Freedom PARK

a heritage destination

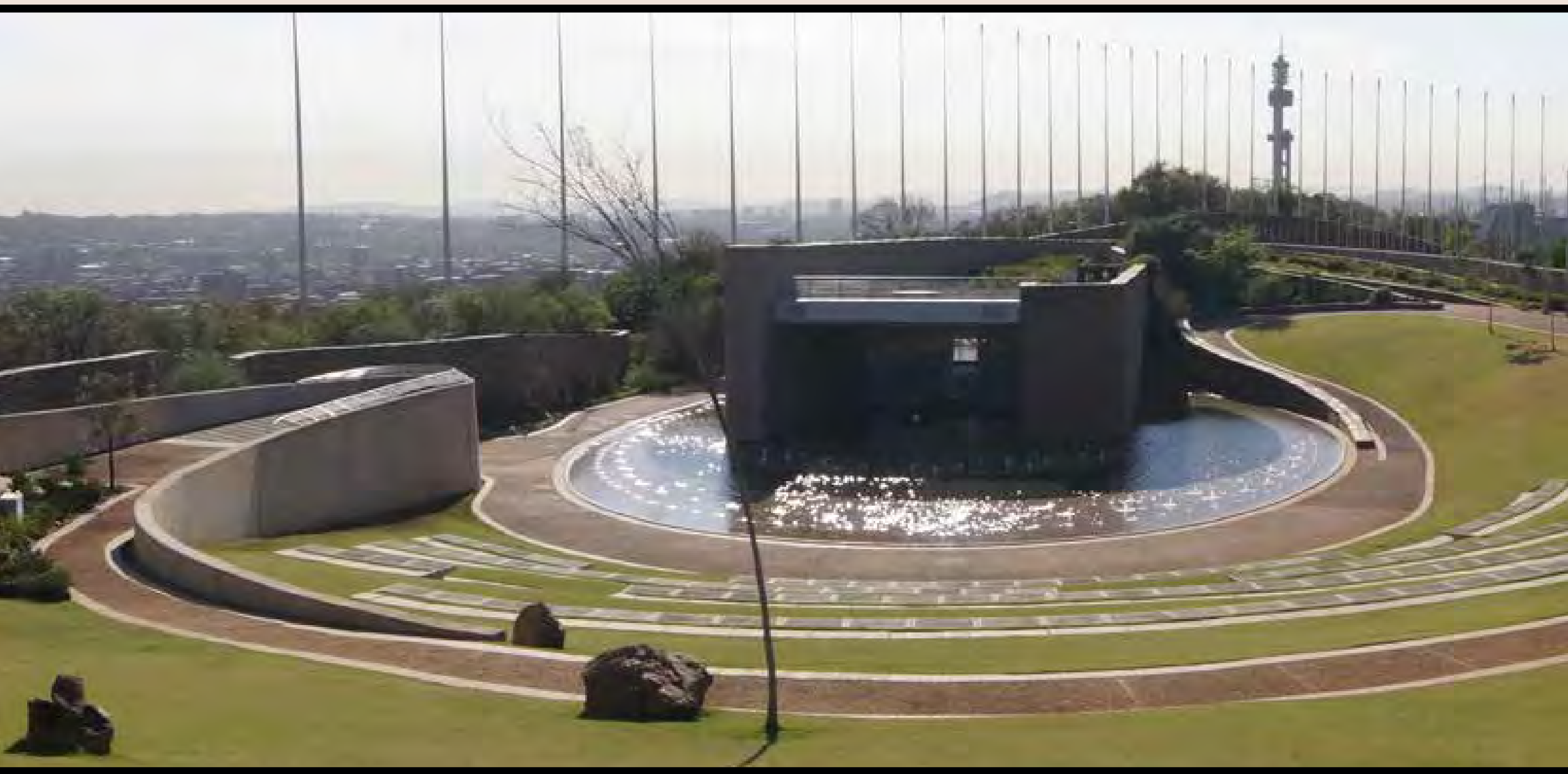
an agency of the

Department of Sport, Arts and Culture

ANNUAL REPORT

2023|24

Contents



PART A: GENERAL INFORMATION

1. PUBLIC ENTITY'S GENERAL INFORMATION

REGISTERED NAME:	Freedom Park
REGISTRATION NUMBER:	GG NO 31443 of 26 September 2008
PHYSICAL ADDRESS:	Corner Koch Street and 7^{th} Avenue Salvakop Pretoria 0001
POSTAL ADDRESS:	PO Box 2710 Pretoria 0001
TELEPHONE NUMBER/S:	+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 Limited
COMPANY/BOARD SECRETARY :	Adv Unarine Sandra Tshikovhi

2. ACRONYMS

AFS	Annual Financial Statements
AGSA	Auditor-General of South Africa
APP	Annual Performance Plan
B-BBEE	Broad-Based Black Economic Empowerment
CEO	Chief Executive Officer
CFO	Chief Financial Officer
GOL	Gallery of Leaders
H&K	Heritage and Knowledge
HOD	Head of Department
MEC	Member of the Executive Council
NEHAWU	National Education Health and Allied Workers Union
PAA	Pan African Archives
PFMA	Public Finance Management Act, Act 1 of 1999
RLH	Resistance and Liberation Heritage
TR	Treasury Regulations
SCM	Supply Chain Management

Dr BWJ Langa
Council Chairperson

3. Foreword by CHAIRPERSON

Introduction

On behalf of the Council of Freedom Park, I am pleased to submit the Annual Report for the year ended 31 March 2024. This report is submitted in accordance with the Constitution of the Republic of South Africa, Act 108 of 1996, as amended; the Cultural Institutions Act, Act 118 of 1998; the Public Finance Management Act, Act 1 of 1999, as amended; and applicable Treasury Regulations.

The current Council of Freedom Park officially assumed its role in September 2021. It had a mammoth task to ensure the need for continuous promotion and memorialisation of the South Arican and international living heritage. Living heritage plays an important role in promoting cultural diversity, social cohesion, reconciliation, peace and economic development. Freedom Park is an epicentre of our living heritage where visitors are challenged to reflect upon their past, to improve their present and to build on the future as a united nation.

Strategic Relationships

In ensuring that the entity effectively achieves its mandate, Freedom Park has seen itself engaging with a varied portfolio of both national and international stakeholders in implementing its critical programmes. The organisation strengthened existing strategic relationships in South Africa, regionally and internationally.

The existing bilateral agreement between Ministries of Sport, Arts and Culture in Angola and South Africa has warranted an annual commemoration of the Battle of Cuito Cuanavale, which has contributed to the continuous strengthening of relationships with countries such as Namibia and Cuba.

Cuba continues to play an integral role as a stakeholder who provided a selfless support to South Arica and Africa during the liberation struggle. Cuban delegations visit the Park as often as they can to host solidarity meetings in further cementing the relationship between South Arica and Cuba. Apart from Cuba, Freedom Park hosted the King and Queen of Netherlands, the former President of Namibia and the Deputy President of Colombia, who laid wreath in honour of the heroes and heroines of the struggle. We also hosted the President of Bulgaria, who launched an exhibition in honour of that country's contribution to the liberation struggle.

Freedom Park continued to partner with other players, both public and private partners, in order to capitalise on industry trends and developments.

Challenges faced by Council

During the period under review, the Council faced the following challenges:

- Strategic projects are central to the achievement of the entity's Core Business Mandate. One of the challenges experienced by Freedom Park was the inability to implement strategic projects due largely to budgetary constraints, following declines in our budget allocation from DSAC by 24% - from R21.9 million in 2022/23 to R16.6 million in 2023/24.

Living heritage plays an important role in promoting cultural diversity, social cohesion, reconciliation, peace and economic development. Freedom Park is an epicentre of our living heritage where visitors are challenged to reflect upon their past, to improve their present and to build on the future as a united nation

- The operating lease liability of R5.4 billion has been a huge challenge for the Council, as the entity is insured and must disclose all liabilities in its Statement of Financial Position. This has created a problem for the entity, as the Statement of Financial Position reflects the entity as being insolvent due to its liabilities exceeding its assets by R4.9 billion (R4.6 billion in 2022/23). The Council has engaged with the Office of the Minister of Public Works to find lasting solutions to the matter.
- The regress from an unqualified audit opinion to a qualified audit opinion has been one of the challenges that Council was faced with. Although the qualified audit opinion status quo remained in the current audit period, there were significant improvements to the audit process.

The strategic focus over the medium to long term period

In the period under review, Council remained focused on the achievements of its medium- and long-term strategic objectives. The Council's annual activities were mainly streamlined to the achievement of its strategic objectives as per the approved strategic plan.

Acknowledgements/Appreciation

Freedom Park Council is grateful to DSAC for its critical support. A special word of gratitude goes to the Parliamentary Portfolio Committee on Sport, Arts and Culture.

A special salute to the Council for their vast governance, heritage and liberation history, strategic management, transformation and diversity management expertise, permeated with dedication, passion and diligence in carrying out their oversight responsibilities of the entity, more especially the significant strides in elevating the living heritage landscape through continuing to honour the heroes and heroines of those that contributed to freedom.

We note a special appreciation to the CEO, Executive Management and staff for their tireless dedication and hard work in ensuring the achievement of Freedom Park's strategic objectives and flying the Freedom Park flag high.

Conclusion

Freedom Park remains committed to the commemoration and memorialisation of the heroes and heroines of those that fought for Freedom ensuring that we remain a centre for cultural diversity, social cohesion and reconciliation.

Dr Bheki Winston Joshua Langa
Freedom Park

31 August 2024

Dr Jane Mufamadi
Chief Executive Officer

4. CHIEF EXECUTIVE OFFICER'S Overview

General financial review of the public entity

We have delivered a clearly demonstrable path to full recovery of operational capability for the entity in the performance of both our financial and non-financial areas of our operations. We were able to achieve **89%** of our performance targets as outlined in our Annual Performance Plan, but still encountered some few challenges with our audit outcomes for the 2023/24 Financial Period. The 2022/23 Annual Financial Statements had material findings on four areas of Statement of Comparison of Budget and Actuals, the Cashflow Statement, Depreciation and Completeness of Artworks. To address these findings, the entity had to implement an improvement plan centred around a variety of initiatives.

We implemented the recommendations of the Auditor-General to address the root causes of the material findings by conducting verification of the Fixed Asset Register, capacitating the Finance Department with two qualified Finance professionals, preparing Interim Financial Statements for the nine (9) months ended 31 December 2023 (and subjecting these Financial Statements to external quality review) and lastly, we subjected the final Annual Financial Statements for the financial year ended 31 March 2024 to quality assurance review by our Internal Auditors and external reviewers. Consequently, for the year under review, the entity was mainly qualified based on material misstatement in the prior year Cashflow Statement and Depreciation emanating from unresolved prior year issues.

We contend that on Financial Reporting, the entity was able to demonstrate improvements in the current financial year and that these improvements will display in the Annual Financial Statements and Audit Outcomes of the new 2024/25 financial year. Improvements were also demonstrated in the Audit of Pre-Determined Objectives, where the prior year audit outcomes reflected material misstatements on the Reported Performance Information. There were no material audit findings on reported performance information in the current audit cycle.

Furthermore, the entity had material findings on three areas on the audit of Compliance with Legislative Requirements in 2022/23 in relation to the preparation of its Annual Financial Statements in compliance with the recognised reporting framework, Expenditure Management for Prepayments and Implementation of Consequence Management. However, significant improvements were achieved in that the only non-compliance area raised by the Auditor-General related to the preparation of the Annual Financial Statements in compliance with the requirements of the recognised reporting framework. There were no material findings identified from the audit in relation to Expenditure Management and Consequence Management. We are proud to report that the entity had a 100% reduction in Irregular Expenditure from R48 000 in 2022/23 to zero in 2023/24. This represents a significant achievement in the entity's efforts to maintain a sound Control Environment and Clean Governance. In addition to eliminating Irregular Expenditure by 100% within the Freedom Park, Fruitless and Wasteful expenditure was also eliminated by 100% from R31 000 to zero.

We are proud to report that the entity had a 100% reduction in Irregular Expenditure from R48 000 in 2022/23 to zero in 2023/24. This represents a significant achievement in the entity's efforts to maintain a sound Control Environment and Clean Governance

Revenue Generated from Own Operating Activities (Exchange Transactions) showed significant improvement with Revenue from Admission Fees rising by 28% from R923 000 in 2022/23 to R1.2 million, while Venue Hire Revenue rose by 90% from R401 000 in 2022/23 to R761 000. The entity's management concedes that more can still be done to improve the revenue capability of the entity while pursuing its Core Mandate of Nation-Building, Reconciliation and Social-Cohesion, through inclusive programmes that are affordable to the majority of South Africans.

Spending trends of the public entity

The entity's Compensation of Employees expenditure remained relatively suppressed due to the freezing of increases implemented four (4) years ago because of budgetary constraints experienced by the Fiscus. In 2022/23 Employee Costs were R58.3 million and rose by a measly 1% to R58.9 million in the year under review. It is in the plan of the entity to implement Cost of Living Adjustment (COLA) to the compensation of employees in the 2024/25 financial year. To achieve this, Management has embarked on aggressive cost containment measures that have seen the entity's General Expenditure contained from 2022/23 level of R57.9 million to R57.5 million.

Strategic projects are central to the achievement of the entity's Core Business Mandate; however, budgetary constraints have seen expenditure on strategic projects decline by 24% from R21.9 million in 2022/23 to R16.6 million. The decline was chiefly driven by the R4 million reduction in the budget allocation for Liliesleaf from R12 million in 2022/23 to R8 million in 2023/24.

Spending on Capital Projects was not spared from the cost-containing measures implemented by management, which saw Capex reduced by 11% from R19.4 million in 2022/23 to R17.3 million in the year under review.

Liability Management has also been a huge challenge due to the operating lease liability of R5.4 billion that the entity must recognise and disclose in its Statement of Financial Position. This creates a problem for the entity as the Statement of Financial Position reflects the entity as being insolvent, due to its liabilities exceeding its assets by R4.9 billion (2022/23: R4.6 billion). Management has submitted several requests to review the entity's lease agreement with the Department of Public Works and Infrastructure, but there has been no progress in this matter so far.

Freedom Park submitted a proposal to the DPWI, outlining three potential solutions for resolving this matter. The first option involves the DPWI donating the land or, sell the land to Freedom Park at favourable pricing and payment terms, and lastly, the proposal suggests reviewing the lease agreement to eliminate the fixed escalation clause, allowing Freedom Park to avoid straight-lining lease payments as required by GRAP 13.

Freedom Park continues to utilise its operational and administrative capacity to assist with managing the operations of Liliesleaf Farm Memorial (located in Johannesburg), the Matola Raid Monument (in Maputo, Mozambique) and the Samora Machel Memorial (in Mbuzini, Mpumalanga). The efforts to stabilise Liliesleaf have been exceptionally successful during the year under review, with no audit findings related to Freedom Park's activities at Liliesleaf. Work to improve and refurbish Matola and Samora Machel is ongoing in the 2024/25 financial period, and thus far, there have been no audit findings regarding the Freedom Park's management of these sites.

Capacity constraints and challenges facing the public entity discontinued key activities/ activities to be discontinued

As previously outlined, the organisation faces capacity limitations due to funding constraints for staff increments. This issue is being addressed through the Resource Mobilisation Strategy. The National Treasury has explicitly communicated that no further funding will be considered. To overcome this challenge, the entity must achieve financial self-sufficiency and operate in a business-like manner while fulfilling its key mandate.

Supply Chain Management

The Freedom Park Supply Chain Management (SCM) processes adhere to the Public Finance Management Act, National Treasury's SCM Regulations and Instruction Notes. The entity's own SCM Policy consistently aligns with National Treasury's updates and Instruction Notes. The entity prepares and submits an annual procurement plan in line with its approved budget to the National Treasury through DSAC. Quarterly progress reporting is diligently followed during the review period. Notably, there were no unsolicited bid proposals during this time. The SCM processes have improved, evident from the reduction in Irregular Expenditure and Fruitless and Wasteful Expenditure. Management maintains zero-tolerance approach to Irregular Expenditure, and it is anticipated that the entity will continue this trend in the 2024/25 financial year.

All concluded unsolicited bid proposals for the year under review

There were no unsolicited bid proposals for the year under review.

Challenges experienced and how resolved

There were no SCM challenges experienced during the year under review.

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

Key Findings	Management Response and Intervention
The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework, as required by Section 55(1)(b) of the PFMA. Material misstatements of depreciation and cash flow statements identified by the auditors in the submitted financial statements were not corrected, resulting in the financial statements receiving a qualified audit opinion.	Management will implement the External Audit Implementation Plan, which will be centred around regular review of the Fixed Assets Register and the preparation of interim financial statements as of 31 December 2024, and subject these IFS to external quality control review by the entity's internal auditors and AGSA auditors in order to ensure that the AFS for the 12 months ended 31 March 2025 will be of acceptable quality for the audit.

Outlook/Plans to address financial challenges

The entity has enhanced its Resource Mobilisation efforts by implementing a project/program-based approach to resource mobilisation. Additionally, it has embraced a collaborative/partnership model with similar entities to execute specific programmes. This approach has resulted in resource optimisation cost savings due to shared responsibilities with partners.

Events after the reporting date

Economic Viability

As a PFMA Schedule 3A Public Entity, Freedom Park continues to benefit from substantial financial and strategic support provided by its Executive Authority, the National Department of Sport, Arts and Culture (DSAC). Consequently, the entity's viability is closely tied to ongoing DSAC support. However, the entity's management is actively implementing Resource Mobilisation Strategy, which is expected to yield positive outcomes through a project/program-based approach with strategic partners. This strategy aims to enhance Freedom Park's own revenue generation capabilities, thereby reducing reliance on government funding. Some of the entity's revenue plans are aligned with National Government initiatives, while others depend on mobilising private sector investment through Public Private Partnerships. These efforts constitute the cornerstone of Freedom Park's current resource-mobilisation strategy.

Acknowledgement/s or Appreciation

As mentioned earlier, we sincerely appreciate the ongoing support from the DSAC, both in terms of financial and non-financial assistance. We extend special gratitude to the Minister for support as the Executive Authority. As the entity's Management, we are immensely thankful to the Portfolio Committee on Sport, Arts, and Culture for their consistent oversight and backing. Additionally, we recognise and value the contributions of the entity's Council, who have played a pivotal role in positioning Freedom Park as the flagship institution in the Heritage and Cultural Sector. Lastly, the dedication and support of our hardworking staff members have been instrumental in achieving the entity's success, even amidst challenges.

Dr. Jane Mufamadi
Chief Executive Officer
Freedom Park

Date: 31 August 2024

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

To the best of our knowledge and belief, we confirm the following:

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

The annual report is complete, accurate and free from any omissions.

The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

The Annual Financial Statements (Part F) have been prepared in accordance with the Generally Recognised Accounting Principles standards applicable to the public entity.

The Accounting Authority is responsible for the preparation of the annual financial statements and for the judgements made in this information.

The Accounting Authority is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors are engaged to express an independent opinion on the annual financial statements.

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the public entity for the financial year ended 31 March 2024.

Yours faithfully

Dr. Jane Mufamadi
Chief Executive Officer

31 August 2024

Dr Bheki Winston Joshua Langa
Chairperson of the Board

31 August 2024

6. STRATEGIC OVERVIEW

6.1 Vision

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

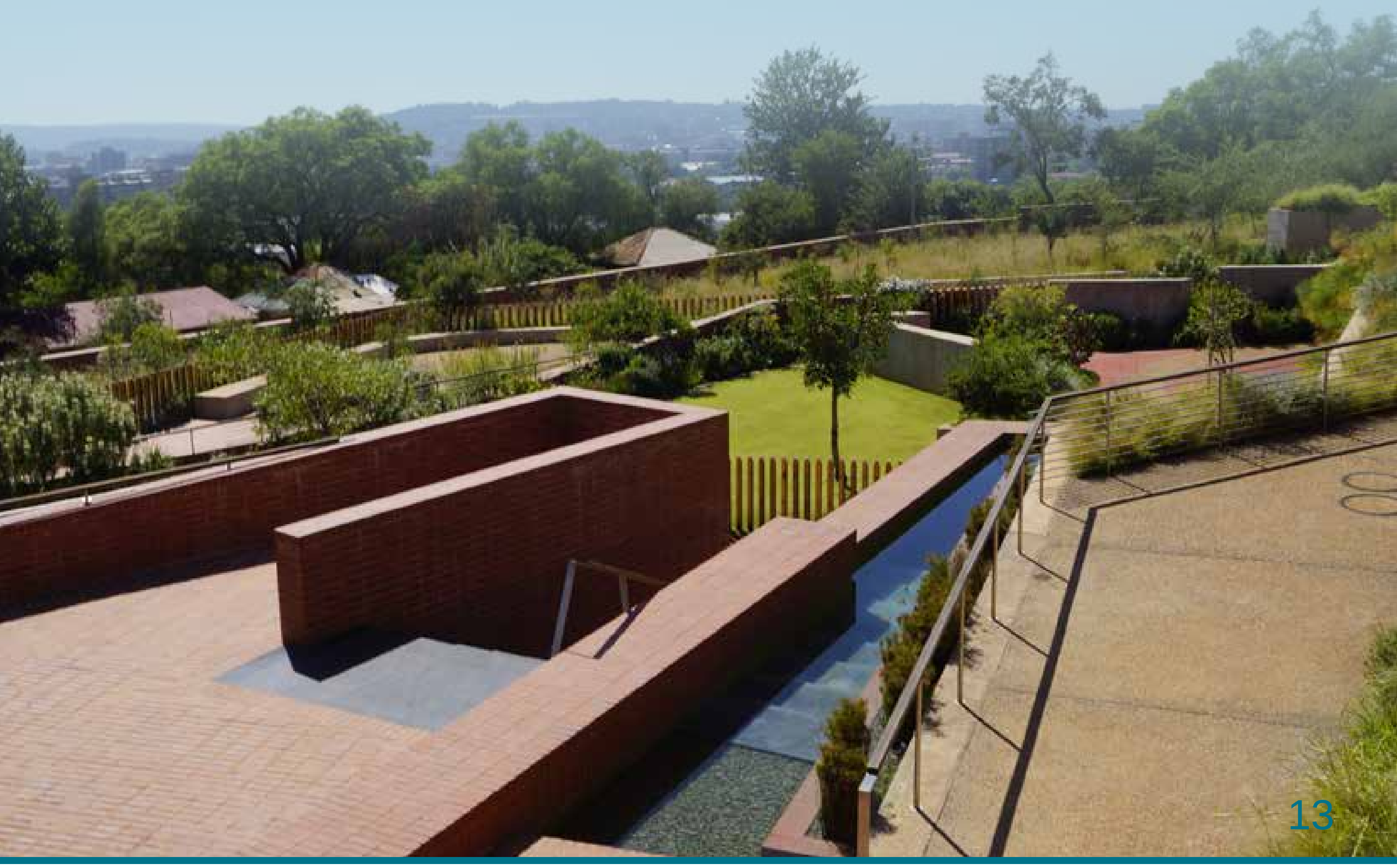
6.2 Mission

To be pioneering and empowering heritage destination that challenges visitors to reflect upon our past, improve our present and build on our future as a united nation.

6.3 Values

In carrying out our mandate, we are committed to the following values that sup port the principles of Ubuntu

- ***Respect of diversity***
- ***Inclusivity***
- ***Integrity***
- ***Transparency and accountability***
- ***Patriotism***
- ***Human dignity***



7. LEGISLATIVE AND OTHER MANDATES

Freedom Park is a Schedule 3A Public Entity in terms of the Public Finance Management Act, Act 1 of 1999, as amended.

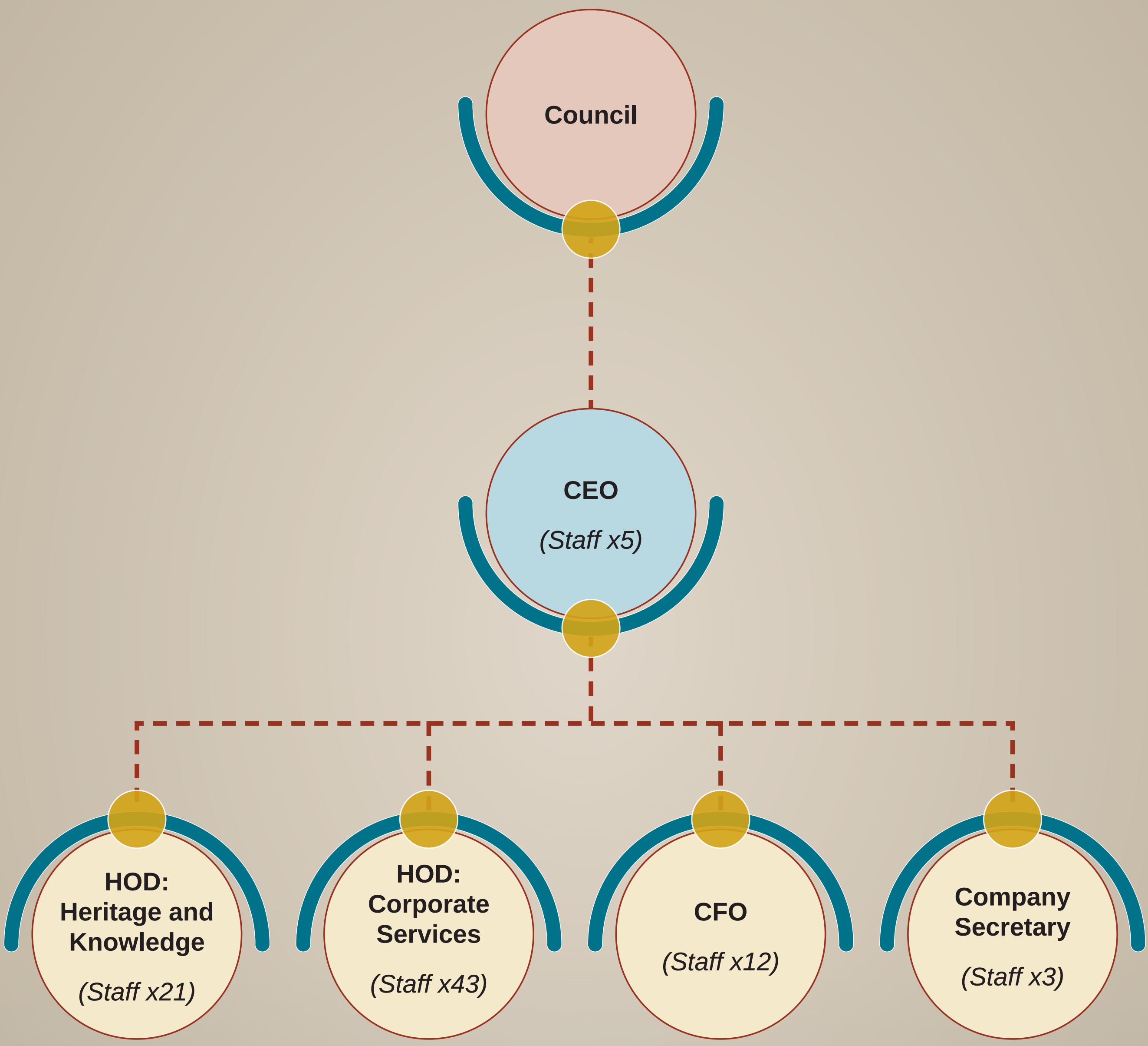
Freedom Park's Mandate

Honour the heroes and heroines of the struggles for freedom and humanity by memorialisation and storytelling that narrates a story spanning a period of 3.6 billion years through the following seven epochs: Earth, ancestors, peopling, resistance and colonisation, industrialisation and urbanisation, nationalism and struggle, and nation-building and continent-building. Freedom Park is governed by, inter alia, the following legal framework.

The Constitutional mandate governing Freedom Park includes:

- Chapter 1: Human dignity, citizenship, national anthem, flag and languages
- Chapter 2: 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: Align ourselves with the recognition and role of traditional leaders
- Chapter 13: Compliance with Treasury Regulations

8. ORGANISATIONAL STRUCTURE



FREEDOM PARK COUNCIL


Dr BWJ Langa
Chairperson


Mrs MG Rammbwa
Deputy Chairperson


Prof S Cooper
Council Member


Adv N Bleki
Council Member


Mr E Daniels
Council Member


Ms BE Watson
Council Member


Mr M Tsedu
Council Member


Ms MS Mothapo
Council Member


Ms Z Hlatshwayo
Council Member

EXECUTIVE TEAM

Dr J Mufamadi
Chief Executive Officer

Adv US Tshikovhi
Company Secretary

Mr R Malapane
Chief Financial Officer

Mr V Netshiavha
Acting Head of Department: Heritage and Knowledge

Mr LC Tleane
Head of Department: Corporate Services

PART B:
PERFORMANCE INFORMATION

1. AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

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

Refer to page 72 of the Report of the Auditors Report, published as Part F: Financial Information.

2. OVERVIEW OF PERFORMANCE

2.1 Service Delivery Environment

Freedom Park's budget was approved on a cash basis, while the institution accounts for its expenditure on an accrual basis. This difference in accounting methods, particularly for non-cash items such as Depreciation/ Amortisation and the straight lining of lease payments, has resulted in a net deficit on the Statement of Financial Performance and a negative net asset value exceeding R5 billion on the Statement of Financial Position.

Despite these challenges, the cost containment strategies implemented by the organisation have successfully reduced the deficit on a cash-accounting basis. The most significant liability on the Statement of Financial Position relates to the Lease Commitment with the Department of Public Works and Infrastructure. This commitment stems from the requirements of the GRAP Standard on Leases. Another substantial liability involves Unspent Conditional Grants designated for the entity's infrastructure projects, which are only recognised as revenue upon actual expenditure on these projects.

To address financial sustainability, the entity has intensified its focus on implementing its Resource Mobilisation Strategy. This strategy is designed to ensure that Freedom Park can generate its own revenues on a sustainable basis. A key component of this strategy involves identifying and cultivating strategic partnerships, enabling the implementation of critical projects on a cost-sharing basis.

In addition, Freedom Park is actively pursuing an enhanced public engagement strategy, leveraging social media platforms to increase its visibility and interaction with key stakeholders. This initiative aims to secure future visits and events, thereby driving revenue generation.

On the other hand, the entity has faced significant capacity challenges within its Finance Department, with many employees either new or on temporary contracts. These challenges were further compounded by the resignation of the newly appointed Senior Financial Reporting Specialist in February 2024, which exposed the entity to vulnerabilities in financial reporting, asset management and budget management. In response, a Temporary Senior Financial Reporting Specialist, albeit without institutional memory, was employed in April to assist with the audit process. Moving forward, the entity is committed to strengthening its internal financial reporting capabilities by recruiting a permanent Senior Financial Reporting Specialist. This strategic resolve is expected to deliver long-term financial benefits by eliminating the costs associated with outsourcing financial reporting and by bolstering internal financial management.

The entity has successfully completed a realignment process to establish an optimal organisational structure, strategically positioning itself to achieve its objectives. In parallel, Freedom Park continues to modernise its tools of trade through ICT advancements while deploying robust cybersecurity measures to protect and safeguard the entity's information.

The Corporate Governance Division has played a crucial role in enhancing the entity's governance framework by conducting monthly Legislative Compliance workshops across all departments. Additionally, the division has been instrumental in organising and hosting Contract Management meetings with service providers. These efforts have contributed to the continuous improvement of the entity's corporate governance architecture and have strengthened contract management, ensuring that service providers are held accountable for any delays in service delivery or substandard workmanship

2.2 Organisational environment

Internal Environment

Through its various programmes, carried out by its departments, the organisation continued to fulfill its mandate of honouring those who gave their lives for humanity and the liberation of South Africa in particular. The restructuring process, which was reported on in the previous report, was almost concluded, in the sense that the new structure was approved by Council in January 2024. All employees were successfully placed and retained their benefits. The stated principled stance of ensuring that 'no one would lose their job or be worse off' was therefore achieved. The only component left relating to the restructuring is the finalisation of objections that were lodged as part of the process.

The restructuring process has resulted in the streamlining of functions. That has in turn led to improved performance, as demonstrated in the performance reporting section. There were also improved synergies between departments. For instance, the support departments – Corporate Services, Finance and Corporate Governance – were better able to support the Heritage and Knowledge Department (Core Business) in advancing the broader mandate of the organisation. Increased visitor numbers and the nature of events (commemorative and other events) meant that the organisation is ready to increase its targets and achieve them. Lastly, the filling of critical vacancies has proven crucial to improving efficiencies within the organisation.

External Environment

Whereas the organisation has achieved majorly during the period under review, with the performance outcomes contained in this report bearing testimony to the achievements, there have also been challenges that persist. The challenging global economic environment that has a direct impact on the struggling local economy manifests in public sector funding being under strain. This has led to decreases (in real terms) in terms of grants from the DSAC for Freedom Park.

Dependence on the DSAC grant means that the organisation's operations and expansion plans will, until it begins to raise more second and third income stream levels, be determined by the levels of allocation that it receives. As indicated in the previous section, efforts are underway to try and increase second- and third-income streams.

2.3 Key policy developments and legislative changes

There were no major policy developments and legislative changes with a direct impact on Freedom Park during the period under review.

2.4 Progress towards achievement of institutional Impacts and Outcomes

The entity's mandate is the honouring of heroes and heroines of resistance and liberation heritage (RLH) regardless of race, class, gender and age differences. The Heritage and Knowledge departmental outcome of redress, inclusivity and access was achieved through all programmes executed by the Curatorial, Education and Research Units. The above contributed to DSAC's priorities of social cohesion and safe communities.

The Corporate Services department, through the Events Section, provided strategic support and ensured that commemorative events are organised professionally, as well as generating positive publicity through media coverage of these events. Also, through the Infrastructure Unit, the department continued to maintain the Park at levels that make it a pleasant place to visit.

Furthermore, the entity, through the Corporate Governance department, Finance department, and the ICT and Human Resources Unit, ensured the following: compliance with all legislative requirements, effective and efficient governance, and implementation of policies. These outcomes were achieved through aligning organisational policies with the priority legislative prescripts. The above contributed to DSAC's priority of a capable, ethical and developmental state.

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

3.1 Programme 1: Administration

Purpose

To provide strategic leadership, management and support services to Freedom Park. The programme contributes to the National Government's Priority 1, supported by DSAC: Capable, ethical and developmental state by improving financial governance, reducing irregular expenditure and implementing accountability and consequence management.

Institutional Outcomes

- Improve governance on the implementation of policies.
- Sustainable diversified revenue streams.
- Improve effectiveness and efficiencies in governance.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

Payment of 100% of supplier invoices within 30 days

The entity was able to achieve 100% payment of suppliers within 30 days with aggressive efforts to address the non-compliance challenges of SMMEs and proactively providing feedback to suppliers in instances of non-compliance so that efforts are made to correct those, particularly Non-Tax-Compliant Status cases on the CSD, which were predominant.

Creation of initiatives that enhance job creation through procurement of goods and services

This initiative is intended to ensure that the entity contributes to the National Government's drive to use procurement spending to create jobs for the targeted groups, thus contributing to poverty alleviation and reduction of inequality. Through capital and operational projects, the entity created 17 jobs, resulting in the target of 5 jobs being exceeded by 12.

Review of ICT Strategy and Governance Framework

The purpose of ICT infrastructure development is to support core business programmes for the achievement of the key outcome success factors and intervention mechanisms of the institution. Information is a strategic resource that underpins the key functions and decision-making processes of the organisation. The way information is managed, including the technology used to support it, is therefore central to Freedom Park's business operations. ICT infrastructure includes hardware, communications device applications, software, network infrastructure, video conferencing, telephones and mobile devices. Implementation of ICT support services to the core business programmes requires a strategy and a framework that informs how the implementation should be rolled out. Therefore, the entity was able to ensure that the ICT Strategy is reviewed while maintaining an up-to-date governance framework.

Designated groups empowerment (youth, women and people with disabilities) through procurement

This initiative is intended to ensure that the entity contributes to the National Government's drive to use procurement spending to empower SMEs from targeted groups, thus contributing to poverty alleviation and reduction of inequality. The entity awarded 65% of all procurement transactions to youth and women, thus exceeding the annual target of 60%.

Irregular expenditure eliminated

The entity had a target of 80% reduction of existing irregular expenditure based on previous years' audited baseline of R48 173. The entity eliminated irregular expenditure in the 2023/24 financial period by 100%, resulting in zero irregular expenditure. This achievement is built on a solid base of strong internal controls over expenditure and over sourcing and appointment of service providers as part of a clean-governance strategy.

Programme 1: Administration								
Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Achievement 2021/22	Audited Actual Achievement 2022/2023	Planned Annual Target 2023/2024	**Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
OUTCOME: Improve governance on the implementation of policies								
Compliance with organisational policies and procedures	Percentage of valid supplier invoices paid within 30 working days from the date of receipt	70% of payments were made within 30 days.	94% of payments within 30 days	94% of payments within 30 days	100% valid supplier invoices paid within 30 working days from the date of receipt	Achieved 100% of payments within 30 days	N/A	N/A
Ethical culture of accountability	Biennial ethics surveys conducted	N/A	1 ethics survey conducted	N/A	1 ethics survey conducted	1 ethics survey conducted	N/A	N/A
OUTCOME: Sustainable, diversified revenue streams								
Fundraising revenue in cash and in-kind raised	Amount of fundraising revenue in cash and in-kind raised	R1 169 000.00 received from DSAC	No fundraising revenue raised	R5.2m (surplus retention for operations) were raised	R5 Million in fundraising revenue in cash and in-kind raised	Not-Achieved R93 550 revenue was raised	The planned target fell short by 99%	The Resource Mobilisation Committee appointed by the CEO has conducted several meetings with the Resource Mobilisation Policy and Terms of Reference, among other documents, ready for submission for approval before the workshop could be conducted.
OUTCOME: Improve effectiveness and efficiencies in governance								
Creation of initiatives that enhance job creation through procurement of goods and services	Number of job opportunities created through procurement of goods and services	No job opportunities were created.	Seven new jobs were created: 5 jobs - Contractors painting the administration building. 2 jobs - Gift Shop: (Ditebogo Gifts and Events)	37 jobs were created	5 job opportunities created	17 jobs created	The planned target exceeded by 12 job opportunities	Waterproofing project. Job creation for repair and servicing of HVAC air handling units and chiller plants. Job opportunities created through the installation of floor tiling at the Administration Building.

Programme 1: Administration								
Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Achievement 2021/22	Audited Actual Achievement 2022/2023	Planned Annual Target 2023/2024	**Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
Unqualified Audit Outcomes	Unqualified Audit Opinion	Unqualified Audit Report received from the Auditor-General	Unqualified Audit Opinion received from the Auditor General	Qualified Audit Report received from the Auditor-General	Unqualified Audit Opinion	Qualified Audit Opinion	The planned target was not achieved	Material misstatements on heritage assets, commitment related parties, irregular expenditures and the statement of comparison of budgeted and actual amounts were identified and corrected.
Projects implemented from the ICT Strategy	Percentage of projects implemented from the ICT Strategy	Implemented 40% of ICT projects from the ICT Strategy	Implemented 16% of ICT projects from the ICT Strategy.	42% of projects implemented from the ICT Strategy	Review of ICT Strategy and Governance Framework	The ICT Strategy has been reviewed	The Governance framework was not reviewed	The Governance framework was reviewed in 2022 and is due for review in 2025.
Designated groups empowerment (youth, women and people with disabilities) through procurement	Percentage of procurement spent on youth, women and people with disabilities	Awarded 41% of procurement transactions to youth, women and people with disabilities	Awarded 44% of procurement transactions to youth, women and people with disabilities	Awarded 46% of all procurement transactions to women and youth.	60% of all procurement transactions awarded to youth, women and people with disabilities	65% of all procurement transactions awarded to youth, women and people with disabilities	Planned target exceeded by 5%	During the sourcing of quotations, more responses were received from the target group
Irregular expenditure eliminated	Percentage reduction of irregular expenditure	R1 192 874,00	Irregular expenditure increased by R2 890 000	During the financial year ending 31 March 2023, irregular expenditure was reduced by 98.3% (R48 173)	90% reduction of existing irregular expenditure (based on previous years' audited baseline)	No irregular expenditure registered 100% reduction of irregular expenditure	Planned target exceeded by 10%	No irregular expenditure was registered

Linking performance with budgets

Programme/activity / objective	2022/2023			2023/2024		
	Budget R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Budget R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
Administration	91 612	74 061	17 551	73 092	84 479	(11 387)
Total	91 612	74 061	17 551	73 092	84 479	(11 387)

Strategy to overcome areas of under performance

Fundraising

In the new 2024/25 financial year, the entity has intensified its efforts to leverage strategic partnerships it has with various stakeholders in order to unlock and mobilise financial resources. This has seen significant improvements in the number of activations that have resulted in resources being mobilised for the entity, both financial and in-kind, to be officially reported in the 2024/25 Annual Report.

Qualified Audit Opinion

Management will implement the External Audit Implementation Plan, which will be centred around regular review of the Fixed Assets Register and the preparation of interim financial statements of 31 December 2024, and subject these IFS to external quality control review by the entity's Internal Auditors and AGSA auditors in order to ensure that the AFS for the 12 months ending 31 March 2025 will be of acceptable quality for the audit.

3.2 Programme 2: Business Development

Purpose

The programme contributes to National Government Priority 6 supported by DSAC by executing core business programmes for the achievement of the key outcome of "Redress, Inclusivity and Access" and the realisation of the impact of "Social Cohesion".

Institutional Outcome

Redress, Inclusivity and Access

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

To achieve the stated outcomes, the Heritage and Knowledge Department executed strategic projects that were in line with the strategic objectives of the organisation. To preserve and make cultural resources accessible to end-users in the Pan African Archive, the department digitised 2 521 cultural resources that narrate and authenticate the pre-colonial, colonial, apartheid and post-apartheid stories of South Africa. In addition, 51 rare books with information that emancipates the African voice were purchased. The books provide accounts about those who contributed to the liberation struggle, as well as pre-conquest Africa and the impact of slavery on African civilization.

To promote, protect and preserve living heritage (memory of the liberation struggle) and contribute towards building a living archive (the Pan African Archive), six dialogues with freedom fighters were conducted to capture their recollections about the liberation struggle. The dialogues are a primary source of information and therefore critical in the creation of the knowledge base of Freedom Park. This collection of dialogues follows the heritage principle that makes provision for intangible cultural resources to enhance the value of tangible cultural resources. To further promote, preserve and protect the Indigenous Knowledge System through storytelling (a presentation genre that distinguishes Freedom Park from conventional museums), a Storytelling Festival was hosted on 30 March 2023. Storytelling has been an African method of presenting and relaying the past, traditions and culture and is therefore integral to representing South African history, culture and spirituality.

The Research Unit produced six research papers (secondary information sources) aimed at contributing towards the decolonisation of knowledge production as they were premised on the organisation's philosophy to emancipate the African voice. Two seminars were held in partnership with the University of Venda and North-West University, respectively, on IKS.

The memorialisation programme was conducted by inscribing on Isikhumbuto 172 names of those who contributed to the struggle for humanity and freedom. The names that have been inscribed on the Wall of Remembrance cut across different categories, for example, International Solidarity and traditional leaders that waged Wars of Resistance. The International Solidarity leg of the struggle includes the event to commemorate the Congo Brazzaville Protocol and the Battle of Cuito Cuinavale which marked the watershed of the independence of Namibia and the South African Road to Democracy. Additional commemorative events were held to unveil the inscribed names and to commemorate the contribution made by freedom fighters, for example, the unveiling and commemoration of the assassination of the member of the South African Students Organisation, Abraham Tiro, and the Congolese Mr Ndinga Oba, who played a middleman to convince the government of South Africa to negotiate with the South African Liberation Movements, the Maseru Raid by the SADF,the Boipatong Massacre and the Matola Raid.

To enhance the storyline of //hapo(museum), eight temporary exhibitions were developed and launched. One major milestone in the use of temporary exhibitions to decolonise the presentation of South African history was the exhibition that chronicled the history of South Africa from the creation of the universe to the dawn of democracy held at the AGOA (African Growth Opportunity Act) conference held from 2-6 November 2023 at NASREC Johannesburg.

The Education Unit adapted their content offerings to schools that visit Freedom Park to complement the National Curriculum Statements. Three (3) education materials that decolonise history, heritage and spirituality were developed and presented to visiting schools and during visits to schools.

Following the handing over of the Samora Machel Monument and Museum in Mbuzini, Mpumalanga, to Freedom Park for maintenance purposes, a Heritage Site Management Plan was developed. Site management is a heritage tool that provides guidelines for the management of a declared heritage in line with national and international standards and practices regarding the management of cultural heritage and preserving the cultural significance of the site. The plan will be implemented effectively following the expected complete handover of the museum to Freedom Park.

Programme 2: Business Development								
Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Audited Actual Achievement 2022/2023	Planned Annual Target 2023/2024	**Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
OUTCOME: Redress, Inclusivity and Access								
Cultural resources digitised for effective public interface	Number of cultural resources digitised	830 photographs of events and activities were digitised	1 539 cultural resources digitised	6 406 cultural resources digitised	2 500 cultural resources digitised	Achieved. 2 521 cultural resources digitised.	Planned target exceeded by 21 cultural resources	A service provider for digitisation was appointed and more resources were digitised during the year.
Cultural resources related to the 7 epochs of the exhibition acquired to emancipate the African Voice for access and collection knowledge base	Number of cultural resources acquired	6 cultural resources acquired	7 cultural resources acquired	7 cultural resources acquired	7 cultural resources acquired	Achieved 17 cultural resources acquired	The planned target exceeded by 10 cultural resources.	Availability of newspaper articles of those who have died having contributed in the liberation struggle
Books relevant to the //hapo storyline acquired for access and collection knowledge base	Number of books acquired	58 books donated to Freedom Park	41 books acquired	165 books acquired	50 books acquired	Achieved 51 books acquired	Planned target exceeded by 1 book	The target was exceeded by 1 book, which was bought from the author, Prof Mongane Serote, in line with our story line, titled *Mme Ruth Mompati: A Life of Courage and Service*
Honour the heroes and heroines of the struggles for freedom and humanity by way of inscribing their names on the Wall of Names	Number of names of heroes and heroines inscribed on the Wall of Names	74 names inscribed on the Wall of Names	212 names inscribed on the Wall of Names	427 names inscribed on the Wall of Names.	100 names inscribed on the Wall of Names	Achieved 172 names were inscribed on the Wall of Names.	The planned target was exceeded by 72 names	Events took place that required observation of names on the Wall, e.g., the book launch on Antoine Ndinga Oba; the event honouring Haitian freedom fighters; and the Exhibition on International Solidarity and Royal Danish Embassy. A batch of names were inscribed relevant to the above events

Programme 2: Business Development								
Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Audited Actual Achievement 2022/2023	Planned Annual Target 2023/2024	**Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
Temporary exhibitions developed/ displayed in // hapo to enhance the permanent exhibition	Number of temporary exhibitions developed/ displayed in //hapo	2 temporary exhibitions displayed	5 temporary exhibitions displayed	5 temporary exhibitions displayed	5 temporary exhibitions displayed	Achieved 8 temporary exhibitions displayed	The planned target was exceeded by 3 temporary exhibitions.	Freedom Park received requests from stakeholders, namely the DSAC and the Department of Trade Industry (Competition Commission), respectively, for exhibitions
Commemoration and reflection on the Resistance and Liberation Heritage (RLH)	Annual Day of Reflection on the Resistance and Liberation Heritage (RLH) conducted	1 Day of Reflection on RLH conducted on 23 March 2021 (Commemoration of the Battle of Cuito Cuanavale)	A wreath-laying ceremony on the Commemoration of the Battle of Cuito Cuanavale was held at Freedom Park on 23 March 2022.	The Battle of Cuito Cuanavale commemoration was held at Freedom Park on 26 March 2023.	1 Day of Reflection on RLH conducted on 23 March 2023 (Commemoration of the Battle of Cuito Cuanavale).	Achieved Cuito Cuanavale battle commemoration was held at Freedom Park on 23 March 2024	N/A	N/A
Commemoration on Heroes and Heroines (RLH)	Number of commemoration of heroes and heroines (RLH) programmes conducted	1 commemoration programme held at Queenstown, Eastern Cape, on 31 March 2021	1 commemoration of heroes and heroines (RLH) programme on the SADF raid in Gaborone, Botswana, was held on 28 September 2021 at Freedom Park.	1 commemoration of Heroes and Heroines (RLH) programme on the SADF raid in the Maseru Massacre Commemoration was held at Freedom Park on 8 December 2022	3 Commemoration of Heroes and Heroines (RLH) programme	Achieved 7 Commemoration of heroes and heroines (RLH) programmes on Boipatong Massacre commemoration on 20 September 2024, Commemoration of the 35th Anniversary of the Brazzaville Protocol and Honouring Haitian Freedom fighters	Planned target exceeded by 4 Commemorations	Some of the programmes were additions to the annual programme, such as the request from the Embassy of Haiti to commemorate freedom fighters from that country. In addition, the Matola Raid Commemoration is now an annual event
Support materials for education programmes published that decolonise history, heritage and spirituality and complement the RLH history curriculum	Number of education programmes' support materials published	Support materials for 4 education programmes published on the Freedom Park website	6 education materials published	Support material for 1 education programme published	Support material for 3 education programmes published	Achieved Support material for the 3 education programme published	N/A	N/A

Programme 2: Business Development								
Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Audited Actual Achievement 2022/2023	Planned Annual Target 2023/2024	**Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
Heritage education event conducted	Annual heritage education event conducted	N/A	2 heritage education events conducted	1 heritage education event was conducted on 28 February 2023 as a roundtable on heritage education	1 heritage education event conducted	Not Achieved	A heritage education event was not conducted	Lack of human resource capacity Only 1 education officer was left in the Unit following disciplinary proceedings that affected the availability of two officers. The manager was suspended while the other officer was shifted to another department because he was affected by the case in question)
Storytelling event conducted to promote, protect and preserve IKS	Annual storytelling event conducted	1 storytelling event was conducted virtually during March 2021	The Annual Ungasali International Storytelling Festival was conducted in collaboration with the City of Tshwane, Pansalb and Unisa on YouTube and the FP website from 22 to 26 March 2022	1 storytelling event was conducted from 09 to 11 March 2023	1 storytelling event conducted	Achieved 1 storytelling event was conducted on 16 March 2024	N/A	N/A
Names of heroes and heroines across race, class, gender and age divisions verified and validated to be honoured on the Wall of Names and in the Gallery of Leaders	Number of names of heroes and heroines verified and validated by the Names Verification Committee (NVC)	245 names verified and validated.	210 names verified and validated	313 names verified and validated.	100 names verified and validated	Achieved 163 names verified and validated.	The planned target exceeded by 63 names	More names were approved by the NVC during the year
Research papers/ articles completed that decolonise history, heritage and spirituality (RLH) and promote, protect and preserve IKS	Number of completed research papers/ articles	6 research papers completed	7 research papers/articles completed	11 research papers/articles completed	4 research papers/articles completed	Achieved 6 research papers completed	Target exceeded by 2 research papers	External partners scheduled determined that these research articles be completed

Programme 2: Business Development								
Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Audited Actual Achievement 2022/2023	Planned Annual Target 2023/2024	**Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
Seminars/ conferences/ public lectures conducted to emancipate the African voice and to advance a body of knowledge on Resistance and Liberation Heritage (RLH)	Number of seminars/ conferences/ public lectures conducted	A Commemoration of Heroes and Heroines Executions conference was held in Queenstown on 31 March 2021	1 webinar and 1 seminar conducted	5 seminars/ conferences/ public lectures conducted.	2 seminars/ conferences/ public lectures conducted	Achieved 2 seminars/ conferences/ public lectures conducted	N/A	N/A
Dialogues (oral histories) conducted to emancipate the African voice	Number of dialogues conducted	4 dialogues conducted	6 dialogues conducted	6 dialogues conducted	4 dialogues conducted	Achieved. 5 dialogues conducted.	Planned target exceeded by 1 dialogue	Partnership activated, requested an additional dialogue
Interfaith and strategic programmes conducted to foster reconciliation, social cohesion, nation building and peace	Number of interfaith and strategic programmes conducted	1 interfaith programme conducted on 16 December 2020	4 interfaith programmes conducted	4 interfaith and strategic programmes conducted	4 interfaith and strategic programmes conducted	Achieved 4 interfaith and strategic programmes conducted	N/A	N/A

Linking performance with budgets

Programme/activity /objective	2022/2023			2023/2024		
	Budget R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Budget R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
Business Development	28 629	23 594	5 035	36 235	31 418	4 817
Total	28 629	23 594	5 035	36 235	31 418	4 817

Strategy to overcome areas of under performance

The Heritage and Knowledge Department did not achieve the targets in the following areas: performance of stories and educational programmes. For the 2024/25 Financial Year, the department has developed a dedicated plan for storytelling and educational programmes to enhance both the storyline of both //hapo (Interpretive Centre) and the Gallery of Leaders permanent exhibition. The appointment of an Education Officer and Storytellers has begun to yield fruits as targets are being met.

3.3 Programme 3: Public Engagement

Purpose

The programme contributes to the National Government's Priority 6 supported by DSAC: "Social Cohesion" by communicating, marketing, reaching out and building relations to increase demand and consumption of Freedom Park products and services.

Institutional Outcome

Increased demand and consumption of product and services.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

Public Engagement has the outcome of increased demand and consumption of products and services. These products and services are targeted mainly at tourists and guests visiting Freedom Park. They include the museum (#hapo), Garden of Remembrance, restaurant, gift shop, variety of exhibitions, events, seminars and dialogues.

One of the key drivers for improved achievements is the dedicated positioning of Freedom Park as an icon of freedom and humanity as well as a world-class heritage site with the ability to convert stakeholders of Freedom Park into ardent partners and sponsors of the organisation through building a network of brand loyalists who would ensure that Freedom Park charts the road to financial sustainability.

Reconciliation and nation-building represent one of the national priorities of our government. The organisation is therefore continuously contributing towards the processes of reconciliation and nation-building from a heritage perspective by exploring and celebrating the cultural diversity of the nation. To this end, the organisation has embarked on an extensive programme aimed at promoting social cohesion, reconciliation and nation-building by pursuing:

- Reconciliation between previously polarised cultural groups.
- Social cohesion and reconciliation within communities.
- Social cohesion and reconciliation between individuals in terms of identity.

The end of the lockdown (state of disaster) due to the subsiding of the COVID-19 pandemic enabled the exceeding of the target of 15 000 visitors for the financial year under review. A total of 37 729 visitors were registered, representing 15 729 overachievement. The target was surpassed not only due to the end of the lockdown but also due to the effectiveness of the positioning and profiling strategy. Signature events like the Onkgopotse Tiro Commemoration, Dulcie September Commemoration, Battle of Cuito Cuanavale and the Ubuntu Festival enjoyed extensive media coverage. Some of the media channels that covered the events included SABC's Channel Africa, SABC News Channel, SABC Radio, ENCA and Newzroom Africa. The launch of Freedom Month also attracted coverage by the SABC News Channel, ENCA and international media.

Free advertorials were published in HOLA Magazine, which has a print run of almost 80 000, TTA News (the newsletter of the Tshwane Tourism Association), and online digital platforms like Show Me Pretoria, garnering immense interest and translating into feet through the gate. Brand visibility was also heightened with social media narratives around the commemorative national days and events. The website attracted 161 630 views, with registered followers on X (formerly Twitter) at 2 050, Facebook at 12 600, and Instagram at 1994. The total social media following was 16 644.

These positioning and profiling activities increased the demand for products and services, positioning Freedom Park as a heritage and historical destination for South African, African and international tourists from all walks of life. This positioning was achieved through the above-mentioned public awareness initiatives and collaborations.

Internal Communications

Living the Brand and keeping our internal stakeholders abreast with the current organisational activities, internal communiques were timeously disseminated through staff emails and were also uploaded on all social media platforms.

Partnerships

Partnerships and collaborations surpassed the normal number and achieved considerable success through the national commemorative days. These also included business and private sector events hosted at Freedom Park. Collaboration with the Gauteng Tourism Agency (GTA) afforded Freedom Park free space and participation at Meetings Africa (held in Sandton, 27-28 February 2024), Word Travel Markets (held in Cape Town, 3-5 April 2023) and Africa's Travel Indaba (held in Durban, 09-11 May 2023).

Relations with the Diplomatic Corps

Relations with the diplomatic core were maintained. The embassies of the following countries hosted events at Freedom Park: Bulgaria, Cuba, Colombia, the Netherlands and Ukraine. Seven Heads of State visited the Park: President of Namibia, President of Cuba, President of Bulgaria, Deputy President of Columbia and His Majesty King of the Royal Dutch-Netherlands.

Programme 3: Public Engagement								
Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Audited Actual Achievement 2022/2023	Planned Annual Target 2023/2024	**Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
OUTCOME: Increased demand and consumption of products and services								
Increase registered visitors	Number of registered feet-through the gate	4 513 visitors registered	15 680 visitors registered	30 676 registered feet-through the gate	15 000 registered feet-through the gate	Achieved 37 729 visitors registered through the gate	Planned target exceeded by 22 729 visitors	The end of the Covid-19 state of disaster
	Number of digital platforms visitors' engagement	N/A	N/A	161 630 digital platforms visitors' engagement	15 000 digital platforms visitors' engagement	Achieved 167 443 digital platforms visitors' engagement	The planned target exceeded by 152 443 digital engagements	Business back to normal
Positioning and profiling Freedom Park as a historical and heritage destination conducted.	Number of positioning and profiling activities conducted	4 positioning and profiling activities conducted	12 positioning and profiling activities conducted	12 positioning and profiling activities conducted	4 positioning and profiling activities were conducted	Achieved 15 positioning and profiling activities conducted.	Target exceeded by 8 positioning and profiling activities	Business back to normal
Partnerships with local, continental and international stakeholders	Signed Memoranda of Understanding (MOUs)/ Agreements and activated programmes	4 MOUs signed and activated	5 MOUs signed and activated	10 partnerships activated	4 partnerships activated	Achieved 9 partnerships activated	Target exceeded by 6 activated partnerships	The end of the state of disaster

Linking performance with budgets

Programme/activity / objective	2023/2023			2023/2024		
	Budget R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Budget R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
Public Engagement	22 903	18 512	4 391	9 181	4 419	4 762
Total	22 903	18 512	4 391	9 181	4 419	4 762

Strategy to overcome areas of under performance

There were no areas of under performance.

4. REVENUE COLLECTION

Sources of revenue	2023/2024 Estimate R'000	2023/2024 Actual Amount Collected R'000	2023/2024 (Over)/Under Collection R'000	2022/2023 Estimate R'000	2022/2023 Actual Amount Collected R'000	2022/2023 (Over)/Under Collection R'000
Admission fees	-	1 184	(1 184)	-	923	(923)
Venue Hire	-	761	(761)	-	401	(401)
Other income	-	368	(368)	-	586	(586)
Interest income	500	5 971	(5 471)	1 000	5 933	(4 933)
Gain on disposal of assets	-	-	-	585	605	(20)
Government grants and subsidies	97 340	97 340	-	104 735	104 735	-
Liliesleaf Farm	8 000	6 712	1 288	10 000	10 532	(532)
Conditional grant – Samora Machel Museum and Matola Raid Monument	25 000	24 306	694	284 10	32 425	(4 015)
Public contributions and donations	-	132	(132)	-	35	(35)
Total	130 840	136 774	(5 934)	144 730	156 175	(11 445)

Non-exchange revenue is mainly driven by Grant Revenue from the Department of Sport, Arts and Culture and was in line with the budget. Exchange revenue is primarily generated from Admission Fees and Venue Hire, which was budgeted at zero for auditing purposes in the 2023/24 budget, but there were significant improvements in the Revenue collected from Admission of visitors and from Venue Hire at R1.2 million and R761 000 respectively.

5. CAPITAL INVESTMENT

As a national monument and heritage site, Freedom Park stands as a testament to South Africa's struggle for freedom and the sacrifices made in the pursuit of democracy. Established to honour the diverse history and cultural heritage of our nation, Freedom Park plays a vital role in educating the public and preserving our country's historical narrative. To continue fulfilling this mandate and to realise its full potential, substantial capital investment is always required.

The current challenges faced by Freedom Park must be addressed to ensure the longevity and effectiveness of this significant heritage site. This includes a comprehensive exploration of the issues at hand and the benefits that such investments would yield. The park's key components—the Wall of Names, the Garden of Remembrance and the Museum—require ongoing maintenance and periodic upgrades to remain functional and visually appealing. With infrastructure often requiring refurbishment and subject to wear and tear from heavy visitor traffic, adverse weather conditions and natural ageing, significant repair work is necessary.

Investing in Freedom Park is not merely about safeguarding its physical and historical assets; it is about enhancing its educational mission and deepening community engagement. The benefits of such an investment extend beyond the boundaries of the park, contributing to local economic development and fostering a richer understanding of South Africa's complex history.:

Infrastructure projects	2022/2023 Budget R'000	2022/2023 Actual Expenditure R'000	2022/2023 (Over)/Under Expenditure R'000	2023/2024 Budget R'000	2023/2024 Actual Expenditure R'000	2023/2024 (Over)/Under Expenditure R'000
Installation of a new Standby Generator and external infrastructure upgrade	5938	5 006	932	932	605	327
Gallery of Leaders	25 000	13 771	11 229	11 229	2 961	8 268
Re-gravelling of the perimeter road	750	675	75	75	75	-
Upgrading of the heat ventilation and air-conditioning system at the Administration Building	13 367	8 360	5 007	5007	4 527	480
Facilities Management (maintenance of Freedom Park complex)	35 071	23 330	11 741	11 741	2 966	8 775
Upgrades of the Freedom Park nursery	500	-	500	500	-	500
Name description and object labelling in the #hapo museum	1 000	491	509	509	-	509
Construction of a pathway at Uitspan Plek	1 500	189	1 311	1311	-	1 311
Construction of a new security gate	7 000	386	6 614	6 614	76	6 538
Repairs and maintenance at the Matola Raid Monument	920	817	103	103	-	103
Upgrades and repairs at the Samora Machel Monument	3 300	375	2 925	2 925	1 423	1 502
Decontamination of the Freedom Park complex	-	-	-	-	-	-
Installation of CCTV Cameras	486	65	421	421	140	281
Total	94 832	53 465	41 367	41 367	12 773	28 594

Freedom Park is the cornerstone of cultural and historical preservation, playing a pivotal role in celebrating and safeguarding the nation's diverse heritage. To effectively fulfill its mandate, the significance of robust infrastructure and diligent maintenance cannot be overstated. These elements are crucial for the operational success and long-term sustainability of the Freedom Park Heritage Site.

Like many organisations, Freedom Park faces the ongoing challenge of a maintenance backlog, which can significantly impact efficiency and effectiveness. Unaddressed, this can lead to deteriorating infrastructure, compromised safety and a diminished visitor experience. Addressing this backlog is essential to preserving the integrity of Freedom Park and ensuring it continues to serve as a beacon of the nation's history and cultural heritage. To this end, and as shown, the organisation adheres to and implements a robust maintenance regime, making the most out of its grant allocation.

Infrastructure and Maintenance: A Core Pillar of Our Mission

The infrastructure and maintenance of the park are integral to the ability to deliver on the organisation's mandate of preserving culture. From safeguarding historical artefacts to enhancing visitor experiences and ensuring statutory safety compliance, every aspect of operations depends on well-planned and maintained infrastructure. Investing in these areas is not a matter of convenience but a fundamental requirement for fulfilling the mission of preserving and promoting cultural heritage for future generations. While the organisation's infrastructure needs exceed available funding, careful prioritisation has ensured that day-to-day operations remain uncompromised.

Preserving Cultural and Historical Assets

At the core of the Freedom Park mission is the preservation of cultural and historical assets. Robust infrastructure is vital to ensuring that physical environments - exhibition halls, archives and conservation labs - are equipped to protect and maintain delicate artefacts and documents. State-of-the-art climate control systems, secure storage solutions, and well-designed display spaces are maintained to prevent deterioration and damage. Without this infrastructure, the risk of losing invaluable heritage due to environmental factors or inadequate storage increases significantly.

Enhancing Visitor Experience

Infrastructure directly impacts the quality of visitor experiences, which is essential for educational outreach and public engagement. Well-maintained facilities with accessible pathways, informative signage and interactive exhibits contribute to a richer, more enjoyable visit. To fulfill its educational mandate, Freedom Park provides an inclusive, user-friendly environment that accommodates diverse audiences, including those with disabilities. This requires investment in accessible design, clear navigation and modern amenities to enhance the overall visitor experience.

Supporting Educational and Community Programs

Reliable infrastructure is also critical for hosting workshops, lectures and events. Adequate seminar rooms, audio-visual equipment and flexible spaces enable the offering of dynamic programming that meets various needs. Regular maintenance ensures these facilities remain functional and relevant, supporting ongoing learning and fostering community involvement.

Ensuring Safety and Security

Safety and security are paramount in managing heritage sites. Essential infrastructure, including surveillance systems, fire alarms and emergency exits, is crucial for safeguarding collections and visitors. Regular maintenance checks and updates to these security measures are undertaken to address evolving threats and ensure compliance with safety regulations. A well-secured environment not only protects heritage assets but also provides peace of mind to visitors and staff.

Operational Efficiency

Operational efficiency is deeply rooted in reliable infrastructure. Core administrative functions - record-keeping, resource management and staff coordination - depend on robust ICT systems and well-organised office spaces. Regular maintenance of these systems is undertaken to prevent disruptions and enhance efficiency, allowing Freedom Park to focus on its core mission without being hampered by avoidable issues.

Promoting Sustainability

Sustainable practices are increasingly vital in heritage management, and Freedom Park is committed to leading by example. Investing in green infrastructure - energy-efficient lighting, water conservation systems and sustainable building materials - demonstrates the organisation’s dedication to environmental stewardship. Maintaining these systems not only reduces operational costs but also aligns with broader sustainability goals, that is, enhancing its reputation and ensuring long-term viability.

Deterioration of Assets

Unaddressed maintenance issues can accelerate the degradation of physical assets, including exhibition spaces, archive facilities and historical artifacts. This can lead to costly repairs or irreversible damage. Freedom Park is committed to minimising both current and future degradation of assets to extend their useful life and preserve their historical significance.

Implementing Best Practices

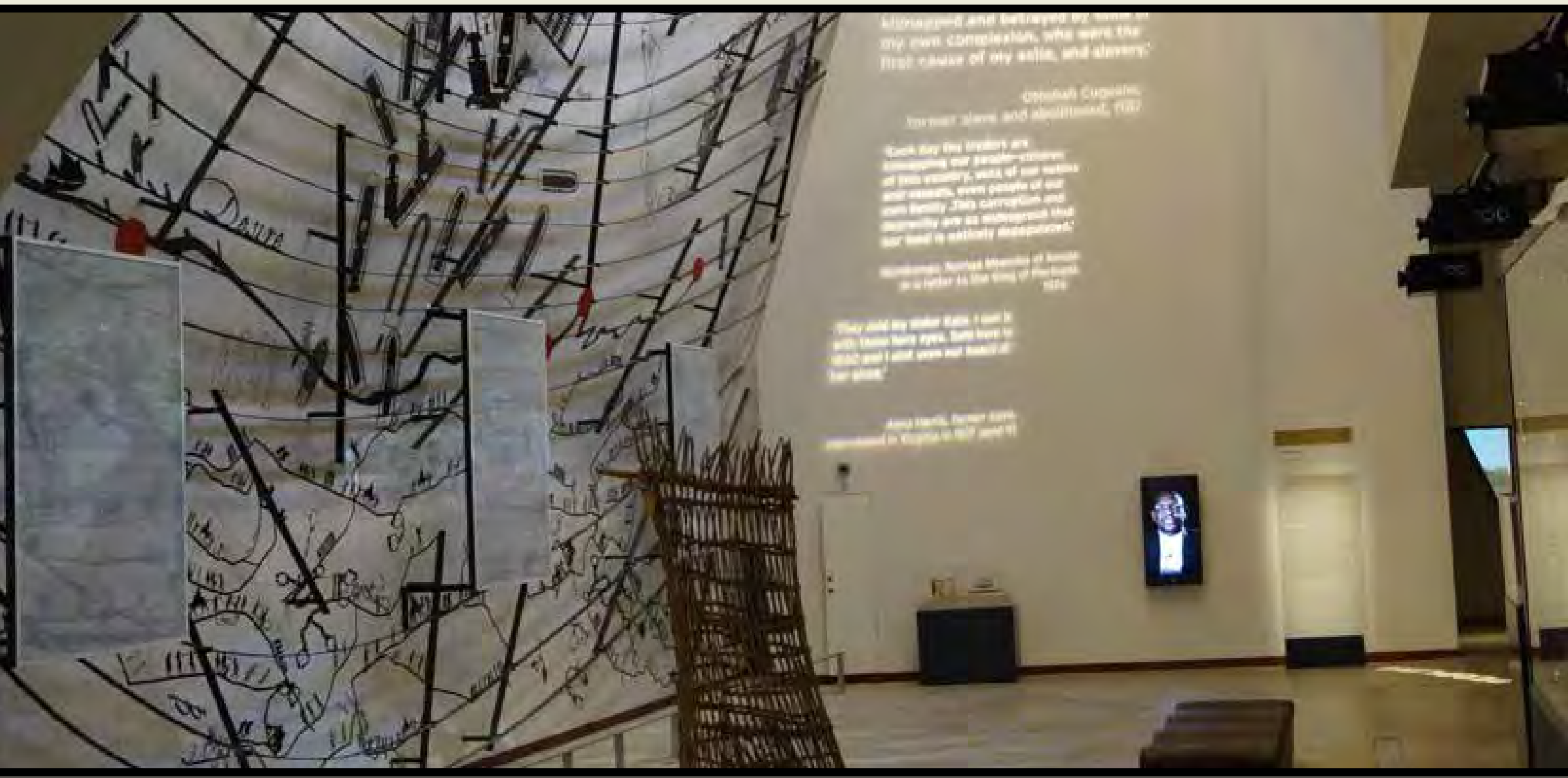
To enhance the effectiveness of the maintenance management plan, Freedom Park is adopting best practices that include:

- Regular Inspections: Routine inspections help identify potential issues before they escalate, preventing new additions to the backlog and maintaining asset integrity.
- Preventative Maintenance: The preventative maintenance programme addresses potential issues before they become severe through routine checks and tasks that reduce the likelihood of future backlogs.
- Skilled Personnel: The services of an on-site professional Facilities Management service provider have been acquired to assist in implementing these best practices, ensuring that maintenance issues are addressed efficiently and errors are minimised.

Progress in Maintenance and Infrastructure in 2023/24

During the 2023/24 financial year, the following significant progress was made in maintaining and refurbishing the infrastructure:

- Refurbishment and maintenance of Air Handling Units, Heat Ventilation and Air Conditioning in //hapo Museum – Completed as a once-off project.
- Refurbishment and maintenance of fire suppression and detection equipment across the entire 52-hectare site – Completed as a once-off project.
- Refurbishment and maintenance of plumbing equipment (pipes, taps, pumps, water closets, urinals, water fountains, geysers, gutters, drains, et cetera) across the site – Conducted monthly and responsively whenever emergencies arise.
- Replacement of old and dilapidated wooden benches used by visitors during site tours – Completed as a once-off project.
- Diesel supply for backup generators that automatically activate during power failures – Provided as and when needed.
- Replacement and repairs of Bulk Power Supply Cables that failed underground – Completed as a once-off project.
- Maintenance of lift carts across buildings on-site – Conducted monthly.
- Landscaping maintenance of the 52-hectare site – Conducted daily.
- Waterproofing of the Administration Building – Completed as a once-off project.
- Maintenance and refurbishment of non-functional Reed Lights around the sanctuary – Conducted monthly.
- Alteration and addition of floor coverings in the Administration Building – Completed as a once-off project.
- Hygiene and pest control services across the site – Conducted monthly.
- Repairs and maintenance of kitchen equipment for the on-site restaurant – Conducted monthly.
- Repairs and maintenance of water feature pumps – Conducted monthly.
- Supply, servicing and replacement of sanitary fittings – Completed as a once-off project.


my own complexion, who were the
first cause of my exile, and slavery.'
Ottobah Cugoano,

PART C:
GOVERNANCE

1. INTRODUCTION

Freedom Park is a national public entity established in terms of the Cultural Institutions Act, Act 119 of 1998, and governed by the Public Finance Management Act, Act 1 of 1999 as amended (PFMA). It is classified as a Schedule 3A (of the Constitution) entity and aligns itself with all the legislative requirements of a National Public Entity as entrenched in the PFMA.

Freedom Park is governed by a Council that is appointed by the Minister of Sport, Arts and Culture in terms of Section 5 of the Cultural Institutions Act and reports to the Minister as its Executive Authority and the Parliamentary Portfolio Committee of Sport, Arts and Culture. In addition to adhering to the governance requirements stipulated in the PFMA, the Council has aligned all its processes and governance tools to the King IV Report on Principles of Corporate Governance. Corporate governance is an essential aspect of modern businesses and is critical to the organisation's overall health and success. The Council is therefore a crucial player in the corporate governance process and plays a vital role in overseeing the management and operations of the entity.

Corporate governance endeavours to assist the entity in line with the entity's enabling legislation in respect to public entities as applied through the precepts of the Public Finance Management Act (PFMA) and also read together with the principles contained in the King IV Report. Council adhered to all the legislative timeframes and submitted the quarterly and annual performance and financial reports as required by the PFMA.

The Council has the overall responsibility for corporate governance. The Executive Management is responsible for policy formulation and implementation once approved by the Council. The Council reports directly to the Minister, while the Executive Management provides reports to the Director General of the DSAC and other relevant public agencies with oversight mandates whenever required.

2. PORTFOLIO COMMITTEES

As a National Public Entity of the Department of Sport, Arts and Culture, Freedom Park also accounts to the Parliamentary Portfolio Committee on Sport, Arts and Culture. The Committee's role is to:

- consider Bills;
- deal with departmental budget votes; and
- oversee the work of the Department of Sport, Arts and Culture, as well as enquire and make recommendations about any aspect of the department, including its structure, functioning and policy.

During the period under review, Council presented its 2022/2023 Annual Performance Plan, the 2022/2023 Annual Report, and the challenges facing the entity on the 24 October 2023.

3. EXECUTIVE AUTHORITY

The Minister of Sport, Arts and Culture is the Executive Authority of Freedom Park as defined by the PFMA. The Executive Authority ensures that the business of Freedom Park is carried out as has been approved in the strategic and annual performance plans.

The Council accounts to the Executive Authority and is required to submit a budget with estimated value and expenditure every financial year for approval. The Council further submits the entity's performance and financial information every quarter. The following reports were submitted to the Executive Authority:

Statutory Submission	Due Date	Date Submitted to Executive Authority	Status
4th Quarterly Submission	30 April 2023	24 April 2023	Approved
1st Quarterly Submission	30 July 2023	28 July 2023	Approved
Draft Annual Performance Plan	30 October 2023	30 October 2023	Approved
2nd Quarterly Submission	30 October 2023	30 October 2023	Approved
Final Annual Performance Plan	30 January 2024	30 January 2024	Approved
3rd Quarterly Submission	30 January 2024	30 January 2024	Approved
Shareholders Compact	15 February 2024	15 February 2024	Approved

4. THE ACCOUNTING AUTHORITY / COUNCIL

Introduction

The role of the Council is to provide strategic direction and oversight for Freedom Park. As a collective, the Council is responsible for making important decisions that affect the entity's performance and direction. The Council is also responsible for selecting and evaluating the CEO's performance and ensuring compliance with laws and regulations. It is accountable to the Executive Authority and is involved in decision-making processes that affect the entity's performance.

The Council also plays a crucial role in monitoring the entity's financial performance and ensuring its finances are in order. In addition, the Council is responsible for ensuring compliance with all relevant laws and regulations. This includes ensuring that the financial statements are accurate and that the organisation adheres to all applicable accounting standards.

The Council also plays a crucial role in managing risk and ensuring the company's financial stability. It's important to note that the Council should be diverse and composed of individuals with different backgrounds and experiences, as this allows for different perspectives to be considered when making important decisions, ultimately leading to better decision-making.

The role of the Council is as follows:

- Set and define the strategic direction of the entity to ensure achievement of its mandate;
- Determine and set the entity's vision, mission and values;
- Oversee the financial performance of the organisation; and
- Establish a governance framework that includes a compliance framework to ensure the organisation renders its obligations.

Council Charter

The Council Charter sets out the governing body's role and responsibilities as well as the requirements for its membership, its meetings and other procedures, and establishes guidelines for the conduct of Council members in fulfilling their obligations and carrying out their duties. During the period under review, the Council performed its roles and responsibilities as per the approved charter.

Composition of the Council

Name	Designation (in terms of the Public Entity Council structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Council Directorships (List the entities)	Other Committees or Task Teams (e.g: Audit committee / Ministerial task team)	No. of Meetings attended
Langa, BWJ	Chairperson	1 Sept 2021	Still a member	PhD in Economics (Moscow) MA in Industrial Economics (Moscow) MA (Econ.) in Development Studies (Manchester) Postgraduate Diploma in Quantitative Development Economics (Warwick)	Economics, Development Studies, Culture and Heritage Studies, Creative Writing	None	Council	12

Name	Designation (in terms of the Public Entity Council structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Council Directorships (List the entities)	Other Committees or Task Teams (e.g: Audit committee / Ministerial task team)	No. of Meetings attended
Rammbwa, MG	Deputy Chairperson	1 Sept 2021	Still a member	B Com (Communications), Certificate in Financial Planning, ODETP	Human Resources, Learning and Development, Marketing, Financial Planning, Strategic Management, Strategic Development, Communication, Resource Mobilisation	None	Council Audit and Risk Committee Core Business Committee HR Committee	12
Bleki, N	Member	1 Sept 2021	Still a member	LLB, Advanced Diploma in Public Administration, Certificate in Economic Development	Governance	Chris Hani Development Agency	Council Audit and Risk Committee Ethics and Legal Committee	11
Cooper, S	Member	1 Sept 2021	Still a member	PhD, MA, BA (Hons), BA	Colonial and liberation history; Arts and culture; Governance and ethics; Psychosocial issues	Robben Island Museum (Chair), Pan-African Psychology Union (President), Psychological Society of SA Council, The 70s Group (Chair)	Council Core Business Committee HR Committee	9
Daniels, E	Member	1 Sept 2021	Still a member	LLM, BProc, B.A.(Law)	Governance	Robben Island Museum	Council Core Business Committee Ethics and Legal Committee	12
Hlatshwayo, Z	Member	1 Sept 2021	Still a member	MSc Social Policy & Planning in Developing Countries, B.A, Post Graduate Diploma in Education	Governance	None	Council Audit and Risk Committee Core Business Committee	12
Mothapo, MMS	Member	1 Sept 2021	Still a member	Master of Public Administration	Governance	Limpopo Housing Advisory Panel, HPSCA (Health Professions Council of SA), LACC (Limpopo Arts and Culture Council)	Council Audit and Risk Committee	12

Name	Designation (in terms of the Public Entity Council structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Council Directorships (List the entities)	Other Committees or Task Teams (e.g: Audit committee / Ministerial task team)	No. of Meetings attended
Tsedu, M	Member	1 Sept 2021	Still a member	MA, BA Honours, BA	Human Resources, Audit, Finance Strategy	South African Broadcasting Corporaion (SABC)	Council Audit and Risk Committee HR Committee	12
Watson, B	Member	22 May 2023	Still a member	Bachelor of Social Sciences	Governance, Transformation and diversity, Management for equal access, Human rights, Social development, Women's empowerment, Equal access for people with disabilities	Public Investment Corporation (PIC)	Council Core Business Committee Ethics and Legal Committee	9
Mgabadeli, HC	Former Chairperson	1 Sept 2021	18 July 2023	BA Honours (Sociology), BA Social Work	Public Service Administration	Unknown	Council	4

Council member Mr Mbulelo Musi sadly passed away in April 2023 and Ms Watson was appointed in May 2023.

Committees

Committee	No. of meetings held	No. of members	Name of members
Core Business Committee	4	5	• Mrs Mpho Rammbwa • Prof Sath Cooper • Ms Zanele Hlatshwayo • Mr Enver Daniels • Ms Barbara Watson
Audit and Risk Committee	10	5	• Mrs Mpho Rammbwa • Mr Mpho Tsedu • Ms Sylvia Mothapo • Ms Zanele Hlatshwayo • Adv Nombasa Bleki
Human Resource and Remuneration Committee	11	3	• Mr Mpho Tsedu • Prof Sath Cooper • Mrs Mpho Rammbwa
Ethics and Legal Committee	4	3	• Adv Nombasa Bleki • Mr Enver Daniels • Ms Barbara Watson

Remuneration of Council members

- Council members are remunerated as per National Treasury's 2019 Remuneration Levels: Service Benefit Packages for Office Bearers of Certain Statutory and Other Institutions (30 August 2019).
- Ms Zanele Hlatshwayo was not remunerated as she worked for the state during the period under review.
- Council members are reimbursed land travel allowances based on the Department of Transport's Tariffs for the Use of Motor Transport (February 2024 and prior Tariffs).
- The Council Chairperson is remunerated at a rate of R2 109 per day, the Deputy Chairperson is remunerated at a rate of R1 917.00 per day and members are remunerated at R1 742.00 per day.

Name	Remuneration	Other allowance	Other re-imbursements	Total
Adv NJ Bleki	111 290	15 649	-	126 939
Prof S Cooper	89 876	4 349	-	94 225
Mr E Daniels	77185	-	-	77 185
Dr BW Langa	105 117	13 653	-	118 770
Ms HC Mgabadeli	39 095	18 191	-	57 287
Ms MMS Mothapo	84 365	-	-	84 365
Mrs MG Rammbwa	218 416	67 906	-	286 322
Mrs EEA Watson	43 080	6 776	-	49 856
Mr M Tsedu	116 675	16 564	-	133 239
TOTAL	885 100	143 088	-	1 028 188

5. RISK MANAGEMENT

Risk Management Policy and Strategy

Freedom Park is committed to maintaining a robust risk management framework, underpinned by a comprehensive Risk Management Policy and a detailed Risk Management Strategy. These documents guide the organisation in identifying, assessing and mitigating risks that could impact its ability to achieve its strategic objectives. The policy and strategy are reviewed periodically to ensure alignment with the entity's evolving risk landscape and strategic goals.

Regular Risk Assessments

Freedom Park conducts regular risk assessments to evaluate the effectiveness of its risk management strategy and to identify new and emerging risks. These assessments are crucial in ensuring that the organisation remains proactive in managing risks and can adapt to changes in both its internal and external environments. The assessments are carried out quarterly and form a key part of the entity's risk management cycle.

During the 2023/24 financial year, several critical risks were identified and mitigated through the successful completion of related activities. Below is an overview of these key risks and the corresponding activities:

Increase Targeted Number of Visitors

Risk Mitigated: The risk of not achieving the targeted number of visitors, which could negatively impact revenue and the entity's mission to educate and engage the public.

Activities Undertaken:

- Targeted marketing campaigns and strategic partnerships were developed to attract more visitors;
- Hosted events and exhibitions to boost visitor engagement; and
- Enhanced visitor experience, including guided tours and improved amenities.

Outcome: Visitor targets were exceeded, contributing to both second stream income (admission fees and venue hire) and the fulfilment of the organisation's educational mission.

Quarterly International Brand Awareness Initiatives

Risk Mitigated: The risk of inadequate international brand recognition, potentially limiting Freedom Park's global outreach and influence.

Activities Undertaken:

- Execution of quarterly international brand awareness initiatives, including global conferences and online campaigns; and
- Strategic media and public relations efforts to promote Freedom Park on international platforms.

Outcome: These initiatives significantly enhanced the international profile of Freedom Park, establishing it as a globally recognised heritage site.

Names Inscription on the Wall of Names

Risk Mitigated: The risk of incomplete inscriptions on the Wall of Names, which could compromise the Park's commitment to honouring national heroes.

Activities Undertaken:

- Efficient project management and stakeholder engagement to ensure accurate and respectful completion of the inscriptions; and
- Collaboration with families and historians to verify and honour selected names.

Outcome: The project was completed on schedule, reinforcing Freedom Park's role in preserving national memory.

Review of Record Management Policy

Risk Mitigated: The risk of outdated or inadequate record management practices, leading to potential information loss and inefficiencies.

Activities Undertaken:

- A comprehensive review and update of the Record Management Policy, incorporating best practices and compliance requirements; and
- Training for staff on the updated policy to ensure proper implementation.

Outcome: Improved record-keeping practices were implemented, reducing the risk of information mismanagement.

Proper Planning of Projects in Accordance with the Maintenance Plan

Risk Mitigated: The risk of inadequate project planning leading to delays, increased costs and infrastructure deterioration.

Activities Undertaken:

- Detailed planning and resource allocation for maintenance projects, ensuring timely completion; and
- Regular monitoring and evaluation of project progress.

Outcome: All planned maintenance projects were completed as scheduled, preserving the entity's infrastructure.

Policy Workshops Conducted Quarterly

Risk Mitigated: The risk of non-compliance due to staff being unaware of organisational policies.

Activities Undertaken:

- Conducted quarterly workshops, both physical and virtual, to educate staff on key policies; and
- Interactive sessions were held to address staff questions and concerns.

Outcome: The workshops ensured a well-informed staff, leading to improved compliance and better operational performance.

Risk Management Committee

The Council has established a dedicated Risk Management Committee, which is responsible for overseeing the entity's risk management processes. This committee reports directly to the Council on the overall system of risk management, with a particular focus on mitigating risks that are deemed unacceptable. The committee ensures that appropriate risk management practices are in place and that these practices are effectively integrated into the entity's operations.

Role of the Audit and Risk Committee

The Audit and Risk Committee plays a pivotal role in advising on risk management matters. It independently monitors the effectiveness of the risk management system, providing oversight and guidance to ensure that risks are managed in a manner that supports the entity's objectives. The Audit Committee's independent review helps to ensure that the risk management framework remains robust and responsive to the entity's needs.

Progress in Risk Management and Impact on Performance

Freedom Park has made significant progress in managing its risks, particularly through the implementation of quarterly risk mitigation activities overseen by the Risk Management Committee. This progress has positively impacted the organisation's performance by reducing the likelihood and impact of potential risks. However, Freedom Park recognises that continuous improvement is essential. To this end, the organisation plans to enhance its risk management practices by refining its risk assessment processes and further integrating risk management into its strategic planning and operational activities. These efforts are aimed at ensuring that risk management continues to contribute to the overall success and resilience of the organisation.

6. INTERNAL CONTROL UNIT

During the 2023/24 financial year, the internal control function played a critical role in ensuring that the organisation's operations were conducted efficiently, effectively and in compliance with relevant laws, regulations and internal policies. The primary objectives of the internal control function included safeguarding assets, ensuring accurate reporting, compliance with regulations and enhancing operational efficiency.

Key Responsibilities and Achievements

Safeguarding of Assets

- The internal control function implemented robust measures to protect the organisation's physical and financial assets. This included stringent authorisation processes for transactions and restricted access to assets, ensuring that resources were safeguarded against loss, theft or misuse.

Ensuring Accuracy and Reliability of Reporting

- Significant efforts were made to maintain the accuracy and reliability of both financial and operational reporting. Internal controls ensured that financial records adhered to accounting standards and that operational metrics were accurately reported, providing reliable information to management and stakeholders.

Compliance with Laws and Regulations

- The internal controls function played a vital role in ensuring compliance with all relevant laws, regulations and internal policies. This also involved promoting ethical standards and organisational values, which helped mitigate the risk of legal issues and reputational damage.

Preventing and Detecting Errors and Fraud

- Controls were established to prevent errors in processing transactions and reporting and to detect and deter fraudulent activities. This proactive approach ensured that any irregularities were identified and addressed in a timely manner.

Enhancing Operational Efficiency

- The internal controls function contributed to operational efficiency by identifying and addressing inefficiencies in processes. Improvements were made to enhance productivity and optimise the use of resources, aligning with the organisation's overall goals.

Risk Management

- A critical component of the internal control function was the identification and assessment of risks that could impact the organisation's objectives. Effective mitigation strategies were developed to manage these risks, thereby reducing the likelihood and impact of adverse events.

Supporting Strategic Objectives

- Internal controls were aligned with the strategic objectives, ensuring that operational activities supported the organisation's long-term goals. Accountability and transparency were fostered, promoting trust among stakeholders.

Continuous Monitoring and Improvement

- The internal control function involved ongoing monitoring and review of processes and systems to ensure controls remained effective and relevant. Adaptations were made in response to changes within the organisation, maintaining the robustness of the control environment.

Overall, the internal control function has been instrumental in maintaining operational integrity, ensuring compliance, and supporting the organisation's strategic objectives throughout the 2023/24 financial year. The function's proactive measures and continuous improvement efforts have fortified Freedom Park's control environment, positioning the organisation to effectively manage risks and achieve its goals.

7. INTERNAL AUDIT AND AUDIT COMMITTEES

The Committee is directly accountable to the Accounting Authority. The role of the Committee is to provide independent assurance and assistance to the Accounting Authority on control, governance and risk management. The Committee does not replace established management responsibilities and delegations. Rather, the Committee provides the Accounting Authority with prompt and constructive reports on its findings, especially when issues are identified that could present a material risk to the Institution.

In discharging its responsibilities, the Committee has authority to:

- Conduct or authorise investigations into any matters within its scope of responsibility;
- Access information, records and personnel as it requires to fulfill its responsibilities;
- Request the attendance of any executive or employee at Committee meetings;
- Conduct meetings with External Auditors (Auditor-General) and Internal Auditors when necessary;
- Obtain advice from external parties when necessary;
- Resolve any disagreements between management and the auditors regarding financial reporting; and
- Pre-approve all auditing and non-audit services.

During the 2023/24 financial year, the Internal Audit Unit actively engaged in several critical reviews and audits aimed at strengthening the organisation's governance, risk management and internal controls. The key areas of focus included:

Audit of Predetermined Objectives (AOPO):

The Unit conducted comprehensive audits for all four quarters to assess the effectiveness of controls related to predetermined objectives. This included verifying the accuracy and completeness of reported performance information against the set targets, ensuring compliance with relevant regulations and identifying areas for improvement.

Review of Internal Financial Controls:

An in-depth review of internal financial controls was carried out to evaluate the adequacy and effectiveness of financial management processes. This review focused on safeguarding assets, ensuring the accuracy of financial records and enhancing the overall financial integrity of the organisation.

Supply Chain Management (SCM) Review:

The SCM review was undertaken to assess compliance with procurement regulations and to evaluate the effectiveness of the internal controls governing the procurement process. This review was essential in identifying potential risks and ensuring that the SCM processes were transparent, fair and aligned with best practices.

Risk Management Review:

A thorough review of the organisation's risk management processes was conducted to ensure that risks are properly identified, assessed and managed. This review also included evaluating the effectiveness of existing risk mitigation strategies and recommending improvements where necessary.

Follow-up on Internal and External Audit Findings:

A follow-up review was conducted to track the implementation of recommendations from both internal and external audit findings. This review ensured that corrective actions were taken timely and effectively to address identified issues and mitigate risks.

Annual Financial Statements (AFS) Review:

The Internal Audit also reviewed the Annual Financial Statements (AFS) to ensure accuracy, completeness and compliance with applicable financial reporting standards. This review played a crucial role in supporting the preparation of reliable financial statements for the organisation.

The tabled below discloses relevant information on the audit committee members

Name	Qualifications	Internal or external	If internal, position in the public entity	Date appointed	Date Resigned	No. of Meetings attended
Mrs Mpho Rammbwa	B Com (Communications), Certificate in Financial Planning, ODETP	External	External	1 September 2021	Still a member	10
Ms Zanele Hlatshwayo	MSc Social Policy & Planning in Developing Countries, B.A, Post Graduate Diploma in Education	External	External	1 September 2021	Still a member	10
Mr Mpho Tsedu	MA, BA Honours, BA	External	External	1 September 2021	Still a member	9
Ms Sylvia Mothapo	Master of Public Administration	External	External	1 September 2021	Still a member	10
Adv Nombasa Bleki	LLB, Advanced Diploma in Public Administration, Certificate in Economic Development	External	External	1 September 2021	Still a member	10

8. COMPLIANCE WITH LAWS AND REGULATIONS

Freedom Park has a Compliance Policy that details all legislation applicable to Freedom Park. A monthly and quarterly monitoring tool is utilised to ensure compliance with applicable legislation. Quarterly reporting to Committees and Council is done with respect to compliance with laws and all applicable regulations.

There was compliance to all laws and regulations in the quarter under review.

9. FRAUD AND CORRUPTION

Freedom Park has a Fraud Prevention Policy and the Fraud Prevention Plan that is utilised for reporting of any corrupt activities and fraud-related matters. The Presidential Hotline is also utilised to report any fraud-related matters relating to Freedom Park.

No matters of corruption or fraud were reported during the period under review.

10. MINIMISING CONFLICT OF INTEREST

Freedom Park has a Declaration of Interest Policy that details processes that need to be followed in a declaration of interests. On an annual basis, all Council members and employees are required to complete a Declaration of Interest Form wherein they declare any matters that may potentially conflict with any business of Freedom Park.

Every meeting has the declaration of interest as an agenda item to ensure that attendees to meetings declare any potential interest that may have risen or been identified.

Whenever a conflict of interest is identified or reported, the specific personnel are recused from the process that is undertaken as a means to ensure transparency and fairness.

11. CODE OF CONDUCT

The entity has a Code of Conduct Policy that is applicable to the Council, all employees and service providers. To promote awareness of the policy, regular training sessions are held to acquaint and reacquaint all relevant parties with the Code's contents.

The Code of Conduct emphasises the following values that must be upheld by all:

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

In respect to a breach of the Code of Conduct, consequence management processes are implemented accordingly, depending on the extent of the breach.

12. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The Occupational Health and Safety Act, Act 85 of 1993, and its associated regulations outline the rights and responsibilities of both employees and employers within the workplace. In accordance with this Act, Freedom Park is committed to establishing and maintaining, as far as reasonably practicable, a work environment that is safe and free from health risks for its employees. To this end, Freedom Park has ensured that the workplace is devoid of hazardous substances and equipment that could cause injury, damage or disease. Furthermore, the institution has taken steps to educate workers on potential hazards, prevention methods and safe work practices, while also providing protective measures to promote a secure work environment.

As a result of these proactive measures, Freedom Park has experienced minimal incidents involving staff and visitors, particularly during events hosted on site. Freedom Park remains dedicated to meeting regulatory requirements and upholding its obligations under the Occupational Health and Safety (OHS) Act. This responsibility extends beyond its employees to include all individuals visiting the Park, as well as employees of service providers conducting business at Freedom Park.

To further enhance the commitment to occupational health and safety, the organisation has provided staff with comprehensive training in areas such as first aid response, basic firefighting, emergency evacuation and SHE (Safety, Health and Environment) representation. All trained staff members have been formally appointed as Health and Safety Representatives and will serve on the Health and Safety Committee, which is being established to ensure ongoing compliance and continuous improvement in health, safety and environmental standards.

Additionally, the Council has approved the Occupational Health Policy, ensuring compliance with all health, safety and environmental requirements.

13. COMPANY SECRETARY

The Company Secretary plays a vital role in ensuring the effectiveness of the Council and its Committees, as well as in the achievement of good corporate governance practices. The Company Secretary ensures that the Council and Council Committee procedures are complied with and advises the Council and its Committees on governance matters. In consultation with the Council Chairperson, the Company Secretary overseas the induction and the performance evaluation of the Council and Council Committees.

All Members of the Council have unrestricted access to the advice and services of the Company Secretary in pursuance and execution of their duties. The Company Secretary also assists in providing access to external independent professional advice at the Council's expense, when required. The Company Secretary coordinates the following on behalf of Council:

- Guiding Council Members as to how their roles and responsibilities should be properly discharged in the best interests of the entity;
- Keeping abreast of, and informing, the Council of current and new developments regarding corporate governance thinking and practice;
- Maintenance of statutory records in accordance with legal requirements
- Ensuring smooth running of all Council activities;
- Annual schedule and compliance calendar;
- Overall administrative support and record-keeping of all proceedings of meetings; and
- Ensures that the Council reviews and approves all quarterly and annual performance reports, quarterly and annual financial results, five-year Strategic Plans, mid-term expenditure framework and the Annual Report.

Finally, the Company Secretary performs all the above functions in accordance with the PFMA and *King IV Report on Principles of Good Corporate Governance*.

14. SOCIAL RESPONSIBILITY

The organisation runs a comprehensive social responsibility programme. It raises funds from service providers who have secured major projects. These funds are used to support the most disadvantaged schools and visits to the Freedom Park. The following schools received assistance during the period under review:

- Shirindi Primary School, Mamelodi, Tshwane
- Pfundzo NdiTshedza Primary School, Mmupudu, Tshwane
- Kwaggasrand Special School, Kwaggasrand, Tshwane
- Bula-Dikgoro Primary School, Mamelodi, Tshwane
- Motshegofadiwa Primary School, Stinkwater, Tshwane
- N'wa-Vangani Primary School, Mamelodi, Tshwane
- Tembisa High School, Tembisa, Ekurhuleni
- Tiamoko Primary School, Soshanguve, Tshwane
- Padigago Primary School, Soshanguve, Tshwane
- Ubuhle-Bezwe Primary School, Soshanguve, Tshwane
- Soshanguve Secondary School, Soshanguve, Tshwane

The above schools brought to the Freedom Park an estimated 470 learners, excluding the educators who accompanied the learners.

Different schools were mobilised to participate in events like the Ungasali Storytelling Festival and general tours of the Freedom Park. Due to transport costs, all the schools are from Gauteng Province.

The total spent for these efforts was:

- R41 700 for transport;
- R14 700 for admission fees; and
- R15 000 for catering.

An estimated R71 700 was spent from a fund into which service providers give back to assist the schools in dire need of funds to visit heritage sites and other places of interest, such as Freedom Park.

15. AUDIT COMMITTEE REPORT

The Audit and Risk Committee of the organisation is responsible for overseeing the protection of assets, ensuring the implementation of effective systems and control processes and preparing financial reports and statements. These activities are carried out in accordance with all relevant legal requirements and accounting standards as prescribed in the PFMA.

The Committee's operations are guided by the Audit and Risk Terms of Reference, which outline aspects such as membership, authority and key responsibilities.

The Committee has fulfilled its duties under Section 51(1)(a)(ii) and 76(4)(d) of the PFMA and Treasury Regulation 27.1 (Treasury Regulations for departments, trading entities, constitutional institutions and public entities – March 2005). It has also adopted appropriate formal terms of reference, and its Audit Committee Charter has governed its activities in line with this Charter, ensuring that all responsibilities are met.

Audit Committee Responsibility

The Audit Committee adhered to the responsibilities outlined in Section 51 of the PFMA and Treasury Regulations. It adopted suitable formal terms of reference as its Audit Committee Charter, managed its affairs in accordance with the charter, and fulfilled all its responsibilities as specified within it.

The Effectiveness of Internal Controls

During the year under review, the entity's Internal Audit team conducted a thorough assessment of the public entity's internal controls, focussing on risk management processes. This review identified several areas for improvement, which were promptly communicated to the relevant stakeholders.

Internal Audit Work Completed:

- Audit of Risk Management Processes
- Risk Maturity Assessments

Areas of Concern:

- **Limited Use of Data Analytics for Reporting:** The use of data analytics in reporting was found to be minimal. Enhanced data analytics can improve the quality of reporting by providing deeper insights, identifying trends and offering predictive capabilities that traditional methods may not reveal.
- **Limited Integration of Resiliency Planning into Operational Processes:** Resiliency planning is crucial for ensuring that the organisation can continue its operations and fulfil its mission even in the face of adversity. The integration of such planning into operational processes was identified as an area needing improvement.
- **Limited Alignment of ERM Information with Overall Strategic Planning:** The alignment of Enterprise Risk Management (ERM) information with strategic planning was found to be insufficient. This misalignment can significantly hinder the organisation's ability to effectively manage risks and achieve its strategic objectives.
- **Policy Approval Signatures:** The process for obtaining signatures for approved policies needs to be strengthened. It is vital that all pages of a policy document are signed by the accounting authority to ensure proper documentation and agreement.
- **Inadequate Risk Descriptors in Strategic and Operational Risk Registers:** The risk descriptions in the registers were found to be unclear, which can lead to misunderstandings among stakeholders. Clear and concise risk descriptions are essential for effective risk management.
- **Lack of Clarity in Risk Controls Across Various Registers:** There was a lack of clarity in the risk controls outlined in various registers. This ambiguity may hinder the successful implementation of risk actions, reducing the overall effectiveness of the risk management efforts.

Overall Conclusion

Based on the internal audit procedures, the design and effectiveness of controls within Freedom Park are deemed "Good," with most risks being adequately controlled and mitigated. Implementing the recommended improvements will further strengthen the risk management framework, fostering a culture of continuous improvement and resilience.

There were no major areas of concern identified by the Committee.

In-Year Management and Monthly/Quarterly Report

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

Evaluation of Financial Statements

We have reviewed the Annual Financial Statements prepared by the public entity and submitted the same to the Council for approval. The financial statements were submitted to the Auditor General on the 31 May 2024.

Auditor's Report

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

- Depreciation values as per the asset register; and
- Misstatements as per the financial statements

The Audit and Risk Chairperson appreciates the work and commitment of the Committee with respect to the dedication they displayed during the period under review.

Ms Mpho Glenys Rammbwa
Chairperson of the Audit Committee
Freedom Park

31 August 2024

16. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed in accordance with the compliance to the B-BBEE requirements of the B-BBEE Act, Act 46 of 2013 and as determined by the Department of Trade, Industry and Competition.

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Response Yes / No	Discussion (*include a discussion on your response and indicate what measures have been taken to comply*)
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	N/A	
Developing and implementing a preferential procurement policy?	Yes	Preferential Procurement is included in the approved SCM policy
Determining qualification criteria for the sale of state-owned enterprises?	N/A	
Developing criteria for entering into partnerships with the private sector?	N/A	
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	N/A	

PART D:
HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

1.1 Overview of HR matters within Freedom Park

Following organisational restructuring, the Human Resources department was incorporated as a unit within the Corporate Services Department. The Unit offers strategic support to the core business of Freedom Park by assisting line management to implement operational excellence and develop human capital capabilities and potential through:

- Sourcing, recruiting, screening and training job candidates;
- Handling employee compensation, benefits and terminations;
- Focus on actively advancing and improving the organisation's workforce with the long-term goal of improving the organisation itself; and
- Keeping up to date with laws that can affect the company and its employees.

1.2 Priorities for the HR Unit During the Year Under Review

Two main priorities occupied the HR Unit during the year under review. These were:

- The new organisational structure, which was ultimately approved by Council in January 2024
- The migration and placement of employees into the new structure. No employee lost their job or benefits.

1.3 Workforce Planning Framework and Key Strategies to Attract and Recruit a Skilled and Capable Workforce

Freedom Park ensures that it has the right people in the right place, with the right skills at the right time, to deliver the immediate, medium and long-term objectives of the organisation. Vacancies are advertised in the main national newspapers and the website in order that the best talent in the country may apply. Stringent shortlisting is followed by interviews that are led by experts for each position, with interviews for Executive Management positions being led by the Human Resources and Remuneration Committee. Reference checks are conducted for all positions and psychometric and personality assessments are performed on specialised and senior positions to ensure job compatibility.

To ensure continuity and high performance of its staff, Freedom Park offers study assistance to all employees studying at accredited institutions of higher learning so that they can upgrade their skills to meet the organisation's objectives.

1.4 Employee Performance Management Framework

Freedom Park is committed to organisational excellence through creating a culture that promotes employee productivity, engagement and development by aligning individual and team performance goals with the organisation's mission, vision, values and strategic goals and objectives.

Performance reviews for staff are conducted bi-annually; April to September and October to March, by their line managers or immediate supervisors. The performance reviews for the CEO and HODs are also conducted twice per year by the HR Committee.

1.5 Employee Wellness Programmes

Programmes to strengthen the employer-to-employee relationships are an important goal for the HR Unit. The organisation is committed to creating a caring and supportive working environment that enhances employee productivity and their general wellbeing through the establishment of the Employee Assistance Programme which is managed by an external service provider that offers comprehensive employee wellness services.

A 24-hour confidential helpline service is offered to employees by the service provider with psychosocial counselling services, life management services, managerial support and musculoskeletal health management. In addition, the service provider offers scheduled seminars to employees on various topics, all related to wellness. Finally, a Wellness Day was held on the last day of the 2023/24 Financial Year, affording employees a relaxed day.

1.6 Policy Development

Four (4) policies were reviewed during the 2023/24 Financial Year. These are:

- HIV and Aids Policy;
- Leave Policy;
- Performance Management Policy; and
- Remunerated Work Outside Freedom Park Policy.

New and current policies that are brought forward for review by Council are first workshopped with the employees. As is the case with other policies throughout the organisation, policies are tested for relevance and currency even before their dates of expiration. Reviews may be conducted even before the date of expiration.

1.7 Achievements Highlights

The major highlight for the HR Unit during the period under review was the conclusion was the approval of the organisational structure and the relatively smooth migration and placement of employees, and the fact that no employee lost their job or benefits. Thus, workplace stability was maintained.

1.8 Challenges Faced by the Public Entity

The major challenge that emerged towards the end of the financial year was a moratorium from the DSAC on the recruitment for permanent posts due to the forthcoming merger between some museums that fall under the department into a single National Museum of Liberation. The observation that emerges out of the limited dispensation granted by the department (12 months to 3 years fixed term contracts) is that the organisation may not be able to attract the best candidates due to no job security being offered.

1.9 Future HR Plans/Goals

The following high-level HR priorities will be embarked on to create a platform for Freedom Park to achieve its strategic objectives:

- Training and Development Programmes to capacitate the staff on a range of skills required by the organisation;
- Strengthening the Employee Wellness Programme, by developing innovative and yet inexpensive programmes to increase workplace happiness;
- Implementation of career ladders and succession plans;
- Developing and rolling out Talent Management Programmes for identification of the key gaps between the talent in place and the talent required to drive the organisation's success; and
- Developing and implementing programmes to ensure a high-performance culture that is fully embedded within the organisation.

2. HUMAN RESOURCE OVERSIGHT STATISTICS

The following tables represent statistics that are relevant for the HR Unit:

2.1 Personnel related expenditure

Personnel Cost by programme/activity/objective

Programme/activity/objective	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel exp. as a % of total exp. (R'000)	No. of employees	Average personnel cost per employee (R'000)
Administration	59 298 919	34 700	59%	47	738
Business Development	59 298 919	23 261	39%	19	1 224
Public Engagement	59 298 919	1 338	2%	18	74

Personnel cost by salary band

Level	Personnel Expenditure (R'000)	% of personnel exp. to total personnel cost (R'000)	No. of employees	Average personnel cost per employee (R'000)
Top Management	2 499 900	4%	1	2 499 900
Senior Management	3 016 979	5%	3	1 005 660
Professional qualified	27 151 705	46%	22	1 234 168
Skilled	17 711 988	30%	24	738 000
Semi-skilled	6 876 826	12%	22	312 583
Unskilled	2 041 521	3%	12	170 127
TOTAL	59 298 919	100%	84	

Performance Rewards

Programme//activity/objective	Performance rewards	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost (R'000)
Top Management	-	2 499 900	0%
Senior Management	-	3 016 979	0%
Professional qualified	-	27 151 705	0%
Skilled	-	17 711 988	0%
Semi-skilled	-	6 876 826	0%
Unskilled	-	2 041 521	0%
TOTAL		59 298 919	

Training Costs

Programme//activity/objective	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost.	No. of employees trained	Avg training cost per employee
Human Resources	Nil	402 176	-	56	7 181,71

Employment and vacancies

Programme/activity/objective	2021/2022 No. of Employees	2022/2023 Approved Posts	2023/2024 No. of Employees	2023/2024 Vacancies	% of vacancies
Top Management	1	1	1	0	0%
Senior Management	5	4	3	1	0,1%
Professional qualified	30	31	22	6	0,6%
Skilled	24	24	24	3	0,3%
Semi-skilled	22	22	22	0	0%
Unskilled	9	8	12	0	0%
TOTAL	91	90	84	10	

Explanations: A Senior Management position existed due to one (1) staff member being terminated. No one internally could be identified to fill the position and the vacancy is still not yet filled. Professionally qualified positions existed due to resignations and the moratorium from DSAC, resulting in positions not being filled internally or externally.

Employment changes

The senior position is to be filled due to one staff member being dismissed. Professional and skilled and semi-skilled positions became vacant due to resignations and dismissals.

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	1	0	0	1
Senior Management	4	0	1	3
Professional qualified	31	5	6	20
Skilled	24	1	4	21
Semi-skilled	22	0	0	22
Unskilled	8	0	1	12
Total	90	6	12	84

Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	0	0%
Resignation	7	58%
Dismissal	2	17%
Retirement	2	17%
Ill health	0	0%
Expiry of contract	1	8%
Other	0	0%
Total	12	

The bulk of staff leaving were due to resignations, retirement and expiry of contracts. Measures to replace the vacancies were implemented with the advertisement of the vacant positions immediately and/or within 90 days following the existence of the vacancy. While the recruitment to replace staff takes place, relevant staff are appointed to act in the vacant positions to mitigate against vacant positions for an undue long period.

Labour Relations: Misconduct and disciplinary action

Nature of disciplinary Action	Number
Verbal Warning	0
Written Warning	1
Final Written warning	0
Dismissal	2

Equity Target and Employment Equity Status

Explanations: Provide explanations for major variances between target and current and attempts made by the public entity to address the variances.

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	2	0	0	0	0	0	0	0
Professional qualified	10	0	1	0	0	0	0	0
Skilled	7	0	0	0	1	0	0	0
Semi-skilled	8	0	1	0	0	0	0	0
Unskilled	5	0	0	0	0	0	0	0
TOTAL	32	0	2	0	1	0	0	0

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	1	0	0	0	0	0	0	0
Professional qualified	9	0	0	0	1	0	1	0
Skilled	15	0	1	0	0	0	0	0
Semi-skilled	11	0	0	0	0	0	2	0
Unskilled	7	0	0	0	0	0	0	0
TOTAL	44	0	1	0	1	0	3	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:
PFMA COMPLIANCE REPORT

1. IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AND MATERIAL LOSSES

1.1 Irregular expenditure

a) Reconciliation of irregular expenditure

Description	2023/2024 R'000	2022/2023 R'000
Opening balance	6 507	18 202
Adjustment to opening balance	-	-
Opening balance as restated	-	-
Add: Irregular expenditure confirmed	-	48
Less: Irregular expenditure condoned	-	-
Less: Irregular expenditure not condoned and removed	6 507	11 743
Less: Irregular expenditure recoverable[1]	-	-
Less: Irregular expenditure not recoverable and written off	-	-
Closing balance	-	6 507

Reconciling notes

Description	2023/2024 R'000	2022/2023 R'000
Irregular expenditure that was under assessment	6 507	6 459
Irregular expenditure that relates to the prior year and identified in the current year	-	-
Irregular expenditure for the current year	-	48
Total	6 507	6 507

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

Description[2]	2023/2024 R'000	2022/2023 R'000
Irregular expenditure under assessment	6 507	6 459
Irregular expenditure under determination	-	48
Irregular expenditure under investigation	-	-
Total	6 507	6 507

c) Details of irregular expenditure condoned

Description	2023/2024 R'000	2022/2023 R'000
Irregular expenditure condoned	-	-
Total	-	-

1 *Transfer to receivables*

2 *Group similar items*

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

Description	2023/2024 R'000	2022/2023 R'000
Irregular expenditure NOT condoned and removed	6 507	11 743
Total	6 507	11 743

e) Details of irregular expenditure recoverable

Description	2023/2024 R'000	2022/2023 R'000
Irregular expenditure recoverable	-	-
Total	-	-

f) Details of current and previous year irregular expenditure written off (irrecoverable)

Description	2023/2024 R'000	2022/2023 R'000
Irregular expenditure written off	-	-
Total	-	-

Additional disclosure relating to Inter-Institutional Arrangements

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

Description
N/A
Total

h) Details of irregular expenditure where an institution is involved in an inter-institutional arrangement (where such institution is responsible for the non-compliance)[3]

Description	2023/2024 R'000	2022/2023 R'000
N/A	-	-
Total	-	-

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

Disciplinary steps taken
Loss Control resolved to discipline 1 official for irregular expenditure of R48 173 incurred for the year 2022/2023 Financial year, however the official resigned before being issued with disciplinary charges.

3 *__Refer to paragraphs 3.12, 3.13 and 3.14 of Annexure A (PFMA Compliance and Reporting Framework) to National Treasury Instruction No. 4 of 2022/2023__*

1.2 Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2023/2024 R'000	2022/2023 R'000
Opening balance	1 304	1 296
Adjustment to opening balance	-	-
Opening balance as restated	-	-
Add: Fruitless and wasteful expenditure confirmed	-	31
Less: Fruitless and wasteful expenditure recoverable	-	(23)
Less: Fruitless and wasteful expenditure not recoverable and written off	-	-
Closing balance	1 304	1 304

Reconciling notes

Description	2023/2024 R'000	2022/2023 R'000
Fruitless and wasteful expenditure that was under assessment	0	8
Fruitless and wasteful expenditure that relates to the prior year and identified in the current year	0	-
Fruitless and wasteful expenditure for the current year	0	23
Total	0	31

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

Description[4]	2023/2024 R'000	2022/2023 R'000
Fruitless and wasteful expenditure under assessment	-	23
Fruitless and wasteful expenditure under determination	-	-
Fruitless and wasteful expenditure under investigation	-	-
Total	-	23

c) Details of fruitless and wasteful expenditure recoverable

Description	2023/2024 R'000	2022/2023 R'000
Fruitless and wasteful expenditure recoverable	-	23
Total	-	23

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

Description	2023/2024 R'000	2022/2023 R'000
Fruitless and wasteful expenditure written off	-	-
Total	-	-

4 Group similar items

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

Disciplinary steps taken
N/A

1.3 Additional disclosure relating to material losses in terms of PFMA Section 55(2)(b)(i) &(iii))[5]

a) Details of material losses through criminal conduct

Material losses through criminal conduct	2023/2024 R'000	2022/2023 R'000
Theft		-
Other material losses		-
Less: Recoverable		-
Less: Not recoverable and written off		-
Total		-

b) Details of other material losses

Nature of other material losses	2023/2024 R'000	2022/2023 R'000
N/A		-
Total		-

c) Other material losses recoverable

Nature of losses	2023/2024 R'000	2022/2023 R'000
(Group major categories, but list material items)		-
N/A		-
Total		-

d) Other material losses not recoverable and written off

Nature of losses	2023/2024 R'000	2022/2023 R'000
(Group major categories, but list material items)		-
N/A		-
Total		-

5 ***Information related to material losses must also be disclosed in the annual financial statements.***

2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated Value R'000
Valid invoices received	1423	R75 826
Invoices paid **within** 30 days or agreed period	1251	R72 450
Invoices paid **after** 30 days or agreed period	-	-
Invoices older than 30 days or agreed period (*unpaid and without dispute*)	-	-
Invoices older than 30 days or agreed period (*unpaid and in dispute*)	-	-

Invoices paid after 30 days period = (172) as a result of queries around services rendered and were resolved amicably and later paid .

3. SUPPLY CHAIN MANAGEMENT

3.1 Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Annual license fee for support and maintenance	Cura Risk Management Software	Sole supplier	PO000003393	R135 787.40
To implement, migrate HR Payroll System to Cloud Solution for 12 months	LSP Consulting Normal deviation	Normal deviation	PO00003379	R198 030
Remove, sealing of coping blocks in the Wall of Names	Mammoth Kitchen	Normal deviation	RFQ	R949 462.21
Job grading/evaluations	Delloitte	Sole supplier	PO3438	R40 150.00
Repairs and maintenance in the museum -//hapo	Sonic Factory	Sole supplier	PO3449	R129 600.00
Repairs of Alcon McBride in the Museum	Sonic factory	Sole supplier	PO3437	R102 870.00
Interface browser	Rene Van Son Business	Sole supplier	PO3445	R83 650,00
Caseware software licenses and GRAP template	Adapt IT	Sole supplier	PO000003519	R246891,60
Emergency supply of Diesel	Brians Petroleum	Emergency Procurement	N/A	R45406
Appointment of service provider to replace Sonic Factory damaged 10 damaged graphics panels at Lillies Leaf	Sonic Factory	Single Source supplier	PO000003514	R66467,90
Repairs and maintenance work at //hapo museum for a period of three years	Sonic Factory	Single source supplier	PO000003449	R129 600
Repairs one of Alcone McBriide hardware and Sonic Factory replace broken filter wheel module at //hapo Museum	Sonic Factory	Single source supplier	PO000003437	R102870
Appointment of a service provider to trace + Testing repair faulty cables undergrounds which resulted in power failures of the entire Freedom Park	F& A Cables	Emergency Procurement	N/A	R62 000
Total				R1 292 885;11

3.2 Contract variations and expansions

Project description	Name of supplier	Contract **modification type** (Expansion or Variation)	Contract number	Original contract value R'000	Value of previous contract expansion/s or variation/s (if applicable) R'000	Value of current contract expansion or variation R'000
Extension of contract for DV8 Technology Group for the Audio Visual, Electrical, Lighting, Touch screens and software and shop fit for the 700 square meter permanent exhibition at the Gallery of Leaders	DV8 Technologies	Expansion period	FP6/2022HK	R5 441 246.97	-	-
Appointment of an Interior fit out contractor for the supply, installation and commissioning of 700 square meter permanent exhibition at Gallery of Leaders	DV8 Technologies	Expansion period	FP	R7 804,418,40	-	-
Off-site storage of files	Iron Mountain	Renewable Contract	PO0000002643	R30 336	-	-
Valuation of Heritage	IKSSA	Variation	PO0000003192	R287 000	R40 615	R327 615
Appointment as a service provider for the service provider being appointed for design. construction, supply and delivery, testing and commissioning of the audio visual (AV) electrical works, lightning and touchscreens for the 700 m² permanent exhibition space at the gallery of leaders at freedom park	Raulisa Consultants	Expansion period	RFQ16960	R730 000	-	-
Appointment of a service provider for the manufacturing, inscription, installation, repairs and maintenance of names of the Freedom Park for a period of 3 years on as and when required	Mammoth Kitchen	Expansion period	FP7/19HK	Rates per stone	-	-
Consultant for projects monitoring and implementation of Samora Monument	Servinet	Expansion period	RFQ	R510 000	-	-
Repairs and maintenance	Cher 2 Trading	Expansion Period	RFQ	R827 146	-	-
Appointment of a development consultant for the design, construction, monitoring and close out phase for the design, supply and installation of the heat ventilation and condition system at the Gallery of Leaders	Skotane Development Consulting	Expansion Period	RFQ	R428 023.10	-	-
Appointment of a service provider to provide Internal Audit services for the Freedom Park for a period of three years	UBUNTU Business Advisory Consultancy	Expansion period	FP12/20 FN		-	-
Total				R17 725 748,80	R40 615,00	R327 615

PART F:
FINANCIAL INFORMATION

1. REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON FREEDOM PARK

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of the Freedom Park set out on pages 81 to 119, which comprise the statement of financial position as at 31 March 2024, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, except for the effects of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Freedom Park as at 31 March 2024, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for qualified opinion

Cash flow statement

3. Net cash flows from operating activities were not correctly prepared and disclosed as required by Standard of GRAP 2, *Cash flow statements*. This was due to multiple errors in determining cash flows from operating activities. I was not able to determine the full extent of the errors in the net cash flows from operating activities, as it was impracticable to do so. Consequently, I was unable to determine whether any adjustments were necessary to the comparative amount for cash flows from operating activities stated at R30,78 million as disclosed in note 23.

Property plant and equipment

4. I was unable to obtain sufficient appropriate audit evidence that management had properly accounted for depreciation on capital assets, due to the status of the accounting records and changes to the useful lives of capital assets which were not substantiated. I was unable to confirm the depreciation by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to depreciation stated at R23,25 million (2023: R13,18 million) in note 36 to the financial statements and property plant and equipment stated at R446,51 million (2023: R458,27 million) in note 6 to the financial statements.

Context for opinion

5. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.

6. I am independent of the public entity in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Responsibilities of the accounting authority for the financial statements

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

9. In preparing the financial statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern; disclosing, as

applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

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

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

11. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 76 of the annexure to the auditor's report, forms part of our auditor's report.

Report on the annual performance report

12. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.

13. I selected the following material performance indicators related to programme 2: business development presented in the annual performance report for the year ended 31 March 2024. I selected those indicators that measure the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.

    - Number of cultural resources digitised
    - Number of cultural resources acquired
    - Number of cultural resources processed
    - Number of books acquired
    - Number of names of heroes and heroines inscribed on the Wall of Names
    - Number of temporary exhibitions developed/ displayed
    - Annual Day of Reflection on the Resistance and Liberation Heritage (RLH) conducted
    - Number of commemoration of heroes and heroines (RLH) programmes conducted
    - Number of education programmes' support materials published
    - Annual heritage education event conducted
    - Annual storytelling event conducted
    - Number of names of heroes and heroines verified and validated by the Names Verification Committee (NVC)
    - Number of completed research papers / articles
    - Number of Interfaith and strategic programmes conducted

14. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.

15. I performed procedures to test whether:

    - the indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives
    - all the indicators relevant for measuring the public entity's performance against its primary mandated and prioritised functions and planned objectives are included
    - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
    - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated

- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
- the reported performance information presented in the annual performance report in the prescribed manner
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

16. I performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.

17. I did not identify any material findings on the reported performance information for the selected indicators.

Other matter

18. I draw attention to the matter below.

Achievement of planned targets

19. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or under achievements.

20. The table that follows provides information on the achievement of planned targets and lists the key indicator that was not achieved as reported in the annual performance report. The reasons for any underachievement of target are included in the annual performance report on pages 23 to 33.

Programme 2: business development

Targets achieved: 93% Budget spent: 99%		
Key indicator not achieved	Planned target	Reported achievement
Annual heritage education event conducted	1	0

Material misstatements

21. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for programme 2: business development. Management subsequently corrected all the misstatements, and I did not include any material findings in this report.

Report on compliance with legislation

22. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the public entity's compliance with legislation.

23. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

24. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

25. The material finding on compliance with the selected legislative requirements, presented per compliance theme, is as follows:

Annual financial statements

26. 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.

27. Material misstatements of capital commitment, employee related costs, heritage assets, statement of comparison of budget and actual amounts, unspent conditional grant and government grants, operating lease liability, prior period error note, and cash flow statement, identified by the auditors in the submitted financial statements were corrected, but the uncorrected material misstatements resulted in the financial statements receiving a qualified opinion.

Other information in the annual report

28. The accounting authority is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected material indicators in the scoped-in programme presented in the annual performance report that have been specifically reported on in this auditor's report.

29. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

30. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected material indicators in the scoped-in programme presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

31. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

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

33. The matters reported below are limited to the significant internal control deficiencies that resulted the basis for the qualified opinion, the findings on the selected material indicators included in the annual performance report and the material findings on compliance with legislation included in this report.

34. Inadequate review and monitoring of compliance with applicable legislation by management.

35. Management did not implement adequate review processes to ensure preparation of regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.

Auditor-General

Pretoria

31 July 2024

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

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

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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

Financial statements

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

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

Communication with those charged with governance

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

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

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999	Section 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii); 53(4); Section 54(2)(c); 54(2)(d); 55(1)(a); 55(1)(b); Section 55(1)(c)(i); 56(1); 57(b)
Treasury Regulations, 2005	Regulation 8.2.1; 8.2.2; 16A3.2; 16A3.2(a); Regulation 16A6.1; 16A6.2(a) 16A6.2(b); Regulation 16A6.3(a); 16A6.3(b); 16A6.3(c); Regulation 16A6.3(e); 16A6.4; 16A6.5; 16A6.6; Regulation 16A7.1; 16A7.3; 16A7.6; 16A7.7; Regulation 16A8.3; 16A8.4; 16A9.1(b)(ii); Regulation 16A9.1(d); 16A9.1(e); 16A9.1(f); Regulation 16A9.2; 16A9.2(a)(ii); 30.1.1; Regulation 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1; Regulation 31.1.2(c); 31.2.1; 31.2.5; 31.2.7(a); Regulation 33.1.1; 33.1.3
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations 2004	Regulation 17; 25(7A)
Second amendment National Treasury Instruction No. 5 of 202/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 202/21	Paragraph 2
National Treasury instruction No 5 of 2020/21	Paragraph 4.8; 4.9; 5.3
National Treasury Instruction No. 1 of 2021/22	Paragraph 4.1
National Treasury Instruction No. 4 of 2015/16	Paragraph 3.4
National Treasury SCM Instruction No. 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction No. 03 of 2021/22	Paragraph 4.1; 4.2 (b); 4.3; 4.4(a); 4.17; 7.2; 7.6
National Treasury SCM Instruction No. 11 of 2020/21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
Practice Note 11 of 2008/9	Paragraph 2.1; 3.1(b)
Practice Note 5 of 2009/10	Paragraph 3.3
Practice Note 7 of 2009/10	Paragraph 4.1.2
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulations, 2022	Paragraph 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

2. General Information

Country of in corporation and domicile	South Africa
Business address	Corner Koch street and 7th Avenue Salvokop Pretoria 0001
Postal address	P.O. Box 2710 Pretoria Gauteng South Africa 0001
Telephone Number/s	+27 012 336 4000
Email Address	info@freedompark.co.za
Bankers	Nedbank
Auditors	Auditor-General of South Africa
Secretary	Adv. Unarine SandraTshikovhi
Company registration number	GG NO 31443 of 26 September 2008

3. Abbreviations used:

AGSA	Auditor-General of South Africa
CEO	Chief Executive Officer
CFO	Chief Financal Officer
DPWI	Department of Public works and Infrastructure
DSAC	Department of Sport, Arts and Culture
GOL	Gallery of Leaders
SCM	Supply Chain Management
ARC	Audit and Risk Committee

4. Accounting Authority's Responsibilities and Approval

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

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

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

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

The accounting authority are 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 accounting authority have reviewed the entity's cash flow forecast for the year to 31 March 2025 and, in the light of this review and the current financial position, they are 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 entity for continued funding of operations. The annual financial statements are prepared on the basis that the entity is a going concern and that the entity has neither the intention nor the need to liquidate or curtail materially the scale of the entity.

The annual financial statements set out on page 81 to 119, which have been prepared on the going concern basis, were approved by the accounting authority on 31 May 2024 and were signed on its behalf by:

Dr BWJ Langa
Chairperson

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

Figures in Rand	Note(s)	2024	2023 Restated*
Assets			
Current Assets			
Inventories	3	130 785	102 200
Receivables from exchange transactions	4	2 938 111	2 487 463
Cash and cash equivalents	5	36 595 332	95 496 185
		39 664 228	98 085 848
Non-Current Assets			
Property, plant and equipment	6	446 513 383	458 273 382
Intangible assets	7	6 887 672	8 090 973
Heritage assets	8	8 298 391	8 298 391
		461 699 446	474 662 746
Total Assets		501 363 674	572 748 594
Liabilities			
Current Liabilities			
Operating lease liability	9	467 335	417 263
Payables from exchange transactions	10	3 684 287	18 488 316
Unspent conditional grants and receipts	11	31 724 714	54 741 860
Provisions	12	2 163 125	1 915 428
Other liability		4 455	-
		38 04`3 916	75 562 867
Non-Current Liabilities			
Operating lease liability	9	5 385 326 116	5 138 951 531
Total Liabilities		5 423 370 032	5 214 514 398
Net Assets		(4 922 006 358)	(4 641 765 804)
Reserves			
Revaluation reserve		3 124 981	3 124 981
Accumulated surplus		(4 925 131 339)	(4 644 890 785)
Total Net Assets		(4 922 006 358)	(4 641 765 804)

* ***See Note 34***

STATEMENT OF FINANCIAL PERFORMANCE

Figures in Rand	Note(s)	2024	2023 Restated*
Revenue			
Revenue from exchange transactions			
Admission fees	13	1 183 524	922 665
Rental of facilities and equipment	14	761 428	401 000
Other income	15	367 939	586 365
Interest received - investment	16	5 970 538	5 932 811
Gain on disposal of assets and liabilities		-	605 011
Total revenue from exchange transactions		8 283 429	8 447 852
Revenue from non-exchange transactions			
Transfer revenue			
Government grants & subsidies	17	128 358 145	147 692 642
Public contributions and donations	18	132 345	35 000
Total revenue from non-exchange transactions		128 490 490	147 727 642
Total revenue	35	136 773 919	156 175 494
Expenditure			
Employee related costs	19	(58 948 011)	(58 315 933)
Depreciation and amortisation	36	(23 250 734)	(13 181 169)
Impairment loss		77 968	-
Lease rentals on operating lease	20	(247 630 416)	(247 296 842)
Loss on disposal of assets and liabilities		(7 028 371)	-
General Expenses	22	(57 516 865)	(57 850 115)
Total expenditure		(394 296 429)	(376 644 059)
Deficit for the year		(257 522 510)	(220 468 565)

The accounting policies on pages 86 to 100 and the notes on pages 101 to 119 form an integral part of the annual financial statements.

* ***See Note 34***

STATEMENT OF CHANGES IN NET ASSETS

Figures in Rand	Notes	Revaluation reserve	Accumulated **surplus / deficit**	Total net assets
Balance at 01 April 2022		-	(4 751 224 439)	(4 751 224 439)
Changes in net assets				
Deficit for the year		-	(220 468 565)	(220 468 565)
Revaluation surplus		3 124 981	-	3 124 981
Total changes		3 124 981	(220 468 565)	(217 343 584)
Opening balance as previously reported		3 124 981	(4 971 693 004)	(4 968 568 023)
Adjustments				
Adjustments on Property plant and equipments and intangible assets	34	-	21 393 342	21 393 342
Transfer from surplus		-	(5 645 532)	(5 645 532)
Adjustments on operating lease liabilities	34	-	311 054 411	311 054 411
Restated* Balance at 01 April 2023 as restated*		3 124 981	(4 644 890 784)	(4 641 765 803)
Changes in net assets				
Deficit for the year	-		(257 522 510)	(257 522 510)
Surrendered surplus	-		(22 718 045)	(22 718 045)
Total changes	-		(280 240 555)	(280 240 555)
Balance at 31 March 2024		3 124 981	(4 925 131 339)	(4 922 006 358)

* ***See Note 34***

CASH FLOW STATEMENT

Figures in Rand	Note(s)	2024	2023 Restated*
Cash flows from operating activities			
Receipts			
Sale of goods and services		1 986 228	1 945 030
Grants		105 340 000	137 562 520
Interest income		5 970 538	5 932 811
		113 296 766	145 440 361
Payments			
Employee costs		(58 995 144)	(58 796 795)
Suppliers		(72 808 622)	(55 867 980)
		(131 803 766)	(114 664 775)
Net cash flows from operating activities	23	(18 507 000)	30 775 586
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(17 324 553)	(19 353 094)
Proceeds from sale of property, plant and equipment		-	593 848
Purchase of other intangible assets	7	(677 316)	(113 013)
Purchase of heritage assets	8	-	(1 695 963)
Net cash flows from investing activities		(18 001 869)	(20 568 222)
Cash flows from financing activities			
Outflow of other liability		4 455	-
Grants reimbursed		(22 396 439)	(5 645 532)
Net cash flows from financing activities		(22 391 984)	(5 645 532)
Net increase/(decrease) in cash and cash equivalents		(58 900 853)	4 561 832
Cash and cash equivalents at the beginning of the year		95 496 185	90 934 353
Cash and cash equivalents at the end of the year	5	36 595 332	95 496 185

The accounting policies on pages 86 to 100 and the notes on pages 101 to 119 form an integral part of the annual financial statements.

* ***See Note 34***

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference **between final** budget and actual	Reference
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Sale of goods and services	-	-	-	1 986 228	1 986 228	30.4
Interest received - investment	500 000	-	500 000	5 970 538	5 470 538	30.3
Total revenue from exchange transactions	500 000	-	500 000	7 956 766	7 456 766	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants & subsidies	97 340 000	-	97 340 000	97 340 000	-	
Lilliesleaf	8 000 000	-	8 000 000	6 711 956	(1 288 044)	30.2
Capital works infrastructure grant	25 000 000	-	25 000 000	24 306 189	(693 811)	30.3
Total revenue from non-exchange transactions	130 340 000	-	130 340 000	128 358 145	(1 981 855)	
Total revenue	130 840 000	-	130 840 000	136 314 911	5 474 911	
Expenditure						
Personnel	(60 551 900)	-	(60 551 900)	(59 298 919)	1 252 981	30.5
Remuneration of councillors	(1 934 061)	-	(1 934 061)	(1 890 440)	43 621	30.6
Other Staff Expenses	(1 607 374)	-	(1 607 374)	(1 239 794)	367 580	30.7
Communications, Consumables & IT expenses	(5 037 184)	-	(5 037 184)	(6 690 755)	(1 653 571)	30.8
Professional Services	(4 963 389)	-	(4 963 389)	(9 041 533)	(4 078 144)	30.9
Property and facility management	(12 186 597)	-	(12 186 597)	(10 074 613)	2 111 984	30.10
Repairs and maintainance	(7 745 000)	-	(7 745 000)	(7 157 703)	587 297	30.11
Other operating expenses	(7 603 713)	-	(7 603 713)	(8 686 089)	(1 082 376)	30.12
Strategic programmes	(15 980 782)	-	(15 980 782)	(15 447 274)	533 508	30.13
Operating lease	(898 000)	-	(898 000)	(788 496)	109 504	30.14
Total expenditure	(118 508 000)	-	(118 508 000)	(120 315 616)	(1 807 616)	
Operating surplus	12 332 000	-	12 332 000	15 999 295	3 667 295	
Capital expenditure programs	(12 332 001)	-	(12 332 001)	(18 001 869)	(5 669 868)	30.15
Deficit before taxation	(1)	-	(1)	(2 002 574)	(2 002 573)	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	(1)	-	(1)	(2 002 574)	(2 002 573)	

Refer to note 30 for narrative explanation of material differences.

SIGNIFICANT ACCOUNTING POLICIES

1. Presentation of the Financial Statements

The significant accounting policies applied in the preparation of these annual financial statements are set out below.

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 contunue as going concern is dependent on a number of factors. The most significant of these is the operating grant received from Department of Sport, Arts and Culture.

1.2 Materiality

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

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

The entity does not retrospectively adjust the accounting of past items (or group of items) that were previously assessed as immaterial, unless an error occurred.

1.3 Significant judgements and sources of estimation uncertainty

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

Receivables

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

The impairment for trade 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 the 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 the assets are inherently uncertain and could materially change over time. They are significantly affected bya number of factors, together with economic factors such as exchange rates, inflation and interest rates.

SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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.

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 12 - Provisions.

Useful lives of property, plant and equipment and other assets

The entity's management determines the estimated useful lives and related depreciation charges for its property, plant and equipment and other assets. This estimate involves a matter of judgement based on the experience of the entity with similar assets. The entity considers all facts and circumstances in estimating the useful lives of assets, which includes the consideration of financial, technical and other factors. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives and decrease the depreciation charge where useful lives are more than previously estimated useful lives

Effective interest rate

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

1.4 Property, plant and equipment

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

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

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

Property, plant and equipment is initially measured at cost.

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

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

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

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

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

SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Property, plant and equipment is 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 value. The depreciation charge for each period is recognised in surplus or deficit.

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 fittings	Straight-line	5-90 years
Motor vehicles	Straight-line	5-7 years
Office equipment	Straight-line	4-15 years
IT equipment	Straight-line	4-10 years
Library material	Straight-line	10-80 years
Infrastructure	Straight-line	10-80 years

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

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

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

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

1.5 Intangible assets

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

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

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

An intangible asset is recognised when:

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

Intangible assets are initialy measured at cost.

Intangible assets are subsequently carried at cost less any accumulated amortisation and any impairment losses. Amortisation is provided on a straight line basis over the expected useful lives of the intangible assets

The residual value of an intangible asset with a finite useful life shall be assumed to be zero unless:

(a) there is a commitment by a third party to acquire the asset at the end of its useful life; or

(b) there is an active market for the asset and:

(i) residual value can be determined by reference to that market; and

(ii) it is probable that such a market will exist at the end of the asset's useful life.

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.

SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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

Item	Depreciation method	Average useful life
Computer software, other	Straight-line	4-20 years
Film and other	Straight-line	4-20 years

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

1.1 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.

1.6 Recognition

Freedom Park recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the entity and where cost or fair value of the asset can be reliably measured. Freedom park will assess the degree of certainty attached to the flow of future service potential or economic benefits:

(a) If the entity holds an asset that might be regarded as a heritage asset but which, on initial recognition, does not meet the recognition criteria of heritage assets because of the need to analyse the proposed collection items to determine if they conform to the set collection criteria through evaluation and research.

(b) For recognition of heritage assets, the asset needs to be controlled by the entity as a result of past events. Such events may include: Purchase, donation, bequeath, loan or transfer.

(c) Particularly within the Natural History Collection, material is often retrieved in a fragmentary state – finding a completely articulated specimen is the exception rather than the rule. A great deal of knowledge is thus required to identify and systematise the collections.

(d) The research required to identify, analyse and classify heritage items is often a collaborative effort between local and international experts that span several months, even years. These items cannot be recognised in the financial statements, but will be recorded and controlled in the register. Relevant and useful information about them shall be disclosed in the notes to the financial statements..

Measurement

The value of assets have been determined using the fair value. Values have been assigned to the heritage assets, which are considered to be appreciating in value, and which values are to be reviewed from time to time. Wherever possible, the appraisers have adopted the discipline of 'Open Market' principles in determining value; however, values derived are largely determined by the skill and experience applied by the appraiser at the date of valuation.

Valuation of heritage assets

The existence of published price quotations in an active market is the best evidence of the fair value, such as the quoted price from recent auctions published in local newspapers; however, if the fair value cannot readily be ascertained by reference to quoted prices in an active and liquid market; the fair value of a heritage asset can be determined from market-based evidence arrived at by appraisal. An appraisal of the value of the asset is normally undertaken by a member of the valuation profession, who holds a recognised and relevant professional qualification. The fair value will be ascertained by reference to quoted prices in an active and liquid market (GRAP 103.46). The valuation of heritage assets was performed by a member of the valuation profession.

SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(i) Valuation Techniques

Where the fair value of an asset cannot be determined, and where no evidence is available to determine the market value in an active market of a heritage asset; a valuation technique may be used to determine its fair value. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, and reference to the current fair value of other heritage assets that have substantially similar characteristics in similar circumstances and locations, adjusted for any specific differences in circumstances. If there is a valuation technique commonly used by market participants to price such an asset, and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the entity may use that technique in determining the fair value (GRAP 103.47).

(ii) Inability to Value

Where no value can be placed on an item, it will not be recognised, but information should be disclosed about such items and the reason why such items cannot be valued (GRAP 103.17). Where the entity holds an asset that might be regarded as a heritage asset but which, on initial recognition, does not meet the recognition criteria of heritage assets because it cannot be reliably measured, relevant and useful information about it shall be disclosed in the notes to the financial statements. These items are controlled in the asset register.

(iii) Valuing an entire collection

In determining the fair value of a collection, the entity has considered where appropriate, whether the entire collection has a higher value than the sum of the values of the individual items making up that collection.

Under such circumstances, the carrying value of the entire collection may need to be reassessed, when a group of individual heritage assets constitutes a collection. If items are removed from the collection, the value of the collection may also need to be reassessed (GRAP 103.45).

Impairment

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

Derecognition

The carrying amount of a heritage asset is de-recognised:

- 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 de-recognition of a heritage asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the heritage asset. Such difference is recognised in surplus or deficit when the heritage asset is de-recognised

1.7 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.

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.

SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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 assets, are as follows:

When the 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 assets remaining service potential.

The present value of the remaining service potential of a 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 overdesigned or overcapacity asset. Overdesigned 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.

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.

SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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.

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.

1.8 Financial instruments

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

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.

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.

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.

SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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.except for financial instruments subsequently measured at fair value, which are measured at its fair value.

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.

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 directly OR through the use of an allowance account. The amount of the loss 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 :
- derecognise the asset; and
- recognise 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.

1.9 Leases

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

SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis. The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis. Income for leases is disclosed under revenue in statement of financial performance.

Operating leases - lessee

Lease payments under an operating lease shall be recognised as an expense in the statement of financial performance on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the entity's benefit. Where the lease payments paid by the entity to the lessor during a financial year are less than the lease expense recognised as an expense in the statement of financial performance on straight line basis, the entity recognises the shortfall as a operating lease liability in that same period.

1.10 Inventories

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

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

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

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

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

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

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

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

The cost of inventories is assigned using the formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

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

1.11 Accumulated surplus/(deficit)

The accumulated surplus/(deficit) 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/(deficit) when retrospective adjustments are made.

SIGNIFICANT ACCOUNTING POLICIES *(continued)*

1.12 Provisions and contingencies

A provision is a liability of uncertain timing or amount. 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.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

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 surplus (deficit).

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

A contingent asset is a possible asset that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A contingent liability is:

- a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the entity

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

1.13 Commitments

Items are classified as commitments when an 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 which include future capital commitments relating to property, plant and equipment, investment property, intangible assets and heritage assets, as applicable, operational commitments, as well as future commitments relating to operating leases. Refer to note 24 - Commitments.

SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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.

1.14 Revenue from exchange transactions

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

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

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.

1.15 Revenue from non-exchange transactions

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

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.

Measurement

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

SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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.

The goverment grants are monetory non-exchange transaction item. The fair value of the goverment grant is the consideration received

Gifts and donations, including goods in-kind

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

Services in-kind

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

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

1.16 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

1.17 Employee benefits

Identification

Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees or for the termination of employment.

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

Post-employment benefits are employee benefits (other than termination benefits and short-term employee benefits) that are payable after the completion of employment.

Other long-term employee benefits are all employee benefits other than short-term employee benefits, post-employment benefits and termination benefits.

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either: (a) an entity's decision to terminate an employee's employment before the normal retirement date; or (b) an employee's decision to accept an offer of benefits in exchange for the termination of employment.

Short-term employee benefits

Recognition and measurement

All short-term employee benefits

When an employee has rendered 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:

(a) 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.

SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(b) As an expense, unless another Standard of GRAP requires or permits the inclusion of the benefits in the cost of an asset.

Short-term paid absences

The entity recognises the expected cost of short-term employee benefits in the form of paid absences as follows:

(a) in the case of accumulating paid absences, when the employees render service that increases their entitlement to future paid absences; and

(b) in the case of non-accumulating paid absences, when the absences occur.

The entity measures the expected cost of accumulating paid absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period.

Bonus, incentive and performance related payments

The entity recognises the expected cost of bonus, incentive and performance related payments when, and only when:

(a) the entity has a present legal or constructive obligation to make such payments as a result of past events; and

(b) a reliable estimate of the obligation can be made. A present obligation exists when, and only when, the entity has no realistic alternative but to make the payments.

Post-employment benefits: Defined contribution plans Recognition and measurement

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:

(a) as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the end of the reporting period, 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

(b) as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset. When contributions to a defined contribution plan are not expected to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service, they are be discounted using the discount rate as specified.

1.18 Fruitless and wasteful expenditure

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

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 and classified in accordance with the nature of the expense. Upon investigation, if a person was found to be liable in law for the fruitless and wasteful expenditure that occurred, a receivable is recognised for the recovery of the monies, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

Fruitless and wasteful expenditure is recorded in the Annual Financial Statements when it is either:

(i) under assessment, determination, and investigation;

(ii) transferred to receivables for recovery; or

(iii) written off if it is not recoverablee.

A separate register is maintained for historical fruitless and wasteful expenditures incurred in previous reporting periods and not addresse.

1.19 Irregular expenditure

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

(a) this Act; or

(b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or

(c) any provincial legislation providing for procurement procedures in that provincial government.

SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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 recorded in the register and disclosed in the notes 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 recorded in the register and disclosed in the notes 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 are 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 is recorded appropriately in the irregular expenditure register. If 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 are thereafter 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 register is also updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto remains against the relevant programme/ expenditure item, disclosed as such in the notes to the financial statements and updated accordingly in the register.

1.20 Budget information

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

The approved budget covers the fiscal period from 2023/04/01 to 2024/03/31.

1.21 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.

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 those family members who may be expected to influence, or be influenced by that person 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.

1.22 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:

SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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

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

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

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

The following GRAP standards have been approved but not yet effective, have not been disclosed in AFS

GRAP 104 on Finanicial Instruments, the effective date of this revised standard will be 1 April 2025 and GRAP 1 (amended): Presentation of Financial, the effective date of this revised standard will be 01 April 2024.

The new standards was assessed and amended.

3. Inventories

Merchandise	130 785	102 200
Carrying value of inventories carried at fair value less costs to sell	-	-
Inventories recognised as an expense during the year	-	-

Inventory pledged as security

During the year no inventory was pledged as security

4. Receivables from exchange transactions

Trade debtors	931 509	837 499
Employee costs in advance	52 870	19 270
Prepayments	1 953 732	1 630 694
	2 938 111	2 487 463

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 3 months past due are not considered to be impaired. At 31 March 2024, R 654 219 (2023: R 837 499) were past due but not impaired.

The carrying amount of trade debtors comprise of the following

Accounts receivables	718 982	980 971
3 months past due	(65 503)	(143 472)
Net Receivables	653 478	837 499
Reconciliation of provision for impairment of trade and other receivables		
Opening balance	(143 472)	(143 472)
Provision for impairment	(65 505)	-
Amounts written off as uncollectible	-	-
	(208 977)	(143 472)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *(continued)*

Figures in Rand	2024	2023

5. Cash and cash equivalents

Cash and cash equivalents consist of:		
Cash on hand	6 012	13 558
Bank balances	33 295 420	52 843 658
Short-term deposits	3 293 900	42 638 969
	36 595 332	95 496 185
Cash and cash equivalents held by the entity that are not available for use by the economic entity	-	-

6. Property, plant and equipment

	2024			2023		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Buildings	616 032 235	(293 462 174)	322 570 061	612 986 159	(285 771 290)	327 214 869
Furniture and fixtures	40 314 601	(26 062 508)	14 252 093	48 606 424	(29 549 759)	19 056 665
Motor vehicles	1 946 520	(732 799)	1 213 721	1 946 520	(343 496)	1 603 024
Office equipment	9 012 293	(2 502 056)	6 510 237	8 911 398	(5 352 077)	3 559 321
IT equipment	10 989 591	(6 312 755)	4 676 836	17 691 711	(9 569 815)	8 121 896
Infrastructure	142 018 871	(61 563 259)	80 455 612	140 234 577	(54 975 587)	85 258 990
Artwork	8 275 240	(6 893 589)	1 381 651	8 275 240	(5 513 845)	2 761 395
Library material	1 383 445	(708 132)	675 313	1 365 809	(500 661)	865 148
Assets under construction	14 777 859	-	14 777 859	9 832 074	-	9 832 074
Total	844 750 655	(398 237 272)	446 513 383	849 849 912	(391 576 530)	458 273 382

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals	Depreciation on disposals	Depreciation	Total
Buildings	327 214 869	3 046 076	-	-	(7 690 884)	322 570 061
Furniture and fixtures	19 056 665	20 000	(8 311 824)	6 665 483	(3 178 231)	14 252 093
Motor vehicles	1 603 024	-	-	-	(389 303)	1 213 721
Office equipment	3 559 321	5 541 448	(5 440 553)	3 831 711	(981 690)	6 510 237
IT equipment	8 121 896	1 969 314	(8 601 542)	4 349 757	(1 162 589)	4 676 836
Infrastructure	85 258 990	1 784 294	-	-	(6 587 672)	80 455 612
Artwork	2 761 395	-	-	-	(1 379 744)	1 381 651
Library material	865 148	17 636	-	-	(207 471)	675 313
Assets under construction	9 832 074	4 945 785	-	-	-	14 777 859
	458 273 382	17 324 553	(22 353 919)	14 846 951	(21 577 584)	446 513 383

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *(continued)*

Figures in Rand	2024	2023

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Depreciation on disposals	Depreciation	Total
Buildings	321 910 623	10 089 601	-	-	(4 785 357)	327 214 869
Furniture and fixtures	22 897 030	196 420	(30 024)	12 118	(4 018 879)	19 056 665
Motor vehicles	158 439	1 698 446	(999 725)	965 322	(219 459)	1 603 024
Office equipment	4 189 358	994 164	-	-	(1 624 201)	3 559 321
IT equipment	9 164 770	1 079 725	(255 297)	241 292	(2 108 594)	8 121 896
Infrastructure	86 424 268	5 294 737	-	-	(6 460 016)	85 258 990
Artwork	4 141 138	-	-	-	(1 379 743)	2 761 395
Library material	1 093 577	-	-	-	(228 429)	865 148
Assets under construction	9 832 074	-	-	-	-	9 832 074
	459 811 277	19 353 093	(1 285 046)	1 218 732	(20 824 678)	458 273 382

An entity's expenditure incurred to repair and mantain property, plant and equipment amount as er below:

	2024	2023
Repairs and Maintainance	6 315 741	6 675 498

Pledged as security

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

Information on assets under construction

The initial scope was 6 months from November 2020. The project is at last stages expected to be completed August 2024 based on the current project timelines.

A register containing the information required by section 63 of the Public Finance Management Act is available for inspection at the registered office of the entity.

7. Intangible assets

	2024			2023		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	6 160 774	(4 099 418)	2 061 356	5 483 458	(3 422 448)	2 061 010
Intangible assets	13 240 128	(8 413 812)	4 826 316	13 240 128	(7 210 165)	6 029 963
Total	19 400 902	(12 513 230)	6 887 672	18 723 586	(10 632 613)	8 090 973

Reconciliation of intangible assets - 2024

	Opening balance	Additions	Amortisation	Total
Computer software	2 061 010	677 316	(676 970)	2 061 356
Intangible assets	6 029 963	-	(1 203 647)	4 826 316
	8 090 973	677 316	(1 880 617)	6 887 672

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *(continued)*

Figures in Rand	2024	2023

Reconciliation of intangible assets - 2023

	Opening balance	Additions	Amortisation	Total
Computer software	2 567 711	113 013	(619 714)	2 061 010
Intangible assets	7 233 611	-	(1 203 648)	6 029 963
	9 801 322	113 013	(1 823 362)	8 090 973

Pledged as security

No intangible assets were pledged as security:

8. Heritage assets

	2024			2023		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Art Collections, antiquities and exhibits	8 298 391	-	8 298 391	8 301 591	(3 200)	8 298 391

Reconciliation of heritage assets 2024

	Openingbalance	Total
Art Collections, antiquities and exhibits	8 298 391	8 298 391

Reconciliation of heritage assets 2023

	Openingbalance	Additions	Revaluation increase/(decrease)	Total
Art Collections, antiquities and exhibits	3 474 247	1 695 963	3 128 181	8 298 391
Collections of preserved insects, butterflies and fossils	-	-	-	-
	3 474 247	1 695 963	3 128 181	8 298 391

Pledged as security

No heritage assets were pledged as security

During the annual assessment of heritage assets, no assets was deemed impaired.

Expenditure incurred to repair and maintain heritage assets

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *(continued)*

Figures in Rand	2024	2023

9. Operating lease asset (liability)

Non-current liabilities	5 385 326 116	5 138 951 531
Current liabilities	467 335	417 263
	5 385 793 451	5 139 368 794

The operating lease accrual arise from 99-year non- renewable lease agreement for Land Salvokop, Pretoria which commenced on the 24th of June 2002. The initial monthly rental was R 3,500.00, which escalates at 12% per annum on each anniversary of agreement. On the 24th of June 2008, an addendum was signed to expand the lease with amended the rental amount to R 6 ,468.20 per month escalating at 12% up to 23rd of May 2101. Freedom Park is currently in year 22 of the lease. The lease payments are straight-lined over the term of the lease.

10. Payables from exchange transactions

Trade payables	2 452 815	10 560 095
Accrued bonus	997 264	902 834
Other Accrued expense	224 208	6 852 595
Deposits received	10 000	172 792
	3 684 287	18 488 316

11. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:		
Unspent conditional grants and receipts		
Unspent grants	31 724 714	54 741 860
Movement during the year		
Balance at the beginning of the year	54 741 860	59 658 982
Additions during the year	8 000 000	38 040 520
Income recognition during the year	(31 017 146)	(42 957 642)
	31 724 714	54 741 860

See note 17 for reconciliation of grants from National/Provincial Government.

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *(continued)*

Figures in Rand	2024	2023

12. Provisions

Reconciliation of provisions - 2024

	Opening Balance	Additions	Total
Leave pay provision	1 915 428	247 697	2 163 125

Reconciliation of provisions - 2023

	Opening Balance	Additions	Utilised during the year	Total
Leave pay provision	2 496 857	1 107 086	(1 688 515)	1 915 428

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

13. Admission Fee

	2024	2023
Other service charges	1 183 524	922 665

14. Premises and Venue Hire

	2024	2023
Premises		
Premisies and Venue hire	761 428	401 000
	761 428	401 000

15. Other Income

	2024	2023
Other income (Gift Shop, restaurant revenue)	367 939	586 365

16. Interest received

	2024	2023
Interest revenue		
Bank	5 970 538	5 932 811

17. Government grants & subsidies

	2024	2023
Operating grants		
Operating grant	97 340 000	104 735 000
Lilliesleaf	6 711 956	10 532 194
	104 051 956	115 267 194
Conditional grant - SM Matola	-	1 958 408
Released/ expensed from deferred income	24 306 189	30 467 040
	24 306 189	32 425 448
	128 358 145	147 692 642

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *(continued)*

Figures in Rand	2024	2023

Equitable Share

In terms of the Constitution, this operating grant is used to subsidise the operational activities of the entity.

Deferred Income - GRAP 103 Grant		
Current-year receipts	-	14 878 000
Conditions met - transferred to revenue	-	(287 000)
	-	14 591 000

18. Public contributions and donations

Public contributions and donations	132 345	35 000

Conditions still to be met - remain liabilities (see note 11)

19. Employee related costs

Basic	42 281 811	40 488 764
Medical aid - company contributions	3 474 757	3 113 396
UIF	144 001	169 880
Compensation Fund	110 395	73 940
Leave pay	530 529	(9 022)
Temporary Wages	1 325 306	1 451 654
Other short term costs - ex Gratia	1 491 775	3 600 000
Defined contribution plans - Provident Fund	3 470 028	3 406 514
Travel, motor car, accommodation, subsistence and other allowances	329 922	312 051
Overtime payments	251 259	274 577
13th Cheques	3 799 004	3 877 762
Acting allowances	691 027	567 577
Risk and Administration Fees	1 048 197	975 515
	58 948 011	58 302 608

20. Lease rentals on operating lease

Lease rentals on operating lease		
Contractual amounts	247 630 416	247 296 842

21. Auditors' remuneration

Fees	3 287 508	2 476 241

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *(continued)*

Figures in Rand	2024	2023

22. General expenses

COVID-19 expenses	-	20 700
Consulting and professional fees	4 039 413	2 295 002
Council expenditure	1 890 440	1 841 994
Entertainment	324 913	316 037
External auditors remuneration	3 287 508	2 476 241
IT expenses	4 660 481	3 064 528
Insurance	1 369 963	1 370 722
Internal audit fees	197 299	811 420
Landscaping expenses	2 894 609	3 043 248
Marketing	1 723 525	459 069
Other operating expenses	6 680 019	6 490 389
Park operation expenses	-	66 388
Repairs and maintenance	5 338 356	6 675 498
Security	5 456 479	4 795 288
Staff expenses	1 273 238	920 754
Strategic projects	7 080 902	9 400 555
Telephone and fax	1 805 338	1 311 680
Strategic projects - Matola & Samora Machel Site	3 352 426	1 958 408
Strategic projects - Lilliesleaf	6 141 956	10 532 194
	57 516 865	57 850 115

23. Cash (used in) generated from operations

Deficit	(257 522 510)	(220 468 565)
Adjustments for:		
Depreciation and amortisation	23 250 734	13 181 169
(Profit)/ loss on sale of assets and liabilities	7 028 371	(605 011)
Impairment of property plant and equipment	(77 968)	-
Movements in operating lease	247 252 628	246 841 272
Movements in provisions	247 697	(581 429)
Other non-cash items	(385 542)	(6 626 641)
Changes in working capital:		
Inventories	(28 585)	11 446
Receivables from exchange transactions	(450 648)	(886 380)
Payables from exchange transactions	(14 804 031)	4 826 847
Unspent conditional grants and receipts	(23 017 146)	(4 917 122)
	(18 507 000)	30 775 586

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *(continued)*

Figures in Rand	2024	2023

24. Commitments

Authorised capital expenditure		
Already contracted for but not provided for		
• Buildings	-	2 187 373
• Assets under construction	9 866 789	9 508 140
	9 866 789	11 695 513
Total capital commitments		
Already contracted for but not provided for	9 866 789	11 695 513
Authorised operational expenditure		
Already contracted for but not provided for		
• Already contracted for	28 001 081	42 598 142
Total operational commitments		
Already contracted for but not provided for	28 001 081	42 598 142
Total commitments		
Total commitments		
Authorised capital expenditure	9 866 789	11 695 513
Authorised operational expenditure	28 001 081	42 598 142
	37 867 870	54 293 655

Operating leases - as lessee (expense)

Minimum lease payments due		
- within one year	645 336	798 134
- in second to fifth year inclusive	2 501 571	2 823 593
- later than five years	24 430 807 957	26 094 222 515
	24 433 954 864	26 097 844 242

The operating lease accrual arise from 99-year non- renewable lease agreement for Land Salvokop, Pretoria which commenced on the 24th of June 2002. The initial monthly rental was R 3,500.00, which escalates at 12% per annum on each anniversary of agreement. On the 24th of June 2008, an addendum was signed to expand the lease with amended the rental amount to R 6 ,468.20 per month escalating at 12% up to 23rd of May 2101. Freedom Park is currently in year 22 of the lease. The lease payments are straight-lined over the term of the lease. Freedom Park entered into a 3 year contract with Ezgo and Bytes for the rental of golf carts and photocopiers, commenting on 01 March 2022 and 28 April 2021 respectively.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *(continued)*

Figures in Rand	2024	2023

The lease for Bytes for printing machines will expire in April 2024 and will be replaced by similar contract during the course of current financial year and the contract for Ezgo will only expire in February 2025.

Rental expenses relating to operating leases		
Minimum lease payments	5 401 442 354 5	467 199 528
Statement of Financial Performance		
	247 215 253	263 198 373

25. Contingencies

Four employees	1 370 000	-

As of the reporting date, the entity is involved in legal proceedings with four employees who have taken the entity to the Commission for Conciliation, Mediation, and Arbitration (CCMA). The nature of these proceedings relates to various employment disputes.

The entity's legal advisors have assessed the likelihood of settlement in favour of the employees as high. The estimated total financial impact of these potential settlements is approximately R1,370,000. This amount has not been provided for in the financial statements as the exact timing and outcome of the settlements are uncertain

The entity will continue to monitor the status of these proceedings and adjust its estimates and provisions as more information becomes available.

26. Related parties

Relationships	
Accounting Authority	DSAC
Government controlled through National Treasury	DPWI
Controlling entity	Samora Machel Memorial, Department of Military Veterans and Lilliesleaf
Senior Management	Refer to remuneration of key management

Related party balances

Amount included in trade payables regarding related parties		
DSAC	31 998 694	54 743 439
Non Secure. The funds are infrastructure maintance projects.		
Amounts included in Trade receivable (Trade Payable) regarding related parties		
DSAC	125 897	362 481
Non Secure. The funds are infrastructure maintance projects		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *(continued)*

Figures in Rand	2024	2023
Related party transactions		
Income/ (Expenses) from/to related parties		
DSAC (Operational grant)	105 841 000	104 735 000
DSAC (capital projects)	24 306 189	30 465 461
DSAC (Additional capital works)	-	7 583 228
DSAC (Additional capital grant-Samora Machel)	-	1 958 408
Cash inflow/ (outflow) from/to related parties		
Department of Military Veterans (cash advance for event hosted on behalf of Department of Military Veterans)	-	1 052 130
Department of Military Veterans (refund of excess cash for event hosted on behalf of Department of Military Veterans)	-	(294 063)
Lilliesleaf	6 472 617	10 532 194
DSAC	(22 396 439)	-

Remuneration of management

Management class: Board members

Management class: Councillors

2024

Name	Committees	Other short- term employeebenefits	Total
Adv NJ Bleki	111 290	15 649	126 939
Prof S Cooper	89 876	4 349	94 225
Mr E Daniels	77 185	-	77 185
Dr BW Langa	105 117	13 653	118 770
Ms HC Mgabadeli: (Chair) - Ended September 2023	39 096	18 191	57 287
Ms MMS Mothapo	84 365	-	84 365
Mrs MG Rammbwa	218 416	67 906	286 322
Mrs EEA Watson	43 080	6 776	49 856
Mr Tsedu	116 675	16 564	133 239
	885 100	143 088	1 028 188

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *(continued)*

Figures in Rand	2024	2023

2023

Name	Committees	Other Payments	Total
Adv NJ Bleki	95 082	10 816	105 898
Prof S Cooper	85 895	13 347	99 242
Mr E Daniels	67 719	20 631	88 350
MS PC Nxumalo	96 773	22 222	118 995
Ms HC Mgabadeli - Chair	73 229	6 441	79 670
Dr BWJ Langa	93 022	7 594	100 616
Mr MM Mmusi	71 535	-	71 535
Ms MG Rammbwa	157 589	25 826	183 415
Mr MM Tsedu	44 769	33 384	78 153
Ms MMsS Tothapo	82 411	5 967	88 378
Ms Z Hlatshwayo	-	400	400
	868 024	146 628	1 014 652

Management class: Executive management

2024

Name	Basic salary	13th Cheque	Other short-term employee **benefits**	Provident Fund	Total
Dr J Mufamadi	2 094 727	200 000	328 115	251 999	2 874 841
Mr R Malapane	1 108 014	111 613	243 152	110 801	1 573 580
Dr OM Ntsoane	867 682	103 295	191 330	86 786	1 249 093
Adv Unarine Tshikovhi	984 076	117 152	164 499	98 407	1 364 134
Mr LC Tleane	610 852	-	134 243	91 628	836 723
Mr Netshiavha	493 767	36 365	88 227	30 546	648 905
	6 159 118	568 425	1 149 566	670 167	8 547 276

2023

Name	Basic salary	13th Cheque	Other short-term employee **benefits**	Provident Fund	Total
Ms J Mufamadi	1 939 283	184 615	86 943	232 615	2 443 456
Mr R Malapane	1 253 683	91 319	54 175	102 278	1 501 455
Dr OM Ntsoane	1 180 574	62 392	93 904	94 656	1 431 526
Adv Unarine Tshikovhi	1 003 964	68 139	104 303	78 701	1 255 107
Mr A Arries	52 364	-	-	-	52 364
	5 429 868	406 465	339 325	508 250	6 683 908

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *(continued)*

Figures in Rand	2024	2023

27. 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 line with the Treasury Regulation 28.1 in order to monitor and control risk. Internal audit function report quarterly to the Audit and Risk Committee, an independent body the monitors risks and policies implementation to mitigate risk exposure. 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.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The table below analyses the entity's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 31 March 2024	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	3 684 287	-	-	-

At 31 March 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	18 488 315	-	-	-

Credit risk

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

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *(continued)*

Figures in Rand	2024	2023

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

Financial instrument	2024	2023
Cash and cash equivalents	36 595 332	95 546 762
Receivables from exchange transactions	2 938 111	2 487 463

Market risk

Interest rate risk

The entity has cash and cash equivalent to the value of R36 873 362 (2023: R95 496 185) which bears interest. Any movement in interest rates will affect interest income. The interest rate risk cannot be quantified as cash and cash equivalents are used for operations and did not remain constant throughout the year. To manage this risk, the entity only invests in accredited financial institutions. When there are significant rate change the entity compares offerings from the different banks to obtain the best interest rate available.

Foreign exchange risk

Freedom Park is not exposed to foreign excange risk as it does not engage in any foreign currency transactions or have any dealings involving foreign currencies. All financial transactions are conducted in South African Rand (ZAR), which is the functional and reporting currency of Freedom Park.

28. Financial instruments disclosure

Categories of financial instruments

2024

Financial assets

	At Cost	Total
Trade and other receivables from exchange transactions	2 938 111	2 938 111
Cash and cash equivalents	36 595 332	36 595 332
	39 533 443	39 533 443

Financial liabilities

	At Cost	Total
Trade and other payables from exchange transactions	3 684 287	3 684 287

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *(continued)*

Figures in Rand	2024	2023

2023

Financial assets

	At cost	Total
Trade and other receivables from exchange transactions	2 487 463	2 487 463
Cash and cash equivalents	95 496 185	95 496 185
	97 983 648	97 983 648

Financial liabilities

	At cost	Total
Trade and other payables from exchange transactions	18 488 315	18 488 315
	-	-
	18 488 315	18 488 315

29. Fruitless and wasteful expenditure

Friutless and wastful expenditure	-	31 493

30. Budget differences

Differences between budget and actual amounts basis of preparation and presentation

The budget and the accounting bases differ. The annual financial statements for the whole-of-government are prepared on the accrual basis using a classification based on the nature of expenses in the statement of financial performance. The annual financial statements are consolidated statements that include all controlled entities, including government business enterprises for the fiscal period from 2023/04/01 to 2024/03/31. The annual financial statements differ from the budget, which is approved on the cash basis and which deals only with the general government sector that excludes government business enterprises and certain other non-market government entities and activities.

The amounts in the annual financial statements were recast from the accrual basis to the cash basis and reclassified by functional classification to be on the same basis as the final approved budget. In addition, adjustments to amounts in the annual financial statements for timing differences associated with the continuing appropriation and differences in the entities covered (government business enterprises) were made to express the actual amounts on a comparable basis to the final approved budget. The amounts of these adjustments are identified in the following table.

Differences Narrations

30.1 Liliesleaf

The funds were not fully utilized mainly due to delays in contracting service providers. Funds will be retained and spent in the following financial year.

30.2 Capital works infrastructure grant

Difference is minimal and within reasonable range.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *(continued)*

Figures in Rand	2024	2023

30.3 Interest received- investment

The actual interest received is higher from effective investments of unused funds. The interest budget is minimal, the following financial year budget will be increased in line with interest earning capacity.

30.4 Sale of goods and services

The entity did not budget for other goods and services due to lower numbers. The admissions fees in increasing after lower visits from COVID interruptions due to increasing marketing activities.

30.5 Personnel costs

The actual spent is lower because of high staff turnover issues and slow rate in filling vacancies.

30.6 Remuneration of councillors

Difference is minimal and within reasonable range.

30.7 Other staff expenses

Difference is minimal and within reasonable range.

30.8 Communications, consumables and IT Expenses

The increase activities in system maintenance and increase in license fees and related costs.

30.9 Professional services

The professional service cost is higher in audit fees due to high risk emanating from adverse audit reports in the previous financial year and the work on from consultants to improve the accuracy and completeness of the asset register.

30.10 Property and facility management

The lower spending relates to some delays in contracting service providers and related resource capacity challenges internally.

30.11 Repairs and maintenance

Difference is minimal and within reasonable range.

30.12 Other operating expenses

The general expenses are affected by higher inflation from the market from service providers and increase from goods and services.

30.13 Strategic programmes

Difference is minimal and within reasonable range.

30.14 Operating lease

Difference is minimal and within reasonable range.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *(continued)*

Figures in Rand	2024	2023

30.15 Capital expenditure programmes

The lower budget was the result of high unspent grant in the previous financial year, the entity made progress to catch up with the facility upgrade project due to increase management effort on capitals projects.

31. Irregular expenditure

Irregular Expenditure - current	-	48 173

32. Going concern

We draw attention to the fact that at 31 March 2024, the entity had an accumulated surplus (deficit) of R (4 925 131 339) and that the entity's total liabilities exceed its assets by R (4 922 006 358).

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. Management does not have intention to liquidate the entity or cease operations. As at the end of the period under review, management is not aware of material uncertainties related to events or conditions that may cast significant doubt upon the entity’s ability to continue as a going concern including events after the reporting date.

33. Events after the reporting date

The entity is not aware of any significant events to report after the reporting date:

34. Prior-year adjustments

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior-year adjustments:

Statement of financial position

2023

	Notes	As previously reported	Correction of error	Restated
Acc depn - property, plant and equipment	6	(407 089 784)	15 513 254	(391 576 530)
Cost - property, plant and equipment	6	847 885 150	(1 964 762)	849 849 912
Accum depn - intangible assets	7	(17 863 082)	7 230 469	(10 632 613)
Long term portion of the Operating Lease Liabilities - non current	9	(5 467 199 528)	328 247 997	(5 138 951 531)
Heritage assets	8	8 291 391	7 000	8 298 391
Operating lease liability - current		(441 607)	(25 728)	(467 335)
Accumulated deficit		4 741 224 439	(352 937 754)	4 388 286 685
		(295 193 021)	(3 929 524)	(295 193 021)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *(continued)*

Figures in Rand	2024	2023

Statement of financial performance

2023

	Notes	As previously reported	Correction of error	Restated
Lease rentals on operating lease		264 514 773	(17 217 931)	247 296 842
Gain on disposal of assets and liabilities		(555 196)	(49 815)	(605 011)
Depreciation and amortisation		15 960 600	(2 779 431)	13 181 169
Employee related costs		58 302 609	13 324	58 315 933
Deficit for the year		(240 502 419)	20 033 853	(220 550 154)
Surplus for the year		97 720 367	-	97 638 779

Errors

The following prior period errors adjustments occurred:

Error 1

Prior year restated amounts on Property, Plant and Equipment and Intangibles

During the current year of 2023/2024; Freedom Park implemented a process to review assets registers data integrity and accuracy on depreciation calculations, assets write offs, master data among others. The process resulted in restatement of statement of financial position and accumulated deficit as tabled below.

Error 2

Long term portion of the Operating Lease Liabilities

During the review of operating lease liabilities for land, it was identified that the lease addendum was not adjusted for to correct the smoothing amount and the related liabilities going forward since 2008. Management corrected the identified errors and restated the operating lease smoothing amount and liabilities for 2023 by R17 217 931 financial liabilities in the prior year to R328 247 997 respectively.

The opening balance (beginning of financial year 2023) of the operating lease liability was adjusted by R311 054 411 to correct the above said error.

Error 3

Prior year restated amounts on Property, Plant and Equipment and Intangibles

During the current year of 2023/2024; Freedom Park implemented a full verification from floor to the assets registers data integrity and accuracy on the cost calculations, assets write offs, master data among others. The process resulted in restatement of statement of financial position and accumulated deficit as tabled below.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *(continued)*

Figures in Rand	2024	2023

35. Rendering of services

Admission fees	1 183 524	922 665
Rental of facilities and equipment	761 428	401 000
Other income	367 939	586 365
Interest received - investment	5 970 538	5 932 811
Government grants & subsidies	128 358 145	147 692 642
Public contributions and donations	132 345	35 000
	136 773 919	155 570 483

The amount included in revenue arising from exchanges of goods or services are as follows:

Admission fees	1 183 524	922 665
Rental of facilities and equipment	761 428	401 000
Other income	367 939	586 365
Interest received - investment	5 970 538	5 932 811
	8 283 429	7 842 841

The amount included in revenue arising from non-exchange transactions is as follows:

Taxation revenue

Transfer revenue		
Government grants & subsidies	128 358 145	147 692 642
Public contributions and donations	132 345	35 000
	128 490 490	147 727 642

36. Depreciation and amortisation

Property, plant and equipment	21 370 116	11 058 132
Intangible assets	1 880 618	2 123 037
	23 250 734	13 181 169



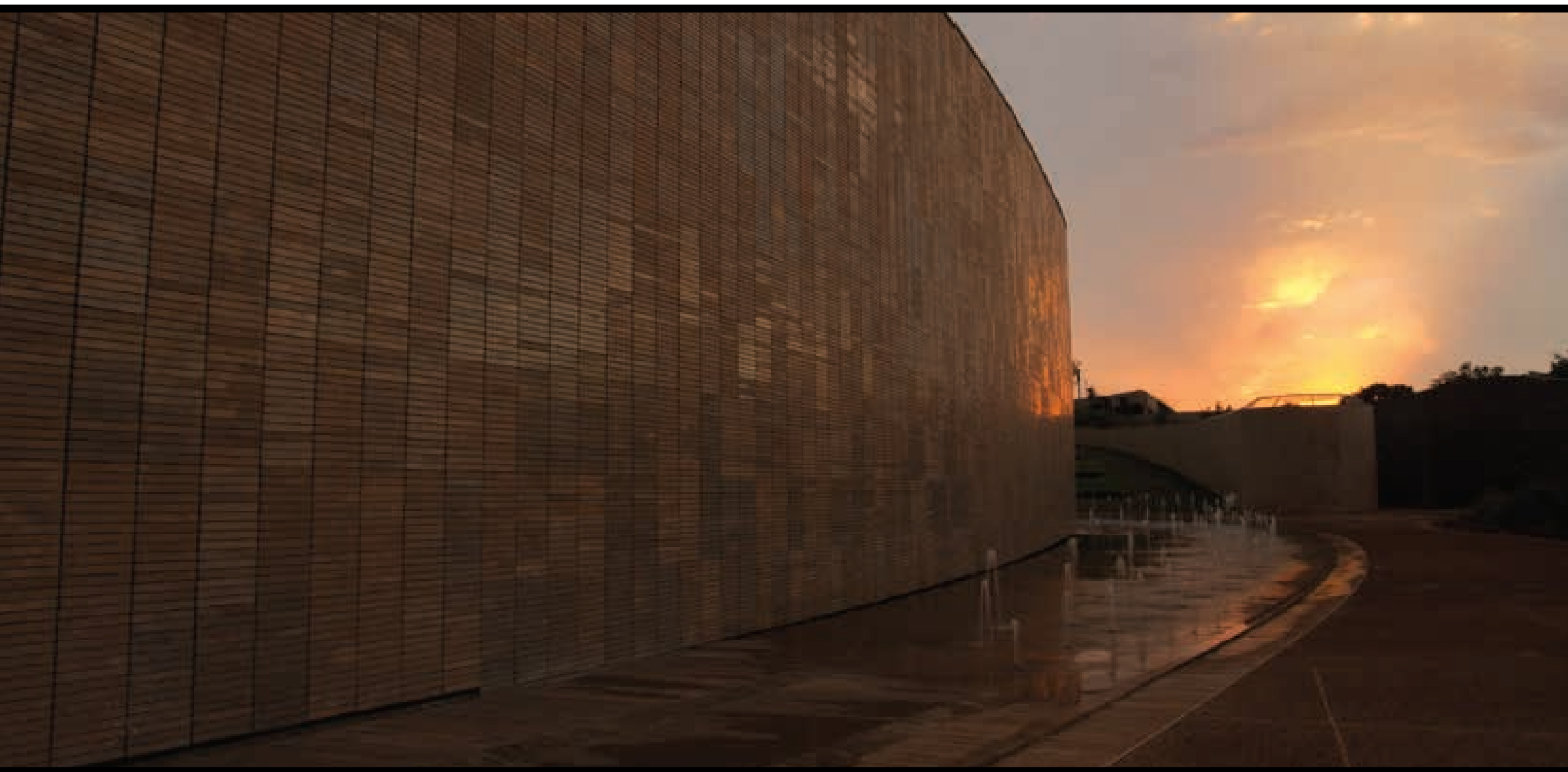

Cuba
Cuba





Freedom PARK
a heritage destination

an agency of the
Department of Sport, Arts and Culture



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