



ANNUAL REPORT

2021/2022



defence

Department:
Defence
REPUBLIC OF SOUTH AFRICA





***Minister of Defence and Military
Veterans Honourable***

Ms Thandi Modise

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*F.L.T.R Luthuli Veteran
Mr. Alfred Willie, Deputy
Defence Minister T.S. Makwetla
and Luthuli Veteran, Mr James April.*

PART A

GENERAL INFORMATION

1. PUBLIC ENTITY'S GENERAL INFORMATION

REGISTERED NAME:	Castle Control Board
PHYSICAL ADDRESS:	c/o Castle and Darling Streets Cape Town 8001
POSTAL ADDRESS:	P.O. Box 1 Cape Town 8001
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FAX NUMBER:	027 21 787 1089
EMAIL ADDRESS:	ceo@castleofgoodhope.co.za
WEBSITE ADDRESS:	www.castleofgoodhope.co.za
EXTERNAL AUDITORS:	AGSA
BANKERS:	ABSA
BOARD SECRETARY:	Mr Derek Williams

2. LIST OF ABBREVIATIONS/ACRONYMS

AGSA	Auditor General of South Africa
APP	Annual Performance Plan
BBBEE	Broad-Based Black Economic Empowerment
CCB	Castle Control Board
CFO	Chief Financial Officer
CGH	Castle of Good Hope
CLOG	Chief of Logistics
COVID-19	Severe Acute Respiratory Syndrome Corona Virus-2
DMV	Department of Military Veterans
DOD	Department of Defence
ED/CEO	Executive Director/Chief Executive Officer
ICMP	Integrated Conservation Management Plan
MOD&MV	Minister of Defence and Military Veterans
MTEF	Medium Term Expenditure Framework
PFMA	Public Finance Management Act
SCM	Supply Chain Management
SMME	Small, Medium and Micro Enterprises
T.R.	Treasury Regulations
UNESCO	United Nations Education, Scientific and Cultural Organization
PANSALB	Pan South African Language Board

3. FOREWORD BY THE CHAIRPERSON



Board Chairman
Lt Gen JS Mbuli

Whilst the previous two financial years were overshadowed by the COVID-19 pandemic, 2021/22, one was about gradual recovery and looking into the future with renewed hope. One of the enduring consequences of the pandemic was its impact on the planning and delivery environment: reduced budgets resulted in downward adjustments of targets, reprioritised spending, and postponement of some projects. But despite this, the CCB remained true to its goal to conserve and utilise this 357-year-old national heritage site as a place of memory, healing, and learning.

Given our (over) dependence on tourism revenue, this fickle industry's recovery will directly determine our short to the medium-term recovery plan. Although the CCB is grateful for the relief funds (R5.5 million) the Department kindly provided in 2021, it would still need additional, albeit reduced - support over the next two financial years to meet its strategic, operational commitments. In addition, the artisan and other support from the SANDF's Regional Works Unit (WC) and the Army Support Base (WC) to deal with day-to-day maintenance and repairs at the Castle, made a significant impact on the aesthetics and operations of this important national heritage site.

One of the most significant impacts of the virus was the climate of uncertainty it created. Although most of the COVID 19 restrictions were lifted in June 2022, the MTEF and the MTSF cycles will have to be adjusted to provide for the aftereffects of this unprecedented, global event.

The Board and Management are steadfast in their commitment to clean administration and good corporate governance. Despite achieving another clean audit outcome from the Auditor-General of South Africa, the CCB is not resting on its laurels. Although empathetic towards the staff during these uncertain times, it has retained its stance towards intolerance of corporate governance and administrative infringements.

I want to highlight the following strategic risks (priorities) for attention during the upcoming months:

- Given that the CCB ordinarily self-generates 95% of its operating income from tourism and events, a key priority is to overcome the economic devastation caused by the COVID-19 pandemic related to the CCB's going concern status. We will continue to engage the executive authority to assist with this challenge.
- The key to overcoming this challenge is the aggressive marketing and promotion of the Castle of Good Hope as a globally significant heritage-educational site and a highly sought-after venue open for tourism, conference and events business whilst ensuring that these two elements are well-balanced.
- Although the CCB has made huge strides, staff, visitors, and partners' health, safety and security concerns remain a key priority. Securing the perimeter fence has become imperative if we want to position ourselves for UNESCO World Heritage status.
- Utilizing all available 4th Industrial Revolution technologies and tools to cost-effectively maintain, enhance, and promote the Castle of Good Hope's built and intangible heritage.
- The CCB's role in the non-classroom education of learners, students, scholars, and researchers is now even a bigger priority than ever before. Linking up with global progressive forces will enhance our heritage status and provide visitors with a life-changing educational and conscientization experience at the historic Castle of Good Hope.
- Finally, whilst acknowledging and celebrating the clean 2021/22 audit outcome, the Board has publicly committed to maintain its vigilance over clean governance, excellent administration and world-class heritage management practices. The institutional and governance arrangements of the CCB, among other things, its Board's composition, staff contentment, the signing of a shareholder's agreement with the Ministry and the activating of the partnerships with other government departments are integral elements of this strategic priority.

We shall provide details of these and other operational plans in the following chapters and sections.

I am confident that given the levels of Ministerial, departmental, public, and business support, we shall genuinely transform the Castle of Good Hope into a globally significant, truly accessible Centre that showcases South Africa's shared heritage built on healing, nation-building, and reconciliation.



LIEUTENANT GENERAL JABULANI SYDNEY MBULI

CASTLE CONTROL BOARD: CHAIRPERSON

31 July 2022

4. CHIEF EXECUTIVE OFFICER'S OVERVIEW



Calvyn Gilfellan

Introduction

Whereas the preceding two years were unprecedented in terms of the debilitating effect of the Covid 19 Pandemic, the current year was characterised by efforts to adapt, re-strategize, and recover. In June 2022, the government announced lifting restrictions that would ease the recovery process. Since this is a retrospective report, the focus is on our efforts and strategies to deal with the pandemic's aftermath and build resilience for future occurrences.

Despite the operational impacts of the pandemic in 2021, the CCB Board, Management, and staff maintained and sped up their efforts to advance their heritage, tourism, and conservation mandates. In this regard, the **heritage, education, culture, eventing, and filming-related performance targets were all exceeded**, with the only areas of **under-performance related to tourism numbers and concomitant self-generated revenues**.

The CCB reimaged its approach to heritage management through vibrant partnerships, organised virtual tours, virtual seminars, thought-provoking exhibitions, blended events and even hosted numerous local international film shoots.

In fact, for the first time in our financial history, the latter emerged as the primary revenue generation centre in the CCB. Some of the high-profile film shoots (local producers in brackets) which will soon adorn the screens of the global film industry, including '*The Eraser*' (Film Africa), '*The Lincoln Project*' (Film Africa), '*Fear Factor India*', '*The Lincoln Project II*' (Film Africa), '*The Look Book*', '*Power I*', '*The Umbrella Men*', '*The Woman King*', '*Simple Man*', '*Web Maestro*', '*Panda*' (Film Africa). Minor student and advertisement productions interspersed these feature film makings. These filming events unprecedented media interest (and

some local criticism), but it allowed us to collectively reach a global audience of over half a billion people with an advertising value equivalent (the amount it will cost you to buy this publicity) of R65 million; not a mean feat amidst the COVID 19 pandemic.

CCB's 2021/22 organisational achievements were made possible, firstly by an R5.5 million emergency support that saved 28 full-time and another 800 employment opportunities linked to the controlled event, filming and tourism industry operating on site. Given the objective to sweat military assets to contribute toward economic and community development, the CCB is ideally placed to complement this national effort. The organisation is living proof that the national government's approach to the pandemic, i.e., balancing lives and livelihoods, works.

During the 2022/23 financial year, the CCB will endeavour to significantly beef up its income generation capacity by improving the restaurant, gift shop, and conference offering. On-site and perimeter security management remain a key priority. In this regard, the CCB is engaging the city, SAPS, and private sector to improve crime prevention at the Castle's Grand Parade entrance. The CCB will undertake a concerted marketing effort to get scholars, students, community members and tourists in their numbers back on site. The Board has again committed itself to clean, effective corporate governance and expects nothing but a clean audit for the year behind them.

For the 2022/23 financial year, the Department of Defence will invest R6 million into the CCB to augment its self-generated income, enabling us to successfully execute our legislated mandate to develop, transform and truly "take the Castle to the people".

Highlights of the FY2021/22

Pages 22 to 38 synoptically reflect the CCB's performance against its approved Annual Performance Plan. But it would be amiss if I did not reflect on some of the other highlights in what turned out to be a strange financial year:

- The **Honorable former Minister, Ms Nosivive Mapisa Nqakula**, presided over the opening of the launch of the online Camissa museum and African centre for restorative memory in April 2021.
- The spirit of teamwork between the Board, Audit & Risk Committee, and the reduced management team and staff, particularly when the pandemic struck, resulted in **another clean audit opinion from the AGSA**.
- Despite a struggling tourism economy, the CCB still managed to **self-generate R3, 328 000**.
- Except for two (**Student interns** and **Commercial events**), which we had little control over, we exceeded almost every **corporate governance, heritage maintenance, tourism, and public access** target, a clear indication that we are on the road to recovery!
- **Visitor numbers (scholars, learners, tourists, event attendees, cultural groups)** were on the mend, but at **33 452**, it is still way off the 120 000-benchmark.

- Our vocal, progressive **participation on national heritage platforms continued with participation and publication in the South African Museum Association conferences and publications.**
- One of the outstanding achievements made possible by the full-time deployment of the Regional Works Unit of Defence, the CCB's small maintenance team, and the DOD-funded maintenance and gardening team have **improved the architectural and heritage integrity and transformed the aesthetics** (see Program 2) of this 356-year-old building, thereby staving off negative attention from mostly local polemicists.
- **Media coverage** on the Castle and CCB was overwhelmingly favourable and, despite quiet periods, **reached a worldwide audience of 604.24 million people**, translating into an **advertising value equivalent (AVE) of R82 million.**

Focus during the new Financial Year: Challenges and Opportunities

- Dealing with the challenges and opportunities a post-COVID-19 world offers all of us to support the objectives of Project Koba-Tlala.
- Engaging Minister Modise to formalise the legal agreement between the Executive Authority and the Board.
- Seriously addressing the going concern and sustainability challenges once and for all.
- Although it will take time and resources, the CCB undertake to start processes to get evaluated and registered in terms of its B-BBEE status in compliance with the B-BBEE Act.
- Pursuing the review of and possible amendments to the Castle Management Act.
- Tackling the safety and security risks at the main entrance and around the Castle.
- Pursuing the Castle's UNESCO World Heritage Site listing along with the prescripts of the Castle's Integrated Conservation Management Plan.
- Roll-out of the subsequent phases of CCB's Responsible Commercialization strategy to drive sustainability through aggressive marketing of the Castle as a premier, one-stop cultural tourism and events destination.
- Maintain and strengthen institutional, corporate, and administrative management processes at the CCB.

Acknowledgement and Appreciation

I wish to express a sincere word of gratitude towards all partners who have carried us through this rough year but in particular the following persons and institutions who significantly contributed towards the growth and development of the entire organization: The CCB Board Chairperson and all Board members, the former and current Minister of Defence and Military Veterans and her staff, the Deputy-Minister of Defence and Military Veterans and his team, the Portfolio Committee on Defence and Military Veterans, the South African National Defence Force, the Logistics Division of the DOD, the Regional Works Regiment (WC), National Treasury, the Auditor-General of SA, the Audit Committee Chairperson and his team, the Department of Public Works, the South African Heritage Resources Agency, the Cape Slave Heritage

Museum, the Camissa Museum team, IZIKO Museums of SA, the City of Cape Town, the Universities of the Western Cape, Cape Town, Cape Peninsula, and Stellenbosch, Northlink College, Artscape, the South African Museum Association, Cape Town Tourism, SA Tourism & Travel Association, the Castle Military Museum Foundation, DutchCulture, Historical Publications Southern Africa, COSATU (WC), Robben Island Museum, Ambassadors and Consul-Generals for the Netherlands, Spain, India, Benin, Turkey, and France, media partners and last but not least, all Castle clients, members of the Castle inter-stakeholder committee, the staff of the CCB who ultimately deliver our noble mandate to the people of South Africa.

I thank you.



Calvyn Travers Gilfellan
Executive Director/Chief Executive Officer
Castle Control Board
31 July 2022

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

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

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

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

The annual report has been prepared following the guidelines issued by the National Treasury.

We prepared the Annual Financial Statements (Part E) following the SA Standards of GRAP, the Public Finance Management Act, 1999 (Act No. 1 of 1999), the Castle Management Act of South Africa, 1993 (Act 207 of 1993) and all other standards applicable to the Castle Control Board as a public entity.

The accounting authority is responsible for preparing the annual financial statements and the judgements made regarding this information.

The accounting authority is responsible for establishing and implementing a system of internal control designed to provide reasonable assurance relating to the integrity and reliability of the performance information, the human resources information, and the annual financial statements.

The external auditors are bound 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 2022.



Chief Executive Officer
Calvyn Travers Gilfellan
31 July 2022



Chairperson of the Board
Lt. General JS Mbuli
31 Jul 2022

6. STRATEGIC OVERVIEW

6.1. Vision

The Castle of Good Hope shall be a centre of global significance that embodies social, cultural, and military heritage and is genuinely accessible to all citizens of South Africa and the world.

6.2. Mission

The Castle Control Board is a service-oriented public entity, striving to create an environment where national pride serves to:

- Build an internationally known and recognised cultural and heritage brand for Ubuntu, dialogue, nation-building and human rights recognition.
- Guarantee the development of smooth functioning, self-sustaining, "must-see" iconic visitor and learner destination.
- Optimises its tourism potential and accessibility to the public; and
- Preserve and protect its cultural and military heritage by elevating it to UNESCO World Heritage status.

6.3. Values

The Castle Control Board, in its Management of the Castle of Good Hope, has committed to infuse its programmatic and other corporate activities with the following core values:

- Service quality and excellence
- Operate with honesty and dignity
- Respect for the diversity in military, cultural and social history
- Genuine partnerships and collaborative relationships
- Community engagement and inclusivity
- Fiscal responsibility, accountability, transparency, and sustainability

7. LEGISLATIVE AND OTHER MANDATES

The Castle Control Board is established in terms of the Castle Management Act of South Africa 1993 (Act No. 207 of 1993) to govern and manage the Castle of Good Hope on behalf of the Minister of

Defence and Military Veterans. Furthermore, it is a designated Schedule 3A Public Entity defined in the Public Finance Management Act, 1999 (Act No.1 of 1999).

The Defence Endowment Property and Account Act, 1922 (Act No. 33 of 1922) designates the Castle of Good Hope as defence endowment property transferred to the 'defence organisations' for the exclusive use by and benefit of the SANDF and MOD&MV.

Given the global heritage significance of the Castle, the National Heritage Resources Act, Act 25 of 1999 is applicable because the Castle of Good Hope is a declared national heritage site managed within this legislative framework. The CCB also utilizes Tourism policies and frameworks to guide its interventions and programmes.

Based on the above, the Board has identified overlaps and gaps in the 1993 Castle Management Act. The MOD&MV's Legislative Drafting Directorate is mandated to drive the legislative review. The Board has engaged the said Directorate and provided a broad outline of the most pertinent issues. We included the need for a legislative review in the handover report to the new executive authority.



F.L.T.R Mr Calvyn Gilfellan, ARTSCAPE CEO Dr Marlene Le Roux, SA Ambassador to Benin, Ms Ruby Marks and Mr Angus Leendertz at the historic launch of the Castle Camissa Museum, April 2021.

8. ORGANISATIONAL STRUCTURE

8.1 The Castle Control Board

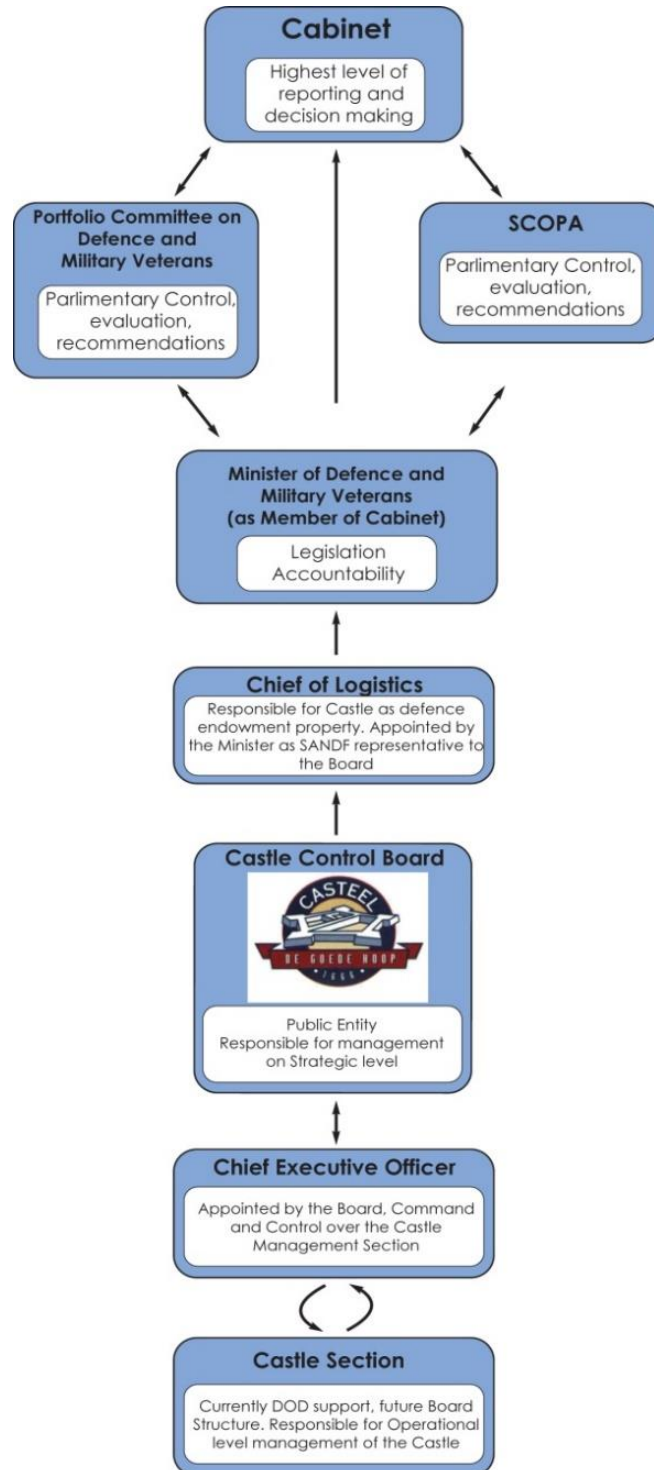
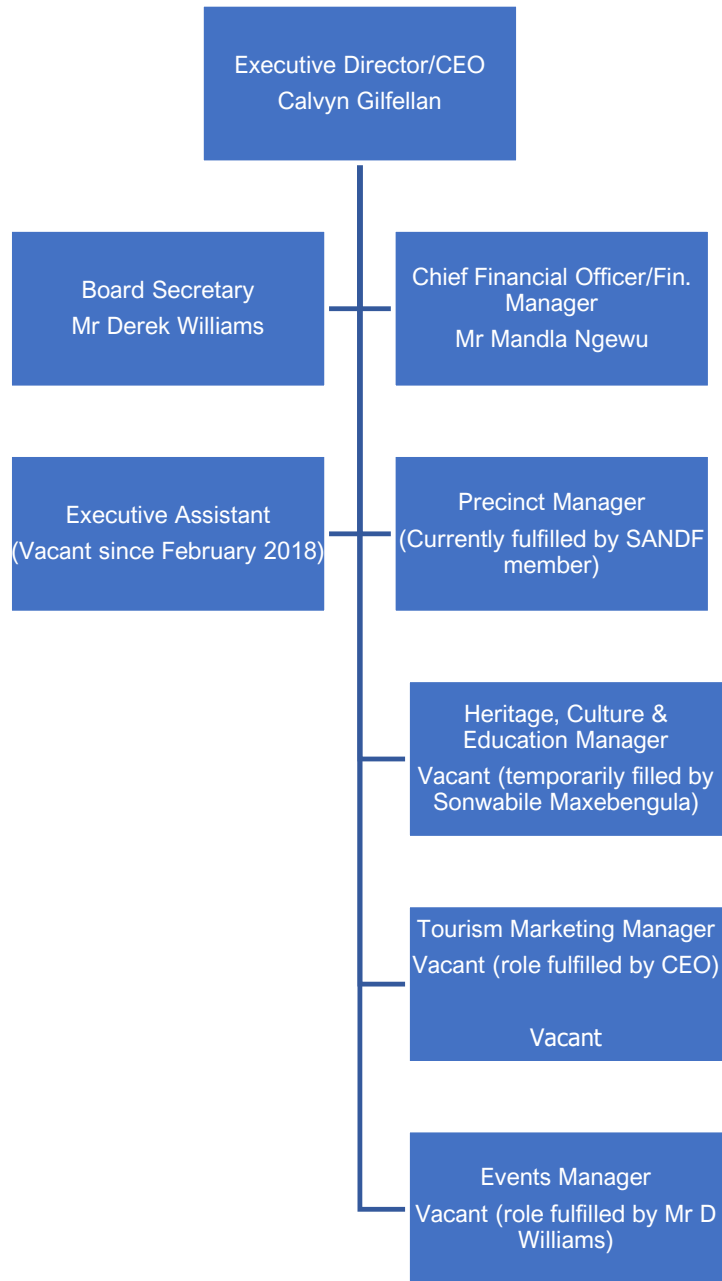


Figure 8.2 The CCB's Operational Management Structure



*Young visitors from
NGO Molo Songololo
admire the transformational
heritage work at the Castle.*

PART B

PERFORMANCE INFORMATION

1. AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

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

Refer to page 60 to 65 (paragraphs 10 – 15) of the Report of the Auditor's Report, published as Part E: Financial Information.

2. SITUATIONAL ANALYSIS

2.1. Service Delivery Environment

The COVID-19 pandemic has adversely affected our delivery environment related to delivering our goods and services to tourists, community members, learners, students, event organisers and the public. However, the past financial year has witnessed promising signs of recovery. But we are not out of the woods yet.

The pandemic has exposed existing and future operational deficiencies in the CCB and all state organisation's planning and implementation systems. We organise virtual meetings; most engagements are taking place electronically, and e-commerce has become a norm instead of an exception. How do we creatively respond to this and other new environmental challenges?

Despite the adverse conditions described above, the ability of the Board to deliver its full range of services to the public is also dependent on close collaboration with the MOD&MV and other line or support departments, institutions, and external experts. Therefore, the Board has strengthened its established relationships with crucial DOD units such as the Directorate of Strategic Planning, CFO's Office, Strategy & Planning, the Legal Office, the Logistics Division, the Regional Works Unit (WC), the Office of the Minister's Chief of Staff and the Office of the Deputy Minister. We also managed to establish and develop new strategic relationships to support the Minister's initiatives.

Close relations exist with stakeholders also represented on the Castle Control Board, therefore sharing and assisting in management efforts as part of the strategic objectives of the Castle Control Board as stipulated in the Castle Management Act.

1. The CCB is acutely aware that stakeholders require a more open communication of its activities and achievements hence a massive increase in media coverage (more than half a billion people reached through the media during FY 2021/22) during the year under review. However, the Board has taken a deliberate decision that a partnership for the sake of partnerships is no longer sufficient; the partnership needs to show a return on investment and that all stakeholders and partners are required to contribute positively and constructively towards the successes and achievements of the Castle as one citadel. And this is happening – the value added by partners such as the Cape Muslim

& Slave Heritage Museum, the Camissa Museum, the Regional Works Unit (WC) and many others have carried us through these problematic COVID-19-affected years.

2. Given the worldwide significance of the Castle of Good Hope, the organisation actively involved the Dutch, Indian, Turkish, Spanish, Russian, Belgium, and French Consulates in some of its significant heritage and cultural activities. The increased awareness of the Castle and the CCB's determined attempts to reposition the Castle as a place of reflection, healing and nation-building placed a greater responsibility on the CCB to ensure that we manage these demands responsibly and sensitively.

2.2. Organisational environment

The organization has a well-structured, fully functional Board, Audit and Risk Committee and independent Internal Audit function and now has a fully-fledged, albeit reduced civilian staff complement. After the DOD's Directorate for Management Services (DIMS) designed the optimal structure for the CCB, the Board finalized the recruitment of its entire management team. With a full-time staff complement of 15 (casual workers and interns excluded), this represents a significant step towards stability, focus and service delivery, all of which paid immediate dividends. Towards the end of the financial year, after the contract of the gardening and maintenance team expired, the Board took on the eight workers temporarily. However, it also created budgetary strains since the CCB could no longer rely on SANDF members to execute its operations

The Board has significantly tightened up its policy and control environment by reviewing and adopting the following policies and procedures: the SCM Policy, Risk Procedure, Board Charter, Audit Committee Charter, Delegation of Authority, Fraud Prevention Policy, a Performance Management System, and ICT Policies. With the SITA on Board as our ICT partner, the internalization of these policies and procedures is ongoing.

The organization has shown significant progress, and because of the drive to ensure good corporate governance, it is now better positioned than ever to discharge its full mandate. However, the Board, mindful of the quest for greater financial sustainability, is also wary of the risk related to unfunded mandates.

We perform the Castle's Management on an "enterprise risk" basis, i.e., the most critical risks that would potentially compromise our ability to attain our strategic objectives are articulated in a Risk Register, ranked, and regularly evaluated.

Given that we also have a precinct-wide responsibility, other on-site partners are engaged in a monthly meeting where issues of common concern are discussed. We also circulate a weekly activity schedule to ensure that all Castle inhabitants know what is happening on the site.

2.3. Key policy developments and legislative changes

The CCB team updated the Portfolio Committee on Defence and Military Veterans when we met the latter in May and November 2021 (delayed because of the Elections) and articulated this requirement in the handover document prepared and delivered for the new EA in October 2021. The purpose of the handover document is to push for the review, if not scrapping of the dated Castle Management Act, formalising the

CCB's shareholder's compact with the Ministry, review the composition, structure, and tenure of the Board, and review the mandate of the CCB. These matters were flagged during two subsequent informal meetings with Deputy Minister T Makwetla. The Board has updated the handover document and will soon brief the new EA, the Honourable T. Modise.

2.4. Strategic Outcome Oriented Goals

The following are the CCB's high-level outcome performance indicators:

- **Administration:** The Administration programme's intended outcome is to ensure clean, sound administration and good corporate governance.
- **Maintenance and Conservation at the CGH:** The intended outcome of this programme is to ensure the proper maintenance, preservation, interpretation and showcasing of the history of the CGH.
- **Maximizing the Castle's tourism potential:** The intended outcome of this programme is to optimize the tourism and revenue generation potential of the CGH.
- **Increase Public Access to the CGH:** This programme's intended outcome is to optimize public access and increase the CGH's public profile and positive perception across all community sectors.

3. PERFORMANCE INFORMATION BY PROGRAMME/ ACTIVITY/ OBJECTIVE

The core programme outputs, performance indicators and annual targets are indicated in the tables below. Core Programme Performance Indicators are defined as this performance information directly linked to the legislative mandate of the CCB. During the 2021/22 FY, the CCB had the following programmes:

3.1 Programme 1: Programme 1: Administration

Purpose

The purpose of the Administration programme is to ensure clean, sound administration and good corporate governance.

Outcomes, outputs, performance indicators and targets

The following tables reflect the annual and quarterly targets for the Administration Programme.

Table 3.1: Programme 1 - Administration: Outcomes, outputs, performance indicators and targets for the 2021/22 MTEF

Ser. No.	Outcomes/Outputs	Performance Indicator	Actual Performance 2020/21	Planned Target 2021/22	Actual Achievements 2021/22	Deviations	Comments on Deviations (>5%)
	A	B	C	D	E	F	G
1.1	Delivery of excellent corporate governance through tight internal controls and world-class administration	Number of corporate governance policies approved per annum	2	4	Achieved: 4 The following policies have been circulated and sent to IA for further review: <ol style="list-style-type: none"> 1. SCM policy 2. Financial Management Policies 3. Code of Conduct and Ethics 4. Development of Internal Audit Plan against which we appointed the Internal Audit function. 	0%	None
1.2	Delivery of sound financial management and control measures	Percentage of significant prior-year audit findings resolved	100%	100%	Achieved: 100% A new list of audit findings was released and shared with IA to address with management.	0%	None
1.3	Delivery of good governance and clean administration	CCB Annual Performance Plan timeously submitted to the Executive Authority	100% (1)	100% (1)	Achieved: 100% Final APP FY 2021/22 submitted 5 March 2021	0%	None
1.4	Delivery of good governance and clean administration - Annual Performance Plan (1), Annual Report (1),	CCB Annual Report timeously submitted to	100% (1)	100% (1)	Achieved (97%) Draft CCB Annual Report timeously submitted to the	-3%	None

Ser. No.	Outcomes/Outputs	Performance Indicator	Actual Performance 2020/21	Planned Target 2021/22	Actual Achievements 2021/22	Deviations	Comments on Deviations (>5%)
	A	B	C	D	E	F	G
	Quarterly Reports (4), CEO Performance Agreement (1), Strategic Plan 2020 - 2025	the Executive Authority			AGSA on 31 July 2021. Due to technical challenges, the final one was delivered one week after the deadline.		
1.5	Delivery of good governance and clean administration - Annual Performance Plan (1), Annual Report (1), Quarterly Reports (4), CEO Performance Agreement (1), Strategic Plan 2020-2025(1)	CCB Quarterly Reports timeously submitted to the Executive Authority and National Treasury	100% (4)	100% (4)	Achieved: 100% The CCB's four Quarterly Reports were submitted as follows: Q1: 25 July 2021. Q2: 29 October 2021. Q3: 27 January 2022; and Q4: 29 April 2022 to the Executive Authority and National Treasury (the last three under the new National Treasury electronic system).	None	None
1.6	Delivery of good governance and clean administration - Annual Performance Plan (1), Annual Report (1), Quarterly Reports (4), CEO Performance Agreement (1), Strategic Plan 2020 - 2025	CCB CEO Performance Agreement timeously submitted to the Executive Authority and National Treasury	100%	100% (1)	Achieved: Submitted with APP as described above	None	None

3.2 Programme 2: Maintenance and Conservation at the CGH

Purpose

This programme aims to ensure the maintenance, preservation, interpretation and showcasing of the history of the CGH.

Outcomes, outputs, performance indicators and targets for the 2021/22 MTEF

The following tables reflect the annual and quarterly targets for the Maintenance and Conservation of CGH programme.

Table 3.2: Programme 2 - Maintenance and Conservation of the Castle of Good Hope: Outcomes, outputs, performance indicators and targets for the 2021/22 MTEF

Ser. No.	Outcomes/Outputs	Performance Indicator	Actual Performance 2020/21	Planned Target 2021/22	Actual Achievements 2021/22	Deviations	Reason for Deviation (>5%)
	A	B	C	D	E	F	G
2.1	Delivery of a range of projects and services aimed at the enhancement, upkeep, and maintenance of the CGH as a heritage site	Number of preventative and regulation maintenance projects completed	6	8	Achieved: 57 <ol style="list-style-type: none"> 1. Replacement of broken panes and windows at block F. 2. Replacement of broken windows at block B. 3. Fixing of urinals at the Oranje bastion. 4. Fixing of sinks at Oranje bastion. 5. Fixing of taps and shower heads at the Oranje bastion. 6. Fixing of toilets at the Nassau bastion. 7. Add caps to the gargles for the water to flow away from the walls. 8. Cleaning of blocked drains at the Castle's Back Courtyard. 9. Scraping off old limewash and repainting the walls of the toilets at Oranje bastion. 10. Electrical repair work at the Oranje bastion. 11. Fixing the blocked sewage line with assistance from the City of Cape Town. 	+613%	This exceptional positive deviation was due to the deployment of eight full-time artisans from Regional Works Unit WC, who significantly boosted the capacity of the small CCB maintenance team.

Ser. No.	Outcomes/Outputs	Performance Indicator	Actual Performance 2020/21	Planned Target 2021/22	Actual Achievements 2021/22	Deviations	Reason for Deviation (>5%)
	A	B	C	D	E	F	G
					12. Fixing the damaged Distribution Board at Guard House. 13. Fixing the burst of the Main Water Supply pipe. 14. Fixing the leaking Roof (Block F) 15. Fixing the leaking Roof (Military Police) 16. Fixing of leaking roofs (Block B, C, D, E, Rest of F, G) 17. Fixing the blocked sewage drains at Military Police. 18. Fixing of the Military Mess toilets at Block F. 19. Painting of walls at Sally's Port at Block D. 20. Painting of the staircase leading to the CCB's management offices Block B. 21. Painting of the inner walls of the Main entrance at Block A. 22. Fixing of the Guards' kitchen is at the male barracks. 23. Painting of the male guards' bathroom. 24. Fixing bathrooms at the male barracks and leaking pipes at the female bathrooms. 25. Replacement of fluorescent fittings at both male and female barracks. 26. Painting of walls, ceilings and doors at the male and female barracks. 27. Painting of the Buuren toilets entrance walls. 28. Fixing and replacing windows at Block F facing the Dolphin pool. 29. Install electrical wires for the sewage pump station (City) under the bridge at Strand Street.		

Ser. No.	Outcomes/Outputs	Performance Indicator	Actual Performance 2020/21	Planned Target 2021/22	Actual Achievements 2021/22	Deviations	Reason for Deviation (>5%)
	A	B	C	D	E	F	G
					30. Fixing paving above the moat at Darling parking entrance. 31. Fixing paving at the pathway to Darling Street 32. Fixing paving in Front Courtyard water drain. 33. Plastering walls at Alleman's Barracks 34. Painting walls in boardroom and offices. 35. Painting walls and floor at Old SAHRA Offices in Block C. 36. Fixing paving at Block C pathway. 37. Fixing the paving at Oranje Bastion near the toilets. 38. Fixing paving at Back Courtyard on the water drain. 39. Fixing windows (glass & glazing F-Block and D-Block) 40. Unblock drains in the front and back Courtyard. 41. Electrical wiring at Display in D-Block. 42. Significant clearing of Moat blockages. 43. Fixing windows (glass & glazing in Secunde Hall) 44. Unblock Drains at Guards' quarters. 45. Cleaning of bottle traps at Public Ablution facilities. 46. Electrical Light installation at Reserve Force Office. 47. General: Paint external barn doors and window frames at Guards' quarters. 48. Complete gutters & down pipes at LEGSATO quarters. 49. Windows (glass & glazing at G-Block). 50. Plumbing repairs at Public Ablution facilities.		

Ser. No.	Outcomes/Outputs	Performance Indicator	Actual Performance 2020/21	Planned Target 2021/22	Actual Achievements 2021/22	Deviations	Reason for Deviation (>5%)
	A	B	C	D	E	F	G
					51. Unblock drains at Guards and Military Police quarters. 52. Fixing windows (glass & glazing in Conference Room). 53. Clean bottle traps & waste fit taps & fit P-trap Seal Pan connector in toilets. 54. Fixing windows (glass & glazing Alleman's). 55. Replacing and fixing stolen copper pipe (Leerdam). 56. Electrical Fluorescent light cover repair in Camissa Museum. 57. Manufacturing and fitting of stormwater pipe cover.		
2.2	Delivery of a comprehensive offering of visitor services and experiences	An annual increase in the number of tangible heritage projects implemented at the CGH	2	6	Achieved: 6 1. Restoration of archways and walls of the Castle 2. Manufacturing and unveiling of Military Veteran, That'u Alfred Wilie's bronze bust. 3. Printing and launch of "Who is "Jumbo"? a book about a military veteran. 4. Manufacturing and erection of Crying for Justice "The Lookout Point Rail" and staircase. 5. Conversion of Old SAHRA Offices into an Exhibition Hall. 6. Conversion of the Old Recruitment Offices into a Museum space.	0%	None
2.3	Delivery of a comprehensive offering of visitor services and experiences	Number of non-commercial, cultural events hosted annually at the CGH	7	10	Achieved: 26 1. Launch of Camissa Museum virtual website at the Freedom Day event at the Castle. 22 April 2021. 2. CONTRALESA meeting – 04 May 2021 3. Home affairs meeting – 08 June 2021	+140%	The number of non-commercial, cultural events increased when the country moved to COVID-19

Ser. No.	Outcomes/Outputs	Performance Indicator	Actual Performance 2020/21	Planned Target 2021/22	Actual Achievements 2021/22	Deviations	Reason for Deviation (>5%)
	A	B	C	D	E	F	G
					4. Memorial service of the late Khoi Chief Okkie Lewies. 10 June 2021. 5. "San Government" meeting. 14-15 June 2021. 6. Interfaith workshop with the Department of Home Affairs. 15 June 2021. 7. Bo-Kaap Music Video Shoot, 29 Aug 2021. 8. Abaqua Royal House Meeting 4 Sep 2021. 9. Khoi and San Business Hub Workshop 15 September 2021. 10. District Six Working Committee Meeting 29 August 2021. 11. District Six Working Committee Meeting 26 September 2021. 12. City of Cape Town Unit, Environmental Capacity Building, Education and Training 28 September 2021. 13. Castle Heritage Day Celebrations 24 September 2021. 14. Islamic Relief Foundation, 24 September 2021. 15. Treasure Magazine Heritage Day Event, 24 September 2021. 16. Cape Muslim Slave Heritage Museum Heritage Day Program, 24 September 2021. 17. COSATU Provincial Shop Stewards Council, 6 October 2021. 18. Convention of the Descendants of Forced Removal victims 12 December 2021. 19. Function marking the end of the Khoi Liberation and Reconciliation Walk, 1 December 2021. 20. Krotoa Eva van de Kaap Forum Event, 04 December 2021.		Restricted Level 1.

Ser. No.	Outcomes/Outputs	Performance Indicator	Actual Performance 2020/21	Planned Target 2021/22	Actual Achievements 2021/22	Deviations	Reason for Deviation (>5%)
	A	B	C	D	E	F	G
					21. "Tweede Nuwe Jaar" performance, 02 January 2022. 22. Meeting with Minister in the Presidency: Mr Mondli Gungubele and African Religious and Traditional Leadership Council, 17 February 2022. 23. Simon Van de Stel Foundation on-site engagement, 18 February 2022. 24. District Six working committee meeting, 22 February 2022. 25. Turkish International Women's Day event 8 March 2022. 26. District Six Working Committee Workshop, 15 March 2022.		
2.4	Delivery of a comprehensive offering of visitor services and experiences	Number of exhibitions hosted annually at the CGH	5	5	Achieved: 5 1. The Camissa virtual museum & placeholder exhibition in the Old Recruitment Offices was opened on 22 April 2021. 2. Vintage Photographic Exhibition, Chapel, 23 – 25 September 2021. 3. Posterity #3 - "Bokkie" exhibition, 16 Nov 2021. 4. Walker photographic Exhibition Cape Muslim & Slave Art Gallery Exhibition Museum, 17 December 2021. 5. The Institute for Healing of Memories Youth Exhibition #thehandsofmen, 21 March 2022.	0%	None.

3.3 Programme 3: Maximising the tourism potential of the Castle of Good Hope

Programme 3: Maximizing the Castle's tourism potential

Purpose

The purpose of this programme is to optimize the tourism potential of the CGH.

Outcomes, outputs, performance indicators and targets

The following tables reflect the annual and quarterly targets for the Tourism Management Programme. Please note that both the 2020/21 and 2021/22 targets have been "Covid-19" adjusted.

Table 3.1: Programme 3 - Maximizing the Castle's Tourism Potential: Outcomes, outputs, performance indicators and targets for the 2021/22 MTEF

Ser. No.	Outcomes/Outputs	Performance Indicator	Actual Performance 2020/21	Planned Target 2021/22	Actual Achievements 2021/22	Deviations	Reason for Deviation (>5%)
	A	B	C	D	E	F	G
3.1	Delivery of a comprehensive offering of visitor services and experiences to attract tourists and locals to the CGH	Total number of visitors per annum	14 522	120 000	33 452	-72.1%	Although our tourism numbers doubled yearly, they did not meet our recovery rate estimates.
3.2	Delivery of a comprehensive offering of visitor services and experiences to attract more tourists and locals to the CGH	Total gross revenue generated per annum	R5 677 366	R9.438m	R8 829m (Incl. R5.5m grant)	-6.5%	This was another challenging year in which the CCB benefitted through financial support from the DOD.
3.3	Delivery of a comprehensive offering of visitor services and experiences to attract more	Number of commercial events hosted annually at the CGH	6	20	Achieved: 19 1. 30 April 2021 – AFM Church workshop. 2. 7/8 May 2021 – Masimini play.	-5%	None

Ser. No.	Outcomes/Outputs	Performance Indicator	Actual Performance 2020/21	Planned Target 2021/22	Actual Achievements 2021/22	Deviations	Reason for Deviation (>5%)
	A	B	C	D	E	F	G
	tourists and locals to the CGH				3. 22 May 2021 Goliath wedding reception. 9 May 2021 Mothers' Day concert. 4. 25 June 2021 MDDA workshop. 5. 26 June 2021 Round Table workshop. 6. 4 th Wall Management, 2 August 2021. 7. Red Hot Events, 2 August 2021. 8. 25 September – Voice of the Cape Radio broadcast (Note 1). 9. 10 October – CT Cycle Tour. 10. 21 to 24 October – Street Dance finals. 11. 31 October – Sisters for Good 12. 12/13 Nov – Mushroom Productions 13. 22 February – Trilogy Studios (Parking). 14. 5 March Advantage RR (Parking). 15. 14 February to 3 March BIA 3RF (Parking) 16. 9 to 13 March (ASB (VUMI)). 17. 6 to 12 March (BIA 3RF) 18. 13 March – Cape Town Cycle Tour.		
3.4	Delivery of a comprehensive offering of visitor services and experiences to attract more tourists and locals to the CGH	Number of film and fashion shoots accommodated at the CGH per annum	12	10	Achieved: 16 1. 12 May 2021 ACT CT student film 2. 13 May 2021 Film Afrika (Eraser) 14 May to 20 June 2021 Film Afrika (Lincoln) 3. 3/5 June 2021 Permits (Fear Factor India)	+60%	For the first time in history, filming events overhauled footfall as a significant revenue generator.

Ser. No.	Outcomes/Outputs	Performance Indicator	Actual Performance 2020/21	Planned Target 2021/22	Actual Achievements 2021/22	Deviations	Reason for Deviation (>5%)
	A	B	C	D	E	F	G
					4. 11 to 15 June 2021 Film Afrika (Lincoln II). 5. The "Lookbook" Catalogue, July 2021. 6. Prodigious Brand Logistics, 10 September 2021. 7. City Varsity 30/9-1/10 8. Power I, Film Shoot, 10 to 14 October 2021. 9. The Umbrella men, 11 to 20 October 2021. 10. Power II, 20 October to 10 December 2021. 11. The Woman King, Dec 2021. 12. 13 to 29 January – The Woman King 13. 1 February – Simple man 14. 13 to 17 February – Web Maestro 15. 7 to 31 Mar – film Afrika (Panda)		
3.5	Delivery of a comprehensive offering of visitor services and experiences to attract more tourists and locals to the CGH	Number of tourism infrastructure upgrades completed	4	1	Achieved: 2 1. Original "Sea Shore" installation at Castle entrance. 2. Crying for Justice' signboard on top of Leerdam Bastion.	+100%	This is closer to the realistic annual target.
3.6	Delivery of a comprehensive offering of visitor services and experiences to attract more tourists and locals to the CGH	Number of Joint Marketing Initiatives undertaken per year	2	2	Achieved: 3 1. Signed "Ubuntu Foundation" JMA. 2. Signed University of the Western Cape JMA. 3. Whatsonincape town	+50%	CCB's partnership approach is strategic sound and a cost-effective way to

Ser. No.	Outcomes/Outputs	Performance Indicator	Actual Performance 2020/21	Planned Target 2021/22	Actual Achievements 2021/22	Deviations	Reason for Deviation (>5%)
	A	B	C	D	E	F	G
							invest public funds.

3.4 Programme 4: Increase Public Access to the CGH

Purpose

This programme aims to optimize public access and increase the CGH's public profile and positive perception across all community sectors.

Outcomes, outputs, performance indicators and targets

The following tables reflect the annual and quarterly targets for the Increase Public Access to the CGH Programme. Both 2020/21 and 2021/22 targets have been "COVID-19" adjusted.

Table 3.4: Programme 4 - Increase Public Access to the CGH: Outcomes, outputs, performance indicators and targets for the 2021/22 MTEF

Ser. No.	Outcomes/Outputs	Performance Indicator	Actual Performance 2020/21	Planned Target 2021/22	Actual Achievements 2021/22	Deviations	Reason for Deviation (>5%)
	A	B	C	D	E	F	G
4.1	Deliver a series of innovative public events aimed to promote understanding of the CGH as a heritage icon	The annual number of potential visitors reached through the media	554.6m	80m	Achieved: 604.24m	+755%	The post-COVID-19 recovery is reflected in the increased media coverage. We now must convert it to positive visitation numbers.
4.2	Delivery of a range of public programmes with SA schools, cultural	Number of student leaderships	4	12	Achieved: 7 1. Miss Asonela Ngcwembe	-41.7%	After a directive from the Authorities,

Ser. No.	Outcomes/Outputs	Performance Indicator	Actual Performance 2020/21	Planned Target 2021/22	Actual Achievements 2021/22	Deviations	Reason for Deviation (>5%)
	A	B	C	D	E	F	G
	groups, and special community groups	offered per annum			2. Miss Kelly Erin Preston 3. Miss Cikizwa Dayisi 4. Mr Khutso Arthur Nkuna 5. Miss Siyathemba Stofile 6. Mr Bongani Papa 7. Miss Thembeka Mgudlwa		Cape University withdrew its interns from the program. Some of them returned later in the year.
4.3	Delivery of a range of public programmes with SA schools, cultural groups, and special community groups	Number of heritage-educational programmes organised for women, unemployed youth, disabled and traditional communities	11	12	Achieved: 22 1. Posterity #2 Schedule – "Don't Make Me Over" Walkabout. 10 April 2021. 2. Posterity #2 Women's workshop. 17 April 2021. Griqua Royal House workshop, 23-24 Apr 2021. 3. UMKHONDO-Heritage Theatre Production. 7 May 2021. 4. COVID-19 & GBV PRAYER DAY 18 May 2021 5. Cyber Bullying workshop Trafalgar High School. 1 June 2021. 6. Cyberbullying workshop with the youth of Mfuleni. 16 June 2021. 7. Youth in traditional leadership workshop CONTRALESA, 16 June 2021 8. Cape Muslim and Slave Heritage Museum's Women's	+83%	After lockdown, the return of high-profile community cultural events drove this positive deviation.

Ser. No.	Outcomes/Outputs	Performance Indicator	Actual Performance 2020/21	Planned Target 2021/22	Actual Achievements 2021/22	Deviations	Reason for Deviation (>5%)
	A	B	C	D	E	F	G
					Day Event 9 August 2021 9. CONTRALESA's Women in Traditional Leadership event 9 August 2021 10. African Religious and Traditional Leaders Council Meeting 7 September 2021. 11. IRASA Empowerment workshop – Peace and Education Program, 16 & 17 October 2021. 12. Minister of Tourism Women's Prayer, 23 October 2021. 13. Griqua Clan's Collaboration with the CCB on Afrikaans language debate with Women, 23 October 2021. 14. Western Cape Aboriginal Women's League- Women empowerment workshop 18 November 2021. 15. Women's Prayer for Activism on Violence on Women and Children, 8 December 2021. 16. Griqua Royal Plenary Meeting, 29 January 2022. 17. African Religious and Traditional Leaders Council's Meeting, 18 February 2022.		

Ser. No.	Outcomes/Outputs	Performance Indicator	Actual Performance 2020/21	Planned Target 2021/22	Actual Achievements 2021/22	Deviations	Reason for Deviation (>5%)
	A	B	C	D	E	F	G
					18. CONTRALESA's Meeting, 19 February 2022. 19. Khoi-Khoi leadership council meeting, 12 March 2022. 20. CONTRALESA's Meeting 18 March 2022. 21. The Institute for Healing of Memories launch and workshop, 21 March 2022. 22. The hands of men workshop, 31 March 2022.		
4.5	Delivery of a range of public programmes with SA schools, cultural groups, and special community groups	Number of heritage programmes organised for Military Veterans	7	6	Achieved: 9 1. Military Veterans workshop with the Institute for Healing of Memories, 10 April 2021. 2. Naval Mil Vets meeting, 18 May 2021. 3. Battle of Square Hill Memorial 18 September 2021. 4. Department of Military Veterans Workshop, 26 October 2021. 5. Military Veterans with the Institute for Learning and Memories workshop, 11 December 2021. 6. "Who is Jumbo" book launch for Gen Alfred Sipheto Willie, 11 February 2022.	+50 %	After lockdown, the return of military veteran events drove this positive deviation.

Ser. No.	Outcomes/Outputs	Performance Indicator	Actual Performance 2020/21	Planned Target 2021/22	Actual Achievements 2021/22	Deviations	Reason for Deviation (>5%)
	A	B	C	D	E	F	G
					7. MK AIC Provincial Visit, 15 March 2022. 8. Military Veterans Workshop and Exhibition, 28 & 29 March 2022. 9. Military Veteran's Meeting, 31 March 2022.		

Strategy to overcome areas of under-performance

The post-Covid 19 recoveries in tourism will be led by an aggressive marketing campaign, diversification of revenue options and optimising our conference facilities. Rudely interrupted by the pandemic, we have resumed the rolling out of Phase 2 of our Revenue Generation Strategy. We have a small, operational Gift Shop run by a disabled staff member. We started to promote the state-of-art Conference Centre to generate income. The contract of Five Star Restaurant has ended, offering us an internal opportunity (with het Bakhuis) to look at delivering an excellent service to our clients who can then spend in other areas. The focus is on high-yield commercial events for the site, thereby supporting the objectives of Project Koba-Tlala.

In administration areas, we will settle our human resource component, and in respect of corporate governance, we want to eliminate all the outstanding control issues. We have already engaged the DOD and Treasury and adjusted the unrealistic number of interns to 15 per annum, and it seems as if the former will provide the CCB with interns paid by the Department.

Changes to planned targets

Although we have prepared an APP with downward adjusted targets, we decided to stick to MTEF targets for FY2021/22 as submitted and approved in March 2021.

Linking performance with budgets

The following tables deal with the financial resources deployed to meet our strategic objectives and specific KPIs: The financial information in this report agrees with the data in the annual financial statements.

Programme/activity/ Objective	2020/2021			2021/2022		
	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 through corporate governance	4 711	5 407	(696)	8 450	6 203	2 247
Preservation and protection of military and cultural heritage	304	386	(82)	660	483	177
Maximising the Castle's tourism potential	0	0	0	85	5	80
Increased public profile and positive perception of the Castle	150	30	120	243	65	178
TOTAL	5 165	5 823	(658)	9 438	6 756	2 682

Revenue collection

Sources of revenue	2020/21			2021/22		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Sales	1 100	475	625	2 586	1 075	1 511
Rental Income	1 056	255,4	800,6	1 100	2 100	(1 000)
Other Income	9	555,2	(546,2)	102	46	56
Interest Income	0	34,4	(34,4)	150	107	43
Grant	3 000	4 900	(1 900)	5 500	5 500	0
Total	5 165	6 220	(1 055)	9 438	8 828	610

The Castle Control Board runs a relatively uncomplicated heritage enterprise with a limited number of revenue sources, as outlined in the above table.

Sales income is in line with our estimates for the year. However, the provision made to compensate for the access to our historic surplus funds skews this estimate, thus painting a picture of underperformance.

4.1. Capital investment

We invested accumulated liquid assets with ABSA Bank. We decided to consolidate these investments during the past financial year and invest it with ABSA Bank as this investment carried an interest rate of 0.5% more. The Board has no stake in fixed property; thus, no infrastructure projects were embarked on by the Board for the period under review.



Minister Modise, Igshaan Higgins and Calvyn Gilfellan at the Castle's June 16 Celebrations.



Cape Town Tourism executive members visit the Cape Slave and Muslim Heritage Museum at the Castle.

PART C

GOVERNANCE

1. INTRODUCTION

The CCB is serious about its corporate governance responsibility. After every external audit, the management team looks at all the corporate governance deficiencies – small and large - in the previous financial year and develops and implements an action plan to resolve them. The Executive Authority is usually informed about the Board's intentions regarding this.

2. PORTFOLIO COMMITTEES

The Board engaged the Portfolio Committee four times during the past financial year, where we met with them on the following dates:

- 10 November 2021, the Chairperson and CEO presented the 2020/21 Annual Report highlights. The Committee commended the significant progress made and raised no crucial issues.

The CCB valued these engagements since they nurtured understanding of our work and empathy for our difficult financial situation. Through their oversight and guidance, the CCB received relief from the DOD.

3. EXECUTIVE AUTHORITY

The Minister of Defence and Military Veterans, honourable Ms N Mapisa-Nqakula, is the executive authority for the Castle. Due to various circumstances, the Minister delegated this role to Deputy Minister T Makwetla in December 2019. The CCB had subsequent meetings with the honourable DM on the following dates:

- 24 April 2021, Minister N Mapisa-Nqakula, officiated at the opening of the Camissa virtual museum.
- 3 June 2021, Deputy Minister T Makwetla made a formal site inspection at the Castle of Good Hope.
- 11 February 2022, Deputy Minister T Makwetla officiated at the book launch of Military Veteran Alfred Sipheto Willie.

4. THE ACCOUNTING AUTHORITY: THE CASTLE CONTROL BOARD

As a Schedule 3A Public Entity of the Department of Defence and Military Veterans, the Board's make-up reflects its diverse stakeholder interest. In terms of the Castle Management Act, the Castle of Good Hope is under the juristic control of the Castle Control Board, where the Act furthermore stipulates certain conditions in terms of the composition of the Castle Control Board, including, but not limited to, the following:

- The Board comprises representatives of the various national and provincial stakeholders, as expressly referred to in the Act.

- The Chairperson of the Board shall be appointed by SAHRA as a board member, excluding the Officer Commanding Army Support Base Western Cape and the Executive Director, who is not electable as Chairperson.
- Appointment of members, and alternates appointed as representatives of stakeholders, is for two (2) years except for the Officer Commanding Army Support Base Western Cape and the Executive Director/CEO. They will remain appointed members of the Board, if they serve in their respective capacities in the service of such stakeholders.
- The Vice-Chairperson is to be elected by Board members, and the Executive Director will act as Secretary to the Board. A quorum for a meeting comprises the Chairperson or Vice-Chairperson and at least six (6) members.

After their Executive Director (CEO) appointment, the Board adopted a firm stance concerning its day-to-day management. The Board Charter, Code of Ethics and Business Conduct, and Fraud Prevention Plan have been updated and adopted. A Delegation of Authority has also been developed and adopted to separate the board and executive management's roles.

Composition of the Board

Stakeholders	Name
South African National Defence Force – Chief of Logistics	Lieutenant General J.S. Mbuli
Cape Town Regional Chamber of Commerce and Industry	Mr J. Moolman
Iziko Museums of South Africa	Dr B. Ndlovu
Department of Public Works	(Vacant)
South African Heritage Resources Agency	Mr B. Mwasinga
Officer Commanding Army Support Base	Col B.M. Feni
City of Cape Town	Mr D. Hart
South African Tourism Board (WESGRO)	Ms C Koch
Appointed by the Minister of Defence and Military Veterans	Adv D. Mitchell
	Ms A. Aggenbach
Western Cape Provincial Legislature	Vacant
Chief Executive Officer	Mr C. Gilfellan
Chief Financial Officer	Mr M. Ngewu
Secretary	Mr D. Williams

Committees

Committee	No. of meetings	No. of members	Name of members
Audit & Risk Committee	4	5	Adv. D Mitchell (Chairman), Ms C de Vries (Member), Ms J Niekerk (Member), Mr Calvyn Gilfellan (ED), Mr Mandla Ngewu (CFO)

Remuneration of Board members

Board members represent a stakeholder organization, and thankfully each statutory organization takes care of the travel and other expenses related to the Member's attendance at Board meetings. The exceptions are the Chairperson, another member who served on the Audit Committee, and ex-officio members.

Table 9: Remuneration of Board members

Name	Remuneration	Other allowance	Other Reimbursements	Total
Lt Gen JS Mbuli	Nil	Nil	Nil	Nil
Col B.M. Feni	Nil	Nil	Nil	Nil
Dr B Ndlovu	Nil	Nil	Nil	Nil
Mr B Mwasinga	Nil	Ni	Ni	Nil
Mr D. Hart	Nil	Nil	Nil	Nil
Ms J Lain	Nil	Ni	Ni	Nil
Adv. D. Mitchell*	R12.951k	Ni	Ni	R12 951k
Ms A. Aggenbach	Nil	Ni	Ni	Nil
Mr C.T. Gilfellan**	R1 110k	Ni	Ni	R1 110k
Mr D Williams**	R303k	Ni	Ni	R303k
Mr M Ngewu**	R902k		Ni	R902k

Notes: *In his capacity as Audit Committee Chairperson

**In their capacity as full-time employees of the Board

RISK MANAGEMENT

The Board, guided by the Audit & Risk Committee and Management, has endeavoured to put together a framework for a risk management policy and strategy. Given the delegations of authority and segregation

of duties, the Board has appointed management to spearhead this critical part of the entity's work and has adopted a Risk-based Enterprise Development approach.

Management has developed a Risk Register (adopted by the Board), which forms the basis for regular risk assessments to determine its risk management strategy's effectiveness and identify new and emerging risks.

Risk management and mitigation is a standard item on the CCB's Audit and Risk Committee that advises management on the overall system of risk management, especially the justification of unacceptable levels of risk.

INTERNAL CONTROL UNIT

After completing the CCB's Management's appointment, we implemented the organization's segregation of duties and responsibilities protocols. The latter has significantly enhanced the system of internal control. The existence of a robust functioning Audit & Risk Committee and the efforts of individual Board members have strengthened internal control at the CCB. Regular management meetings, unit meetings, monthly staff meetings, clear delegation of authority, and internal SCM committees' appointments have radically strengthened the internal control environment.

INTERNAL AUDIT AND AUDIT COMMITTEE

The CCB had a partially functional Internal Audit function for the year under review. Morar Incorporated were appointed towards the end of the financial year and was in the process of evaluating the Board's activities at the end of the financial Year

- Evaluate the effectiveness of controls over the reliability and integrity of information management processes, including performance measurement.
- Ascertain the level of compliance with plans, policies, procedures, directives, laws, and regulations.
- Assess the adequacy and effectiveness of controls to safeguard assets, including intangible and non-financial assets.
- Appraise the economies and efficiencies associated with the said resource allocations.
- Review operations to ascertain whether the CCB established objectives and achieved its planned goals.
- Assist management in identifying business risks and in assessing the adequacy of their risk management and governance processes.

The working relationship between the Internal Audit team, Management, the Audit & Risk Committee, and the AGSA is excellent, leading to completing some preliminary work around the review of critical policies, approval of ICT policies, and the Internal Audit Charter by year-end.

The Audit & Risk Committee, under the exemplary leadership of Advocate Dave Mitchell, has been invaluable to the strides that have been made in the CCB policy, oversight, and control environments. The Audit Committee members' active participation in matters related to financial management, organizational performance, corporate governance, risk, and oversight is undeniably the primary reason for the smooth, strategic operation of the Board.

Table 11: Audit committee details

Name	Qualifications	Internal or external	If the internal position in the public Entity	Date appointed	Date resigned	No. of meetings attended
Adv D. Mitchell	B Com. LLB., B Compt. (Hons), CFA, Advocate of the High Court of SA., Chartered Accountant (SA)	Internal	Board Member	May 2012	N/A	4
Ms C de Vries	Post Grad Dip in Marketing/ Management, B. Soc. Sci.	External	–	Feb 2015	N/A	4
Mr C Gilfellan	BA, BA-Honors, MA (Geography and Environmental Studies)	Ex-Officio	Board Member	April 2013	N/A	4
Mr M Ngewu	BSc, B Com, B Compt (Hons)	Ex-Officio	Board Member	April 2014	N/A	4
Ms J Niekerk	BA, LL B	External	–	February 2018	N/A	3

Table 12: Attendance at meetings

Name of Member	No. of Meetings Attended	
	Year to 31.3.2022	Since 31.3.2022
Adv. D Mitchell (Chairperson)	4	1
Ms C de Vries	4	1
Ms J Niekerk	3	1
Mr D Williams	4	1
Mr M Ngewu	4	1
Mr C Gilfellan	4	1

COMPLIANCE WITH LAWS AND REGULATIONS

In previous audits, the findings in this area related to the fact that we did not prepare the AFS in terms of section 55 (1) of the PFMA, and expenditure was not managed in terms of section 51 (1) (b) (ii) of the PFMA, SCM not done in terms of the relevant sections of Treasury Regulations 16A6.3 and the PPPFA, and strategic planning not done in terms of Treasury Regulation 30.1.3(d).

This year's audit proved that we addressed most of the matters to the Board's satisfaction, the Executive Authority and the AGSA. The latter has raised some new ones, which we shall focus on during the year.

FRAUD AND CORRUPTION

The CCB has a fully-fledged Fraud Prevention Policy that also addresses criminality.

The aims and purpose of the plan are to introduce a standard mechanism to guide all staff to reducing fraud to an absolute minimum; teach ways to ensure that the CCB uses resources to provide better care and quality of services; and ensure that any form of waste is regarded unacceptable by all employees.

It further aims to make losses due to fraud and corruption intolerable so that we do not deprive citizens of resources intended for their benefit. The CCB is determined and committed, seeing fraud and corruption matched by insistence that the work of those responsible for countering fraud is carried to the highest standards and is supported by well-designed comprehensive training covering all aspects of work. This training covers the whole spectrum from preventative through to the effective imposition of appropriate sanctions for those committing fraud to ensure that we make awareness of and involvement in countering fraud a general responsibility of all professionals.

Because the Castle of Good Hope is a hemmed-in, well-monitored and protected citadel, access monitoring by SANDF is a significant crime deterrent. It is more likely that criminal activities emanate internally. The MOD&MV's operational guidelines, as applied by the on-site military staff, are more than enough to deal with the issue. In the case of significant corporate functions at the Castle, we source additional private security paid for by the client. The upgrading of the CCTV camera system will further enhance our capability to manage safety and security.

MINIMISING CONFLICT OF INTEREST

Board Members were requested to declare their conflict of interest at every Board meeting. A declaration register, which allows for companies' directorships, was also filled out as a standard practice. Similarly, staff members must declare their interest in procurement and other transactional activities of the CCB.

CODE OF CONDUCT

The Board has reviewed and re-adopted a Code of Conduct to provide direction to all civilian officials and employees about their relationship with the legislature, political and executive office-bearers, other

employees, and the public. Another purpose of the Code is to indicate the spirit in which employees should perform their duties to avoid conflict of interests.

Although we developed the Code of Conduct to be as comprehensive as possible, it is not an exhaustive set of rules regulating standards of conduct. However, the leadership of the Castle Control Board, through their responsibility for the efficient management and administration of the Castle Control Board and the maintenance of discipline, are, among other things, duty-bound to ensure that the conduct of their employees conforms to the fundamental values and principles governing the Board's administration, and the norms and standards as prescribed by the Board. The Board's leadership should also ensure that the staff members are acquainted with these measures and accept and abide by them.

The primary purpose of the Code is a positive one, namely, to promote exemplary conduct. Notwithstanding this, an employee shall be guilty of misconduct and may face the consequences following the relevant collective agreement if they contravene any provision of this Code or fails to comply with any provision thereof.

HEALTH SAFETY AND ENVIRONMENTAL ISSUES

Given that the Castle of Good Hope is a quasi-military site, health and safety is the constant concern of the CCB. We have taken every precaution to provide a safe workplace. The Support Services Manager does regular inspections and safety meetings. He also meets with management to plan and implement further improvements in our safety program. Common sense and personal interest in safety are still the most significant safety guarantees at work, on the road, and at home.

The CCB is serious about the safety of employees and tourists, and any wilful or habitual violation of safety rules is a cause for dismissal. The Castle Control Board is sincerely concerned about the health and well-being of each team member.

BOARD SECRETARY

Regarding the Act, the accounting officer is responsible for the role and responsibilities of the company secretary—ditto for reports and returns. However, the Board has appointed Mr Derek Williams to act as secretary. The Board will review as the organization expands.

SOCIAL RESPONSIBILITY

In both the Chairperson and Accounting Officer's reports, it is evident that the entity takes its social responsibility very seriously. It dedicates an entire strategic objective to the increase in public access to the Castle of Good Hope.

We are acutely aware that, measured against international standards, the entrance fees of R50 and R30 for adults and children respectively to access our heritage offering are very reasonable, however still

unaffordable to large sections of our communities. Mindful of this, we have provided free access to all citizens' selected public holidays.

In addition, we regularly receive requests from local scholars who cannot afford the R8 entry for the Castle. In such cases, we assess the situation and allow the group free entrance. The latter could either be at a reduced cost or no cost. We also hosted smaller groups of disabled and disadvantaged youths at various cultural functions and events. We also opened our venues, including the brand-new Centre for Memory, Healing and Learning to struggling NGOs and organized Khoisan, Nguni cultural groups and military veterans.

AUDIT COMMITTEE REPORT

We are pleased to present the Audit & Risk Committee Report for the Castle Control Board (CCB) for the financial year ended 31 March 2022.

Audit & Risk Committee Members and Attendance

The Audit & Risk Committee consists of three independent persons, all with the required expertise and experience in business, compliance and financial matters. The committee's chairperson is also a member of the Board. The Committee has met four times during the year to 31 March 2022 and once subsequently, in accordance with its approved terms of reference. In addition, Committee members consult regularly on matters within their area of responsibility.

Name of Member	No. of Meetings Attended	
	Year to 31.3.2022	Since 31.3.2022
Adv. D Mitchell (Chairperson)	4	1
Ms C de Vries	4	-
Ms J Niekerk	3	1

** Member of the Castle Control Board (appointed by the Minister of Defence & Military Veterans)*
Representatives of the Auditor-General have attended or were invited to all Audit Committee meetings.

Audit & Risk Committee Responsibility

The Audit & Risk Committee reports that it has complied with its responsibilities arising from sections 51(1)(a)(ii) and 76(4)(d) of the Public Finance Management Act, 1999 and National Treasury Regulation 27, together with the Castle Management Act, 1993 and the National Heritage Resources Act, 1999. The Committee further reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter and has regulated its affairs and discharged its responsibilities in compliance with this charter.

Current year audit outcome

CCB Management and the Castle Board can be complimented on qualifying for a clean audit and for continuing to maintain a high standard in administrative performance:

- The entity's annual financial statements as submitted were of a high standard. An accounting policy error was corrected so that rental income accrued for a film shoot that occurred over the 31 March 2022 year end matched the actual days when Castle premises were made available.
- The Auditor-General has undertaken a limited assurance engagement on reported performance information for Programme 2: Maintenance and conservation at the Castle of Good Hope, issuing an unqualified report. Performance information in the annual performance report was properly presented and accepted as useful and reliable.
- No instances were identified of material non-compliance with applicable legislation and there were no significant deficiencies in internal control.

Internal Audit

While a new internal audit service provider has been appointed, internal audit coverage of operational processes and procedures is not yet at a sufficient level. This area warrants closer attention from the Audit Committee.

Reporting and oversight

The Castle Control Board has reported regularly to the Minister of Defence & Military Veterans, who is its Executive Authority, and to National Treasury on its financial and operational performance, in compliance with its statutory responsibilities. The Board has also presented regularly to the Portfolio Committee for Defence & Military Veterans.

The entity's Strategic Plan and Annual Performance Plan were submitted in accordance with statutory prescripts and National Treasury directives.

Going concern

Support from the SA National Defence Force with the full backing of the Minister of Defence & Military Veterans has enabled the Castle Control Board to fulfil its functions and responsibilities during the periods of pandemic and lockdown, while the Board and its management team have been diligent and effective in seeking out and facilitating opportunities to generate additional revenues and cash flows through the CCB's own efforts.

Irregular expenditure

The irregular expenditure identified in the previous year (R 939 746) was fully condoned. These were non-cash flow items that had been omitted from the entity's formally approved expenditure budget and comprised depreciation and amortization charges on fixed assets (furniture, IT equipment and software) and a provision for employee leave benefits.

Disclosed as irregular expenditure arising during the current year are the following amounts:

- R 38 236 for cleaning services contracts that were extended without informing National Treasury.

- R 13 964 paid in July 2021 for a technical review of the prior year's annual financial statements (a service that had hitherto been provided by internal audit) where owing to the urgency three quotations had not been obtained.
- R 23 600 on legal services paid to a service provider who was not registered on National Treasury's Central Supplier Database – this had enabled the CCB to depose in a replying affidavit to thwart litigation regarding the custody of museum artefacts that had been threatened against the CCB, the Minister of Defence & Military Veterans and the Chief of the SANDF.
- A further R301 relates to the purchasing of personal protective equipment (PPE) at prices that were higher than as recommended by National Treasury.
- No fruitless and wasteful expenditure was incurred.

Management and the Board can be commended for their efforts in striving to achieve this excellent standard.

Evaluation of Financial Statements

The Audit & Risk Committee has reviewed and discussed the audited annual financial statements and performance report to be included in the annual report with the Auditor-General, with management and the Chief Executive Officer, and with the Board as the CCB's accounting authority.

Auditor-General's Report

The Audit & Risk Committee has reviewed the Auditor-General's management report on the findings of the 2022 external audit and management's responses, and has reviewed all changes in accounting policies and practices. There are no unresolved audit matters arising from previous years.

The Committee has noted and reviewed the Auditor-General's assessment of the usefulness and reliability of performance information examined.

The Committee has reviewed the Auditor-General's independence and objectivity, and has considered the Auditor-General's opinion on the annual financial statements, annual performance report and other legal and regulatory matters, and is of the view that the audited annual financial statements and performance report can be accepted and read together with the Auditor-General's report.

Commendation

The Audit & Risk Committee would like to commend management and the Board for the work done in achieving a clean and unqualified audit, and records its appreciation for the technical support and guidance given by the Auditor-General's team during the course of the audit.



Adv. D. Mitchell, C.A. (S.A.)
Chairperson of the Audit & Risk Committee

Date: 29 July 2022



The SANDF's Regional Works Unit (WC) team dealing with day-to-day maintenance and repairs at the 357-year old Castle.

PART D

HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

Traditionally the Human Resources component of the CCB has been its Achilles heel and strength. On the one hand, its historical reliance on DOD-remunerated staff assigned to the Castle has led to significant savings (hence the accumulation of historic surpluses). However, on the other hand, it attracted the ire of NT and the AGSA and delayed any decisiveness as to the ultimate civilian management structure of the CCB. The Board has now successfully resolved this matter but has been put on the backfoot with the departure of three managers and two other staff members.

In June 2016, the Board finalized its required management structure which significantly whittled down the findings dealing with staff and the segregation of duties. However, a couple of the historic HR issues remained, and given that the organization does not have a dedicated HR unit, we envisage a complete review of the HR policies and structure of the CCB for the new financial year.

The HR situation at the CCB improved with annual reviews of all staff contracts, development of performance agreements for all staff, revising the remuneration scales, staff contentment, dealing with isolated disciplinary matters, staff benefits and obligations and building a high-performance Castle team.

2. HUMAN RESOURCE OVERSIGHT STATISTICS

The CCB Management team comprised 13 full-time CCB remunerated staff members at the end of FY 2021/22.

Besides, we still have access to three (3) museum artists, who are remunerated, and performance managed by the Department of Defence and are thus not included in the HR Tables below. Short-term contract staff, interns (7), and additional casual staff employed to assist during the peak tourism season and the eight (8) members of the DOD-funded gardening maintenance team increased the extended Castle HR base to 28. (We carried the maintenance team members as "casual labour" for March, but after a Board resolution, they have subsequently been listed as employees since year-end.)

Table 13: Personnel Cost by programme/ activity/objective

Programme/activity/objective	Total Expenditure for the entity	Personnel Expenditure (R'000)	Personnel exp. as a % of total exp.	No. of employees	Average personnel cost per
Administration	R6 756	R4 742	70.2%	38*	R128.2

Notes: * Includes seven interns, ten casuals required to supplement cleaners and assist with events and eight newly appointed terrain workers.

Table 14: Personnel cost by salary band

Level	Personnel Expenditure (R'000)	% of personnel exp. to total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Top Management	R2,012	42.8%	2	R1 006
Senior Management	R0	0%	0*	R0*
Professional qualified	R1.089	23.2%	7**	R155
Skilled	R303	6.4%	1	R303
Semi-skilled	R724.8	15.4%	5	R145
Unskilled	R571.2	12.9%	22***	R26
TOTAL	R4,700	100%	37	R127

Notes: * Three managers ended their contracts in the 2019 financial year

** Includes a qualified tour guide employed on a six-week short-term contract

***Includes temporary employees, short-term employees, interns, and casuals deployed during events and special programmes.

The chief executive was the first CCB staff member to be appointed on a performance contract basis. His contract states: "...it being recorded that the Board has resolved and undertaken that an executive director who substantially exceeds the stipulated performance delivery targets may be considered for a supplementary performance bonus depending upon the Board's operational and financial performance – this to be capped at a maximum of 20% of the incumbent's guaranteed basic annual salary." The 20% cap has since been reduced to 10% and applied to all staff contracts.

As part of the organizational performance framework of the CCB, the organisation will deal with all future staff appointments in this manner. Since 2018, the organisation has put a freeze on all performance bonuses.

Table 15: Performance Rewards

Employment category	Performance rewards	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost
Top Management	0	R4 700	0
Senior Management	0	R4 700	0
Professional qualified	0	R4 700	0
Skilled	0	R4 700	0
Semi-skilled	0	R4 700	0
Unskilled	0	R4 700	0
TOTAL	0	R4 700	0

Table 16: 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
Administration	R4 700	R0	0%	0	R0

Table 17: Employment and vacancies

Programme/activity/objective	2020/2021 No. of Employees	2021/2022 Approved Posts	2021/2022 No. of Employees	2021/2022 Vacancies	% of vacancies
Administration	19	16	28	3	18.8%

Table 18: Employment and vacancies per employment category

Employment category	2020/2021 No. of Employees	2021/2022 Approved Posts	2021/2022 No. of Employees	2020/2021 Vacancies	% of vacancies
Top Management	2	2	2	0	0%
Senior Management	0	3	0	3	100%
Professional qualified	6	5	7*	0	0%
Skilled	1	1	1	0	0%
Semi-skilled	6	3	5	0	0%
Unskilled	4	2	22**	0	0%
TOTAL	19	16	37**	3	23%

* The CCB has made temporary internal appointments to fill one of the three management positions. It also includes a qualified casual employee.

**This figure includes casuals and short-term contract workers.

Employment and vacancies

The Board has decided not to fill the management and other vacancies until we conclude the shareholder's agreement and resource allocation with the Ministry.

Table 19: Employment changes

Salary Band	Employment at the beginning of the period	Appointments	Terminations	Employment at the end of the period
Top Management	2	-	-	2
Senior Management	0	-	-	0
Professional qualified	6	-	-	6
Skilled	1	-	-	1
Semi-skilled	6	-	-	5
Unskilled	4	8	-	13
TOTAL	19	8	-	27

Table 20: Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	-	-
Resignation	-	-
Dismissal	-	-
Retirement	-	-
Ill health	-	-
Expiry of contract	-	-
Other	-	-
TOTAL	-	-

Table 21: Labour Relations: Misconduct and disciplinary action

Nature of Disciplinary Action	Number
Verbal Warning	-
Written Warning	-
Final Written warning	-
Dismissal	-
TOTAL	-

Table 22: Labour Relations: Misconduct and disciplinary action

Nature of Disciplinary Action	Number
Verbal Warning	-
Written Warning	-
Final Written warning	-
Dismissal	-
TOTAL	-

Table 23: Equity Target and Employment Equity Status (Male)

Levels	MALE							
	African		Coloured		Indian		White	
	Curre	Target	Current	Target	Current	Target	Current	Target
Top Management	1		1		0		0	
Senior	0		0		0		0	
Professionally qualified	2		1		0		0	
Skilled	0		0		0		1	
Semi-Skilled	0		2		0		1	
Unskilled	9		0		0		0	
TOTAL	12		4		0		2	

Table 24: Equity Target and Employment Equity Status (Female)

Levels	FEMALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0		0		0		0	
Senior Management	0		0		0		0	
Professional qualified	3		1		0		0	
Skilled	0		0		0		0	
Semi-skilled	0		2		0		0	
Unskilled	1		2		0		0	
TOTAL	4		5		0		0	

Table 25: Equity Target and Employment Equity Status (Disabled)

Levels	Disabled Staff			
	Male		Female	
	Current	Target	Current	Target
Top Management	0		0	
Senior Management	0		0	
Professional qualified	0		0	
Skilled	0		0	
Semi-skilled	0		0	
Unskilled	0		1	
TOTAL	0		1	



PART E

REPORT OF THE AUDITOR GENERAL

Report of the auditor-general to Parliament on the Castle Control Board

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Castle Control Board set out on pages 71 to 102, which comprise the statement of financial position as at 31 March 2022, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information and actual amounts for the year ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material aspects, the financial position of the Castle Control Board as at 31 March 2022, 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) and the Castle Management Act 207 of 1993.

Basis for opinion

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

Responsibilities of the accounting authority for the financial statements

6. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with GRAP and the requirements of the PFMA and the Castle Management Act, 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.
7. In preparing the financial statements, the accounting authority is responsible for assessing the 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 entity or to cease operations, or has no realistic alternative but to do so.

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

8. 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.
9. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

10. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected programme presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
11. My procedures address the usefulness and reliability of the reported performance information, which must be based on the entity's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the entity enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
12. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the entity's annual performance report for the year ended 31 March 2022:

Programmes	Pages in the annual performance report
Programme 2 – maintenance and conservation at the Castle of Good Hope	25 – 30

13. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and

related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

14. I did not identify any material findings on the usefulness and reliability of the reported performance information for this programme:
- Programme 2 – maintenance and conservation at the Castle of Good Hope

Other matter

15. I draw attention to the matter below.

Achievement of planned targets

16. Refer to the annual performance report on pages 25 to 30 for information on the achievement of planned targets for the year and management's explanations provided for the overachievement of targets.

Report on the audit of compliance with legislation

Introduction and scope

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

Other information

19. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and the selected programme presented in the annual performance report that has been specifically reported in this auditor's report.
20. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
21. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
22. If, based on the work I have performed, I can conclude that there is a material misstatement in this other information, I am required to report that fact.

23. I have nothing to report in this regard.

Internal control deficiencies

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

Auditor - General

Cape Town

31 July 2022



A U D I T O R - G E N E R A L
S O U T H A F R I C A

Auditing to build public confidence

Annexure – Auditor-general’s responsibility for the audit

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

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor’s report, I also:
 - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board, which constitutes the accounting authority
 - conclude on the appropriateness of the accounting authority’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Castle Control Board 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 an 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

3. 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.

4. I also provide the accounting authority with a statement that I have complied with relevant ethical requirements regarding independence, and communicate 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.



Researcher in the CEO's Office Ms Busi Nkutshu (centre) inspiring learners from a local school.

PART F

FINANCIAL INFORMATION

Castle Control Board

Annual Financial Statements for the year ended 31 March 2022

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COID	Compensation for Occupational Injuries and Diseases
GRAP	Generally Recognised Accounting Practice
EA	Executive Authority
DoD	Department of Defence
CCB	Castle Control Board
CEO	Chief Executive Officer
CFO	Chief Financial Officer

Castle Control Board

Annual Financial Statements for the year ended 31 March 2022

Accounting authority's responsibility and approval statement

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

The annual financial statements have been prepared in accordance with the prescribed Standards of Generally Recognised Accounting Practices (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board (ASB) and the Public Finance Management Act (PFMA). The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The Board acknowledges that it is ultimately responsible for the system of internal financial control established by the CCB and places considerable importance on maintaining a strong control environment. To enable it to meet these requirements, the Board sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include 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 CCB and all employees are required to maintain the highest ethical standards in ensuring the CCB's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the CCB is on identifying, assessing, managing and monitoring all known forms of risk across the CCB. While operating risk cannot be fully eliminated, the CCB endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Board is of the opinion that, based on the information and explanations given by management, 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 any absolute assurance against material misstatement or loss.

The Board has reviewed the CCB's cash flow forecast for the year ended 31 March 2023 and, in the light of this review and the current financial position, is satisfied that the CCB has access to adequate resources to continue in operational existence for the foreseeable future.

Although the Board is primarily responsible for the financial affairs of the CCB, it is supported by the CCB's external auditors.

The external auditors are responsible for independently reviewing and reporting on the CCB's annual financial statements. The annual financial statements have been examined by the CCB's external auditors and their report is presented on pages 60 to 65. The annual financial statements set out on pages 66 to 102 which have been prepared on the going concern basis, were approved by the Board on 31 July 2022 and were signed on its behalf by:



Lt. Gen J.S. Mbuli
Chairperson



Castle Control Board

Annual Financial Statements for the year ended 31 March 2022

Accounting authority's report

The members of the Board submit their report for the year ended 31 March 2022.

1. Incorporation

The Castle Control Board (CCB) was established by an Act of Parliament, the Castle Management Act (Act 207 of 1993) and is listed as a national public entity in Schedule 3A of the Public Finance Management Act, 1999 (PFMA). The Board of the CCB acts as the accounting authority in terms of the PFMA

2. Review of activities

Main business and operations

The Castle Control Board is a service orientated public entity, striving to optimise the Castle of Good Hope's tourism potential and its accessibility to the public and to preserve and protect its cultural and military heritage.

The operating results and state of affairs of the CCB are fully set out in the attached financial statements.

3. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The CCB's revenue generating capacity has been negatively affected by the COVID-19 lockdown regulations, which restricted events and visitor numbers on the site. The COVID-19 pandemic harmed the CCB's ability to continue as a going concern. However, the CCB received COVID-19 relief funding from the Department of Defence for operational activities. Furthermore, the DoD will continue with the relief funding until the 2023/24 financial period. The funding from the DoD will ensure that the CCB can continue as a going concern for the foreseeable future. Management's assessment of going concern is disclosed under note 26 of these annual financial statements.

4. Subsequent events

The CFO's laptop computer was stolen in June 2022. There are no other matters or circumstances arising since the end of the financial year.

5. Accounting Authority

In terms of the Castle Management Act, the Castle of Good Hope, a national heritage site, has been placed under the control of the Castle Control Board. The Board of the CCB comprises of various national and provincial stakeholders.

The stakeholders currently represented on the CCB Board are indicated below:

Name	Nationality	Changes
Lt. Gen J.S. Mbuli	SANDF - Chief of Logistics (Chairman)	
Col. M.B. Feni	Officer Commanding Resigned - 28 February 2022 - Army Support Base Western Cape	
Adv. D. Mitchell	Appointed by the Minister of Defence and Military Veterans	
Ms A. Aggenbach	Appointed by the Minister of Defence and Military Veterans	
Mr D. Hart	City of Cape Town	
Dr B. Ndhlovu	Iziko Museums of South Africa	
Mr C.T. Giffellan	Castle Control Board	
Ms C. Koch	WESGRO	

Castle Control Board

Annual Financial Statements for the year ended 31 March 2022

Accounting authority's report

. Accounting Authority (continued)

Mr B. Mwasinga	South African Heritage Resources Agency	Resigned - 28 February 2022
Mr J. Moolman	Cape Regional Chamber of Commerce and Industry	
Col. Mchunu	Officer Commanding Appointed - 01 March 2022 - Army Support Base Western Cape	

6. Bankers

ABSA

7. Auditors

In accordance with section 20 of the Castle Management Act the Auditor General South Africa acts as auditors of the CCB.

8. Executive Authority

The Executive Authority responsible for the CCB is the Minister of Defence and Military Veterans.

The Minister has delegated this responsibility to the Deputy Minister of Defence and Military Veterans.



Lt. Gen J.S. Mbuli
Chairperson



Castle Control Board

Annual Financial Statements for the year ended 31 March 2022

Statement of Financial Position as at 31 March 2022

Figures in Rand	Note(s)	2022	2021
Assets			
Current Assets			
Inventories	5	2 621	2 113
Receivables from exchange transactions	6	133 528	14 979
Cash and cash equivalents	7	3 514 180	1 031 478
		3 650 329	1 048 570
Non-Current Assets			
Property, plant and equipment	2	1 400 839	1 926 540
Intangible assets	3	38 709	59 988
Heritage assets	4	1 386 810	1 381 960
		2 826 358	3 368 488
Total Assets		6 476 687	4 417 058
Liabilities			
Current Liabilities			
Payables from exchange transactions	9	378 562	290 320
Employee benefits	8	434 335	457 079
		812 897	747 399
Total Liabilities		812 897	747 399
Net Assets		5 663 790	3 669 659
Accumulated surplus		5 663 790	3 669 659
Total Net Assets		5 663 790	3 669 659



Castle Control Board

Annual Financial Statements for the year ended 31 March 2022

Statement of Financial Performance

Figures in Rand	Note(s)	2022	2021
Revenue			
Revenue from exchange transactions			
Ticket sales	10	1 075 113	474 944
Rental of facilities and equipment	11	1 696 550	255 373
Interest received	10	106 682	34 386
Bad debts recovered		-	-
Other revenue	12	46 466	12 663
Total revenue from exchange transactions		2 924 811	777 366
Revenue from non-exchange transactions			
Transfer revenue			
Government grants & subsidies	13	5 500 000	4 900 000
Services in-kind and public donations	14	323 715	293 832
Total revenue from non-exchange transactions		5 823 715	5 193 832
Total revenue	10	8 748 526	5 971 198
Expenditure			
Employee related costs	15	4 699 593	3 875 205
Depreciation and amortisation	16	563 592	653 247
Bad debts	6	3 000	73 596
Contracted services	17	65 478	73 289
Loss on disposal of property, plant and equipment	2	1 548	680
Cost of sales	20	17 819	151
General Expenses	19	1 403 366	1 147 032
Total expenditure		6 754 396	5 823 200
(Deficit) / surplus for the year		1 994 130	147 998



Castle Control Board

Annual Financial Statements for the year ended 31 March 2022

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Balance at 01 April 2020	3 521 661	3 521 661
Changes in net assets		
Deficit for the year	147 998	147 998
Total changes	147 998	147 998
Balance at 01 April 2021	3 669 660	3 669 660
Changes in net assets		
Surplus for the year	1 994 130	1 994 130
Total changes	1 994 130	1 994 130
Balance at 31 March 2022	5 663 790	5 663 790



Castle Control Board

Annual Financial Statements for the year ended 31 March 2022

Cash Flow Statement

Figures in Rand	Note(s)	2022	2021 Restated*
Cash flows from operating activities			
Receipts			
Rental of facilities and equipment, ticket sales and other services		2 655 574	731 069
Grants		5 500 000	4 900 000
Interest income		106 682	34 386
Other income		46 466	18 663
		8 308 722	5 684 118
Payments			
Employee costs		(4 722 337)	(3 734 479)
Suppliers		(1 080 672)	(1 026 578)
		(5 803 009)	(4 761 057)
Net cash flows from operating activities	21	2 505 713	923 061
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(18 161)	-
Purchase of heritage assets	4	(4 850)	-
Purchase of heritage assets		-	-
Net cash flows from investing activities		(23 011)	-
Net increase/(decrease) in cash and cash equivalents		2 482 702	923 061
Cash and cash equivalents at the beginning of the year		1 031 478	108 417
Cash and cash equivalents at the end of the year	7	3 514 180	1 031 478

Adjustments were made to the 2021 cash flow statement. The rental of facilities and equipment, ticket sales and other services line item was adjusted by R 9 557 (from R 740 626 to R 731 069). Similarly, the suppliers were adjusted by R 9 557 (from R1 036 135 to R1 026 578). The adjustments account for a classification error identified in the comparative figures.



Castle Control Board

Annual Financial Statements for the year ended 31 March 2022

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						
Ticket sales	2 586 000	-	2 586 000	1 075 113	(1 510 887)	Ref: 29.1
Rental of facilities and equipment	1 100 000	-	1 100 000	1 696 550	596 550	Ref: 29.1
Interest received (trading)	150 000	-	150 000	106 682	(43 318)	Ref: 29.1
Other income	102 000	-	102 000	46 466	(55 534)	Ref: 29.1
Total revenue from exchange transactions	3 938 000	-	3 938 000	2 924 811	(1 013 189)	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants & subsidies	5 500 000	-	5 500 000	5 500 000	-	
Services in-kind and public donations	-	-	-	323 715	323 715	Ref: 29.2
Total revenue from non-exchange transactions	5 500 000	-	5 500 000	5 823 715	323 715	
Total revenue	9 438 000	-	9 438 000	8 748 526	(689 474)	
Expenditure						
Employee related costs	(6 863 000)	-	(6 863 000)	(4 699 593)	2 163 407	Ref: 29.3
Depreciation and amortisation	(493 000)	-	(493 000)	(563 592)	(70 592)	Ref: 29.4
Bad debts	-	-	-	(3 000)	(3 000)	
Contracted Services	(200 000)	-	(200 000)	(65 478)	134 522	Ref: 29.5
Cost of sales	-	-	-	(17 819)	(17 819)	Ref: 29.6
General Expenses	(1 882 000)	-	(1 882 000)	(1 403 366)	478 634	Ref: 29.7
Total expenditure	(9 438 000)	-	(9 438 000)	(6 752 848)	2 685 152	
Operating surplus	-	-	-	1 995 678	1 995 678	
Loss on disposal of assets and liabilities	-	-	-	(1 548)	(1 548)	
Surplus	-	-	-	1 994 130	1 994 130	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	-	-	-	1 994 130	1 994 130	



Castle Control Board

Annual Financial Statements for the year ended 31 March 2022

Accounting Policies

Figures in Rand	Note(s)	2022	2021
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1. Presentation of Annual Financial Statements

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

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

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 Presentation currency

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

1.2 Going concern assumption

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

1.3 Offsetting

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP.

1.4 Materiality

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor. Materiality is determined as 1% of total operating expenditure. This materiality is from management's perspective and does not correlate with the auditor's materiality.

1.5 Significant judgements and sources of estimation uncertainty

In the process of applying its accounting policies, and in preparing the annual financial statements, management is required to make various judgements, including estimates and assumptions, that may affect the determination of the reporting framework, affect amounts represented in the annual financial statements and as well as 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.

Other significant judgements, sources of estimation uncertainty and/or relating information, have been disclosed in the relating notes.

Revenue recognition

In making their judgement, the management considered the detailed criteria for the recognition of revenue as set out in GRAP 9 (Revenue from Exchange Transactions) and GRAP 23 (Revenue from Non-exchange Transactions). As far as revenue from non-exchange transactions is concerned (see Basis of Preparation above), and, in particular whether the CCB, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership of the goods and when services are rendered, whether the services have been rendered. Also of importance is the estimation process involved in initially measuring revenue at the fair value thereof. Management of the CCB is satisfied that recognition of the revenue in the current year is appropriate.

Impairment of receivables from exchange transactions

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



Castle Control Board

Annual Financial Statements for the year ended 31 March 2022

Accounting Policies

1.5 Significant judgements and sources of estimation uncertainty (continued)

Useful lives of property, plant and equipment and intangible assets

As described in accounting policy notes 1.6 and 1.7 the CCB depreciates its property, plant and equipment and amortises its intangible assets over the estimated useful lives of the assets, taking into account the residual values of the assets at the end of their useful lives, which is determined when the assets are available for use.

The useful lives of assets are based on management's estimation. Management considered the impact of technology, availability of capital funding, service requirements and required return on assets in order to determine the optimum useful life expectation, where appropriate.

The estimation of residual values of assets is based on management's judgement as to whether the assets will be sold or used to the end of their useful lives, and in what condition they will be at that time.

Impairment: Write-down of property, plant and equipment, heritage and intangible assets

Significant estimates and judgements are made relating to impairment testing of property, plant and equipment and impairment testing of intangible assets.

In making the above-mentioned estimates and judgement, management considered the subsequent measurement criteria and indicators of potential impairment losses as set out in GRAP 21 (Impairment of Non-cash Generating Assets) and GRAP 26 (Impairment of Cash Generating Assets). In particular, the calculation of the recoverable service amount for property, plant and equipment and intangible assets involves significant judgment by management.

Budget information

Deviations between budget and actual amounts are analysed. All material differences are explained in the notes to the financial statements.

Budget information is presented on the accrual basis and is based on the same fiscal period as the actual amounts.

The statement of comparison of budget and actual amounts includes the comparison between the approved and final budget amounts, as well as a comparison between the actual amounts and final budget amounts.

The disclosure of comparative information in respect of the previous period is not required by the Standards of GRAP.

1.6 Property, plant and equipment

The CCB's property, plant and equipment is initially measured at cost.

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.

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

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

Item	Depreciation method	Average useful life
Office equipment	Straight-line	10 years (10%)
IT equipment	Straight-line	5 years (20%)

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

The CCB assesses at each reporting date whether there is any indication that the 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 CCB revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The item of property, plant and equipment is 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.

Castle Control Board

Annual Financial Statements for the year ended 31 March 2022

Accounting Policies

1.6 Property, plant and equipment (continued)

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.

1.7 Intangible assets

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

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

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

Item	Depreciation method	Average useful life
Computer software	Straight-line	5 years

The CCB derecognises intangible assets on disposal or when no future economic benefits or service potential are expected from their use or disposal.

The gain or loss arising from derecognition of intangible assets is included in surplus or deficit when the asset is derecognised.

1.8 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.

Recognition

The CCB 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 CCB, and the cost or fair value of the asset can be measured reliably.

Initial measurement

A heritage asset is initially recognised at cost on its acquisition date or in the case of assets acquired by grant or donation, deemed cost, being the fair value of the asset on initial recognition.

Subsequent measurement

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

Impairment

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

Transfers

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

Derecognition

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

The gain or loss arising from the derecognition of a heritage asset is included in surplus or deficit when the item is derecognised.

1.9 Financial instruments

The CCB defines a financial instrument as any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.



Castle Control Board

Annual Financial Statements for the year ended 31 March 2022

Accounting Policies

1.9 Financial instruments (continued)

Classification

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

Class	Category
Trade debtors	Financial asset measured at amortised cost
Call deposits	Financial asset measured at amortised cost
Bank balances	Financial asset measured at amortised cost

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

Class	Category
Trade creditors	Financial liability measured at amortised cost
Accruals	Financial liability measured at amortised cost
Deposits received	Financial liability measured at amortised cost
Other creditors	Financial liability measured at fair value

1.10 Impairment of non-cash-generating assets

The CCB assesses at each reporting date whether there is any indication that an asset may be impaired.

If there is any indication that an asset may be impaired, the recoverable service amount is estimated for the individual asset. If it is not possible to estimate the recoverable service amount of the individual asset, the recoverable service amount of the non-cash generating unit to which the asset belongs is determined.

The recoverable service amount of a non-cash generating asset is the higher of its fair value less costs to sell and its value in use. The value in use for a non-cash generating asset is the present value of the asset's remaining service potential.

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.

If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss. The impairment loss is recognised in the statement of financial performance.

An impairment loss is recognised for a non-cash generating unit if the recoverable service amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit pro rata on the basis of the carrying amount of each asset in the unit.

The CCB assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable service amounts of those assets are estimated.

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 had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in the statement of financial performance.

Castle Control Board

Annual Financial Statements for the year ended 31 March 2022

Accounting Policies

1.11 Employee benefits

Short-term employee benefits

Remuneration to employees is recognised in the Statement of Financial Performance as the services are rendered, except for non-accumulating benefits which are only recognised when the specific event occurs.

The CCB treats provision for leave pay as a liability.

The costs of all short-term employee benefits such as leave pay, are recognised during the period in which the employee renders the related service.

1.12 Revenue from exchange transactions

Revenue is derived from a variety of sources which include ticket sales, rental of facilities, curio shop sales and commission from sales.

The CCB recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits or service potential will flow to the CCB and when specific criteria have been met for each of the CCB's activities as described below, except when specifically stated otherwise. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The CCB bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. Furthermore, services rendered are recognised by reference to the stage of completion of the transaction at the reporting date.

Measurement

The CCB measures revenue at the fair value of the consideration received or receivable.

Interest earned

Interest earned on investments is recognised in the statement of financial performance on the time-proportionate basis that takes into account the effective yield on the investment.

Rentals received

Revenue from the rental of facilities and equipment is recognised on a straightline basis over the term of the rental agreement.

Ticket sales

Revenue from ticket sales is recognised at the point of sale. The revenue from ticket sales received but not yet utilised at year end is disclosed under payables from exchange transactions in the statement of financial position.

1.13 Revenue from non-exchange transactions

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 CCB 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.



Castle Control Board

Annual Financial Statements for the year ended 31 March 2022

Accounting Policies

1.13 Revenue from non-exchange transactions (continued)

Measurement

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

When, as a result of a non-exchange transaction, the CCB 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.

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

Transfers

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an asset. A corresponding liability is recognised to the extent that the grant, transfer or donation is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met.

Grants, transfers and donations without any conditions attached are recognised as revenue when the asset is recognised.

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 CCB and the fair value of the assets can be measured reliably.

Services in-kind

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

Revenue from recovery of unauthorised, irregular, fruitless and wasteful expenditure

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Public Finance Management Act (Act No 1 of 1999) and is recognised when the recovery thereof from the responsible board members or officials is virtually certain.

1.14 Comparative figures

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

1.15 Segment information

A segment is an activity of the CCB:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

Reportable segments are the actual segments which are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

The CCB operates in one specific/operational unit in one geographical area.

1.16 Budget information

The approved budget covers the fiscal period from 2021/04/01 to 2022/03/31.

Castle Control Board

Annual Financial Statements for the year ended 31 March 2022

Accounting Policies

1.16 Budget information (continued)

The annual budget figures are consistent with the accounting policies adopted by the Board for the preparation of these annual financial statements.

1.17. New standards, amendments to standards and interpretations issued but not yet effective

1.17.1 Effective dates determined

Where a Standard of GRAP has been issued but is not yet effective, an entity may resolve to early adopt such a Standard of GRAP if an effective date has been determined by the Minister of Finance.

The CCB resolved to early adopt the following pronouncements to the Standards of GRAP which were issued but not yet effective:

The entity has chosen to early adopt the following standards and interpretations:

Pronouncement:	Effective date: Years beginning on or after	Expected impact:
• iGRAP 21: The Effect of Past Decisions on Materiality	01 April 2023	Insignificant
• GRAP 2020: Improvements to the standards of GRAP 2020	01 April 2023	Insignificant
• GRAP 1 (amended): Presentation of Financial Statements	01 April 2023	Insignificant

1.17.2 Standards and interpretations issued, but not yet effective

The CCB further resolved not to early adopt the following Standard of GRAP which was issued but is not yet effective:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 104 (as revised): Financial Instruments	01 April 2025	Unlikely there will be a material impact

1.17.3 Effective dates not yet determined

Where a Standard of GRAP has been issued but not yet effective and the Minister of Finance has not yet determined an effective date for application, an entity may select to apply the principles established in that standard in developing an appropriate accounting policy dealing with a particular section or event.

The following standards of GRAP have been issued but are not yet effective as the Minister of Finance has not yet determined the effective date of application:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 25 (as revised): Employee Benefits	01 April 2099	Not significant - only additional disclosure
• iGRAP 7 (as revised): Limit on defined benefit asset, minimum funding requirements and their interaction	01 April 2099	Not significant - only additional disclosure



Castle Control Board

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

Figures in Rand

2022 2021

2. Property, plant and equipment

	2022		2021	
	Cost / Valuation	Accumulated depreciation and impairment	Carrying value	Cost / Valuation
Office equipment	1 165 295	(508 412)	656 883	1 165 794
IT equipment	2 156 545	(1 412 589)	743 956	2 387 888
Total	3 321 840	(1 921 001)	1 400 839	3 553 682
				(1 627 142)
				1 926 540

Castle Control Board

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

Figures in Rand

2. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Disposals	Depreciation	Total
Office equipment	762 750	-	(1)	(105 866)	656 883
IT equipment	1 163 790	18 161	(1 547)	(436 448)	743 956
	1 926 540	18 161	(1 548)	(542 314)	1 400 839

Castle Control Board

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

Figures in Rand

2. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2021

	Opening balance	Disposals	Depreciation	Total
Office equipment	870 186	(571)	(106 865)	762 750
IT equipment	1 636 809	(109)	(472 910)	1 163 790
	2 506 995	(680)	(579 775)	1 926 540

Pledged as security

The CCB did not pledge any of its assets as security.

Impairment of property, plant and equipment

No impairment losses have been recognised on property, plant and equipment of the CCB at the reporting date.

Management reviewed useful lives of assets and no changes were made to the estimated useful lives of various assets.

Gross amount of property, plant and equipment that is fully depreciated and still in use

Included in property, plant and equipment are assets that are fully depreciated but still in use. These assets are not material to the operations of the CCB. They are also not quantitatively material.

Castle Control Board

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

Figures in Rand

3. Intangible assets

	2022		2021			
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	221 414	(182 705)	38 709	221 914	(161 926)	59 988

Reconciliation of intangible assets - 2022

	Opening balance	Disposals	Amortisation	Total
Computer software, other	59 988	(1)	(21 278)	38 709

Reconciliation of intangible assets - 2021

	Opening balance	Amortisation	Total
Computer software, other	133 459	(73 471)	59 988

Pledged as security

The CCB did not pledge any of its assets as security.

Castle Control Board

Annual Financial Statements for the year ended 31 March 2022

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3. Intangible assets (continued)**Change in accounting estimates**

During the current year, the remaining useful lives of intangible assets were reviewed and adjusted in line with the revised expected use of the assets. The effect on the current and future periods are as follows:

	2022	2023	2024
Increase / (decrease) in depreciation and amortisation	(38 697)	21 278	17 419
Increase / (decrease) in accumulated surplus	38 697	(21 278)	(17 419)
Increase / (decrease) in intangible assets	38 697	(21 278)	(17 419)



Castle Control Board

Annual Financial Statements for the year ended 31 March 2022

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4. Heritage assets

	2022		2021			
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Art Collections, antiquities and exhibits	1 386 810	-	1 386 810	1 381 960	-	1 381 960

Reconciliation of heritage assets 2022

	Opening balance	Additions	Total
	1 381 960	4 850	1 386 810

Art Collections, antiquities and exhibits

Reconciliation of heritage assets 2021

	Opening balance	Total
	1 381 960	1 381 960

Art Collections, antiquities and exhibits

Pledged as security

The CCB did not pledge any of its heritage assets as security.

Heritage assets which fair values cannot be reliably measured

Included in heritage assets held by the CCB are three shackles, donated to the CCB in 2014/15 financial period, whose fair value could not be determined on initial recognition and were hence recognised at R nil value. The addition in heritage assets relates to artwork designed in honour of a military veteran. The fair value of the artwork cannot be measured reliably, and hence it was recognised using the costs incurred.

Impairment of heritage assets

No impairment losses have been recognised on heritage assets of the CCB at reporting date.

Castle Control Board

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5. Inventories

Consumable stores	2 621	2 113
Inventories recognised as an expense during the year	17 819	151

There were no inventory write offs or surpluses identified during the year.

6. Receivables from exchange transactions

Trade debtors	126 018	7 969
Staff loan	3 500	2 000
Prepaid expenses	4 010	5 010
Total Receivables from Exchange Transactions	133 528	14 979

Trade and other receivables pledged as security

There were no trade and other receivables pledged as security.

Credit quality of trade and other receivables

The credit quality of trade and other receivables that are neither past nor due nor impaired can be assessed by reference to historical information about counterparty default rates.

Fair value of trade and other receivables

The management of the CCB is of the opinion that the carrying value of trade and other receivables recorded at amortised cost in the annual financial statements approximate their fair values. The fair value of trade receivables was determined after considering the standard terms and conditions of agreements entered into between the CCB and other parties as well as the current payment ratios of the CCB's debtors.

Reconciliation of provision for impairment of trade and other receivables

Opening balance	-	110 879
Provision for impairment	3 000	73 596
Amounts written off as uncollectible	(3 000)	(184 475)
	-	-

Provision for impairment of receivables has been made based on the collectability of the amounts outstanding. No further credit provision is required in excess of the provision for impairment.

Trade receivables 2022	0 - 30 days	31 - 60 days	61 - 90 days	+90 days	Total
Gross balances	126 018	-	-	-	126 018
Payments made in advance	4 010	-	-	-	4 010
Staff loan	3 500	-	-	-	3 500

Management wrote off a long-outstanding debtor during the 2021/22 financial period. Efforts were made to collect all outstanding debts. However, it became apparent that the debtors will not be able to pay due to the effects of COVID-19.

Trade receivables 2021	0 - 30days	31 - 60 days	61 - 90 days	+90 days	Total
Gross balances	4 698	-	-	3 271	7 969

Castle Control Board

Annual Financial Statements for the year ended 31 March 2022

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6. Receivables from exchange transactions (continued)

Payments made in advance	5 010	-	-	-	5 010
Staff loan	2 000	-	-	-	2 000

As at 31 March 2022 receivables of R126 018 (2021: R 7 969) were past due but not impaired. Management has taken into account the effects of COVID-19 and determined that these receivables are recoverable.

7. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	27 684	16 686
Bank balances	3 486 496	1 014 792
Total cash and cash equivalents	3 514 180	1 031 478

For the purposes of the statement of financial position and the statement of cash flows, cash and cash equivalents include cash on hand and cash in bank.

The CCB does not have any overdrawn current account facilities with its bankers and therefore does not incur interest on overdrawn current accounts.

Interest is earned on favourable balance at the prevailing interest rates.

The CCB did not pledge any of its cash and cash equivalents as collateral for its financial liabilities.

No restrictions have been imposed on the CCB in terms of the utilisation of its cash and cash equivalents.

8. Employee benefits

Reconciliation of provisions - 2022

	Opening Balance	Additions	Utilised during the year	Total
Provision for leave pay	457 079	355 087	(377 831)	434 335

Reconciliation of provisions - 2021

	Opening Balance	Additions	Utilised during the year	Total
Provision for leave pay	316 353	285 750	(145 024)	457 079

Leave pay is calculated at current salary rate multiplied by the number of available leave credits. There are uncertainties relating to when employees will take leave.



Castle Control Board

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

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9. Payables from exchange transactions		
Trade payables	90 635	7 864
Payments received in advanced	17 426	12 966
Other payables	21 923	28 390
Accruals	7 478	-
Deposits received	241 100	241 100
	378 562	290 320

The CCB did not default on any payment of its creditors. No terms for payments have been re-negotiated by the CCB.

The lack of movement in the deposits account is directly attributable to the effect Covid-19 has had on the events industry. It is expected that the balance will change in the new financial year.

10. Revenue

Ticket sales	1 075 113	474 944
Rental of facilities and equipment	1 696 550	255 373
Interest received	106 682	34 386
Other income	46 466	12 663
Government grants & subsidies	5 500 000	4 900 000
Public contributions and donations	323 715	293 832
	8 748 526	5 971 198

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

Ticket sales	1 075 113	474 944
Rental of facilities and equipment	1 696 550	255 373
Interest received	106 682	34 386
Other income	46 466	12 663
	2 924 811	777 366

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

Taxation revenue

Transfer revenue

Government grants & subsidies	5 500 000	4 900 000
Services in-kind and public donations	323 715	293 832
	5 823 715	5 193 832

11. Rental of facilities and equipment

Premises

Rental of facilities	1 696 550	255 373
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12. Other revenue

Bad debts recovered	-	4 500
Curio shop	41 166	5 063
Overtime	5 300	3 100
	46 466	12 663



Castle Control Board

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021
13. Government grants and subsidies		
Operating grants		
Government grant (operating)	5 500 000	4 900 000
Unconditional		
The CCB received a COVID-19 relief grant from the Department of Defence to fund its operations. There were no specific conditions attached to the grant.		
14. Services in-kind and public donations		
Public donations	500	-
Office space	323 215	293 832
	323 715	293 832
The services in-kind amount relates to office accommodation occupied by the CCB employees at the Castle of Good Hope. The Department of Defence is the owner of the Castle of Good Hope.		
In terms of GRAP 23 the office space occupied by CCB employees has been recognised both as an income and as an expense.		
15. Employee related costs		
Basic	4 428 106	3 543 826
UIF - employer portion	28 522	19 805
Leave pay provision charge	(22 745)	140 726
Overtime payments	265 710	170 848
	4 699 593	3 875 205
16. Depreciation and amortisation		
IT equipment	436 448	472 910
Office equipment	105 866	106 865
Intangible assets	21 278	73 472
	563 592	653 247
17. Contracted services		
Consultancy services	43 961	29 095
Internal auditors	-	21 914
Security services	13 211	11 845
Sanitation services	8 306	10 435
	-	-
	65 478	73 289



Castle Control Board

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

Figures in Rand 2022 2021

18. Repairs and maintenance

Other assets - computer equipment	-	6 000
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The repairs and maintenance relates to expenditure incurred on assets owned by the CCB.

In terms of the Castle Management Act the Castle Control Board is the mandated entity to manage the Castle of Good Hope on behalf of the Department of Defence. Major repairs and maintenance of the site are undertaken by the Department of Defence's Logistics Division.

The CCB incurred repairs and maintenance expenditure of R 32 159 (2020/21: R 7 560) on the day-to-day maintenance of the building.

19. General expenses

External audit fees	533 880	473 596
Bank charges	59 895	38 167
Cleaning	32 917	27 782
Computer expenses	160 479	164 650
Legal fees	24 280	530
Entertainment	8 011	2 912
Insurance	23 666	23 337
Printing and stationery	36 678	23 921
Repairs and maintenance	32 159	13 559
Subscriptions and membership fees	5 231	4 916
Telephone and fax	51 164	37 781
Training	-	1 760
Travel - local	3 761	3 952
Tourism development	29 402	907
Laundry	-	1 780
Audit and risk committee fees	28 665	30 363
Venue expenses	325 691	293 832
Other expenses	47 487	3 287
	1 403 366	1 147 032

Included in other expenses are filming costs of R 45 858.

Legal expenses relate to an ongoing case between the trustees of the Castle Military Museum Foundation (CMMF) and the CCB. On 28 May 2021, the CCB received an intention to lodge a High Court order from the trustees of the CMMF. The court order relates to the assets owned by the CMMF, which the trustees want to remove from the Castle of Good Hope and donate to other institutions. The Board had engaged the trustees to ensure the assets remained at the Castle of Good Hope. The court case is still with the High Court and is not finalised.

20. Cost of sales

Sale of goods

Cost of goods sold	17 819	151
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Castle Control Board

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021
21. Cash used in operations		
Surplus	1 994 130	147 998
Adjustments for:		
Depreciation and amortisation	563 592	653 247
Loss on disposal of property, plant and equipment	1 548	680
Debt impairment	3 000	73 596
Bad debts written off	(3 000)	(184 475)
Movements in provisions	(22 744)	140 726
Changes in working capital:		
Inventories	(508)	150
Receivables from exchange transactions	(117 049)	201 030
Other receivables from non-exchange transactions	(1 500)	6 000
Payables from exchange transactions	88 244	(115 891)
	2 505 713	923 061

22. Financial instruments disclosure

Categories of financial instruments

2022

Financial assets

	At amortised cost	Total
Trade and other receivables from exchange transactions	126 018	126 018
Call deposits	3 436 654	3 436 654
Bank balance	49 842	49 842
Staff loans	3 500	3 500
	3 616 014	3 616 014

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	98 114	98 114
Other payables	21 923	21 923
Deposits received	241 100	241 100
	361 137	361 137

2021

Financial assets

	At amortised cost	Total
Trade and other receivables from exchange transactions	7 969	7 969
Call deposits	975 248	975 248
Bank balances	39 544	39 544
Staff loans	2 000	2 000
	1 024 761	1 024 761



Castle Control Board

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021
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22. Financial instruments disclosure (continued)**Financial liabilities**

	At amortised cost	Total
Trade and other payables from exchange transactions	7 864	7 864
Other payables	28 390	28 390
Deposits received	241 100	241 100
	277 354	277 354



Castle Control Board

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23. Related parties

Relationships	
South African National Defence Force	SANDF
Het Bakhuis	Bakhuis
Army Support Base Western Cape	ASB
Department of Defence	DoD
Iziko Museums of South Africa	Iziko
Castle Military Museum Foundation	CMMF
Regional Works Unit Western Cape	RWC
Camissa Museum	Camissa
Cape Muslim and Slave Heritage Museum	CMSHM

The Executive Authority responsible for the Castle Control Board is the Minister of Defence and Military Veterans. All departments and public entities under the control of the Minister are related parties.

Related party balances

Department of Defence

Unconditional grant	382 537	482 652
Bakhuis	3 600	-

Related party transactions

Interest paid to (received from) related parties

Iziko	39 858	-
ASB	76	-
Bakhuis	41 100	-
CMSHM	8 000	-

SANDF

Staff salaries	1 281 285	1 458 124
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Department of Defence

Services in-kind	323 215	293 832
Unconditional grant	5 500 000	4 900 000

During the 2021/22 financial period, the CCB received R 5,5 million from the DoD. The unconditional grant was to assist the CCB in funding its operational requirements owing to the adverse effects of COVID-19 on revenue generation.

The South African National Defence Force has seconded military personnel to assist with the Castle Military Museum. The SANDF carries the cost for the seconded personnel.

The CMMF is an inter vivos trust established by the Castle Military Museum as a fundraising vehicle for the continuing support of the museum. The museum acts as a custodian for all artefacts acquired through the foundation.

ASB, Bakhuis and RWC are under the control of the Minister of Defence and Military Veterans and therefore related parties to the CCB.

Iziko Museums is a national public entity that manages the William Fehr Collection housed at the Castle of Good Hope.

Camissa has a museum at the Castle of Good Hope. The CCB CEO is a Board member of Camissa Museum.

CMSHM has an agreement with the CCB to manage certain exhibition spaces at the Castle of Good Hope.

	Opening balance	Received during the year	Utilised	Closing balance
COVID-19 relief grant	482 652	5 500 000	(5 600 115)	382 537

Remuneration of management



Castle Control Board

Annual Financial Statements for the year ended 31 March 2022

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Figures in Rand

23. Related parties (continued)

Management class: Executive management

2022

Name	Basic salary	Total
Mr. Calvyn Giffellan - CEO	1 109 699	1 109 699
Mr. Mandla Ngewu - CFO	902 320	902 320
	2 012 019	2 012 019

2021

Name	Basic salary	Total
Mr. Calvyn Giffellan - CEO	1 183 537	1 183 537
Mr Mandla Ngewu - CFO	931 811	931 811
	2 115 348	2 115 348

The Chief Executive Officer and the Chief Financial Officer are key management personnel of the Castle Control Board.

Castle Control Board

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Notes to the Annual Financial Statements

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24. Audit and Risk Committee fees

Audit and Risk Committee members were remunerated for attending audit and risk committee meetings as they are not employed by the state.

Non-executive

2022

	Committees fees	Total
Adv. D. Mitchell	12 951	12 951
Ms C. de Vries	7 857	7 857
Adv. J. Niekerk	7 857	7 857
	28 665	28 665

2021

	Committees fees	Total
Adv. D. Mitchell	17 268	17 268
Ms C. de Vries	10 476	10 476
Adv. J. Niekerk	2 619	2 619
	30 363	30 363

25. Risk management

Financial risk management

The Accounting Officer has overall responsibility for the establishment and oversight of the CCB's risk management framework. The CCB's risk management policies are established to identify and analyse the risks faced by the CCB, to set appropriate risk limits and controls and to monitor risks and adherence to limits.

Due to the largely non-trading nature of activities and the way in which they are financed, public entities are not exposed to the degree of financial risk faced by business entities. Financial instruments play a much more limited role in creating or changing risks. Generally, financial assets and liabilities are generated by day-to-day operational activities and are not held to manage the risks facing the CCB in undertaking its activities.

The Board monitors and manages the financial risks relating to the operations through internal policies and procedures. These risks include liquidity risk, credit risk and market risk. Internal Auditors were appointed during the last quarter of the 2021/22 financial period. Thus, the internal auditors did not review compliance with policies and procedures during the 2021/22 financial period. The Audit and Risk Committee performed a high level review of compliance with policies and procedures on a continuous basis. The external auditors perform an annual review.

The CCB does not enter into or trade financial instruments for speculative purposes.



Castle Control Board

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25. Risk management (continued)

Liquidity risk

The CCB's approach to managing liquidity is to ensure that, as far as possible, it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the CCB's reputation. Liabilities are managed by ensuring that all contractual payments are met on a timeous basis and, if required, additional new arrangements are established at competitive rates to ensure that cash flow requirements are met. Cash flows, forecasts and budgets are monitored continuously.

The following tables detail the CCB's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the CCB can be required to pay. The table includes both interest and principal cash flows.

Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

31 March 2022	Less than 1 year	1 - 2 years	2 - 5 years	More than 5 years	Total
Payables from exchange transactions	361 137	-	-	-	361 137
31 March 2021	Less than 1 year	1 - 2 years	2 - 5 years	More than 5 years	Total
Payables from exchange transactions	277 354	-	-	-	277 354

Credit risk

Credit risk is mitigated by the fact that the CCB only deposits cash surpluses with major banks of high credit standing. The maximum exposure to credit risk at the reporting date is the bank balances and trade receivables as disclosed in the Statement Financial Position. The table below shows the credit rating and balances of the banks used by the CCB.

The CCB establishes an allowance for impairment that represents its estimate of anticipated losses in respect of trade and other receivables. Management continuously assesses the quality of debtors by analysing the payment history and the debtors' ability to settle due accounts.

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

Financial instrument	2022	2021
Receivables from exchange transactions	126 018	7 969
Bank, cash and cash equivalents	3 486 496	1 014 792
Staff loans	3 500	2 000
Maximum credit and interest rate exposure	3 696 014	1 024 761

Market risk

The CCB's activities expose it primarily to the the financial risks of changes in interest rates. No formal policy exists to hedge volatilities in the interest rate.

There has been no changes to the CCB's exposure to market risks or the manner in which the CCB manages and measures the risk.

Castle Control Board

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25. Risk management (continued)

Interest rate risk

Interest rate risk is defined as the risk that the fair value or future cash flows associated with a financial instrument will fluctuate as a result of market interest changes.

Potential concentrations of interest rate risk consist mainly of variable rate deposit investments, consumer debtors, other debtors, bank and cash balances.

The CCB limits its counterparty exposures by only dealing with Absa Bank. No investments with a tenure exceeding twelve months are made. The CCB is not exposed to credit interest rate risk as it does not have borrowings.

The CCB is exposed to interest rate risk on 31 March 2022 due to the significant investment balance which attracts interest.

The following balances are exposed to interest rate fluctuations

Cash and cash equivalents (excluding cash on hand)	3 486 496	1 014 792
--	-----------	-----------

Potential effect, which is based on management's assessment of the potential interest rate spread during the next financial year based on current market conditions, of changes in interest rate on the surplus and deficit for the year:

1% (2021 -1%) increase in interest rates	34 865	10 148
1% (2021 - 1%) decrease in interest rates	(34 865)	(10 148)

26. Going concern

Management considered the following matters relating to the going concern:

- The three year Medium Term Revenue and Expenditure Framework to support ongoing delivery of services to the public reflected that the CCB has adequate financial resources to meet its budget obligations for the FY 2022/23.
- The CCB critically analyses its budget prior to the Board's approval to align with expected revenue projections.
- The Department of Defence injected R5.5 million in COVID -19 relief funding, thus improving the cash flows of the CCB during the 2021/22 financial period.
- The DoD has further allocated R6.0 million to the CCB for the 2022/23 financial period. The relief funding will augment the anticipated revenue and alleviate financial pressures on the CCB.

Taking all these factors into account the CCB has access to financial resources to allow it to continue its operations into the foreseeable future. Thus, the annual financial statements have been prepared on the going concern basis.

27. Fruitless and wasteful expenditure

The Board is satisfied that no fruitless and wasteful expenditure was incurred during the year under review, nor in the previous financial year.

28. Irregular expenditure

Opening balance as previously reported	939 746	-
Opening balance as restated	939 746	-
Add: Irregular Expenditure - current	37 885	749 343
Add: Irregular Expenditure - prior period	38 236	190 403
Less: Amount condoned	(939 746)	-
Closing balance	76 121	939 746



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2022

2021

28. Irregular expenditure (continued)

Incidents/cases identified in the current year include those listed below:

Amounts written-off

After the Board investigations, a resolution was adopted to write-off irregular expenditure of R 939 746 incurred in the prior year. The Board was satisfied that the CCB did not suffer any loss. The Board was satisfied that there was value for money and the processes were free of fraudulent, corrupt or criminal conduct.

The processes undertaken by the Board, which culminated in writing off the irregular expenditure, were communicated to National Treasury.

Current year irregular expenditure

The CCB extended contracts without informing the National Treasury. The value of extended contracts exceeds 15% of the initial contract value. The CCB asserts that in extending these contracts there was value for money, no losses were incurred and the process was free of fraudulent, corrupt or criminal conduct. The current irregular expenditure emanates from contracts deemed irregular by the AGSA in the prior year. These contracts have run their term, and new contracts are in place. The irregular expenditure is R 38 236.

The CCB procured legal services from a service provider that is not registered on the National Treasury's Central Supplier database. The irregular expenditure amounts to R 23 600.

Services were procured from a service provider without obtaining three quotations. The irregular expenditure amounts to R 13 984.

CCB procured items of personal protective equipment (PPE) at prices that were higher than the recommended prices set by National Treasury for procurement of PPE. The irregular expenditure amounts to R 301.

29. Budget differences

Material differences between budget and actual amounts

The CCB had an approved budget of R 9.43 million for the 2021/22 financial period. Material variances between the budget and actual expenditure are explained underneath:

Castle Control Board

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29. Budget differences (continued)

Ref: 29.1 - The COVID-19 restrictions negatively impacted the revenue-generating capacity of the CCB. The number of tourists visiting the site is slowly improving but is not at the pre-COVID-19 levels.

The site has experienced a significant increase in low-risk events such as filming.

Other outdoor events are still subject to restrictions in the number of patrons allowed to attend.

It was anticipated that the CCB would be able to have significant interest-bearing investments.

Ref: 29.2 - The CCB will incorporate services in-kind in its September 2022/23 adjustments budget.

Ref: 29.3 - The budget includes the Events and Marketing managers' positions. However, these positions are still vacant.

Ref: 29.4 - The CCB budget for depreciation and amortisation will be adjusted during the September 2023 budget adjustments.

Ref: 29.5 - The Internal Auditors were appointed in the last quarter of the financial year. There was no expenditure on this line item during the year under review.

Ref: 29.6 - Cool drinks and snacks sold through the curio shop due to the restaurant's closure.

Ref: 29.7 - The savings in general expenses is due to the CCB efficiently managing the available resources.

30. BBBEE Performance

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

31. Subsequent events

An employee's computer laptop was stolen in June 2022. This event does not have an adjusting effect on the annual financial statements.

32. Commitments

The Board is satisfied that the CCB does not have any capital commitments.

33. Contingent liabilities

The Board is satisfied that there are no contingent liabilities.

CASTLE CONTROL BOARD MEMBERS



From left to right: Top row: Mr C Gilfellan (CEO), Dr B Ndhlovu, Ms C Koch
 2nd row: Mr D Mitchell, Lt Genl J Mbuli (Chairperon) Mr B Mwasinga
 3rd row: Mr M Ngewu (CFO), Ms A Aggenbach, Col P Mchunu, Mr J-L Moolman
 4th row: Mr D Hart, Ms J-A Niekerk (ARC), Ms C de Vries (ARC), Mr D Williams

CASTLE CONTROL BOARD STAFF MEMBERS





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