

ANNUAL REPORT

2018 / 2019



Freedom[®]
PARK

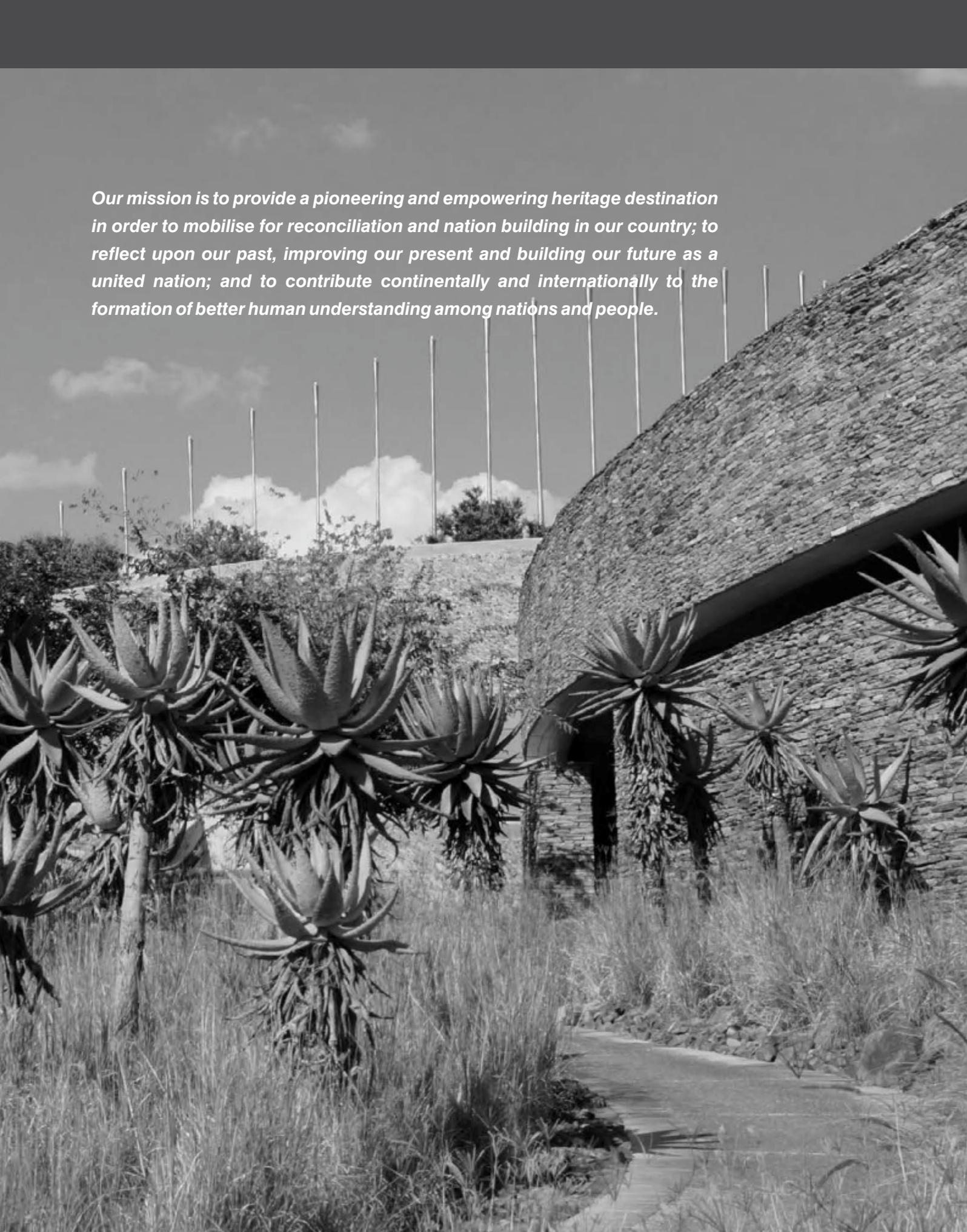
a heritage destination

an agency of the
Department of Arts and Culture





Our mission is to provide a pioneering and empowering heritage destination in order to mobilise for reconciliation and nation building in our country; to reflect upon our past, improving our present and building our future as a united nation; and to contribute continentally and internationally to the formation of better human understanding among nations and people.



FREEDOM PARK COUNCIL AND EXECUTIVE MANAGEMENT



Back Row: Mr MS Mpanza, Ms W Jabosigo, Mr T Sithole, Dr P Dala
Front Row: Ms F Mohamed, Mr MCR Makopo, Ms Jane Mufamadi, Kgosi EM Mabalane, Dr MR Raphalalani, Mr R Nyandeni



Ms Modjadji Makoela: HOD Public Participation, Mr Tlou Makhura: HOD Heritage and Knowledge,
Mr Thabo David Tshweu: Park Operation, Ms Sharon Kekana: HOD Human Resource, Ms Jane Mufamadi: Chief Executive Officer,
Ms Masesi Koto: Company Secretary, Mr Mphume Llale: Chief Financial Officer

TABLE OF CONTENTS

PART A: GENERAL INFORMATION

FOREWORD BY THE CHAIRPERSON	5
CHIEF EXECUTIVE OFFICER'S OVERVIEW	7

PART B: PERFORMANCE INFORMATION

SITUATIONAL ANALYSIS	17
PROGRAMME PERFORMANCE REPORT 2018-2019	19

PART C: GOVERNANCE

EXECUTIVE AUTHORITY	49
THE ACCOUNTING AUTHORITY/COUNCIL	50
RISK MANAGEMENT	55
INTERNAL CONTROL UNIT	55
INTERNAL AUDIT AND AUDIT COMMITTEES	56
COMPLIANCE WITH LAWS AND REGULATIONS	57
FRAUD AND CORRUPTION	57
MINIMISING CONFLICT OF INTEREST	58
CODE OF CONDUCT	58
HEALTH, SAFETY AND ENVIRONMENTAL ISSUES	58
COMPANY SECRETARY	59
SOCIAL RESPONSIBILITY	59
AUDIT AND RISK COMMITTEE REPORT	60

PART D: HUMAN RESOURCE MANAGEMENT

INTRODUCTION	62
HUMAN RESOURCE OVERSIGHTS STATISTICS	63

PART E: FINANCIAL INFORMATION

REPORT OF THE AUDITOR-GENERAL	70
ACCOUNTING AUTHORITY'S RESPONSIBILITIES AND APPROVAL	76
ANNUAL FINANCIAL STATEMENTS	77



PART A:

GENERAL INFORMATION



PUBLIC ENTITY'S GENERAL INFORMATION

Registered Name	Freedom Park
Registration Number	GG NO 31443 of 26 September 2008
Physical Address	Corner Koch Street and 7th Avenue Salvokop Pretoria 0001
Postal Address	PO Box 2710 Pretoria 0001
Telephone Number	+27 012 336 4000
Fax Number	+27 012 336 4021
Email Address	info@freedompark.co.za
Website Address	www.freedompark.co.za
External Auditors	Auditor-General of South Africa
Bankers	Nedbank
Company/Board Secretary	RM Koto



LIST OF ABBREVIATIONS/ACRONYMS

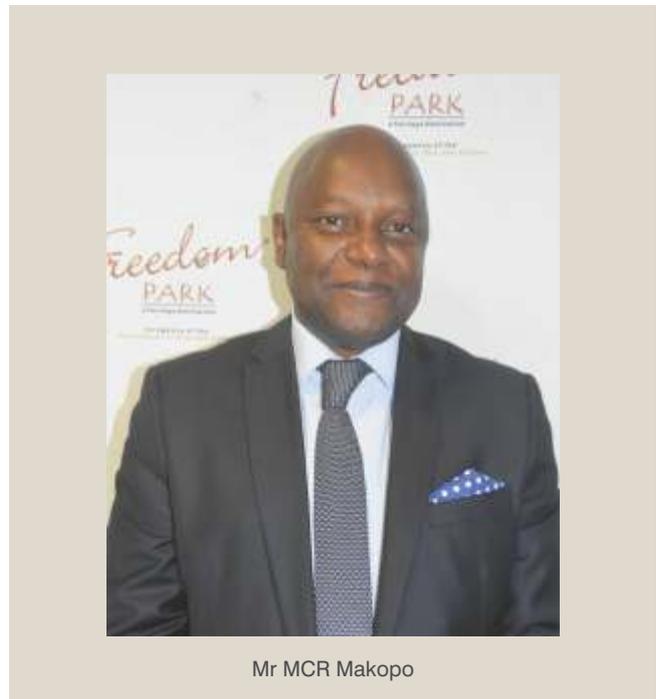
AGSA:	Auditor-General of South Africa
BBBEE:	Broad Based Black Economic Empowerment
CACPIR:	Center for the Advancement of Citizenry Participation in International Relations
CBD:	Central Business District
CEO:	Chief Executive Officer
CFO:	Chief Financial Officer
CRM:	Customer Relations Manager
CTMM:	City of Tshwane Metro Municipality
DAC:	Department of Arts and Culture
DH:	Departmental Head
EXCO:	Executive Committee
HK:	Heritage & Knowledge
ICT:	Information Communication Technology
MTEF:	Medium Terms Expenditure
NEHAWU:	National Education Health and Allied Workers Union
PAA:	Pan African Archives
PFMA:	Public Finance Management Act
SALI:	South African Landscapers Institute
SCM:	Supply Chain Management
SLA:	Service Level Agreement
SMME:	Small Medium and Micro Enterprises
TR:	Treasury Regulations



FOREWORD BY THE CHAIRPERSON

The year 2018/2019 was historic, and a turning point for our young democracy. It is a year in which the hosting of the sixth democratic elections was announced. The year that heralded the inauguration of the fifth President of the Republic of South Africa.

A profusion of activities that speaks to the entity's mandate took place in the year in review. It was befitting and indeed gratifying for the entity to celebrate through a variety of activities including the Centenaries of the freedom stalwarts; late President Nelson Mandela and Mama Albertina Sisulu. The year under review recorded significant progress. The Minister of Arts and Culture appointed a New Council, with effect from 1 September 2018 when the term of the previous Council Members ended. The New Council provided impetus in the execution of the outstanding 12 of 22 key goals, whose aim is to enhance the entity's governance and reputation.



STRATEGIC OVERVIEW

Despite the financial constraints the entity has improved its annual performance targets as compared the previous financial year. An improvement in the current financial year 2018/2019 audit opinion of the Auditor-General was also received resulting in an unqualified audit opinion with findings compared to a qualified audit opinion in the previous financial year 2017/2018. Our main shareholder the Minister, Council, Management and Staff natured a working environment that was conducive to positive performance.

Ground-breaking objectives were implemented as a result of the formation of oversight committees. These committees were responsible for overseeing the implementation of the integrated strategy, as led by Council. In addition, the Council made determination of policy and levels of materiality to ensure the integrity of Freedom Park.

During the 2019/2018 financial year Freedom Park reported a deficit after provision for depreciation and amortisation of assets. A decrease in the total revenue gave rise to financial constraints and resulted in various strategic and maintenance projects being deferred to following financial years. Although operational activities were strained the entity maintained a positive cash flow.

The image and positioning of Freedom Park remained in good standing during the year under review. The Council is satisfied with the programmes put in place to manage the reputation and positioning of the organisation. The Council is also satisfied with the entity's internal control systems that safeguard the integrity and reliability of the Financial Statements, as well as the assets.

The entity has done well in supporting the shareholder imperatives on programmes relating to social cohesion, nation building and reconciliation. We have continued with our reconciliation mission with Voortrekker Monument. This initiative aims to educate our people on the contrasting history and heritage of our country to build a better future. Our drive was, however, not only limited to Voortrekker Monument, but to all our stakeholders who share the same vision of uniting the South African society.

Freedom Park has zero tolerance to fraud and corruption. Council has made provision through policies to prevent fraud and corruption within the organisation. The necessary awareness training was conducted through management processes to continue combatting such activities. We applaud our Management and staff for a seamless execution of these policies.

FOREWORD BY THE CHAIRPERSON (CONTINUED)

STRATEGIC OVERVIEW (CONTINUED)

The realignment of Freedom Park with the purpose of achieving an effective and efficient structure to support strategic initiatives, was finally concluded. The next financial year will focus on the implementation. We hope this will support both the turnaround strategy and the cost reduction initiatives, which have already gained momentum.

STRATEGIC RELATIONSHIPS

The Presidency, the Department of International Relations and the Department of Arts and Culture consistently referred numerous high-level international delegates to Freedom Park for courtesy visits. The entity was honoured to welcome the following dignitaries:

- The Deputy President of South Africa - Mr Mabuza
- The Speaker of Parliament - Ms Baleka Mbete
- H.E. Ambassador LIN Songtian: Ambassador Extraordinary and Plenipotentiary of the People's Republic of China
- AMB Jessica Lapenn and Deputy Chief of Mission Elizabeth Mc Kay from the USA
- The Cuban Minister of Health - Roberto Morales Ojeda
- Mr Jany Fournier - Mayor of Longueval from France

The entity has since its inception maintained a cordial working relationship with most government departments from national, provincial and local governments, other entities/agencies, non-governmental organisations, academic institutions, chapter 9 institutions as per the constitution, embassies, inter-faith based organisations, business fraternities, political parties, tourism agencies, traditional leaders, communities, and so on.

CHALLENGES FACED BY THE COUNCIL

There are challenges relating to the maintenance of Freedom Park assets due to consistent budgetary constraints. This is key to the overall experience we give to our visitors at the Park. A funded enterprise-wide maintenance plan is therefore critical to keep the Park fully functional and to maintain its reputation as an architectural heritage site. We are considering various strategic interventions that will ensure the Park stays up to standard.

The initiation of all capital projects to bring Freedom Park elements to completion is equally critical. The attraction of funding partners to collaborate on some of the social cohesion initiatives, as well as capital projects will remain a focus for Council.

THE YEAR AHEAD

Council has engaged in new goals which align with the sixth government administration. We will support the new government priorities. We will work with existing and envisaged strategic partners in achieving set goals and strategies. Key to our strategic partners is Staff and Management who always work tirelessly to ensure achievement of these strategies.

ACKNOWLEDGEMENT / APPRECIATION

The continued unequivocal support from the DAC Minister, Council, CEO, Management and Staff has been remarkable. This support has made it possible for Council to achieve its strategic objectives.

CONCLUSION

As we look into the next financial year, we embrace the new dawn and the Thuma Mina spirit. We celebrate the hard earned 25 years of freedom and democracy. We look into intensifying our efforts to contribute towards more years of enjoying our democracy and freedom.



Mr MCR Makopo
Chairperson Freedom Park
31 July 2019

CHIEF EXECUTIVE OFFICER'S OVERVIEW

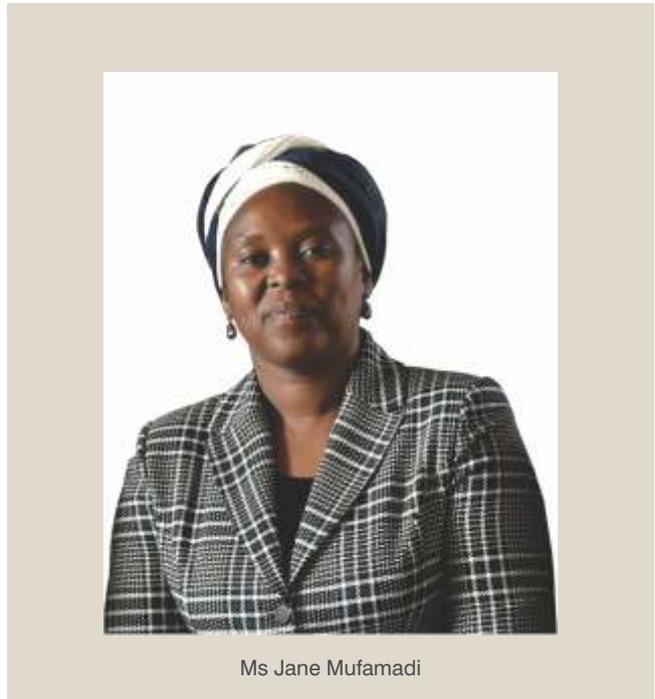
During the year under review, Freedom Park achieved 88% of its set targets, which is a milestone in that it is an improvement from the previous year. The end of the year shortfall is always caused by the deferment of targets in the fourth quarter to the following year, due to budgetary constraints. Government continues to reduce its contribution, which always has a negative impact on the performance of the entity.

Nevertheless, the institution continues to achieve satisfactory performance regardless of its financial challenges. This is partly because of established and nurtured stakeholder relationships.

This year the country and the world celebrated the Nelson Mandela Centenary under the theme "Be the Legacy".

In 1999 he said, "...the day should not be far off, when we shall have a people's shrine, a Freedom Park, where we shall honour with all the dignity they deserve, those who endured pain so we should experience the joy of freedom".

Government has also called upon all South Africans to celebrate Women's Month under the theme, "100 years of Albertina Sisulu - Women United in Moving South Africa Forward".



Freedom Park has commemorated these two struggle stalwarts through a series of events, in collaboration with various partners such as the Charlotte Maxeke Foundation, Brand SA, Department of Women, National Heritage Council and others.

Freedom Park continued in celebration of heroes and heroines who fought for our hard-earned democracy and freedom. This was done through various projects as outlined in our Annual Performance Plan. To date, approximately 139 895 names have been inscribed on the Wall of Names in commemoration of these heroes and heroines.

Signing Memoranda of Understanding with, among others, inbound and outbound tour operators; including international tour operators from India and China have contributed to an increase in visitor numbers. Arranging and hosting consultative seminars in conjunction with various stakeholder groups have enhanced our social cohesion and nation-building responsibilities.

Public awareness was boosted significantly through the media channels throughout the year under review. The organisation hosted a number of high-profile local and foreign visitors including trade delegations, politicians, ambassadors and activists. These visits surely are an indication of the enormous interest that the Park has generated during the period of review.



CHIEF EXECUTIVE OFFICER'S OVERVIEW (CONTINUED)

RISK MANAGEMENT

The institution is well equipped to promptly identify and mitigate all risks to ensure the smooth delivery of administration and the implementation of all set programmes. In compliance with good corporate governance, Council approved the Enterprise Risk Management Policy.

Ten strategic risks were identified and implemented according to the Management Implementation Plan. Two of the strategic risks were effectively controlled namely, regulatory and reputation risks.

Council approved the Occupational Health Policy to ensure it complies with health, safety and environmental requirements. Aligned with the related guidelines in King IV, Freedom Park is committed to ensuring that its activities do not compromise environmental, health and safety legislations.

Financial constraints continue to haunt the institution due to the recurrence of grant reductions each year by the Department of Arts and Culture. Measures to improve the financial situation in the year under review were taken.

This was conducted through a cost containment exercise and product diversification to sustain the basic needs of the organisation. Furthermore, most programmes were implemented by leveraging on partnerships with government departments, as well as foundations and NGOs.

Procurement systems and processes were strengthened to comply with National Treasury regulations and to derive benefits of services procured. Turnaround times were shortened on procurement for efficient administration, which resulted in a reduction in wasteful and fruitless expenditure. We also embarked on an assets verification process, which was concluded at the end of the financial year.

We revisited the business model to tighten and improve our operations. A skills audit was conducted, which resulted in a structural realignment exercise. A new structure has been completed and will be implemented in the next financial year.



CHIEF EXECUTIVE OFFICER'S OVERVIEW (CONTINUED)

GOVERNANCE

The appointment of the new Council has invigorated the general functioning of the institution. The review of policies and models to tighten the loopholes in the running of the organisation has been implemented. The organisation has a total of 68 policies. These policies comply with the compliance checklist model of the Compliance Policy. Internal control systems were introduced to provide Management and Council with comfort regarding the financial position of Freedom Park, safeguarding the assets (including information) and compliance with related laws and regulations. Freedom Park also has zero tolerance to fraud and corruption. To this end, Council has a Fraud Prevention Policy and Plan, which has been implemented and Staff members were made aware of the policy. They were also encouraged to use the Whistle Blower Policy in exposing corrupt activities. Conflict of Interest, Declaration of Interest, as well as Code of Conduct Policies are among those that enable us to govern the organisation in an efficient, effective and transparent manner.

OUTLOOK / PLANS FOR FUTURE FINANCIAL CHALLENGES

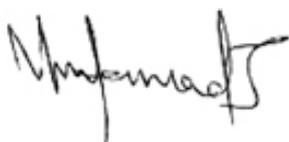
Freedom Park's financial sustainability remains a daunting task that is always on the radar. We have embarked on aggressive fundraising initiatives, which would alleviate these challenges and enhance our vision and mission statement, creating significant benefits and opportunities. The ability to generate special niches is paying off good dividends both locally and internationally and we hope this trend increases.

Despite budgetary constraints, the organisation has fulfilled its mandate of honouring our heroes and heroines.

The continued research and inscription of new names on the Wall of Names, hosting the families of heroes and heroines' event to recognise the roles played by families who dedicated their sons and daughters to the eight conflicts that shaped the history of our country. Special efforts will be dedicated to increasing visitor numbers and improving revenue collections. To achieve this, attention will be given to the outreach programme, marketing and promotions and positive brand building initiatives by maximising the availability of the below-the-line public relations platforms. Another area that will be explored is cultural diplomacy and international partnerships with like-minded institutions viz, **BRICS** countries (Brazil, Russia, India, China and South Africa) and those that supported South Africa during its hour of need, will be targeted.

ACKNOWLEDGEMENT / APPRECIATION

My efforts to direct Freedom Park to this level wouldn't have been possible had it not been for the outstanding leadership of my Council, led by its Chairperson Mr Ronnie Makopo, support from our Minister of Arts and Culture - Mr Nathi Mthethwa, the Freedom Park Staff led by its Union, National Education Health and Allied Workers Union and the many Freedom Park stakeholders and partners, including ordinary members of the public.



Ms Jane Mufamadi
Chief Executive Officer Freedom Park
31 July 2019

STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY

The Accounting Authority is responsible for the preparation of the public entity's Annual Financial Statements (AFS) and for the judgements made in this information.

The Accounting Authority is responsible for establishing and implementing a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the Annual Financial Statements.

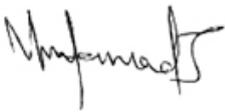
The Annual Report has been prepared in accordance to the guidelines issued by The National Treasury.

In my opinion the Financial Statements fairly reflect the operations of the public entity for the financial year ended 31 March 2019.

The External Auditors are engaged to express an independent opinion on the AFS of the public entity. The Annual Financial Statements for the year ended 31 March 2019 have been audited by the External Auditors and their report is presented on page 70.

The Annual Financial Statements of the public entity set out from pages 77 to page 121 have been approved.

Yours faithfully



Chief Executive Officer
Ms Jane Mufamadi
Freedom Park
31 July 2019



Chairperson
Mr MCR Makopo
Freedom Park
31 July 2019

STRATEGIC OVERVIEW

VISION

To be a leading national and international icon of humanity and freedom.

MISSION

To provide a pioneering and empowering heritage destination in order to mobilise for reconciliation and nation building in our country; to reflect upon our past, improving our present and building our future as a united nation; and to contribute continentally and internationally to the formation of better human understanding among nations and people.

VALUES

In carrying out its mandate, Freedom Park is committed to the following values:

- Tolerance of diversity
- Inclusivity
- Trust
- Transparency
- Accountability

STRATEGIC GOALS

- To establish mechanisms to promote, protect and preserve Indigenous Knowledge Systems (IKS)
- To contribute to social cohesion by positioning Freedom Park as a symbol of national identity
- To create a conducive environment to attract, engage and retain effective and knowledgeable talent, as measured by industry standards
- To manage Freedom Park as a customer focused, financially sustainable cultural institution
- To mobilise active partnerships with national, continental and international institutions to emancipate the African voice



LEGISLATIVES AND OTHER MANDATES

FREEDOM PARK IS A SCHEDULE 3A PUBLIC ENTITY IN TERMS OF THE PUBLIC FINANCE MANAGEMENT ACT (PFMA)

The mandate of Freedom Park is the creation of a memorial and monument that will narrate a story spanning a period of 3.6 billion years through the following seven epochs: Earth, Ancestors, Peopling, Resistance & Colonisation, Industrialisation & Urbanisation, Nationalism & Struggle, Nation Building & Continent Building; as well as the Garden of Remembrance to acknowledge those who contributed to the freedom of the country.

Freedom Park is governed by inter alia the following legal framework:

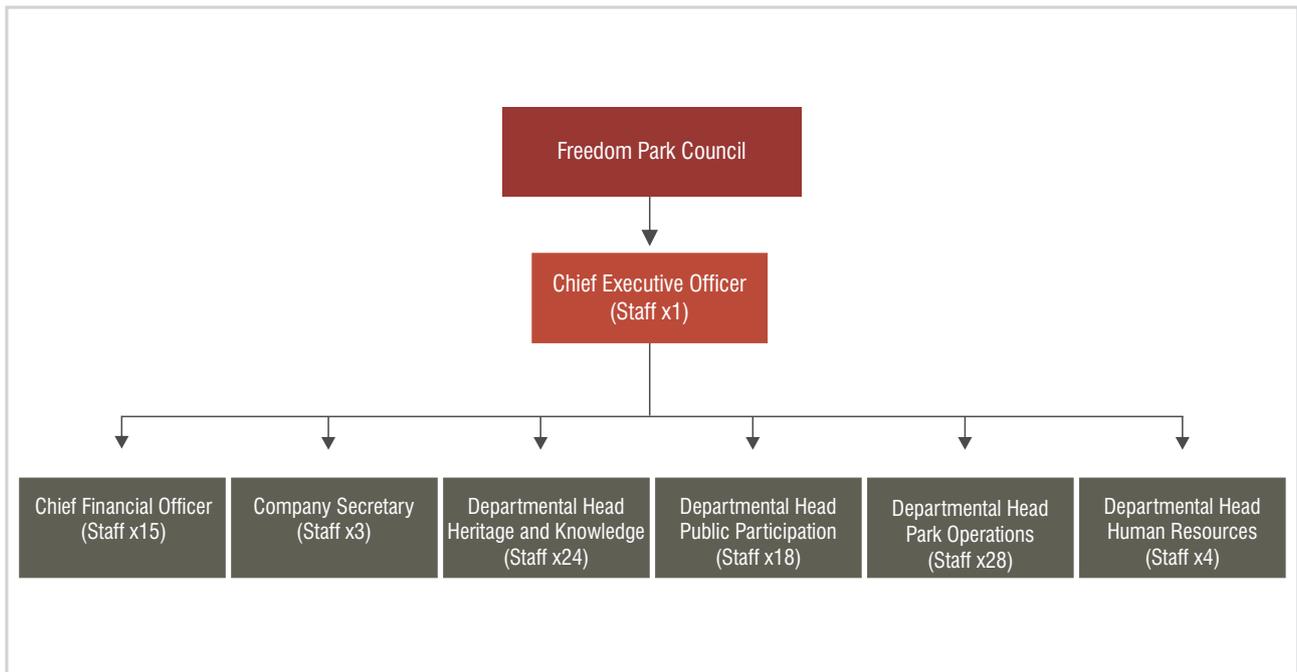
- The Constitution of the Republic of South Africa, 108 of 1996
- Public Finance Management Act, 1 of 1999
- National Treasury Regulations
- National Heritage Resources Act, 25 of 1999
- Public Audit Act, 25 of 2004
- Cultural Institutions Act, 119 of 1998 (effective from 01 April 2009)
- National Development Plan Vision 2030, Chapter 14 (Social Cohesion)

The constitutional mandate relevant to Freedom Park includes:

- Chapter 1:** Human dignity, citizenship, national anthem, flag and languages
- Chapter 2:** The Bill of Rights
- Chapter 4:** Compliance and adherence to Parliament as the supreme authority
- Chapter 9:** Schedule 3A Public Entity
- Chapter 10:** Adhere to basic values and principles governing public administration
- Chapter 12:** Alignment with the recognition and role of traditional leaders
- Chapter 13:** Compliance with Treasury Regulations



ORGANISATIONAL STRUCTURE



FREEDOM PARK TEAM



Dialogue on reconciliation with SABC 2, Zwamaramani Current Affairs Programme



PART B:

PERFORMANCE INFORMATION



SITUATIONAL ANALYSIS

Freedom Park is a liberation heritage memorial and symbol of reconciliation - established to create and foster a post-apartheid national consciousness of the common legacy that binds the people of South Africa. The mandate of Freedom Park is to honour those who died in the struggle for freedom and humanity and to foster reconciliation, social cohesion and nation building in the country.

During the year under review, the entity achieved a record high performance of 87.5%, as compared to 87% in 2016/2017 and 82.5% in 2017/2018 since its inauguration. The entity has recorded the highest revenue income through feet through the gate and registered learners. The entity has also seen a steady growth of international visitors.

During the period under review the new Council was appointed whilst retaining the former Chairperson. This was a refreshing move for the organisation. The following attributes and activities are an indication of a work-in-progress outlook for the entity:

- The capacitation of vacant crucial positions
- The entity's stakeholder relationships
- Collaborative and partnership activations
- Customer satisfaction intent
- Formulation of models and policies to improve service and generate revenue
- Maintenance plan adherence
- The Staff realignment process
- Harmony between unions and Management

Over the years, the entity enjoyed the much-needed cooperation of valued organisations and institutions such as the South African Heritage Resource Agency, the National Youth Agency, the National Heritage Council, the South African National Military Veterans, government departments, the embassies, the Names Verification Committee, traditional leaders, spiritual organisations, tourism agencies and political parties.

During the 2019/2018 financial year Freedom Park reported a deficit after provision for depreciation and amortisation of assets. A decrease in the total revenue gave rise to financial constraints and resulted in various strategic and maintenance projects being deferred to following financial years.

Contributing factors to the decrease in total revenue was the reduction of operating grants from the Department of Arts and Culture as well as a decrease in other income. The decrease in total revenue gave rise to strict budgetary control being implemented and expenses were decreased in line with total revenue.

The reduction in expenditure impacted strategic projects and infrastructure maintenance negatively consisting of 6% of total revenue and resulted in deferring these projects to the 2019/2020 financial year. Effective current assets and liabilities management realised a nett cash inflow of 2% of total revenue, however resulting in a 3% deficit of current assets.



SITUATIONAL ANALYSIS (CONTINUED)

The year 2018/2019 heralded a distinct period in the history of South Africa:

- 25 years since the constitutional democratic rule in the country
- The Centenary celebrations of the liberation stalwarts
- The first democratically elected President - Mr Nelson Mandela and Mama Albertina Sisulu

The entity, in collaboration with the Nelson Mandela Museums, conducted a series of dialogues on the early life of Tata Madiba, with organic intellectuals at several villages in the Eastern Cape. In partnership with the Charlotte Manye Maxeke Institute, the National Heritage Council, the Sisulu family, the Women Ministry and Freedom Park a plethora of dialogues about these stalwarts were conducted.

Furthermore Freedom Park conducted a seminar with Robert Sobukwe, Nelson Mandela and the Masingita Masunga Foundations. These included a display of an exhibition in commemorating the 40th anniversary of the passing on of Sobukwe.

Freedom Park narrates and exhibits the liberation struggle, through four pillars, one of which is international solidarity. The entity continues to work closely with countries that contributed to the liberation of the country on matters of mutual interest and in line with the objectives of the organisation.

The Russian Embassy unveiled the 67 names of the Russian soldiers who fought alongside South African freedom fighters inscribed on the Wall of Names. The commemoration of the Quito Canavale Battle, where about 2 000 names of soldiers who sacrificed their lives for freedom are inscribed on the Wall of Names.

The year 2018/2019 heralded the launch of the restaurant, the gift shop as well as the signing of the Memorandum of Understanding with the Centre for the Advancement of Citizenry Participation in International Relations (CACPIR) that culminated in the establishment of The Veterans Voice online radio station operating at Freedom Park. To date, more than 80 programmes on heritage have been broadcast.

Freedom Park established and developed a close working relationship with electronic and print media platforms. Collaborative events with like-minded institutions received positive media coverage from community, regional to national media resulting in a record high advertising value equivalence and immense publicity for the organisation.



PROGRAMME PERFORMANCE REPORT 2018 /2019

PROGRAMME 1 - Administration

PURPOSE

The goal of growing the “Golden Mzansi” economy by the Department of Arts and Culture among others is to quantify the contribution of the heritage sector towards the GDP of the country. It is the initiative of Freedom Park to promote and protect IKS knowledge and objects for posterity and through the rightful patent of such.

The Administration Programme provides leadership, strategic management and administrative support to the Freedom Park to ensure a sustainable and financially viable institution which can be used optimally to deliver on its mandate.

SUB-PROGRAMME 1.1: ENTITY MANAGEMENT

Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on Deviations
Strategic Objective 1.1.1 Efficient financial and non-financial reporting							
Increase income base per annum	Not achieved A revised fundraising strategy was approved on 30 March 2016	Not achieved R366 800 in kind sponsorships were raised	Partially achieved An amount of R3 million was raised	An amount of R3 million raised annually	Not achieved No funds were raised	Difference of R3 million from the planned target	The service provider has not been able to raise funds
Strategic Objective 1.1.2 Evaluate and assess the effectiveness of Council and its Sub-committees as per shareholders compact							
Annual assessment of the achievement of Council and its committees as per shareholders compact	Not achieved A tool to be used in performance evaluation had been developed and would be submitted to Council on 30 May 2016 for approval	Achieved Self-evaluation was done by all Council and Sub-committee Members in Q4	Partially achieved Evaluation forms for committees and Council were circulated to the members for completion by 31 March 2018 Most of the Council members have submitted the completed evaluation forms	Annual performance evaluation of Council and its committees as per shareholders compact	Achieved The Council and committee evaluation questionnaires were circulated to the Council members, evaluated and consolidated	-	-

PROGRAMME PERFORMANCE REPORT 2018 /2019 (CONTINUED)

SUB-PROGRAMME 1.2: CORPORATE SERVICES

Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on Deviations
Strategic Objective 1.2.1 Efficient ICT Services							
Percentage ICT services available per quarter as demanded by the business	Achieved Average of 98.8% availability achieved for the financial year	Achieved Average of 99.4% availability achieved for the financial year	Achieved Average of 98% availability achieved for the financial year	98% availability per quarter of all ICT services that are provided	Achieved Average of 99.54% availability achieved for the financial year	-	-
Number of //hapo audio-visual (AV) technology condition assessments conducted per annum	Achieved Quarterly infrastructure and facility assessments of //hapo were conducted	Achieved Quarterly //hapo AV technology condition assessment reports were completed	Achieved Quarterly //hapo AV technology condition assessment reports were completed	Quarterly //hapo AV technology condition assessments conducted	Partially achieved No AV technology assessment was conducted in Q1. ICT has in the absence of a service provider conducted the technology assessment reports on the audio visuals in //hapo for Q2 to Q4	Difference of one quarterly assessment from the planned target	There was no appointed service provider for the maintenance, repairs and support for //hapo audio visuals. SCM has issued an appointment letter to a suitable service provider on 28 March 2019. The service provider will only commence with the maintenance and support once the SLA and a contract has been signed by both parties

PROGRAMME PERFORMANCE REPORT 2018 /2019 (CONTINUED)

SUB-PROGRAMME 1.2:CORPORATE SERVICES (CONTINUED)

Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on Deviations
Strategic Objective 1.2.2 Capacitate personnel in improving skills to enable them to execute tasks and improve production (compliance with legislation, Skills Development Act)							
Percentage of planned training aligned to the training plan approved by Council executed per annum	Achieved 100% of planned training was executed during the financial year	Achieved 100% of planned training was executed	Partially achieved 44% of planned training was executed	50% of planned training executed per annum	Not achieved 0% of planned training was executed	Difference of 50% of planned training not executed during the financial year	Training did not take place due to budget constraints. All training was deferred to the new financial year
Strategic Objective 1.2.3 Effective and efficient organisational development							
Organisational realignment approved	N/A	N/A	N/A	Organisational realignment approved	Not achieved The organisational realignment was not approved by 31 March 2019	Report for the last phase, Phase 8 outstanding due to matters of "project creep" added to the deliverables	Phase 8 close-up report to be presented and approved at 29 April 2019 Council meeting
Strategic Objective 1.2.4 Fair and equitable conflict management and discipline							
Number of assessments of the consistent application of disciplinary procedures per annum	Achieved All labour cases were addressed within prescribed timelines	Partially achieved All labour cases were addressed and finalised of which two were finalised late	Achieved Quarterly assessments of the consistent application of disciplinary procedures were conducted	Quarterly assessment of the consistent application of disciplinary procedures were conducted	Achieved Quarterly assessments of the consistent application of disciplinary procedures were conducted		

PROGRAMME PERFORMANCE REPORT 2018 /2019 (CONTINUED)

SUB-PROGRAMME 1.3: BUILDING, RENOVATION AND URBAN PLANNING

Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on Deviations
Strategic Objective 1.3.1 Functionality of the elements at the Park							
Number of preventative and reactive maintenance reports per annum	Achieved Reports on internal repairs and maintenance were submitted to Management. Funds were allocated for maintenance as recommended	Achieved Quarterly reports on internal repairs and recommendations on future maintenance projects were submitted to MANCO	Achieved Quarterly reports on implementation of internal repairs and maintenance projects were submitted to MANCO	Quarterly reports on implementation of internal repairs and maintenance projects submitted	Achieved Quarterly reports on implementation of internal repairs and maintenance projects were submitted to MANCO	-	-

SUB-PROGRAMME 1.4: SECURITY MANAGEMENT

Strategic Objective 1.4.1 Effective, efficient and economical security services							
Number of performance standard assessments conducted against Service Level Agreement (SLA) with security service provider per annum	Achieved Quarterly performance standard assessments were conducted and reported to MANCO	Achieved Quarterly performance standard assessments were conducted and reported to MANCO	Achieved Quarterly performance standard assessment against SLA was conducted, reported to the HOD and signed by all parties	Quarterly performance standard assessments conducted against SLA with security service provider	Achieved Quarterly performance standard assessment against SLA was conducted, reported to the HOD and signed by all parties	-	-

EFFICIENT ICT SERVICES

The ICT Department exists to support Freedom Park in achieving its strategic objectives in an effective, efficient and economical approach. Its mission is to provide information management services to Freedom Park by:

- Ensuring that the information technology infrastructure is adequate and stable
- Implementing appropriate systems and processes developed for the harvesting and dissemination of knowledge and information for both national and international stakeholders
- Ensuring that security of information internally and externally is secure
- Being proactive in supporting business needs and requirements

The ICT Department adheres to best practice, industry benchmarked standards and the legislature that governs the Information Communication Technology industry, including the DPSA ICT governance framework to increase the productivity and efficiency of ICT systems, decrease the functioning costs and save resources.

Freedom Park seeks to enhance ICT systems by aligning processes and decision-making through ICT governance frameworks that define and set ICT standards, norms and policies around all ICT operational domains in the organisation to:

- Maintain best practice standards and implementation of policies
- Maximise the utilisation of ICT resources to reduce duplication of effort
- Improve operational inefficiencies

ICT governance will drive the value of ICT towards being more proactive than reactive to organisational operations requirements to achieve measurable and cost-effective ICT service delivery. ICT-service delivery enhancement is the direction taken by Freedom Park to implement strategic plans that will drive ICT to be an enabler and change the value and the role ICT offers the organisation. This included the appointment of an ICT Steering Committee to ensure that Council and Management are provided with accurate information to make informed decisions that are essential to achieve the ultimate objectives of ICT governance.

Those objectives are:

- The alignment of ICT and the business
- The delivery of value by ICT to the business
- The sourcing and use of ICT resources
- The management of ICT-related risks
- The measurement of ICT performance

ICT challenges that required urgent attention were the aging infrastructure and outdated system applications, which increased the Risk of service availability and storage capacity on the server infrastructure. To mitigate against the Risk, ICT embarked on the upgrading of the production server infrastructure to meet adequate storage requirements. Phase two will be the infrastructure upgrade of the disaster recovery environment and the upgrading of outdated systems and applications.

During the year under review, the ICT Department achievements include:

- The appointment of an independent ICT Steering Committee Chairperson and the commissioning of committee members
- The approval of the ICT Steering Committee charter
- Review and approval of ICT policies
- Upgrade of the server infrastructure at the Pretoria head office
- Upgrade of the audiovisual projectors to laser projectors for //hapo exhibition space
- Implementation and testing of the approved disaster recovery plan
- APP target of 98% uptime of ICT services and infrastructure was achieved

HUMAN RESOURCES DEPARTMENT

The department pursues, as its mission, a drive to serve as a strategic partner that supports the overall mission and strategic objectives of Freedom Park by developing and delivering innovative human resource programmes. These programmes will facilitate the creation of an environment that is conducive to attracting, engaging and retaining effective and knowledgeable talent, as measured by industry standards. In addition, to ensure regulatory compliance and sound labour relations with stakeholders.

It provides details of the performance review of activities executed by the department in various good human resources practices in an effort to contribute to the achievement of the organisation's strategic objectives, with a focus on recruitment, training and development, compensation and rewards, employee relations and wellness programme.

Employee relations and recognition agreement with trade union:

The recognition agreement with National Education Health and Allied Workers Union is still in place with no variations requested from either of the stakeholders. This signals that risk management and labour management best practice is maintained in line with the Labour Relations Act and the institution's strategic plans. The union membership is at 57.4 %.

Capacitate personnel in improving skills to enable them to execute tasks and improve production in compliance with the Skills Development Act:

The development of Staff is critical for retention purposes, career progression and for succession planning. This is done through short- and long-term training courses.

The institution also accommodated a total of four learners in two separate programmes (Public Participation and Finance) for on-the-job training.

A total of 50% of planned training was executed in the financial year. Due to financial constraints in the new financial year, legislative and compulsory training will be prioritised.



HUMAN RESOURCES DEPARTMENT (CONTINUED)

Address past imbalances in the workplace in compliance with the Employment Equity Act:

Labour turnover in critical positions occurred with the resignation of the Chief Financial Officer (CFO) at the end of January 2019. An interim CFO was appointed without delay in February.

This was done to minimise operational disruptions while following due process to recruit a permanent CFO. The five-year Employment Equity Plan has been approved by Council with emphasis being the recruitment of persons with disabilities.

Fair and equitable conflict management and discipline in the workplace

Conflict management skills are ongoing competencies that are scheduled per need with any emerging undue personnel experiences. The human resources department engages in ongoing consultations with line management where labour-related incidences are reported.

Job satisfaction through effective Employee Wellness Programme

The use of ICAS, as an employee assistance programme service provider, increased to 17.4% during the period under review. This is above the industry benchmark of 7.6%. In May 2018, ICAS launched the eCare portal which individuals can use to access health and wellbeing information that covers all relevant health topics and professional advisory services.

In December 2018, employees participated in a Reconciliation Peace Walk from Freedom Park to Voortrekker Monument to commemorate Nelson Mandela's Centenary.



PARK OPERATIONS

Park Operations is responsible for two targets in the 2018/19 financial year viz, building, renovation and urban planning. These targets look at the number of preventative and reactive maintenance issues per annum, and security management, which includes managing the Service Level Agreement between Freedom Park and the security service provider. Freedom Park manages and secures property and equipment valued at approximately R700m. In addition, Park Operations manages the commercial services such as the restaurant and gift shop contracts which bring 7.5% and 15% revenue for the organisation. This is not articulated in the current Annual Performance Plan but in the 2015-20 Strategic Plan.

Building, Renovation and Urban Planning

During the 2018/2019 year, the Freedom Park landscape was nominated as a finalist by SALI (South African Landscapers Institute). This recognition was attributed to the unique landscape installations, as well as the high standard of landscape maintenance that was carried out by Freedom Park.



Preventative and reactive maintenance was performed during the course of the year. This was done under difficult circumstances and with a limited budget. The Park has experienced structural engineering problems, especially in January to April where several parts of the building were leaking due to consistent rain falls. A process to conduct a condition assessment to determine the Preventative Maintenance Plan in the medium to long term is underway. This will ensure the continued and consistent maintenance of the Park.

Freedom Park continues to participate in the Salvokop master re-development committee which is spear-headed by the National Department of Public Works for the new development master plan around Salvokop and Pretoria CBD. The Park Operations department also played a significant role in the Salvokop community development forum where issues that affect the community are discussed and escalated to relevant government and municipal authorities.

PARK OPERATIONS (CONTINUED)

COMMERCIAL SERVICES

In May 2018 Freedom Park appointed Dandozest to run its restaurant services. Ditebogo Gifts was appointed in November 2018 to run the gift shop. These services add to the visitor's flow and overall experience of Freedom Park. To date approximately R180 000 was collected as part of revenue generation from the two retail services.



SECURITY MANAGEMENT

Freedom Park has been using the services of MCC Security for the past year with the contract ending in June 2019. The service standards of performance for MCC are assessed every quarter to ensure that the service provider is performing in terms of the SLA.

The security unit ensured that security awareness was presented to Staff to remind them about security and health and safety issues to promote a collective responsibility to safeguarding and protecting the Freedom Park assets.

OCCUPATIONAL HEALTH AND SAFETY

The security unit ensured that the Park complied with the Health and Safety Policy. An audit was conducted in the 2017/18 financial year which identified 31 findings. During the financial year 7 of the findings were resolved, 17 are a work in progress, 6 issues are not resolved and 2 findings are not applicable to the organisation. Systems to resolve work in progress and issues that are not yet resolved will be put in place during 2019 to ensure resolution of all findings. Some of those findings are as a result of budgetary constraints, such as the appointment of a permanent Safety Officer as Freedom Park conducts many events during the year, as well as infrastructure-related safety hazards.

PROGRAMME PERFORMANCE REPORT 2018 /2019

PROGRAMME 2 - Business Development

PURPOSE

The Heritage and Knowledge (HK) department is the heartbeat of the entity. It breathes new life into the key elements of the Park such as Isivivane, Wall of Names, Gallery of Leaders, //hapo, Pan African Archives and Resource Centre (Library). The department develops engaging content and related core programmes without which the elements would resemble empty shells. The department is responsible for the realisation of the institution's two mandates of 'honouring heroes and heroines of various struggles for freedom and humanity', and 'fostering reconciliation, social cohesion and nation building'.

It is also responsible for the realisation of three strategic goals of the entity, namely:

- The 'positioning of Freedom Park as a symbol of national identity'
- The 'establishment of mechanisms to promote, protect and preserve Indigenous Knowledge Systems (IKS)'
- The 'mobilisation of national, continental and international institutions through partnerships to engender social cohesion and to emancipate the African Voice'

The sub-programmes that follow below were rolled-out in pursuance of the fundamental role of the department and its responsibility towards the fulfillment of the mandates and strategic objectives of the institution enunciated above.

SUB-PROGRAMME 2.1: DOCUMENTATION AND DIGITISATION

Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on Deviations
Strategic Objective 2.1.1 Effective public interface							
Number of materials digitised per annum	The digitisation system was not installed yet	Achieved The digitisation system was installed in October 2016; training was completed and the system was operational by 31 March 2017	Achieved 838 materials were digitised	400 materials digitised per annum	Achieved 776 materials were digitised	Target exceeded by 376 materials	Stakeholders proposed more programmes for photographs than expected. Archival manuscripts were also digitised to give effect to the guidelines in the TID, namely to capture and digitise all activities, programmes and/or cultural resources related to the mission and vision of Freedom Park

PROGRAMME PERFORMANCE REPORT 2018 /2019 (CONTINUED)

SUB-PROGRAMME 2.2: COLLECTION AND ACCESSIONING

Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on Deviations
Strategic Objective 2.2.1 Create user friendly access to the archiving and collection knowledgebase							
Number of archival collections related to the 7 epochs of the exhibition acquired per annum	Achieved 4 collections were acquired	Achieved 7 collections were acquired	Achieved 11 collections were acquired	5 archival collections acquired per annum	Achieved 11 collections were acquired	Target exceeded by 6 collections	Donations were bigger than expected
Number of archival documents and materials related to the 7 epochs of the exhibition processed according to archival standards per annum	Achieved 1 172 materials were accessioned and catalogued	Achieved 1 212 materials were processed	Achieved 2 147 materials were processed	250 archival documents and materials related to the 7 epochs of the exhibition processed according to archival standards per annum	Achieved 1 123 materials were processed	Target exceeded by 873 processed materials	Reducing the back log of processing archival materials
Number of library books relevant to the storyline acquired per annum	N/A	Achieved 64 books were acquired	Achieved 89 books were acquired	50 books relevant to the storyline acquired per annum	Not achieved Books were not acquired during the financial year	Difference of 50 books not acquired from the planned target	Books identified by end-users will be purchased in 2019/20 financial year

PROGRAMME PERFORMANCE REPORT 2018 /2019 (CONTINUED)

SUB-PROGRAMME 2.3: RESEARCH AND KNOWLEDGE PRODUCTION

Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on Deviations
Strategic Objective 2.3.1 Integrate the natural and cultural landscape for contemplation, reflection and reconciliation							
Number of names across the 8 conflict areas verified and validated for inscription per annum	Achieved 1 076 names were verified and validated	Achieved 228 names were verified and validated	Achieved 228 names were verified and validated	100 names across the 8 conflict areas verified and validated by the Names Verification Committee for inscription	Achieved 135 names were verified and validated	Target exceeded by 35 names verified and validated	Names are submitted in an informal ad hoc basis that would be feasible to include in the nearest upcoming names verification workshop. More names on the liberation struggle were submitted by the Department of Military Veterans
Number of names inscribed on the Wall of Names across the 8 conflict areas	N/A	N/A	N/A	100 names across the 8 conflict areas inscribed on the Wall of Names	Achieved 459 names were inscribed on the Wall of Names	Target exceeded by 359 names	Researchers collected more names than the inscription target. It would have been more costly for Freedom Park to appoint a service provider to inscribe 100 names when there was a bigger batch of names, which could be inscribed at once

PROGRAMME PERFORMANCE REPORT 2018 /2019 (CONTINUED)

SUB-PROGRAMME 2.3: RESEARCH AND KNOWLEDGE PRODUCTION (CONTINUED)

Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on Deviations
Strategic Objective 2.3.2 Integrate history, culture and spirituality in a manner that will portray a national identity							
Number of completed research papers that integrate history, culture and spirituality per annum	Achieved 11 research papers were completed	Achieved 11 research papers were completed	Achieved 6 research papers were completed	6 research papers completed	Achieved 7 research papers were completed	Target exceeded by 1 research paper	Freedom Park was asked to collaborate with a Pan Africanist Congress of Azania veteran on a research article
Number of research articles accepted for publication that integrate history, culture and spirituality per annum	Achieved 2 research papers were published	Achieved 3 research articles on GOR were published	Achieved 2 research articles on GOR were published	2 research articles accepted for publication	Achieved 2 research articles were accepted for publication	-	-

PROGRAMME PERFORMANCE REPORT 2018 /2019 (CONTINUED)

SUB-PROGRAMME 2.3: RESEARCH AND KNOWLEDGE PRODUCTION (CONTINUED)

Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on Deviations
Strategic Objective 2.3.3 Continuously educate visitors about cultural, historical and spiritual issues focusing on the national, continental and international world							
Number of temporary exhibitions per annum	Achieved 5 temporary exhibitions were displayed	Achieved 2 temporary exhibitions were developed and displayed at Freedom Park	Achieved 5 temporary exhibitions were displayed	2 temporary exhibitions developed and displayed internally and/or externally (of which one shall be on Nelson Mandela)	Achieved 3 temporary exhibitions were displayed (of which one was on Nelson Mandela in Q2)	Target exceeded by 1 temporary exhibition	The Masinagita Masunga Foundation identified Freedom Park as an apt institution to commemorate Robert Sobukwe's legacy; the request was approved as it resonates with Freedom Park's core business and was exhibited during the Robert Sobukwe seminar
Number of opinion pieces published per annum	Achieved 4 opinion pieces were published	Achieved 10 opinion pieces were published	Achieved 9 opinion pieces were published	8 opinion pieces published	Achieved 8 opinion pieces were published	-	-
Number of research papers presented at seminars or conferences organised or attended per annum	Achieved 5 research papers were presented	Achieved 7 research papers were presented	Achieved 5 research papers were presented	4 research papers presented at seminars or conferences organised or attended	Achieved 4 research papers were presented	-	-

PROGRAMME PERFORMANCE REPORT 2018 /2019 (CONTINUED)

SUB-PROGRAMME 2.3: RESEARCH AND KNOWLEDGE PRODUCTION (CONTINUED)

Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on Deviations
Strategic Objective 2.3.4							
Portray the history of Southern Africa and Africa going back 3.6 billion years							
Annual Storytelling Festival	Achieved Storytelling Festival was conducted from 7 - 12 March 2016	Achieved 1 Storytelling Festival was conducted and in addition there was an outreach storytelling programme with Rivoningo Care Centre in Pretoria	Achieved 1 Storytelling Festival was conducted	1 Storytelling Festival conducted	Achieved 1 Storytelling Festival was conducted	-	-
Number of seminars or conferences conducted per annum	N/A	Achieved 4 seminars were conducted	Achieved 4 seminars were conducted	2 seminars or conferences conducted (of which one shall be on Nelson Mandela)	Achieved 3 conferences were conducted (of which one was on Nelson Mandela in Q3)	Target exceeded by 1 conference	The seminar on Robert Sobukwe was initiated by an external partner, i.e. Masingita Masunga Foundation
Number of dialogues (oral interviews) conducted per annum	19 dialogues were conducted	14 dialogues were conducted	Partially achieved 7 dialogues were conducted, of which one was with Ms Luli Callinicos who is the author of a series of books on OR Tambo	8 dialogues (oral interviews) conducted (of which one shall be on Nelson Mandela)	Achieved 8 dialogues were conducted (of which one was on Nelson Mandela in Q3)	-	-

PROGRAMME PERFORMANCE REPORT 2018 /2019 (CONTINUED)

SUB-PROGRAMME 2.3: RESEARCH AND KNOWLEDGE PRODUCTION (CONTINUED)

Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on Deviations
Strategic Objective 2.3.4 Portray the history of Southern Africa and Africa going back 3.6 billion years Cont.							
Number of dialogues quality assured per annum	N/A	N/A	Achieved 6 dialogues were assessed	Quality assurance of 5 dialogues completed	Achieved 6 dialogues were assessed	Target exceeded by 1 dialogue assessed	All dialogues should be quality assured for the benefit of end-users of the archives
Strategic Objective 2.3.5 Ensure that FP remains relevant to its role within the national priorities by using IKS platforms							
Number of interfaith committee programmes executed per annum	Achieved 2 interfaith committee programmes were executed	Achieved 4 interfaith committee programmes were executed	Achieved 3 interfaith committee programmes were executed	2 interfaith committee programmes were executed	Achieved 2 interfaith committee programmes were executed	-	-

SUB-PROGRAMME 2.5: EDUCATIONAL PROGRAMMES AND ACTIVITIES

Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on Deviations
Strategic Objective 2.5.1 Mobilise educational institutions to educate learners to engender social cohesion							
Number of presentations of educational programmes per annum	Achieved 6 programmes were developed and presented	Achieved 21 educational programmes were presented	Partially achieved 17 educational programmes were presented	150 presentations of educational programmes	Achieved 217 presentations of educational programmes were held	Target exceeded by 67 presentations	Intensified educational outreach programme and partnership programmes

PROGRAMME PERFORMANCE REPORT 2018 /2019 (CONTINUED)

SUB-PROGRAMME 2.5: EDUCATIONAL PROGRAMMES AND ACTIVITIES

Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on Deviations
Strategic Objective 2.5.1 Mobilise educational institutions to educate learners to engender social cohesion (Continued)							
Number of participants engaged in educational programmes presented per annum	N/A	Achieved 16 369 participants were engaged in educational activities	Achieved 7 973 participants were engaged in educational activities	7 500 participants engaged in educational activities presented	Achieved 21 470 participants were engaged in educational activities	Target exceeded by 13 970 participants	Intensified educational outreach programme and partnership programmes
Number of learners involved in educational interactions with schools per annum	N/A	Achieved 6 618 learners were involved in educational interactions with schools	Achieved 7 493 learners were involved in educational interactions with schools	2 250 learners involved in educational interactions with schools	Achieved 20 015 learners were involved in educational interactions with schools	Target exceeded by 17 765 learners	Intensified educational outreach programme and partnership programmes
Number of educational programmes with other organisations per annum	Achieved 8 Time Travel events were held	Achieved 7 Time Travel events were conducted	Achieved 5 Time Travel events were conducted	2 educational programmes with other organisations conducted	Achieved 14 educational programmes with other organisations were conducted	Target exceeded by 12 programmes with other organisations	More institutions were willing to collaborate with Freedom Park in the presentations of educational programmes
Number of educational materials distributed per annum	N/A	Achieved 1 602 educational materials were distributed	Achieved 7 900 educational materials were distributed	2 250 educational materials distributed	Achieved 15423 education materials were distributed	Target exceeded by 13 173 materials distributed	Intensified educational outreach programme and partnership programmes

HERITAGE AND KNOWLEDGE

The composition and functioning of the department rests on three key units, namely curatorship, research and education. Collectively the performance of the units reflects a 95% achievement, with many of the annual targets exceeded by comfortable margins. The only target that was not achieved was due to the external factor of budget deficit rather than the internal incapacity of the curatorial unit. What follows is a concise narrative account of the performance of each unit with measures to mitigate the specified single area of underperformance.

The Curatorial Unit contributed to a number of strategic objectives as follows: public interface; creation of user-friendly archiving and collection knowledgebase; integrate the natural and cultural landscape for contemplation, reflection and reconciliation; as well as continuous education of visitors about cultural, historical and spiritual issues focusing on the national, continental and international world.

It contributed to the achievement of all these strategic goals by:

- Digitising events, activities and archival materials as material culture to enhance the representation of history, culture, heritage and promotion of Indigenous Knowledge in //hapo
- Acquiring archival collections of invaluable heritage significance and processing them according to the storyline of //hapo
- Inscribing the names of those who died in the eight conflicts that shaped South Africa's history on the Wall of Names to memorialise the role they played in the development of democratic South Africa
- Developing exhibitions, for example, commemoration of the centenary of Nelson Mandela and the legacy of Robert Sobukwe, with a view to educate visitors about our history and heritage



Due to budgetary constraints, the Curatorial Unit could not acquire books for the library. More books will be purchased in the 2019/2020 financial year consistent with the needs analysis that the Librarian conducted.

The Research Unit undertook the research and verification of names of heroes and heroines that were honoured on the Wall of Names in the form of inscription, thereby meeting the strategic objective of 'integrating the natural and cultural landscape for contemplation, reflection and reconciliation'. As the collected names cut across divisions of race, class, gender and age, their honouring contributes to reconciliation, social cohesion and nation-building.

The unit was responsible for the production and dissemination of new knowledge by undertaking cutting-edge research and producing research papers that 'integrated history, culture and spirituality in a manner that portrays a national identity'. The research papers contributed to the 'positioning of Freedom Park' in a favourable light.

The publication of opinion pieces on topical issues contributed to the strategic objective that seeks to 'continuously educate visitors about cultural, historical and spiritual issues focusing on the national, continental and international world'.

A number of conferences were organised and held at Freedom Park under the auspices of the Knowledge Centre and in collaboration with other strategic partners. In addition, a series of dialogues that were conducted were in line with the strategic objective that 'portrays the history of Southern Africa and Africa going back 3.6 billion years'.

The themes of the conferences, dialogues and Interfaith Programmes that were conducted were IKS-related and thereby 'ensured that Freedom Park remains relevant to its role within the national priorities by using IKS platforms'.

Last but not least, the Education Unit contributed to the strategic objective that seeks to 'mobilise educational institutions to educate learners to engender social cohesion'. It contributed to this strategic objective by conducting presentations of educational programmes to learners and participants from educational institutions, and collaborating with other organisations to minimise costs and broaden audiences. The unit further distributed educational materials to enrich its presentations. All the above-mentioned measures were put in place and achieved as planned.



In addition to presenting programmes, the Education Unit organised the annual international Storytelling Festival which contributed to the strategic objective of 'portrayal of the history of Southern Africa and Africa going back 3.6 billion years'.

PROGRAMME PERFORMANCE REPORT 2018 /2019

PROGRAMME 3 - Public Engagement

PURPOSE

As a contribution to the National Development Plan, Freedom Park positions itself as a symbol of national unity, by developing programmes and activities that increase the consciousness of South Africans on their commonalities rather than differences. In this regard, the Park contributes towards building a citizenry that is more accepting of people's multiple identities where there is:

- Broad-based knowledge about and support for a set of values shared by all South Africans, including the values contained in the Constitution
- An inclusive society that sustains inequality of opportunity and outcomes in the economy by building capabilities and redressing the wrongs of the past
- Increased interaction between South Africans from different social and racial groups
- Strong leadership across society and a mobilised, active and responsible citizenry

SUB-PROGRAMME 3.1: NATIONAL, CONTINENTAL AND LOCAL PARTNERSHIPS AND OUTREACH

Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on Deviations
Strategic Objective 3.1.1 Mobilise institutions through active partnerships with national, continental and local institutions to emancipate the African voice							
Number of schools mobilised to visit Freedom Park per annum	Achieved 166 educational institutions visited Freedom Park	Achieved 171 schools visited Freedom Park	Achieved 221 schools visited Freedom Park	170 schools to visit Freedom Park	Achieved 206 schools visited Freedom Park	Target exceeded by 36 schools	Effective school outreach programme
Number of institutions of higher learning mobilised to visit Freedom Park per annum		Achieved 57 institutions of higher learning visited Freedom Park	Partially achieved 51 institutions of higher learning visited Freedom Park	30 institutions of higher learning to visit Freedom Park	Achieved 107 institutions of higher learning visited Freedom Park	Target exceeded by 77 institutions of higher learning	Effective mobilisation of institutions of higher learning
Number of marketing platforms optimised to exhibit Freedom Park per annum	Achieved Exhibited in 2 international and 7 domestic marketing platforms	Achieved Exhibited in 3 international and 8 domestic platforms	Achieved Exhibited in 3 international and 5 domestic platforms	Exhibited in 1 marketing platform	Achieved Exhibited in 1 marketing platform	-	-

PROGRAMME PERFORMANCE REPORT 2018 /2019 (CONTINUED)

SUB-PROGRAMME 3.1: NATIONAL, CONTINENTAL AND LOCAL PARTNERSHIPS AND OUTREACH (CONTINUED)

Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on Deviations
Strategic Objective 3.1.1 Mobilise institutions through active partnerships with national, continental and local institutions to emancipate the African voice (Continued)							
Number of outreach programmes conducted per annum	9 outreach programmes were conducted	N/A	Achieved 4 provincial outreach programmes were conducted	4 outreach programmes conducted	Achieved 8 outreach programmes were conducted	Target exceeded by 4 outreach programmes	More requests were received to engage communities

SUB-PROGRAMME 3.2: EVENTS MANAGEMENT

Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on Deviations
Strategic Objective 3.2.1 Grow revenue base and leverage on events							
Number of programmes to support national holidays per annum	Achieved 5 events for national holidays were held	Achieved 6 events for national holidays were held	Achieved 5 events for national holidays were held	7 programmes as build-up or post national holidays per annum	Achieved 8 programmes were conducted	Target exceeded by 1 programme	The National Heritage Council approached Freedom Park on short notice in Q2 when we had already planned with Zindzi Mandela Foundation and we could not refuse collaboration since it contributed to the mandate of Freedom Park

PROGRAMME PERFORMANCE REPORT 2018 /2019 (CONTINUED)

SUB-PROGRAMME 3.3: CONVENTIONAL/DIGITAL MARKETING, COMMUNICATION AND PUBLIC RELATIONS

Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on Deviations
Strategic Objective 3.3.1 Increase visitor numbers							
Number of visitors registered per annum	Partially achieved 45 479 visitors registered	Partially achieved 63 195 visitors registered	Partially achieved 56 697 visitors registered	Register 70 000 guests and visitors	Achieved 90 844 visitors registered	Target exceeded by 20 844 visitors	Events, inclusive of sporting activities have contributed to a large number of visitors in the Park
Number of paying visitors per annum	N/A	Achieved 25 703 paying visitors	Partially achieved 23 309 paying visitors	26 000 paying visitors	Achieved 26 488 paying visitors	Target exceeded by 488 paying visitors	Implementation of the paying visitor model
Number of school learners visiting Freedom Park per annum	N/A	Achieved 14 014 school learners visited Freedom Park	Achieved 13 568 school learners visited Freedom Park	12 000 school learners visiting Freedom Park	Achieved 15 505 school learners visited Freedom Park	Target exceeded by 3 505 school learners	Effective school mobilisation programme
Number of programmes to position Freedom Park as a heritage and historical institution conducted per annum	N/A	N/A	N/A	7 public relations and marketing programmes	Achieved 8 public relations and marketing programmes were held	Target exceeded by 1 programme	Public relations and marketing programmes also support commemoration of national days, therefore there were 3 programmes during Freedom month supported by Lotus Radio and VVR broadcasts

PROGRAMME PERFORMANCE REPORT 2018 /2019 (CONTINUED)

SUB-PROGRAMME 3.3: CONVENTIONAL/DIGITAL MARKETING, COMMUNICATION AND PUBLIC RELATIONS (CONTINUED)

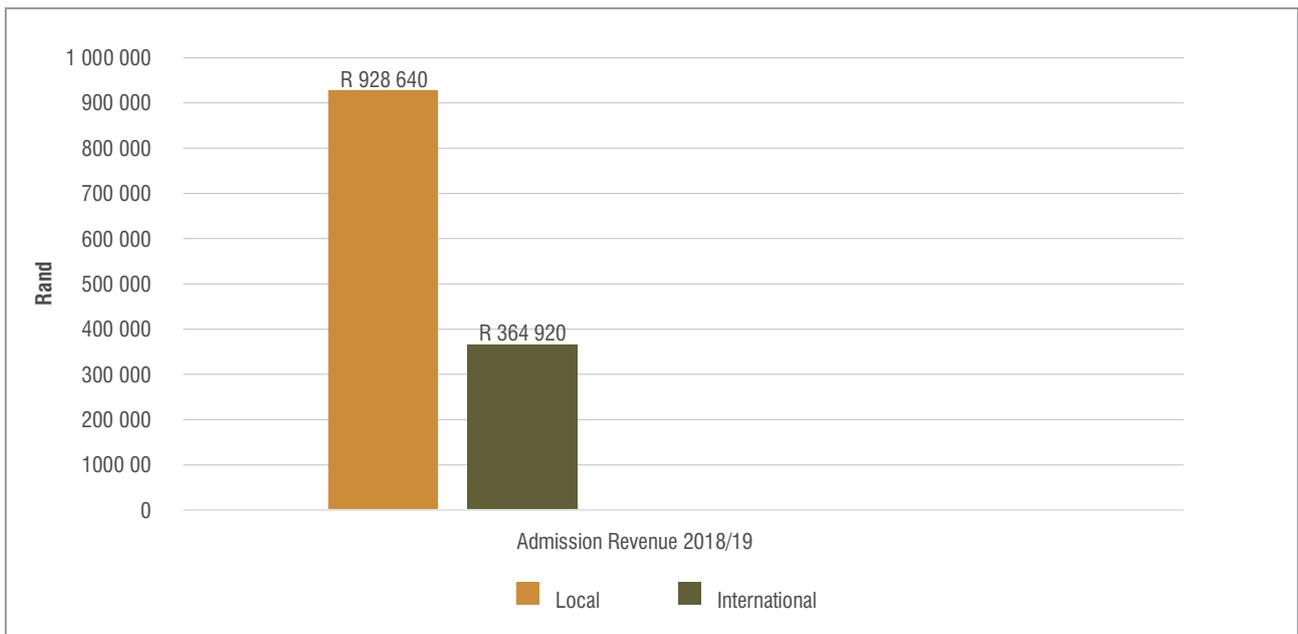
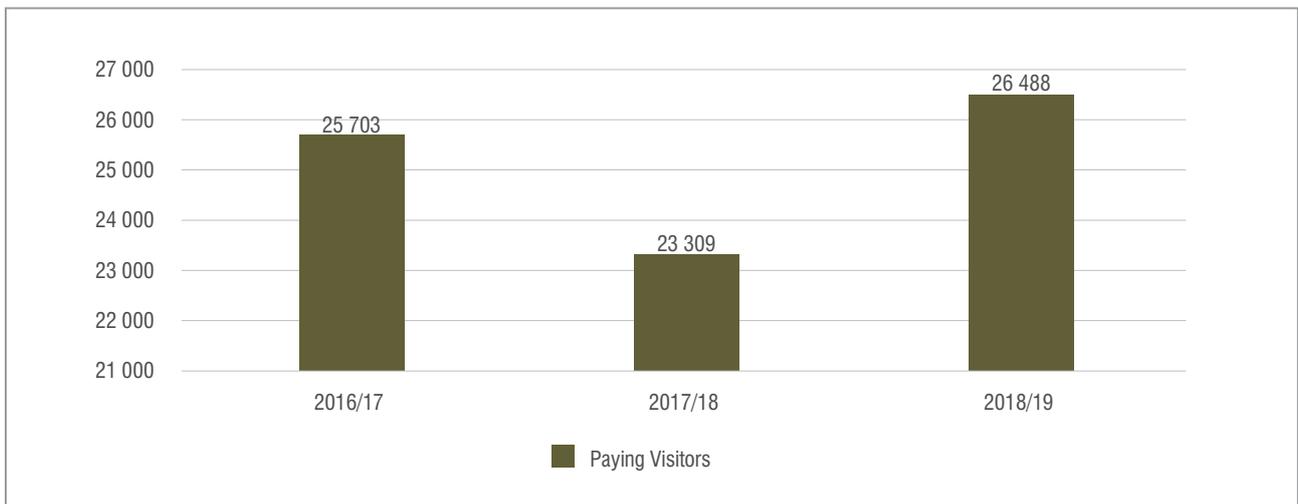
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on Deviations
Strategic Objective 3.3.1 Increase visitor numbers (Continued)							
Number of below-the-line marketing activities activated per annum	Achieved 91% customer satisfaction was recorded	Achieved 1 customer perception survey was completed	Achieved 4 customer perception surveys were conducted	1 customer perception survey conducted	Achieved 1 customer perception survey was conducted	-	-



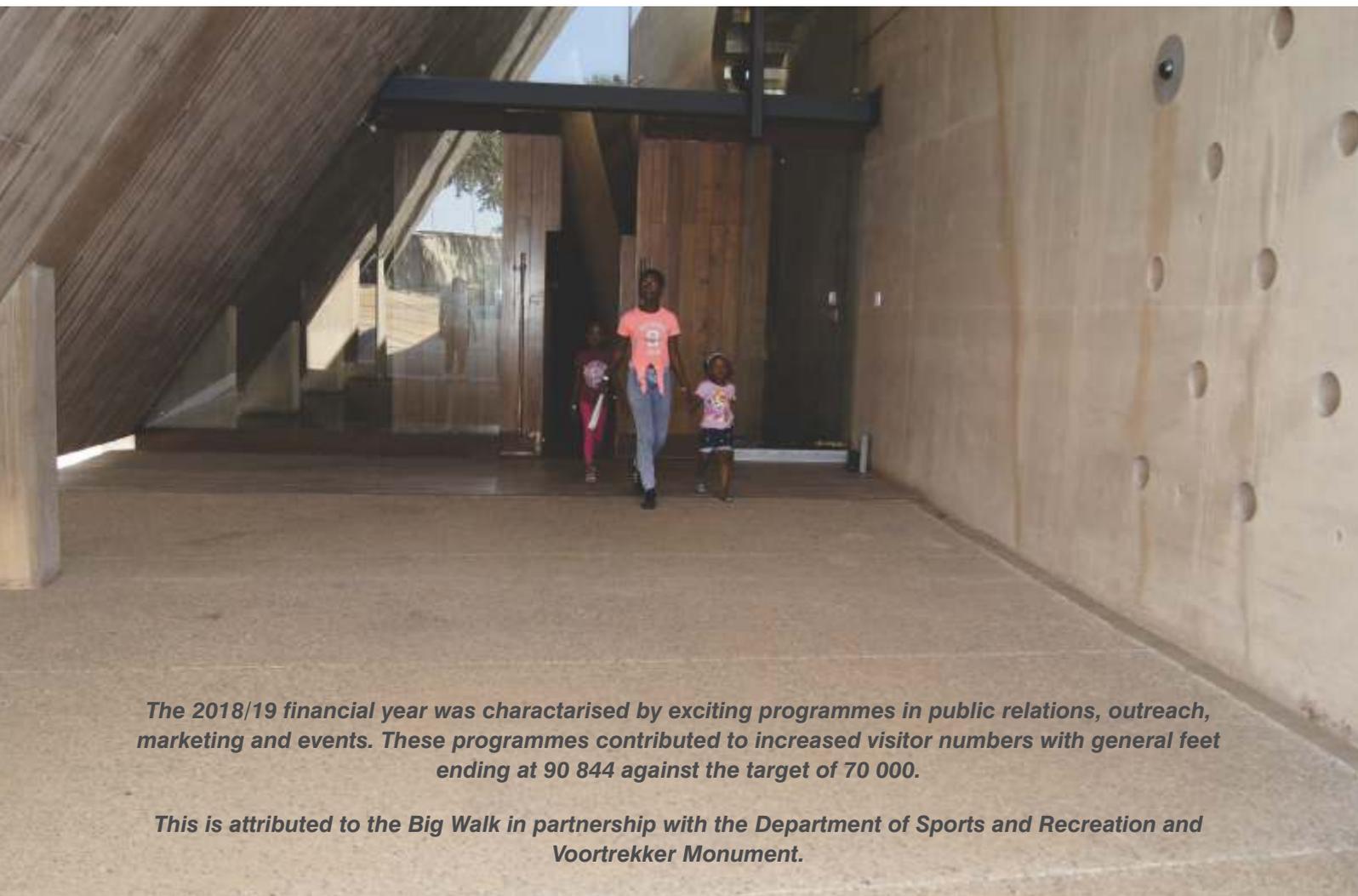
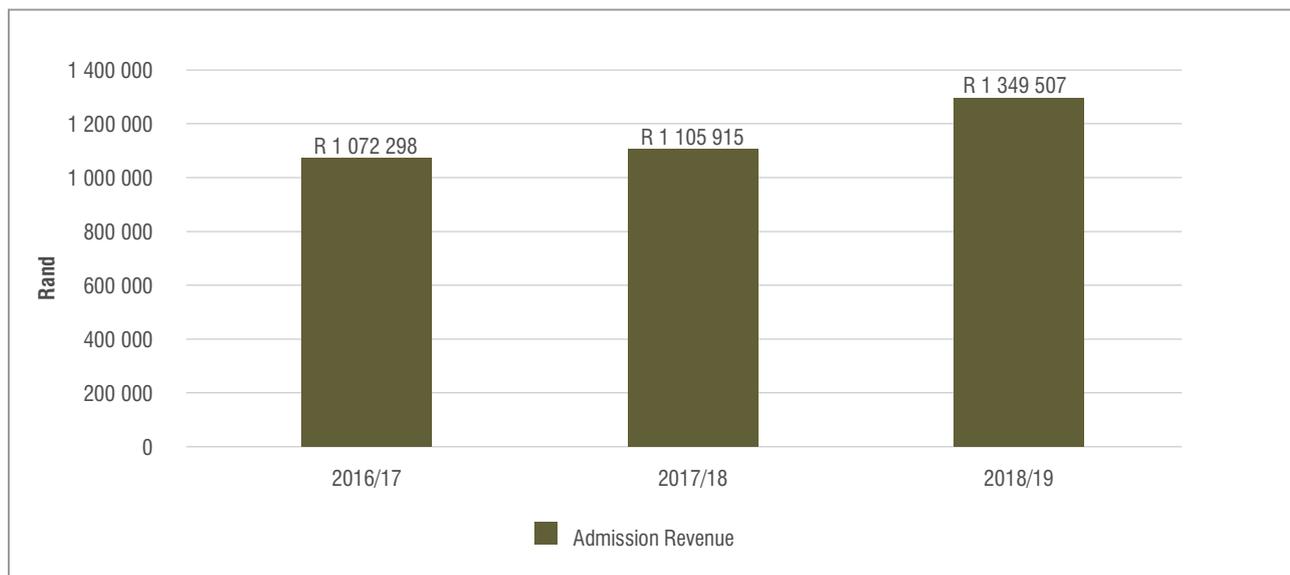
PUBLIC PARTICIPATION

Public Participation is a department within Freedom Park entrusted with communication, marketing, public relations, outreach, guest relations and events management functions. In supporting the business of Freedom Park, the Public Participation department was allocated 10 targets on the Annual Performance Plan. All allocated targets were achieved.

Participation: Public Participation also contributes towards revenue generation through admission and venue hire fees. During the year under review, event management and paying visitor models were developed to address the increase in visitor's numbers as well as revenue. In the 2018/2019 financial year, revenue raised through the gates is R1 349 507, while revenue raised through events is R1 556 394.



PUBLIC PARTICIPATION (CONTINUED)



The 2018/19 financial year was characterised by exciting programmes in public relations, outreach, marketing and events. These programmes contributed to increased visitor numbers with general feet ending at 90 844 against the target of 70 000.

This is attributed to the Big Walk in partnership with the Department of Sports and Recreation and Voortrekker Monument.

PUBLIC PARTICIPATION (CONTINUED)

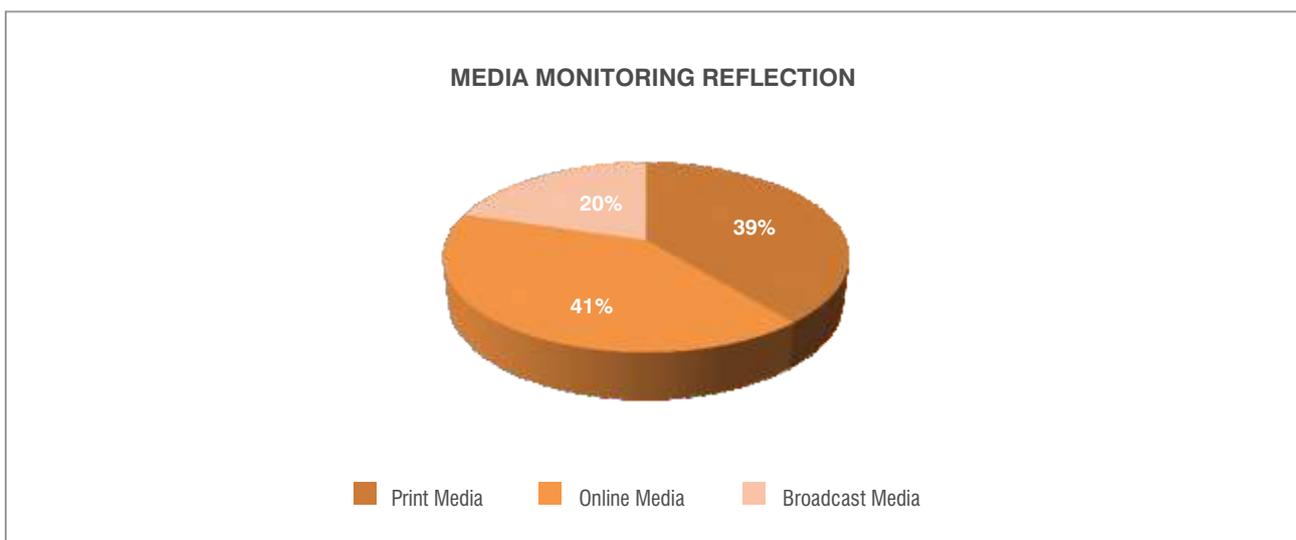


The Marketing and Public Relations Plan was developed and implemented during the year. This included media partnership with Ikwewezi FM during Africa month celebrations, MELA and SADHANA, SABC3 lifestyle programmes honouring the indentured Indian Labourer at the Wall of Names, interview series with Lotus, SAFM and Channel Africa radios, Reconciliation Day live dialogue with SABC2 Zwamaramani current affairs programme, and Freedom Park destination profiling with Gau TV.

Implementation continued with the Memorandum of Understanding (MOU) with the Center for the Advancement of Citizenry Participation in International Relations (CACPIR) who has established an online radio station named, The Veterans Voice Radio (VVR) at Freedom Park. Numerous interviews on Freedom Park content with Heritage and Knowledge officials, as well as veterans took place throughout the year. Social media posting and followers also increased to 9 271 Facebook and 1 738 Twitter from 8 687 and 1 609 respectively in the previous year. All these activities have seen a positive coverage on value added with all media.

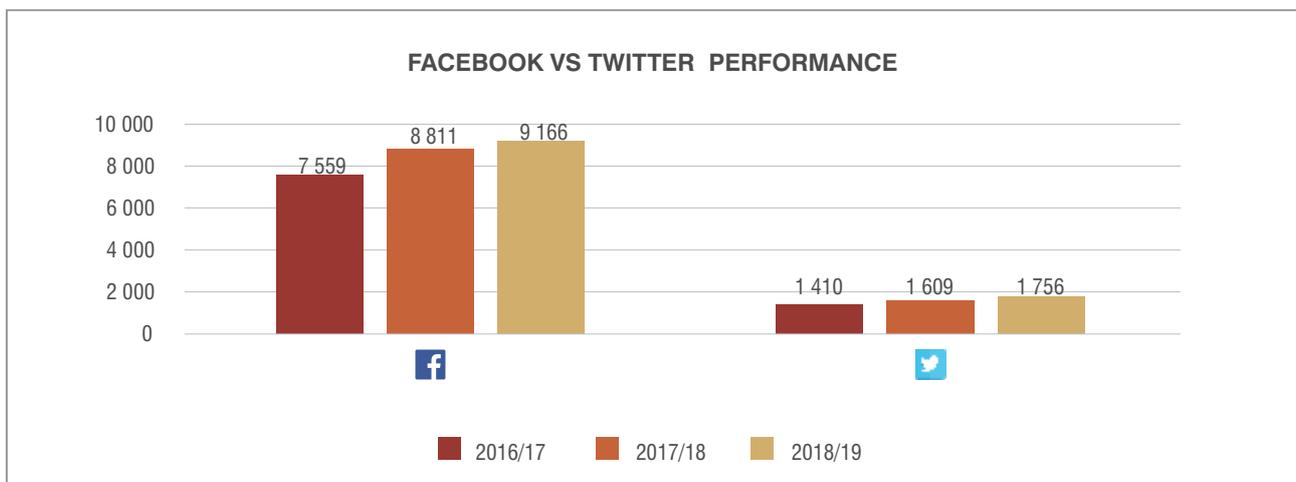
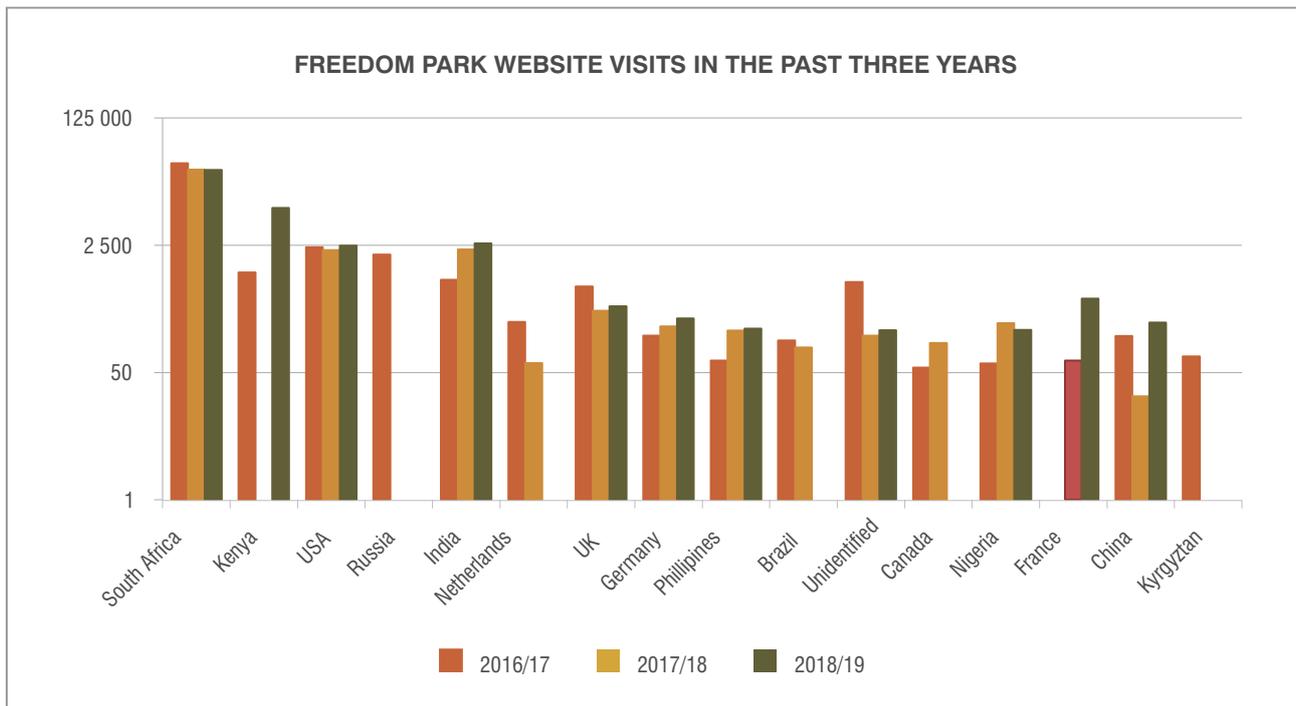
A remarkable achievement of 74 036 visits on the website was realised - an increase from 63 588.

THE FOLLOWING CHARTS REFLECT POSITIVE COVERAGE EMANATING FROM MARKETING AND PR PROGRAMMES:



PUBLIC PARTICIPATION (CONTINUED)

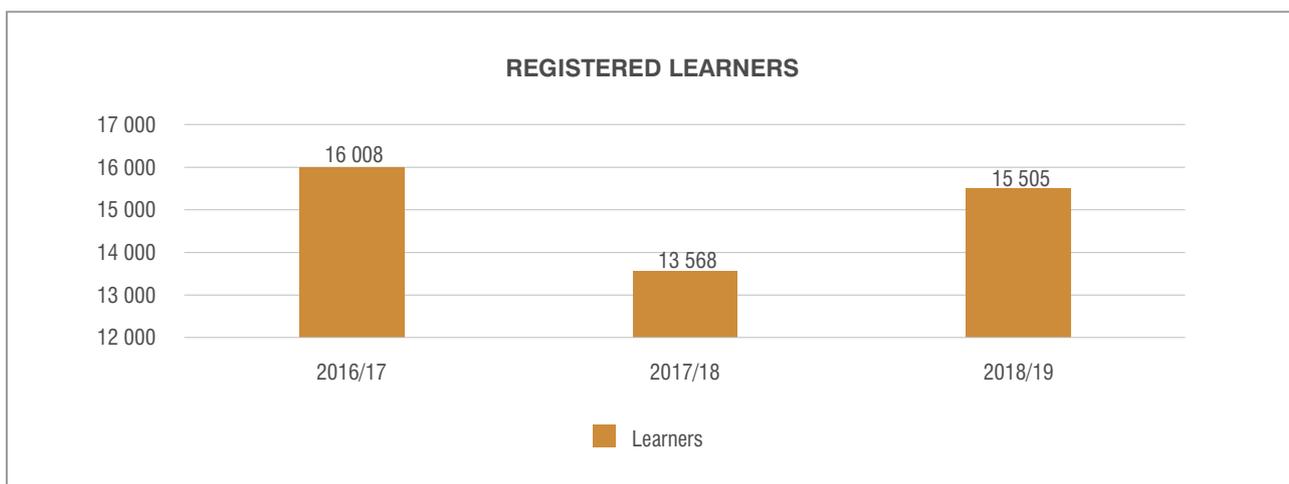
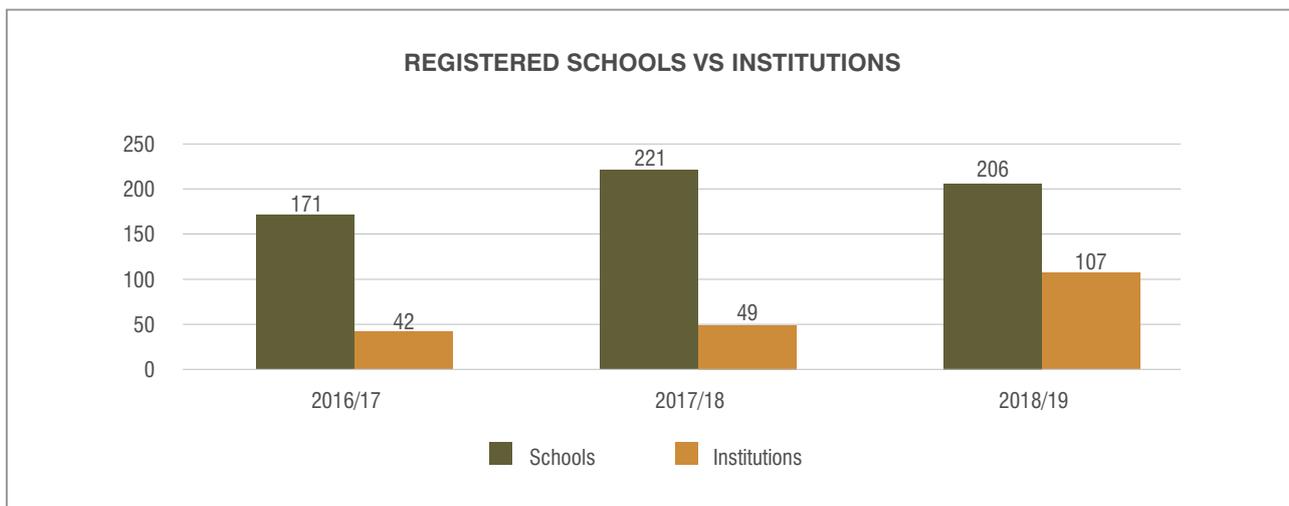
THE FOLLOWING CHARTS REFLECT POSITIVE COVERAGE EMANATING FROM MARKETING AND PR PROGRAMMES:



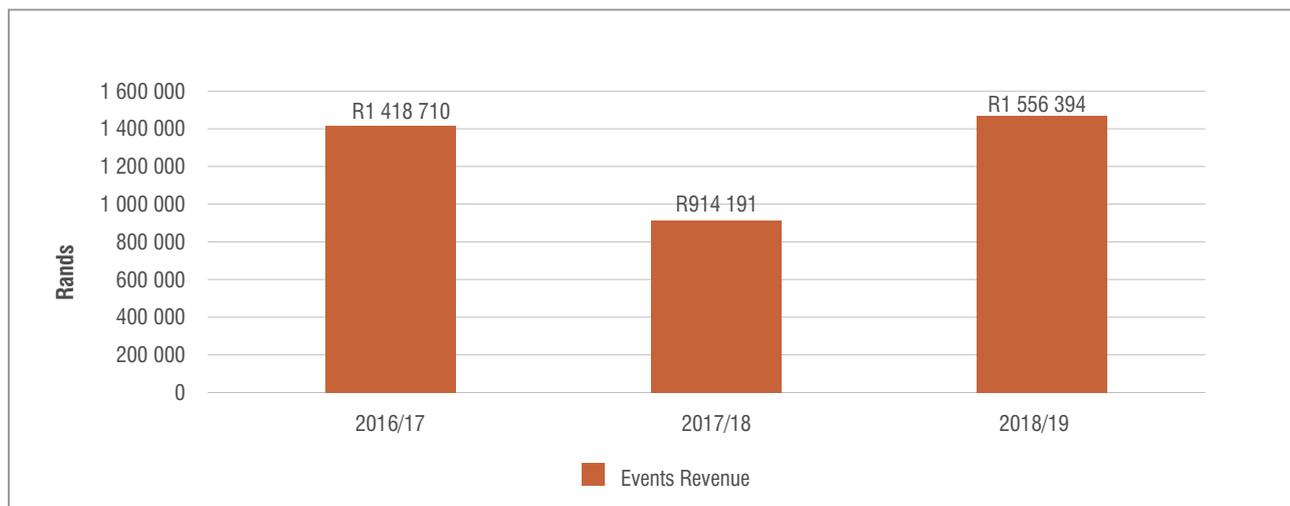
Freedom Park has also signed collaborative MOUs with tourist guides/operators, institutions of higher learning, as well as other entities. To date 24 MOUs were signed, of which 14 were implemented in the financial year under review. An unprecedented number of photography and filming projects were conducted in the year under review, in which students, researchers, media, heritage, tourism architecture, fashion and weddings were hosted. In January 2019, Freedom Park hosted Netflix for seven days filming a movie called Sacred Games. This massive project offered a different experience.

An outreach plan was developed and implemented. Eight programmes were achieved against the target of four. Outreach programmes targeted youth, women and various communities. A total of 206 schools with 15 505 learners visited Freedom Park. A total of 107 institutions of higher learning including international students visited the Park. Freedom Park also exhibited on an international platform (World Travel Market) as part of its outreach programmes. In addition, officials participated in several speed market platforms with an intention to encourage other tourism agencies to include Freedom Park on their itinerary.

PUBLIC PARTICIPATION (CONTINUED)



PUBLIC PARTICIPATION (CONTINUED)



FREEDOM PARK THROUGH ITS GUEST RELATIONS WAS HONOURED TO HOST VIP VISITS SUCH AS:

3 April 2018	Minister of Arts and Culture Mr Nathi Mthethwa
5 April 2018	Deputy President Mabuza
11 May 2018	AMB Jessica Lapenn and Deputy Chief of Mission Elizabeth Mc Kay
26 May 2018	H.E. Ambassador LIN Songtian: Ambassador Extraordinary and Plenipotentiary of the People's Republic of China to the Republic of South Africa
31 July 2018	Department of Communication - Deputy Minister Pinky Kekana
30 October 2018	Chinese Embassy - China Vice Minister of Culture and Tourism, Mr Xiang Zhaolun
16 December 2018	Deputy Minister Mr Buthelezi, Sfiso, Agriculture, Forestry and Fisheries
23 January 2019	Cuban Delegation - Cuban Minister of Health accompany by Cuban Ambassador Roberto Morales Ojeda
15 February 2019	DAC French counterpart Mr Jany Fournier - Mayor of Longueval



PART C:

GOVERNANCE



GOVERNANCE

1. INTRODUCTION

Corporate governance is a critical element of all organisations as it, among other reasons, provides assurance to stakeholders that the organisation is well managed and functioning with integrity and accountability.

Council is the accounting authority and it provides leadership, oversight and accountability. Freedom Park has established governance structures at supporting levels with clearly approved mandates. Delegated powers were delegated to the Committees of Council and the Chief Executive Officer.

Council ensures that it complies with good corporate governance through the prescripts of the enabling and facilitating legislations, the main drivers being:

- The Public Finance Management Act
- The principles contained in the King's Report IV on Corporate Governance

2. EXECUTIVE AUTHORITY

THE FOLLOWING REPORTS WERE SUBMITTED TO THE EXECUTIVE AUTHORITY:

Submit final Quarterly Report to Department for 2017/18 financial year	30 April 2018
Submit signed AFS for 2017/18 and Management Reports to Treasury and Auditor-General/External Auditor for 2017/18 Submit a list of all banking accounts to Treasury Submit Annual Report performance measurement details to Auditor-General	30 May 2018
Submit signed Treasury AFS template to Treasury (unaudited)	30 June 2018
First Quarterly Report to Department for 2017/18 financial year	30 July 2018
Audit Report issued for 2017/18 Audited Financial Statements to National Treasury for 2017/18 Final AFS consolidation template (reviewed by Auditor-General/Auditors)	30 July 2018
Submit first draft of Annual Performance Plan to Department for 2018/19	30 August 2018
Second Quarterly Report to Department for 2017/18 and Audit Outcomes Improvement Plans	30 October 2018
Submit second Annual Performance Plan for 2018/19	30 November 2018
Submit final Annual Performance Plan to Department for 2017/18 Submit third Quarterly Report to Department for 2017/18 financial year and Audit Outcomes Plans	30 January 2019
First draft Shareholder's Compact	15 February 2018
Table final Annual Performance Plan for 2017/18 in Parliament and submit the final Shareholder's Compact	28 February 2018

GOVERNANCE (CONTINUED)

3. THE ACCOUNTING AUTHORITY / COUNCIL

INTRODUCTION

Council, as the accounting authority, ensures that it complies with its fiduciary duties as required by the Public Finance Management Act. It acts with fidelity, honesty, integrity and in the best interests of Freedom Park in managing the financial affairs of Freedom Park. Council also discloses, on request from the Department of Arts and Culture all material facts, including those reasonably discoverable, which in any way may influence the decisions or actions of the Department.

THE ROLE OF COUNCIL

The Council Members were appointed by the Minister of Arts and Culture effective 1 September 2018, when the term of the former Council Members came to an end. It consists of nine Members who are all part time. The Council Members are appointed for a period of three years. A Council Member whose period of office has expired may be re-appointed. There is no limit to the number of terms a Council Member may serve. Council Members must be impartial and perform their function without fear, favour or prejudice.

Council is the highest decision-making body and is accountable and responsible for the performance and affairs of Freedom Park. The functions of Council, in terms of the Cultural Institutions Act, are to:

- Formulate policy
- Hold, preserve and safeguard all movable and immovable property of whatever kind placed in the care of, or loaned or belonging to the declared institution concerned
- Receive, hold, preserve and safeguard all specimens, collections or other movable property placed under its care and management
- Raise funds for the institution
- Manage and control the monies received by the declared institution and use those monies for defraying expenses in connection with the performance of its functions
- Keep a proper record of the property of the declared institution
- Submit to the Director-General any returns required by him or her and to keep proper books of account

- Determine, subject to the Act and with the approval of the Minister, the objects of the declared institution
- Generally, carry out the objects of the declared institution

Council may determine the hours during which and the conditions and restrictions subject to which the public may visit the declared institution concerned, or portion thereof, and the admission charges to be paid. In addition, Council may appoint the necessary persons to perform the functions of the declared institution concerned. The determination of the remuneration and other conditions of service of appointed persons must be in accordance with a scheme approved by the Minister in consultation with the Minister of Finance.

As the accounting authority, Council has the following responsibilities:

- Strategic role
- Determination of policy and procedures and levels of materiality to ensure integrity
- Risk management and internal controls
- Monitoring of operational performance and management
- Chairperson, Council Member orientation, induction and succession planning
- Conflict of interest and independence

COUNCIL CHARTER

Council is committed to upholding good corporate governance in all of its business dealings with the Shareholder, regulatory authorities and other stakeholders. To this end, Council adopted the Charter and Code of Conduct to regulate how business is conducted in accordance with the principles of good corporate governance. The Charter sets out the specific responsibilities of Council Members collectively and their individual roles. The Council Charter and Code of Conduct are guided by the King IV Report and established standards of best governance practice. It addresses the role of Council, meetings, Committees, Terms of Reference of the Committees and the Code of Conduct.

GOVERNANCE (CONTINUED)

COMPOSITION OF THE COUNCIL AND MEETINGS ATTENDED FOR COUNCIL MEMBERS FROM 1 APRIL 2018 TO 31 AUGUST 2018

Member	25 Apr 2018	30 May 2018	30 July 2018	31 July 2018	30 Aug 2018
Dr MR Raphalalani	✓	✓	✓	✓	✓
Mr MG Kgarume	✓	x	✓	✓	✓
Mr S Gounden	x	✓	x	x	✓
Dr PM Guma	✓	✓	✓	✓	✓
Prof M Nkodo	x	✓	✓	✓	✓
Kgosi EM Mabalane	✓	✓	x	x	✓
Mr MCR Makopo	✓	✓	✓	✓	✓
Ms JA Seidman	✓	✓	✓	✓	✓
Dr S Malapane	✓	✓	✓	✓	✓

MEMBERS FROM 1 SEPTEMBER 2018 TO 31 MARCH 2019 – NEWLY APPOINTED COUNCIL

Member	9 Oct 2018	30 Oct 2018	26 Nov 2018	27 Nov 2018	29 Jan 2018	18 March 2018
Mr MCR Makopo (Council Chairperson)	✓	✓	✓	✓	✓	✓
Dr MR Raphalalani	✓	✓	x	x	✓	✓
Kgosi EM Mabalane	✓	✓	✓	✓	✓	✓
Ms Fayruz Mohamed	✓	✓	✓	x	✓	✓
Ms Welekazi Jabosigo	✓	✓	✓	✓	✓	✓
Dr Pritish Dala	✓	✓	✓	✓	✓	✓
Mr Michael Mpanza	✓	✓	✓	✓	✓	✓
Mr Thulani Sithole	✓	✓	✓	✓	✓	✓
Mr Reginald Nyandeni	✓	✓	✓	✓	✓	✓

GOVERNANCE (CONTINUED)

COMMITTEES FROM 1 APRIL 2018 TO 31 AUGUST 2018

Committee	No of meetings held	No of members	Name of members
Audit and Risk Committee	4	3 Council Members and 2 additional members	Mr S Gounden Dr MR Raphalalani Ms JA Seidman
Core Business Committee	2	3 Council Members	Prof M Nkondo Dr PM Guma Ms JA Seidman
Executive Committee	1	3 Council Members	Mr MCR Makopo Mr S Gounden Mr MG Kgarume
Ethics and Legal Committee	2	3 Council Members	Dr S Malapane Mr MG Kgarume Kgosi EM Mabalane
Finance and Fundraising Committee	2	3 Council Members	Mr MG Kgarume Dr S Malapane Prof M Nkondo
KHR and Remuneration Committee	2	3 Council Members	Kgosi EM Mabalane Dr MR Raphalalani Dr PM Guma

COMMITTEES 1 SEPTEMBER 2018 TO 31 MARCH 2019 – NEWLY APPOINTED COUNCIL

Committee	No of meetings held	No of members	Name of members
Audit and Risk Committee	4	3 Council Members	Ms F Mohamed Dr P Dala Mr M Mpanza
Core Business Committee	1	3 Council Members	Dr Raphalalani Mr T Sithole Mr R Nyandeni
Executive Committee	0	6 Council Members	Mr R Makopo Dr MR Raphalalani Mr M Mpanza Kgosi Mabalane Ms W Jabosigo Ms F Mohamed
Ethics and Legal Committee	1	3 Council Members	Ms W Jabosigo Kgosi Mabalane Ms F Mohamed
Finance and Fundraising Committee	1	3 Council Members	Mr M Mpanza Mr T Sithole Mr R Nyandeni
HR and Remuneration Committee	1	3 Council Members	Kgosi EM Mabalane Dr MR Raphalalani Ms W Jabosigo

GOVERNANCE (CONTINUED)

REMUNERATION OF COUNCIL MEMBERS

Remuneration of Council members is determined by National Treasury Service benefit packages for office bearers of certain statutory institutions.

- All Council Members are remunerated as none are employees of provincial or local government
- Travel expenses are paid according to the Department of Transport rates

The remuneration below was paid to Council Members:

REMUNERATION PAID TO COUNCIL 2018 /2019

Member	Members' fees	Committees	Ad hoc request	Total
Mr MCR Makopo (Chairperson) <i>(Re-appointed 1 September 2018)</i>	62 554	23 074	100 499	186 127
Dr P Dala <i>(Appointed 1 September 2018)</i>	12 239	89 026	17 452	118 717
Dr MR Raphalalani <i>(Re-appointed 1 September 2018)</i>	47 926	50 088	1 662	99 676
Kgosi EM Mabalane <i>(Re-appointed 1 September 2018)</i>	33 186	50 088	9 774	93 048
Ms JA Seidman <i>(Term Ended 31 August 2018)</i>	36 850	44 220	7 370	88 440
Dr S Malapane <i>(Term Ended 31 August 2018)</i>	36 850	36 850	3 685	77 385
Prof M Nkondo <i>(Term Ended 31 August 2018)</i>	33 626	29 480	3 685	66 791
Dr PM Guma <i>(Term Ended 31 August 2018)</i>	29 480	36 850	0	66 330
Mr MG Kgarume <i>(Term Ended 31 August 2018)</i>	29 480	29 480	0	58 960
Mr S Gounden <i>(Term Ended 31 August 2018)</i>	14 740	29 480	11 055	55 275
Mr M Mpanza <i>(Appointed 1 September 2018)</i>	8 142	11 406	11 076	30 624
Ms W Jabosigo <i>(Appointed 1 September 2018)</i>	11 076	8 802	9 774	29 652
Ms F Mohanned <i>(Appointed 1 September 2018)</i>	11 076	14 010	4 236	29 322
Mr R Nyandeni <i>(Appointed 1 September 2018)</i>	11 076	4 401	5 868	21 345
Mr T Sithole <i>(Appointed 1 September 2018)</i>	11 076	0	5 868	16 944
Ms T Mhlari <i>(Resigned 31 January 2018)</i>	0	0	2 297	2 297
TOTAL	389 377	457 255	194 301	1 040 933

GOVERNANCE (CONTINUED)

REMUNERATION PAID TO COUNCIL 2017 /2018

Member	Members' fees	Committees	Ad hoc request	Total
Dr MR Raphalalani <i>(Re-appointed 1 September 2018)</i>	48 666	97 332	192 529	338 527
Mr MCR Makopo (Chairperson) <i>(Re-appointed 1 September 2018)</i>	65 460	37 405	173 001	275 866
Kgosi EM Mabalane <i>(Re-appointed 1 September 2018)</i>	48 667	55 619	145 327	249 613



GOVERNANCE (CONTINUED)

4. RISK MANAGEMENT

Enterprise risk management is the application of risk management throughout Freedom Park rather than only in selected business areas or disciplines. Accordingly, risk management at Freedom Park is decentralised, with every department responsible for risk management. Freedom Park instituted a robust Enterprise Risk Management process, founded on a framework that is organisationally embedded, supported and assured, and continuously reviewed.

In compliance with good corporate governance Council approved the Enterprise Risk Management Policy and Enterprise Risk Management Framework as systems of internal control. Freedom Park's Risk Management Framework, which lays out guiding principles for the Management of Risk, comprises the totality of all the structures, policies, strategies and procedures within that deal with risk management at a strategic and operational level.

Risk is one of the primary management responsibilities and, to this end, Management holds risk management meetings to review and assess risks. In addition, the Risk Management Committee chaired by a Council Member was established in compliance with the National Treasury Regulations.

The Risk Management Committee reports to the Audit and Risk Committee which in turn reports to Council as the highest decision-making body.

In addition, a formal Risk assessment exercise is undertaken annually to identify risks that may prevent Freedom Park from achieving its goals and objectives. The exercise enables Freedom Park to have a Risk register, formulate appropriate Risk strategies and action plans to mitigate and address risks. Quarterly Risk assessments are also performed as part of the quarterly performance monitoring process.

4.1. Nature of Risk Management:

The institution makes use of a risk management programme (Cura), to facilitate the timeous identification, measurement, analysis and evaluation of risks. Each department is required to update the risk management programme on a quarterly basis, together with the up-to-date detailing, quantifying and prioritising of risks. The risk management programme contains details of plans and actions, both to mitigate risks and to exploit opportunities. The effectiveness of controls to manage the risks identified is evaluated by the Chief Executive Officer and Internal Audit and is formally reported to the Audit and Risk Committee and Council.

5. INTERNAL CONTROL UNIT

The internal audit function is outsourced. Internal control systems were introduced to provide Management and Council with comfort regarding the financial position of Freedom Park, safeguarding of assets (including information) and compliance with related laws and regulations. Internal Auditors monitor the functioning of internal control systems and make recommendations to Management, the Audit and Risk Committee and Council.

Freedom Park's internal control systems were designed to:

- Provide assurance of the integrity and reliability of the Annual Financial Statements
- Safeguard, verify and maintain accountability of its assets
- Detect fraud, potential liability, loss and material misstatement, while complying with applicable laws and regulations

These controls were based on established policies and procedures and implemented with the appropriate segregation of duties. The internal audit function operated under the direction of the Audit Committee. The Audit Committee approved the scope of work to be performed.

GOVERNANCE (CONTINUED)

6. INTERNAL AUDIT AND AUDIT COMMITTEES

In terms of the Public Finance Management Act, Council has to comply with the compulsory establishment of an effective internal audit function, and an Audit Committee to monitor the scope and effectiveness of the internal audit function in an entity.

The purpose of the Committee is to assist Management in fulfilling its oversight responsibilities for the systems of internal control and risk management, the audit process, and Freedom Park's process for monitoring compliance with all applicable legal requirements and accounting standards. As indicated, the audit function is performed by an external service provider to maintain the independence of the audit function.

- Systems of internal control
- Compliance with laws and regulations
- Oversight over the internal audit function
- Performance and risk management
- Annual Financial Statements

ATTENDANCE OF AUDIT AND RISK COMMITTEE MEETINGS FROM 1 APRIL 2018 TO 31 AUGUST 2018

Member	17 Apr 2018	22 May 2018	20 Jul 2018	27 Aug 2018
Dr MR Raphalalani	✓	✓	✓	✓
Mr S Gounden	✓	✓	x	✓
Ms JA Seidman	✓	✓	✓	✓
Dr P Dala (Independant)	✓	✓	✓	✓
Ms T Mhlari (Independant)	x	x	x	✓

ATTENDANCE OF AUDIT AND RISK COMMITTEE MEETINGS 1 SEPTEMBER 2018 TO 31 MARCH 2019 – NEWLY APPOINTED COUNCIL

Member	19 Oct 2018	16 Nov 2018	22 Jan 2019	11 Mar 2019
Ms F Mohamed	✓	✓	✓	✓
Mr M Mpanza	✓	✓	✓	✓
Dr P Dala	✓	✓	✓	✓

GOVERNANCE (CONTINUED)

7. COMPLIANCE WITH LAWS AND REGULATIONS

Freedom Park is a declared cultural institution in terms of the Cultural Institutions Act. It is important for Freedom Park to comply with enabling and facilitation legislation as failure to do so can result in litigation and reputational damage. Council approved the Compliance Policy to ensure compliance with legislation. The policy provides guidance on legislative compliance responsibilities so that Council is satisfied that all measures are being taken across the organisation to comply with all legislation that has an impact on its mandate.

The policy also provides a broad and overarching framework intended to be read, subject to specific compliance and reporting requirements. It is one of the elements of governance arrangements and is intended to complement other internal controls, processes and procedures. The policy identifies legislations for which Freedom Park has compliance responsibility, assigns primary responsibility for ensuring compliance and provides a process for quarterly reporting on legislative compliance.

8. FRAUD AND CORRUPTION

Freedom Park has zero tolerance for fraud and corruption. To this end, Council has an approved Fraud Prevention Policy and Plan. The Fraud Plan takes into account:

- The risks of fraud and corruption identified in the Risk assessments initiated by Freedom Park
- A review of other pertinent documentation
- Interviews with selected Freedom Park officials

The plan addresses strategic fraud and corruption risks that must be addressed and which could jeopardise the successful implementation of each component of the plan. The plan is dynamic and will continuously evolve as Freedom Park makes changes and improvements in its drive to promote ethics, as well as to fight fraud and corruption.

In addition, Freedom Park has a Whistle Blower Policy. The anti-corruption hotline is also in place and is administered by the Department of Arts and Culture. All reported cases are forwarded to the Internal Auditors. The telephone number of the Anti-Corruption Hotline is posted on the Freedom Park website and the intranet for the employees and the public. Fraud reporting includes internal cases that are reported by the employees of Freedom Park to the Internal Auditor.

It is the responsibility of all employees to immediately report all allegations or incidents of fraud and corruption. All managers are responsible for the detection, prevention and investigation of fraud and corruption and must report all incidents and allegations of fraud and corruption.



GOVERNANCE (CONTINUED)

9. MINIMISING CONFLICT OF INTEREST

The Policy on the Declaration and Registration of Direct and Indirect Interest and Gifts is in place and regulates conflict of interest. The policy requires, among others, that:

- Council Members and all employees must annually declare direct or indirect business interests that he or she or a family member may have in any matter which is relevant to Freedom Park
- Council Members and employees must declare, by way of a notice in writing, direct or indirect business interests that he or she or a family member may have in any contract or tender or proposed tender which has been or is to be entered into by Freedom Park or who becomes interested in any such contract or tender after it has been entered into

Before every Council, Committee and Management meeting a Declaration of Interest Register is signed. If any member declares any interest he or she will be recused from the meeting.

10. CODE OF CONDUCT

The Code of Conduct, which also includes the Code of Ethics, is included in the Council Charter. The Code of Conduct is based on principles of honesty and integrity. It guides Council Members and employees on aspects such as the protection of organisational assets, information and conflicts of interest.

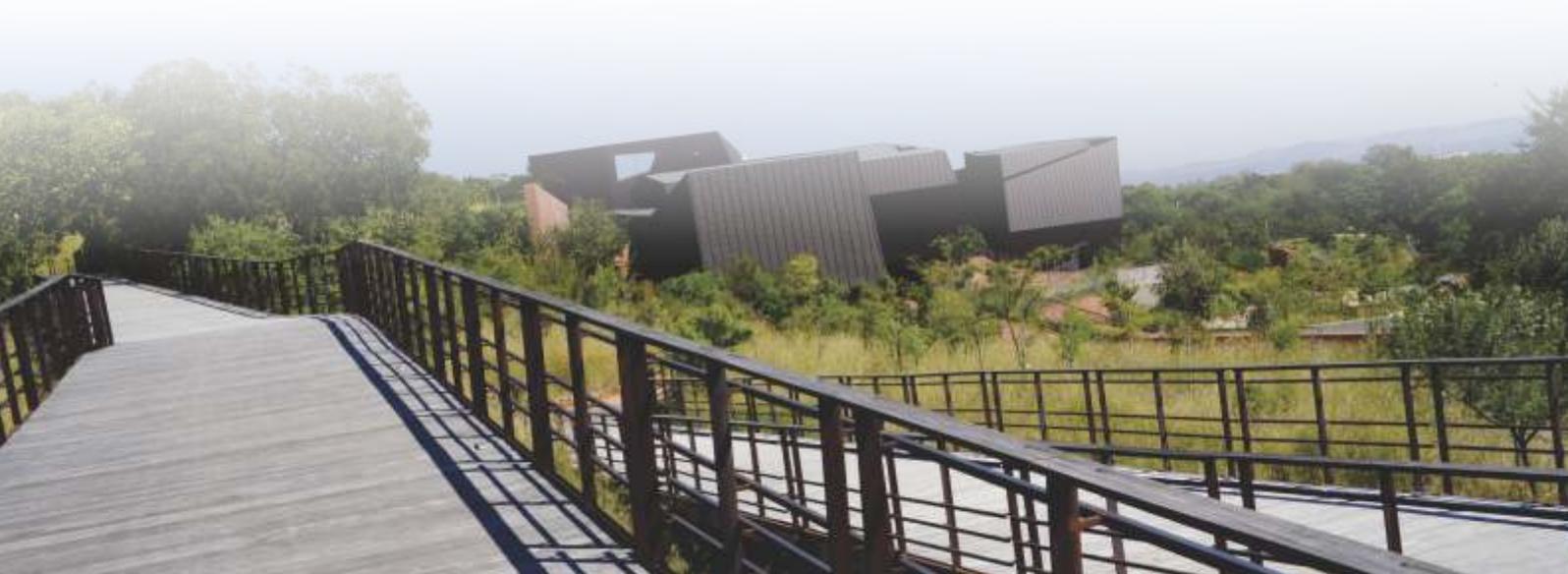
Freedom Park must ensure that official relationships reflect integrity, respect for human dignity, the rights of others, honesty and commitment to do what is right, fair, legal and just.

Keeping in mind that ethics refers to the institution's principles of conduct, employees of Freedom Park must at all times comply with the following values in the execution of their tasks and official interactions:

- Honesty and integrity
- Respect
- Commitment
- Professionalism
- Equity
- Openness

11. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

Council approved the Occupational Health Policy to ensure it complies with health, safety and environmental requirements. Aligned with the related guidelines in King IV, Freedom Park is committed to ensuring that its activities do not compromise environmental, health and safety legislations. Although its major activities do not pose a significant threat to the environment, the organisation's management activities focus on compliance with the key features of existing regulations.



GOVERNANCE (CONTINUED)

12. COMPANY SECRETARY

The Company Secretary is appointed by Council and is tasked with supporting Council and the organisation to maximise its efficiency and to ensure that it conducts its business according to good corporate governance and practices.

The Company Secretary is located within the Corporate Governance Department and is responsible for the operations of Council, including legal, secretarial and administrative support. In compliance with good corporate governance, the Company Secretary also facilitates self-assessment of the Council and its Committees, as well as financial disclosures by Council Members.

The responsibilities are strategic and incorporate all matters pertaining to corporate governance and compliance with the King IV Report.

The role and responsibilities of the Company Secretary are:

- To ensure compliance and good corporate governance throughout the institution by providing legal guidance and support to the Council, Management and employees to enable them to discharge their fiduciary and other responsibilities effectively

- To provide guidance and advice within the institution on matters of ethics, good governance, compliance and legal matters to ensure compliance and good governance
- To ensure compliance with all relevant legislation, policies and procedures through monitoring compliance within the institution
- To promote compliance and good corporate governance within the institution by, among others training, advising and providing guidance
- To provide effective and efficient support to Council, Management and staff by, among others, effective minute taking, co-ordination of statutory meetings and the distribution of relevant information
- To negotiate and draft agreements and provide opinions and interpretations of agreements to ensure the interest of the institution is protected
- To ensure the effective, efficient and economical implementation of institutional strategies and policies according to relevant legislation and policies
- To draft and advise on policies, as well as compiling manuals and procedural guidelines to ensure good governance

13. SOCIAL RESPONSIBILITY

Freedom Park sees social responsibility as a form of self-regulation of their corporate conscience and citizenship. The goal of Freedom Park's social responsibility is to encourage the institution's actions towards the positive impact of stakeholders, community and employee responsibility.

Freedom Park aligns itself with appropriate institutions to create a better environment to live and work in. Community development takes place within the Salvokop community where the institution is situated. Other outreach projects included, inter alia, the communities of Hermanstad and Calvinia, as well as youth projects. This kind of collective activism is reached through social education and awareness goals.



The late Mme Winnie Madikizela-Mandela's memorial

GOVERNANCE (CONTINUED)

14. AUDIT AND RISK COMMITTEE REPORT

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

The Responsibilities of the Audit and Risk Committee

The Audit Committee reports that it executed its responsibilities arising from Sections 51(1) (a) (ii), 76 (4) (d) and 77 of the Public Finance Management Act as well as Treasury Regulation 27.1. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with it and has discharged all its responsibilities as contained therein.

The Effectiveness of Internal Control

The Audit Committee's review of the audit findings by various assurance providers revealed management implementation of the drivers of internal control in the areas of financial statements, performance reporting and compliance with applicable legislation has improved. However, the Committee notes that the control environment is generally partially adequate and effective and therefore requires improvement.

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

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

- Development of Five Year Strategic and Annual Internal Audit Plan;
- Follow up Reviews of prior year (s) Internal and External Audit Findings;
- Review of Park Operations and Public Participation;
- Audit of Performance Information Review (Quarterly); and
- Supply Chain Management Review.

The following were areas of concern:

- Non-Financial (Performance) Management Reporting;
- Supply Chain Management including Contract Management;
- Expenditure Management;
- Consequence Management;
- Maintenance Management;
- Lack of Strategic ICT Leadership;
- ICT Control Environment; and
- Insignificant Progress Made in Terms of Mitigating Strategic Risks

Risk Management

Freedom Park has a Risk Management Committee that advises the Audit Committee on matters of risk management in fulfilling its mandate as required by section 38(1)(a)(i) of the PMFA and the Public Sector Risk Management Framework developed by National Treasury.

The Risk Management Committee Chairperson serves on the entity's Audit Committee and reports on matters such as enterprise wide risk management, combined assurance, anti-corruption and fraud, compliance and business continuity management.

The Risk Management Committee has adopted formal approved terms of reference as contained in the Risk Management Committee Charter, and regulates its affairs and discharges all its responsibilities in compliance with this approved Charter.

The following are the activities approved by the Audit Committee through its oversight role in risk management:

Risk Management Policies

The entity maintained a Risk Management Framework and Risk Management Policy.

Risk management processes are monitored quarterly through the Risk Management Committee, which reports to the Audit Committee for oversight.

Information and Communication Technology

An ICT Steering Committee has also been established and provides oversight in relation to ICT governance, compliance, projects and cyber security. The ICT Steering Committee advises the Audit Committee on ICT governance matters, and has adopted formal approved terms of reference as contained in the ICT Steering Committee Charter and regulates its affairs and discharges all its responsibilities in compliance with this approved Charter.

In-Year Management and Monthly/Quarterly Reports

Freedom Park has reported financial and performance information, quarterly to the National Treasury and the Department of Arts and Culture as is required by the PFMA.

Evaluation of Financial Statements

The Audit and Risk Committee and Internal Audit have reviewed the Annual Financial Statements prepared by the public entity before submission to Auditor General South Africa.

Auditor's Report

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

- Performance
- Fixed Assets

The Audit and Risk Committee concurs with and accepts the conclusions of the external auditor on the Annual Financial Statements and Performance Information Report, and is of the opinion that it be accepted and read together with the report of the auditor.



Ms Fayruz Mohamed
Chairperson of the Audit Committee
Freedom Park
July 2019

PART D:

HUMAN RESOURCE MANAGEMENT



HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

The department pursues, as its mission, to serve as a strategic partner that supports the overall mission and strategic objectives of Freedom Park. This is achieved by developing and delivering innovative human resource programmes which will facilitate the creation of an environment that is conducive to attracting, engaging and retaining effective knowledgeable talent measured by industry standards. In addition, to ensure regulatory compliance and sound labour relations with stakeholders.

The department provides details of performance review of activities executed in various good human resources practices in an effort to contribute to the achievement of the organisation's strategic objectives. Specific attention is given to, among others, recruitment, training and development, compensation and rewards, employee relations and employee wellness.

The organisation realignment process is geared to align the institutional human resources with the organisational structure via the contracted service provider, SPT. This process was completed and is currently at change management stage. The next stage will be implementation. Salary review negotiations with the trade union, National Education and Allied Workers Union, were finalised without any undue disputes.

The institutionalisation of training and study assistance was deferred to the new financial year due to financial constraints. Only registration for studies with merit were engaged with.

Recruitment and appointments

Recruitment of one of the critical Senior Management positions was filled without leaving the position vacant for too long. One other critical senior position was filled with an interim replacement until the appointment of a permanent replacement.

Employees wellness

The institution's employee wellness programme has now added the following service advantages for the employee:

- ICAS launched eCare in May 2018. Every employee has login details to make use of this service
- eCare portal provides health and wellbeing information that covers all relevant health topics, as well as providing a number of interactive tools and professional advisory services, eCare's innovative online wellness services include:
 - Weekly Health Bytes (regular, personalised health and wellness emails)
 - Wellness assessment and personal health report
 - An interactive health portal
 - Stimulating health articles and trends
 - Comprehensive medical encyclopedia
 - Health quizzes, trackers, and calculators
 - A range of email opt-in series



HUMAN RESOURCE MANAGEMENT (CONTINUED)

2. HUMAN RESOURCE OVERSIGHT STATISTICS

The public entity must provide key information on human resources. All the financial amounts must agree with the amounts disclosed in the Annual Financial Statements. Where considered appropriate, provide reasons for variances.

PERSONNEL COST BY PROGRAMME

Programme	Total expenditure for the entity (R'000)	Personnel expenditure (R'000)	Personnel expenditure as a % of total expenditure (R'000)	Number of employees	Average personnel cost per employee (R'000)
Administration	61 287	28 692	47%	50	574
Business Development	61 287	19 578	32%	24	816
Public Engagement	61 287	13 017	21%	19	685

PERSONNEL COST BY SALARY BAND

Level	Personnel expenditure (R'000)	% of personnel expenditure to total personnel cost (R'000)	Number of employees	Average personnel cost per employee (R'000)
Top Management	2 011	3%	1	2 011
Senior Management	7 238	12%	6	1 206
Professional Qualified	26 178	43%	30	873
Skilled	13 892	23%	24	579
Semi-skilled	9 524	16%	21	454
Unskilled	2 444	4%	11	222
TOTAL	61 287	100%	93	

PERFORMANCE REWARDS

Programme	Performance rewards	Personnel expenditure (R'000)	% of performance rewards to total personnel cost (R'000)
Top Management	0	2 011	0%
Senior Management	0	7 238	0%
Professional Qualified	0	26 178	0%
Skilled	32	13 892	0%
Semi-skilled	0	9 524	0%
Unskilled	0	2 444	0%
TOTAL	32	61 287	

HUMAN RESOURCE MANAGEMENT (CONTINUED)

TRAINING COSTS

Directorate/ business unit	Personnel expenditure (R'000)	Training expenditure (R'000)	Training expenditure as a % of personnel cost	Number of employees trained	Average training cost per employee
Nil	Nil	Nil	Nil	Nil	Nil

EMPLOYMENT AND VACANCIES

Programme	2018/2019 number of employees	2018/2019 approved posts	2018/19 vacancies	% of vacancies
Top Management	1	1	0	0%
Senior Management	4	6	2	0.33%
Professional Qualified	30	32	2	0.62%
Skilled	24	27	3	0.11%
Semi-skilled	23 (2interns)	23	0	0%
Unskilled	11	19	8	0.42%
TOTAL	93	108	15	1.38%

EMPLOYMENT CHANGES

Salary band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	1	0	0	1
Senior Management	6	0	2	4
Professional Qualified	32	0	1	31
Skilled	24	0	2	22
Semi-skilled	21	0	1	20
Unskilled	11	0	0	11
TOTAL	95	0	6	89



HUMAN RESOURCE MANAGEMENT (CONTINUED)

REASONS FOR STAFF LEAVING (16)

Reason	Number	% of total number of staff leaving
Death	0	0%
Resignation	4	0.15%
Dismissal	0	0%
Retirement	0	0%
Ill health	0	0%
Expiry of contract	0	0%
Other	2	0.02%
TOTAL	6	

LABOUR RELATIONS: MISCONDUCT AND DISCIPLINARY ACTION

Nature of disciplinary action	Number
Verbal warning	2
Written warning	2
Final written warning	0
Dismissal	0
TOTAL	4

EQUITY TARGET AND EMPLOYMENT EQUITY STATUS

Levels	Male							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	0	0	0	0	0	0	0
Senior Management	3	0	0	0	0	0	0	0
Professional Qualified	14	0	1	0	0	0	0	0
Skilled	10	0	0	0	1	0	0	0
Semi-skilled	6	0	1	0	0	0	0	0
Unskilled	7	0	0	0	0	0	0	0
TOTAL	40	0	2	0	1	0	0	0

HUMAN RESOURCE MANAGEMENT (CONTINUED)

EQUITY TARGET AND EMPLOYMENT EQUITY STATUS (CONTINUED)

Levels	Female							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	0	0	0	0	0	0	0
Senior Management	3	0	0	0	0	0	0	0
Professional Qualified	11	0	0	0	1	0	2	0
Skilled	14	0	2	0	1	0	0	0
Semi-skilled	9	0	0	0	0	0	2	0
Unskilled	4	0	0	0	0	0	0	0
TOTAL	42	0	2	0	2	0	4	0

Levels	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	0	0	0
Semi-skilled	0	0	0	0
Unskilled	0	0	0	0
TOTAL	0	0	0	0



PART E:

FINANCIAL INFORMATION



GENERAL INFORMATION

Country of incorporation and domicile	South Africa
Legal form of entity	Schedule 3A
Nature of business and principal activities	Heritage destination that reflects upon the past of South Africa
Council members	<p>Members until 31 August 2018</p> <p>Dr MR Raphalalani Mr MG Kgarume Mr S Gounden Dr PM Guma Prof M Nkodo Kgosi EM Mabalane Mr MCR Makopo Ms JA Seidman Dr S Malapane</p> <p>Newly Appointed Members from 1 September 2018</p> <p>Mr MCR Makopo Chairperson* Dr MR Raphalalani* Kgosi EM Mabalane* Ms F Mohamed Ms W Jabosigo Dr P Dala Mr M Mpanza Mr T Sithole Mr R Nyandeni * Council Members reappointed for their second term</p>
Registered office	Corner Koch and 7th Avenue Salvokop Pretoria 0001
Business address	Corner Koch and 7th Avenue Salvokop Pretoria 0001
Postal address	P.O. Box 2710 Pretoria Gauteng South Africa 0001
Bankers	Nedbank
Auditors	Auditor-General of South Africa
Secretary	Ms M Koto
Preparer	The Annual Financial Statements were internally compiled by: Mr M Jonker (Interim Chief Financial Officer)

INDEX

THE REPORT AND THE FINANCIAL STATEMENTS SET OUT BELOW COMPRISE THE ANNUAL FINANCIAL STATEMENTS PRESENTED TO THE BOARD.

REPORT OF THE AUDITOR-GENERAL	70
ACCOUNTING AUTHORITY'S RESPONSIBILITIES AND APPROVAL	76
STATEMENT OF FINANCIAL POSITION	77
STATEMENT OF FINANCIAL PERFORMANCE	78
STATEMENT OF CHANGES IN NET ASSETS	79
CASH-FLOW STATEMENT	80
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS	81
ACCOUNTING POLICIES	82
NOTES TO THE ANNUAL FINANCIAL STATEMENTS	96

ACRONYMS / ABBREVIATIONS

GRAP	General Recognised Accounting Practice
PFMA	Public Finance Management Act
IPSASB	International Public Sector Accounting Standards Board



Report on the audit of the annual financial statements

Opinion

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

Context for the opinion

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

Emphasis of matter

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

Restatement of corresponding figures

7. As disclosed in note 33 to the financial statements, the corresponding figures for 31 March 2018 were restated as a result of errors in the financial statements of the entity at, and for the year ended, 31 March 2019.

Responsibilities of 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 SA standards on GRAP and the requirements of the PFMA, and

for such internal control as 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 Freedom Park's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

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

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 audit of the annual performance report

Introduction and scope

12. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
13. My procedures address the reported performance information, which must be based on the approved performance planning documents of the public entity. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
14. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the public entity for the year ended 31 March 2019:

for such internal control as 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 Freedom Park's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

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

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 audit of the annual performance report

Introduction and scope

12. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
13. My procedures address the reported performance information, which must be based on the approved performance planning documents of the public entity. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
14. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the public entity for the year ended 31 March 2019:

Programmes	Pages in the annual performance report
Programme 2 – Business Development	page 28 - page 37
Programme 3 – Public Engagement	page 38 - page 47

15. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
16. I did not raise any material findings on the usefulness and reliability of the reported performance information for these programmes.

Other matter

17. We draw attention to the matter below. Our opinion is not modified in respect of this matter.

Achievement of planned targets

18. Refer to the annual performance report on pages 19 to 47 for information on the achievement of planned targets for the year and explanations provided for the under/over achievement of a number of targets.

Report on the audit of compliance with legislation

Introduction and scope

19. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the public entity with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
20. The material findings on compliance with specific matters in key legislations are as follows:

Annual Financial Statements and Annual report

21. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework, as required by section 55(1) (a) and (b) of the PFMA. Material misstatements of intangible assets, accrued leave pay, amortisation and commitments, identified by the auditors in the submitted financial statement were subsequently corrected resulting in the financial statements receiving an unqualified audit opinion.

Expenditure Management

22. Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R1 135 881 as disclosed in note 28 to the annual financial statements, as required by section 51(1)(b)(ii) of the PFMA. The majority of the irregular expenditure disclosed in the financial statements was caused by not following Supply Chain Management processes pertaining to deviations.

Procurement Management

23. Bid documentation for procurement of commodities designated for local content and production, did not stipulate the minimum threshold for local production and content as required by the 2017 preferential procurement regulation 8(2).

Consequence Management

24. Disciplinary steps were not taken against some of the officials who had incurred and permitted irregular expenditure, as required by section 51(1)(e)(iii) of the PFMA.

Other information

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

Internal control deficiencies

30. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.
31. Management did not adequately monitor compliance with applicable legislation.

32. Management did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.

Auditor-General

Pretoria

31 July 2019



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

ACCOUNTING AUTHORITY'S RESPONSIBILITIES AND APPROVAL

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

The Annual Financial Statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice 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 member acknowledges that he is ultimately responsible for the system of internal financial control established by the entity and places considerable importance on maintaining a strong control environment. To enable the member 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.

These 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 member 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 member has reviewed the entity's cash flow forecast for the year to 31 March 2020 and, in the light of this review and the current financial position, he is satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

The entity is wholly dependent on the Department of Arts and Culture for continued funding of operations. The Annual Financial Statements are prepared on the basis that the entity is a going concern and that the National Treasury has neither the intention nor the need to liquidate or curtail materially the scale of the entity.

The Annual Financial Statements set out on pages 77 to 121, which have been prepared on the going concern basis, were approved by the accounting authority on 27 July 2019 and were signed on its behalf by:



Mr MCR Makopo
Freedom Park Chairperson
30 July 2019

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

STATEMENT OF FINANCIAL POSITION

Figures in Rand	Note(s)	2019	2018 Restated*
Assets			
Current Assets			
Inventories	3	229 556	293 266
Receivables from exchange transactions	4	847 995	1 789 494
Cash and cash equivalents	5	60 459 826	58 450 682
		61 537 377	60 533 442
Non-Current Assets			
Property, plant and equipment	6	687 213 004	709 111 216
Intangible assets	7	7 410 784	10 129 713
Heritage assets	8	1 869 371	1 869 368
		696 493 159	721 110 297
Total Assets		758 030 536	781 643 739
Liabilities			
Current Liabilities			
Payables from exchange transactions	9	5 767 792	11 862 538
Unspent conditional grants and receipts	10	55 262 509	55 262 509
Provisions	11	2 350 421	3 024 853
		63 380 722	70 149 900
Total Liabilities		63 380 722	70 149 900
Net Assets		694 649 814	711 493 839
Accumulated surplus		694 649 814	711 493 839

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

STATEMENT OF FINANCIAL PERFORMANCE

Figures in Rand	Note(s)	2019	2018 Restated*
Revenue			
Revenue from exchange transactions			
Rendering of services	12	1 349 507	1 105 916
Rental of facilities and equipment	13	1 556 394	914 191
Other income	14	792 856	3 085 624
Interest received	15	4 181 555	3 134 786
Total revenue from exchange transactions		7 880 312	8 240 517
Revenue from non-exchange transactions			
Transfer revenue			
Government grants and subsidies	16	97 275 000	106 599 978
Total revenue		105 155 312	114 840 495
Expenditure			
Employee-related costs	17	(61 105 030)	(60 223 153)
Depreciation and amortisation	18	(24 598 942)	(26 645 439)
Impairment losses on property, plant and equipment	6	(300 076)	-
Decrease / (increase) of allowance for impairment	4	258 927	(997 417)
Impairment loss/reversal of impairments		(312 810)	(190 635)
Loss on disposal of assets		(6 702)	-
Inventories losses/write-downs		(29 642)	(263 397)
Write-off of assets		-	(670 126)
General expenses	19	(35 905 066)	(41 686 205)
Total expenditure		(121 999 341)	(130 676 372)
Deficit for the year		(16 844 029)	(15 835 877)

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

STATEMENT OF CHANGES IN NET ASSETS

Figures in Rand	Accumulated surplus	Total net assets
Opening balance as previously reported	743 139 789	743 139 789
Adjustments		
Prior year adjustments	(15 810 073)	(15 810 073)
Balance at 01 April 2017 as restated*	727 329 716	727 329 716
Changes in net assets		
Deficit for the year	(15 835 877)	(15 835 877)
Total changes	(15 835 877)	(15 835 877)
Opening balance	708 896 835	708 896 835
Adjustments		
Prior year adjustments	2 597 008	2 597 008
Balance at 01 April 2018 as restated*	711 493 843	711 493 843
Changes in net assets		
Deficit for the year	(16 844 029)	(16 844 029)
Total changes	(16 844 029)	(16 844 029)
Balance at 31 March 2019	694 649 814	694 649 814

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

CASH FLOW STATEMENT

Figures in Rand	Note(s)	2019	2018 Restated*
Cash flows from operating activities			
Receipts			
Sale of goods and services		4 586 377	3 769 706
Grants		97 275 000	115 613 000
Interest received		4 181 555	3 134 786
		106 042 932	122 517 492
Payments			
Employee costs		(61 105 031)	(60 223 153)
Suppliers		(42 640 180)	(41 203 445)
		(103 745 211)	(101 426 598)
Net cash flows from operating activities	20	2 297 721	21 090 894
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(301 144)	(6 958 821)
Proceeds from sale of property, plant and equipment	6	12 567	(278 251)
Purchase of intangible assets	7	-	(544 477)
Proceeds from sale of other intangible assets	7	-	254 509
Net cash flows from investing activities		(288 577)	(7 527 040)
Net increase in cash and cash equivalents		2 009 144	13 563 854
Cash and cash equivalents at the beginning of the year		58 450 682	44 886 828
Cash and cash equivalents at the end of the year	5	60 459 826	58 450 682

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Budget on Cash Basis						
Figures in Rand	Approved budget	Adjustments	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	Note
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Rendering of services	1 188 000	-	1 188 000	1 349 507	161 507	30.1
Rental of facilities and equipment	793 000	-	793 000	1 556 394	763 394	30.2
Other income	3 030 000	-	3 030 000	792 856	(2 237 144)	30.3
Interest received	2 000 000	-	2 000 000	4 181 555	2 181 555	30.4
Total revenue from exchange transactions	7 011 000	-	7 011 000	7 880 312	869 312	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants and subsidies	84 193 000	-	84 193 000	97 275 000	13 082 000	30.5
Total revenue	91 204 000	-	91 204 000	105 155 312	13 951 312	
Expenditure						
Personnel	(64 345 000)	-	(64 345 000)	(61 105 030)	3 239 970	30.6
General expenses	(26 859 000)	-	(26 859 000)	(35 905 066)	(9 046 066)	30.7
Total expenditure	(91 204 000)	-	(91 204 000)	(97 010 096)	(5 806 096)	
Operating surplus	-	-	-	8 145 216	8 145 216	
Inventories losses/write-downs	-	-	-	(29 642)	(29 642)	
Surplus before taxation	-	-	-	8 115 574	8 115 574	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	-	-	-	8 115 574	8 115 574	
Reconciliation						
Basis difference						
Depreciation and amortisation				(24 598 942)		
Impairment losses on property, plant and equipment				(300 076)		
Decrease of allowance for impairment				258 927		
Impairment loss/reversal of impairments				(312 810)		
Loss on disposal of assets				(6 702)		
Actual Amount in the Statement of Financial Performance				(16 844 029)		

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

ACCOUNTING POLICIES

1. Presentation of Annual Financial Statements

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

These Annual Financial Statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand. All figures are rounded to the nearest rand. Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

A summary of the significant accounting policies are disclosed below.

These accounting policies are consistent with the previous period.

1.1 Going concern assumption

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

The ability of the entity to continue as going concern is dependent on a number of factors. The most significant of these is the operating grant received from the Department of Arts and Culture.

1.2 Significant judgements and sources of estimation uncertainty

In preparing the Annual Financial Statements, Management is required to make estimates and assumptions that affect the amounts represented in the Annual Financial Statements and related disclosures. Use of available information and the application of judgement are 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:

Receivables

The entity assesses its receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the entity makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset. The impairment for receivables is calculated on a portfolio basis. For amounts due to the entity, significant financial difficulties of the receivable, probability that the receivable will enter bankruptcy and default of payments are all considered indicators of impairment.

Impairment testing

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

Value in use of cash generating assets

The entity reviews and tests the carrying value of cash generating assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors, together with economic factors such as exchange rates, inflation and interest rates.

Value in use of non-cash generating assets

The entity reviews and tests the carrying value of non-cash generating assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indications that impairment may have occurred, the remaining service potential of the asset is determined. The most appropriate approach selected to determine the remaining service potential is dependent on the availability of data and the nature of the impairment.

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

ACCOUNTING POLICIES (CONTINUED)

Provisions

Provisions were raised and Management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 11 - Provisions.

Useful lives of property, plant and equipment and other assets

The entity's Management annually determines the estimated useful lives and related depreciation charges for its property, plant and equipment and other assets. This estimate is based on industry norms and on the pattern in which an asset's future economic benefit or service potential is expected to be consumed by the entity. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives and decrease depreciation charge where useful lives are more than previously estimated useful lives.

Effective interest rate

The entity uses the prime interest rate to discount future cash flows.

1.3 Property, plant and equipment

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

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

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

Property, plant and equipment are 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 part is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

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

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

Property, plant and equipment are depreciated over their expected useful lives to their estimated residual values. The depreciation charge for each period is recognised in surplus or deficit.

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

ACCOUNTING POLICIES (CONTINUED)

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

Item	Depreciation method	Average useful life
Artwork	Straight line	Indefinite
Buildings	Straight line	10 - 80 years
Furniture and fixtures	Straight line	5 - 15 years
IT equipment	Straight line	4 - 10 years
Library material	Straight line	10 - 15 years
Motor vehicle	Straight line	5 - 7 years
Office equipment	Straight line	4 - 15 years

The entity assesses at each reporting date whether there is any indication that the entity's 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 in terms of the Standard of GRAP on Accounting policies, changes in estimates and errors.

Assets of the 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.

The entity separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 6).

1.4 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from the 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.

Intangible assets are initially measured at cost.

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.

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

Amortisation is provided to write down the intangible assets to their residual values. The amortisation charge for each period is recognised in surplus or deficit.

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

ACCOUNTING POLICIES (CONTINUED)

The useful lives of items of intangible assets have been assessed as follows:

Item	Amortisation method	Average useful life
Computer software	Straight line	4 - 8 years
Films and other	Straight line	4 - 8 years
Exhibition development	Straight line	10 years to indefinite

Intangible assets are derecognised:

- 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 an intangible assets are included in surplus or deficit when the asset is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

1.5 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.

The entity recognises heritage assets 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 can be measured reliably.

When the entity holds a heritage asset, but on initial recognition it does not meet the recognition criteria because it cannot be reliably measured, information of such heritage asset is disclosed in note 8 - Heritage assets.

Heritage assets are initially measured at cost.

When 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 to initial measurement classes of heritage assets are carried at cost less any accumulated impairment losses.

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

The entity derecognises heritage assets 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 the difference between the net disposal proceeds and the carrying amount and is included in surplus or deficit when the item is derecognised.

The entity separately discloses expenditure to repair and maintain heritage assets in the notes to the financial statements (see note 8).

1.6 Impairment of non-cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

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

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.

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Useful life is either:

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

Judgements made by management in applying the criteria to designate assets as non-cash-generating assets or cash-generating asset's remaining, are as follows:

Present value of future cash flows exceeds carrying value of the assets.

Identification

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

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

Irrespective of whether there is any indication of impairment, the entity also tests a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating asset's remaining service potential.

The present value of the remaining service potential of non-cash-generating assets is determined using the following approach:

Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the current reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the entity would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an oversized or overcapacity asset. Oversized assets contain features which are unnecessary for the goods or services the asset provides.

Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

ACCOUNTING POLICIES (CONTINUED)

Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the entity recognises a liability only to the extent that is a requirement in the Standards of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Reversal of an impairment loss

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

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.7 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.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

A financial asset is:

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

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

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

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

ACCOUNTING POLICIES (CONTINUED)

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.

Classification

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
Receivables from exchange transactions	Financial liability measured at amortised cost
Cash and cash equivalents	Financial liability 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
Payables from exchange transactions	Financial liability measured at amortised cost
Unspent conditional grants and receipts	Financial liability measured at amortised cost

Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

The entity recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

The entity measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at amortised cost

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Impairment and uncollectibility of financial assets

The entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

ACCOUNTING POLICIES (CONTINUED)

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting an allowance account. The reversal does not result in the carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Derecognition

Financial assets

The entity derecognises financial assets using trade date accounting.

The entity derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
 - derecognises the asset; and
 - recognises separately any rights and obligations created or retained in the transfer.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

Financial liabilities

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

1.8 Inventories

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

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

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

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

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

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

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

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects are 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.

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

ACCOUNTING POLICIES (CONTINUED)

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, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.9 Employee benefits

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within 12 months after the end of the period in which the employees render the related service.

Short-term employee benefits include:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within 12 months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within 12 months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cell phones) for current employees.

When an employee has rendered a service to the entity during a reporting period, the entity recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognises the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Insured benefits

Where the entity pay insurance premiums to fund a post-employment benefit plan, the entity treats such a plan as a defined contribution plan unless the entity will have (either directly or indirectly through the plan) a legal or constructive obligation to either:

- pay the employee benefits directly when they become due; or
- pay further amounts if the insurer does not pay all future employee benefits relating to employee service in the current and prior reporting periods.

If the entity retains such a legal or constructive obligation, the entity treats the plan as a defined benefit plan.

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

ACCOUNTING POLICIES (CONTINUED)

Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to the entity during a reporting period, the entity recognises the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, the entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

1.10 Provisions and contingencies

Provisions are recognised when:

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

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

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

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 reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised. Provisions are not recognised for future operating deficits.

If the entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 22.

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

ACCOUNTING POLICIES (CONTINUED)

1.11 Accumulated surplus

The accumulated surplus represents the net difference between the total assets and the total liabilities of the entity. Any surpluses and deficits realised during a specific financial year are credited / debited against accumulated surplus / deficit. Prior year adjustments, relating to income and expenditure, are credited / debited against accumulated surplus when retrospective adjustments are made.

1.12 Revenue from exchange transactions

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.

Measurement

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

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.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by surveys of work performed.

Interest and dividends

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

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

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

Dividends or similar distributions are recognised, in surplus or deficit, when the entity's right to receive payment has been established.

1.13 Revenue from non-exchange transactions

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, the 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.

Recognition

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

As the entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction. Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the entity has complied with the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met, a liability is recognised.

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

ACCOUNTING POLICIES (CONTINUED)

Measurement

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

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

Gifts and donations, including goods in-kind

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

Services in-kind

Except for financial guarantee contracts, the entity recognises 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 discloses the nature and type of services in-kind received during the reporting period.

1.14 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. When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Operating leases - lessee

The Freedom Park entered into a 99 year non-renewable lease agreement for Land at Salvokop, Pretoria commencing on 24 June 2002. Any contingent rents are expensed in the period in which they are incurred.

GRAP 13 requires operating lease payments to be recognised as an expense using the straight-line method.

Management concluded that compliance with GRAP 13.48 would be misleading and calculated over 99 years will distort the entity's performance for the period under review due to the lengthy lease period. Refer to note 21.

1.15 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year. Refer to note 34.

1.16 Commitments

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

Disclosures are required in respect of unrecognised contractual commitments. Refer to note 21.

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

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- 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.

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

ACCOUNTING POLICIES (CONTINUED)

1.17 Fruitless and wasteful expenditure

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

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

For fruitless and wasteful expenditure disclosure note in the financial statements refer to note 27.

1.18 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 -

- this Act; or
- the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- any provincial legislation providing for procurement procedures in that provincial government.

National Treasury practice note no. 4 of 2008/2009 which was issued in terms of sections 76(1) to 76(4) of the PFMA requires the following (effective from 1 April 2008):

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements is updated on the register and is disclosed in the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end is updated on the register and is disclosed in the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements is updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. When liability for the irregular expenditure can be attributed to a person, a debt account is created if such a person is liable in law.

Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

For irregular expenditure disclosure note in the financial statements refer to note 28.

1.19 Budget information

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

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

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

ACCOUNTING POLICIES (CONTINUED)

1.20 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

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

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

The entity is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the entity to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate. Where the entity is exempt from the disclosures in accordance with the above, the entity discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its Annual Financial Statements.

1.21 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 adjusts the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The entity discloses 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.

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

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

GRAP 18 (as amended 2016): Segment Reporting

Segments are identified by the way in which information is reported to Management, both for purposes of assessing performance and making decisions about how future resources will be allocated to the various activities undertaken by the entity. The major classifications of activities identified in budget documentation will usually reflect the segments for which an entity reports information to Management.

Segment information is either presented based on service or geographical segments. Service segments relate to a distinguishable component of an entity that provides specific outputs or achieves particular operating objectives that are in line with the entity's overall mission. Geographical segments relate to specific outputs generated, or particular objectives achieved, by an entity within a particular region.

The subsequent amendments to the Standard of GRAP on Segment reporting resulted from editorial and other changes to the original text that have been made to ensure consistency with other Standards of GRAP.

The most significant changes to the Standard are:

- General improvements: An appendix with illustrative segment disclosures has been deleted from the Standard as the National Treasury has issued complete examples as part of its implementation guidance.

The effective date of the amendment is for years beginning on or after 1 April 2018.

The entity adopted the amendment for the first time in the 2018/2019 Annual Financial Statements.

The impact of the amendment is not material due to the entity reporting a single segment to Management.

GRAP 12 (as amended 2016): Inventories

Amendments to the Standard of GRAP on Inventories resulted from inconsistencies in measurement requirements in GRAP 23 and other asset-related Standards of GRAP in relation to the treatment of transaction costs. Other changes resulted from changes made to IPSAS 12 on Inventories (IPSAS 12) as a result of the IPSASB's Improvements to IPSASs 2015 issued in March 2016.

The most significant changes to the Standard are:

- General improvements: To clarify the treatment of transaction costs and other costs incurred on assets acquired in non-exchange transactions to be in line with the principle in GRAP 23 (paragraph .12).
- IPSASB amendments: To align terminology in GRAP 12 with that in IPSAS 12. The term "ammunition" in IPSAS

12 was replaced with the term "military inventories" and provides a description of what it comprises in accordance with Government Finance Statistics terminology.

The effective date of the amendment is for years beginning on or after 1 April 2018.

The entity adopted the amendment for the first time in the 2018/2019 Annual Financial Statements.

The impact of the amendment is not material.

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

GRAP 17 (as amended 2016): Property, Plant and Equipment

Amendments to the Standard of GRAP on Property, plant and equipment resulted from editorial changes to the original text and inconsistencies in measurement requirements in GRAP 23 and other asset-related Standards of GRAP in relation to the treatment of transaction costs. Other changes resulted from changes made to IPSAS 17 on Property, plant and equipment (IPSAS 17) as a result of the IPSASB's Improvements to IPSASs 2014 issued in January 2015 and Improvements to IPSASs 2015 issued in March 2016.

The most significant changes to the Standard are:

- General improvements: To clarify the treatment of transaction costs and other costs incurred on assets acquired in non-exchange transactions to be in line with the principle in GRAP 23 (paragraph .12) and to clarify the measurement principle when assets may be acquired in exchange for a non-monetary asset or assets, or a combination of monetary and non-monetary assets.
- IPSASB amendments: To clarify the revaluation methodology of the carrying amount and accumulated depreciation when an item of property, plant and equipment is revalued and to clarify acceptable methods of depreciating assets. To align terminology in GRAP 17 with that in IPSAS 17. The term "specialist military equipment" in IPSAS 17 was replaced with the term "weapon systems" and provides a description of what it comprises in accordance with Government Finance Statistics terminology. To define a bearer plant and include bearer plants within the scope of GRAP 17, while the produce growing on bearer plants will remain within the scope of GRAP 27.

The effective date of the amendment is for years beginning on or after 1 April 2018.

The entity adopted the amendment for the first time in the 2018/2019 Annual Financial Statements.

The impact of the amendment is not material.

GRAP 21 (as amended 2016): Impairment of Non-cash-generating Assets

Amendments to the Standard of GRAP on Impairment of non-cash-generating assets resulted from changes made to IPSAS 21 on Impairment of non-cash-generating assets (IPSAS 21) as a result of the IPSASB's Impairment of revalued assets issued in March 2016.

The most significant changes to the Standard are:

- IPSASB amendments: To update the Basis of conclusions and Comparison with IPSASs to reflect the IPSASB's recent decision on the impairment of revalued assets.

The effective date of the amendment is for years beginning on or after 1 April 2018.

The entity adopted the amendment for the first time in the 2018/2019 Annual Financial Statements.

The impact of the amendment is not material.

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

GRAP 26 (as amended 2016): Impairment of Cash-generating Assets

Amendments to the Standard of GRAP on Impairment of cash-generating assets resulted from changes made to IPSAS 26 on Impairment of cash-generating assets (IPSAS 26) as a result of the IPSASB's Impairment of revalued assets issued in March 2016.

The most significant changes to the Standard are:

- IPSASB amendments: To update the Basis of conclusions and Comparison with IPSASs to reflect the IPSASB's recent decision on the impairment of revalued assets.

The effective date of the amendment is for years beginning on or after 1 April 2018.

The entity adopted the amendment for the first time in the 2018/2019 Annual Financial Statements.

The impact of the amendment is not material.

GRAP 31 (as amended 2016): Intangible Assets

Amendments to the Standard of GRAP on Intangible assets resulted from inconsistencies in measurement requirements in GRAP 23 and other asset-related Standards of GRAP in relation to the treatment of transaction costs. Other changes resulted from changes made to IPSAS 31 on Intangible assets (IPSAS 31) as a result of the IPSASB's Improvements to IPSASs 2014 issued in January 2015.

The most significant changes to the Standard are:

- General improvements: To add the treatment of transaction costs and other costs incurred on assets acquired in non-exchange transactions to be in line with the principle in GRAP 23 (paragraph .12) and to clarify the measurement principle when assets may be acquired in exchange for a non-monetary asset or assets, or a combination of monetary and non-monetary assets.
- IPSASB amendments: To clarify the revaluation methodology of the carrying amount and accumulated depreciation when an item of intangible assets is revalued and to clarify acceptable methods of depreciating assets.

The effective date of the amendment is for years beginning on or after 1 April 2018.

The entity adopted the amendment for the first time in the 2018/2019 Annual Financial Statements.

The impact of the amendment is not material.

GRAP 103 (as amended 2016): Heritage Assets

Amendments to the Standard of GRAP on Heritage assets resulted from inconsistencies in measurement requirements in GRAP 23 and other asset-related Standards of GRAP in relation to the treatment of transaction costs. Other changes resulted from editorial changes to the original text.

The most significant changes to the Standard are:

- General improvements: To clarify the treatment of transaction costs and other costs incurred on assets acquired in non-exchange transactions to be in line with the principle in GRAP 23 (paragraph .12).
- To clarify the measurement principle when assets may be acquired in exchange for a non-monetary asset or assets, or a combination of monetary and non-monetary assets.

The effective date of the amendment is for years beginning on or after 1 April 2018.

The entity adopted the amendment for the first time in the 2018/2019 Annual Financial Statements.

The impact of the amendment is not material.

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

2.2 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2019 or later periods:

GRAP 20: Related Parties

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

An entity that prepares and presents financial statements under the accrual basis of accounting (in this standard referred to as the reporting entity) shall apply this Standard in:

- identifying related party relationships and transactions;
- identifying outstanding balances, including commitments, between an entity and its related parties;
- identifying the circumstances in which disclosure of the items in (a) and (b) is required; and
- determining the disclosures to be made about those items.

This Standard requires disclosure of related party relationships, transactions and outstanding balances, including commitments, in the consolidated and separate financial statements of the reporting entity in accordance with the Standard of GRAP on Consolidated and separate financial statements. This Standard also applies to individual Annual Financial Statements.

Disclosure of related party transactions, outstanding balances, including commitments, and relationships with related parties may affect users' assessments of the financial position and performance of the reporting entity and its ability to deliver agreed services, including assessments of the risks and opportunities facing the entity. This disclosure also ensures that the reporting entity is transparent about its dealings with related parties.

The Standard states that a related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

As a minimum, the following are regarded as related parties of the reporting entity:

- a person or a close member of that person's family is related to the reporting entity if that person:
 - has control or joint control over the reporting entity;
 - has significant influence over the reporting entity;
 - is a member of the Management of the entity or its controlling entity.
- an entity is related to the reporting entity if any of the following conditions apply:
 - the entity is a member of the same economic entity (which means that each controlling entity, controlled entity and fellow controlled entity is related to the others);
 - one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of an economic entity of which the other entity is a member);
 - both entities are joint ventures of the same third party;
 - one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - the entity is a post-employment benefit plan for the benefit of employees of either the entity or an entity related to the entity. If the reporting entity is itself such a plan, the sponsoring employers are related to the entity;
 - the entity is controlled or jointly controlled by a person identified in (a); and
 - a person identified in (a)(i) has significant influence over that entity or is a member of the Management of that entity (or its controlling entity).

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

The Standard furthermore states that related party transactions is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

The Standard elaborates on the definitions and identification of:

- close member of the family of a person;
- Management;
- related parties;
- remuneration; and
- significant influence.

The Standard sets out the requirements, inter alia, for the disclosure of:

- control;
- related party transactions; and
- remuneration of Management.

The effective date of the standard is for years beginning on or after 1 April 2019.

The entity expects to adopt the standard for the first time in the 2019/2020 Annual Financial Statements.

It is unlikely that the standard will have a material impact on the entity's Annual Financial Statements.

GRAP 108: Statutory Receivables

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

It furthermore covers: Definitions, recognition, derecognition, measurement, presentation and disclosure, transitional provisions, as well as the effective date.

The effective date of the standard is for years beginning on or after 1 April 2019.

The entity expects to adopt the standard for the first time in the 2019/2020 Annual Financial Statements.

It is unlikely that the standard will have a material impact on the entity's Annual Financial Statements.

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

3. Inventories

Figures in Rand	2019	2018
Merchandise	229 556	293 266

During the year an amount of R 29 642 (2018: R 263 397) was written down and expensed to surplus or deficit for the year. The write down was as a result of differences found between the system and count sheets during the inventory count as well as the subsequent measurement of inventory.

Inventory pledged as security

During the year no inventory was pledged as security.

4. Receivables from Exchange Transactions

Figures in Rand	2019	2018
Trade debtors	403 416	1 722 886
Employee costs in advance	3 403	22 143
Other receivables	86 080	-
Prepaid expenses	355 096	44 465
	847 995	1 789 494

Trade and other receivables pledged as security

During the year no trade and other receivables were pledged as security.

Trade and other receivables past due but not impaired

Trade and other receivables which are less than three months past due are not considered to be impaired. At 31 March 2019, R 7 274 (2018: R 163 443) was past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

Figures in Rand	2019	2018
one month past due	774	35 000
two months past due	6 500	128 443
three months past due	-	-
	7 274	163 443

Reconciliation of provision for impairment of trade and other receivables

Opening balance	(1 277 940)	(284 001)
Decrease / (Increase) in provision for impairment	258 927	(993 939)
	(1 019 013)	(1 277 940)

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

5. Cash and Cash Equivalents

Figures in Rand	2019	2018
Cash and cash equivalents consist of:		
Cash on hand	1 000	1 000
Bank balances	1 781 956	1 125 853
Short-term deposits	58 676 870	57 323 829
	60 459 826	58 450 682

Restricted cash and cash equivalents

There were no restricted cash and cash equivalent balances.

6. Property Plant and Equipment

Figures in Rand	2019			2018		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Artwork	8 246 199	-	8 246 199	8 246 199	-	8 246 199
Buildings	737 230 130	(90 392 208)	646 837 922	737 230 130	(78 773 658)	658 456 472
Furniture and fixtures	52 369 177	(29 387 318)	22 981 859	52 249 319	(24 064 448)	28 184 871
IT equipment	16 326 301	(11 234 453)	5 091 848	16 215 831	(8 177 243)	8 038 588
Library material	239 383	(73 325)	166 058	239 383	(48 680)	190 703
Motor vehicles	1 929 284	(1 446 629)	482 655	1 929 284	(1 188 448)	740 836
Office equipment	17 997 989	(14 591 526)	3 406 463	17 992 188	(12 738 641)	5 253 547
Total	834 338 463	(147 125 459)	687 213 004	834 102 334	(124 991 118)	709 111 216
Reconciliation of property, plant and equipment -2019	Opening balance	Gains	Disposals	Depreciation	Impairment loss	Total
Artwork	8 246 199	-	-	-	-	8 246 199
Buildings	658 456 472	-	-	(11 614 881)	(3 669)	646 837 922
Furniture and fixtures	28 184 871	119 857	-	(5 187 034)	(135 835)	22 981 859
IT equipment	8 038 588	175 487	(19 269)	(3 032 453)	(70 505)	5 091 848
Library material	190 703	-	-	(24 645)	-	166 058
Motor vehicles	740 836	-	-	(226 072)	(32 109)	482 655
Office equipment	5 253 547	5 800	-	(1 794 928)	(57 956)	3 406 463
	709 111 216	301 144	(19 269)	(21 880 013)	(300 074)	687 213 004

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

6. Property Plant and Equipment (Continued)

Figures in Rand					
Reconciliation of property, plant and equipment -2018	Opening balance	Gains	Write offs	Depreciation	Total
Artwork	8 258 629	-	(12 430)	-	8 246 199
Buildings	664 976 944	5 081 537	-	(11 602 009)	658 456 472
Furniture and fixtures	32 624 615	749 442	(19 825)	(5 169 361)	28 184 871
IT equipment	11 429 835	301 095	(84 540)	(3 607 802)	8 038 588
Library material	192 005	22 395	-	(23 697)	190 703
Motor vehicles	1 018 625	-	-	(277 789)	740 836
Office equipment	8 243 848	535 654	(275 098)	(3 250 857)	5 253 547
	726 744 501	6 690 123	(391 893)	(23 931 515)	709 111 216

Pledged as security

No property, plant and equipment is pledged as security.

Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance

Buildings	1 421 263	3 637 058
Motor vehicles	43 396	73 394
IT equipment	13 644	-
Office equipment	176 700	-
	1 655 003	3 710 452

A register containing the information required by the Public Finance Management Act is available for inspection at the registered office of the entity.

Refer to note 33 for details relating to prior year corrections.

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

7. Intangible assets

Figures in Rand	2019			2018		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	8 643 463	(4 759 924)	3 883 539	8 643 463	(3 725 809)	4 917 654
Films and other	13 478 511	(9 951 266)	3 527 245	13 478 511	(8 266 452)	5 212 059
Total	22 121 974	(14 711 190)	7 410 784	22 121 974	(11 992 261)	10 129 713

Reconciliation of intangible assets - 2019

Figures in Rand	Opening balance	Amortisation	Total
Computer software	4 917 654	(1 034 115)	3 883 539
Films and other	5 212 059	(1 684 814)	3 527 245
	10 129 713	(2 718 929)	7 410 784

Reconciliation of intangible assets - 2018

Figures in Rand	Opening balance	Additions	Write-offs	Amortisation	Total
Computer software	5 656 778	289 986	-	(1 029 110)	4 917 654
Films and other	6 896 873	-	-	(1 684 814)	5 212 059
Exhibition development	-	254 491	(254 491)	-	-
	12 553 651	544 477	(254 491)	(2 713 924)	10 129 713

Pledged as security

No intangible assets are pledged as security.

Refer to note 33 for details relating to prior year corrections.

8. Heritage assets

Figures in Rand	2019			2018		
	Cost / valuation	Accumulated impairment losses	Carrying value	Cost / valuation	Accumulated impairment losses	Carrying value
Art collections, antiquities and exhibits	1 869 371	-	1 869 371	1 869 368	-	1 869 368

Figures in Rand	Opening balance	Adjustments	Total
Art collections, antiquities and exhibits	1 869 368	3	1 869 371

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

	Opening balance	Total
Reconciliation of heritage assets 2018		
Art collections, antiquities and exhibits	1 869 368	1 869 368

Other information

Adjustments of R 3 (2018: R -) relates to gains through the assets overhaul process. The gains is included in the surplus or deficit for the year.

Pledged as security

During the year no heritage assets were pledged as security.

Expenditure incurred to repair and maintain heritage assets

During the year no repairs and maintenance was incurred for heritage assets.

9. Payables from exchange transactions

Trade payables	3 820 184	2 080 645
Accrued bonus	1 073 207	1 775 078
COID	6 400	255 030
Other accrued expenses	868 001	7 751 785
	5 767 792	11 862 538

10. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent grants	55 262 509	55 262 509
----------------	------------	------------

Movement during the year

Balance at the beginning of the year	55 262 509	46 249 487
Additions during the year	-	17 000 000
Income recognition during the year	-	(7 986 978)
	55 262 509	55 262 509

See note 16 for reconciliation of grants from National/Provincial Government.

These amounts are invested in a ring-fenced investment until utilised.

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

11. Provisions

Reconciliation of provisions - 2019

Figures in Rand	Opening Balance	Additions	Utilised during the year	Total
Leave provision	3 024 853	3 734 725	(4 409 157)	2 350 421

Reconciliation of provisions - 2018

Figures in Rand	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Legal proceedings	100 000	-	-	(100 000)	-
Leave provision	2 816 275	3 264 098	(3 055 520)	-	3 024 853
Performance bonus	1 604 978	-	(1 307 417)	(297 561)	-
	4 521 253	3 264 098	(4 362 937)	(397 561)	3 024 853

During the year leave was provided for based on the Basic Conditions of Employee Act rate of the days due to employees. The provision was calculated based on the standard monthly package.

12. Rendering of services

Figures in Rand	2019	2018
Admission fees	1 349 507	1 105 916

13. Rental of facilities and equipment

Figures in Rand	2019	2018
Premises		
Venue hire	1 556 394	914 191

14. Other income

Figures in Rand	2019	2018
Fundraising and other income	792 856	2 788 063
Reversal of performance bonus not utilised	-	297 561
	792 856	3 085 624

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

15. Interest received

Figures in Rand	2019	2018
Interest revenue		
Bank	4 181 555	3 134 786

16. Government grants and subsidies

Figures in Rand	2019	2018
Operating grants		
Equitable share	97 275 000	104 599 978
Transfer from deferred income	-	2 000 000
	97 275 000	106 599 978
Equitable Share		
In terms of the Constitution, this grant is used to subsidise the operational activities of the entity.		
Deffered income		
Balance unspent at beginning of year	55 262 509	46 249 487
Current-year receipts	-	17 000 000
Conditions met - transferred to revenue	-	(7 986 978)
	55 262 509	55 262 509

Conditions still to be met - remain liabilities (see note 10).

An amount of R 15 000 000 was earmarked for the roll out of GRAP 103 which has not been spent at year end.

The remaining balance of R 40 262 509 relates to the historical deferred income received from the Department of Arts and Culture.

Bridge and road maintenance

Figures in Rand	2019	2018
Current-year receipts	125 000	113 000
Conditions met - transferred to revenue	(125 000)	(113 000)
	-	-

Conditions still to be met - remain liabilities (see note 10).

The allocation was provided for bridge and road maintenance for the current year.

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

17. Employee related costs

Figures in Rand	2019	2018
Basic	52 741 609	48 675 768
Performance bonus	135 220	173 451
Medical aid	3 297 328	3 333 931
UIF	171 760	168 361
Workmans compensation	(172 724)	187 081
Leave pay provision	(658 811)	499 849
Temporary wages	223 772	307 278
Defined contribution plans	895 444	1 003 847
Travel allowances/expenditure	102 007	2 731
Overtime	311 865	426 565
13th cheques	3 918 928	5 000 004
Acting allowances	138 632	444 287
	61 105 030	60 223 153

Remuneration of Executive Directors

Refer to note 23 for remuneration details.

18. Depreciation and amortisation

Figures in Rand	2019	2018
Property, plant and equipment	21 880 013	23 931 515
Intangible assets	2 718 929	2 713 924
	24 598 942	26 645 439

19. General expenses

Figures in Rand	2019	2018
Computer expenses	2 005 482	3 250 886
Consulting and professional fees	4 078 402	668 957
Council expenditure	1 879 696	2 681 803
Electricity	5 764 818	5 977 720
External auditor remuneration	2 450 006	1 168 701
Fundraising expenses	-	643 200
Insurance	766 052	534 339
Internal audit fees	820 282	502 688
Landscaping expenses	3 966 753	3 966 753
Marketing	538 559	774 419
Other operating expenses	3 538 649	5 083 203
Security	6 908 275	6 618 808
Strategic projects	1 533 089	6 104 276
Repairs and maintenance	1 655 003	3 710 452
	35 905 066	41 686 205

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

20 . Cash generated from operations

Figures in Rand	2019	2018
Deficit	(16 844 029)	(15 835 877)
Adjustments for:		
Depreciation and amortisation	24 598 942	26 645 439
Loss on sale of assets	6 702	-
Write-off of assets	-	670 126
Inventory losses	29 642	263 397
Impairment on property, plant and equipment	300 076	-
Debt impairment	(258 927)	997 417
Impairment loss/reversal of impairments	312 810	190 635
Movements in provisions	(674 432)	80 635
Changes in working capital:		
Inventories	34 068	(14 981)
Receivables from exchange transactions	887 617	(1 336 025)
Payables from exchange transactions	(6 094 748)	417 106
Unspent conditional grants and receipts	-	9 013 022
	2 297 721	21 090 894

21. Commitments

Figures in Rand	2019	2018
Authorised operational expenditure		
Already contracted for but not provided for		
• Already contracted for	62 533 501	28 207 391
• Already paid	(40 143 246)	(12 146 385)
	22 390 255	16 061 006
Total operational commitments		
Already contracted for but not provided for	22 390 255	16 061 006
Operating leases - as lessee (expense)		
Minimum lease payments due		
- within one year	500 279	503 289
- in second to fifth year inclusive	1 515 873	1 602 683
- later than five years	24 433 797 022	24 434 210 491
	24 435 813 174	24 436 316 463

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

Freedom Park entered into a 36 months non-renewable lease agreement for a building situated in Cape Town commencing on 1 January 2017. The lease payment is R 11 372 per month with an annual escalation of 8%. No terms and conditions were renegotiated during the current period.

Freedom Park entered into a 36 months operating lease agreement for 6 photocopiers commencing on 1 March 2018 with Bytes Document Solution - Division of Altron. The lease payment is R 9 938 per month with an annual escalation of 0% to the fixed monthly payment of R 9 938, there is a copy charge of R 0.2859 per colour copy and R 0.0295 per non-colour copy.

Freedom Park entered into a 99 year non-renewable lease agreement for Land at Salvokop, Pretoria commencing on 24 June 2002. GRAP 13.40 requires operating lease payments to be recognised as an expense using the straight-line method.

If GRAP 13.40 were to be applied, an estimated average lease expense of R 246 841 920 per annum would need to be recognised in the statement of financial performance for the year with a resulting deferred liability in the Statement of Financial Position for the difference between the actual payment and the straight-lined payment.

It would be misleading and disorting the financial impact (Expenditure & Liability) of the financial position of the entity to the users, therefore the entity departed from GRAP 13 as per GRAP 1.21.

Management have concluded that in line with the requirements of GRAP 1.21 that compliance with the above-mentioned paragraph of GRAP 13 would be misleading, that it would conflict with the objective of financial statements.

The impact of a 99 year lease with an above CPI escalation would result in the entity reflecting a negative retained income until 2080 declining until 2101. If the entity did not depart from GRAP 13 1.21 the statement of financial performance for 2018/2019 would reflect a deficit of R 263 685 949 (2017/2018 R 262 677 797) and the Statement of Financial Position for 2018/2019 total liabilities of R 4 196 099 137 (2017/2018 R 3 956 261 009).

Management has concluded that the financial statements in their current format present fairly the entity's financial position, financial performance and cash flows. Management further confirms that the financial statements comply with all applicable standards of GRAP, except for the requirements of GRAP 13.40 relating to the straight-line recognition of expenditure in terms of an operating lease where they are the lessee. GRAP 13 Leases requires that expenditure incurred in terms of an operating lease by a lessee be accounted for on a straight line basis over the lease term, unless another systematic basis is more representative of the entity's benefit.

Compliance with GRAP 13.40 will be misleading as the annual escalation of the lease is 12% per annum, and the lease was negotiated for a period of 99 years. Due to the length of the lease, as well as the escalations of the lease payments, the resulting expense recognised through the statement of financial performance, and the corresponding lease liability in the statement of financial performance will distort the entity's performance for all financial periods throughout the duration of the lease. Management has therefore disclosed their commitment relating to this 99 year lease, as well as the relevant additional disclosure to explain the nature of the lease to the users of the financial statements.

The entity recognised the actual operating lease payments as an expense within the current and previous years.

If the requirements of GRAP 13.40 were applied the entity would have an additional liability of approximately R 4 132 718 416 (2018: R 3 886 111 109) reflecting on its Statement of Financial Position with corresponding negative impact on the accumulated surplus.

The disclosure requirement of GRAP 1.22(d) is as per table on the following page.

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

21. Commitments (Continued)

Figures in Rand	2019	2018
Statement of Financial Position		
Lease liability	4 132 718 416	3 886 111 109
Statement of Financial Performance		
Lease expense	246 841 920	246 841 920

22. Contingencies

No outstanding litigation matters by/against Freedom Park exist as at the current financial year end.

23. Related parties

,

Relationships

Executive Authority

Government controlled through National Treasury

Accounting Authority

Senior Management

Department of Arts and Culture

Department of Public Works

Council (refer to key Management remuneration)

Refer to key Management remuneration

Amounts included in Trade receivable (Trade Payable) regarding related parties

Figures in Rand	2019	2018
Department of Arts and Culture	4 040	600 000
Related party transactions		
Income from related parties		
Department of Arts and Culture - operating grant	97 275 000	106 599 978
Department of Public Works (municipal charges on behalf of Freedom Park)	-	5 986 978

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

Remuneration of Management

Council Members

2019

	Members' fees	Committees	Adhoc requests (Interviews, special events, etc.)	Total
Non-executive				
Mr MCR Makopo (Chairperson) (Re-appointed 1 September 2018)	62 554	23 074	100 499	186 127
Dr P Dala (Appointed 1 September 2018)	12 239	89 026	17 452	118 717
Mr S Gouden (Term ended 31 August 2018)	14 740	29 480	11 055	55 275
Dr PM Guma (Term ended 31 August 2018)	29 480	36 850	-	66 330
Ms W Jabosigo (Appointed 1 September 2018)	11 076	8 802	9 774	29 652
Mr MG Kgarume (Term ended 31 August 2018)	29 480	29 480	-	58 960
Mr KEM Mabalane (Re-appointed 1 September 2018)	33 186	50 088	9 774	93 048
Dr SP Malapane (Term ended 31 August 2018)	36 850	36 850	3 685	77 385
Ms T Mhlari (Resigned 31 January 2018)	-	-	2 297	2 297
Ms F Mohamed (Appointed 1 September 2018)	11 076	14 010	4 236	29 322
Mr M Mpanza (Appointed 1 September 2018)	8 142	11 406	11 076	30 624
Prof M Nkondo (Term ended 31 August 2018)	33 626	29 480	3 685	66 791
Mr R Nyandeni (Appointed 1 September 2018)	11 076	4 401	5 868	21 345
Dr M Raphalalani (Re-appointed 1 September 2018)	47 926	50 088	1 662	99 676
Ms JA Seidman (Term ended 31 August 2018)	36 850	44 220	7 370	88 440
Mr T Sithole (Appointed 1 September 2018)	11 076	-	5 868	16 944
	389 377	457 255	194 301	1 040 933

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

Remuneration of Management

Council Members

2018

	Members' fees	Committees	Strategic and other workshops	Adhoc requests (Interviews, special events, etc.)	Total
Non-executive					
Dr P Dala - Independent Audit Committee Member	-	118 189	-	2 079	120 268
Mr S Gounden	33 025	66 047	-	12 134	111 206
Dr PM Guma	62 571	76 476	34 762	20 857	194 666
Mr MG Kgarume	48 666	38 238	10 428	9 500	106 832
Mr KEM Mabalane	48 667	55 619	41 715	103 612	249 613
Mr MCR Makopo (Chairperson)	65 460	37 405	102 865	70 136	275 866
Dr SP Malapane	48 666	76 476	17 381	-	142 523
Ms T Mhlari - Independent Audit Committee Member	-	38 238	-	1 805	40 043
Prof M Nkondo	48 666	73 434	27 809	2 966	152 875
Dr Raphalalani	48 666	97 332	48 666	143 863	338 527
Ms JA Seidman	62 571	108 195	31 285	11 342	213 393
	466 958	785 649	314 911	378 294	1 945 812

Executive Management

2019

Name	Basic salary	13th cheque	Other short-term employee benefits - allowances and re-imbursments	Provident fund short-term employee benefits and medical aid	Total
Ms J Mufamadi - Chief Executive Officer	1 596 867	153 681	11 854	225 353	1 987 755
Mr MC Liale - Chief Financial Officer (Resigned 31 January 2019)	1 057 746	115 385	6 580	79 615	1 259 326
Mr TJ Makhura - HOD: Heritage & Knowledge	880 524	87 800	4 338	160 534	1 133 196
Ms MA Makoela - HOD: Public Participation	1 021 604	97 342	12 419	132 598	1 263 963
Ms MS Kekana - HOD: Human Resources	879 943	87 800	-	161 115	1 128 858
Ms RM Koto - HOD: Corporate Governance	890 375	87 275	6 400	144 456	1 128 506
Mr TD Tshweu - HOD: Parks Operations (Resigned 31 January 2019)	741 739	87 281	-	118 600	947 620
	7 068 798	716 564	41 591	1 022 271	8 849 224

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

23. Related parties (Continued)

Executive Management

2018

	Basic salary	13th cheque and performance related payments	Other short-term employee benefits - allowances and re-imbursments	Provident fund short-term employee benefits and medical aid	Total
Name					
Ms J Mafumadi - CEO	1 454 762	237 702	96 751	205 879	1 995 094
Mr RS Malapane (resigned September 2017) - CFO	513 077	57 420	19 150	55 245	644 892
Mr MC Llale (appointed January 2018) - CFO	298 124	-	1 974	23 077	323 175
Mr T Makhura - HOD: Heritage and Knowledge	834 432	130 951	37 206	150 065	1 152 654
Mr K Matibe (resigned April 2017) - HOD: Public Participation	81 337	14 577	3 000	6 122	105 036
Ms MA Makoela (appointed July 2017) - HOD: Public Participation	717 695	46 353	3 960	75 878	843 886
Ms S Kekana - HOD: Human Resources	827 585	83 619	-	140 359	1 051 563
Mr S Sipeka (resigned June 2017) - HOD: Corporate Governance	209 268	26 295	-	27 390	262 953
Mr RM Koto (appointed January 2018) - HOD: Corporate Governance	220 190	-	1 320	29 167	250 677
Mr TD Tshweu - HOD: Park Operations	743 838	55 416	-	106 938	906 192
	5 900 308	652 333	163 361	820 120	7 536 122

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

24. 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. The Park has developed a comprehensive Risk management Strategy in terms of Treasury regulation 28.1 in order to monitor and control these risks. Internal Audit function reports quarterly to the Audit and Risk Committee, an independent body that monitors risks and policies implementation to mitigate risk exposures. It should be noted that financial instrument exposure to risk is minimal. The risk management process relating to each of these risks is discussed under the headings below.

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.

Credit risk

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

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis.

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

Financial instrument	2019	2018
Receivables from exchange transactions	847 995	1 789 494
Cash and cash equivalents	60 459 826	58 450 682

Market risk

Interest rate risk

As the entity has significant interest-bearing assets, the entity's income and operating cashflow are substantially affected by changes in market interest rates. The entity's cash and cash equivalents were R60 459 826 (2018: R58 450 682).

25. Financial instruments disclosure

Categories of financial instruments

2019

Financial assets	At amortised cost	Total
Receivables from exchange transactions	847 995	847 995
Cash and cash equivalents	60 459 826	60 459 826
	61 307 821	61 307 821

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

Categories of financial instruments (Continued)

2019

Financial liabilities	At amortised cost	Total
Trade and other payables from exchange transactions	5 767 792	5 767 792
Unspent conditional grants and receipts	55 262 509	55 262 509
	61 030 301	61 030 301

2018

Financial assets	At amortised cost	Total
Trade and other receivables from exchange transactions	1 789 494	1 789 494
Cash and cash equivalents	58 450 682	58 450 682
	60 240 176	60 240 176

Financial liabilities	At amortised cost	Total
Trade and other payables from exchange transactions	11 862 539	11 862 539
Unspent conditional grants and receipts	55 262 509	55 262 509
	67 125 048	67 125 048

26. Auditors' remuneration

Figures in Rand	2019	2018
Fees	2 450 006	1 168 701

27. Fruitless and wasteful expenditure

Figures in Rand	2019	2018
SARS	-	113 880
MCC Security	-	555 890
Flight tickets	4 935	-
Rental car	450	-
	5 385	669 770

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

Figures in Rand	2019	2018
Reconciliation of fruitless and wasteful expenditure		
Opening balance	1 677 965	1 008 195
Add: Current year expenditure	5 385	669 770
Less: Amounts recoverable	-	-
	1 683 350	1 677 965

All instances of fruitless and wasteful expenditure are currently under investigation to determine appropriate actions in instances where negligence can be ascertained.

28 . Irregular expenditure

Figures in Rand	2019	2018
Opening balance	12 014 439	11 742 841
Add: Irregular Expenditure - current year	1 135 881	271 598
	13 150 320	12 014 439

Details of irregular expenditure – current year

Incident 1	Appointment of service provider to erect signage without following SCM process	34 247
Incident 2	Appointment of Gasline to supply and deliver gas for eternal flame without following SCM process	29 920
Incident 3	Appointment of Drain Surgeon for plumbing repairs without following SCM process	4 854
Incident 4	Payment for Johanette Rheeder Incorporated for services rendered – arbitration case and legal opinion sought - Appointment of JR Incorporated contravened section 1 of PFMA (Consultant)	7 704
Incident 5	Payment Webber Wentzel- legal fees (Consultant)	913 038
Incident 6	Appointment of Gasline to repair eternal flame	35 920
Incident 7	Quantum Office Furniture - supply of office furniture	110 198
		1 135 881

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

29. Reconciliation between budget and Statement of Financial Performance

Reconciliation of budget surplus/deficit with the surplus/deficit in the Statement of Financial Performance:

Figures in Rand	2019	2018
Net deficit per the Statement of Financial Performance	(16 844 029)	-
Adjusted for:		
Revenue (in excess of) / under budget	(13 951 312)	-
Over / (under) expenditure on the budget	5 806 096	-
Depreciation and amortisation	24 598 942	-
Impairment losses on property, plant and equipment	300 076	-
(Decrease) / increase of allowance for impairment	(258 927)	-
Impairment loss/reversal of impairments	312 810	-
Loss on disposal of assets	6 702	-
Inventory losses/writedowns	29 642	-
Net surplus per approved budget	-	-

30. Budget differences

Material differences between budget and actual amounts

Significant differences between the budget and actual amounts are explained below:

- 30.1 Favourable sales revenue due to high volume of walk-in customers.
- 30.2 Favourable rental of facilities and equipment is due to more than anticipated demand.
- 30.3 Under collection of Ad-hoc revenue as a result of renegeing of a sponsor (NIHSS).
- 30.4 More than anticipated interest income realised as a result of effective working capital Management.
- 30.5 Additional grant in respect of municipal bill and cost of compliance was received from the Department of Arts and Culture.
- 30.6 Underspent due to vacant positions of the CFO, Finance Manager, Head of Department Park Operations and Asset Officer were not filled during the financial year 2018/2019. Non payment to acting official. Non payment of performance bonus. Salary increase at a percentage lower than the inflation rate.
- 30.7 Overspent due to baseline allocation which was insufficient to cover operational activities which led to an under budgeting on legal, auditing and consultation fees.

Legal fees went up due to the case going on longer than expected.

Statutory audit fees increased due to increased audit rates and resources deployed.

Consultation fees is as a result of deploying additional resources to assist with the financial, realignment processes, hiring of interim term top level Management due to shortage of resources in that level.

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

31. 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.

The ability of the entity to continue as a going concern is dependent on a number of factors. The most significant of these is the operating grant received from Department of Arts and Culture.

32. Events after the reporting date

There were no non-adjusting material events taking place after the reporting date.

33. Prior-year adjustments

Presented below are those items contained in the Statement of Financial Position and Statement of Financial Performance that have been affected by prior-year adjustments:

Statement of Financial Position

2018

Figures in Rand	As previously reported	Correction	Re-classification	Restated
Inventories	293 266	-	-	293 266
Receivables from exchange transactions	1 789 494	-	-	1 789 494
Cash and cash equivalents	58 450 682	-	-	58 450 682
Property, plant and equipment	688 588 236	21 673 516	(1 150 531)	709 111 221
Intangible assets	19 160 747	(9 031 034)	-	10 129 713
Heritage assets	148 250	-	1 721 118	1 869 368
Payables from exchange transactions	(12 857 285)	994 745	-	(11 862 540)
Unspent conditional grants and receipts	(55 262 509)	-	-	(55 262 509)
Provisions	(2 030 108)	(994 745)	-	(3 024 853)
Accumulated surplus as at 1 April 2017	(709 762 049)	(16 997 080)	(570 587)	(727 329 716)
Deficit for the year	11 481 276	4 354 598	-	15 835 874
	-	-	-	-

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

33. Prior-year adjustments (Continued)

Statement of Financial Performance

2018

Figures in Rand	As previously reported	Correction	Re-classification	Restated
Rendering of services	1 105 916	-	-	1 105 916
Rental of facilities and equipment	914 191	-	-	914 191
Other income	3 078 955	6 669	-	3 085 624
Interest received	3 134 786	-	-	3 134 786
Government grants and subsidies	106 599 978	-	-	106 599 978
Employee related cost	(60 223 153)	-	-	(60 223 153)
Depreciation and amortisation	(22 880 198)	(3 765 241)	-	(26 645 439)
Impairment loss/reversal of impairments	(454 032)	-	263 397	(190 635)
Decrease/(increase) of allowance for impairment	(997 417)	-	-	(997 417)
Inventory losses/write downs	-	-	(263 397)	(263 397)
Loss on sale of assets	(68 663)	68 663	-	-
Write-off of assets	-	(670 126)	-	(670 126)
General expenses	(37 975 753)	5 424	(3 715 886)	(41 686 215)
Repairs and maintenance	(3 715 886)	-	3 715 886	-
Deficit for the year	(11 481 276)	(4 354 611)	-	(15 835 887)

Corrections

The following prior period adjustments occurred:

Correction 1

During the prior year, the 13th cheque bonus and COID accrual to the value of R 2 030 108 were incorrectly classified as provisions. In the current year the 13th cheque bonus and COID accrual is correctly classified as accruals.

Correction 2

The entity did not apply the requirement in GRAP 17 to periodically review the useful lives of its assets in prior years.

Correction 3

The entity corrected previous incorrect classification on asset categories and did not depreciate the assets at the correct rate. This was subsequently corrected.

Correction 4

During the current year the entity performed an assets verification and overhaul process on property, plant and equipment, intangible assets and heritage assets.

As a result of the asset adjustments consisting of gains, write offs and changes in estimates resulted in a change to opening accumulated surplus at 1 April 2017 for correction of R 12 642 482 and reclassifications of R 570 587.

Correction 5

The entity incorrectly classified the leave provision as a leave accrual. This was corrected through reallocation of the amount to the Provisions note. The value of the provision is R 3 024 853.

Change in accounting policy

No change in accounting policies occurred during the year under review.

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

Reclassifications

The following reclassification adjustments occurred:

Reclassification 1

Repairs and maintenance is reclassified to general expenses on the Statement of Financial Performance.

Reclassification 2

Inventory losses is reclassified from impairment losses on the Statement of Financial Performance.

34. Comparative figures

Certain comparative figures have been reclassified.
Refer to note 33 for detail relating to reclassification of comparative figures.

35. Change in estimate

Property, plant and equipment

The entity assessed and reviewed the useful lives estimates of buildings, furniture and fixtures which were previously 10 - 65 years for buildings and 5 - 20 years for furniture and fixtures. In line with the fact that the useful lives estimates have changed since the preceding reporting date, the useful lives were changed to 10 - 80 years for buildings and 5 - 15 years for furniture and fixtures in line with the requirements of GRAP 17.56 as well as GRAP 3.34.

The useful lives estimates for property, plant and equipment were reviewed and found to be in line with the existing fixed asset policy.

The effect of the change in accounting estimate resulted in a decrease in depreciation of R 1 145 479 per year for current and future reporting periods.

Intangible assets

Intangible assets useful lives were reviewed to be in line with the fixed asset policy. The effect resulted in a decrease in amortisation of R 6 897 for the current and future periods.



Freedom[®] PARK

a heritage destination

an agency of the
Department of Arts and Culture

CONTACT DETAILS

PHYSICAL ADDRESS:

Corner Koch and 7th Avenue
Salvokop, Pretoria, 0001

POSTAL ADDRESS:

PO BOX 2710
Pretoria, 0001

Tel: 012 336 4000

Fax: 012 336 4021

www.freedompark.co.za

RP111/2019

ISBN: 978-0-621-47267-7

TITLE OF PUBLICATION:

Freedom Park Annual Report for 2018/2019

Designed by Jabulani Design Studio

