





GOVERNANCE



1. INTRODUCTION

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

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

2. PORTFOLIO COMMITTEES

Not applicable.

3. EXECUTIVE AUTHORITY

The following reports were submitted to the Executive Authority.

Document Description	Date Submitted
Monthly Highlights for inclusion into report to Minister Bredell: April	9 May 2023
Monthly Highlights for inclusion into report to Minister Bredell: May	6 June 2023
Monthly Highlights for inclusion into report to Minister Bredell: June	6 July 2023
Monthly Highlights for inclusion into report to Minister Bredell: July	7 August 2023
Monthly Highlights for inclusion into report to Minister Bredell: August	6 September 2023
Monthly Highlights for inclusion into report to Minister Bredell: September	4 October 2023
Monthly Highlights for inclusion into report to Minister Bredell: October	7 November 2023
Monthly Highlights for inclusion into report to Minister Bredell: November	7 December 2023
Monthly Highlights for inclusion into report to Minister Bredell: December	7 February 2024
Monthly Highlights for inclusion into report to Minister Bredell: January	7 February 2024
Monthly Highlights for inclusion into report to Minister Bredell: February	6 March 2024
Monthly Highlights for inclusion into report to Minister Bredell: March	3 April 2024

4. THE ACCOUNTING AUTHORITY/ CAPENATURE BOARD

INTRODUCTION

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

The Board has a formalised system of Corporate Governance that is applied by the following Board Committees:

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

THE ROLE OF THE BOARD

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

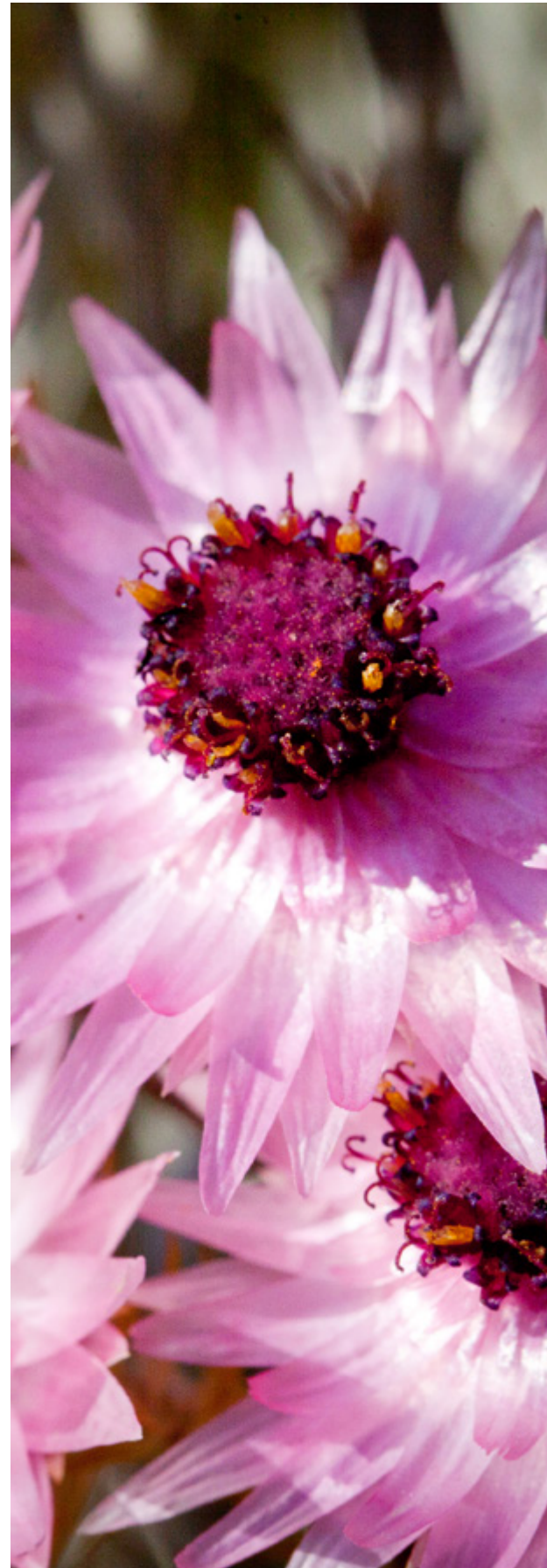
BOARD CHARTER

INTRODUCTION

- 1.1 Governance embodies processes, policies, systems, laws and regulations by which organisations are strategically directed, governed and held to account.
- 1.2 The King IV Report on Corporate Governance requires boards and management to publicly confirm that they have reviewed the effectiveness of risk management and internal control and have implemented systems essential for the effective discharge of their responsibilities.
- 1.3 Section 51(a)(i) of the Public Finance Management Act, 1999 (Act No. 1 of 1999) as amended (PFMA), requires the Accounting Authority for a public Entity to have and maintain effective, efficient and transparent systems of financial and risk management and internal control.
- 1.4 In terms of Section 77 (Liability of Directors and Prescribed Officers) of the Companies Act, 2008 (Act No.71 of 2008), independent members and non-executive members of Board Committees carry the same fiduciary responsibility as Executive Directors.
- 1.5 The CapeNature Board, hereafter referred to as the Board, hereby details the manner in which it will operate and execute its responsibilities in terms of the Western Cape Biodiversity Act, 2021 (Act No. 6 of 2021).

PURPOSE

- 2.1 The CapeNature Board is established as a Schedule 3C public Entity responsible for the conservation of biodiversity in the Province.



Pienksewejaartjie
Syncarpha canescens
Cederberg Wilderness Area

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



AUTHORITY

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

BOARD STRUCTURE AND MEMBERSHIP

- 4.1 The Board consists of at least seven and not more than nine on-executive members and two (2) executive members, one being an official of the Department, designated by the Provincial Minister, and the other, the CapeNature Chief Executive Officer, or their respective delegated authorities. The official from the Department and the CapeNature Chief Executive Officer are thus full members of the Board.
- 4.2 The following conditions apply to the appointment of the members:
- a) The relevant Provincial Minister shall, in consultation with the Board, appoint or re-appoint a non-executive member of the Board as a Chairperson and one non-executive member as Vice-Chairperson;
 - b) The Board will be responsible to appoint Board Committee chairpersons and non-executive members to each Committee.
 - c) A non-executive member –
 - (i) Is appointed for a term of three years, subject to a member appointed to fill a vacancy, who will hold office for the unexpired portion of the term of office of his or her predecessor; and
 - (ii) On completion of the term contemplated in paragraph (a), is eligible for reappointment by the Provincial Minister, after consultation with the Head of Department and the Chief Executive Officer, for one additional term of three years.

The Provincial Minister may extend the period of appointment of a non-executive member contemplated in subsection (i) or (ii) for a period not exceeding one year;
 - d) The Chairperson and Vice-Chairperson are appointed for a period determined by the Provincial Minister, which may not extend beyond the term as a member contemplated in paragraph (c);
 - e) The Provincial Minister may appoint any non-executive member as Acting Chairperson of the Board –

- (i) If there is a vacancy in the office of the Chairperson and Vice-Chairperson, until a Chairperson or Vice-Chairperson is appointed; or
- (ii) If the Chairperson and Vice-Chairperson are absent from two or more consecutive meetings of the Board.

If the Chairperson is for any reason unable to perform his or her functions, the Vice-Chairperson, and failing him or her, the Acting Chairperson, must perform the functions of the Chairperson. Refer to clause 5.11;

- f) A non-executive member may be removed from office for being absent from two consecutive meetings of the Board without the prior permission of the Chairperson, unless good cause can be shown for failure to obtain prior permission;
- g) Should a non-executive member wish to resign from the Board, the member must tender his or her written resignation at least three calendar months before the date on which the member wishes to vacate office, unless the Provincial Minister allows a shorter period in a specific case;
- h) Payment of remuneration and allowances to non-executive members are determined by scales approved by the National Treasury. CapeNature is responsible for the payment of remuneration and allowances to non-executive members; and
- i) Whereas one official of the Department, designated by the Provincial Minister, and the CapeNature Chief Executive Officer, or their respective delegated authorities, are full members of the Board, Executive Management attend Board meetings by invitation only. The relevant Provincial Minister and other representatives of the respective provincial department responsible for environmental matters in the Province will be standing invitees to all Board meeting proceedings and deliberations.

MEETINGS

- 5.1 The Board and all Board Committees will meet at least four times during the course of the financial year.
- 5.2 A majority of the non-executive Board members constitutes a quorum for a meeting of the Board.
- 5.3 A matter before the Board is decided by the votes of a majority of the non-executive Board members present at the meeting. If on any matter before the Board there is an equality of votes, the non-executive Board member presiding at the meeting must exercise a casting vote in addition to his or her deliberative vote as a member.
- 5.4 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.
- 5.5 Standing invitees to Board meetings may also participate in discussions but shall have no voting rights.
- 5.6 Other than for emergency and ad hoc meetings, members should be provided with electronic (soft copy) documentation appropriate to the agenda at least seven calendar days prior to the meeting.
- 5.7 The proceedings for all meetings should be minuted by the Board Secretary or by an official designated by the Chief Executive Officer. Draft minutes should be produced within 10 calendar days after the meeting.
- 5.8 Minutes shall be proposed for acceptance and seconded by the non-executive members of the Board and signed by the Chairperson at the next meeting or soon thereafter.

- 5.9 Reports and document shall be proposed for acceptance and seconded by the non-executive members of the Board.
- 5.10 Each non-executive member of the Board is allowed to request items to be placed on the agenda for that meeting. Members can request items to be placed on the agenda through the course of deliberations at the quarterly Board Committee meetings. Items requested outside of the Board Committee process can be submitted to the Chairperson for consideration. These matters will be tabled at the meeting by the Chairperson for approval by the Board.
- 5.11 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 non-executive members present to preside at that meeting, subject to clause 4.2(e). The mandatory quorum requirements will still need to apply.
- 5.12 Special meetings of the Board may be convened as required. The Chairperson may, and at the request of a majority of the Board members must, convene a special meeting. Special meetings will be confirmed seven calendar days prior to the date of the meeting.

ROLES AND RESPONSIBILITIES

- 6.1 The Chairperson will:
- (a) Provide overall leadership to the Board;
 - (b) Preside over all Board meetings, subject to clause 4.2(e) and 5.11;
 - (c) Ensure that the Board is kept abreast of any issue on which a decision has been taken;
 - (d) Facilitate the formulation of an Annual Work Plan in consultation with the Chief Executive Officer; and
 - (e) Ensure the integrity and effectiveness of the Board and its Committees.
- 6.2 The Board should:
- (a) Maintain effective governance of CapeNature;
 - (b) Ensure that CapeNature properly performs its functions in terms of the Western Cape Biodiversity Act;
 - (c) Approve and monitor compliance with the policies and strategies of CapeNature;
 - (d) Provide strategic direction to CapeNature;
 - (e) Develop a Charter to provide for a code of conduct for Board members and for meeting procedures, and to regulate matters further relating to corporate governance;
 - (f) Advocate for the sufficient resourcing of CapeNature to perform its functions;
 - (g) Align its goals and objectives with that of the provincial department responsible for environmental matters in the Province and Provincial and National Government;
 - (h) Review, evaluate and approve, long-term strategic objectives, plans and projects for the Entity;
 - (i) Review, evaluate and approve the Entity's annual budget, budget projections and Annual Financial Statements;
 - (j) Review its delegations;
 - (k) Review, evaluate and approve major resource allocations and capital investments;
 - (l) Review the financial and operating results of the Entity;

- (m) Adopt and monitor compliance with the Entity's Code of Conduct, the PFMA and all legislation relevant to the Board;
 - (n) Institute the necessary measures to safeguard the Entity's assets;
 - (o) Disclose real and potential conflicts of interest in a transparent manner informed by the imperative of ethical leadership and governance; and
 - (p) Guide the Entity in terms of the demands and challenges of the broader societal context of transformation.
- 6.3 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.
- 6.4 The Board however remains accountable for the oversight of the implementation of the strategies and for the total process of risk management.
- 6.5 The Board will formally establish Board Committees to assist in discharging its duties and responsibilities, as follows:
- (a) Audit and Finance – The Committee fulfils an Audit oversight role through independent counsel, guidance and advice 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 also 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.
 - (b) 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 that could not be held over until the next Board or Board Committee meeting.
 - (c) 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 Entity.
 - (d) Eco-Tourism and Access – The Committee fulfils an oversight role with respect to matters pertaining to tourism and infrastructure development, marketing, communication, fundraising and partnerships.
 - (e) 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 Entity.
 - (f) Risk and Information and Communications Technology (ICT) – The Committee fulfils an oversight role through independent counsel, guidance and advice with respect to the identification, assessment and management of risks and monitors compliance with corporate governance policies and guidelines. The Committee fulfils an ICT oversight role with respect to the adequacy of the ICT environment, compliance to ICT laws, regulations and best practice, research and the recommendation of significant innovation investments.
- 6.6 Each Committee must be established in terms of an approved Charter, which will set out the roles and responsibilities for that Committee.
- 6.7 The Board shall be responsible to appoint Board Committee Chairpersons and non-executive members to each Committee.
- 6.8 The Board should review and assess the required mix of skills and experience of non-executive members and its diversity on a regular basis.



STAKEHOLDER MANAGEMENT AND COMMUNICATION

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

MEMBER ORIENTATION AND INDUCTION

- 8.1 Management will provide new non-executive members with an induction and orientation programme in order to familiarise them with their responsibilities in terms of the Western Cape Biodiversity Act, 2021 (Act No.6 of 2021), the Public Finance Management Act, 1999 (Act No. 1 of 1999) as amended (PFMA), the Entity's Code of Conduct, the Board Charter and other relevant laws.

CONFLICT OF INTEREST

- 9.1 A Board member must perform the functions of his or her office in good faith and without fear, favour or prejudice.
- 9.2 Board members and standing invitees must disclose any financial or personal business interests that the member or his or her life partner, spouse or immediate family member may have in any

matter before the Board and must withdraw from the proceedings of the Board when that matter is considered.

- 9.3 A Board member may not use confidential information obtained as a Board member or the position or privileges as a Board member for private gain or to benefit another person.
- 9.4 A Board member may not act in any other way that compromises the credibility, impartiality, independence or integrity of CapeNature or the Board.

BOARD ADMINISTRATION

- 10.1 The Board Secretary or an official designated by the Chief Executive Officer will 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;
 - Documenting and providing progress on Action Items for members; and
 - File Attendance and Declaration of Interest forms signed by members and standing invitees, minutes, self-assessment and Board performance questionnaires and other relevant documentation.
- 10.2 Meeting agendas and information packs shall be sent to members electronically at least seven calendar days prior to any Board meeting.



Angulate Tortoise
Chersina angulata
Rocherpan Nature Reserve

PERFORMANCE ASSESSMENT

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

REVIEW

- 12.1 The Board will review its Charter annually.

Table 12: 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
Professor Denver Hendricks	Chairperson	11 April 2021	10 April 2026	BSc; MSc; PhD	Biochemistry; Natural Sciences; Biodiversity	None	Audit and Finance (Ex-Officio); Eco-tourism & Access; Conservation	18
Professor Gavin Maneveldt	Vice Chairperson	01 March 2023	28 February 2026	BSc; BSc (Hons); MSc; PhD Botany; Field Guide Association of South Africa; FGASA Honorary SKS	Marine Biology; Botany	None	Conservation; Human Resource & Remuneration; Risk and ICT	17
Dr Colin Johnson	Member	11 April 2021	10 April 2026	MSc; PhD	Natural Sciences; Botany	None	Conservation; Human Resource & Remuneration	14
Mervyn Burton	Member	14 June 2020	14 June 2025	CA (SA); BCompt (Hons)	Financial Management; Corporate Governance and Risk	None	Audit and Finance; Eco-tourism & Access; Risk and ICT	14
Professor Aubrey Redlinghuis	Member	14 June 2020	29 February 2024	BA (Hons); MA; Doctorate in Economic Geography	Education	None	Human Resource & Remuneration; Conservation	6
Paul Slack	Member	14 June 2020	14 June 2025	BCom (Hons) in Financial Management; CA (SA)	Financial Management; Corporate Governance and Risk	None	Audit and Finance; Risk and ICT	10
Marguerite Loubser	Member	01 March 2023	28 February 2026	BCom; Postgraduate Diploma in Tax; CA (SA) LLB; LLM	Tax and Environmental Law	None	Eco-tourism & Access; Risk and ICT	14

Table 13: Committees

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	End of term	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of meetings attended
Nirvani Dhevcharran	Independent member	01 June 2022	31 May 2025	BSc (Hons) Computer Science; MSc; MCSE	Technology	None	Risk and ICT	4
Leon Moser	Independent member	01 June 2022	31 May 2025	BCom; Certificate in Theory of Accountancy; CA (SA)	Auditing	None	Audit and Finance	5

Table 14: Committees

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

Table 15: Remuneration of board members

Name	Remuneration (Rands)	Other Allowances (Rands)	Other Re-imbursements (Rands)	Total (Rands)
Professor Denver Hendricks	49 545	-	-	49 545
Professor Gavin Maneveldt	39 351	-	-	39 351
Dr Colin Johnson	34 596	-	8 074	42 670
Professor Aubrey Redlinghuis	13 629	-	-	13 629
Mervyn Burton	32 649	-	-	32 649
Marguerite Loubser	34 596	-	-	34 596
Paul Slack	34 371	-	557	34 928
Nirvani Dhevcharan	14 661	-	-	14 661
Leon Moser	17 403	-	-	17 403
TOTAL	270 801	-	8 631	279 432

5. RISK MANAGEMENT

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

Risk management assurance is provided through the implementation of the approved Risk Management Policy. During the year under review, the Risk Management Policy was reviewed and updated to respond to best practice principles and requirements. The previous audit of the risk management process also provided valuable insights in identifying areas for improvement. Risk management is recognised as an integral part of responsible management and CapeNature therefore adopts an entity-wide approach to the management of risk.

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

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



Cape Mountain Zebra
Equus zebra zebra
Anysberg Nature Reserve

The risk profile is aligned to the organisational structure and incorporates all directorates. The risk presented by the impact of climate change was mitigated through the implementation of mitigation and strategic adaptation measures. These include disaster risk reduction and response plans, and protecting and restoring ecological infrastructure such as wetlands, riparian corridors and coastal corridors. The expansion of the conservation estate and the implementation of the stewardship model allowed the Entity to advance protected area expansion in the landscape, thereby maintaining the ecological infrastructure critical to mitigate the impact of climate change. This in turn allowed for greater management effectiveness and influence, allowing for the maintenance and integrity of the infrastructure and the ecosystems it supports. The Entity further ensured key message management on climate change through environmental awareness and capacity building and collaborating with a broad spectrum of stakeholders.

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

With ongoing cost containment measures together with the annual reductions in provincial allocations, the risk of increased fiscal pressures was again at the forefront of its risk management efforts. The Entity continues to invest in innovation, technology, and systems to improve on operational inefficiencies. The focus on ICT has been key in ensuring that the necessary infrastructure is in place and is maintained and is able to support the Entity’s operational requirements. Critical during the reporting period has been the continued efforts to enhance security management, aligned to best practice and industry standards. The move from Multi-protocol Label Switching (MPLS) to Software-defined Wide Area Network (SD-WAN) technology and the migration of the ICT infrastructure to a Microsoft Azure environment are two of the projects implemented in this regard.



6. INTERNAL CONTROL UNIT

The work of the Internal Control Unit (ICU) is focused on further strengthening the internal control environment. During the financial period, the Unit continued to advance within its role in the maintenance, improvement and implementation of an efficient and effective control environment within CapeNature. Through its day-to-day activities, the ICU focused on control activities, monitoring and compliance as part of the Entity's combined assurance approach and through such, was able to support the Executive Management team and the Board with their corporate governance responsibility in ensuring a system of effective internal controls and compliance with applicable laws and regulations.

ICU reported on a quarterly basis to both the Audit and Finance, and the Risk and ICT Board sub-committees. The unit reported on the status of both internal and external audit action plans, a control dashboard, relevant policies and the continuous implementation of the principles of the King IV Report on corporate governance.

As part of monitoring key controls reporting, the Unit performed reviews and verifications to ensure that the entity continued to maintain a sound system of internal controls. The reports presented further reflected the status of the control environment within the key business areas indicated below:

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

Compliance monitoring work was performed for the following legislation and regulations during the 2023/24 period:

- National Water Act, 1998
- Sea Birds and Seals Protection Act, 1973
- National Heritage Resources Act, 1999
- World Heritage Convention Act, 1999
- Promotion of Administrative Justice Act, 2000
- Western Cape Land Administration Act, 1998
- Western Cape Land Use Planning Act, 2014
- Spatial Planning and Land Use Management Act, 2013
- Construction Industry Development Board Act, 2000
- Civil Aviation Act, 2009
- Disaster Management Act, 2002
- Environmental Conservation Act, 1989
- Conservation of Agricultural Resources Act, 1983
- National Forest Act, 1998
- National Environmental Management: Protected Areas, 2003
- National Environmental Management Act, 1998
- Mountain Catchment Areas Act, 1970
- Marine Protected Areas Regulations

- Alien and Invasive Species Regulations
- Threatened or Protected Species Regulations

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

- Eco-tourism and Access Delegations of Authority
- Value added services (selected reserves)
- Filming and photography
- Cleaning of tourism products
- Preventative maintenance
- Canopy Tours
- Events
- Refunds
- Senior citizen TOR
- Retired employees
- Cost recovery veldfire suppression
- GG vehicles/GMT use
- Asset management
- Marketing and sponsorship
- Airtime SOP (Fire related incidents)
- Working on Fire Payments

The Unit continues to adapt to accommodate the changing environment within the sector, while also promoting fraud awareness and monitoring the development and implementation of effective and efficient controls that assist the entity in meeting its objectives and continuing the focus on further strengthening the control environment.

7. INTERNAL AUDIT AND AUDIT COMMITTEES

Table 16: Composition of the Audit and Finance Committee

Name	Qualifications	Internal or external	If internal, position in the public entity	Date appointed	Date Resigned/ End of Term	No. of Meetings attended
Paul Slack	BCom (Hons) in Financial Management; CA (SA)	Board Member	N/A	15 June 2020	14 June 2025	4
Mervyn Burton	CA (SA); BCompt (Hons)	Board Member	N/A	15 June 2020	14 June 2025	2
Professor Denver Hendricks	BSc; MSc; PhD	Board Member (Ex-officio)	N/A	11 April 2021	10 April 2026	1
Leon Moser	BCom; Certificate in Theory of Accountancy; CA (SA)	Independent Member	N/A	01 June 2022	31 May 2025	5



8. COMPLIANCE WITH LAWS AND REGULATIONS

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

9. FRAUD AND CORRUPTION

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

The Policy provides a mechanism through which employees can raise concerns responsibly, where there are reasonable grounds to believe that fraud and corruption has occurred. It is the responsibility of all employees to immediately report all allegations or incidents of fraud and corruption to their immediate manager or next level of management. Should any employee wish to report allegations of fraud, they may also contact any member of Management, the Chief Executive Officer, Chairperson of the Board or alternatively the National Anti-Corruption toll free number at 0800 701 701. In addition to above mechanisms, incidents can be reported directly to Provincial Forensic Services within the Department of the Premier via the e-mail Tip.Offs@westerncape.gov.za or telephonically at (021) 483-0931.

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

On-going awareness initiatives and interventions are critical to ensure that staff are continually sensitised to issues of fraud and corruption. This included communication with staff through policies, induction and orientation, and other formal and informal meeting forums. Instances where deficiencies were identified in the implementation of business processes as it relates to the prevention of fraud and corruption, Management communicated concerns with staff and advised on ways to mitigate these deficiencies through the CEO's e-Conversation. During the reporting period no fraud incidents were identified by or reported to the Entity.

10. MINIMISING CONFLICT OF INTEREST

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

11. CODE OF CONDUCT

The Code is a directive to all employees of CapeNature and acts as a guideline to employees as to what is expected of them from an ethical point of view, both in the individual conduct and in their relationship with others. Compliance with the Code can be expected to enhance professionalism and 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

CapeNature continues to be committed to ensuring the health, safety, and well-being of our employees, contractors, and visitors. Our Occupational Health and Safety (OHS) program is a cornerstone of this commitment, emphasizing an initiative-taking approach to preventing workplace injuries and illnesses. This section of the annual report provides an overview of our OHS initiatives, and achievements.

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

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

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

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

Key Achievements in OHS for the year under review

1. Compensation for Occupational Injuries and Diseases Act

As part of the ongoing commitment to Occupational Health and Safety (OHS) Procedures, the registration on the COID (Compensation for Occupational Injuries and Diseases) database allows for the streamlining of the IOD registration process. The system allowed the Entity to electronically upload all claims and supporting documentation and significantly reduce the administrative and monitoring processes.

2. Database

The OHS database has migrated from Google Drive to OneDrive, in alignment with the Entity's ICT policies. Each worksite has been assigned a designated folder to facilitate the uploading and sharing of documents in a logical sequence to ensure compliance and transparency. All worksite staff have been trained on the system and have been capacitated in its utilisation.

3. Health Surveillance Programs

The Health Surveillance Program was rolled out in November 2023, with all key personnel undergoing the required medical assessment and being issued with Medical Certificates of Fitness. The Programme allows the entity to broadly assess the health status of employees to detect adverse health conditions at the earliest opportunity, determine whether employees are able to meet the inherent health requirements necessary to perform their particular work functions and to determine if employees have any underlying conditions that may in future affect or be affected by the work they perform.

There were 56 IOD incidents during the period under review, resulting in 46 lost time injuries (Figure 2). A lost time injury is defined as an injury where a person was booked off for one day or longer. These injuries resulted in an average of six working days lost per injury. The increase in the number of lost time injuries can be attributed to an extremely volatile fire season for the Central Landscape. All injuries were investigated at worksite level to determine root causes and to identify remedial and improvement actions to prevent its re-occurrence.

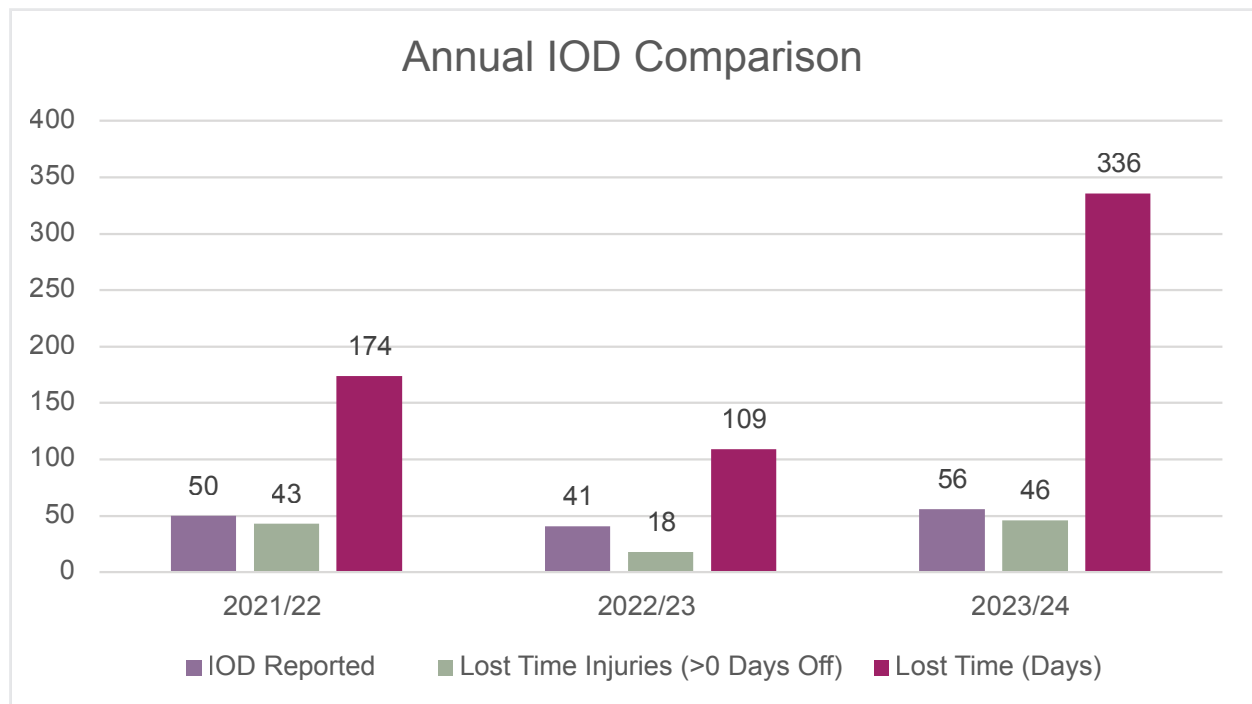


Figure 2: Total incidents reported during, 2021/22, 2022/23 and 2023/24.

Regarding types and causes of incidents during the reporting period, Figure 3 indicates that slip/trip and fall incidents, struck against object (people moving) and physical stress/ over exertion on the musculoskeletal system, contributed to the most incidents. With the slip/trip incidents, nine of these were attributed to underfoot conditions while working infield. This remains a high-risk area due to the natural and unpredictable terrain that must be negotiated when infield. Toolbox talks were provided to raise awareness amongst staff on the safe procedures following every incident.

The number of vehicle accident-related injuries relates to the number of employees (driver and passengers) who were injured in the vehicle at the time of the incident and not the number of accidents. Except for one vehicle accident, all the injuries were mostly due to whiplash, with one a bruised knee and leg.

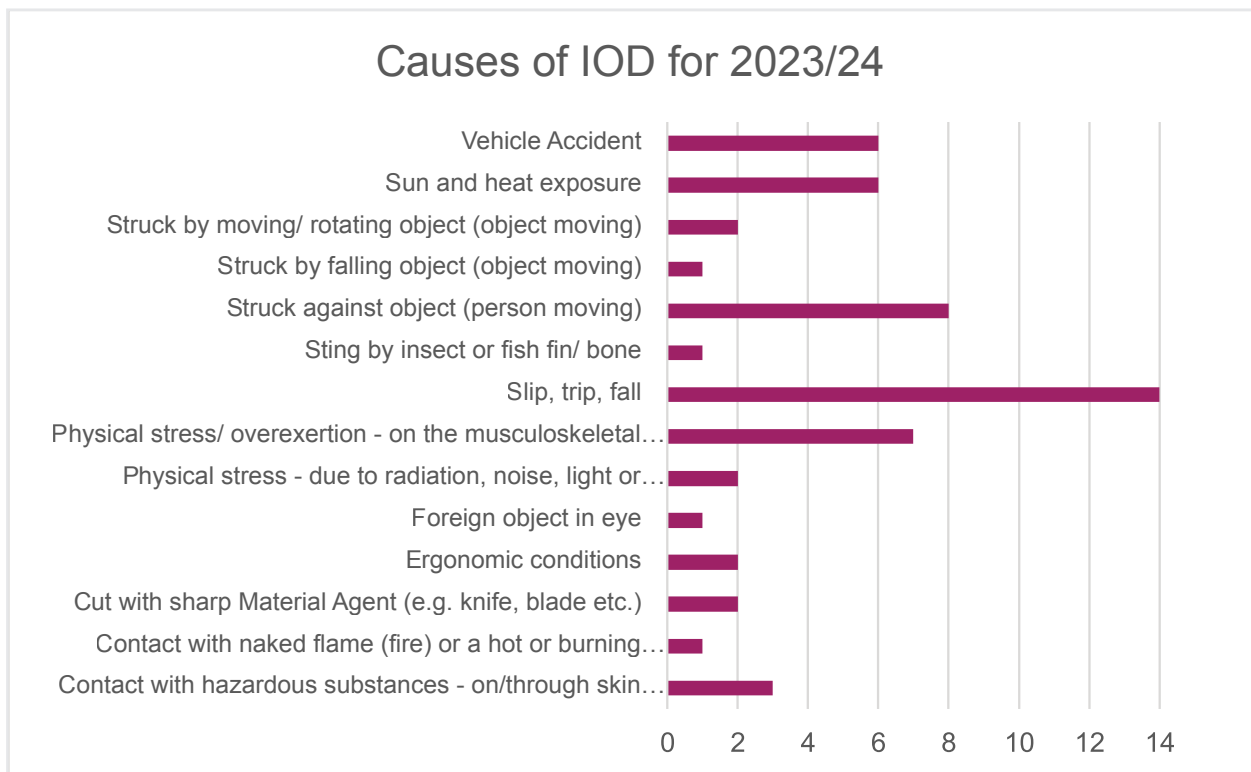


Figure 3. Types and causes of incidents during 2023/24.

For the reporting period, the Entity responded to 22 Search and Rescue incidents, with 11 occurring in the East Landscape and 11 in the West Landscape. The major cause of these incidents were underfoot conditions, resulting in ankle injuries, dehydration and being lost in the dark.

During the reporting period, CapeNature acquired Personal Protective Equipment (PPE) for both Board staff and staff employed under the EPWP. This was all delivered to the Reserves. A number of training interventions were undertaken, including but limited to, first-aid, fire Marshal, snake handling, chainsaw, etc. Induction of new employees was conducted to ensure compliance to the Occupational Health and Safety Act and internal policies.

The Entity is committed to fostering a safe and healthy workplace for all and recognise that achieving excellence in OHS is a continuous journey and requires striving for ongoing improvement in all areas.

13. COMPANY/BOARD SECRETARY

N/A

14. SOCIAL RESPONSIBILITY

The Entity has delivered on several social responsibility projects. The Entity also responds to several sponsorship requests from charitable and partner organisations throughout the year.

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

1. Overberg District Safe Schools Division: CapeNature partnered with this program to enhance safety and environmental awareness in schools across the Overberg district, promoting a safer and more sustainable educational environment. School Learners in the Cape Agulhas and Swellendam area Schools.
2. Zolani Youth Choir: This sponsorship supported the Zolani Youth Choir, an inspiring musical group that provides young people with artistic opportunities while fostering a sense of community and cultural appreciation.
3. Rainbow of Hope (NPO): Working with this non-profit organisation, CapeNature contributed to with access to nature reserves aimed at improving the lives of children and families in underprivileged communities, focusing on education and sustainable living practices.
4. Plettenberg Bay Primary: CapeNature's involvement with Plettenberg Bay Primary included educational programs that teach students about local biodiversity and the importance of conservation efforts in their area.
5. Hikers Network: This partnership focused on promoting safe and responsible hiking practices while encouraging an appreciation for the natural beauty CapeNature reserves. The initiative also included trail littering clean-ups and support for emergency mountain responders.
6. Friends of Vrolijkheid: By supporting this community group, CapeNature helped enhance the Vrolijkheid Nature Reserve and its surroundings, fostering community-led conservation efforts and educational activities on succulent plant poaching.
7. Tswaranang Community Development Group: CapeNature staff hosted a toiletry drive for Youth Day.
8. Provincial Teachers Awards: To recognise the incredible work that so many teachers have done over the past year, and to celebrate the achievements of outstanding teachers in the Western Cape. CapeNature sponsored 6 prizes to winners.
9. Search and Rescue South Africa (SARZA): A 3-member voluntary rescue team was robbed of all their personal belongings after conducting a successful rescue on Table Mountain. CapeNature in partnership with Hi-Tec put together a hamper to replace most of the items lost during the robbery.



Cape Everlasting
Phaenocoma prolifera
De Hoop Nature Reserve

15. AUDIT AND FINANCE COMMITTEE REPORT

We are pleased to present our Report for the financial year ended 31 March 2024.

Audit Committee Responsibility

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

The Effectiveness of Internal Control

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

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

1. Internal and External Audit Follow Up
2. Grants Management
3. Human Resources – Leave Monitoring
4. Human Resources and Payroll – Terminations and Appointments
5. Integrated Catchment Management
6. Internal Financial Controls
7. Pre-determined Objectives

The following were areas of concern:

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

In-Year Management and Monthly/ Quarterly Report

The public Entity has submitted monthly and quarterly reports to the Treasury and the Executive Authority, as required by the PFMA.

Financial oversight

Financial oversight of the following took place:

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

Evaluation of Financial Statements

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

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

- Financial statements
- Predetermined objectives
- Compliance with laws and regulations
- Internal controls

Auditor-General's Report

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

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

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



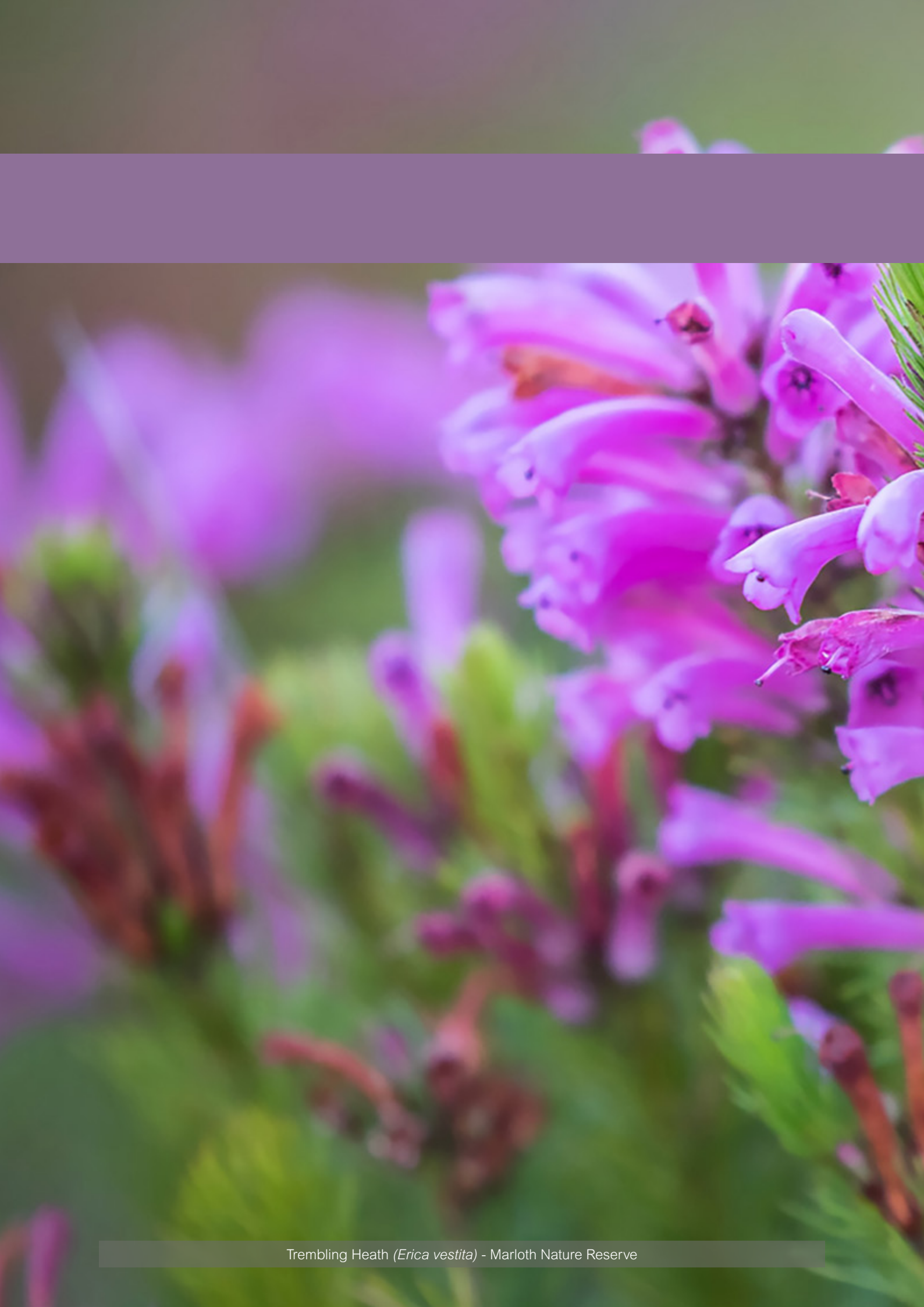
Paul Slack

**Chairperson of the Audit and Finance Committee
CapeNature
August 2024**

16. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

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

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



Trembling Heath (*Erica vestita*) - Marloth Nature Reserve

HUMAN RESOURCE
MANAGEMENT

D





Cape Gannet
Morus capensis
Lambert's Bay Bird Island Nature Reserve

I. INTRODUCTION

During the period under review, the Human Resources (HR) component was tasked with ensuring sufficient resource levels were in place to maintain and support operations within the Entity. This had proven to be more onerous than in previous years as fewer posts could be filled due to a moratorium having been placed on the filling of vacancies.

Notwithstanding the austerity measures the Entity had to navigate during the reporting period and being limited in the number of vacancies that could be filled, existing employees were required to perform additional duties and responsibilities. The Entity is acutely aware of the wellness implications which this may present to employees and has ensured continued support for employees through the services of the Entity's wellness partner, Universal. Wellness remains an increasing consideration for employees, their households and employers globally. With this in mind, the Entity is pleased to have formed a strategic partnership with the Department of Health as part of the WCG's WesternCape on Wellness! (WoW!) initiative.

The limited resources, however, provided opportunities to offer workplace learning through the Entity's Graduate Internship Programme and Work Integrated Learning (WIL) Programme and in doing so, hosted students from five tertiary institutions, in addition to those being hosted from the South African National Biodiversity Institute. This also presented opportunities to consider promoting existing employees and as such, permanent employment was afforded to four employees following their positive contribution whilst part of the EPWP. The significance of EPWP employees cannot be overstated as they play an integral role in day-to-day operations by actively contributing to the Entity's conservation and eco-tourism efforts.

With the turnover of staff and the absorption of additional responsibilities into existing roles, there's a continuous need for optimising talent and ensuring that employees can perform the tasks required. The Entity persevered with monitoring performance through the available mechanisms and supported employees through a variety of training and development programmes. The year had also seen new interventions being facilitated in-house, which was a positive addition for employees during sometimes difficult circumstances.

Further, the Entity commemorated nationally celebrated dates in support of human rights, women's rights and gender-based violence and provided interventions to sensitise employees by co-ordinating disability rights awareness initiatives with well-established support groups.

Despite the challenges, the achievements obtained with the available resources are commendable. The resilience shown by

all in working towards the common objectives speaks to the commitment of the Entity's greatest asset, its employees.

2. HUMAN RESOURCE OVERSIGHT STATISTICS

Table 17: Personnel cost by programme

Programme	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel exp. as a % of total exp.	No. of employees	Average personnel cost per employee (R'000)
Administration and Governance	93 664	43 568	47%	71	614
Biodiversity Capabilities	33 123	19 241	58%	24	802
Conservation Operations	177 088	114 647	65%	739	155
Eco-tourism and Access	93 811	37 732	40%	40	943
Total	397 686	215 188	54%	874	* 246

* This figure calculates the average personnel cost per employee and is determined by dividing the personnel expenditure (215 188) with the number of employees (874).

Table 18: Personnel cost by salary band

Salary Band	Personnel Expenditure R'000)	% of personnel exp. to total personnel cost (R'000)	No. of employees	Average personnel cost per employee (R'000)
Top Management 13 – 15	8 179	4%	5	1 636
Senior Management 11 – 12	27 276	13%	32	852
Professional qualified 9 – 10	45 639	21%	59	774
Skilled 6 – 8	57 651	27%	110	524
Semi-skilled 3 – 5	49 474	23%	158	313
Unskilled 1 – 2	26 969	13%	510	53
Total	215 188	** 101%	874	* 246

* This figure calculates the average personnel cost per employee and is determined by dividing the personnel expenditure (215 188) with the number of employees (874).

** The percentage of personnel expenditure to total personnel cost for individual salary bands is rounded off. As a result, the total percentage exceeds 100%.

Performance Rewards

No performance rewards were disbursed during the period under review.

Table 19: Training costs

Programme	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost	Number of employees trained	Average training cost per employee (R'000)
Programme 1: Administration and Governance	43 568	572	1%	51	11
Programme 2: Biodiversity Capabilities	19 241	305	2%	15	20
Programme 3: Conservation Operations	114 647	66	0%	660	0.1
Programme 4: Eco-tourism and Access	37 732	1 051	3%	30	35
Total	215 188	1 994	1%	756	* 3

* This figure calculates the average training cost per employee and is determined by dividing the training expenditure (1 994) with the number of employees trained (756).

Table 20: Employment and vacancies per programme

Programme	2022/23 No. of Employees	2023/24 Approved Posts	2023/24 No. of Employees	2023/24 Vacancies	% of Vacancies
Programme 1: Administration and Governance	77	94	71	23	24%
Programme 2: Biodiversity Capabilities	26	44	24	20	45%
Programme 3: Conservation Operations	278	340	262	78	23%
Programme 4: Eco-tourism and Access	42	52	40	12	23%
Total	423	530	397	133	* 25%

* This figure calculates the percentage of vacancies and is determined by dividing the number of vacancies (133) with the number of approved posts (530).

Table 21: Employment and vacancies per salary band

Salary band	2022/23 No. of Employees	2023/24 Approved Posts	2023/24 No. of Employees	2023/24 Vacancies	% of Vacancies
Top Management 13+	5	5	5	0	0%
Senior Management 11 – 12	32	39	32	7	18%
Professional qualified 9 – 10	61	92	59	33	36%
Skilled 6 – 8	119	141	110	31	22%
Semi-skilled 3 – 5	166	198	158	40	20%
Unskilled 1 – 2	40	55	33	22	40%
Total	423	530	397	133	* 25%

* This figure calculates the percentage of vacancies and is determined by dividing the number of vacancies (133) with the number of approved posts (530).

Table 22: Employment changes

Salary Band	Employment at beginning of period 01/04/2023	Appointments	Terminations	Employment at end of the period
Top Management 13+	5	2	2	5
Senior Management 11 – 12	32	1	2	32
Professional qualified 9 – 10	61	6	9	59
Skilled 6 – 8	119	6	14	110
Semi-skilled 3 – 5	166	14	23	158
Unskilled 1 – 2	516	142	119	510
Total	899	171	169	874

The table reflects the appointment of Full-Time Equivalents (FTEs) and Board employees, including employees promoted. Terminations are comprised of Board employees and FTEs and include terminations and contracts ending 31 March 2024.

Table 23: Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	2	1%
Resignation	* 108	64%
Dismissal/ Discharged	14	8%
Retirement/ Pensioned	12	7%
Ill health	2	1%
Expiry of contract	16	9%
Other/ absconded/ retrenched	15	9%
Total	169	99%

* The figure is made up of 29 Board employees and 79 FTEs.

** The percentage of total number of staff leaving for the individual reason is rounded off. As a result, the total percentage is reflected at only 99%.

Table 24: Labour Relations: Disciplinary actions taken

Nature of disciplinary action	Number
Verbal Warning	26
Written Warning	49
Final Written warning	36
Dismissal	14



Arid Pincushion (*Leucospermum calligerum*) - De Hoop Nature Reserve

Table 25a: Equity Target and Employment Equity (EE) Status

Salary Band	Male							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	1	1	1	2	1	0	0
Senior Management	3	2	8	3	0	1	10	2
Professional qualified	9	5	11	9	0	0	18	26
Skilled	11	16	28	25	4	1	8	4
Semi-skilled	14	19	78	97	0	2	3	6
Unskilled 1 – 2	45	0	162	178	0	1	1	2
Total	82	43	288	313	6	6	40	40

Table 25b: Equity Target and Employment Equity (EE) Status

Salary Band	Female							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	0	0	1	0	0	2	1
Senior Management	0	0	2	1	3	0	6	3
Professional qualified	3	5	7	7	1	2	10	13
Skilled	17	18	29	27	2	3	11	18
Semi-skilled	21	27	34	56	1	2	7	15
Unskilled	113	112	189	162	0	0	0	0
Total	154	162	261	254	7	7	36	50

Table 25c: Equity Target and Employment Equity (EE) Status

Salary Band	Disabled Staff			
	Male		Female	
	Current	Target	Current	Target
Top Management	0	0	0	0
Senior Management	0	0	0	0
Professional qualified	0	0	0	0
Skilled	0	4	0	4
Semi-skilled	0	1	0	2
Unskilled	8	5	6	3
Total	8	10	6	9



Klipgat Cave - Walker Bay Nature Reserve

PFMA COMPLIANCE REPORT

E



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

I.1 Irregular expenditure

a) Reconciliation of irregular expenditure

Description	2023/24	2022/23
	R'000	R'000
Opening balance	0	0
Adjustment to opening balance	0	0
Opening balance as restated	0	0
Add: Irregular expenditure confirmed	0	0
Less: Irregular expenditure condoned	0	0
Less: Irregular expenditure not condoned and removed	0	0
Less: Irregular expenditure recoverable	0	0
Less: Irregular expenditure not recoverable and written off	0	0
Closing balance	0	0

Reconciling notes

Description	2023/24	2022/23
	R'000	R'000
Irregular expenditure that was under assessment	0	0
Irregular expenditure that relates to the prior year and identified in the current year	0	0
Irregular expenditure for the current year	0	0
Total	0	0

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

Description	2023/24	2022/23
	R'000	R'000
Irregular expenditure under assessment	0	0
Irregular expenditure under determination	0	0
Irregular expenditure under investigation	0	0
Total	0	0

c) Details of irregular expenditure condoned

Description	2023/24	2022/23
	R'000	R'000
Irregular expenditure condoned	0	0
Total	0	0

d) Details of irregular expenditure removed - (not condoned)

Description	2023/24	2022/23
	R'000	R'000
Irregular expenditure NOT condoned and removed	0	0
Total	0	0

e) Details of irregular expenditure recoverable

Description	2022/23	2021/22
	R'000	R'000
Irregular expenditure recoverable	0	0
Total	0	0

f) Details of irregular expenditure written off (irrecoverable)

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

Additional disclosure relating to Inter-Institutional Arrangements

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

Description
None
Total

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

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

i) Details of disciplinary or criminal steps taken as a result of irregular expenditure

Disciplinary steps taken
Not applicable

I.2 Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2023/24	2022/23
	R'000	R'000
Opening balance	0	0
Adjustment to opening balances	0	0
Opening balance as restated	0	0
Add: Fruitless and wasteful expenditure confirmed	50 400	0
Less: Fruitless and wasteful expenditure recoverable	26 880	0
Less: Fruitless and wasteful expenditure not recoverable and written off	0	0
Closing balance	23 520	0

Accommodation cost of R50 400 was incurred due to an accommodation booking process error identified within the central reservation system. Controls have been implemented to prevent the recurrence of similar booking errors within the system

Reconciling notes

Description	2022/23	2021/22
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment	0	0
Fruitless and wasteful expenditure that relates to the prior year and identified in the current year	0	0
Fruitless and wasteful expenditure for the current year	50 400	0
Total	50 400	0

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

Description	2023/24	2022/23
	R'000	R'000
Fruitless and wasteful expenditure under assessment	0	0
Fruitless and wasteful expenditure under determination	0	0
Fruitless and wasteful expenditure under investigation	0	0
Total	0	0

c) Details of fruitless and wasteful expenditure recoverable

Description	2023/24	2022/23
	R'000	R'000
Fruitless and wasteful expenditure recovered	26 880	0
Total	26 880	0

d) Details of fruitless and wasteful expenditure not recoverable and written off

Description	2023/24	2022/23
	R'000	R'000
Fruitless and wasteful expenditure written off	0	0
Total	0	0

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

Disciplinary steps taken
One incident was investigated during the reporting period. The investigation was concluded, and the disciplinary process is currently in progress.

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

a) Details of material losses through criminal conduct

Material losses through criminal conduct	2023/24	2022/23
	R'000	R'000
Theft	0	0
Other material losses	0	0
Less: Recovered	0	0
Less: Not recovered and written off	0	0
Total	0	0

b) Details of other material losses

Nature of other material losses	2023/24	2022/23
	R'000	R'000
None	0	0
Total		

c) Other material losses recovered

Nature of losses	2023/24	2022/23
	R'000	R'000
None	0	0
Total		

d) Other material losses not recoverable and written off

Nature of losses	2023/24	2022/23
	R'000	R'000
None	0	0
Total	0	0



African Penguin (*Spheniscus demersus*) - Stony Point Nature Reserve

2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated Value
	Value	R'000
Valid invoices received	6 306	173 700
Invoices paid within 30 days or agreed period	5 309	144 190
Invoices paid after 30 days or agreed period	991	29 156
Invoices older than 30 days or agreed period (unpaid and without dispute)	7	354
Invoices older than 30 days or agreed period (unpaid and in dispute)	0	0

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

Invoices in dispute were as a result of disputes for services rendered

3. SUPPLY CHAIN MANAGEMENT

3.1 Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Road and campsite repairs at Cederberg Wilderness Area due to flood damage	RODS Construction and Naylor, Naylor and Van Schalkwyk	Limited Bidding	WCNCB 07/09/2021	4 911
Total				4 911

3.2 Contract variations and expansions

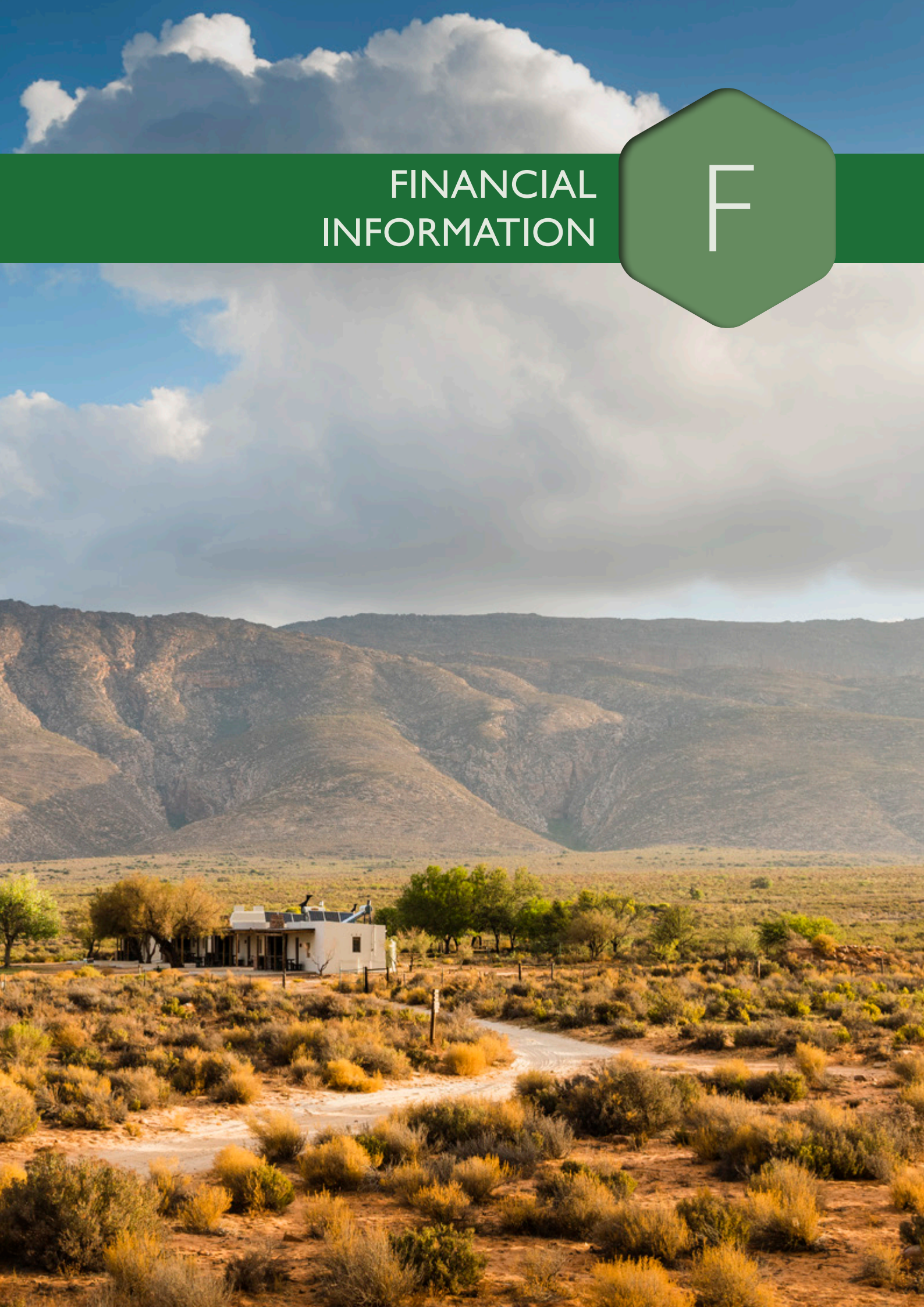
Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
				R'000	R'000	R'000
To provide security guarding services at Assegaaibosch Nature Reserve	BC Security Solutions (Pty) Ltd	Extension	PR-000799 24-hour Security Guarding Services	927	0	36
To provide professional laundry services within the Cederberg Wilderness Area	Betty Jolene Ockhuis t/a BJ Ockhuis	Extension	CN-Laundry Services	R19.95 per l (one) kg of laundry	0	R22.90 per l (one) kg of laundry



Anysberg Nature Reserve

FINANCIAL INFORMATION

F



I. REPORT OF THE EXTERNAL AUDITOR

Report of the auditor-general to the Western Cape Provincial Legislature 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 101 to 140, which comprise the statement of financial position as at 31 March 2024, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as notes to the financial statements.
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 2024 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for opinion

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

Emphasis of matter

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

Uncertainty relating to future outcomes of claims against the public entity

7. With reference to note 26 to the financial statements, the public entity is the defendant in various ongoing litigation and claims. The ultimate outcome of these cases cannot presently be determined and no provision for any liability that may result has been made in the financial statements.

Responsibilities of the accounting authority for the financial statements

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

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

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

10. 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.
11. 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 annual performance report

12. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.
13. I selected the following material performance indicators related to biodiversity capabilities and conservation operations presented in the annual performance report for the year ended 31 March 2024. I selected those indicators that measure the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.
- Percentage of area of state managed protected areas assessed with a Management Effectiveness Tracking Tool (METT) score above 67%
 - Number of work opportunities created through environment sector public employment
 - Number of compliance inspections conducted
 - Number of administrative enforcement notices issued for non-compliance with environmental management legislation
 - Number of completed criminal investigations handed to the NPA for prosecution
 - Number of hectares under the conservation estate
 - Number of Western Cape State of Biodiversity reports completed
 - Number of additional biodiversity stewardship sites established
 - Percentage of complete biodiversity management permits issued within legislated timeframes
14. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.

15. I performed procedures to test whether:
 - the indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives
 - all the indicators relevant for measuring the public entity's performance against its primary mandated and prioritised functions and planned objectives are included
 - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
 - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
 - the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
 - the reported performance information is presented in the annual performance report in the prescribed manner
 - there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.
16. I performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.
17. I did not identify any material findings on the reported performance information for the selected indicators.

Report on compliance with legislation

18. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the public entity's compliance with legislation.
19. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
20. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
21. I did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

22. The accounting authority is responsible for the other information included in the annual report, which includes the chairperson of the board and the audit committee's report. The other information referred to does not include the financial statements, the auditor's report and those selected material indicators in the scoped-in programmes presented in the annual performance report that have been specifically reported on in this auditor's report.
23. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
24. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected material indicators in the scoped-in programmes presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
25. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.
26. I have nothing to report in this regard.

Internal control deficiencies

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

Auditor-General

Cape Town

31 July 2024



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

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

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected material performance indicators and on the public entity's compliance with selected requirements in key legislation.

Financial statements

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

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

Communication with those charged with governance

I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999 (PFMA)	Section 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii); 53(4) Section 54(2)(c); 54(2)(d); 55(1)(a); 55(1)(b) Section 55(1)(c)(i); 56(1); 57(b);
Treasury Regulations, 2005	Regulation 8.2.1; 8.2.2; 16A3.2; 16A3.2(a) Regulation 16A6.1; 16A6.2(a) 16A6.2(b) Regulation 16A6.3(a); 16A6.3(b); 16A6.3(c) Regulation 16A6.3(e); 16A6.4; 16A6.5; 16A6.6 Regulation 16A7.1; 16A7.3; 16A7.6; 16A7.7 Regulation 16A8.3; 16A8.4; 16A9.1(b)(ii) Regulation 16A9.1(d); 16A9.1(e); 16A9.1(f) Regulation 16A9.2; 16A9.2(a)(ii); 30.1.1 Regulation 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1 Regulation 31.1.2(c); 31.2.1 Regulation 33.1.1; 33.1.3
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations 2004	Regulation 17; 25(7A)
Second amendment National Treasury Instruction No. 5 of 2020/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 2020/21	Paragraph 2
National Treasury Instruction No. 5 of 2020/21	Paragraph 4.8; 4.9; 5.3
National Treasury Instruction No. 1 of 2021/22	Paragraph 4.1
National Treasury Instruction No. 4 of 2015/16	Paragraph 3.4
National Treasury SCM Instruction No. 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction No. 03 of 2021/22	Paragraph 4.1; 4.2 (b); 4.3; 4.4(a); 4.17; 7.2; 7.6
National Treasury SCM Instruction No. 11 of 2020/21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1

Legislation	Sections or regulations
Practice Note 11 of 2008/9	Paragraph 2.1; 3.1(b)
Practice Note 5 of 2009/10	Paragraph 3.3
Practice Note 7 of 2009/10	Paragraph 4.1.2
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulations, 2022	Paragraph 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulations, 2017	Paragraph 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2 Paragraph 6.3; 6.5; 6.6; 6.8; 7.1; 7.2; 7.3; 7.5 Paragraph 7.6; 7.8; 8.2; 8.5; 9.1; 10.1; 10.2 Paragraph 11.1; 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

CapeNature
Annual Financial Statements
for the year ended 31 March 2024

2. ANNUAL FINANCIAL STATEMENTS

Index

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

	Page
Accounting Authority's Responsibilities and Approval	100
Statement of Financial Position as at 31 March 2024	101
Statement of Financial Performance	102
Statement of Changes in Net Assets	103
Cash Flow Statement	104
Statement of Comparison of Budget and Actual Amounts	105
Accounting Policies	106
Notes to the Annual Financial Statements	118

Bluebottle
Physalia physalis
De Hoop Nature Reserve



CapeNature
Annual Financial Statements
for the year ended 31 March 2024

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 are 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 members to ensure that the annual financial statements fairly present the state of affairs of the entity as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and were given unrestricted access to all financial records and related data.

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

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

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

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

The Board has reviewed the entity's budget forecast for the year from 1 April 2024 to 31 March 2025 and, in the light of this review and the current financial position, it is satisfied that the entity has access to adequate resources to continue in operational existence for the foreseeable future.

The annual financial statements set out on pages 101 to 140, which have been prepared on the going concern basis, were approved by the accounting authority on 31 May 2024 and were signed on its behalf by:

Marguerite Loubser

Ms Marguerite Loubser
Chairperson of the Board of CapeNature

CapeNature
Annual Financial Statements
for the year ended 31 March 2024

Statement of Financial Position as at 31 March 2024

Figures in Rand	Note(s)	2024	2023 Restated*
Assets			
Current Assets			
Cash and cash equivalents	4	1 15 869 288	134 147 563
Inventories	5	2 167 108	1 749 093
Trade and other receivables from exchange transactions	6	15 659 752	12 912 663
Trade and other receivables from non-exchange transactions	6	1 621 821	3 910 000
		135 317 969	152 719 319
Non-Current Assets			
Intangible assets	7	1 246 109	1 549 719
Property, plant and equipment	8	220 152 807	213 525 415
		221 398 916	215 075 134
Total Assets		356 716 885	367 794 453
Liabilities			
Current Liabilities			
Finance lease obligation	9	6 858 356	4 562 180
Short term employee benefits	10.1	13 463 679	11 577 688
Trade and other payables from exchange transactions	10.2	22 354 794	33 228 255
Trade and other payables from non-exchange transactions	10.3	366 194	210 679
Unspent conditional grants and receipts	11	11 618 261	6 356 000
		54 661 284	55 934 802
Non-Current Liabilities			
Finance lease obligations	9	34 155 799	31 969 481
Unspent conditional grants and receipts	11	24 609 378	27 844 021
Employee benefit obligation	12	4 349 000	4 584 000
		63 114 177	64 397 502
Total Liabilities		117 775 461	120 332 304
Net Assets		238 941 424	247 462 149
Accumulated surplus		198 020 807	179 218 842
Project reserve	13	21 224 668	48 547 358
Revaluation reserve	14	19 695 949	19 695 949
Total Net Assets		238 941 424	247 462 149

* See Note 29

CapeNature
Annual Financial Statements
for the year ended 31 March 2024

Statement of Financial Performance

Figures in Rand	Note(s)	2024	2023 Restated*
Revenue			
Revenue from exchange transactions			
Eco-tourism and access	15	65 998 513	61 503 279
Licences and permits		3 358 400	3 243 294
Interest received	16	8 900 512	8 134 537
Other income	17	4 248 584	7 487 023
Total revenue from exchange transactions		82 506 009	80 368 133
Revenue from non-exchange transactions			
Transfer revenue			
Project grants and donations	18	9 285 035	4 485 012
Fines		1 164 870	317 200
Monetary government grants received	19	293 156 000	292 090 000
Services in kind - office accommodation	7	3 743 848	3 462 024
Total revenue from non-exchange transactions		307 349 753	300 354 236
Total revenue		389 855 762	380 722 369
Expenditure			
Administrative expenses	20	20 260 809	18 669 106
Bad debts written off		-	1 072 763
Debt impairment movement		6 416 782	(1 057 690)
Depreciation and amortisation	8&7	26 775 165	25 660 917
Employee related costs	21	215 187 668	209 397 983
Finance costs	22	13 967 489	13 639 877
Firefighting aircraft hire		8 635 322	5 843 444
Information, communication and technology (ICT) costs		27 981 372	22 114 065
Professional and other services		20 013 902	22 156 445
Repairs and maintenance	8	18 203 236	10 574 350
Stores	5	15 787 721	17 648 753
Training		1 994 217	2 283 997
Transport and travel		22 462 290	21 239 472
Total expenditure		397 685 973	369 243 482
Operating (deficit) surplus		(7 830 211)	11 478 887
(Loss) /Gain on disposal of property, plant and equipment	8	69 823	(448 224)
Impairment loss		(435 519)	(1 139)
Remeasurement loss on trade payables from non-exchange transactions		(324 818)	-
		(690 514)	(449 363)
(Deficit) surplus for the year		(8 520 725)	11 029 524

* See Note 29

CapeNature
Annual Financial Statements
for the year ended 31 March 2024

Statement of Changes in Net Assets

Figures in Rand	Revaluation reserve	Project reserve	Total reserve	Accumulated surplus	Total net assets
Opening balance as previously reported	19 695 949	39 079 825	58 775 774	176 975 739	235 751 513
Adjustments					
Prior year adjustments	-	-	-	771 018	771 018
Restated* Balance at 01 April 2022	19 695 949	39 079 825	58 775 774	177 746 757	236 522 531
Changes in net assets					
Surplus for the year	-	-	-	11 047 106	11 047 106
Transfers out	-	(9 040 467)	(9 040 467)	9 040 467	-
Transfer in	-	18 508 000	18 508 000	(18 508 000)	-
Total changes	-	9 467 533	9 467 533	1 579 573	11 047 106
Opening balance as previously reported	19 695 949	48 547 358	68 243 307	179 326 330	247 569 637
Adjustments					
Prior year adjustments Note 29	-	-	-	(107 488)	(107 488)
Restated* Balance at 01 April 2023 as restated*	19 695 949	48 547 358	68 243 307	179 218 842	247 462 149
Changes in net assets					
Deficit for the year	-	-	-	(8 520 725)	(8 520 725)
Transfers out	-	(29 817 690)	(29 817 690)	29 817 690	-
Transfers in	-	2 495 000	2 495 000	(2 495 000)	-
Total changes	-	(27 322 690)	(27 322 690)	18 801 965	(8 520 725)
Balance at 31 March 2024	19 695 949	21 224 668	40 920 617	198 020 807	238 941 424
Note(s)	14	13			

* See Note 29

CapeNature
Annual Financial Statements
for the year ended 31 March 2024

Cash Flow Statement

Figures in Rand	Note(s)	2024	2023 Restated*
Cash flows from operating activities			
Receipts			
Grants, project funds and tourism revenue		373 664 523	358 013 409
Interest income	16	8 900 512	8 134 537
		382 565 035	366 147 946
Payments			
Employee costs		(213 536 676)	(209 428 901)
Suppliers		(148 100 845)	(113 043 232)
Finance costs	22	(13 967 489)	(13 639 877)
		(375 605 010)	(336 112 010)
Net cash flows from operating activities	23	6 960 025	30 035 936
Cash flows from investing activities			
Purchase of property, plant and equipment	8	(29 603 173)	(36 726 602)
Proceeds from sale of property, plant and equipment	8	1 762 091	188 578
Purchase of other intangible assets	7	-	(2 524)
Transfers property, plant and equipment	8	(1 879 712)	(182 910)
Net cash flows from investing activities		(29 720 794)	(36 723 458)
Cash flows from financing activities			
Movement in finance lease obligations		4 482 494	2 606 442
Net increase/(decrease) in cash and cash equivalents		(18 278 275)	(4 081 080)
Cash and cash equivalents at the beginning of the year		134 147 563	138 228 643
Cash and cash equivalents at the end of the year	4	115 869 288	134 147 563

* See Note 29

CapeNature
Annual Financial Statements
for the year ended 31 March 2024

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Statement of Financial Performance						
Revenue						
Non-tax Revenue						
Sale of goods and services other than capital assets	66 004 000	314 000	66 318 000	73 762 006	7 444 006	34
Entity revenue other than sales	4 648 000	2 178 000	6 826 000	6 617 443	(208 557)	
Departmental transfers	306 742 000	(13 586 000)	293 156 000	293 156 000	-	
Other transfers	16 064 000	25 372 000	41 436 000	9 029 586	(32 406 414)	34
Total revenue	393 458 000	14 278 000	407 736 000	382 565 035	(25 170 965)	
Expenses						
Compensation of employees	(216 971 000)	6 206 000	(210 765 000)	(213 536 676)	(2 771 676)	
Use of goods and services	(137 905 000)	(20 415 000)	(158 320 000)	(156 310 457)	2 009 543	
Payment for capital assets	(38 582 000)	(69 000)	(38 651 000)	(25 238 300)	13 412 700	34
Total expenditure	(393 458 000)	(14 278 000)	(407 736 000)	(395 085 433)	12 650 567	
Deficit for the year	-	-	-	(12 520 398)	(12 520 398)	
Reconciliation						
Basis difference						
Depreciation and amortisation				(26 775 165)		
Services in-kind				3 743 848		
Capital assets				24 872 604		
Working capital changes				7 916 262		
Movement in trade creditors				(5 757 876)		
Actual amount in the Statement of Financial Performance				(8 520 725)		

CapeNature
Annual Financial Statements
for the year ended 31 March 2024

Accounting Policies

I. Presentation of Annual Financial Statements

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

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

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

These accounting policies are consistent with the previous period.

I.1 Presentation currency

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

I.2 Significant judgements and sources of estimation uncertainty

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

Impairment of trade and other receivables

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

Impairment testing

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

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

Post-retirement benefits

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

Useful lives of property, plant and equipment

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

I.3 Going concern assumption

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

I.4 Living and non-living resources

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

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

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

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

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

I.5 Property, plant and equipment

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

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

- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and

CapeNature
Annual Financial Statements
for the year ended 31 March 2024

- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

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

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

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

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

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

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

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

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

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

Any increase in an asset's carrying amount, as a result of a revaluation, is credited directly to a revaluation surplus. The increase is recognised in surplus or deficit to the

extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

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

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

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

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

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses. The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Land	N/A	indefinite
Buildings	Straight-line	50 years
Leasehold improvements	Straight-line	6-50 years
Plant and machinery	Straight-line	2-6 years
Furniture and fixtures	Straight-line	2-15 years
Motor vehicles and boat	Straight-line	4-6 years
IT equipment	Straight-line	2-5 years
Motor vehicles under finance	Straight-line	4-10 years
Infrastructure developments	Straight-line	15-50 years

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

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

CapeNature
Annual Financial Statements
for the year ended 31 March 2024

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

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

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

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

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

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

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

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

1.6 Intangible assets

An asset is identifiable if it either:

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

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

An intangible asset is recognised when:

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

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

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

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

CapeNature
Annual Financial Statements
for the year ended 31 March 2024

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

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

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

1.7 Heritage assets

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

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

Recognition

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

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

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

Initial measurement

Heritage assets are measured at cost.

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

Subsequent measurement

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

Impairment

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

Transfers

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

Derecognition

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

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

1.8 Financial instruments

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

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

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

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

A financial asset is:

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

CapeNature
Annual Financial Statements
for the year ended 31 March 2024

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

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

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

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

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

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

Classification

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

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

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

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

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

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

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

Initial recognition and measurement

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

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

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

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

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

Subsequent measurement

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

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

Trade and other receivables from exchange transactions

Financial assets are assessed for indicators of impairment at year end. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. Appropriate allowances

CapeNature
Annual Financial Statements
for the year ended 31 March 2024

for estimated irrecoverable amounts are recognised in surplus or deficit when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

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

Trade and other payables from exchange transactions

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

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

Derecognition

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

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

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

An entity cannot offset financial assets and financial liabilities in the statement of financial position unless

a legal right of set-off exists, and the parties intend to settle on a net basis.

Cash and cash equivalents

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

1.9 Tax

Current tax assets and liabilities

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

1.10 Leases

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

Finance leases - lessee

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

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

1.11 Inventories

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

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

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

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

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

CapeNature
Annual Financial Statements
for the year ended 31 March 2024

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

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

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

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

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

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

1.12 Impairment

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

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

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

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

Identification

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

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

1.13 Employee benefits

Short-term employee benefits

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

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

Defined contribution plans

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

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

Defined benefit plans

For defined benefit plans the cost of providing the benefits is determined using the projected credit method. Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan.

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

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

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

CapeNature
Annual Financial Statements
for the year ended 31 March 2024

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

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

Provisions are recognised when:

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

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

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

Provisions are not recognised for future operating deficits.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 26. Trade and other payables from non-exchange are measured at fair value through profit or loss.

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

1.15 Revenue from exchange transactions

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

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

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

Measurement

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

Sale of goods

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

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

Rendering of services

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

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

Interest

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

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

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest

CapeNature
Annual Financial Statements
for the year ended 31 March 2024

levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

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

1.16 Revenue from non-exchange transactions

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

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

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

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

Measurement

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

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

Gifts and donations, including goods in-kind

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

Services in-kind

Except for financial guarantee contracts, the entity recognise services in-kind that are significant to its operations and/or service delivery objectives as assets and recognise the related revenue when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

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

1.17 Comparative figures

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

1.18 Fruitless and wasteful expenditure

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

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

1.19 Irregular expenditure

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

- (a) The Public Finance Management Act 1999 (Act no 29 of 1999); or
- (b) The State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act;

CapeNature
Annual Financial Statements
for the year ended 31 March 2024

- or
- (c) Any provincial legislation providing for procurement procedures in that provincial government.

1.20 Budget information

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

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

The approved budget covers the fiscal period from 1 April 2023 to 31 March 2024.

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

1.22 Materiality

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

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

reasonably be expected to be influenced in making and evaluating decisions.

1.23 Events after reporting date

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

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

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

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

1.24 Commitments

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

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

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

2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2024 or later periods:

Guideline: Guideline on Accounting for Landfill Sites

The objective of this guideline: The Constitution of South Africa, 1996 (Act No. 108 of 1996) (the constitution),

CapeNature
Annual Financial Statements
for the year ended 31 March 2024

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

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

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

GRAP 25 (as revised): Employee Benefits

Background

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

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

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

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

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

Key amendments to GRAP 25

The Board agreed to align GRAP 25 with IPSAS 39, but that local issues and the local environment need to be considered. As a result of this decision, there are areas where GRAP 25 departs from the requirements of IPSAS 39. The Board's decisions to depart are explained in the basis for conclusions.

The amendments to GRAP 25 are extensive and mostly affect the accounting for defined benefit plans. A new renumbered Standard of GRAP (e.g. GRAP 39) will not be issued, but rather a new version of the current GRAP 25.

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

Guideline: Guideline on the Application of Materiality to Financial Statements

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

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

CapeNature
Annual Financial Statements
for the year ended 31 March 2024

the Standards of GRAP & References to pronouncements used in the Guideline.

The guideline is encouraged to be used by entities.

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

GRAP 104 (as revised): Financial Instruments

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

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

The most significant changes to the Standard affect:

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

3. Living and non-living resources

Non-financial information

CapeNature works towards its objectives by implementing its mandated functions. In rendering these objectives, the entity manages 30 (2023:30) nature reserve complexes which include six marine protected areas. The nature reserve complexes and marine protected areas house non-living resources as defined. The details of these reserve complexes and marine protected areas can be found in Note 36.

Living Resources

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

Kelp Gull
Larus dominicanus
Robberg Nature Reserve



CapeNature
Annual Financial Statements
for the year ended 31 March 2024

Notes to the Annual Financial Statements

Figures in Rand

2024

2023

4. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	230 859	228 010
Bank balances	115 638 429	133 919 553
	115 869 288	134 147 563

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

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

Credit rating

Nedbank Limited Standard & Poors bb-	115 638 429	133 919 553
--------------------------------------	-------------	-------------

5. Inventories

Uniforms, rations and other consumables	767 775	874 811
Fuel	455 299	279 550
Chemical Stores	944 034	594 732
	2 167 108	1 749 093

5.1 Additional Information

Inventories recognised as an expense during the year	11 333 871	11 825 119
Other stores	4 453 850	5 823 634
	15 787 721	17 648 753

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

CapeNature
Annual Financial Statements
for the year ended 31 March 2024

Notes to the Annual Financial Statements

Figures in Rand

2024

2023

6. Trade and other receivables from exchange transactions

Trade debtors from exchange transactions	6 239 341	3 900 313
Other receivables from exchange transactions	1 686 154	2 435 224
Prepaid expenses	7 734 257	6 577 126
Trade and other receivables from exchange transactions	15 659 752	12 912 663
Trade debtors from non-exchange transactions	1 621 821	3 910 000

Other receivables includes accrued income and subsistence and travel advances.

Prepaid expenses includes payments made to a contractor to facilitate the commencement of infrastructure projects

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	14 797 469	12 453 643
30 days	174 486	235 973
60 days	406 802	203 760
90 days plus	3 854 916	5 028 408
Subtotal	19 233 673	17 921 784
Allowance for impairment of trade and other receivables from exchange	(3 573 921)	(5 009 121)
Trade and other receivables from exchange transactions	15 659 752	12 912 663
Current	2 664 763	3 910 000
30 days	187 040	-
60 days	116 000	-
90 days plus	6 506 000	-
Subtotal	9 473 803	3 910 000
Allowance for impairment of trade and other receivables from non-exchange	(7 851 982)	-
Trade and other receivables from non-exchange transactions	1 621 821	3 910 000

Reconciliation of provision for impairment of trade and other receivables

Opening balance	(5 009 121)	(6 066 811)
(Increase)/decrease in allowance recognised in surplus for impairment	(6 416 782)	1 057 690
	(11 425 903)	(5 009 121)

Included in the provision for bad debt movement is R7 280 000 due for payment from the Department of Forestry, Fisheries, and Environment which has become doubtful based on communications with the department in respect of funds due for the management of the marine protected areas.

CapeNature
Annual Financial Statements
for the year ended 31 March 2024

Notes to the Annual Financial Statements

Figures in Rand

2024

2023

7. Intangible assets

	2024			2023		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	5 504 972	(4 258 863)	1 246 109	17 525 089	(15 975 370)	1 549 719
Services in kind - office accommodation	3 743 848	(3 743 848)	-	3 462 024	(3 462 024)	-
Total	9 248 820	(8 002 711)	1 246 109	20 987 113	(19 437 394)	1 549 719

Reconciliation of intangible assets - 2023

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software	1 549 719	-	(20 572)	(283 038)	1 246 109
Services in kind - office accommodation	-	3 743 848	-	(3 462 024)	-
	1 549 719	3 743 848	(20 572)	(4 026 886)	1 246 109

Reconciliation of intangible assets - 2023

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

Service in kind

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

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

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

CapeNature
Annual Financial Statements
for the year ended 31 March 2024

Notes to the Annual Financial Statements

Figures in Rand

2024

2023

8. Property, plant and equipment

	2024			2023		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Land	7 510 000	-	7 510 000	7 510 000	-	7 510 000
Buildings	13 061 268	(684 014)	12 377 254	13 061 268	(316 763)	12 744 505
Plant and machinery	14 298 146	(9 036 062)	5 262 084	12 247 498	(8 031 095)	4 216 403
Furniture and fixtures	97 924 761	(57 621 327)	40 303 434	98 021 858	(52 899 491)	45 122 367
Motor vehicles	11 264 991	(9 075 676)	2 189 315	12 861 991	(9 660 838)	3 201 153
IT equipment	20 436 958	(18 693 635)	1 743 323	23 066 183	(20 541 535)	2 524 648
Leasehold improvements	28 672 620	(6 873 252)	21 799 368	28 793 860	(5 958 638)	22 835 222
Capital assets under construction	19 560 741	-	19 560 741	16 349 029	-	16 349 029
Motor vehicles under finance leases	52 065 867	(15 905 293)	36 160 574	47 273 481	(15 491 579)	31 781 902
Infrastructure development	90 568 379	(17 321 665)	73 246 714	79 216 799	(11 976 613)	67 240 186
Total	355 363 731	(135 210 924)	220 152 807	338 401 967	(124 876 552)	213 525 415

CapeNature
Annual Financial Statements
for the year ended 31 March 2024

Notes to the Annual Financial Statements

Figures in Rand

2024

2023

8. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals	Transfers	De-preciation	Impairment loss	Total
Land	7 510 000	-	-	-	-	-	7 510 000
Buildings	12 744 505	-	-	-	(367 251)	-	12 377 254
Plant and machinery	4 216 403	3 118 510	(147 918)	-	(1 924 911)	-	5 262 084
Furniture and fixtures	45 122 367	3 919 073	(390 971)	126 686	(8 473 721)	-	40 303 434
Motor vehicles	3 201 153	135 860	(8 326)	-	(1 139 372)	-	2 189 315
IT equipment	2 524 648	700 495	(51 559)	-	(1 430 261)	-	1 743 323
Leasehold improvements	22 835 222	-	(152 872)	-	(882 982)	-	21 799 368
Capital assets under construction	16 349 029	15 173 541	-	(11 961 829)	-	-	19 560 741
Motor vehicles under finance leases	31 781 902	5 708 439	(920 049)	3 210 530	(3 184 729)	(435 519)	36 160 574
Infrastructure development	67 240 186	847 255	-	10 504 325	(5 345 052)	-	73 246 714
	213 525 415	29 603 173	(1 671 695)	1 879 712	(22 748 279)	(435 519)	220 152 807

Reconciliation of property, plant and equipment - 2023

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

CapeNature
Annual Financial Statements
for the year ended 31 March 2024

Notes to the Annual Financial Statements

Figures in Rand

2024

2023

8. Property, plant and equipment (continued)

Pledged as security

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

Proceeds from the sale of property, plant and equipment amounted to R1 762 091 (2023: R188 578).

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

Motor vehicles

334 210

-

Revaluations

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

Capital assets under construction

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

Furniture and fixtures

4 718 811

-

Infrastructure

14 841 930

16 349 029

19 560 741

16 349 029

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

Expenditure incurred to repair and maintain property, plant and equipment

The repairs and maintenance for the year on property, plant and equipment is R18 203 236 (2023: R10 574 350),

however, this includes repairs and maintenance spent on property, plant and equipment that is owned by the Western Cape Department of Infrastructure and excludes the purchase of materials and internal labour costs. Furthermore it should be noted that due to unprecedented floods there was a significant increase in repairs and maintenance.

Materials to the value of R1 122 383 (2023: R2 211 007) was utilised for repairs and maintenance.

Motor vehicles under finance leases

CapeNature leases a range of vehicles from the Government Motor Transport Department. At 31 March 2024, CapeNature rented 134 (March 2023: 133) vehicles. This arrangement is disclosed in note 9 Finance lease obligations and note 27 Related parties.

Contractual commitments for property, plant and equipment acquisitions

Property, plant and equipment to the value of R12 191 741 is expected to be capitalised once the projects are completed and expenditure is incurred. Refer to Note 25.

CapeNature
Annual Financial Statements
for the year ended 31 March 2024

Notes to the Annual Financial Statements

Figures in Rand

2024

2023

9. Finance lease obligations

Finance lease obligations

Long-term portion of finance lease obligation	34 155 799	31 969 481
Current portion of finance lease obligation	6 858 356	4 562 180
Total finance lease obligations	41 014 155	36 531 661

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

CapeNature as Lessee:

Finance Leases relate to permanently allocated vehicles with lease terms between 5 to 14 years. The effective annual interest rate on new vehicles purchased and permanently allocated to CapeNature during the year under review is between 28% and 37%.

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

The obligations under finance leases liabilities are as follows:

Amounts payable under finance leases	Minimum lease payments		Present value of minimum lease payments	
	March 2024	March 2023	March 2024	March 2023
Within one year	20 395 026	18 257 215	6 858 356	4 562 179
In the second to fifth years	53 705 954	52 411 636	33 692 957	31 426 636
Over five years	510 269	673 658	462 843	542 846
Less: Future finance obligations	(33 597 092)	(34 810 847)	-	-
Present value of minimum lease obligations	41 014 156	36 531 661	41 014 156	36 531 661

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

10.1 Short term employee benefits

Employment leave entitlement	8 410 978	7 565 214
13th cheque cash portion	2 024 335	1 625 431
Salary accruals	3 028 366	2 387 043
	13 463 679	11 577 688

10.2 Trade and other payables from exchange transactions

Trade and other payables from exchange transactions	12 457 252	18 215 128
Income received in advance from exchange transactions	9 897 542	15 013 127
	22 354 794	33 228 255

10.3 Trade and other payables from non-exchange transactions

Other payables-current	366 194	210 679
------------------------	---------	---------

CapeNature has financial risk management policies in place to ensure that all payables are paid within the credit time frame. Income received in advance mainly consist of tourism deposits, these deposits relate to client accommodation and other tourism related bookings.

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

CapeNature
Annual Financial Statements
for the year ended 31 March 2024

Notes to the Annual Financial Statements

Figures in Rand

2024

2023

11. Unspent conditional grants and receipts

Year to date movement

Balance at the beginning of the year	34 200 021	36 015 837
Repayments during the year	-	(3 760 090)
Additions during the year	10 651 408	6 390 183
Income recognition during the year	(8 623 790)	(4 445 909)
	36 227 639	34 200 021
Non-current liabilities	24 609 378	27 844 021
Current liabilities	11 618 261	6 356 000
	36 227 639	34 200 021

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

12. Employee benefit obligations

Defined benefit plan

Post-retirement medical aid plan

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

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

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

Opening balance	4 795 000	4 795 000
Net (income) expense recognised in the statement of financial performance (Note 21)	(211 000)	(211 000)
	4 584 000	4 584 000

Net expense recognised in the statement of financial performance

Current service cost	14 000	24 000
Interest cost	455 000	458 000
Actuarial (gains) losses	(408 926)	(449 640)
Curtailment	(295 074)	(243 360)
Total included in employee related costs (Note 21)	(235 000)	(211 000)

CapeNature
Annual Financial Statements
for the year ended 31 March 2024

Notes to the Annual Financial Statements

Figures in Rand

2024

2023

12. Employee benefit obligations (continued)

Key assumptions used

Assumptions used in the last valuation 31 March 2024:

	60	60
Discount rates used	Yield curve	Yield curve

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

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

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

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

The normal retirement age of 60 years was used.

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

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

	2024	2023
Number of members included as active members	9	13
Number of members included as pensioners	45	40
	54	53

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

Sensitivity Analysis

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

	1% point increase	1% point decrease
Projected interest costs	427 000	476 000
Projected service costs	8 000	9 000
Post-employment benefit obligation	4 138 000	4 582 000

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

	2024	2023	2022	2021	2020
Defined benefit obligation	4 349 000	4 584 000	4 795 000	5 348 000	4 387 000

CapeNature
Annual Financial Statements
for the year ended 31 March 2024

Notes to the Annual Financial Statements

Figures in Rand

2024

2023

12. Employee benefit obligations (continued)

Defined contribution plan

Pension benefits:

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

As at March 2024 the entity employed 880 staff of which 423 are permanent employees. There are 58 members belonging to the GEPF and 248 members belonging to the OMSPF.

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

13. Project Reserve

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

Transfers in and out are approved by the CapeNature board.

The significant increase in the transfers out relates to unprecedented floods and fires which took place in the current financial year, which resulted in the need for additional repairs and maintenance, and air support respectively

Opening balance	48 547 358	39 079 825
Transfer out	(29 817 690)	(9 040 467)
Transfer in	2 495 000	18 508 000
	21 224 668	48 547 358

14. Revaluation reserve

Opening balance

19 695 949

19 695 949

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

Revaluations are performed every three years.

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

15. Eco-tourism

Accommodation	19 661 609	20 012 385
Entrance fees, hiking and activities	35 912 326	34 741 987
Wild card sales	3 026 952	2 619 905
Filming fees	696 729	902 350
Public Private Partnership Business income	6 700 897	3 226 652
	65 998 513	61 503 279

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

CapeNature
Annual Financial Statements
for the year ended 31 March 2024

Notes to the Annual Financial Statements

Figures in Rand

	2024	2023
16. Interest Received		
Interest revenue		
Bank interest	8 900 512	8 134 537
17. Other income		
Insurance recoveries	334 210	-
Natural Resource Management income: DFFE	-	4 123 670
Staff and private accommodation	325 769	392 861
Recoveries and other	3 588 605	2 970 492
	4 248 584	7 487 023
18. Project grants and donations		
Operating grants		
Donations	661 245	39 103
Project grants (Note 11)	8 623 790	4 445 909
	9 285 035	4 485 012
19. Monetary government grants received		
Provincial allocation	293 156 000	292 090 000
20. Administrative expenses		
Commission paid	1 470 990	1 248 365
Conference and meeting costs	863 345	768 241
Electricity	7 620 284	6 552 063
Insurance	688 614	559 939
Lease: office equipment	962 623	1 069 086
Marketing and advertising	4 087 374	3 380 123
Municipal services	1 690 879	1 502 440
Professional membership fees	1 638 793	1 647 956
Other	1 237 907	1 940 893
	20 260 809	18 669 106

CapeNature
Annual Financial Statements
for the year ended 31 March 2024

Notes to the Annual Financial Statements

Figures in Rand

	2024	2023
21. Employee related costs		
Leave pay accrual movement	845 765	516 043
Overtime payments	6 382 705	5 967 490
Post-employment pension benefits	14 755 062	14 092 935
Post-retirement medical benefit movement (note 12)	(235 000)	(211 000)
Salaries and wages	193 439 136	189 032 515
	215 187 668	209 397 983

Remuneration of board members

Included in the salaries and wages above are the fees paid to the board members (non-executive management) of R247 368 (March 2023: R211 461). Refer to note 28..

22. Finance costs

Finance costs on leases	13 966 711	13 602 258
Interest charged	778	37 619
	13 967 489	13 639 877

23. Cash generated from operations

(Deficit) surplus	(8 520 725)	11 029 524
Adjustments for:		
Depreciation and amortisation	26 775 165	25 660 917
Gain/(loss) on sale of assets	(69 823)	448 224
Services in kind - office accommodation	(3 743 848)	(3 462 024)
Impairment on property, plant and equipment	435 519	1 139
Movements in retirement benefit assets and liabilities	(235 000)	(211 000)
Salary accruals	1 885 990	180 083
Income received in advance	(5 115 585)	(2 450 916)
Inventories	(418 015)	(138 016)
Trade and other receivables from exchange and non-exchange transactions	(458 910)	(6 845 667)
Trade and other payables from exchange transactions	(5 602 361)	7 639 488
Unspent conditional grants and receipts	2 027 618	(1 815 816)
	6 960 025	30 035 936

CapeNature
Annual Financial Statements
for the year ended 31 March 2024

Notes to the Annual Financial Statements

Figures in Rand

2024

2023

24. Categories of financial instruments

Financial assets

Trade and other receivables from exchange transactions (Note 6)	7 925 495	6 335 536
Trade and other receivables from non-exchange transactions (Note 6)	1 621 821	3 910 000
Cash and cash equivalents (Note 4)	115 869 288	134 147 563
	125 416 604	144 393 099

Financial liabilities

Trade and other payables from exchange transactions (Note 10.2)	12 457 252	18 215 128
Finance Lease obligations (Note 9)	41 014 156	36 531 661
	53 471 408	54 746 789

25. Commitments

25.1 Authorised capital expenditure

Already contracted for but not provided for

Anysberg solar PV	-	630 319
Cederberg infrastructure upgrades	-	20 385
Computer hardware	-	32 006
De Mond infrastructure upgrades	-	1 707 565
Infrastructure planning	905 234	-
Grootvadersbosch Scolopia upgrades	-	323 178
Grootvadersbosch solar PV	-	289 409
Grootvadersbosch water filtration system	-	23 213
Kogelberg Oudebosch Cabin Maintenance	670 391	-
Hottentots Holland: Picnic Area	-	412 128
Office furniture	960 992	-
Pedestrian footbridge	1 413 792	-
Perimeter Fencing	4 482 924	-
Robberg Nature Reserve sewerage upgrade	192 274	-
Riverlands infrastructure upgrades	-	581 808
Rocherpan fencing	-	34 909
Vrolijkheid SOG	-	364 105
Vrolijkheid Upgrades	3 566 134	-
Walker Bay fencing	-	18 826
Wolwekloof infrastructure upgrades	-	868 739
	12 191 741	5 306 590

CapeNature
Annual Financial Statements
for the year ended 31 March 2024

Notes to the Annual Financial Statements

Figures in Rand

	2024	2023
25.2 Operating leases - as lessee (expense)		
Minimum lease payments due		
- within one year	938 102	-
- in second to fifth year inclusive	1 876 204	-
	2 814 306	-

Photocopy machine lease agreements have been put in place from January 2024 for a period of 3 years and the rentals are fixed for the duration of the lease term.

25.3 Operating lease arrangement

Motor vehicles

Operating leases relate to 2 vehicles with anticipated remaining lease terms of 32 months as at 31 March 2024. The entity does not have an option to purchase the leased assets at the expiry of the leased period.

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

26. Contingencies

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

Contingent liabilities

MTO and Cape Sawmills vs CapeNature	33 616 497	33 616 497
Botha E vs CapeNature	490 000	490 000
Badenhorst vs CapeNature	38 356	38 356
October M and October R vs CapeNature	1 400 000	1 400 000
Fourie CJ vs CapeNature	5 243 116	5 243 116
P Beukes vs CapeNature	3 250 750	3 250 750
Geelhoutvlei Timbers CC vs CapeNature	13 488 244	13 488 244
Gebroeders Niewoudt vs CapeNature	3 135 309	3 135 309
MTO/Garcia Plantation vs CapeNature	3 447 621	3 447 621
Mooiuitsig (the residents of Betty's Bay) vs CapeNature	15 449 432	15 449 432
Knysna Municipality vs CapeNature	56 228	56 228
Lismore Estates vs CapeNature	27 911 316	27 911 316
SANParks/ GHVL/ Oelf vs CapeNature	165 826 856	165 826 856
SANParks/ Oelf vs CapeNature	8 757 061	8 757 061
Gohl vs CapeNature	-	36 585
Momentum Insure(Bagnall) vs CapeNature	49 066	-
Van Niekerk vs CapeNature	1 034 998	-
MTO/Boesmanskloof vs CapeNature	14 696 968	-
	297 891 818	282 147 371

CapeNature
Annual Financial Statements
for the year ended 31 March 2024

Notes to the Annual Financial Statements

Figures in Rand

2024

2023

26. Contingencies (continued)

The case of MTO and Cape Sawmills vs CapeNature is in respect of fire damage in Jonkershoek - 23 and 28 February 2009. The case of Botha E vs CapeNature is in respect of a civil claim relating to an employee relations matter.

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

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

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

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

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

The case of Gebroeders Niewoudt vs CapeNature is in respect of a fire claim in the Clanwilliam area. The case of MTO/ Garcia Plantation vs CapeNature is in respect of fire damage in the Riverdale area.

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

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

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

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

The case Van Niekerk vs CapeNature is in respect of the plaintiff driving a motor vehicle on the R27, a public road, when a collision occurred between itself and a horse.

The case of Momentum Insure(Bagnali) vs CapeNature is in respect of a motor vehicle accident on the N2, when a collision occurred between itself and an employee of the Board who had been driving a GG during course and scope of their employment.

The case of MTO/Boesmanskloof vs CapeNature is in respect of a fire originated in the vicinity of Boesmanskloof where it spread from CapeNature property and then subsequently spread to MTO property.

Contingent liabilities due to dispute

The dispute with the Garden Route District Municipality has been partly resolved, CapeNature paid the R1 892 954, and the municipality wrote off the balance of R780 000. However, there remains a balance of R1 051 235 the municipality still has to pay CapeNature relating to George fires in prior years.

Legal fees

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

CapeNature
Annual Financial Statements
for the year ended 31 March 2024

Notes to the Annual Financial Statements

Figures in Rand

2024

2023

27. Related parties

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

Western Cape Department of Transport and Public Works (DTPW)

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

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

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

Western Cape Department of Infrastructure

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

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

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

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

Services in kind - office accommodation received - 2024 R3 743 849

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

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

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

In the year under review, CapeNature received R293 156 000 (March 2023: R292 090 000) as a provincial grant from the Department of Environmental Affairs and Planning.

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

CapeNature
Annual Financial Statements
for the year ended 31 March 2024

Notes to the Annual Financial Statements

Figures in Rand

2024

2023

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

The following persons are employed by CapeNature in their respective executive capacities during the financial year.

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

No performance bonuses were paid in this financial year.

Executive Management Emoluments

March 2024

	Basic salary	Contributions	Travel and reimbursive allowances	Leave pay	Total
Naidoo A - Chief Executive Officer*	377 382	51 462	6 086	-	434 930
Omar R - Chief Executive Officer**	1 468 266	152 405	32 035	311 333	1 964 039
Bhayat M - Chief Financial Officer	1 433 289	2 125	3 740	-	1 439 154
Birss C - Biodiversity Capabilities	1 132 679	63 809	32 204	-	1 228 692
Hayward N - Conservation Operations***	968 500	1 771	29 208	-	999 479
Baard E - Conservation Operations****	283 519	43 855	11 711	62 822	401 907
Ismail S - Marketing and Eco Tourism	1 285 418	172 545	105 792	-	1 563 755
	6 949 053	487 972	220 776	374 155	8 031 956

March 2023

	Basic salary	Contributions	Travel and reimbursive allowances	Total
Omar R - Chief Executive Officer	1 695 496	191 668	76 563	1 963 727
Bhayat M - Chief Financial Officer	1 367 946	2 125	4 101	1 374 172
Birss C - Biodiversity Capabilities	1 097 173	43 983	67 891	1 209 047
Baard E - Conservation Operations	1 103 832	163 864	32 483	1 300 179
Ismail S - Marketing and Eco Tourism	1 218 656	170 967	129 011	1 518 634
	6 483 103	572 607	310 049	7 365 759

*Naidoo A was appointed 1 January 2024.

**Omar R retired on 31 December 2023.

***Hayward N was appointed 1 June 2023.

****Baard E retired on 30 June 2023.

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

CapeNature
Annual Financial Statements
for the year ended 31 March 2024

Notes to the Annual Financial Statements

Figures in Rand

	2024	2023
--	------	------

March 2024

	Remuneration	Reimbursement	Total
Hendricks D - Chairperson	49 545	-	49 545
Maneveldt G - Vice Chairperson	39 351	-	39 351
Loubser M	34 596	-	34 596
Johnson C	34 596	8 074	42 670
Burton M	32 649	-	32 649
Redlinghuis A	13 629	-	13 629
Slack P	34 371	557	34 928
	238 737	8 631	247 368

Board Members' Emoluments

March 2023

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

Independent Committee Members (Audit, Finance and ICT)

March 2024

	Remuneration
Devcharran N	14 661
Moser L	17 403
	32 064

March 2023

	Remuneration
Devcharran N	11 688
Van Staaden B (term ended on 31 May 2022)	6 378
Moser L (appointed on 1 June 2022)	11 804
	29 870

CapeNature
Annual Financial Statements
for the year ended 31 March 2024

Notes to the Annual Financial Statements

Figures in Rand

2024

2023

29. Prior period errors and reclassifications

Conditional Grants

Amendments were made to the Marine Protected Area service provider invoices issued for the 2022/23 financial year post year end. It was identified that invoices for deferred income due to the entity for the 2022/23 financial year were understated by R800 000.

Post year end disposal of assets

During the prior year asset disposals took place post year end, and subsequently, the net impact of depreciation and the cost of the assets disposed was accounted for incorrectly. Trade and other payables was therefore overstated by R9 070.

Public Private Partnership Business income

The accrued income was estimated incorrectly and revised due to new information received from the partner. Eco-Tourism revenue was thus overstated by R8 512, Retained earnings by R89 807 and trade and other receivables was by R98 419.

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

	As previously reported 2022/23	Correction of error	Restated 2022/23
Statement of financial position			
Trade and other receivables from exchange transactions	13 011 082	(98 419)	12 912 663
Trade and other receivables from non-exchange transactions	3 110 000	800 000	3 810 000
Unspent conditional grants and receipts: Current	(5 556 000)	(800 000)	(6 356 000)
Trade and other payables from exchange transactions	(33 219 186)	(9 070)	(33 228 256)
Accumulated surplus	(179 326 330)	107 488	(179 218 842)
Statement of financial performance			
Eco-tourism	(61 511 791)	8 512	(61 503 279)
(Loss) /Gain on disposal of property, plant and equipment	439 154	9 070	448 224
Cash flow statement			
Suppliers	(113 052 302)	9 070	113 043 232
Proceeds from sale of property, plant and equipment	197 648	(9 070)	188 578

CapeNature
Annual Financial Statements
for the year ended 31 March 2024

Notes to the Annual Financial Statements

Figures in Rand

2024

2023

30. Risk management

Financial risk management

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

Liquidity risk

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

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

At 31 March 2024

	Less than 1 year	Between 2 and 5 years
Finance lease obligations	6 858 356	34 155 800
Trade and other payables	12 457 252	-

At 31 March 2023

	Less than 1 year	Between 2 and 5 years
Finance lease obligations	4 562 180	31 969 481
Trade and other payables	18 215 128	-

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 2024, 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 247 790 (March 2023: R1 359 706) higher or lower, mainly as a result of higher or lower expense on floating rate investments.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The entity only deposits cash with major banks with high quality credit standing.

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.

CapeNature
Annual Financial Statements
for the year ended 31 March 2024

Notes to the Annual Financial Statements

Figures in Rand

2024

2023

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

Financial instrument

Trade and other receivables

9 547 316

10 245 536

Cash and cash equivalents

115 869 288

134 147 563

31. Events after the reporting date

No events after reporting date was identified.

32. Fruitless and wasteful expenditure

Add: Fruitless and wasteful expenditure identified - current

50 400

-

Less: Amount recovered - current

(26 880)

-

Closing balance

23 520

-

Information on any disciplinary steps taken as a result of fruitless and wasteful expenditure is included in the annual report under the PFMA Compliance Report.

33. Irregular expenditure

No irregular expenditure has been identified for the financial year.

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

Sale of goods and services other than capital assets

Tourism income exceeded expectations for the current financial year substantially. A conservative approach was followed when setting the targets due to forced closures as a result of flooding.

Other Transfers

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

Expenditure

Payment for capital assets

There were multiple delays experienced due to the impact of floods, National Treasury instructions to pause projects due to projected budget cuts and procurement challenges.

35. Budget differences

Changes from the approved budget to the final budget

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

CapeNature
Annual Financial Statements
for the year ended 31 March 2024

Notes to the Annual Financial Statements

2024

36. Heritage Assets

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

The entity manages 30 (2023:30) 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	87 053
Babylonstoren	1 569
Bird Island	394
Cederberg	79 689
Dassen Island	738
De Hoop	62 977
De Mond	1 593
Dyer Island	290
Gamkaberg	39 997
Geelkrans	4 601
Goukamma	8 331
Grootvadersbosch	26 167
Grootwinterhoek	27 519
Hottentots Holland	48 181
Islands and Rocks	500
Kammanassie	27 056
Keurbooms River	895
Knersvlakte	85 745
Kogelberg	26 560
Limietberg	45 187
Marloth	14 227
Outeniqua	39 296
Riverlands	1 715
Robberg	2 809
Rocherpan	1 076
Salmonsdam	712
Swartberg	131 504
Vrolijkheid	28 559
Walker Bay	6 225
Waterval	27 323
	828 488

CapeNature
Annual Financial Statements
for the year ended 31 March 2024

Notes to the Annual Financial Statements

2024

37. Going concern

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



Blue Crane
Grus paradisea
De Hoop Nature Reserve





PHYSICAL ADDRESS

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

POSTAL ADDRESS

CapeNature
Private Bag X29
Gatesville
7766

TELEPHONE

+27 087 087 9262

WEBSITE

www.capenature.co.za

PR 171/2024

ISBN: 978-1-77997-052-7