



FREEDOM PARK
**ANNUAL
REPORT**
2022/23

Freedom[®]
PARK
a heritage destination

an agency of the
Department of Sport, Arts and Culture



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The late Mama Grace Masuku

The doyenne of Indigenous Wisdom. Mama Grace Masuku was the matriarch of the Bakgatla Ba Kgafela community, a renowned traditionalist and conservationist and an expert on IKS. Honouring with dignity our Heroes and Heroines who fought for freedom and humanity”.

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 7th Avenue Salvakop, Pretoria 0001
POSTAL ADDRESS	PO Box 2710 Pretoria 0001
TELEPHONE NUMBER/S	+27 12 336 4000
FAX NUMBER	+27 12 336 4021
EMAIL ADDRESS	info@freedompark.co.za
WEBSITE ADDRESS	www.freedompark.co.za
EXTERNAL AUDITORS	Auditor-General of South Africa
BANKERS	Nedbank
COMPANY/BOARD SECRETARY	Adv Unarine Sandra Tshikovhi

:

2. ACRONYMS

AGSA:	Auditor-General of South Africa
APP:	Annual Performance Plan
BBBEE:	Broad Based Black Economic Empowerment
CEO:	Chief Executive Officer
CFO:	Chief Financial Officer
DSAC:	Department of Sport, Arts and Culture
GOL:	Gallery of Leaders HK: Heritage and Knowledge
ICT:	Information and Communications Technology
MTEF:	Medium Term Expenditure Framework
NEHAWU:	National Education Health and Allied Workers Union
PAA:	Pan African Archives
PPPFA:	Preferential Procurement Policy Framework Act, Act Number 5 of 2000 (PPPFA).
PPE:	Personal Protective Equipment
PFMA:	Public Finance Management Act
RLH:	Resistance and Liberation Heritage
TR:	Treasury Regulations
SCM:	Supply Chain Management
SLA:	Service Level Agreement
H & K	Heritage and Knowledge

3. FOREWORD BY CHAIRPERSON



I am pleased to present the annual report for the financial year ending 31st March 2023. The period under review provided an ideal platform for the Council to fully position the entity as a heritage brand with both a national, global, and international footprint.

MS HC MGABADELI
Chairperson of Council

Council continues to achieve its objectives as aligned to the five-year strategy plan.

The 2021/22 reporting period was also crucial in exposing the Council to the organizational culture at Freedom Park while identifying opportunities to build a formidable socio-economic instrument for government. The Council has accepted the responsibilities of addressing the myriad challenges facing the entity which entailed having to “hit the ground running” while taking into consideration the significant impact of the COVID-19 pandemic on the pace at which work could be done.

As such, during the period under review, the Council was concerned with the improvement of the internal efficiencies in order to implement a maximum development impact organisation. The Council is careful to conduct its business and oversight obligations in a manner which promotes the financial health of the institution in its quest for energized and robust mandate delivery. In this regard, Council has identified the development of a capable and fit-for-purpose entity to lie at the epicenter of a responsive agency. The development of a world-class institution which requires a strict adherence to high levels of corporate governance.

ORGANISATIONAL DEVELOPMENT

Council has overseen implementation of a turnaround in the organisation by the continues implementation of the new restricted organogram which will enable an institution fit for purpose and aligned to the changing needs of Freedom Park as an international heritage site.

MANDATE DELIVERY

Council continues to encourage mandate delivery within the grant allocation by the Department of Sport, Arts & Culture in the current financial year, ensuring that more is achieved with the limited resources.

Good Stakeholder relations with various embassies and countries globally and internationally aided the delivery of the mandate to ensure expansion of services within the mandate.

CORPORATE GOVERNANCE

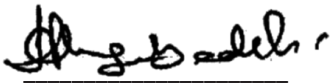
Good corporate governance principles are important for the success of Freedom Park and Council commits itself to this task and it unashamedly applies the fundamental principles of good governance such as transparency, integrity, accountability and responsibility in all its dealings with and on behalf of the entity.

PARTNERSHIPS & STAKEHOLDER RELATIONS

Council is engaging with various partners and forums which will provide a crucial support structure for the expansion of Freedom Park's core business and mandate to attain a responsive and development of a world-class entity which should aid the park to better respond to the rapidly changing technological environment which has a direct impact on the ability to deliver services. An agile approach was critical to respond to the fiscal effects of the pandemic which largely had an impact on the utilisation of the park to its maximum, and which led to significant financial deterioration however creative means and strategies through multi-media platforms were put in action to ensure the stability of the entity and being a centre of Heritage, culture, and social cohesion. The Council encourages the Park to actively participate in actions which promote the interests of the business and those of the industry at large.

APPRECIATION AND ACKNOWLEDGEMENT

The Council appreciates and is thankful for the support from the Department of Sport, Arts & Culture in the delivery of Freedom Park's mandate. Appreciates Council members for their efforts to ensure the strategic growth of the entity.



HC Mgabadi
Chairperson: Freedom Park
31 August 2021



4. CHIEF EXECUTIVE OFFICER'S OVERVIEW

We have delivered a mixed bag of performance in financial and non-financial areas of our operations; in that we were able to achieve over 80% of our performance targets and yet experienced significant challenges with our audit outcomes for the 2022-23 Financial Period.

Ms J Mufamadi

Chief Executive Officer

General Financial Review of the Public Entity

We have delivered a mixed bag of performance in financial and non-financial areas of our operations; in that we were able to achieve over 80% of our performance targets and yet experienced significant challenges with our audit outcomes for the 2022-23 Financial Period. The key driver of the challenges we have experienced in relation to our audit outcomes stems from capacity challenges within our Finance Department, where we had a Chief Financial Officer who joined the entity at the beginning of the current financial period in April 2022 and a new Finance Manager (who joined the entity in March 2023). This has resulted in serious challenges in the areas of Asset Management and Annual Financial Statements preparation, in general.

The entity took a decision to stop outsourcing the preparation of the Annual Financial Statements (AFS) to consultants who come at exorbitant consulting fees. The Finance Manager and the CFO were tasked with the inhouse preparation of the Annual Financial Statements, and all the matters of qualification are related to material misstatements in the AFS. The strategy to prepare the AFS inhouse forms part of our long-term strategy to build internal capacity, while containing consultants' costs associated with the preparation of AFS.

On a positive note, the entity had a 98% reduction in Irregular Expenditure from R2.9 million in 2022 to R48 000 in the current financial period. This demonstrates clearly that the Clean Governance and Controls improvement plans implemented by Management have yielded exceptional results. This is particularly important to note since from a spending perspective, there has been an 72% increase in spending on Suppliers for Goods and Services and on the procurement of additional Property, Plant and Equipment from R48.1 million in 2022 to R82.9 million in the year under review. This shows that the increased additional spending in 2022-23 was undertaken within an internal control environment conducive to clean governance.

The effects of the easing of lockdown regulations in the year under review saw a substantial 168% increase in own revenue generated from R344 000 in 2022 to R923 000 in 2023. However, there is ample room for growth from a Revenue generation perspective as the current own Revenue as a percent of total revenue is a measly 0.6%. The entity has approved a Resource Mobilisation Strategy that is built on a Project/Programme based approach to Resource Mobilisation, where the entity will seek and source funding partners for specific projects/programmes from partners aligned to its mandate. This is expected to mobilise resources that will enable the entity to develop

and implement projects/programmes with high impact on a national, continental, and global scales.

Spending trends of the entity

We entrenched improvements in our financial management systems to achieve our goal of building an internal control environment conducive for clean governance. Some aspects of the audit implementation plan could not be actioned due to capacity challenges within the Finance Department; however, this has since been addressed through the appointment of the Finance Manager in March 2023 and the recruitment of Financial Reporting Specialists, who will beef up internal capacity for AFS preparation and financial reporting. During the year under review, we achieved a significant improvement in managing payments of suppliers within 30 days, as required by Treasury Regulation 8.2.3. Payables that exceeded the payment term of 30 days dropped significantly, year-on-year. Management of the budget has been strengthened to ensure that Departmental Heads clearly understand their responsibilities to manage their approved budget allocations. The management of budgets requires that APP targets be aligned with the available budget.

As a PFMA Schedule 3A entity, the entity has been able to benefit from the flexibility of being able to reprioritize its spending. As was the case in the prior year, the key expenditure challenge of the entity has been on Compensation of Employees. The DSAC and National Treasury issued clear instructions that the COE of entities should be capped to ensure that spending was aligned with the key priorities of national government. This has had the effect of not permitting any increments for the entity's employees for the past 4 years. Management has used creative ways to ensure that employee morale is maintained, such as payment of once-off gratia, while focusing efforts on Resource Mobilisation to ease the entity's reliance on the operational grant to be able to afford baseline COE increments in 2024-25.

Asset and Liability Management for the Freedom Park has been a complex challenge, as the entity experienced capacity challenges in its Asset Management Unit, where the Fixed Assets Register of the entity was not meticulously managed. This is addressed by the recruitment of financial reporting specialists who will assist the entity with Asset Management. Liability Management has also been a huge challenge due to the Operating lease liability of R5.5 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 R5 billion. Management has sent numerous requests for the entity's lease agreement with the Department of Public Works and Infrastructure to be reviewed. Thus far there has not been any movement in this matter. Freedom Park has provided the DPWI with a proposal that include three options on how this matter can be resolved. The first option is for the DPWI to transfer the land to the Freedom Park as a donation, or to sell the land to the Freedom Park at favourable pricing and payment terms or to review the lease agreement and remove the fixed escalation clause, so that Freedom Park should not have to straight-line the lease payments as required by GRAP 13.

Management is finalizing the implementation of the organizational realignment process approved by Council. The matter prolonged beyond expectation due to challenges lodged against the process by organised labour. Management has implemented all the recommendations from the CCMA, and it is expected that the realignment will be concluded in Q2 of the 2023-24 financial period. Freedom Park has also been able to utilize its operational and administrative capacity to assist with the management of the operations of Liliesleaf Farm Memorial, Matola Raid and Samora Machel Memorial. The work to stabilise Liliesleaf has gone exceptionally well in the year under review, and there were no audit findings related to Freedom Park's Liliesleaf activities. The work on effecting improvements and refurbishments to Matola and Samora Machel is ongoing in the 2023-24 financial period and so far, there has not been any audit findings around our Management of these sites.

Capacity constraints and challenges facing the public entity.

As detailed above, the entity continues to experience capacity constraints related to funding for staff increments, which is being addressed through the Resource Mobilization Strategy, since the National Treasury has made it succinctly clear that there will be no additional requests for funding that will be entertained. The only way to address this challenge is for the entity to become financially self-sustainable to operating like a business, while continuing to fulfil its key mandate.

Discontinued key activities / activities to be discontinued.

There are no activities that were discontinued during the year under review and there are no plans to discontinue any of the current strategic activities of the entity.

Requests for rollover of funds

National Treasury approved the surplus retention application submitted by the entity in the year under review. The request for surplus retention included funds being requested for the compensation of employees through a once-off ex-gratia payment, which was paid to all employees in December 2022.

Supply chain management

The Freedom Park SCM processes are regulated and governed through the PFMA, National Treasury's SCM Regulations and Instruction Notes and the entity's own SCM Policy that is consistently aligned to the National Treasury's regular updates and Instruction Notes. The entity prepared and submitted the annual procurement plan aligned to its approved budget to National Treasury through DSAC. Quarterly reporting on progress was also complied with during the year under review. There were no unsolicited bid proposals for the year under review. The entity's SCM processes experienced improvements as shown by the significant decrease in Irregular Expenditure as reflected above. Management has zero tolerance to Irregular Expenditure, and it is expected that there will be no Irregular Expenditure in the 2023-24 financial year. Where irregular expenditure was incurred due to negligence, due consequence management was affected.

Audit report matters in the current year and how would be addressed.

Key Findings	Management Responses and Intervention
<p>The financial statements submitted for auditing not prepared in accordance with the prescribed financial reporting framework, as required by section 55(1)(b) of the PFMA.</p> <p>Material misstatements of assets, including depreciation, statement of comparison of budget and actual amounts and cashflow statement identified by the auditors in the submitted financial statements were not corrected, resulting in the financial statements receiving a qualified audit opinion.</p>	<p>Management will strengthen internal capacity to prepare Annual Financial Statements through recruitment of Financial Reporting Specialists. The recruitment process has already started and will be concluded in Quarter 2 of the 2023-24 period. In addition, Management will prepare, and present Interim Annual Financial Statements for 9 months ended 31 December 2023 and subject these AFS 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 2024 will be of acceptable quality for the audit.</p>
<p>Disciplinary steps were not taken against some of the officials who had incurred and/or permitted irregular expenditure as required by section 51(1)(e) (iii) of the PFMA.</p>	<p>Irregular Expenditure from the 2021-22 financial period was implemented. However, there seems to be a difference of opinion with the auditors on what constitute consequence management, since disciplinary actions were implemented against officials involved in all the Irregular Expenditure that was assessed to require such an intervention. Management will engage the auditors to obtain further clarity on this finding.</p>
<p>Prepayments were made before goods/services were received, in contravention of Treasury Regulation 31.1.2(c).</p>	<p>Proper motivations were prepared and were kept on file to supplement the audit evidence relating to the fact that these prepayments. Addendums to main agreements were also signed with service providers to comply with the requirement of TR 31.1.2 (c).</p>

Plans to address financial challenges.

The entity has strengthened its Resource Mobilisation efforts by adopting a project/program-based resource mobilisation approach. In addition, the entity's strategy to build internal capacity in Finance Department will result in cost-savings from outsourcing and it is expected that this will ease the burden on the entity's budget as the costs of consultants are significantly higher than the costs of employees on a comparative basis. Finally, the entity has also adopted a collaborative/partnership approach with like-minded entities to execute certain programmes. This has positively led to maximisation of resources and cost savings due to shared responsibilities with partners.

Events after the reporting date

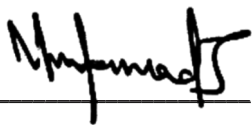
There were no reportable events after the reporting date.

Economic Viability

As a PFMA Schedule 3A Public Entity Freedom Park continues to enjoy the enormous financial and strategic support of its Executive Authority, the National Department of Sport, Arts and Culture (DSAC). Consequently, the entity's going concern status, is centrally dependent on the continued support of the DSAC. However, the Management of the entity is engaged in a Resource Mobilization strategy that is expected to yield positive results due to its strategic partner project/program-based approach. This will build the entity's own revenue generation capabilities to ease the burden on the fiscus. Some of the own revenue generation plans of the entity are linked to initiatives of the National Government, while others will be dependent on the entity's ability to mobilize private sector investment, through Public Private Partnerships. These efforts constitute the cornerstone of Freedom Park's current resource-mobilization strategy.

Acknowledgement/s or Appreciation

As alluded to above, the continued support of the DSAC, both financial and non-financial is acknowledged and appreciated, especially the support of the Minister as Executive Authority. As Management of the entity, we are also very hugely grateful to the Portfolio Committee on Sport, Arts, and Culture for their continued oversight role and support. The Council of the entity is also acknowledged and appreciated for the energy, foresight, and visionary inputs they have provided in positioning the Freedom Park as the flagship in the Heritage and Cultural Sector. Finally, all this good work would not be possible had it not been for the hard work and support of all our staff members, who despite other challenges, continue to work hard to ensure the success of the entity.



Jane Mufamadi
Chief Executive Officer
Freedom Park
31 August 2023

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 is consistent with the annual financial statements audited by Auditor General of South Africa (AGSA)

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

The Annual Financial Statements (Part E) have been prepared in accordance with the Generally Recognized Accounting Practice Standards applicable to the public entity.

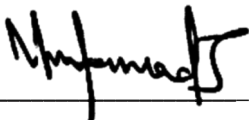
The Accounting Authority is responsible for the preparation of the annual financial statements and for the judgements made in this information.

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

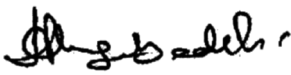
The AGSA are engaged to express an independent opinion on the annual financial statements.

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 2023.

Yours faithfully



Chief Executive Officer
Ms J Mufamadi
31 August 2023



Chairperson of the Council
Ms HC Mgabadel
31 August 2023

6. STRATEGIC OVERVIEW

6.1. Vision

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

6.2. Mission

To be a 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 support 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 (PFMA)

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

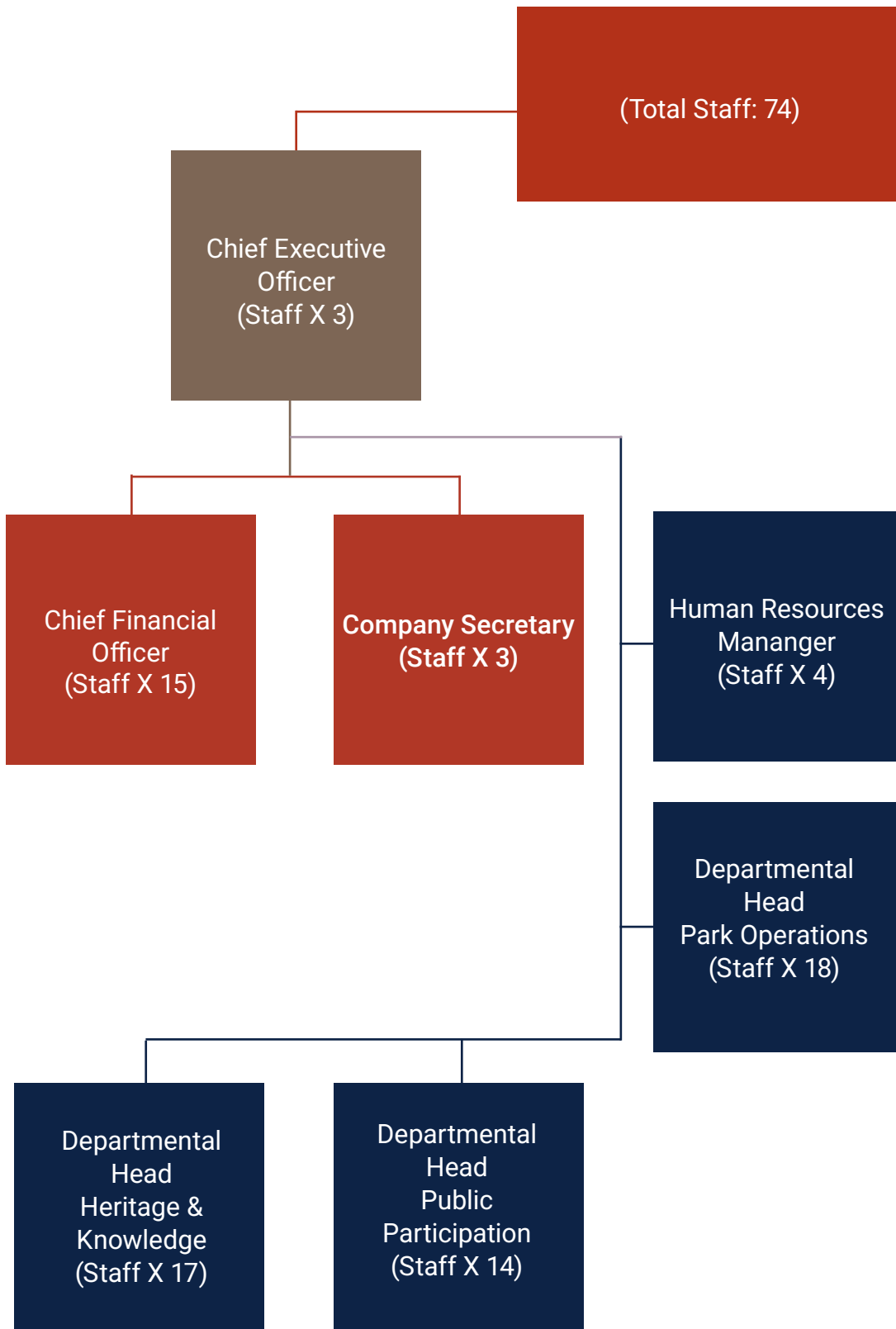
Chapter 9 Schedule 3A public entity

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



Ms HC Mgabdeli
Chairperson



Mrs MG Rammmbwa
Deputy Chairperson



Ms Connie Nxumalo
Council Member



Mr M Musi
Late Council Member



Adv NJ Bleki
Council Member



Prof S Cooper
Council Member



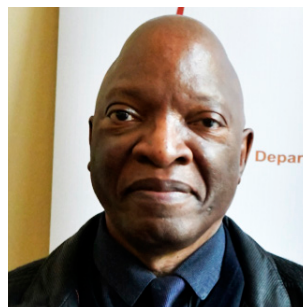
Mr E Daniels
Council Member



Mr M Tsedu
Council Member



Ms Z Hlatshwayo
Council Member



Dr BWJ Langa
Council Member



Ms MMS Mothapo
Council Member

Freedom Park Executive Team



Ms J Mufamadi
CEO



Adv US Tshikovhi
Company Secretary




Dr T Makobela
*Human Resource
Manager*



Dr O Ntsoane
*Head of Heritage and
Knowledge*



Mr R Malapane
Chief Financial Officer



Freedom Park...the Voice of our Nation.
Freedom Park is a people's shrine that weaves the story of where we come from and the events that shaped what South Africa is today. It reminds us that we cannot afford to be indifferent to our past in our building of a non-racial, non-sexist and democratic nation.



PART B **PERFORMANCE INFORMATION**



1. Auditor's Report: Predetermined Objectives

The Auditor General of South Africa (AGSA) currently performs the necessary audit procedures on the performance information to evaluate the usefulness and reliability of the reported performance information on selected performance indicators. 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.

Refer to page 68 of the Auditor's report as Part F: Financial Information

2. Overview of Performance

2.1. Service Delivery

Internal Environment

Freedom Park's budget was approved on a cash basis despite the institution accounting for its expenditure on an accrual basis. Accounting for non-cash items, such as Depreciation/Amortisation and straight-lining of lease payments, has resulted in a net deficit on the Statement of Financial Performance.

The cost containment strategies implemented by Freedom Park have resulted in a decrease in the deficit on a cash-accounting basis. The biggest liability in the Statement of Financial Position of the entity relates to the Lease Commitment with the Department of Public Works and Infrastructure.

The commitment arises because of the requirements of the GRAP Standard on Leases. The remaining significant liability of the entity relates to Unspent Conditional Grants for Infrastructure projects of the entity. These liabilities are only released to revenue as and when there is spending on the projects.

The entity has improved focus on implementing its Resource Mobilisation Strategy, which aims to ensure that the entity can generate its own revenues on a sustainable basis. The cornerstone of the Resource Mobilisation Strategy is on identifying strategic partnerships, through which the strategic projects of the entity will then be implemented on a cost-sharing basis.

In addition, the entity is embarking on a robust public engagement pathway, where the entity's presence and interaction with social media stakeholders will be enhanced with the intention of securing future visits and events from the targeted stakeholders.

The entity experienced serious capacity challenges in its Finance Department, with most employees in the Department being on temporary contracts. This situation was exacerbated by the resignation of the Finance Manager of the entity midway through the year under review. This situation exposed the entity to serious weaknesses in financial reporting, asset management and budget management.

A new Finance Manager has since been appointed with effect from 01 March 2023, and the entity is building its internal financial reporting capability by recruiting financial reporting specialists. This is expected to ensure long-term sustainable financial benefits to the entity, as the costs of outsourcing financial reporting will be eliminated, while having a strong internal capacity.

The entity is also concluding the realignment of process to ensure that an optimal organisational structure is in place, which will strategically position the entity to achieve its objectives. Through ICT, the entity provides modernised tools of trade to its employees and cybersecurity measures have been deployed to ensure that the Information of the entity is appropriately protected and safeguarded.

The Corporate Governance Division of the entity has conducted monthly Legislative Compliance workshops with all the Departments of the entity and assisted in organizing and hosting Contract Management meetings with service providers. This has had the effect of improving the entity's Corporate Governance architecture and strengthening Contract Management, where service providers are now readily held accountable for delays in service delivery or poor workmanship.

2.2. Organisational Environment

Internal Environment

Through various programmes, the organisation positions Freedom Park as a symbol of reconciliation, forgiveness and understanding. Furthermore, one place where you will find spiritual, cultural, historical, and indigenous knowledge. This is a place that truly celebrates our "African-ness".

Our Research and Development Unit have made a significant contribution to the achievement of two organizational goals, namely positioning of Freedom Park as a symbol of national identity' and 'establishment of mechanisms to promote, protect and preserve Indigenous Knowledge Systems (IKS). At the institutional level, the production of IKS informed opinion pieces and research papers, their presentation in national and international conferences, their publication and/or acceptance for publication in various newspapers, magazines and internationally accredited journals raised the national and international reputation of Freedom Park.

Despite various challenges, One of the key challenges has been attracting incumbents with requisite skills, for example, in managing digital knowledge within the Pan African Archives. However, through collaboration with sister entities, and in some cases, service providers, we were able to realise most of our goals. One of the most critical areas where the department struggled was regarding the clear articulation of heritage assets and management, against other assets of the organisation that goes into the asset register. These issues of asset management will be addressed in the new financial year through capacity building of the Heritage and Knowledge staff.

External Environment

The heritage sector nationally and internationally is faced with several challenges. With government reprioritisation post COVID-19, the sector has been seriously underfunded, and the entity had to implement most of its programmes through partnerships and collaborations in order to maximise on the little resources. The sector is confronted by economic stress as they mostly depended on government funding. With Council's approval of the resource mobilisation strategy, the department will draft funding proposals that can be funded by the private sector to overcome the constraints.

Freedom Park also face additional challenge in one of its key programmes, the recording and preservation of liberation heritage through dialogues with veterans and elders in general. We realise that memories are fragile and as elders pass on, we miss opportunities that can never be regained. Therefore, the department will also work with likeminded institutions and civil society organisations and foundations that were established to preserve the memories of our heroes and heroines.

Freedom Park has been given the additional responsibility to assist in the management of Samora Machel Monument in Mbuluzini, Mpumalanga, Matola Raid Interpretive Centre, as well as Monument in Mozambique. Recently, the department has added to these Liliesleaf Museum in Rivonia, Johannesburg. The integration of these entities, whose mandates are already covered within the broader theme and mandate of Freedom Park, provides further opportunity for Freedom Park to be entrenched within the hearts and minds of the South African

nation. Furthermore, this possible merger also begins to consolidate and streamline the Resistance and Liberation history, ensuring a seamless and coherent narrative.

During the period under review, the Freedom Park, through collaboration with the Department of International relations and cooperation, and the Presidency, hosted several Heads of states. This initiative contributes to the sharing of our journey towards liberation and democracy, while at the same time, and in most instances, foregrounding the concept of international solidarity. Through these visits, Freedom Park has enjoyed great mileage in exposure and branding.

With the fourth industrial revolution upon us, the reliance in technology comes with its own challenges, like the need for maintenance of infrastructure as well as the ever-changing technological advancement. Keeping up with these changes requires financial resources and technical capacity which comes at a cost. In the coming new financial year, Freedom Park will begin to revisit its ICT strategy. We will also begin to maximise our usage of social and other online media platforms. We have already begun to utilise the online booking systems for ease of access, especially by the international market. Some of our exhibitions were also presented online in order to reach a wider audience.

In fulfilling the mandate bestowed on us by the shareholder, the Department of Sport, Arts and Culture, through its bilateral agreement with its Angolan counterparts. Freedom Park has established partnership with the Agostinho Neto Foundation, and through this, we hosted the centennial celebration of Agostinho Neto. The foundation also donated historical and rare books, CDs, and film footage to Freedom Park. Freedom. Park of the bilateral agreement enjoins Freedom Park to facilitate the hosting of the Day of Reflection, the 23rd of March, to celebrate the victory of the Battle of Cuito Cuanavale. This commemoration, on its third year, has grown from strength to strength and has seen more than eight countries from SADC participating in this event, which is hosted in partnership with the embassy of Angola and Cuba respectively.

Strengths	Weaknesses
<p>Remains the only post-apartheid heritage site with potential political influence, image, and reputation. Presidency identified it for hosting State visits and perform tours and share the liberation history. The entity has deep and valuable institutional knowledge.</p> <p>There is a strong relationship with DSAC in place. Unique architectural structure with infusion of African features - State of the Art technology. Freedom Park has diverse offering of collections and programmes.</p> <p>Promote social cohesion, diaspora, and Africa continental relationship</p>	<p>Government fiscus is under strain. The current revenue stream is not guaranteed and may decline.</p> <p>Revenue stream depleting and shareholder support reducing transfers.</p>
Opportunities	Threats
<p>Strengths</p> <p>The entity could successfully advocate for the centrality of the hosting and in the development of society and demonstrate the value it adds. The partnership with similar mandate is in a unique position to create lasting transformation in the sector.</p> <p>Could lead the digital innovation of the cultural sector through partnership with heritage digitisation planners.</p> <p>Potential to create partnerships execute the mandate through collaborations</p>	<p>Weaknesses</p> <p>The economic depression and government’s competing priorities may result in the reduction of the entity’s budget thus limiting opportunities. Weak knowledge and utilisation of digital systems. Retirement of staff. Lack innovative plan to match resources required.</p>

2.3. Key Policy Development and Legislative changes

There were no major legislative changes / amendments on enabling pieces of legislations that had an impact on the mandate of Freedom Park and other sector legislations.

It should be noted that the National Treasury Regulations on procurement was halted by the Court ruling for Minister of Finance v Afribusiness NCP.

Subsequent to appeals to the Constitutional Court, the legal position was that the SCA's declaration of invalidity was revived and was again suspended for a year from the date of the Constitutional Court decision to allow National Treasury the time needed to put in place a replacement system by February 2023.

National Treasury issued what was then understood to be an 'instruction note' to all organs of state.

Preferential Procurement Regulation was promulgated in January 2017, and came to effect in 1 April 2017 and issued a guide purposed to assist Accounting Officers and Accounting Authorities with the implementation of the Preferential Procurement Regulations, 2017 issued in terms of section 5 of the Preferential Procurement Policy Framework Act, Act Number 5 of 2000 (PPPFA).

The Procurement Regulation amendments mostly affects Supply Chain Management which amendments are inter alia:

- According to Section 2 (1)(e) of the Act, organ of State must in the invitation to submit a tender, clearly specify the specific goals for which a point may be awarded,
- Organ of State to include promotion of specific goals in the invitation of tender and bidders will be awarded the 10 or 20 points for those specific goals. Proof to that specific goals must be requested from the bidder,
- The new Regulation for 90/10 Preference Point system for acquisition of goods and service with Rand value above R50m.

Therefore, organ of states are required to comply with the new Preferential Procurement Regulation 2022. Furthermore, organ of State must ensure that their Procurement Policy is updated in terms of the new Regulations.

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.

Furthermore, the entity through the following departments, namely Corporate Governance, Finance, ICT and Human Resources ensured the following: Compliance with all legislative requirements, effective and efficient governance, implementation of policies and sustainable diversified revenue streams. These outcomes were achieved through aligning organisational policies with the priority legislative prescripts which ensured increased job creation through procurement of goods and services. 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 service to Freedom Park. The programme contributes to Government 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

Fundraising revenue in cash and in-kind raised

The entity was able to raise R5.6 million to supplement operating activities, through surplus retention process. The funding was mainly allocated to the compensation of employees, on a once-off basis to curb the negative impact of the freeze on salary increments for employees. In addition, the additional operational grant-funding was utilised for unbudgeted essential ICT expenditure.

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 projects such as the security tender awarded, repairs and maintenance projects and through the operations of the Dandozest Restaurant at the Museum of the entity, 37 jobs were created, resulting in the target of 5 jobs being exceeded by 32.

Projects implemented from the ICT Strategy

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 devices applications, software, network infrastructure, video conferencing, telephone and mobile devices.

The following were achieved:

- Environment monitoring tool (monitors the IT infrastructure against heat).
- Integrated firewall solutions.
- Sourcing and implementation of the ICT support and maintenance contracts that includes Agreements.
- Adequate implementation of vulnerability management on workstations.
- Refreshed the end user infrastructure.
- Revamped the Intranet with interactive SharePoint platform.

- Repaired the Museum lighting and audio visuals.
- Users trained on various Cyber Security Awareness.

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 46% of all procurement transactions to youth and women which exceeded the annual target because during the sourcing of quotations, more responses were being received from the target group.

Irregular expenditure eliminated.

The entity had a target for an 80% reduction of existing irregular expenditure based on previous years' audited baseline of R2 890 000. The entity only incurred R48 173 in irregular expenditure in the 2022-23 financial period, resulting in a 98,3% reduction. 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								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Achievement 2021/22	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Improve governance on the implementation of policies	Compliance with organisation 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	100% valid supplier invoices paid within 30 working days from the date of receipt	Not achieved 94% of payments within 30 days.	Negative variance of 6% from the planned target.	Payments were released late because the vacancy for FM was not filled, and the Finance team was overloaded with operational obligations.
	Ethical culture of accountability	Biennial ethics surveys conducted	N/A	1 ethics survey conducted	N/A	N/A	N/A	N/A
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 Million fundraising revenue in cash and in-kind raised	Achieved R5.2m (surplus retention for operations) were raised.	Planned target exceeded by R200 000.00	Received funding through Retention of Surplus from National Treasury.
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 created: 5 jobs - Contractors painting the admin building. 2 jobs - Gift Shop (Ditebogo Gifts and Events).	5 job opportunities created	Achieved 37 jobs were created.	Planned target exceeded by 32 job opportunities.	Security tender awarded. Job creation for repair and maintenance projects. Job opportunities created by Dandozest restaurant at FP museum.

Programme 1: Administration								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Achievement 2021/22	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
	Unqualified Audit Outcomes	Unqualified audit opinion	Unqualified audit report received from Auditor-General.	Unqualified audit opinion received from Auditor General	Unqualified audit opinion	Not achieved Qualified audit report received from Auditor-General.	Qualified audit.	Misstatement of annual financial statements.
	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.	30% ICT projects implemented from the ICT Strategy.	Achieved 42% projects implemented from the ICT Strategy.	Planned target exceeded by 12%.	Previously did not have funding but received funding through Retention of Surplus and implemented outstanding projects.
	Designated groups empowerment (youth, women and people with disabilities) through procurement	Percentage of procurement spend on youth, women and people with disability	Awarded 41% of procurement transactions to youth, women and people with disability	Awarded 44% of procurement transactions to youth, women and people with disability	42% of all procurement transactions awarded to youth, women and people with disability	Achieved Awarded 46% of all procurement transactions to women and youth.	Planned target exceeded by 4%.	During 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	80% reduction of existing irregular expenditure (based on previous years' audited baseline)	Achieved R48 173 irregular expenditure was identified during the audit for the financial year ending 31 March 2023. Overall irregular expenditure was reduced by 98,3% from the previous year.	Planned target exceeded by 18.3%.	Non-completion of declaration of tax by a foreign service provider.

Linking performance with budgets

Programme/ activity / objective	2021/2022			2022/2023		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	74 459	67 359	7 100	91 612	74 047	17 565
Total	74 459	67 359	7 100	91 612	74 047	17 565

Strategy to overcome areas of underperformance

Percentage of valid supplier invoices paid within 30 working days from the date of receipt

The target is to ensure that the entity contributes meaningfully to the sustainability of SMEs. The target requires 100% valid supplier invoices to be paid within 30 working days from the date of receipt. However, the entity was only able to record 94% of payments within 30 days. This is because payments were released late during the vacancy period of the Financial Manager role, which was filled from 01 March 2023. The entity has since introduced a manual recording system that ensures that all invoices are recorded on time and paid within the 30 days period.

Unqualified Audit Outcomes

The entity has a target to obtain an unqualified audit opinion from the Auditor-General of South Africa. However, the AGSA has qualified the entity and the entity has already commenced with interventions to ensure that the qualified audit opinion does not recur. This includes capacitating the Finance Department with financial reporting specialists and conducting workshops across the entity on the corrective measures that need to be undertaken to address the root causes of the material findings in the AGSA report.

Irregular expenditure eliminated

The entity will continue to enforce compliance to laws and regulations when it comes to sourcing and appointment of service providers, in line with the entity's clean-governance strategy

3.2. Programme 2: Business Development

Purpose

The programme contributes to 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

Based on the strategic overview and mission of Freedom Park, the Heritage and Knowledge (H&K) Department challenges visitors to reflect upon our past, improve our present and build on our future as a united nation. This is achieved through a single and key outcome of "redress, inclusivity and access". The mandate of the entity is the "honouring of heroes and heroines of the struggles for freedom and humanity"; and the victims of abuse through colonial powers and apartheid. H&K responds to Priority 6 of the Department of Sport, Arts and Culture (DSAC) by fostering social cohesion and safe communities.

The H&K department is providing the core business of the entity and provides content that shapes the interpretation and business ventures potential of the entity and its heritage landscape. It implements various heritage laws and regulations and ensure compliance to the Cultural Institutions Act and related Heritage policies. The achievements of the H&K Departmental Units namely Curatorship, Education and Research, contributed to the realisation of its outcomes, outputs, output indicators and targets, the institution's mandate and DSAC priorities.

The Curatorial Unit has achieved the following in the year under review: Five temporary exhibitions which focused on issues that enhance the storyline of //hapo's permanent exhibition were developed and mounted to teach the public about the value of history and memorialisation. 427 verified and approved names of heroes and heroines were inscribed on the Wall of Names. As part of backing up the story lines of our exhibited epochs in //hapo interpretive museum, 165 books were purchased and placed in the library. A total of 6 406 cultural materials in the repository of the Pan African Archives were digitized. The process of digitization preserves and increase accessibility of heritage resources to the public. The Pan African Archives (PAA) continue to be a repository of important records of resistance and liberation heritage. To that effect, computers and browsers were acquired for a media lab, which would be operational and accessed by researchers. The media lab is an important end-user platform in the functioning of the PAA. A Day of Reflection on the Battle of Cuito Cuanavale was held with an attendance of about 350 persons, which was live streamed on social media and television coverage.

The Education Unit whose Education and Storytelling policies and main determinants of its outputs were successfully conducted. The Annual Storytelling Festival in support of the //hapo story line was held. The audience included learners from various schools and professional story tellers from across the country. The compilation of a storybook manuscript was launched by Dr Gina Mhlope. One set of Education Material used for learners was printed for schools and shared with the Outreach Unit for general distribution. A Heritage Education roundtable event was held that included various heritage practitioners and academics. Plans are underway to follow the roundtable event with a seminar. Education Officers presented 40 educational programmes to various schools and 160 stories were performed during a storytelling programme for various audiences including a tour in India. Story performance was an encore for all state visits to Freedom Park and became popular with high-level visitors hosted.

The Research Unit's policy and operational guidelines covers criteria for names collection and verification, knowledge production and content research and development for exhibitions. 11 research articles were completed for publication in the interactive terminals accessible at //hapo interpretive centre. A total number of 4 Interfaith strategic programmes were conducted to foster reconciliation, social cohesion, nation building and tolerance of belief systems. A total number of 313 names were collected and subjected to the verification process through the Names Verification and Validation Committee and later inscribed on the Wall of Names. What was special this time was a collection of names on Enslavement in the Cape, a subject less represented when dealing with slavery.

The interdependent project of completing the Gallery of Leaders (GOL) recorded progress in the film and sound recording of the presentation of the 45 biographies of leaders recommended to be displayed. Editorial work and content verification were also completed making the art collection, script writing, editing, and uploading into storage a positive progress towards the completion of the GOL.

Over and above the actual achievement, the H&K department contributed to the content of speeches and papers that represented the entity at various outreach and events hosted internally. The H&K department participated in National Days that are meant to promote social cohesion and contributed to performances and content to all related entities' engagements with external stakeholders. The department also contributed to the realisation of goals of the Africa Union agenda through various partnerships addressing issues such as Xenophobia, continental peace - Silencing the Guns and dialogues across the nations' state.

Programme 2: Business Development								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
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	2 000 cultural resources digitised	Achieved 6 406 cultural resources digitised.	Planned target exceeded by 4 406 digitised 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	Achieved 7 cultural resources acquired.	-	-
	Cultural resources processed according to heritage standards for access and collection knowledge-base	Number of cultural resources processed	1 000 cultural resources processed	1 500 cultural resources processed	1 800 cultural resources processed	Achieved 1 851 cultural resources processed	Planned target exceeded by 51 cultural resources.	More materials were processed than planned as other activities such as digitisation was outsourced.
	Books relevant to the //hapo storyline acquired for access and collection knowledge-base	Number of books acquired	58 books donated to FP	41 books acquired.	150 books acquired	Achieved 165 books acquired.	Planned target exceeded by 15 books.	Unplanned donation of 15 books from Department of Sport, Arts and Culture.
	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	300 names inscribed on the Wall of Names	Achieved 427 names inscribed on the Wall of Names.	Planned target exceeded by 127 names	Events took place which required observation of names on the Wall, e.g., the public lecture of Agostinho Neto, Commemoration of 40th Anniversary of the Assassination of COSAS 4, and the Irish Exhibition on International Solidarity. A batch of names were inscribed relevant to the above events.

Programme 2: Business Development								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	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	Achieved 5 temporary exhibitions displayed.	-	-
	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 Cuavale)	A wreath laying ceremony on the Commemoration of the Battle of Cuito Cuavale was held at Freedom Park on 23 March 2022.	1 Day of Reflection on RLH conducted on 23 March 2023 (Commemoration of the Battle of Cuito Cuavale).	Achieved Cuito Cuavale battle commemoration was held at Freedom Park on 26 March 2023.	-	-
	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 SADF raid in Gaborone, Botswana, was held on 28 September 2021 at Freedom Park.	1 Commemoration of heroes and heroines (RLH) programme (SADF Raid in Maseru / Lesotho)	Achieved The Maseru Massacre Commemoration was held at Freedom Park on 08 December 2022.	-	-
	Support materials for education programmes published that decolonize history, heritage and spirituality and complement RLH history curriculum	Number of education programmes' support materials published	Support materials for 4 education programmes published on FP website.	6 education materials published	Support material for 1 education programme published	Achieved Support material for 1 education programme published.	-	-
	Heritage education event conducted	Annual heritage education event conducted	N/A	2 heritage education events conducted	1 heritage education event conducted	Achieved 1 heritage education event was conducted on 28 February 2023 as a Roundtable on Heritage Education.	-	-

Programme 2: Business Development								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
	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 live in collaboration with the City of Tshwane, Pansalb and Unisa on YouTube and FP website from 22 to 26 March 2022	1 storytelling event conducted	Achieved 1 storytelling event was conducted from 09 - 11 March 2023.	-	-
	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	300 names verified and validated	Achieved 313 names verified and validated.	Planned target exceeded by 13 names	More names were approved by the NVC during the year.
	Research papers / articles completed that decolonize 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	8 research papers / articles completed	Achieved 11 research papers / articles completed.	Target exceeded by 3 research papers.	There was a demand to upload interactive terminal articles on the epochs at // hapo. This resulted into the completion of two articles. In addition, Freedom Park was invited to write and present a paper at the OHASA Conference in Kuruman, which was not part of the planned target.

Programme 2: Business Development								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	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	1 Commemoration of Heroes and Heroines Executions conference was held in Queens-town on 31 March 2021	1 Webinar and 1 Seminar conducted	2 seminars / conferences / public lectures conducted	Achieved 5 seminars / conferences / public lectures conducted.	Planned target exceeded by 3 seminars / conferences / public lectures.	One more public lecture and a seminar were conducted in collaboration with external stakeholders who had made themselves available in the second quarter. An invitation from the Angolan government to honour Dr Agostino Neto in a form of a public lecture was received, which was not planned. This lecture also culminated in the donation of his Bust.
	Dialogues (oral histories) conducted to emancipate the African voice	Number of dialogues conducted	4 dialogues conducted	6 dialogues conducted	6 dialogues conducted	Achieved 6 dialogues conducted.	-	-
	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	Achieved 4 Interfaith and strategic programmes conducted.	-	-

Linking performance with budgets

Programme/ activity / objective	2021/2022			2022/2023		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Business Development	22 445	21 820	625	28 629	23 594	5 035
Total	22 445	21 820	625	28 629	23 594	5 035

Strategy to overcome areas of underperformance

The introduction of a standard operation procedure (SOP) for the purchasing of books yield positive results as seen in the 100% achievement of this target. Although the Heritage and Knowledge Department achieved all its annual targets, the challenges that it is facing has to do with controls and monitoring of outputs that depends on digitization and filing of records when purchasing and receiving donated books. Unplanned donations should be managed against predetermined outcomes. This challenge, if not mitigated can result in underperformance. To improve internal controls, a monthly based performance of evidence (POE) system will be introduced for proper calculation and record verification of both digitized collections and book acquisitions. This monthly based POE and proper recording of predetermined outcomes and TIDs will apply to all the departmental units to avoid future underperformance.

3.3. Programme 3: Public Engagement

Purpose

The programme contributes to Government Priority 6 supported by DSAC of “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 an outcome of increased demand and consumption of products and services. These products and services are targeted at tourists and guests visiting Freedom Park and they include the museum, Garden of Remembrance, restaurant, gift shop, radio and variety of exhibitions, events, seminars, and dialogues.

One of the key drivers for this upward spiral is the 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 this wonderful monument by building a cadre 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 Park 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 we have embarked on an extensive programme aimed at promoting reconciliation and nation building:

- Reconciliation with previously polarised cultural groups.
- Reconciliation with communities.
- Reconciliation within individuals in terms of identity.

The projection of 10 000 visitors was easily achieved given the end of Covid-19 with a staggering number of 30 676 and an increase of 20 676 largely due to the effectiveness of the positioning and profiling strategy. Signature events like the Dulcie September and Ubuntu festival and Cuito Cuanavale enjoyed extensive media coverage. DSTV channel 176 broadcasted the most inspiring heritage destination of choice.

Immense publicity was also derived during Freedom Month with Power FM, SABC DSTV Channel 404 and ENCA. France 24 covered the Dulcie September event and international media coverage was achieved.

The Day of Reconciliation hosted five radio stations: Metro FM, Soshana FM, Mamelodi FM, Kangala FM and Emaleni FM. Profiling the institution, the CEO is fundamental as we also profile the person who is vital in terms of empowering women in leadership roles.

Free advertorials were also published in HOLA magazine with a print run of almost 80 000, and TTA News with online digital platforms like Show Me Pretoria garnering immense interest and translating into feet through the gate.

Partnerships and collaborations surpassed the normal number and achieved considerable success through the national commemorative days. These included NPA hosting the exhumation of remains, Nahlisa media launch,

Donation of the Bust of Agostino Neto, and the Department of Sport, Arts and Culture hosting a Women's Day event. These also included business and the private sector events hosted at Freedom Park. Tourism Agencies like Gauteng and Tshwane saw Freedom Park afforded free space and participation at Trade Shows.

As a custodian of our constitutional democracy initiatives with interaction with Embassies, we saw a huge influx of embassies hosting events at Freedom Park; embassies like Poland, Netherlands, Bulgaria, Cuba, Belgium, Ireland, Ukraine, Tanzania, Sri Lanka, and this translated in numerous visits by Heads of State.

The Public Participation department has a strategic role of mobilising institutions through active partnerships with national, continental, and local institutions to emancipate the African voice. The unit embarked on an extensive community outreach drive aimed at taking Freedom Park and its message of patriotism and pride in our identity, culture, history, and heritage as South Africans and Africans to schools around the provinces.

Outreach Drive to schools in Gauteng, Northwest, KwaZulu-Natal, Limpopo, and Mpumalanga translated into numerous schools visiting the Park and thus leaving a national footprint. Exhibitions on National Museum Day with Department of Tourism saw the unit engage with hundreds of learners and distribution of our marketing material was attained. Creative Education (CESA) signed an agreement with hundreds of learners at the end of March 2023. National priorities like People with Disabilities was also achieved with a partnership between Freedom Park, Creative Arts South Africa, Itireleng Residential Care Facility for the Disabled and City of Tshwane.

Brand visibility was heightened with social media narratives around the commemorative national days and events, and this translated into a vast number of visitors to the Park. The website saw 161 630 digital views, and the accumulative registered followers were 2 057 on Twitter, 11 945 on Facebook and 622 on Instagram, totalling 14 624 on social media.

Internal communications:

Living the Brand and keeping our internal stakeholders abreast with the current organisational activities, internal communiques were timeously disseminated which was also uploaded on all social media platforms, this in turn heightened brand awareness and visibility about the organisation.

These positioning and profiling activities increased the demand for products and services, positioning Freedom Park as heritage and historical destination for South African, African and international tourists from all levels of society. This positioning was achieved through the abovementioned public awareness initiatives and collaborations.

Programme 3: Public Engagement								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Increased demand and consumption of product and services	Increase registered visitors	Number of registered feet-through the gate	4 513 visitors registered.	15 680 visitors registered	10 000 registered feet-through the gate	Achieved 30 676 registered feet-through the gate.	Planned target exceeded by 20 676 visitors.	The end of the state of disaster.
		Number of digital platforms visitors' engagement	N/A	N/A	10 000 digital platforms visitors' engagement	Achieved 161 630 digital platforms visitors' engagement	Planned target exceeded by 151 630 digital engagements.	Business back to normal.

Programme 3: Public Engagement								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
	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	4 positioning and profiling activities conducted	Achieved 12 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 MOUs/ agreements and activated programmes	4 MOUs signed and activated	5 MOUs signed and activated	4 partnerships activated	Achieved 10 partnerships activated.	Target exceeded by 6 activated partnerships.	The end of the state of disaster.

Linking performance with budgets

Programme/ activity /objective	2021/2022			2022/2023		
	Budget	Actual Expenditure	(Over)/ Under Expenditure	Budget	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Public Engagement	15 910	16 075	165	22 903	18 512	4 391
Total	15 910	16 075	165	22 903	18 512	4 391

Strategy to overcome areas of underperformance

The Park will continue its extensive public awareness through our signature events that will attract various target markets. These campaigns will include public lectures, documentaries with Freedom Park's rich heritage and knowledge material residing in our PAA repository, and concerts with social media activation. Classical and rural marketing becomes paramount using different portals of print, electronic and digital media and the Freedom Park APP. Interaction and collaborations with embassies enhances global interaction and international visits.

The Marketing and Communications Strategy attempts to introduce a positioning that will distinguish Freedom Park as a Heritage destination for the national, continental and international visitors. To achieve this positioning, a marketing mix suitable for a service-oriented organisation is proposed that looks at people, service, process, physical environment, and promotions. Promotion comprises our advertising, social media and public relations activities.

Freedom Park...is a constant affirmation of our national identity and values. It is these values that we wish to instil in the hearts and minds of all South Africans. As we commemorate our heroes and heroines, we instill a sense of national pride in this icon of humanity and freedom and we create an awareness that a site exists where those that died fighting for freedom and liberation in this country are being honoured.



PART C

Governance

1. INTRODUCTION

Corporate Governance in terms of King IV, is defined as the exercise of ethical and effective leadership by the governing body towards the achievement of ethical culture, good performance, effective control and legitimacy. Corporate governance endeavours to assist the entity, in line with addition to legislative requirements based on and the public entity's enabling legislation and corporate governance in respect to public entities is applied through the precepts of the Public Finance Management Act (PFMA) and run in tandem with the principles contained in the King IV Report on Corporate Governance.

The Department of Sports, Arts & Culture, the executive and the accounting authority of the public entity are responsible for corporate governance. Council provides effective leadership based on a principled foundation, and the entity subscribes to high ethical standards. Responsible leadership, characterised by the values of responsibility, accountability, fairness and transparency are the entities' defining characteristic. The Council members have a collective responsibility to provide effective corporate governance that involves relationships between the Freedom Park, the Department of Sports, Arts and Culture and other relevant stakeholders. Corporate governance is an essential element of Freedom Park, like all other organisations. It ensures that assurance is provided to stakeholders and that the organisation is well managed, ethical and functioning with integrity and accountability.

Council is the governing body and the structure that has the primary accountability for the organisation's governance and performance. Council, as the accounting authority, provides leadership, oversight and accountability. In this regard, Council established governance structures at supporting levels with clearly approved mandates. Delegated powers are delegated to the Committees of the Council and the Chief Executive Officer. Council is the highest decision-making body of the organisation and provides strategic leadership and oversight over the organisation and ensures that there is accountability for organisational performance. The governing body steers the organisation and sets its strategic direction based on which management develops a strategy that is approved by the governing body.

Executive management implements and executes strategy according with policy and plans which are overseen and supervised by the governing body. Executive management formulates policies and operational procedures that give effect to the organisation's strategy. All the organisational policies are approved by the Council as the governing body. Council ensures that it complies with good corporate governance through precepts of the enabling and facilitating legislations. The main drivers are the Cultural Institutions Act, the Public Finance Management Act and the principles contained in the King's Report IV on Corporate Governance.

2. EXECUTIVE AUTHORITY

The following reports were submitted to the Department of Sports, Arts and Culture and/or National Treasury:

Date	Activity
01 April 2022	Start of financial year 2022/23
29 April 2022	Submit final Quarterly Report to Department for 2022/23 financial year
13 May 2022	Submit list of all banking accounts to Treasury via DSAC
31 May 2022	Submit Annual Report performance measurement details to Auditor-General.
31 May 2022	Submit signed unaudited financial statements for 2021/22 and management reports to Treasury and Auditor- General/External auditor
31 May 2022	Submit unaudited AFS to Treasury and DSAC
15 July 2022	First Quarterly Report on the procurement plan 2022/23
29 July 2022	Submit audited signed Treasury AFS Template to Treasury
29 July 2021	Submit the audited AFS and audit report to DSAC
30 July 2022	1st quarter Report National Treasury to Treasury for the 2022/23 financial year: Template
30 July 2022	1st quarter Report to Department for 2022/23 financial year: DSAC TEMPLATE
30 July 2022	Submit mock-up Annual Report to DSAC
30 August 2022	Submit PRINTED/PDF ANNUAL REPORTS 2021/22 Annual Report to DSAC
14 October 2022	2nd Quarterly Report on the procurement plan for 2022/23
30 October 2022	2nd Quarterly Report to Department for 2022/23 and the Audit implementation plan
30 October 2022	Second National Treasury Quarterly Report
30 October 2022	Submit the Annual Performance Plan Draft for 2022/23
30 November 2022	Submit the 2022/23 Irregular Expenditure condonations applications
13 January 2023	3rd quarterly Report on the procurement plan for 2022/23
30 January 2023	3rd quarterly Report National Treasury to Department for 2022/23
30 January 2023	3rd quarterly Report to Department for 2022/23 financial year and the Audit implementation Plans
30 January 2023	3rd quarter report: DSAC Template
15 February 2023	Submit final Approved PDF Annual Performance Plan to Dept for 2023/24
15 February 2022	1st Draft Shareholder's Compact 2022/23
15 February 2022	Submit Procurement Plans to Treasury for 2022/2023
04 March 2022	Tabling of the 2023/24 APPs
15 March 2022	Final 2 printed Shareholders Compact 2022/23
31 March 2022	Financial Year End 2022/23

3. THE ACCOUNTING AUTHORITY / COUNCIL

Introduction

The Council of Freedom Park represent the Corporation's system of corporate governance and it is ultimately accountable and responsible for the performance and affairs of the entity. Good corporate governance is regarded as critical to the success of the business of the entity. The Council is unreservedly committed to applying the fundamental principles of good governance – transparency, integrity, accountability and responsibility – in all dealings by, in respect and on behalf of the entity. The Council embraces the principles of good governance as set out in the King Code of Governance for South Africa and the King Code of Governance Principles (known collectively as "King IV"), and seeks to comply with the Public Finance Management Act (PFMA), Act No 1 of 1999, and the National Treasury Regulations, as amended.

The current Council assumed office on the 1st September 2021 and comprises of eleven members who were appointed by the Minister of Sport, Arts & Culture. The Council reports to the Executive Authority on performance in relation to its mandate and targets agreed upon with the Executive Authority in the Shareholders Compact.

In addition, all reports submitted to the legislature and other stakeholders are submitted through the executive authority (shareholder).

Council Charter

The Council Charter defines the governance parameters within which the council exists, sets out specific responsibilities to be discharged by the council collectively, as well as certain roles and responsibilities incumbent upon directors as individuals. The Council Charter further serves to ensure that all Council members, the employees of the Corporation and other stakeholders are aware of the duties and responsibilities of the Council as well as the basis upon which it interacts with management to give effect to its obligations.

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

Council Composition

The Council is appointed by the executive authority and shall comprise of a maximum number of 12 non-executive members. In determining the optimum composition of the Council, the executive authority sought to ensure that it collectively contains the appropriate skills, experience and mix of personalities appropriate to the strategic direction of Freedom Park and necessary to secure its sound performance.

The Council is led by an independent non-executive Chairperson who, inter alia, presides over meetings of the Council and is responsible for ensuring the integrity and effectiveness of the Council governance process. The role of the charter is critical to good governance as defined in the Council Charter. The Chief Executive Officer (CEO), and the Chief Financial Officer (CFO), Head of Department: Heritage & Knowledge (DH:HK) and Head of Department: Public Participation (HD: PP) are permanent invitees in all the Council meetings.

Irrespective of a director's special expertise or knowledge, all members of the Council recognise that they are collectively responsible to the executive authority for the performance of the entity. The Council Charter sets out

the broad governance principles and parameters within which the Council operates, and it constitutes an integral part of setting out the composition and meeting procedures for the Council. The Council supports the concept of materiality, which emphasises integrated reporting based on issues, risks and opportunities that could materially impact the performance of the Corporation over the short, medium and long term.

Council acknowledges that it is the accounting authority and ultimately responsible for the internal and financial controls established by the entity, and places considerable importance on maintaining a strong, controlled environment. The CEO is responsible for the day-to-day management and administration and the entire staff, assisted by executive management. The CEO reports to Council and is responsible for implementing the entity's policy and the organisational strategy as directed by Council. Council is responsible for building a sustainable entity that recognises the short- and long-term impact of its activities on the economy, society and the environment. In its deliberations, decisions and actions, Council is sensitive to the legitimate interests and expectations of the entity's stakeholders. Council meets regularly, at least quarterly, to discharge all its fiduciary duties and responsibilities and retains complete control over Freedom Park. The Council Charter sets out Council's roles and responsibilities as well as the requirements for its composition and meeting procedures. In this regard, Council ensures that it complies with its fiduciary duties as required by the Public Finance Management Act. As required, Council acts with fidelity, honesty, integrity and in the best interests of Freedom Park in managing the financial affairs of Freedom Park. Council also discloses, on request from the Department of Sports, Arts and Culture all material facts, including those reasonably discoverable, which in any way may influence the decisions or actions of the Department.

The Role of Council

Council acknowledges that it is the accounting authority and ultimately responsible for the internal and financial controls established by the entity, and places considerable importance on maintaining a strong, controlled environment. The CEO is responsible for the day-to-day management and administration and the entire staff, assisted by executive management. The CEO reports to Council and is responsible for implementing the entity's policy and the organizational strategy as directed by Council. Council is responsible for building a sustainable entity that recognizes the short- and long-term impact of its activities on the economy, society and the environment. In its deliberations, decisions and actions, Council is sensitive to the legitimate interests and expectations of the entity's stakeholders. Council meets regularly, at least quarterly, to discharge all its fiduciary duties and responsibilities and retains complete control over Freedom Park. The Council Charter sets out Council's roles and responsibilities as well as the requirements for its composition and meeting procedures. In this regard, Council ensures that it complies with its fiduciary duties as required by the Public Finance Management Act.

As required, Council acts with fidelity, honesty, integrity and in the best interests of Freedom Park in managing the financial affairs of Freedom Park. Council also discloses, on request from the Department of Sport, Arts and Culture all material facts, including those reasonably discoverable, which in any way may influence the decisions or actions of the Department.

Composition of Council and Council meetings attended.

Member	28 April 2022	26 May 2022	29 June 2022	30 June 2022	28 July 2022	29 Aug 2022	27 Oct 2022	26 Jan 2023	27 Jan 2023	7 Mar 2023
Ms HCM Mgabadeli	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Adv N Bleki	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr E Daniels	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ms MMS Mothapo	✓	✓	Apology	Apology	✓	✓	✓	✓	✓	✓
Ms MG Rrambwa	✓	✓	✓	✓	✓	Apology	✓	✓	✓	✓
Prof S Cooper	✓	✓	Apology	Apology	✓	✓	✓	Apology	✓	✓
Ms Z Hlatshwayo	✓	✓	✓	✓	Apology	Apology	✓	✓	✓	✓
Mr BWJ Langa	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr M Musi	Apology	✓	✓	✓	✓	✓	✓	✓	Apology	✓
Ms PC Nxumalo	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr M Tsedu	✓	✓	Apology	Apology	✓	✓	X	✓	✓	✓

Committee number of members

Committee	No of Meetings held	No of members	Name of members
Audit and Risk Committee	10	5 Council Members	Ms P Nxumalo Mr M Tsedu Ms M Mothapo Adv Bleki Ms M Rrambwa
Core Business Committee	6	5 Council Members	Dr B Langa Prof S Cooper Ms Z Hlatshwayo Mr M Musi Ms M Rrambwa
Ethics and Legal Committee	4	3 Council Members	Adv N Bleki Mr E Daniels Dr B Langa
Finance and Fundraising Committee	1	3 Council Members	Ms M Mothapo Mr E Daniels Mr M Musi
HR & Remuneration Committee	4	3 Council Members	Mr M Tsedu Prof S Cooper Ms M Rrambwa

Honoraria of Council Members

- Remuneration of Council Members is determined by National Treasury Service Benefit Packages for Office Bearers of certain Statutory institutions.
- Travel expenses are paid according to the Department of Transport Rates.
- Remuneration below was paid to Council Members:

Member	Total remuneration for Member	Total Travel	Total
Ms HCM Mgabadeli	73 229	6 441	739 670
Adv N Bleki	95 082	10 816	105 898
Mr E Daniels	62 719	20 631	88 350
Ms MMS Mothapo	82 411	5 967	88 378
Ms MG Rammbwa	157 589	25 826	183 415
Prof S Cooper	85 895	13 347	99 242
Ms Z Hlatswayo	-	400	400
Mr BWJ Langa	93 022	7 594	100 616
Mr M Musi	71 535	0	71 535
Ms PC Nxumalo	96 773	22 222	118 995
Mr M Tsedu	44 769	33 384	78 153
TOTAL	868 024	146 628	1 014 652

4. RISK MANAGEMENT

Enterprise Risk Management applies risk management throughout Freedom Park rather than only in selected business areas or disciplines. Accordingly, risk management at Freedom Park is decentralised, with every department being responsible for risk management. Freedom Park instituted a robust Enterprise Risk Management process, founded on an organisationally embedded framework that is, supported and assured, and continuously reviewed. In compliance with good corporate governance, Council approved the Enterprise Risk Management Policy and Enterprise Risk Management Framework as systems of internal control. Freedom Park's Risk Management Framework, which specifies guiding principles for the management of risk, comprises the totality of all the structures, policies, strategies and procedures that deal with risk management at a strategic or operational level. Risk is considered as one of the primary management responsibilities, and to this end Management holds Risk Management meetings to review and assess risks. In addition, the Risk Management Committee chaired by a Council Member was established in compliance with National Treasury Regulations. The Risk Management Committee reports to the Audit and Risk Committee which reports to Council as the highest decision-making body.

Nature of risk management:

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

INTERNAL CONTROL UNIT

The entity has an approved risk management strategy in place which was effectively implemented during the year under review through the assistance of an outsourced internal Audit function on a consultancy basis.

In accordance with the requirements of the Public Finance Management Act, 1999 (Act No. 1 of 1999) as amended, an appropriate risk assessment was fully conducted by management. Effective risk management is integral to the organization's objective of consistently adding value to the business. Management is continuously developing and enhancing its risk and control procedures to improve the mechanisms for identifying and efficiently monitoring risks.

The entity has developed a fraud prevention plan, which is currently being implemented and that is designed to eliminate fraud and corruption within the entity's core operations. The plan focuses mainly on prevention, detection and correction. In its pursuit for a fraud free environment, Freedom Park has furthermore complemented the plan in so far as detection of fraud and corruption is concerned by maintaining a reporting structure for fraud and corruption through the President's Hotline.

The hotline sets out the channels and mechanisms on which to report fraud and corruption without fear of reprisals and guarantees protection to all stakeholders raising genuine concerns regarding fraud and corruption; During the period under review there was no reported case of fraud or corruption.

All cases reported are investigated and where wrongdoing is found to have occurred, consequence management is taken. The fraud prevention and risk management policies adopted by FP are aimed at obtaining sufficient cover to protect its asset base, earning capacity and legal obligations against possible losses.

The Efficiency and Effectiveness of Internal Control

To meet its responsibility of providing reliable financial and other information, FP maintains financial and operational systems of internal control. These controls are designed to provide reasonable assurance that transactions are concluded in accordance with management's authority and that the assets are adequately protected against material loss or unauthorized acquisition, use or disposition, and the transactions are properly authorized and recorded.

The Committee has considered the work performed by an outsourced Internal Audit function who are guided by an internal Audit plan approved by the Audit & Risk Committee.

The auditors adopt a risk-based audit approach to ensure that the process adds value to the organization. The Internal auditors monitors the operation of the internal control system and report findings and recommendations to the Executive Management and Audit and Risk Committee. Corrective actions are taken to address control deficiencies and other opportunities for improving the systems, as they are identified. The Committee notes that there has been improvement in internal controls in the areas of financial statements, performance reporting and compliance with legislation.

There are inherent limitations in the effectiveness of any system of internal control, including the possibility of human error and the circumvention or overriding of controls. Accordingly, even an effective internal control system can provide only reasonable assurance with respect to financial statements preparation and the safeguarding of assets.

In-year Management and Monthly/Quarterly Report

Freedom Park has reported monthly, quarterly to the Audit Committee, Council, Department of Sport, Arts & Culture.

We reviewed the quarterly financial and performance of the 2022/23 Financial Year prior to submission to the Council and Provincial Treasury.

During the year under review the Committee constantly raised concerns about the financial health of the Park, of which needs to be improved.

Review and Evaluation of Financial Statements and Performance Information

The Audit and Risk Committee has:

- Afforded time to review the annual financial statements with management and Auditor-General
- Reviewed and discussed the audited annual financial statements
- Reviewed the annual performance report in line with Annual Performance plan and Annual operational plan

These financial statements are prepared in accordance with the South African Standards of Generally Recognised Accounting

Practices (GRAP) and in the manner required by the PFMA. The Committee recommended the audited annual financial statements for approval by Council

Compliance with Legal and Regulatory Provisions

The Audit Committee has over the past years deliberated on the entity's non-compliance to legal and regulatory provisions, drawing the attention of management and the Council to irregular expenditure that Freedom Park continues to incur but which however showcased a substantial decrease in the year under review.

The Internal Auditors continue placing emphasis in these areas and they should be specific in the areas of non-compliance to assist management to correct this.

5. INTERNAL AUDIT AND AUDIT COMMITTEES

Attendance of Audit and Risk Committee Meetings from 1 April 2022 to 31 March 2022

Member	25 April 2022	23 May 2022	24 May 2022	20 July 2022	29 July 2022	22 Aug 2022	19 Oct 2022	19 Jan 2023	28 Feb 2023
Ms Nxumalo	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr Tsedu	✓	✓	✓	✓	X	✓	✓	✓	✓
Ms Mothapo	✓	✓	✓	✓	✓	✓	✓	✓	✓
Adv Bleki	✓	X	✓	✓	✓	✓	✓	✓	✓
Ms Rambwa	✓	✓	✓	✓	✓	✓	✓	✓	✓

The Efficiency and Effectiveness of Internal Control

To meet its responsibility of providing reliable financial and other information, FP maintains financial and operational systems of internal control. These controls are designed to provide reasonable assurance that transactions are concluded in accordance with management's authority and that the assets are adequately protected against material loss or unauthorised acquisition, use or disposition, and the transactions are properly authorised and recorded.

The Committee has considered the work performed by an outsourced Internal Audit function who are guided by an internal Audit plan approved by the Audit & Risk Committee.

The auditors adopt a risk-based audit approach to ensure that the process adds value to the organization. The Internal auditors monitors the operation of the internal control system and report findings and recommendations to the Executive Management and Audit and Risk Committee. Corrective actions are taken to address control deficiencies and other opportunities for improving the systems, as they are identified. The Committee notes that there has been improvement in internal controls in the areas of financial statements, performance reporting and compliance with legislation.

There are inherent limitations in the effectiveness of any system of internal control, including the possibility of human error and the circumvention or overriding of controls. Accordingly, even an effective internal control system can provide only reasonable assurance with respect to financial statements preparation and the safeguarding of assets.

6. COMPLIANCE WITH LAWS AND REGULATIONS

The Audit Committee has over the past years deliberated on the entity's non-compliance to legal and regulatory provisions, drawing the attention of management and the Council to irregular expenditure that Freedom Park continues to incur but which however showcased a substantial decrease in the year under review. Freedom Park strives to comply with all relevant laws; the entity has adopted a compliance tool with which to track compliance and management prepares a legal compliance status report for quarterly Audit & Risk Committee and Council scrutiny.

The Internal Auditors continue placing emphasis in these areas and they should be specific in the areas of non-compliance to assist management to correct this.

7. MINIMISING CONFLICT OF INTEREST

The Declaration of Interests Policy is in place and regulates conflict of interests. The policy requires, among others, that:

- Council Members and all employees must annually declare direct or indirect business interests that they or a family member may have in any matter relevant to Freedom Park.
- Council Members and employees must declare, by way of a notice in writing, direct or indirect business interests that they or a family member may have in any contract/tender or proposed tender which has been or is to be entered into by Freedom Park or who so becomes interested in any such contract/tender after it has been entered into.
- Before every Council Committee and Management meeting, a Declaration of Interest Register is signed and should any Member declare any interest they will be recused from the meeting.

8. CODE OF CONDUCT

The Code of Conduct, which also includes the Code of Ethics, is included in the Council Charter. The Code of Conduct is based on principles of honesty and integrity. It guides Council Members and employees on aspects such as protecting organisational assets and information and conflict of interest. Freedom Park must ensure that official relationships reflect integrity, respect for human dignity, the rights of others, honesty and commitment to do what is right, fair, legal and just. Keeping in mind that ethics refer to the institutions principles of conduct, employees of Freedom Park must at all times comply with the following values in the execution of their tasks and official interactions:

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

9. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

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

10. COMPANY SECRETARY

The Company Secretary is appointed by Council and is tasked with supporting Council and the organisation to maximise its efficiency and to ensure that it conducts its business according to good corporate governance and practices. The Company Secretary is located within Corporate Governance and is responsible for the operations of Council, including legal, secretarial and administrative support. In compliance with good corporate governance, the Company Secretary also facilitates self-assessment of the Council and its Committees as well as financial disclosures by Council Members. The responsibilities are strategic and incorporate all matters pertaining to corporate governance and compliance with King IV Report. The role and responsibilities of the Company Secretary are:

- To ensure compliance and good corporate governance throughout the Institution by providing legal guidance and support to the Council, management and employees to enable them to discharge their fiduciary and other responsibilities effectively.
- To provide guidance and advice within the Institution on ethics, good governance, compliance and legal matters to ensure compliance and good governance.
- To ensure compliance with all relevant legislation, policies and procedures through monitoring the compliance within the Institution.

- To promote compliance and good corporate governance within the Institution through training, advising and providing guidance.
- To provide effective and efficient support to Council, management and staff by effective minute taking, co-ordination of statutory meetings and distributing relevant information.
- To negotiate and draft agreements and provide opinions and interpretations of agreements to ensure the interest of the Institution is protected.
- To ensure the effective, efficient and economic implementation of institutional strategies and policies in accordance with relevant legislation and policies.
- To draft and advise on policies as well as compiling manuals and procedural guidelines to ensure good governance.

11. SOCIAL RESPONSIBILITY

Freedom Park sees social responsibility as a form of self-regulation of their corporate conscience and citizenship. The goal of Freedom Park's social responsibility is to encourage the institution's actions towards the positive impact of stakeholder, community and employee responsibility. Freedom Park aligns itself with relevant institutions to create a better environment to live and work in. Community development takes place within the Salvokop Community where the Institution is situated. Other outreach projects to communities were inter alia to Hermanstad, Calvinia and youth projects by developing social community awareness. This kind of collective activism is reached by social education and awareness goals.

12. AUDIT & RISK COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2023.

Audit Committee Responsibility

The Audit & Risk Committee reports that it has complied with its responsibilities arising from Section 51(1)(a) (ii) of the Public Finance Management Act and Treasury Regulations 27.1. The Audit & Risk Committee also report that it has adopted appropriate formal terms of reference as its Audit & Risk Committee Charter and has regulated its affairs in compliance with this charter and discharged all its responsibilities herein.

The Effectiveness of the Internal Control

In-year Management and Monthly/Quarterly Report Freedom Park has reported monthly, quarterly to the Audit Committee, Council, Department of Sport, Arts & Culture.

Evaluation of financial statements

We reviewed the quarterly financial and performance of the 2022/23 Financial Year prior to submission to the Council and Provincial Treasury. During the year under review the Committee constantly raised concerns about

the financial health of the Park, of which needs to be improved. Review and Evaluation of Financial Statements and Performance Information.

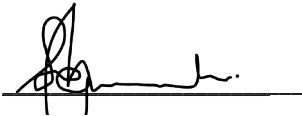
The Audit and Risk Committee has:

- Afforded time to review the annual financial statements with management and Auditor-General
- Reviewed and discussed the audited annual financial statements
- Reviewed the annual performance report in line with Annual Performance plan and Annual operational plan

These financial statements are prepared in accordance with the South African Standards of Generally Recognised Accounting Practices (GRAP) and in the manner required by the PFMA. The Committee recommended the audited annual financial statements for approval by Council

Appreciation

The Audit & Risk Committee expresses its appreciation to Council, Management, Internal Audit and AGSA for their support and cooperation during the year under review. The Audit Committee concurs and accepts the conclusions of the Auditor-General on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.



Ms PC Nxumalo

Chairperson of the Audit Committee

31 August 2023

13. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed in accordance with the compliance to the BBBEE requirements of the BBBEE Act 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 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	

14. FRAUD AND CORRUPTION

Freedom Park has zero tolerance for fraud and corruption. To this end, Council has a Fraud Prevention Policy and Plan. The Fraud Plan considers the risks of fraud and corruption as identified in risk assessments initiated by Freedom Park, a review of other pertinent documentation and interviews with selected Freedom Park officials. The Plan addresses strategic fraud and corruption risks that must be addressed and could jeopardise the successful implementation of each component of the Plan. The Plan is dynamic and continuously evolves as Freedom Park makes changes and improvements in its drive to promote ethics as well as to fight fraud and corruption. In addition, Freedom Park also has the Whistle Blow Policy. The anti-corruption hotline is also in place and is administered by the Office of Public Service Commission. All reported cases are forwarded to the Internal Auditors. The telephone number of the Anti-Corruption Hotline is posted on the Freedom Park website and the intranet for the employees and the public. Fraud awareness sessions are also internally conducted with all staff. Fraud reporting includes internal cases reported by the employees of Freedom Park to Internal Audit. It is the responsibility of all employees to report all allegations or incidents of fraud and corruption immediately. All managers are responsible for the detection, prevention and investigation of fraud and corruption and must report all incidents and allegations of fraud and corruption

Freedom Park.. is an icon of humanity and freedom, not only for South Africans, but also internationally. The Park tells the story of a nation and its people subjected to the most brutal forms of infringement and abuse of basic human rights and thus provides a voice to the often-untold history of South Africa and its people.



PART D

Human Resources

1. INTRODUCTION

1.1. Overview of HR matters at Freedom Park

The Human Resources (HR) team 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.

1.2. Set HR priorities for the financial year 2022/2023

The special staff meeting was held on the 12th of September 2022 at Sanctuary to discuss the Realignment Implementation Process. The realignment process requires a special committee to be formed to oversee that the realignment is carried out successfully.

This special committee is called Migration and Placement Committee.

Definitions: -

- Migration – means the process of placing or “repositioning” employees from one post or position to another with the same employer.
- Placement – is the process of placement in a post within the new organizational structure.

The purpose of the Migration and Placement Committee is to oversee that the placement of employees from one position to another from the old structure into the new structure is fair.

1.3. Workforce planning framework and key strategies to attract and recruit a skilled and capable workforce.

Freedom Park offers its employees study assistance to ensure that they upgrade their skills so that the organisation is able to meet current and future staffing needs. Vacancies are advertised on famous news papers and reference checks and psychometric testing are performed on selected candidates.

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 and HOD’s are conducted bi-annually, April to September and October to March by their line managers or immediate supervisors and for HOD’s they conducted by the CEO together with Council HR Committee members.

The performance review for the CEO is conducted once a year, at the end of the financial year, by the Council Chairperson and the HR Committee members.

To ensure effective application of the Performance Management System, a Performance Review Committee will be established with the aim of considering annual performance evaluation review report for the organisation.

1.5. Employee wellness programme

Programmes to strengthen the employer-employee relationship is an important goal for the HR department. Freedom Park 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 ICAS. ICAS has a 24 hrs confidential service helpline that assist employees in the following: psychosocial counselling services, life management services, managerial support and musculoskeletal health management. On every staff meeting held, HR invites ICAS to do staff presentation on the topic decided upon by HR which will be relevant to the circumstances prevailing at the organisation in that month. A wellness day was held on the 31st of March 2023.

1.6. Policy development

In the last financial year 2022/23 HR policies and procedures were reviewed and approved to comply with legislature. Human Resources Department continued to put in place a mechanism through which its policies are workshopped on a regular basis to ensure alignment of its HR policies to relevant legislation and its operational requirements. Human Resources Department hold workshops every quarter to discuss policies with the aim to gather employee concerns and contribution towards the review of policies.

1.7. Highlight achievements

Freedom Park is currently in the process of migration and placement on the newly approved structure which was introduced to staff in September 2022.

1.8. Challenges faced by Freedom Park

Freedom Park currently is in the process of finalising the realignment process. The organisation currently does not undertake succession planning and the organization will look at ways which will support succession planning by implementing Leadership Development Programs.

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: -

- 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 organization's success,
- Developing and implementing programmes to ensure Performance Management culture is fully embedded within the organization, and
- Developing highly skilled people.

2. HUMAN RESOURCE OVERSIGHT STATISTICS

The following section presents statistics relevant to Freedom Park staff complement. The data and statistics include fixed-term contracts.

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	57 318 288	27 275 217	47%	53	514 627
Business Development	57 318 288	19 414 341	34%	22	882 470
Public Engagement	57 318 288	10 628 730	19%	15	708 582

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	4 803 526	8%	4	120 088
Professional qualified	26 152 609	46%	31	843 633
Skilled	13 158 417	23%	24	548 267
Semi-skilled	8 707 117	15%	22	395 778
Unskilled	1 996 719	3%	8	249 590
Total	57 318 288	100%	90	465 726

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	-	4 803 526	0%
Professional qualified	-	26 152 609	0%
Skilled	-	13 158 417	0%
Semi-skilled	-	8 707 117	0%
Unskilled	-	1 996 719	0%
Total	-	57 318 288	

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	616 245		20	R30 812

Employment and vacancies

Programme/activity/ objective	2021/2022 No. of Employees	2021/2022 Approved Posts	2022/2023 No. of Employees	2022/2023 Vacancies	% of vacancies
Top Management	1	1	1	0	0
Senior Management	5	5	4	1	0,1%
Professional qualified	30	30	31	6	0,46%
Skilled	24	24	24	4	0,31%
Semi-skilled	22	22	22	1	0,1%
Unskilled	9	9	8	1	0,1%
Total	91	91	90	13	

The Senior Management position existed due to one (1) staff member end of contract. No one internally could be identified and therefore an external candidate was hired. One (1) unskilled staff member was deceased. retain staff.

Employment changes

The Senior Management positions were filled due to one (1) contract expiry and two (2) resignations. On Professional, Skilled and Semi-skilled position were filled due to resignation and retirement. One (1) unskilled staff member was deceased.

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	1	0	0	1
Senior Management	5	3	1	4
Professional qualified	30	3	6	31
Skilled	24	1	4	24
Semi-skilled	22	0	1	22
Unskilled	9	5	1	8
Total	91	12	13	90

Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	1	7,7%
Resignation	6	46,2%
Dismissal	1	7,7%
Retirement	3	23%
Ill health	0	0
Expiry of contract	2	15,4%
Other	0	0
Total	13	

The bulk of staff leaving were due to resignations, retirement and deceased. Measures to replace the vacancies is to advertise the vacant positions immediately and place the candidate within 90 days. While the recruitment to replace staff takes place, relevant staff are appointed to act in the vacant positions to mitigate against vacant positions for undue long period.

Labour Relations: Misconduct and disciplinary action

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

Equity Target and Employment Equity Status

The employment equity target needs addressing in terms of the current race and gender disparity, however critical to this is the absence of people with disabilities. Interventions in this regard include outreach liaison with institutions that have a data base of disabled skills profiles in terms of recruitment.

At the end of the year under review, our staff establishment was as follows:

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	12	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	34	0	2	0	1	0	0	0

At the end of the year under review, our staff establishment was as follows: (continued)

Levels	FEMALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	0	0	0	0	0	0	0
Senior Management	2	0	0	0	0	0	0	0
Professional qualified	15	0	0	0	1	0	2	0
Skilled	13	0	1	0	0	0	2	0
Semi-skilled	11	0	0	0	0	0	2	0
Unskilled	3	0	0	0	0	0	0	0

At the end of the year under review, our staff establishment was as follows: (continued)

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	2022/2023	2021/2022
	R'000	R'000
Opening balance	18 202	15 312
Add: Irregular expenditure confirmed	48	2 890
Less: Irregular expenditure condoned	-	-
Less: Irregular expenditure not condoned and removed	11 743	
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recovered and written off	-	-
Closing balance	6 507	18 202

Accounting Authority in compliance with PFMA Instruction No 4 of 2022/2023 resolved to removed past irregular expenditure incurred by entity. Irregular expenditure incurred in the current year still under assessment by Loss Control Committee.

Reconciling notes

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure that was under assessment in 2022/23	6 459	-
Irregular expenditure that relates to 2021/22 and identified in 2022/23	-	-
Irregular expenditure for the current year	48	2 890
Total	6 507	2 890

b. Details of current and previous year irregular expenditure (under assessment, determination, and investigation)

Description ¹	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure under assessment	6 459	-
Irregular expenditure under determination	48	-
Irregular expenditure under investigation	-	-
Total²	6 507	

Irregular expenditure incurred due to non-compliance with SCM by foreign company that was appointed to courier Heritage material from Germany to South Africa.

c. Details of current and previous year irregular expenditure condoned.

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure condoned	-	-
Total	-	-

d. Details of current and previous year irregular expenditure removed - (not condoned)

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure NOT condoned and removed	11 743	-
Total	11 743	-

e. Details of current and previous year disciplinary or criminal steps taken as a result of irregular expenditure

Disciplinary steps taken

No disciplinary steps instituted for current year because irregular expenditure incurred is still under assessment.

Disciplinary steps were taken against 4 officials in relation to the prior year IE, with other officials resigning before finalisation of the determination process.

1.2. Fruitless and wasteful expenditure

a. Reconciliation of fruitless and wasteful expenditure

Description	2022/2023	2021/2022
	R'000	R'000
Opening balance	1 296	618
Add: Fruitless and wasteful expenditure confirmed	31	690
Less: Fruitless and wasteful expenditure written off	-	-
Less: Fruitless and wasteful expenditure recoverable	(23)	(12)
Closing balance	1304	1 296

Reconciling notes

Description	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment in 2022/23	8	641
Fruitless and wasteful expenditure that relates to 2021/22 and identified in 2022/23	-	41
Fruitless and wasteful expenditure for the current year	23	8
Total	31	690

b. Details of current and previous year fruitless expenditure recovered

Description	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure recovered	23	12
Total	23	12

The remaining current and prior year fruitless expenditure is currently under recovery.

c. Details of current and previous year 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)

a. Details of current and previous year material losses through criminal conduct

Material losses through criminal conduct	2022/2023	2021/2022
	R'000	R'000
Theft	-	-
Other material losses	-	-
Less: Recovered	-	-
Less: Not recovered and written off	-	-
Total	-	-

b. Details of other material losses

Nature of other material losses <i>(Group major categories, but list material items)</i>	2022/2023	2021/2022
	R'000	R'000
	-	-
Total	-	-

c. Other material losses recovered

Nature of losses	2022/2023	2021/2022
	R'000	R'000
<i>(Group major categories, but list material items)</i>	-	-
Total		

d. Other material losses written off

Nature of losses	2022/2023	2021/2022
	R'000	R'000
<i>(Group major categories, but list material items)</i>	-	-
Total		

2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated Value
		R'000
Valid invoices received	934	R62 131 655
Invoices paid within 30 days or agreed period	934	R62 131 655
Invoices paid after 30 days or agreed period	79	R1 001 982
Invoices older than 30 days or agreed period (unpaid and without dispute)	-	-
Invoices older than 30 days or agreed period (unpaid and in dispute)	3	R250 699

Invoices paid after 30 days period=(79) queries around services rendered and were resolved 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
Shipping of Eric Singh collection in Germany	Hasenkamp	Normal deviation		48
Waterproofing	Blue Magnolia	Emergency		35
Refurbishment for exhibition of Matola Raid (Mozambique)	MetzProjects	Sole Supplier		620
CaseWare Licence & GRAP	Adapt IT	Sole Supplier		96
Refurbishment of Liliefleaf exhibition	Sonic Factory	Sole Supplier		1 222
Advertisement	D6 Group	Sole Supplier		20
Repairs of //hapo exhibition	Sonic Factory	Sole Supplier		647
Assessment of Matola Raid interactive centre	MetzProjects	Sole Supplier		80
Vernon software Licence	Rene Van Son Business	Sole Supplier		18
Carrer EXPO	Nzalo Careers	Sole Supplier		23
Advertisement in the Aspire magazine	Pent Communication	Sole Supplier		
Total				R2 123

3.2. Contract variations and expansions

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
				R'000	R'000	R'000
Tender for supply, delivery, installation, testing and commissioning of standby generator and upgrade of external light fittings	Excellent Electrical Projects	Extension	FP09/2021PO	5 000	-	-
Tender for appointment of service provider for the artwork commission, production and installation of the permanent exhibition at the Gallery of Leaders	Natal Collective	Variation	FP07/20HK	1 837	-	291
Tender for appointment of service provider for film and sound of the permanent exhibition at Gallery of Leaders	JL Van Loggenberg/ mMultimedia	Variation	FP04/20HK	3 281	-	169
Repairs and maintenance of doors	Wandeme Resources	Variation		333	-	5
Security tender	Titanium	Extension	FP05/19PO	12 755	1 136	122
Outside Broadcast	MSG	Variation	PO3036	246	-	37
Script & translation	Visual Training Television	Variation	FP06/20HK	389	-	23
Income tax	Maine Management	Variation	FP01/2022FN	851	-	128
Ubuntu Festival	Drakensburg	Variation	PO3148	699	-	100
Chilled water system	Uni hub	Variation	RFQ18087	725	-	75
Audio -visuals for GOL	Dv8 Technologies	Extension	FP06/2022HK	5 441	-	-
Fit- out for GOL	Dv8 Technologies	Extension	FP07/2022HK	7 804	-	-
Total					1 136	950



PART F
FINANCIAL INFORMATION

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 82 to 125, which comprise the statement of financial position as at 31 March 2023, 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 2023, 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

Statement of comparison of budget and actual amounts

- 3 The public entity did not accurately disclose the budget and the actual amounts, as required by Standard of GRAP 24, *Presentation of budget information in financial statements*. The actual expenditure did not agree to the amount as disclosed in the statement of financial performance and the budgeted expenditure did not agree to the amount as per the approved budget. As a result, the actual and budgeted expenditure as presented in the statement of comparison of budget and actual amounts is misstated by R29,07 million and R8,11 million respectively.

Cash flow Statement

- 4 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 cash flows from operating activities stated at R30,96 million as disclosed in note 24.

Property plant and equipment

- 5 The public entity did not establish adequate internal controls for calculation of depreciation. As a result, depreciation was incorrectly calculated. Consequently, property plant and equipment included in note 6 to the financial statements was overstated by R20,57 million, while depreciation was understated by R20,57 million, respectively. Additionally, there was an impact on the surplus for the period.
- 6 The public entity did not recognise all items of property, plant and equipment in accordance with GRAP 17, *Property, plant and equipment*. I identified items of artwork belonging to the public entity that were not included in the underlying accounting records. I was unable to determine the impact on the closing balance of property plant and equipment as it was impracticable to do so. Consequently, property plant and equipment included in note 6 to the financial statements was understated by an unknown amount.

Context for opinion

- 7 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.
- 8 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.
- 9 I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Other matter

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

National Treasury Instruction No. 4 of 2022-23: PFMA Compliance and Reporting Framework

- 11 On 23 December 2022 National Treasury issued Instruction No. 4: PFMA Compliance and Reporting Framework of 2022-23 in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA, which came into effect on 3 January 2023. The PFMA Compliance and Reporting Framework also addresses the disclosure of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure. Among the effects of this framework is that irregular and fruitless and wasteful expenditure incurred in previous financial years and not addressed is no longer disclosed in the disclosure notes of the annual financial statements, only the current year and prior year figures are disclosed in note 29 and 30 to the financial statements. The movements in respect of irregular expenditure and fruitless and wasteful expenditure are no longer disclosed in the notes to the annual financial statements of Freedom Park. The disclosure of these movements (e.g. condoned, recoverable, removed, written off, under assessment, under determination and under investigation) are now required to be included as part of other information in the annual report of the auditees.
- 12 I do not express an opinion on the disclosure of irregular expenditure and fruitless and wasteful expenditure in the annual report.

Responsibilities of the accounting authority for the financial statements

- 13 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.
- 14 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

- 15 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.

- 16 A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the annual performance report

- 17 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.

- 18 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 2023. 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 in //hapo
- 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

- 19 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 the users with useful and reliable information and insights on the public entity's planning and delivery on its mandate and objectives.

- 20 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
 - the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and that I can confirm the methods and processes to be used for measuring achievements

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

21 I performed the procedures for the purpose of reporting material findings only.

22 The material findings on the performance information of the selected material performance indicators are as follows:

Number of books acquired

23 An achievement of 165 books acquired was reported against a target of 150 books acquired. However, the audit evidence did not support this achievement. I could not determine the actual achievement, but I estimated it to be materially more than reported. Consequently, it is likely that the achievement against the target was better than reported.

Other matters

24 I draw attention to the matters below.

Achievement of planned targets

25 The annual performance report includes information on reported achievements against planned targets and provides explanations for over- and underachievement. This information should be considered in the context of the material findings on the reported performance information.

Material misstatements

26 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 did not correct all of the misstatements and I reported material findings in this regard.

Report on compliance with legislation

27 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.

28 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.

29 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 for 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.

- 30 The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual financial statement and annual performance report

- 31 The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and/or supported by full and proper records, as required by section 55(1)(b) of the PFMA.
- 32 Material misstatements identified by the auditors in the submitted financial statements were not adequately corrected which resulted in the financial statements receiving a qualified opinion.

Expenditure management

- 33 Prepayments were made before goods / services were received, in contravention of treasury regulation 31.1.2(c).

Consequence management

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

Other information in the annual report

- 35 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.
- 36 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.
- 37 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 programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
- 38 I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, and 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

- 39 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.
- 40 The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, the material findings on the annual performance report, and the material findings on compliance with legislation included in this report.

- 41 Management did not implement adequate consequence management.
- 42 Inadequate review and monitoring of compliance with applicable legislation by management
- 43 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 2023



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes:

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

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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

Financial statements

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

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

Communication with those charged with governance

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

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

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999 (PFMA)	Sections 51(1)(b)(i), 51(1)(b)(ii), 51(1)(e)(iii), 53(4), 54(2)(c) Sections 54(2)(d), 55(1)(a), 55(1)(b), 55(1)(c)(i); 57(b)
National Treasury Regulations issued in terms of the PFMA	Regulations 16A3.2, 16A6.1, 16A6.2(a) & (b) Regulations 16A6.3 (a) & (b), 16A6.3(c), 16A6.6, 16A.7.1 Regulations 16A.7.3, 16A.7.6, 16A.7.7, 16A8.3; 16A8.4, Regulations 16A9.1(b)(ii), 16A9.1(d), 16A9.1(e); 16A9.1(f), Regulations 16A9.2(a)(ii), 8.2.1 and 8.2.2, 30.1.1, 30.1.3(a) Regulations 30.1.3(b) , 30.1.3(d), 30.2.1, 31.1.2(c) Regulations 31.2.1; 31.3.3; 33.1.1, 33.1.
Preferential Procurement Policy Framework Act 5 of 2000 (PPPFA)	Section 2(1)(a) and (b); 2(1)(f)
Preferential Procurement Regulations of 2017 (PPR)	Regulations 4(1) & 4(2); 5(1) & 5(3); 5(6); 5(7); 6(8), 7(8), Regulations 8(2); 8(5); 9(1); 10(1) & (2) & 11(1)
Preferential Procurement Regulations of 2022 (PPR)	Regulation 4(4)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations	Regulations 17, 25(7A)
Prevention and Combatting of Corrupt Activities Act 12 of 2004	Section 34(1)
National Treasury Instruction Note 4 of 2015-16	Paragraph 3.4
National Treasury Instruction Note 4A of 2016-17	Paragraph 6
National Treasury Instruction Note 07 of 2017-18	Paragraph 4.3
National Treasury Instruction Note 01 of 2021-22	Paragraph 4.1
SCM Instruction Note 02 of 2021-22	Paragraphs 3.2.1, 3.2.4, 3.3.1,
PFMA SCM Instruction Note 03 of 2021-22	Paragraphs 4.1, 4.2 (b), 4.3, 4.4, 7.2, 3.2.4 (b)



FREEDOM PARK
Annual Financial Statements
for the year ended 31 March 2023

Freedom Park

Annual Financial Statements for the year ended 31 March 2023

General Information

Country of incorporation and domicile	South Africa
Members	Adv NJ Bleki Prof S Cooper Mr E Daniels Ms Z Hlatshwayo Dr BWJ Langa Ms HC Mgabadeli (Chairperson) Ms MMS Mothapo Mr M Musi Mrs PC Nxumalo (Resigned, 6 March 2023) Mrs MG Rammmbwa Mr M Tsedu
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
website	www.freedompark.co.za

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The reports and statements set out below comprise the annual financial statements presented to the parliament

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Acronyms

AGSA	Auditor-General of South Africa
CEO	Chief Executive Officer
CFO	Chief Financial Officer
DPWI	Department of Public Works and Infrastructure
DSAC	Department of Sport, Arts and Culture
GOL	Gallery of Leaders
SCM	Supply Chain Management

Freedom Park

Annual Financial Statements for the year ended 31 March 2023

Accounting Authority's Responsibilities and Approval

The accounting authority is required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the 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 acknowledges that it is ultimately responsible for the system of internal financial control established by the entity and place considerable importance on maintaining a strong control environment. To enable the 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 is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The accounting authority has reviewed the entity's cash flow forecast for the year to 31 March 2024 and, in the light of this review and the current financial position, it is satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

The entity is wholly dependent on the Department of Sport, Arts and Culture for continued funding of operations. The annual financial statements are prepared on the basis that the entity is a going concern and that the Department of Sport, Arts and Culture 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 4, which have been prepared on the going concern basis, were approved by the accounting authority on 31 May 2023 and were signed on its behalf by:

Ms HC Mgabadeli (Chairperson)
Chairperson

Freedom Park

Annual Financial Statements for the year ended 31 March 2023

Statement of Financial Position as at 31 March 2023

Figures in Rand	Note(s)	2023	2022 Restated*
Assets			
Current Assets			
Inventories	3	102 200	113 652
Receivables from exchange transactions	4	2 487 463	1 551 082
Cash and cash equivalents	5	95 496 185	90 934 354
		98 085 848	92 599 088
Non-Current Assets			
Property, plant and equipment	6	440 795 366	430 802 698
Intangible assets	7	860 504	1 621 328
Heritage assets	8	8 298 391	3 474 247
		449 954 261	435 898 273
Non-Current Assets		449 954 261	435 898 273
Current Assets		98 085 848	92 599 088
Total Assets		548 040 109	528 497 361
Liabilities			
Current Liabilities			
Operating lease liability	9	441 607	394 292
Payables from exchange transactions	10	18 488 314	13 612 122
Unspent conditional grants and receipts	11	54 741 860	59 658 982
Provisions	12	1 915 428	2 496 857
		75 587 209	76 162 253
Non-Current Liabilities			
Operating lease liability	9	5 466 757 921	5 203 559 548
Non-Current Liabilities		5 466 757 921	5 203 559 548
Current Liabilities		75 587 209	76 162 253
Total Liabilities		5 542 345 130	5 279 721 801
Assets		548 040 109	528 497 361
Liabilities		(5 542 345 130)	(5 279 721 801)
Net Assets		(4 994 305 021)	(4 751 224 440)
Reserves			
Revaluation reserves		2 205 901	-
Accumulated deficit		(4 996 510 922)	(4 751 224 439)
Total Net Assets		(4 994 305 021)	(4 751 224 439)

Freedom Park

Annual Financial Statements for the year ended 31 March 2023

Statement of Financial Performance

Figures in Rand	Note(s)	2023	2022 Restated*
Revenue			
Revenue from exchange transactions			
Admission fees	13	922 665	344 392
Rental of facilities and equipment	14	401 000	267 526
Other income	15	586 365	348 908
Interest received - investment	16	5 932 811	2 912 669
Gain on disposal of assets and liabilities		555 196	47 795
Inventories reversal		-	10 041
Total revenue from exchange transactions		8 398 037	3 931 331
Revenue from non-exchange transactions			
Transfer revenue			
Government grants & subsidies	17	147 692 642	113 981 286
Public contributions and donations	18	35 000	25 796
Total revenue from non-exchange transactions		147 727 642	114 007 082
		8 398 037	3 931 331
		147 727 642	114 007 082
Total revenue		156 125 679	117 938 413
Expenditure			
Employee related costs	19	(58 302 609)	(60 157 778)
Depreciation and amortisation		(15 960 600)	(14 691 701)
Impairments	20	-	(51 309)
Lease rentals on operating lease	21	(264 514 773)	(263 800 721)
General Expenses	23	(57 850 116)	(44 810 204)
Total expenditure		(396 628 098)	(383 511 713)
Operating deficit		(240 502 419)	(265 573 300)
Operating surplus/deficit		-	-
Deficit before taxation		(240 502 419)	(265 573 300)
Revaluation reserve		-	-
Deficit for the year		(240 502 419)	(265 573 300)

The accounting policies on pages 10 to 27 and the notes on pages 28 to 47 form an integral part of the annual financial statements.

Freedom Park

Annual Financial Statements for the year ended 31 March 2023

Statement of Changes in Net Assets

Figures in Rand	Revaluation reserve	Accumulated surplus / deficit	Total net assets
Balance at 01 April 2021		- (4 485 651 139)	(4 485 651 139)
Changes in net assets			
Deficit for the year		- (265 573 300)	(265 573 300)
Total changes		- (265 573 300)	(265 573 300)
Balance at 01 April 2022		- (4 751 224 439)	(4 751 224 439)
Changes in net assets			
Transfer from surplus		- (5 645 532)	(5 645 532)
Net income (losses) recognised directly in net assets		- (5 645 532)	(5 645 532)
Deficit for the year		- (239 640 951)	(239 640 951)
Total recognised income and expenses for the year		- (245 286 483)	(245 286 483)
Revaluation surplus	2 205 901	-	2 205 901
Total changes	2 205 901	(245 286 483)	(243 080 582)
Balance at 31 March 2023	2 205 901	(4 996 510 922)	(4 994 305 021)

Freedom Park

Annual Financial Statements for the year ended 31 March 2023

Cash Flow Statement

Figures in Rand	Note(s)	2023	2022 Restated*
Cash flows from operating activities			
Receipts			
Sale of goods and services		916 449	793 232
Grants		136 065 801	116 838 149
Interest income		5 932 811	2 912 669
Interest paid		-	(1 048)
Other receipts		35 000	25 796
		142 950 061	120 568 798
Payments			
Employee costs		(58 049 362)	(60 447 636)
Suppliers		(53 944 210)	(39 044 383)
		(111 993 572)	(99 492 019)
Total receipts		142 950 061	120 568 798
Total payments		(111 993 572)	(99 492 019)
Net cash flows from operating activities	24	30 956 489	21 076 779
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(20 941 804)	(4 128 048)
Assets under construction	6	(5 926 149)	101 236
Purchase of other intangible assets	7	(113 013)	(158 790)
Proceeds from disposal	8	586 308	-
Net cash flows from investing activities		(26 394 658)	(4 184 554)
Cash flows from financing activities			
Net increase/(decrease) in cash and cash equivalents			
		4 561 831	16 891 178
Cash and cash equivalents at the beginning of the year		90 934 354	74 043 176
Cash and cash equivalents at the end of the year	5	95 496 185	90 934 354

The accounting policies on pages 10 to 27 and the notes on pages 28 to 47 form an integral part of the annual financial statements.

Freedom Park

Annual Financial Statements for the year ended 31 March 2023

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis						
	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Admission fees	-	-	-	922 665	922 665	31.1
Rental of facilities and equipment	-	-	-	401 000	401 000	31.2
Other income	-	-	-	586 365	586 365	31.3
Interest received - investment	1 000 000	-	1 000 000	5 932 811	4 932 811	31.4
Proceeds on disposal of assets	-	-	-	585 308	585 308	31.5
Total revenue from exchange transactions	1 000 000	-	1 000 000	8 428 149	7 428 149	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants & subsidies	143 145 363	-	143 145 363	147 692 642	4 547 279	31.6
Public contributions and donations	-	-	-	35 000	35 000	31.7
Total revenue from non-exchange transactions	143 145 363	-	143 145 363	147 727 642	4 582 279	
'Total revenue from exchange transactions'	1 000 000	-	1 000 000	8 428 149	7 428 149	
'Total revenue from non-exchange transactions'	143 145 363	-	143 145 363	147 727 642	4 582 279	
Total revenue	144 145 363	-	144 145 363	156 155 791	12 010 428	
Expenditure						
Personnel	(61 051 900)	-	(61 051 900)	(58 342 609)	2 709 291	31.8
Other staff costs	(1 578 914)	-	(1 578 914)	(1 983 205)	(404 291)	
Council and advisors remuneration and expenses	(1 481 755)	-	(1 481 755)	(1 855 057)	(373 302)	
communications, consumables & it expenses	(5 204 142)	-	(5 204 142)	(4 558 574)	645 568	
property management: completed elements	(17 607 320)	-	(17 607 320)	(22 835 623)	(5 228 303)	31.9
property management: //hapo	(638 490)	-	(638 490)	(673 149)	(34 659)	
other operating expenses	(7 534 920)	-	(7 534 920)	(2 677 390)	4 857 530	
strategic programme projects	(7 050 682)	-	(7 050 682)	(21 827 391)	(14 776 709)	31.10
capital projects	(33 882 103)	-	(33 882 103)	(30 465 461)	3 416 642	
Total expenditure	(136 030 226)	-	(136 030 226)	(145 218 459)	(9 188 233)	
	-	-	-	10 937 332	10 937 332	
	-	-	-	-	-	
Surplus before taxation	-	-	-	10 937 332	10 937 332	
Deficit before taxation	-	-	-	10 937 332	10 937 332	
Taxation	-	-	-	-	-	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	-	-	-	10 937 332	10 937 332	

Freedom Park

Annual Financial Statements for the year ended 31 March 2023

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						

Refer to note 31 for narrative explanation of material differences.

Freedom Park

Annual Financial Statements for the year ended 31 March 2023

Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty (continued)

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 by a number of factors, together with economic factors such as exchange rates, inflation and interest rates.

Value in use of non-cash-generating assets

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

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.

Freedom Park

Annual Financial Statements for the year ended 31 March 2023

Accounting Policies

Figures in Rand	Note(s)	2023	2022
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1. Presentation of the Financial Statements

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

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

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

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

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 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.

Freedom Park

Annual Financial Statements for the year ended 31 March 2023

Accounting Policies

1.4 Property, plant and equipment (continued)

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.

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

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).

Freedom Park

Annual Financial Statements for the year ended 31 March 2023

Accounting Policies

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 initially 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:

- there is a commitment by a third party to acquire the asset at the end of its useful life; or
- there is an active market for the asset and:
 - residual value can be determined by reference to that market; and
 - 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.

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.

1.6 Heritage assets

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

Freedom Park

Annual Financial Statements for the year ended 31 March 2023

Accounting Policies

1.6 Heritage assets (continued)

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..

Freedom Park

Annual Financial Statements for the year ended 31 March 2023

Accounting Policies

1.6 Heritage assets (continued)

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.

(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

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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.

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.

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Accounting Policies

1.7 Impairment of non-cash-generating assets (continued)

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:

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Accounting Policies

1.7 Impairment of non-cash-generating assets (continued)

Depreciated replacement cost approach

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

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the entity would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an oversized or overcapacity asset. Oversized assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

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.

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

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Accounting Policies

1.8 Financial instruments (continued)

- 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.

Classification

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

Class	Category
Cash and cash equivalents	Financial asset measured at amortised cost
Receivable from exchange transactions	Financial asset measured at amortised cost

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

Class	Category
Payables from exchange transactions	Financial liability measured at amortised cost

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Accounting Policies

1.8 Financial instruments (continued)

Initial recognition

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

The entity recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

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

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Annual Financial Statements for the year ended 31 March 2023

Accounting Policies

1.8 Financial instruments (continued)

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.

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.

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Accounting Policies

1.10 Inventories (continued)

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.

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.

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Annual Financial Statements for the year ended 31 March 2023

Accounting Policies

1.12 Provisions and contingencies (continued)

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 26.

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 26 - Commitments.

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.

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Accounting Policies

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.

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 government grants are monetary non-exchange transaction item. The fair value of the government 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.

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Accounting Policies

1.17 Employee benefits

Short-term employee benefits

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

Short-term employee benefits include items such as:

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

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

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

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

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

Post-employment benefits

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

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

Defined benefit plans

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 reporting date, the entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, a reduction in future payments or a cash refund; and

(b) as an expense.

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.

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Annual Financial Statements for the year ended 31 March 2023

Accounting Policies

1.18 Fruitless and wasteful expenditure (continued)

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 recoverable.

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

Refer to note 31 for details of fruitless and wasteful expenditure.

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.

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

For details on irregular expenditure, refer to note 33 - Irregular expenditure.

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 2022/04/01 to 2023/03/31.

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.

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Accounting Policies

1.21 Related parties (continued)

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:

- 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.

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Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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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 2023 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Guideline: Guideline on Accounting for Landfill Sites	01 April 2023	Unlikely there will be a material impact
• GRAP 103 (as revised): Heritage Assets	01 April 2009	Unlikely there will be a material impact
• GRAP 25 (as revised): Employee Benefits	01 April 2023	Unlikely there will be a material impact
• iGRAP 7 (as revised): Limit on defined benefit asset, minimum funding requirements and their interaction	01 April 2023	Unlikely there will be a material impact
• Guideline: Guideline on the Application of Materiality to Financial Statements	01 April 2009	Unlikely there will be a material impact
• GRAP 104 (as revised): Financial Instruments	01 April 2025	Unlikely there will be a material impact
• iGRAP 21: The Effect of Past Decisions on Materiality	01 April 2023	Unlikely there will be a material impact
• GRAP 2020: Improvements to the standards of GRAP 2020	01 April 2023	Unlikely there will be a material impact
• GRAP 1 (amended): Presentation of Financial Statements	01 April 2023	Unlikely there will be a material impact

3. Inventories

Merchandise	102 200	113 652
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Inventory pledged as security

During the year no inventory was pledged as security

4. Receivables from exchange transactions

Trade debtors	837 499	150 077
Employee costs in advance	-	10 052
Prepayments	1 649 964	1 390 953
	2 487 463	1 551 082

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 2023, R 38 812 (2022: R 10 000) were past due but not impaired.

The carrying amount of trade debtors comprise of the following

Gross trade debtors	489 638	293 549
Impairment	-	(143 472)
Provision for impairment	(143 472)	-
Net trade debtors	346 166	150 077

Freedom Park

Annual Financial Statements for the year ended 31 March 2023

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Figures in Rand	2023	2022
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4. Receivables from exchange transactions (continued)

Reconciliation of provision for impairment of trade and other receivables

Opening balance	(143 472)	(143 472)
Provision for impairment	-	-
Amounts written off as uncollectible	-	-
	(143 472)	(143 472)

5. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	13 558	23 484
Bank balances	52 843 658	3 637 187
Short-term deposits	42 638 969	87 273 683
	95 496 185	90 934 354

Freedom Park

Annual Financial Statements for the year ended 31 March 2023

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	2023			2022		
	Cost/ Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost/ Valuation	Accumulated depreciation and accumulated impairment	Carrying value
6. Property, plant and equipment						
Buildings	612 986 159	(288 566 770)	324 419 389	602 896 557	(280 985 934)	321 910 623
Furniture and fixtures	48 146 556	(42 361 214)	5 785 342	47 980 160	(40 365 301)	7 614 859
Motor vehicles	1 946 520	(127 382)	1 819 138	1 247 798	(965 322)	282 476
Office equipment	8 513 411	(7 674 278)	839 133	7 737 013	(7 354 067)	382 946
IT equipment	17 502 110	(15 557 110)	1 945 000	16 727 496	(14 775 947)	1 951 549
Infrastructure	140 234 577	(52 491 925)	87 742 652	134 939 840	(48 515 572)	86 424 268
Artwork	8 258 153	(14 599)	8 243 554	8 258 152	(14 599)	8 243 553
Library material	465 590	(296 506)	169 084	359 936	(273 438)	86 498
Assets under construction	9 832 074	-	9 832 074	3 905 926	-	3 905 926
Total	847 885 150	(407 089 784)	440 795 366	824 052 878	(393 250 180)	430 802 698

Freedom Park

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6. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Depreciation	Total
Buildings	321 910 623	10 089 601	-	(7 580 836)	324 419 389
Furniture and fixtures	7 614 859	196 420	(30 025)	(1 995 912)	5 785 342
Motor vehicles	282 476	1 698 446	(28 780)	(232 235)	1 819 138
Office equipment	382 946	776 398	(97)	(348 139)	839 133
IT equipment	1 951 549	1 079 725	(22 477)	(787 311)	1 945 000
Infrastructure	86 424 268	5 294 737	-	(3 976 353)	87 742 652
Artwork	8 243 554	-	-	-	8 243 554
Library material	86 498	110 514	-	(27 928)	169 084
Assets under construction	3 905 926	5 926 148	-	-	9 832 074
	430 802 699	25 171 989	(81 379)	(14 948 714)	440 795 366

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6. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Disposals	Depreciation	Impairment loss	Total
Buildings	326 728 949	-	-	(4 818 326)	-	321 910 623
Furniture and fixtures	12 245 020	-	-	(4 597 370)	(32 791)	7 614 859
Motor vehicles	416 498	-	(52 072)	(81 950)	-	282 476
Office equipment	630 256	52 767	-	(298 483)	(1 594)	382 946
IT equipment	1 417 411	1 286 451	(1 184)	(748 012)	(3 117)	1 951 549
Infrastructure	89 545 608	-	-	(3 121 340)	-	86 424 268
Artwork	8 246 185	-	-	-	(2 632)	8 243 553
Library material	102 754	18 310	(185)	(23 206)	(11 175)	86 498
Assets under construction	1 135 406	2 770 520	-	-	-	3 905 926
	440 468 087	4 128 048	(53 441)	(13 688 687)	(51 309)	430 802 698

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

	2023		2022	
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Cost / Valuation	Accumulated amortisation and accumulated impairment
Computer software, other	5 483 458	(4 622 965)	5 370 445	(4 122 714)
Films and other	13 240 128	(13 240 117)	11	(12 866 530)
Total	18 723 586	(17 863 082)	860 504	(16 989 244)
			18 610 572	1 621 328

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7. Intangible assets (continued)

Reconciliation of intangible assets - 2023

	Opening balance	Additions	Amortisation	Total
Computer software, other	1 247 731	113 013	(500 251)	860 493
Films and other	373 598	-	(373 587)	11
	1 621 329	113 013	(873 838)	860 504

Reconciliation of intangible assets - 2022

	Opening balance	Additions	Amortisation	Total
Computer software, other	1 668 299	158 790	(579 358)	1 247 731
Films and other	797 253	-	(423 656)	373 597
	2 465 552	158 790	(1 003 014)	1 621 328

Pledged as security

No intangible assets were pledged as security

8. Heritage assets

	2023			2022		
	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	3 474 247	-	3 474 247

Reconciliation of heritage assets 2023

	Opening balance	Additions	Revaluation increase/(decrease)	Total
Art Collections, antiquities and exhibits	3 474 247	1 695 963	3 124 981	8 298 391

Reconciliation of heritage assets 2022

	Opening balance	Impairment losses recognised	Total
Art Collections, antiquities and exhibits	3 477 447	(3 200)	3 474 247

Pledged as security

No heritage assets were pledged as security

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

Freedom Park

Annual Financial Statements for the year ended 31 March 2023

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8. Heritage assets (continued)

Expenditure incurred to repair and maintain heritage assets

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

There are heritage assets which fair value could not be reliably measured for purposes of recognition in the annual financial statements. This relates to:

- the ANN Colin manuscript collection which are not the original item but a photocopy with no commercial value, and
- Grave artifacts (clothes of assassinated freedom fighters) which are illegal to trade thus do not have a commercial value.

Revaluation surplus

Revaluation of heritage assets was performed by the member of the valuation profession and based on the assessment fair value of heritage asset was determined to be R8 304 990, this results in revaluation surplus of R2 194 506,83.

9. Operating lease asset (liability)

Non-current liabilities	(5 467 199 528)	(5 203 559 548)
Current liabilities	(441 607)	(394 292)
	(5 467 641 135)	(5 203 953 840)

The operating lease accrual arise from the 99 year nonrenewable lease agreement for Land at Salvokop, Pretoria which commenced in 24 June 2002. The initial monthly rental was R 3,500.00, which escalates at 12% per annum on each anniversary of the agreement. Freedom Park is currently in year 21 of the lease. The lease payments are straightlined over the term of the lease.

10. Payables from exchange transactions

Trade payables	10 560 093	7 412 292
Accrued bonus	902 834	985 856
Other accrued expenses	6 852 595	4 881 909
Deposits received	172 792	332 001
	18 488 314	13 612 058

11. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts		
Unspent grants	54 741 860	59 658 982

Movement during the year

Balance at the beginning of the year	59 658 982	56 802 626
Additions during the year	38 040 520	20 526 150
Income recognition during the year	(42 957 642)	(17 669 794)
	54 741 860	59 658 982

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

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

Freedom Park

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Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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12. Provisions

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

Reconciliation of provisions - 2022

	Opening Balance	Additions	Utilised during the year	Total
Leave pay provision	2 786 715	4 462 746	(4 752 604)	2 496 857

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. Rendering of services

Admission fees	922 665	344 392
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14. Hiring of facilities and equipment

Premises

Venue hire	401 000	267 526
Premises	401 000	267 526
Garages and parking	-	-
Facilities and equipment	-	-

15. Other Income

Other income	586 365	348 908
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Other income earned through the sale of books and rental for restaurant and giftshop

16. Interest received

Interest revenue

Bank	5 932 811	2 912 669
	-	-
	5 932 811	2 912 669

Freedom Park

Annual Financial Statements for the year ended 31 March 2023

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
17. Government grants & subsidies		
Operating grants		
Operating grant	104 735 000	96 312 000
Infrastructure Maintainance	10 532 194	6 831 606
	115 267 194	103 143 606
Capital grants		
Balance of unspent grant at beginning of the year	30 467 040	9 631 680
Conditional grant SM Matola	1 958 408	1 206 000
	32 425 448	10 837 680
	115 267 194	103 143 606
	32 425 448	10 837 680
	147 692 642	113 981 286
Conditional and Unconditional		
Included in above are the following grants and subsidies received:		
Conditional grants received	42 956 063	17 669 287
Unconditional grants received	104 735 000	96 312 000
	147 691 063	113 981 287
Equitable Share		
In terms of the Constitution, this grant is used to subsidise the operational activities of the entity.		
Deferred Income - Capital Works Grant		
Balance unspent at beginning of year	43 611 983	41 923 513
Current-year receipts	26 041 260	11 320 150
Conditions met - transferred to revenue	(30 465 461)	(9 631 680)
	39 186 203	43 611 983
Conditions still to be met - remain liabilities (see note 11).		
Deferred Income - GRAP 103 Grant		
Balance unspent at beginning of year	14 878 000	14 878 000
Conditions met - transferred to revenue	(287 000)	-
	14 591 000	14 878 000
Conditions still to be met - remain liabilities (see note 11).		
Deferred Income - Infrastructure Grant not Reprioritised		
Balance unspent at beginning of year	-	9 002 508
Amounts reprioritised during the year	-	(9 002 508)
	-	-
Conditions still to be met - remain liabilities (see note 11).		
Deferred Income - Reprioritised Capital Works Grant		
Balance unspent at beginning of year	39 972 279	28 307 946

Freedom Park

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Notes to the Annual Financial Statements

Figures in Rand	2023	2022
17. Government grants & subsidies (continued)		
Current-year receipts	7 583 228	8 000 000
Conditions met - transferred to revenue	(26 041 260)	(5 338 175)
Amounts reprioritised during the year	-	9 002 508
	21 514 247	39 972 279

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

Deferred Income - Facilities Management Grant

Balance unspent at beginning of year	1 951 233	-
Current-year receipts	11 741 260	3 444 665
Conditions met - transferred to revenue	-	(1 493 432)
	13 692 493	1 951 233

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

Deferred Income - Samora Machel and Matola Memorials

Balance unspent at beginning of year	1 169 000	1 169 000
Current-year receipts	1 958 408	1 206 000
Conditions met - transferred to revenue	(1 958 408)	(1 206 000)
	1 169 000	1 169 000

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

18. Public contributions and donations

Public contributions and donations	35 000	25 796
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Conditions still to be met - remain liabilities (see note 11)

19. Employee related costs

Basic	43 742 904	48 201 325
Medical aid - company contributions	3 113 396	3 281 081
UIF	169 880	178 625
WCA	73 940	522 986
Leave pay	143 353	256 741
Temporary Employees	1 451 654	52 393
Other short term costs	3 600 000	1 867 500
Defined contribution plans	975 515	1 076 276
Travel, motor car, accommodation, subsistence and other allowances	312 051	138 345
Overtime payments	274 577	201 212
13th Cheques	3 877 762	4 183 567
Acting allowances	567 577	197 727
	58 302 609	60 157 778

20. Impairment of assets

Impairments

Property, plant and equipment	-	51 309
Impairment of assets was based on physical condition of assets, broken assets and items which were not found during consecutive verifications.	-	51 309
	-	-

Freedom Park

Annual Financial Statements for the year ended 31 March 2023

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Figures in Rand	2023	2022
21. Lease rentals on operating lease		
Lease rentals on land		
Contractual amounts	263 687 295	263 622 196
Lease rentals on photocopiers/ Golf carts		
Contractual amounts on photocopiers	194 755	178 525
Contractual amounts on golf carts	264 982	-
	264 147 032	263 800 721
22. Auditors' remuneration		
Fees	2 476 241	4 013 083
23. General expenses		
Advertising	105 667	-
COVID-19 expenses	20 700	750 665
Computer expenses	1 816 399	2 823 417
Consulting and professional fees	2 295 002	1 434 680
Council expenditure	1 841 994	1 437 395
Electricity	3 913 123	5 328 000
Entertainment	316 037	100 232
Strategic projects - Lilliesleaf	10 532 194	-
Strategic projects - Matola & Samora Machel site	1 958 408	-
External auditors remuneration	2 476 241	4 013 083
IT expenses	1 248 129	29 703
Insurance	1 370 722	1 255 084
Internal audit fees	811 420	312 916
Landscaping expenses	3 043 248	3 185 069
Marketing	353 402	820 990
Other operating expenses	3 498 021	2 303 504
Park operation expenses	66 388	-
Repairs and maintenance	6 675 498	9 531 172
Security	4 795 288	4 859 964
Strategic projects	9 400 555	6 325 554
Telephone and fax	1 311 680	298 776
	57 850 116	44 810 204
24. Cash generated from operations		
Deficit	(239 640 951)	(265 573 300)
Adjustments for:		
Depreciation and amortisation	15 960 600	14 691 701
Profit on sale of assets and liabilities	(586 302)	(47 795)
Non-cash release from surplus	(6 414 436)	-
Impairment of property plant and equipment	-	51 309
Movements in operating lease	263 184 865	263 287 933
Movements in provisions	(581 429)	(289 858)
Changes in working capital:		
Inventories	11 452	4 091
Receivables from exchange transactions	(936 381)	(167 594)
Payables from exchange transactions	4 876 193	6 263 429
Unspent conditional grants and receipts	(4 917 122)	2 856 863
	30 956 489	21 076 779

Freedom Park

Annual Financial Statements for the year ended 31 March 2023

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
25. Commitments		
Authorised capital expenditure		
Already contracted for but not provided for		
• Artworks	-	1 147 662
• Buildings	2 187 373	1 403 627
• Intangible assets	-	2 099 950
• Furnitures and fixtures	-	5 235 224
• IT equipment	-	764 652
• Library material	-	870 341
• Assets under construction	9 508 140	-
	11 695 513	11 521 456
Total capital commitments		
Already contracted	11 695 513	11 521 456
Authorised operational expenditure		
Already contracted		
• Already contracted for	91 908 054	40 993 211
• Already paid	(49 309 912)	(24 301 909)
	42 598 142	16 691 302
Total operational commitments		
Already contracted for	42 598 142	16 691 302
Operating leases - as lessee (expense)		
Minimum lease payments due		
- within one year	798 134	589 047
- in second to fifth year inclusive	2 823 593	2 125 193
- later than five years	6 094 222 515	6 094 917 393
	6 097 844 242	6 097 631 633
Freedom Park entered into a 99 year nonrenewable lease agreement for Land at Salvokop, Pretoria commencing on 24 June 2002. The initial monthly rental was R 3,500.00, which escalates at 12% per annum on each anniversary of the agreement. Freedom Park is currently in year 21 of the lease and has been paying the monthly rental dutifully without any defaults.		
Freedom Park entered into a 3 year contract with Ezgo and Bytes for the rental of golf carts and Photocopiers, commencing on 01 March 2022 and 28 April 2021 respectively		
Statement of Financial Position		
Operating lease liability	5 467 199 528	5 203 953 840
Statement of Financial Performance		
Lease rentals on operating lease	264 147 032	263 800 721

Freedom Park

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2023

2022

26. Contingencies

2023

There were no contingent assets or liabilities as at 31 March 2023

Freedom Park

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27. Related parties		
Relationships		
Executive Authority	Department of Sport, Arts and Culture	
Government controlled through National Treasury	Department of Public Works and Infrastructure, Samora Machel Memorial, and Department of Military Veterans, Lilliesleaf	
Controlling entity	Refer to remuneration of key management	
Senior Management		
Freedom Park entered into a 99 year nonrenewable lease agreement with Department of Public Work and Infrastructure for Land at Salvokop, Pretoria commencing on 24 June 2002. The initial monthly rental was R 3,500.00, which escalates at 12% per annum on each anniversary of the agreement. Freedom Park is currently in year 21 of the lease.		
Freedom Park entered into a 3 year contract with Bytes and Ezgo for the rental of photocopiers and Golf carts, commencing on 28 April 2021 and 01 March 2022 respectively.		
Related party balances		
Amount included in Trade Payables regarding related parties		
Department of Sport, Arts and Culture	54 743 439	59 658 982
Department of Public Works and Infrastructure	-	28 224
Amounts included in Trade receivable (Trade Payable) regarding related parties		
Department of Sport, Arts and Culture	362 481	24 040
Related party transactions		
Income/(Expenses) from/to related parties		
Department of Sport, Arts and Culture (Operational grant)	104 735 000	96 312 000
Department of Sport, Arts and Culture (Capital works)	30 465 461	11 320 150
Department of Sport, Arts and Culture (Additional capital grant)	7 583 228	8 000 000
Department of Sport, Arts and Culture (Additional capital grant - Samora Machel Memorial)	1 958 408	1 206 000
Department of Sport, Arts and Culture (Venue hire)	-	16 500
Department of Public Works and Infrastructure	-	(2 801 441)
Samora Machel Memorial and Matola Memorials	-	1 717 852
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	10 000 000
Department of Military Veterans (refund of excess cash for event hosted on behalf of Department of Military Veterans)	(294 063)	(7 067 736)
Lilliesleaf	10 532 194	-

Freedom Park

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27. Related parties (continued)

Remuneration of management

Council members

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 Z Hlatshwayo	-	400	400
Dr BWJ Langa	93 022	7 594	100 616
Ms HC Mgabadeli (Chairperson)	73 229	6 441	79 670
Ms MMS Mothapo	82 411	5 967	88 378
Mr M Musi	71 535	-	71 535
Mrs PC Nxumalo (Resigned, 6 March 2023)	96 773	22 222	118 995
Mrs MG Rammmbwa	157 589	25 826	183 415
Mr M Tsedu	44 769	33 384	78 153
	868 024	146 628	1 014 652

2022

Name	Fees for services as a member of management	Committees	Other payments*	Total
Ms W Jabosigo	31 359	17 420	10 452	59 231
Mr KEM Mabalane	30 452	11 802	15 336	57 590
Mr MCR Makopo	37 962	-	12 654	50 616
Ms F Mohamed	31 356	20 904	-	52 260
Mr M Mpanza	27 872	17 420	-	45 292
Mr R Nyandeni	26 130	43 550	-	69 680
Dr M Raphalalani	31 440	17 420	5 226	54 086
Ms L Robinson	31 356	17 420	-	48 776
Mr M Tsedu	48 776	54 002	33 098	135 876
Mr M Musi	15 678	6 988	8 710	31 376
Adv NJ Bleki	15 678	24 388	3 484	43 550
Prof S Cooper	24 388	17 420	17 420	59 228
Mr. E Daniels	10 452	10 452	5 226	26 130
Ms PC Nxumalo	17 420	13 939	3 484	34 843
Dr. BWJ Langa	22 646	13 936	6 968	43 550
Ms. HC Mgabadeli - Chair	29 526	-	16 782	46 308
Ms. MMS Mothapo	17 420	19 162	3 484	40 066
Ms. MG Rammmbwa	22 646	41 808	17 420	81 874
	472 557	348 031	159 744	980 332

* Included in Adhoc requests is Subsistence & Travel, KM reimbursements and other reimbursements

Executive management

2023

Freedom Park

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Notes to the Annual Financial Statements

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27. Related parties (continued)					
	Basic salary	13th Cheque	Other short-term employee benefits	Provident fund contributions	Total
Name					
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
Ms MA Makoela	255 172	48 671	1 288	20 442	325 573
	5 685 040	455 136	340 613	528 692	7 009 481

2022

	Basic salary	13th Cheque	Other short-term employee benefits	Provident fund contributions	Total
Name					
Ms J Mufamadi	1 611 642	76 841	220 437	193 638	2 102 558
Ms HB Ramugadi	958 483	115 291	187 414	76 403	1 337 591
Mr IM Moroko	783 638	76 375	92 183	96 233	1 048 429
Ms MA Makoela	1 022 857	97 342	144 697	81 768	1 346 664
Ms RM Koto	644 831	87 275	208 466	54 983	995 555
Mr TJ Makhura	655 531	87 800	150 265	55 314	948 910
Mr A Arries	658 683	60 646	116 923	50 942	887 194
Dr SD Zeka	848 552	79 730	150 948	66 973	1 146 203
Dr OM Ntsoane	104 798	-	2 971	7 888	115 657
Dr T Makobela	1 022 695	91 639	54 014	76 977	1 245 325
Mr LPM Zikalala	848 682	80 194	106 222	67 363	1 102 461
	9 160 392	853 133	1 434 540	828 482	12 276 547

28. 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 risks. Internal audit function reports quarterly to the Audit and Risk Committee, an independent body that 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:

Freedom Park

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28. Risk management (continued)

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 monitored by the entity.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date 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 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	17 186 590	-	-	-

At 31 March 2022 Restated	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	12 626 266	-	-	-

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.

Receivables comprise a widespread customer base. Management evaluates credit risk by reviewing the debtors ageing relating to customers on an ongoing basis and in line with its policy on management of debtors. As at yearend, the amount of debtors which were over 90 days due amounted to R147 450 which mainly relates to inter-governmental debt and is also considered not to be material.

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

Financial instrument	2023	2022
Cash and cash equivalents	95 546 762	90 934 354
Receivables from exchange transactions	346 167	150 077

There are no changes from previous year in respect of objectives, policies and processes for managing risks and in methods to measure the risks

Market risk

Interest rate risk

The entity has cash and cash equivalent to the value of R95 546 762 (2022: R90 934 354) which bears interest. This financial asset exposes the entity to interest rate risk on the interest that the entity receives from the financial asset should the interest rate change. The entity cannot quantify this interest rate risk as the entity uses the cash and cash equivalents for its operations and does not maintain a fixed balance of the cash and cash equivalent throughout the year. Furthermore, the fluctuation in interest rate is also dependent on the financial institutions financial modelling of its products and services. To manage the risk; the entity only deposits cash with major banks with high quality credit standing and considers whether the interest rate on the cash and cash equivalent is reasonable when benchmarked to other major banks should the change in rate be significant

There are no changes from previous year in respect of objectives, policies and processes for managing this risk and in methods to measure the risk

29. Financial instruments disclosure

Categories of financial instruments

2023

Freedom Park

Annual Financial Statements for the year ended 31 March 2023

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
29. Financial instruments disclosure (continued)		
Financial assets		
	At amortised cost	Total
Trade and other receivables from exchange transactions	346 167	346 167
Cash and cash equivalents	95 546 762	95 546 762
	95 892 929	95 892 929
Financial liabilities		
	At amortised cost	Total
Trade and other payables from exchange transactions	17 186 590	17 186 590
2022		
Financial assets		
	At amortised cost	Total
Cash and cash equivalents	90 934 354	90 934 354
Trade and other receivables from exchange transactions	150 077	150 077
	91 084 431	91 084 431
Financial liabilities		
	At amortised cost *Restated*	Total
Trade and other payables from exchange transactions	12 626 266	12 626 266
30. Fruitless and wasteful expenditure		
Current year expenditure	31 493	689 889
Closing balance	31 493	689 889

The fruitless and wasteful expenses were incurred by paying for the missed flights, SARS penalty fee and interest.

31. Budget differences

Material differences between budget and actual amounts

Freedom Park

Annual Financial Statements for the year ended 31 March 2023

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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31. Budget differences (continued)

31.1 Favourable sales revenue due to relaxed lockdown regulations and increased walk ins.

31.2 Favourable rental of facilities and equipment is due to relaxed lockdown regulations with mass gatherings allowed.

31.3 Favorable variance resulting from additional turnover rent from restaurant activities .

31.4 Favorable variance driven by interest on investments due to better performance of the economy.

31.5 Assets were disposed resulting in gains. this was made possible by experts who were procured to assist with the process of disposal.

31.6 Freedom Park did well in collecting revenue that was budgeted to be collected, in addition, conditional grants that were deferred were transferred to revenue.

31.7 Ubudgeted donations received

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31.8 Underspending in employee costs resulting from vacancies.

31.9 Increased spending on repairs and maintenance of facilitiesf

31.10 Lillieleaf expenditure that was not budgeted for

Differences between budget and actual amounts basis of preparation and presentation

The budget and the accounting bases differ. The annual financial statements for the entity 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 differ from the budget, which is approved on the cash basis.

The amounts in the annual financial statements were recast from the accrual basis to the cash basis to be on the same basis as the final approved budget. The amounts of these adjustments are identified in note 33.

32. Irregular expenditure

Add: Irregular Expenditure - current year	48 173	2 890 194
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33. Reconciliation between budget and statement of financial performance

Reconciliation of budget surplus/deficit with the surplus/deficit in the statement of financial performance:

Net surplus per the statement of financial performance	-	-
Adjusted for:		
Purchase of property, plant and equipment and intangible assets and Proceeds on disposal of property, plant and equipment	22 440 501	-
Depreciation and amortisation	12 423 235	-
Gain on sale of assets and liabilities	555 196	-
Increase in operating lease liability	(262 323 580)	-
Decrease in leave pay provision	581 429	-
Net increase in working capital	873 678	-
Surplus on actual against budget on a cash basis	27 540 794	-
Net deficit per approved budget	(197 908 747)	-

Freedom Park

Annual Financial Statements for the year ended 31 March 2023

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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34. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. Management does not have intention to liquidate the entity or cease operations. As at the end of the financial year, 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.

35. Events after the reporting date

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

36. Change in estimates

Change in accounting estimates for the year is stated after accounting for the following:

During the year under review, management has revised useful lives of assets in use which were depreciated.

Income from controlled entities

Depreciation	-	-
	628 152	-
Surplus for the year	628 152	-

Operating lease charges

Lease rentals on operating lease - 2

• Contractual amounts	263 639 980	263 800 721
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Gain on sale of property, plant and equipment	555 196	47 795
Impairment on property, plant and equipment	-	51 309
Amortisation on intangible assets	441 631	1 003 014
Depreciation on property, plant and equipment	15 518 969	13 688 687
Employee costs	58 315 934	60 157 778



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